DEVELOPING CULTURAL AND CREATIVE INDUSTRIES IN ARMENIA

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1. EXECUTIVE SUMMARY

The Cultural and Creative Industries (CCIs) have been recognised by the EU and integrated into its policy documents and programmes for more than a decade. This report provides a bird's-eye view of the cultural and creative industries sector in the six countries of the EU-Eastern Partnership: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, but most importantly, it provides country-specific view on challenges and tailored recommendations for Armenia's CCIs.

Armenia's main general opportunities include:	Armenia's main general challenges include:
> Strong ICT community, software and games development are among the fastest growing sectors. > From Armenian vast worldwide diaspora some are actively engaged in investing into Armenia's development, including educational, social and cultural projects. > Wide use of internet and enabling state policy for ICT provides supportive environment for creative economy development. > International tourism is steadily growing and the strategic role of cultural heritage and contemporary culture and creativity has been recognised.	> Armenia's economy is highly dependent on external sources, CCIs development relies a great deal from international donors and investments from diaspora. > Lack of cooperation between academia, R&D centres and industry hinders innovation and business development. > Deficient tourism infrastructure and hospitality skills are hindering tourism development. > Complex regional and cross-border mobility due to enduring conflicts with neighbours prevents potential synergies in the CCIs and tourism fields.

Specific Opportunities and Challenges

1. Recognising CCIs' transversal character in Armenia

Opportunities	Challenges
> Cultural policy is increasingly encouraging public-private management models and market orientation for cultural products and institutions. > Intention to promote businesses associated with cultural heritage and tourism (included in the 2014 culture programme). > Developing UNESCO Culture for Development Indicators in view of monitoring the sector's impacts.	> CCIs are underexposed and not recognised in the government's export-led industrial strategy. > Absence of a road map and inter-ministerial strategy towards the development of creative industries and management-orientated cultural system. > Ministry of Culture endures a centralised patronising role towards culture policy and management. > Lack of accessibility and participation in the field of culture among general population. > Lack of synergies between ICT and wider creative communities.

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2. Setting up participatory policies and platforms

Opportunities	Challenges
> Openness for dialogue among the government and the sector professionals.	> Policy-making still lacks transparency and a systematic participatory approach. > Rather weak civil society and lack of joint collective organisation within the CCIs. > Professional unions are not well adapted to new market rules and cultural management logics.

3. Building on emerging creative hubs

Opportunities	Challenges
> Emergence of new venues for business development in Yerevan and in the regions. > Libraries are being renovated and re-equipped to become knowledge centres.	> Lack of support for the creative community to access and make use of new spaces. > Cultural institutions require new management and business models, in order to serve as focal points for experimentation and showcasing. > Lack of availability of up-to-date technical equipment in cultural institutions, notably in schools and cinemas.

4. Easing access to specific funding and support

Opportunities	Challenges
> Emerging interest of private funding to CCIs, notably from international organisations and companies based in Armenia. > Specific state funding to literature and publishing has recently become more focused.	> State funding to arts and culture lacks competitive procedure targeting the diversity of CCIs stakeholders. > Absence of beneficial regulatory framework to encourage sponsorship. > Lack of specialized support services and alternative funding sources to creative enterprises. > Creative enterprises face complex and heavy tax framework and accountancy procedures. > Deficient copyright awareness and management. > Lack of specific up-to-date legal framework promoting cinema and audiovisual sector. > Media and broadcasting laws do not foster market pluralism.

5. Improving creative entrepreneurial education and skills

Opportunities	Challenges
> State goals include the improvement of cultural education system. > Number of private sector initiatives pave the way to a more creative education system.	> Creativity and entrepreneurship are not promoted within overall education curricula. > Artistic education and training lacks associated management and communication skills and it does not respond well to market changes and needs.

6. Developing audiences and markets

Opportunities	Challenges
> Diverse private initiatives to connect CCIs with wider audiences.	> Lack of audience development and user-engagement strategies. > Difficult access to cultural offer in the Marzes.

7. Encouraging internationalisation and cooperation

Opportunities	Challenges
> Internationally well connected CCIs community. > Potential membership of the Creative Europe Programme is being negotiated. > Official recognition of the relevance of culture and cultural identity to brand Armenia internationally. > State policy to foster young talents and support their education and presence at the international stage. > Commitment to increase international links and opportunities for Armenian cinema. > Festivals act as hubs for regional and wider international cooperation.	> Random and fragmented support to international mobility prevents long-term maintenance of international links and partnerships. > Irregularity in festivals operations prevent the unleashing of their full potential to act as focal points for internationalisation. > Lack of a cultural diplomacy strategy integrating a wide range of CCIs.

