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Ministry of Education



Powering up Finnish cultural exports

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Summary

Vision 2011

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Cultural exports have grown into a recognised part of Finnish exports. Their value has at least tripled, and the creative industries have diversified the industrial structure in Finland and bolstered employment. Culture is a clearly stronger element in the image and brand of Finland. The welfare of individuals and groups working within culture has improved owing to exportation.

Artists and the art and culture sector

A strong cultural foundation and professional business activities and exportation facilitate the international success of cultural business and artists. Increased international cultural cooperation and interaction generate new cultural partnerships and enrich culture and consolidate its status in Finland.

Export promoters

The structures for cultural exportation have become stronger, and the art and culture sectors are on a par with other export sectors. The knowledge base concerning the art and culture sector and exportation know-how has improved among export promoters. The promoters have stepped up cooperation amongst themselves, which generates added value to all stakeholders.

Society

The growth in cultural exportation has strengthened the creative core of society and improved Finland's chances of success in global competition. Creativity is to the fore on a broad front in business and in society, and the potential in the creative industries is utilised in different sectors, such as tourism. The intensified cultural exportation has boosted employment in the creative industries.

This proposal for a programme promoting cultural exportation (Export Promotion Programme) was devised in collaboration between ministries and stakeholders in the cultural field in 2006 and 2007. An exportation strategy has been created for each branch of cultural industry by the respective art information centre or a corresponding body in each branch. The promotion of cultural exportation is seen as a continuing process, which highlights seamless cooperation between cultural industries and public administration.

The aim of the programme is to raise the creative and cultural industries on a par with others as a recognised exportation sector. Success entails continued commitment to the project on the part of the cultural industries. The task for the ministries is to create conditions conducive to the growth of cultural exportation. Success in exportation entails organised business activities. Cultural exportation will primarily have recourse to the existing structures and forms of support, which requires a major change in the ways of thinking and action both in the cultural industries and amongst export promoters.

Cultural exportation is based on robust national knowledge in the different sectors of culture. Finland has invested substantially in this knowledge base. The renewal of culture requires constant international interaction from the industries. The creative industries and their growth and internationalisation are crucial for the renewal of the Finnish industrial structure and for employment. The development of cultural exportation will promote and facilitate Finland's success in international competition.

Development goals in cultural exportation

By implementing the Export Promotion Programme, the public administration and the industries will directly and indirectly effect a significant increase in cultural exportation. With a view to realising this vision, the Export Promotion Programme is based on the following precepts and priorities:

- Culture will have a stronger status as a pillar of national welfare and success.
- Cultural exportation, comprising both commercial and non-commercial activities, will be developed across the board. Cultural cooperation and exchanges constitute a part of cultural exportation.
- Business activities in the art and culture sector will develop, grow and internationalise.
- The cultural exportation structures and the know-how and knowledge base of export promoters will strengthen.
- Internationally Finland is known for her culture in particular.
- The ministries and industries will develop cultural exportation in close cooperation.

Development targets and actions

Development in cultural exportation will be geared to

- enhance cultural business
- build up clusters and networks of particular relevance to exportation
- advance international marketing and promotion
- enhance cultural exportation structures and knowledge base
- promote international cultural cooperation and exchanges
- create a competitive legislative framework for cultural exportation.

Success in developing cultural exportation entails that the financing and infrastructure in art and culture is strengthened. The Export Promotion Programme will primarily make use of existing structures and forms of support. The forms of implementation include the following in particular:

- programmes geared, for example, to enhance business know-how, to support internationalisation and to target advisory and development services to creative industries and in-service training
- project funding in support of product development and demo productions, for participation in export fairs and events, and for the development of international marketing and promotion
- export circles in support of the internationalisation of industries and corporate groups and their exports
- joint projects and training enhancing exportation know-how in the industries and equipping companies and professionals with skills needed in international operations
- industry-specific surveys and statistics to extend the knowledge base concerning the industries and cultural exportation
- development of a cultural exportation network
- a support system promoting art and culture.

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1 Introduction

This proposal for a programme promoting cultural exportation (Export Promotion Programme) 2007–2011 forms part of the national implementation of the competitiveness targets set out in the Lisbon strategy. The Export Promotion Programme puts forward a significant set of measures for enhancing the creative economy in Finland. It is linked to the Government's globalisation strategy and to creative economy strategies and programmes, such as the programme for developing entrepreneurship in the creative industries, development by means of European Structural Fund (ESF) programmes, and the enhancement of the knowledge base in cultural industries. Together with these, the Programme constitutes a set of mutually complementary strategies and actions. The operational basis for cultural exportation will be provided through sufficient core funding for the art and culture sector and through the development of exportation.