Recommendations for developing CCIs in Armenia

1. Policy-making, Participation and Platforms.

> *Create an integrated CCIs policy*
> *Set up collective platforms and engage stakeholders*
> *Promote interactions between CCIs, tourism and IT sector*

2. Infra-structure, Funding and Frameworks

> *Diversify funding sources*
> *Create favourable supportive environment*
> *Strengthen evidence-based management system*

3. Skills, Audiences and Markets

> *Launch awareness-raising initiatives for CCIs*
> *Foster creative skills and entrepreneurial mindset development*
> *Develop new audiences and markets*

4. Internationalisation and Cooperation

> *Promote Armenian talent and creativity worldwide*
> *Provide opportunities for international cooperation and trade*

Team and Acknowledgements

2. CREATIVE INDUSTRIES IN THE EU

The cultural and creative industries (CCIs) have been recognised by the EU and integrated into its policy documents[1] and programmes for more than a decade. The creative economy, a wider sector that goes beyond traditional arts and culture disciplines and comprises a larger number of interconnected activities and sub-sectors has a potential that is being acknowledged by other international organisations such as the Council of Europe, different United Nations organisations[2] as well as by national, regional and local governments and institutions worldwide.

Prior to this the sector's capacity to generate non-market values had long been considered in terms of symbolic, non-material and educational input. More recently, there has been a growing understanding that the sector can impact the economy directly and indirectly by generating growth and jobs, stimulating innovation, and contributing to social and sustainable development.

Research and data collected worldwide support this assumption. In the EU, the core creative industries generated 558 billion Euros in value added to GDP - approximately 4.4% of total European GDP, according to data from 2011.[3] These industries represent approx. 8.3 million full time equivalent jobs or 3.8% of the total European workforce. Statistics also show that most CCIs have a higher percentage of youth employment than in the rest of the economy, and the sector has proven very resilient compared to others during the 2008 economic and financial downturn in Europe. Global economic data for 2013[4] shows Europe leads this sector and is becoming a catalyst for development. The CCIs generate 3% of world GDP (2,250 billion US Dollars in revenues) and provide 29.5 million jobs worldwide.

Despite this growing recognition, their development has been slowed down by the fact that the CCIs overlap diverse policy areas such as culture, education, economic and urban/regional development. In recent years, the debate about the role of CCIs in the EU has focused on following key issues:

> *Mainstreaming CCIs into the EU strategic agenda to foster a holistic European wide ecosystem. CCIs remained largely absent and an untapped resource in the EU2020 strategy[5]. At a higher level, some EU institutions are recognising the role of culture in achieving the Sustainable Development Goals and efforts are being made to consider culture as a key driver in its response to the 2030 Agenda for Sustainable Development. The EU needs to further acknowledge and invest in CCIs and explore its potential to contribute to growth and employment; to become a catalyst for innovation; and a key element in global competition and soft power. Innovation, entrepreneurship and CCIs have been*

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[1] Such as the Communication on promoting the cultural and creative sectors for growth and jobs in the EU (2012), the Communication on cultural heritage (2014) and the European Parliament Resolution on a coherent EU policy for cultural and creative industries (2016).

[2] UNESCO – United Nation Organisation for Education, Science and Culture; UNCTAD - United Nations Conference on Trade and Development; UNDP-United Nations Development Programme.

[3] Tera Consultants (2014) The Economic Contribution of the Creative Industries to the EU in terms of GDP and Jobs.

[4] Ernst & Young (2015) Cultural Times: The first global map of cultural and creative industries, CISAC-International Confederation of Authors and Composers Societies.

[5] https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/framework/europe-2020-strategy_en

officially ear-marked as cross-cutting topics[6] in EU programmes such as Horizon 2020 research and innovation, COSME for SMEs (including Erasmus for Young Entrepreneurs), Start-up Europe, Erasmus+, INTERREG-Territorial Cooperation and the EU structural and cohesion funds.

> **Integrating the competitive advantage of CCIs into regional development "smart specialisation" strategies for regional promotion, innovation and social-economic development.** *CCIs have the capacity to interact with other activities that often give rise to agglomeration and clustering effects that tend to contribute to a high proportion of added value locally. Several EU regions have been channelling structural and cohesion funds to CCIs, especially for mapping assets, resource mobilisation, strategic partnerships and clusters and improving the infrastructure and services.*

> **Recognising CCIs strategic relevance for urban development policies, notably through the European Capitals of Culture (ECOCs) initiative.** *Cities have always been suitable locations for artists and creatives to thrive. Emerging creative hubs, new hotspots where professionals create, meet, collaborate and showcase their work are becoming drivers for city regeneration, giving new functions to abandoned industrial areas or disused buildings, which attract parallel services and businesses. ECOC, the EU long-standing flagship initiative, has evolved from an international artistic and cultural programme into a more structural initiative, which engages cities to include cultural development and CCIs into the strategy of their development policies. ECOCs bridge European cooperation and culture with innovation, tourism and urban planning stakeholders.*

> **Incorporating CCIs into innovation and research and development (R&D) programmes**. *The capacity of CCIs to contribute to innovation processes has been only gradually recognised and supported. Since 2010 the Innovation Union (an EU2020 flagship initiative)[7] has highlighted that innovation is increasingly driven by non-technological factors such as creativity, design, branding and new organisational processes. The initiative also noted that user-driven innovation processes and the role of CCIs in establishing meaningful relations and connecting with audiences and citizens are important.*

> **Promoting spill-over effects in other industries and society**. *CCIs have a strategic position to bring about spill-over effects in other industries and fields, as they overlap art, science and technology. Cultural and creative skills can be valuable for other professional areas, CCIs can provide content for ICT, impact tourism and be integrated into several stages of value chains, notably manufacturing and high-end industries. This catalytic potential is also a resource for social innovation, health care and social challenges, such as environmental issues. Breaking down silos and fostering cooperation among diverse policy areas are required to facilitate this cross-sectorial fertilisation as well as promoting clusters where different stakeholders can collaborate.*

> **Refining capacity to respond to new opportunities that digital technologies bring into CCIs value chains**. *The fast development of digital technologies is making the internet the main marketplace, thus contributing to the increasing*

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[6] 2015 Council conclusions on 'Cultural and creative crossovers to stimulate innovation, economic sustainability and social inclusion'.
[7] European Commission (2010) Communication on Europe2020 flagship initiative Innovation Union.

complexity of creative industries value chains. This means CCIs need to constantly learn new skills and adapt their means of remuneration. ICT is also bringing new opportunities for CCIs regarding business models and more direct forms of interaction with audiences based on co-creation and further user-engagement. The EU is monitoring the digital change in creative value chains to address all consequent market imbalances, build capacity and foster diversity of contents and expressions.

> ***Improving access to finance, notably through the EU's new CCIs guarantee facility****. Access to diverse funding sources is a crucial barrier for CCIs. The Creative Europe Programme (2014-20) earmarked €121 million to a financial mechanism acting as insurance to financial intermediaries (e.g. banks) offering loans to CCIs initiatives. The financial intermediaries will be also provided training programmes to better understand the needs of CCIs projects.*

> ***Promoting cross-border networking and alliances of creative hubs and creative entrepreneurs*** *– The European Commission is supporting European Creative Hubs Network[8] (ECHN) and Creative Tracks[9]. These pilots are building up communities by circulating information and promoting gatherings, peer-to-peer training programmes, mapping, matchmaking facilities and competitions, and offering a common stage for these support structures across the globe to share and learn from each other.*

> ***Developing a qualitative and quantitative understanding of CCIs impact – the Cultural and Creative Cities Monitor[10]****. The European Commission together with Eurostat – the EU statistics office – and its Member-States, as well as international organisations such as UNESCO and OECD, have been working on the improvement and international harmonisation of data collection and analysis of the contribution of CCIs to economy and to overall society. There is a growing need to further invest in new ways of capturing CCIs qualitative effects. Other information-gathering methods such as storytelling and interviews are being considered. In 2017 the European Commission and the Joint Research Centre launched the Culture and Creative Cities Monitor. This platform maps and monitors CCIs assets in selected cities (currently 168) and measures their quantitative and qualitative value and impact in a systematic and comparable way. This tool is a step to support efforts to put culture at the heart of cities' development agendas and to develop new ways of analysing and producing evidence for CCIs.*