The development measures underway in Finland and other countries form part of preparations for the ongoing fundamental change in the economic and production structures. In advanced countries, the service industries and immaterial production, including the cultural industries, constitute a constantly growing proportion of the GDP, value added and work force. In the EU countries, services already make up nearly four fifths of their GDPs and of the value of trade amongst them.

Response to the challenge of change and full use of the opportunities inherent in it entail the use of cultural, industrial and exportation policy measures, as well as reassessment of the policy objectives in them with a view to securing competitiveness. The global growth of the creative industries is a fact, and Finland has what it takes to benefit from the growth. However, realising the growth potential requires determined action and entails making the industries a strategic development object. In responding to the challenges and opportunities of the global economy, the policy must be proactive, not reactive. The challenge in development and in the monitoring of its results is that there is little, if any, statistical data on cultural industry exportation.

The Export Promotion Programme covers the art and culture sector as a whole¹. The programme is open and cross-sectoral by nature. Its implementation involves all the stakeholders represented in the Committee devising it. The programme is not a monolith but rests on a decentralised, networked procedure in which each party deals with the

¹ The coverage of the Programme corresponds to the classification of cultural sectors defined in the publication *The Value of Culture* (Ministry of Education publications 2006:35), which in turn is largely the same as the classification used by Statistics Finland. In the publication, the art and culture sector is seen to comprise four main groups: art and cultural heritage, mass media, design and advertising, and entertainment.

actions determined in the programme as its remit. It is a process that has already begun to implement itself. Although a major challenge for coordination, the networked procedure makes the programme elastic and enlists the expertise of each stakeholder. It would have been impossible to devise a networked model unless all the members of the Committee and all the industries had shared the same strong aspiration.

In drafting the Export Promotion Programme, the Committee invited a number of organisations as strategic partners: art information centres (Finnish Literature Information Centre, Finnish Fund for Art Exchange FRAME, Design Forum Finland, Finnish Music Information Centre, Finnish Circus Information Centre, Finnish Dance Information Centre, Theatre Information Centre) and corresponding agencies mainly financed from public funds or with membership fees (Finnish Film Foundation, Neogames and Finnish Museums Association). These were to devise exportation strategies for their sectors. The strategic partners will have an important role in the implementation of the Export Promotion Programme as sectoral experts and organisations and as implementers of the field-specific strategies. The Programme includes measures for enhancing their exportation expertise and operational capacity. The same applies to industry-specific organisations promoting exportation, which already have exportation strategies of their own, such as MUSEX, FAVEX, Finanimation and the association of Finnish gallerists.

In the financing of the programme, the contribution of parties implementing Structural Fund programmes and organisations promoting exportation and business activities play a decisive role. In practice only the Ministry of Education and Culture has an appropriation earmarked for promoting cultural exportation. Other ministries have appropriations from which they can finance the implementation of the Export Promotion Programme and other projects. Additionally, TEKES appropriations and Structural Fund funds in particular are allocated to extensive projects geared to develop entrepreneurship and business, which also include measures determined in the Export Promotion Programme. Cultural industry enterprises must compete with other industries for these appropriations. Aims corresponding to those in the Export Promotion Programme have already been, or will be, recorded in TEKES and Structural Fund programmes. In line with the assignment of the Committee, the idea in these programmes is to put the cultural industries on an equal basis with other exportation sectors. Overall, the resources to be channelled to the implementation of the Export Promotion Programme between 2007 and 2011 are expected to be around 228 million euros, which is an increase of only some 64 million euros to the present level of funding and will mean an additional input of 13–16 million euros annually. Owing to the nature of TEKES investments, its contribution is not included in these figures.

2 What is cultural exportation?

Thanks to recent debate, concepts concerning cultural exportation are gaining a precise meaning both in principle and in practical terms. In the globalising world, the status of culture is highlighted in many ways, while its role is more and more multifaceted. As a result, there are diverse opinions as to the potential and significance of cultural exportation. There are a number of parallel and partly overlapping concepts in use, partly owing to different traditions and different usages.

The report *Do Finnish Cultural Exports Have Staying Power?*² by Hannele Koivunen starts with a broad definition, according to which cultural exportation should be seen as exchange of cultural meanings from one cultural sphere to another, above all comprising interaction and cooperation processes. According to Koivunen: “The new definition of cultural exportation covers interaction potential and needs in an ever globalising world. The model, which before was solely based on the idea of exportation, has evolved into inter-cultural partnership, in which products and productions are reciprocally imported from and to cultures.” The definition covers both commercial and non-profit cultural production, both of which are important in strengthening the value chain in cultural exportation. One avenue worth taking is to develop cultural products for tourism purposes.