> ***Highlighting the role of CCIs to EU external relations in opening up new markets and contributing to sustainable development and cultural diversity across the globe.*** *The EU Council has recently adopted conclusions that endorse the European Commission communication[11] on the new EU strategic approach to international cultural relations. Recognising the pioneering role of Europe in the CCIs sector, it will contribute to creating a conducive environment for CCIs to continue expanding creating growth and employment, support cultural production as driver for tourism and development, while opening up new channels of communication, intercultural dialogue and peace building.*

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[8] http://creativehubs.eu
[9] http://www.creativetracks.org
[10] https://composite-indicators.jrc.ec.europa.eu/cultural-creative-cities-monitor/
[11] European Commission (2016) "Towards an EU Strategy for international cultural relations".

3. MANDATE AND METHODOLOGY

This report provides a bird's-eye view of the cultural and creative industries sector[12] in the six countries of the EU-Eastern Partnership: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, but most importantly, it provides country-specific view on challenges and tailored recommendations for Armenia's CCIs.

The mandate is to analyse the current state of CCIs in these countries, identify their main challenges and opportunities, to draw recommendations, set directions and further steps ahead. This approach intends to go beyond simply targeting policy-makers at national and the EU level. It is designed for all those interested and potentially intervening in the CCIs diverse ecosystem. The key target groups include: Policy-makers and authorities from the Eastern Partnership region at all levels – national, regional and local –, the EU and international counterparts; the various sector professionals from all disciplines and sub-sectors, their organisations, enterprises and institutions and all related stakeholders notably from education and business community that are connected with the CCIs development agenda.

Regarding the scope of CCIs used in this report, the term "cultural and creative industries" encompasses a diverse and dynamic spectrum of disciplines or sub-sectors that are different in each country. These disciplines are constantly evolving and interacting therefore it is not feasible to set strict definitions and define clear-cut concepts, however these references were used to guide the preparation of this report:

a) *The starting point is the concept of cultural and creative sectors contained in the regulation[13] establishing the Creative Europe Programme. It includes an extensive definition, that comprises all activities based on cultural values and/or artistic or other creative expressions, including, inter alia: architecture, archives, libraries and museums, artistic crafts, audiovisual (including cinema, videogames, multimedia and television), tangible and intangible culture heritage, design (including fashion design), music and literature, performing arts, publishing, radio and visual arts.*

b) *Cultural and creative expression is specific to each country. In each of the six Eastern Partnership countries other related activities could be considered if they demonstrate potential, e.g. ICT, media, communication and advertising, fashion and luxury goods, gastronomy, wine production and cultural tourism.*

c) *The report focuses mostly on how to promote and improve the conditions for the development of these disciplines, sub-sectors or activities within the CCIs, that are either scalable and/or able to generate income and become sustainable and contribute directly to economic growth and employment.*

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[12] In addition, the EU-EaP Culture & Creativity Programme has commissioned national sub-sector reports for gathering further specific insights on cultural heritage, audiovisual/film, performing arts, and literature. Moreover, to have regional perspectives to CCIs development, there is an ongoing process of piloting a creative town/region in each of the 6 countries: Sisian (Armenia); Shamkir (Azerbaijan); Svetlogorsk (Belarus); Mtskheta-Mtianeti (Georgia); Orhei (Moldova); and Kosiv (Ukraine). Finally, the Programme has launched a cultural indicators development initiative, taking place in most of the EaP countries that will give an overview of CCIs cultural, economic and social contributions. More information: http://www.culturepartnership.eu/

[13] Article 2, Chapter I of the Regulation (EU) No 1295/2013 of the European Parliament and of The Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020).

The preparation process for the report was planned to last over six months period, from autumn 2016 to spring 2017. Fieldwork was based on intensive missions to the region's six capital cities (in Ukraine, Lviv was also included). In these field trips, interviews, meetings and discussions took place with main stakeholders, including policy-makers and creative professionals and organisations, individually and within group workshops. The mission also included visits to creative hubs, venues and institutions. Data collection and feedback was complemented by desk research on existing literature and references.

While the EaP countries have many common elements, these countries also have significant differences. These countries share many common challenges in developing their CCIs agendas and might benefit from common actions, but they might translate differently. This report identifies the main challenges and opportunities to develop CCIs in Ukraine. Many of the challenges are shared with several other countries (and regions) in other parts of the globe, including in other parts of Europe and the European Union. As CCIs are related to a new economy based on talent/human resources and creativity, the sector's development requires the creation of a whole new ecosystem. There are no ready-made solutions available.

For each challenge, the report proposes examples from the European Union countries. Some cases are long-lasting proven initiatives, others have just started and are yet to be fully evaluated. These examples[14] from other countries intend to be inspirational, they give account of practices that can either be replicated with the necessary local adaptations and/or serve as starting point for EaP countries to investigate and from there develop their own distinct solutions. Recommendations for promoting the sector development are presented for a short-term perspective as well as for a mid-term perspective.

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[14] Examples were chosen according to what fitted best the challenges under analysis and based on literature as well on the expert's knowledge.

4. DEVELOPING CULTURAL AND CREATIVE INDUSTRIES – REGIONAL ANALYSIS AND DETAILED VIEW ON ARMENIA

4.1 Brief analysis of the national context

Opportunities

> *Strong ICT community, software and games development are among the fastest growing sectors.*

The ICT sector in Armenia is constituted of both local and foreign companies, mostly located in Yerevan, with qualified and affordable human resources. The sector focuses primarily on custom software development and outsourcing, consulting, design and testing, and internet services. Strong ICT sector is an asset, which provides a good basis for development of creative economy.

> *From Armenian vast worldwide diaspora some are actively engaged in investing into Armenia's development, including educational, social and cultural projects.*

Several donors and funds from vast Armenian diaspora across the globe (Armenians living abroad outnumber those residing in homeland) are willing to contribute to Armenia's development. The support spans from investments into business development to endowments in various sectors, including education, culture and creativity. In education, particularly, there are number of grants and study programmes on offer to Armenians from undergraduate to post-doctoral degrees worldwide. The diaspora commitment allows wider access to education and culture. Moreover, there is also interest and influx of young professionals from the diaspora to establish in Armenia, contributing to the emergence of new visions and businesses.

> *Wide use of internet and enabling state policy for ICT provides supportive environment for creative economy development.*

In Armenia, there is a high level of internet use and of other communication technologies, alongside a legal framework with few restrictions on online content. The promotion and development of digitisation and information technologies are included in the government's agenda.

> *International tourism is steadily growing and the strategic role of cultural heritage and contemporary culture and creativity has been recognised.*

Since the adoption of national tourism strategy in 2008, the number of tourists as well as accommodation capacity has been increasing. With an approx. 8 million diaspora worldwide the potential for tourism is high. There is current awareness that urban contemporary culture should be included besides natural and cultural heritage in order to build up a diversified and attractive tourism offer. Yerevan as a city break is ought to be promoted via its architecture, performing and visual arts, music, literature, crafts, gastronomy and also events and festivals.

Challenges

> *Armenia's economy is highly dependent on external sources, CCIs development relies a great deal from international donors and investments from diaspora.*

A great deal of the country's economic flow results from remittances and/or investments from the diaspora, or support given within development and competitiveness programmes by international donors. This is the case with the CCIs, especially regarding independent and private projects and enterprises, that is highly dependent on international organisations and funds. As a favourable legal framework for sponsorship is lacking, the sustainability of many recent developments is endangered.

> *Lack of cooperation between academia, R&D centres and industry hinders innovation and business development.*

Despite the former position of Armenia as major hub for science and research, R&D outputs are rarely transferred into business models. Links and transfer mechanisms are lacking between academia and industry. Furthermore, ICT sector does not sufficiently connect with CCIs.

> *Deficient tourism infrastructure and hospitality skills are hindering tourism development.*

Armenia lacks necessary infrastructure that may ensure good preservation of sites as well as provide associated services and sources of income. Mobility to connect villages/regions is complex and lacks convenient road network. Finally, there is a lack of information centres and hospitality competences throughout the country, especially in the regions.

> *Complex regional and cross-border mobility due to enduring conflicts with neighbours prevents potential synergies in the CCIs and tourism fields.*

Enduring conflict over Nagorno-Karabakh with neighbouring Azerbaijan and closed borders with Turkey reduces internal mobility, draws an unstable setting for visiting the region and prevents potential collaborations regarding tourism and cultural heritage routes.