The relationship between culture and the economy was analysed in a review commissioned by TEKES called *Kulttuuriviennin liiketoimintamallit* (Business models in Finnish cultural exports; TEKES 2006)³. According to the report, cultural activities cover production based on meanings, that is, basically all of human civilisation. The concept of ‘art and culture sector’ in turn covers traditional art and culture, from a single creative event to distribution. A parallel concept ‘creative industries’ is increasingly used in debate, taking it closer to the fundamental ideas of copyright industry.

In the United States in the 1900s, the rapid rise of the entertainment sector led to a new concept and coinage ‘entertainment industry’. A term also frequently used is ‘cultural industry’ – in distinction from autonomous art – which is based on the reproducibility of a cultural commodity. The concept of ‘content production’ is of a later date. It is based on the new ways of producing, recording and distributing culture in a digital format. This has expanded into talk about content business, immaterial rights, and experiential economy, production and industries.

² Hannele Koivunen: *Do Finnish Cultural Exports Have Staying Power?* Publications of the Ministry of Education 2004:22.

³ *Delicate Services Oy, Markus Leikola - Päivikki Leroux, May 2006, TEKES.*

In Sweden the term used is *upplevelseindustri* (experiential industry), which denotes a broad concept and includes tourism.

The different sectors of culture use different business models and earnings logic. A business model is the whole process and manner of running business. Earnings logic in turn describes who pays, for what and why.

In practice, these approaches, overlappings and circumscriptions vary greatly from sector to sector. In today's international business, the definition of exportation is neither straightforward nor unambiguous. There are several areas of cultural production in which international cooperation is a routine way of working. On the other hand, an important part of culture does not avail itself for exportation, nor is it intended to be exported.

The TEKES report suggests the following: "Instead of exportation, it would be simpler to speak more broadly of internationalisation. It is understood as the internationalisation of all the different dimensions and processes of business, not only as the movement of end products, commodities and rights sold or licensed across borders. Nonetheless, in the formulation of a national cultural exportation strategy, it is important to measure inputs and outputs and therefore it is justified to speak of cultural exportation in a more limited sense when the beginning – the stage in the value chain focusing on production – is chiefly in Finland and/or in Finnish ownership. Drawing the line is, however, difficult and must be done case by case".

More important than a detailed definition is the practical task of getting the development of exportability off to a good start in different clusters. The routes this development takes are naturally very different in different sectors of culture.

According to the business models report, the process towards exportability can be described by means of a six-stage road map. The point of departure is to build the identity of the sector as an underpinning on which spearhead companies can achieve business maturity. What is additionally needed is to ensure sufficient knowledge of the market, to find the right distribution routes and to create an earnings logic. Only when this foundation is in place is it possible to start to internationalise. The first step is to create internationalisation strategies for the spearhead companies and clusters and, based on them, to start operative action abroad. The work starts with fact-finding and project creation and gradually moves on to setting up operations.

The development process is the most straightforward in sectors in which packaging and distribution are largely digital. In more traditional forms of art, the applications and development routes are more complex and meandering, as the sectoral exportation strategies show. The work done within the Committee has helped to gain a clearer picture of the starting point, aims and development work.

3 International cultural market

The cultural market has been growing more rapidly than the economy overall for a long time. According to a Commission study (2006)⁴, the turnover of the cultural industries in the EU was 654 billion euros in 2003 and 2.6% of the EU GDP. The value added generated by the sector grew by 19.7% from 1999 to 2003, which was 12.3% faster than overall economic growth.

In Finland the GDP share of the cultural industries was 3.8% in 2003, according to 2005 cultural statistics. The work force in them in 2003 was around 85,900, which makes some 4% of all the employed. The value added in the copyright industries, the “core” cultural industry sector, was over 5.2 billion euros in 2002, amounting to 4.3% of the value added in the whole national economy. There were a total of 14,500 enterprises working in the art and culture sector in 2004; this represents some 6% of all the businesses in Finland.

To date, key figures on the significance of the art and culture sector in the national economy have been available only at a general level, but these indicate a considerable economic significance. EU figures point to an economic growth and growth potential in the sectors. It is justified to assume that the global growth is at least as rapid as in the EU.

Save for a few exceptions, Finnish cultural industry enterprises and operators have not been able to benefit from the growth. This is due to the extreme concentration of international distribution, the small language area and the constraints of the domestic market. Cultural exportation has lacked supporting structures and a development propelling strategy. Export businesses have been left to their own devices. Unlike other countries, Finland has not supported cultural exportation by decisive policy action⁵.

International demand for cultural products and services is growing rapidly, and technologies are changing the paradigms of demand and supply in many sectors, and thereby their earnings logic. Although it is not probable that the market structure in the sectors with the largest turnovers, such as literature, film, music and games, would undergo revolutionary changes during the implementation of the Export Promotion Programme, it is foreseeable that there will be new opportunities for many, or even all, of these sectors. Technologies are changing the distribution of cultural products and services in particular. Seizing the opportunity will entail in-depth knowledge of the market, clear, efficacious structures in support of cultural exportation and adequate public input and investment.

⁴ Economy of Culture in Europe: Study prepared for the European Commission, October 2006.

⁵ The report *Do Finnish Cultural Exports Have Staying Power* by Hannele Koivunen includes a brief look at measures taken by a number of other countries to promote cultural exportation.

Along with the 'draw' of the international market, the small domestic market exerts 'push' on the creative potential in our country. Cultural products and services make up 5.6% of the overall spending of Finnish households. This is the third highest figure in the EU. There is little room for growth in the domestic market from the present level, and not even extremely active use of domestic cultural services in the various forms of art will make for profitable business. What is needed is exportation.

This is often a vicious circle: there is confirmed international demand, but no resources to start responding to it. Hence, good opportunities are missed because of lack of initial investment. Examples of this abound in many forms of art. Growth is thwarted in the bud. This is waste in terms of both culture and the national economy.

Each form of art has its own earnings logic. In pictorial art it generally involves selling the work, in dance and theatre selling the performance, in music and film selling a recording, etc. However, the earnings logic develops with changes in the market. For instance the Swedish Theatre in Helsinki has been successful in selling the concept of a performance, and in music more and more bands reach a point where they can supplement the income from record sales by selling performances, i.e. by touring, and by selling promotional products and merchandise. The projected development of support measures will accommodate the earnings logic of different sectors, as well as the potential inherent in the changing market for developing new earnings logic.

The sale of cultural services will increasingly be sale of rights. Copyright will grow in importance as the underpinning of the economy of culture. Adequate protection of copyright is crucial for the development of the creative economy as a whole, as well as for individual artists.

4 Development goals in cultural exportation

The Committee has the following future vision of cultural exportation: Cultural exports have grown into a recognised part of Finnish export. The value of cultural exportation has at least tripled and the creative industries have strengthened the industrial structure in Finland. Culture is a clearly stronger element in the image and brand of Finland. The welfare of individuals and groups working within culture has improved owing to larger exports.

The vision will be realised through the following strategic objectives:

Culture will gain a stronger status as the foundation of national welfare and success.

Culture and art are at the core of the creative economy, and the utilisation of them is the basis for immaterial production. The development of the creative industries and internationalisation will improve the national innovation environment, the economy and citizens' life satisfaction. This in turn will strengthen culture and art and their funding base.

Cultural exportation will be developed across the board, covering both commercial and non-commercial activities.

The development actions cover the whole cultural field.

Business in the cultural industries will develop, grow and internationalise.

Experience has shown that international success requires breakthroughs by one or some spearhead operators. Forerunners create success stories and draw others in their slipstream. The primary goal of the Export Promotion Programme is to facilitate such breakthroughs. International success entails a high-quality product or service, high-standard business know-how, and command of the whole value chain. The development of business know-how is a key element in efforts to increase cultural exportation.

The cultural exportation structures and export promoters' competencies and knowledge base will improve.

The knowledge base concerning cultural industries will be enhanced by means of a satellite accounts system⁶ linked to the national system of accounts, which will enable the significance of the industries in, and their contribution to, the national economy to be systematically monitored. This will upgrade export promoters' knowledge about the internationalisation and exportation potential of the industries and improve the efficiency of measures. The knowledge base will be strengthened by means of research and surveys on exportation and its prerequisites and through better information about the market. The structures of cultural exportation will be developed industry by industry and through measures integrating the existing structures and systems (e.g. Finpro, internationalisation services provided by the Employment and Economic Development Centres and TEKES) as an essential component into cultural exportation and its development.

Finland is recognised internationally for her culture in particular.

The success of a state is increasingly dependent on its ability to manage its brand. Distinctive, high-quality culture supplements the image of Finland – the brand of Finland – as a welfare society resting on world-class knowledge and know-how and on a strong innovation system.

The ministries and industries are developing cultural exportation in close cooperation.

There are a number of measures available for increasing cultural exportation. The Export Promotion Programme is implemented by several ministries and organisations promoting exportation and business. Their actions will be efficiently coordinated in order to maximise impact and raise cultural exportation on a par with other export industries.