4.2 Recognising CCIs' transversal character

The CCIs have a multiple and transversal character, that impacts economic and social development. This potential is still under-recognised in EaP countries – as well as in many other parts of the globe - at all levels, from policy makers and authorities, to society in general, including sector professionals themselves. This (proto) sector is hardly considered as an integral part of the economy partially due to weak existing evidence concerning its contribution to overall growth and quality of life. For many culture and economy represent two distinct fields without any interaction. Culture is still considered a luxury by many, an approach remaining from former Soviet tradition. It is seen as a sector with low productivity and need for resources.

It is also difficult to fully comprehend the concept of CCIs, because the sector is open and multiple, includes several different disciplines, activities and professions, that on their turn may interact and add value to many different other sectors and

domains. This notion may even vary according to different regions, cultures or policies. This makes it difficult to communicate and acknowledge the nature of the sector.

Many cultural sector professionals within the sector have a hard time in identifying themselves with the CCIs agenda. Each discipline is distinct with autonomous histories and paths. Consequently, their differences are more often accepted and put forward than their common elements. Few recognise the advantages of integrating the CCIs umbrella concept that could facilitate the sector's coordination and interaction, but also allow them to speak with common voice and get more visibility. Many cultural and creative professionals see this reformulation as a drift towards commercialisation of culture field that would explore its material output or profitability. They see this as a problematical shift as they fear the instrumentalisation of culture. According to Professor Pier Luigi Sacco [15] this reaction reflects a pre-industrial culture 1.0 logic in which producers are remunerated not as part of a market transaction but rather as symbolic exchange of gifts between artist or cultural producer and patron – whether an individual or the state itself. In this context, production and access to culture is limited and conditioned by social and economic barriers.

Culture 3.0 concept by Pier Luigi Sacco (2011)[16]

Culture 1.0	Culture 2.0	Culture 3.0
• Based largely on patronage model • Typical of a pre-industrial economy • Culture is neither a proper economic sector of the economy nor it is accessible to the majority of potential audiences • Cultural production lives entirely on subsidies and could not survive otherwise	• Cultural and Creative Industries, that produce economic value and are even profitable, but they represent a specific sector of the whole economy • Audiences expand significantly, whereas cultural production is still severely controlled by entrance barriers • Characterized by an explosion of the size of cultural markets	• Characterized by innovations that not only cause an expansion of the demand possibilities, but mainly and expansion of the production ones • Transformation of audiences into practitioners (thereby defining a new, fuzzy and increasingly manifold notion of authorship and intellectual property)

Technological and economic development has gradually been modifying the sector's foundations. Like many other countries, the EaP countries have witnessed the growth in jobs considered "creative" and in the increase of creative components in jobs previously considered "routine" or "mechanical". This change has had a considerable impact on educational systems, social welfare and policy makers in working out how to develop and retain human capital. In most EaP countries the

[15] "*Culture 3.0: A new perspective for the EU 2014-2020 Structural Funds Programming*", April 2011, European Expert Network on Culture, Brussels.

[16] Pier Luigi Sacco, 2011. *"Culture 3.0: A new perspective for the EU 2014-2020 structural funds programming." European Expert Network on Culture Paper, April 2011.*
http://www.interarts.net/descargas/interarts2577.pdf

success of hi-tech outsourcing and the information technology industry has been more visible and scalable and therefore has had a bigger impact on policy makers and investors. Unfortunately the CCIs have mostly remained in the shadows of this technological boom.

The culture sector needs new, dynamic organisational or business models in this transition, even when profit is not the final goal or purpose. Pier Luigi Sacco recalls that the culture sector's non-material output – in welfare, sustainability, innovation, local identity and social cohesion need to be given appropriate attention. However, the traditional culture sector often resists this change of logic. Even for many of the sector's entrepreneurs and companies for whom profit making is consensual and one of the goals, e.g. music, audiovisual, media, ICT, design and architecture, CCIs are still a "strange" agenda, that they do not take as their own nor see benefits of belonging to.

The sector's different disciplines still mostly work in silos in a competitive and not very collaboratively. Collective organisation (meaning informal alliances and platforms, umbrella organisations and other sectorial associations) is still in an early phase or weak and professionals lack coordinated action and shared agendas. The sector lacks a joint voice that could advocate its role and lobby for its interests. Formerly prestigious and powerful trade unions of the Soviet era that spoke on behalf of different artistic and cultural disciplines and professions still function, but most of them seem not to respond to the sector's current needs and concerns, even though some have been reorganised in order to attract new generations. The current market economy brings new values and dynamics and a silo mentality does not allow most of these structures to open up and embrace them. The institutionalised cultural sector is fearful of losing its status and privileges and the atomised independent cultural and creative sector had a fast transition to market economy, which did not develop into stronger and collective structures. Therefore neither have recognised the role and full potential of CCIs as a unifying concept. The sector still concentrates on the "I" - individually focusing in pursuing projects in competitive manner - not on the more collaborative mode of the "We".