⁶ Satellite accounting means a system of accounts, linked to the System of National Accounts (SNA), on the financial flows and reserves of a particular field. The phenomenon measured may be within the SNA (e.g. tourism satellite) or outside it (e.g. household satellite account). It is a data system on financial transactions, which in principle can be broadened from describing the overall supply and demand of cultural products and services to describing the structures and trends in different cultural sectors, all the way to indicators measuring outputs and employment and to indirect effects of culture.

5 Development targets in cultural exportation

In the Export Promotion Programme, the development targets fall into six categories:

- 1 business development in the art and culture sector
- 2 enhancement of clusters and networks central to exportation
- 3 international marketing and promotion
- 4 consolidation of structures and the knowledge base in cultural exportation
- 5 development of international cultural cooperation and exchanges, and
- 6 a legislative environment conducive to competitive cultural exportation.

Overall, the cultural exportation structures are slender and knowledge and competencies often diffuse. Owing to such structural reasons, the total volume of exportation has not reached a level warranted by the creative capacity in Finland, despite certain success stories. There is great variation between exportation volumes in different cultural industries. Further, in certain sectors exportation rests, and will rest, on non-commercial interests. The key aim in this kind of exportation is not so much to make business as to make Finnish culture known and to arouse interest in Finland and Finnishness.

Examined by sectors, international operations and exportation vary greatly although the challenges and objectives regarding exportability and growth of exportation are similar. The structures, markets and exportation forms differ to such an extent that world-class export competencies entail robust sector specific knowledge of internationalisation and exportation accompanied with the ability to manage international contacts and networks.

Business development in the art and culture sector covers both new, innovative enterprises and more established enterprises, including the development of their exportation know-how and operations. The development is geared to create new business, enhance business know-how, support growth and internationalisation, and boost innovation. There are also large differences between the sectors in terms of doing business. These differences will be taken into account in the development measures.

Sectoral clusters and networks must be enhanced at both the national and international levels. The networks of the sectors and the public administration bodies

abroad must work towards the same goals in a mutually sustaining and supplementing manner. This entails developing the exportation know-how of the sectoral organisations, increasing the cultural exportation competencies and cooperation of Finnish missions, the Finpro offices and the Finnish cultural institutes abroad, and stepping up cooperation between the sectors in exportation.

International marketing and promotion regarding works, artists, enterprises and sectors will be built up qualitatively. Measures will be taken to integrate the network of Finland's representation and cultural and science institutes abroad more closely as a factor in the exportation of Finnish culture and to develop their marketing skills. Familiarity with the markets and skills in identifying target publics will be developed in collaboration with Finpro, the Finnish Tourist Board and sectoral organisations with a view to more effective marketing.

The cultural exportation structures will be strengthened by means of inter- or intra-sectoral exportation organisations, so-called export circles. The operators in the national innovation system and promoters of exportation and business will be integrated into the generation, development and internationalisation of business in the creative sectors. The monitoring of and statistics on the art and culture sector and its exportation will be developed by means of satellite accounts to be created for the sector.

The development of international cultural cooperation and exchanges is also important in terms of the Export Promotion Programme. Non-commercially motivated cooperation is one pillar of international activities in art and culture. It promotes international contacts and the mobility of artists and collections. It plays an important part in the development of Finland's image. The role and significance of cultural exchanges and cooperation, which vary from sector to sector, are crucial in the field of cultural heritage, for one.

With a view to a **competitive operational environment in cultural exportation**, measures will be taken to ensure that taxation practices are internationally competitive. As for copyright, efforts will be made to keep the copyright on a cultural product or service in the possession of its Finnish authors, in which case the copyright remunerations will also come to Finland. It is also important to see to it that exporting countries abide by the obligations of international copyright treaties and efficiently eradicate piracy. This can be achieved especially through multilateral cooperation conducted under the aegis of the World Intellectual Property Organisation WIPO and the World Trade Organisation WTO.

6 Measures

The measures designed to implement the Export Promotion Programme are informed by the exportation strategies devised for the different sectors. At the programme level, measures put forward in the strategies have been elaborated to form larger entities. The measures record the respective responsibilities of the ministries in the development of cultural exportation. The sectors have devised their own strategies and relevant spearhead projects and assessed the exportation potential of their fields. The task for the ministries and agencies subordinate to them is to create conditions conducive to the realisation of the sectoral exportation strategies and for the emergence of Finnish success stories in the international cultural market. The following table is a collection of measures that the Committee considers indispensable for raising the creative industries on a par with the other exportation industries and for translating Vision 2011 into reality.

The sums given in the Table are suggested input into the implementation of the Export Promotion Programme over the period 2007–2011. Funds to be allocated from appropriations not specifically earmarked for cultural exportation or the creative industries are rough estimates. If there are two or several parties responsible for the measure in question, the figure indicates their aggregate input. Owing to the specific nature of TEKES input, its financial contributions are not indicated in the Table. The sums in parentheses show the increase in resources needed to implement the Programme.

The total investment in the Export Promotion Programme is estimated to be around 228 million euros from 2007 to 2011, which represents an increase of only around 64 million to the present funding level and an additional investment of some 13 to 16 million euros annually. The figure does not contain the resources to be invested by TEKES through its technology programmes because it would be very difficult to produce a reliable estimate. In view of the fact that TEKES has already allocated some eight million euros through its Fenix programme to the creative industries, a rough estimate would put TEKES investment at several millions a year. The funds spent on the implementation should be seen as an investment in the diversification of the industrial and exportation structures, which will yield multiple return in the course of the implementation of the programme aims.

Business development will be achieved through input into the upgrading, growth and internationalisation of business know-how, into product development and innovation and into measures building up the production, distribution and agency strata.

The Ministry of Trade and Industry (current Ministry of Employment and the Economy) will use its sub-item earmarked for the production of development services to finance organisations promoting the growth and internationalisation of enterprises in the

creative industries. These organisations (e.g. Finnish Society for Crafts and Design, and Diges) develop and supply expert services to enterprises and promote the development of the sector and the creation of Finnish and international networks.

The Employment and Economic Development Centres offer development subsidy which enterprises can also use for projects relating to internationalisation. The subsidy is intended for SME development projects which improve products or production methods, managerial or marketing competencies, internationalisation or start-up or operational prerequisites. Funding can also be granted for joint projects relating to these aspects of enterprise to be undertaken by two or more SMEs.

TEKES finances R&D projects geared to generate international business in products or services. A tentative estimate would put the TEKES input into the implementation of the Export Promotion Programme at several million euros a year. In projects carried out by enterprises, the TEKES contribution usually covers around half of the costs. The form of financing is a loan or subsidy for product development projects; SMEs also receive subsidy for preparation and fact-finding projects. Through its programmes, TEKES targets funding to technologies which have potential for significant business in the future. About half of the projects funded by TEKES belong to some technology programme.

TEKES funding is always allocated to a development or fact-finding project and is only granted to an enterprise or a research institute. The product development funds are targeted to projects leading to a marketable product or service. The preparation subsidy can also be allocated for the development of business know-how and for internationalisation. Similarly, product development projects may include the development of relevant business know-how, such as market and competition surveys and legislative or technology analysis. In terms of the cultural industries, the most important TEKES technology programmes are the following:

- FENIX - Interactive Computing 2003–2007
 - Games and entertainment are one of the priorities: funding for games technology, animation, console and mobile games, among others
- As from 2007, games and entertainment (games technology, animation) constitute a theme of their own under the heading Verso - Vertical Software Solutions 2006–2010
 - The section “customer-sector-specific solutions in software business” is estimated to have a funding volume of 120 million euros over the period 2006–2010.
- The Tourism and Leisure Services 2006-2009 programme finances development of innovative customer-driven services and focuses on new service concepts, new ways of producing services and the creation of new spatial concepts, such as those utilising virtual technology. The programme covers tourism, well-being and cultural services. Its total volume is estimated to be around 19 million euros in 2006–2011.

The Ministry of Education has a cultural exportation appropriation from which it finances spearhead projects that also develop earnings logic, marketing, sale, and packaging, including the product development for cultural tourism. The appropriation can be allocated to sectoral organisations and consortia, as well as to enterprises and corresponding operators. In addition, production subsidy for domestic film should be increased to enable international distribution and marketing to be integrated into the production process from the outset. International examples show that distribution and marketing make up a significant share in the overall production budget of successful films. Public financing allocated for the purpose may make it easier to obtain other funding for distribution and marketing and thereby effectively promote film exportation.

The Ministry of Education has an extensive Structural Fund programme (Programme for business growth and internationalisation in creative industries), which implements the aims of Objective 1 and policy outlined by the ERDF. There are other Structural Fund programmes in the remit of the Ministry of Labour, the Ministry of Trade and Industry (these two have been merged into the current Ministry of Employment and the Economy) and the Ministry of the Interior or directly carried out by the regions, within which it is also possible to implement measures set out in the Export Promotion Programme. They include a programme providing advisory and development services geared to improve the business know-how of start-up and small and micro enterprises. This programme will offer business consultancy services, which proved valuable during the previous Structural Fund period, and expert services. Growth and internationalisation will be supported especially by means of business incubators. The aim is to create an instrument for business development and internationalisation in collaboration with other organisations implementing the Export Promotion Programme, as proposed in the business models report.