CCIs' transversal and cross-sectorial potential notably for economic growth and job creation is still not evident for many. There is a lack of data to back up the arguments and convince stakeholders. New methods to collect and measure both quantitative and qualitative data-sets are needed to give new insights into the potential impact of the sector that goes well beyond figures. The current new economic framework requires new indicators. The crossover character of CCIs that adds value to other sectors, its indirect and invisible impacts, calls for cross-sectorial and cross-disciplinary analysis that may shed new light onto this phenomenon. In most EaP countries the process of developing UNESCO Culture for Development Indicators (CDIS) is under way. Armenia, Azerbaijan, Georgia, and Ukraine have developed the CDIS with the support of the EU-EaP Culture and Creativity Programme - as well as Moldova.[17] This framework is an excellent practice, that allows countries to establish basic indicators to map the place of culture in the economy and society and provides a baseline for discussion and policy development at a national and international level.

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[17] In addition, in Moldova a recently study has also contributed to measure the CCI sector economic impact validating its potential. "*Assisting Moldova's Competitiveness Champions: Selecting Two Further Industries*", USAID Moldova, 2016.

The transversal dimension of CCIs is difficult to address since it implies a radical change in the way national governments, regional or city councils and institutions are organised and how they function. The strict division into policy areas without common or coordinated actions or budgets is not the most efficient way to establish and implement successful policies in culture and creative industries. Current access and use of digital technology have blurred the distinction between producers and users. Production now incorporates user-driven inputs, so there is an equal need to develop schemes and communication that allow citizens to actively participate in policy-making.

A change of views and in practice is therefore needed in relation to research and innovation in order to recognise the sector's capacity to impact the economy. Innovation is currently seen merely as technologically-driven and within the context of production, there is a need to consider the potential of non-technological innovation. Artistic and cultural processes are also research-anchored, creating specific knowledge, which demands long-term investment. The sector has great potential for its capacity to engage and give expression to users/audiences, to change organisations, but also to manage and generate new value from knowledge. Research and technology might well develop new ideas and products, but cultural processes test, check and socialise new technology.

Launching specific CCIs policies to use their potential effectively are still at an early phase. Tourism acknowledges the distinctive role of culture but favours connections between the ministries of culture and economy and not with a broader CCIs perspective. CCIs policies are issued often by one stakeholder, mostly the Ministry of Culture, but this sector requires jointly designed and implemented programmes and tools that cover more policy areas. A wider perspective should be taken into consideration when designing CCIs policies, programmes and tools and more stakeholders should be involved and targeted.

In many EaP countries there are inter-ministerial working groups that discuss and divide CCIs roles. To be effective and gather adequate resources, different policy areas and respective budgets could be channelled to convey a joint national strategy for CCIs spanning the economy, enterprise, research, technology and innovation, education, regional and urban development. It may be useful to create specific and independent cross-ministerial task forces to coordinate and develop CCIs which also include the private sector/businesses and professionals (cultural institutions, NGOs and entrepreneurs). These task forces could ensure interaction and synergy. They could also represent the sector within the policy-making process, promote research and monitor and evaluate policies.

4.2.1 International examples

Centre of Excellence for CCIs in Germany

> The **Centre of Excellence for Cultural and Creative Industries**[18] was created in 2007 by a decision of the German Parliament and resulting from a cross-ministry initiative, i.e.: The Federal Ministry for Economic Affairs and Energy and the Federal Government's Commissioner for Culture and Media. It functions as a Berlin-based intermediary, advocate and matchmaker that informs, supports and builds trust between policy makers and multipliers, CCIs, academia and other industries. It

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[18] http://kreativ-bund.de

provides a broad range of services and expertise focused on CCIs professionalisation and capacity-building (notably promoting entrepreneurial skills), cooperation between CCIs and other sectors, research of relevant trends and developments and offering CCIs professionals a neutral platform for networking.