The Ministry for Foreign Affairs and its missions abroad finance spearhead projects on a discretionary basis when they serve the Ministry's overall political aims, cultural exportation and the creation of a Finland brand.

The creation of inter- and intra-sectoral clusters and the emergence of export circles will be promoted with a view to **stronger clusters and networks**.

The aim of the Ministry of Education is to increase operational subsidies to art information centres in order to enhance their exportation capacity in accordance with the sector-specific strategies.

Through its missions abroad, the Ministry for Foreign Affairs develops networks needed to utilise inter-sectoral projects in the host countries and brings over 200 cultural journalists and influential personages to Finland each year on study visits. The missions follow and report on development trends in the cultural market and the visibility of Finnish culture in different parts of the world.

The Ministry of Employment and the Economy has an appropriation for subsidising internationalisation projects carried out by business groups. These funds can be allocated to joint participation in fairs and exhibitions abroad, export circles, marketing research, market survey trips and other joint export promotion projects. To be eligible the project must involve at least four enterprises. The Ministry also grants general subsidy for the operational costs of the Music Export Finland Association. The aim is to extend the export circle funding to new export circles that fulfil the criteria. The Structural Fund programmes include measures for stepping up local and regional measures for enhancing exportation know-how.

International marketing and promotion will be enhanced through improved enterprise- and sector-specific marketing competencies and more effective support structures for cultural exportation. The Ministry of Education and the Ministry of Employment and the Economy will support the participation of sectoral organisations and enterprises in the leading international and other major export events and the arrangement of sale and promotion events in Finland. The Ministry for Foreign Affairs participates in export events through its expert network with the aim of using projects both politically and promoting cultural exportation and the Finland brand. Further, the Ministry of Education will continue developing a support network for cultural exportation together with all the stakeholders. The Ministry of Employment and the Economy will seek to increase the funds intended for marketing creative industry enterprises.

The units working abroad on a public administration basis or with public funding include Finland's missions, the cultural and science institutes and the offices of Finpro, TEKES and the Finnish Tourist Board. Other partners in the work are Finnish companies operating abroad and the various friendship societies and associations.

Finland's missions abroad maintain cultural relations and export Finnish culture. The units of Finnish representation, which number around 100, spend over two million euros and over 70 person years annually on cultural activities. This work is coordinated by the Foreign Office's Department for Communication and Culture in Helsinki. The cultural activities of the network of missions will be developed intensely to be ready to take responsibility for coordinating Finnish cultural exportation. The missions will see to it that the activities of Finnish operators in enhancing professional networks in each country are systematic and goal-oriented and do not overlap.

The Ministry of Education finances 16 cultural and scientific institutes operating abroad. Their purpose is to promote Finnish culture, art and research and advance long-term collaborative relations. They work as intermediaries between operators, key personages and opinion leaders in Finland and in their host countries. Finland's missions and institutes form part of the support network for cultural exportation abroad. Cooperation between these operators will be stepped up with a view to the implementation of the Export Promotion Programme.

The cultural exportation structures will be strengthened through the development of relevant knowledge and cooperation in the public administration. Since most of the funds used in developing business and promote exportation are not earmarked, care must be taken to cater sufficiently for the companies working within cultural exportation and their special needs. Special attention must be paid to developing competencies in order to ensure that companies have recourse to instruments geared towards business growth and internationalisation. What is needed in support of companies is consultants knowledgeable about the sector and the networks, as well as stronger expertise on the part of the administration and different support organisations.

Cultural exportation rests on cooperation between sector-specific expert networks and various public and private organisations and groupings. In further work it is important that all these work in parallel in the implementation of the programme.

The parties contributing to the implementation will together develop a system for coordination, monitoring and exchange of information relating to cultural exportation. The programme will be specified and revised when so indicated by the monitoring.

The Ministry of Education will carry on developing international cultural exchanges by securing financing for the basic structures and production of art and culture. Jointly with the Ministry for Foreign Affairs it will promote bilateral and multilateral cultural cooperation and exchanges. It will further step up cooperation with art academies and polytechnics, especially in enhancing artist and student mobility and promoting young professionals internationally.

The Ministry for Foreign Affairs will support cultural cooperation and exchanges as well as commercial exportation when these contribute to its overall objectives in each country.

The operational environment in cultural exportation will be developed through internationally competitive taxation of copyright remunerations. By means of the Structural Fund programmes, enterprises will be offered bespoke expert services in particular.

7 Follow-up and monitoring

The Committee proposes that the Government appoint a steering group to direct and monitor the action taken within Export Promotion Programme. Its composition is to represent the educational, foreign affairs and trade and industry sectors as well as the art and culture sector. Its remit would be to coordinate action by different stakeholders and update the sectoral strategies.

Since this Programme forms part of the overall effort to increase exports, the steering group will inform the Export Forum, a body appointed by the Ministry of Employment and the Economy to promote exportation and internationalisation and to act as a cooperation platform for authorities, organisations and companies.

The steering group will follow the development of core funding in the art and culture sector as well as progress in exportation.

| Development target | Measure | Responsible implementer ⁷ | Cost €1,000 2007-2011 |
|---------------------------------|--|--------------------------------------|-----------------------|
| Business development | | | |
| Business competencies | To develop a programme for advisory and development services for start-up, small & micro businesses (part of the development programme for the growth and internationalisation of creative industries) | OPM, TM, KTM (ESF, ERDF) | 70,000 ⁸ |
| Growth and internationalisation | To develop a development programme for the growth and internationalisation of creative industries | OPM, KTM (ESF, ERDF) | 40,000 (20,000) |
| | To provide continuing education on internationalisation for businesses /professionals | OPM, KTM (ESF) | |
| | To provide exportation subsidy for spearhead projects | OPM, KTM, UM | |
| | To improve the exportation support schemes for businesses in the sector | KTM, TEKES | |
| | To promote the creation of international productions and procure more international financing | KTM, OPM | |
| | To increase the subsidy for domestic film production (distribution and marketing) | OPM | |

⁷ OPM = Ministry of Education; TM = Ministry of Labour; KTM = Ministry of Trade and Industry; UM = Ministry for Foreign Affairs; VM = Ministry of Finance

⁸ This sum is an estimate of all funding channelled through structural funds (ESF and ERDF) to the implementation of the Export Promotion Programme during 2007-2011, including national funding shares.

| | | | |
|--|--|--|------------------|
| Product development and innovation | To make available funding for product development and demo production | OPM, TEKES | 4,000 (1,600) |
| | To develop cultural products for tourism purposes | Finnish Tourist Board, OPM, KTM (ESF, ERDF) | |
| The production, distribution and agency strata | To develop marketing, sales, and earnings logic | OPM, KTM, TEKES | 2,000 |
| | State subsidies allocated by the Ministry of Employment and the Economy | KTM | 4,500 (3,500) |
| Stronger clusters and networks | | | |
| Industry-specific and cross-sectoral clusters | To enhance the exportation know-how and capacity of art information centres and industry organisations | OPM | 17,000 (8,500) |
| | To undertake joint industry projects geared to increase exportation know-how | OPM, KTM, UM OPM, TM, KTM (ESF, ERDF) | 1,000 (1,000) |
| Export circles | To support local and regional measures for increasing exportation know-how | KTM | 5,000 (2,000) |
| | To provide funding for export circles | | |
| International marketing and promotion | | | |
| Company- and industry-specific marketing and promotion | To support participation in exportation events | OPM, KTM, UM KTM, UM | 9,500 1,000 |
| | To support large-scale exportation events | KTM, OPM | 500 (500) |
| | To support the organisation of exportation and sales events | | |

| | | | |
|---|--|--|-----------------|
| Support structures | To develop support network for cultural exportation | OPM, UM | 1,000 (500) |
| | To develop the activities and exportation know-how of Finnish cultural institutes abroad | OPM | 30,000 (5,500) |
| | To develop cooperation in cultural exportation between Finnish embassies and cultural institutions | OPM, UM | |
| | To develop marketing and communications in cultural exportation | OPM, KTM ESF | |
| | To support the development of companies | KTM | 2,500 |
| Cultural exportation structures | | | |
| Exportation know-how and cooperation within public administration | To organise systematic information exchange; coordinate and monitor actions taken within the Promotion Programme | All parties | |
| Knowledge about the industries and their exportation | To develop a satellite account system for the cultural industries | OPM | 250 |
| International cultural cooperation and exchange | | | |
| International cultural cooperation and exchange | To promote non-profit bilateral and multilateral cultural cooperation and exchange | OPM, UM | 30,000 (11,000) |
| | To promote new, especially young, talents in cooperation with art universities and polytechnics | OPM | 250 (250) |
| | To safeguard the basic infrastructures and funding for art and culture | OPM | |
| | To promote the mobility of artists and students in the field | OPM, Arts Council of Finland, CIMO | 2,000 (2,000) |
| Operational environment of cultural exportation | | | |
| Internationally competitive taxation | To develop taxation in the sector | OPM, VM | |

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- 39 State Support for Digital Content Creation in Finland; Evaluation of the DigiDemo Programme in 2003–2006

* Ei painettu, vain verkossa

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