For more examples, see Creative Industries Council [19] (UK) and Brainport Eindhoven[20] (The Netherlands)

4.2.2 Opportunities in Armenia

> *Cultural policy is increasingly encouraging public-private management models and market orientation for cultural products and institutions.*

Alongside state support to culture and heritage, authorities are recognising the need to encourage private investments with public regulation (Culture Programme 2014). The Culture Development strategy 2008-2012 already contained some goals leading to this orientation (yet lacked an associated action plan and evaluation), such as freedom of cultural and creative activities; self-dependence of cultural organisations; development of new model on decentralisation of management and finance (multi-sourced); and the inclusion of annual mandatory line in budget to obtain/purchase cultural and creative products.

> *Intention to promote businesses associated with cultural heritage and tourism (included in the 2014 culture programme).*

The promotion of creative industry was a goal included in the Culture Programme 2014, considering the development of filmmaking, photography, and publishing. For the purposes of preservation of cultural heritage and reproduction of national traditions, policy also aims at promoting associated CCIs services and products, notably in the framework of wine and cultural tourism routes such as: making of souvenirs, promotion of national cuisine, application of national clothing, and development of applied arts. This new policy orientation may build on pilot projects that have been setting the way for mapping and developing CCIs policies in smaller towns and regions. It is the case of former COMUS project (Council of Europe), 2015-2017, that took place in the cities of Goris and Gyumri to edify a model of development using culture; and finally, the pilot project of the EU-EaP Culture and Creativity Programme for creative towns and regions for which Sisian was selected.

> *Developing UNESCO Culture for Development Indicators in view of monitoring the sector's impacts.*

The process of implementing UNESCO Culture for Development Indicators allows gathering evidence for the actual impact of the sector in Armenia and establish an international comparative framework for permanent monitoring of the sector's performance and impacts. This structure is crucial to inform policy-making and bring out evidence and arguments for the sector development. According to the published report, the cultural and creative sector accounts for at least 3.3% of GDP and cultural occupations account for 4.86% of total employment.[21]

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[19] https://www.gov.uk/government/groups/creative-industries-council
[20] http://www.brainport.nl/
[21] https://www.culturepartnership.eu/en/article/cdis-armenia

4.2.3 Challenges in Armenia

> *CCIs are underexposed and not recognised in the government's export-led industrial strategy.*

State recognises gem and jewellery making as a sector that holds already a significant share and further potential of export among other heavier industries. Some key economic areas acknowledged also include tourism, information and communication technologies, and education (as transversal infrastructure). At the same time CCIs are not identified nor integrated into the state's export-led industrial policy.

> *Absence of a road map and inter-ministerial strategy towards the development of creative industries and management-orientated cultural system.*

Despite the existence of practice of institutionalised inter-ministerial group discussions, including ministries of culture, economy, diaspora and foreign affairs, CCIs have not been acknowledged and are not part of the agenda. There is lack of recognition of CCIs' transversal features and potential to contribute to economic and social development by the diverse policy areas. Official cultural strategy towards a more management-orientated system, as well as promotion of tourism associated businesses were not accompanied by an action plan establishing the necessary tools and programmes to accomplish goals.

> *Ministry of Culture endures a centralised patronising role towards culture policy and management.*

The Ministry of Culture assumes cultural production and dissemination as a mean to promote national identity, mostly by maintaining annual support to existing state not-for-profit institutions and some NGOs and events. There is also financing at the level of the marz (region), yet culture remains fairly centralised, despite ongoing decentralisation process coming from 2007 Law on Cultural Development in the Marzes to promote culture development and create culture departments in regions.

> *Lack of accessibility and awareness in the field of culture among general population.*

Due to wide-range socio-economic transition of Armenia in last decades, the efforts to re-activate the chain of arts and music schools, theatres, libraries, culture clubs spread throughout the territory has been slow, while in parallel access to cultural events and venues as well as artistic education (notably music education) became less affordable.

> *Lack of synergies between ICT and wider creative communities.*

Existing resources in the field of ICT, most notably booming IT and advertising fields, have not been sufficiently linked with larger CCIs community. State investment in ICT sector has not been accompanied with parallel support to CCIs to promote joint research and collaborations. Existing ICT community dynamics regarding structures and events are not connecting nor interacting with creative community. Despite recent digitisation and ICT capacity building in Armenian cultural institutions, it did not lead to relevant development of innovative products and services as well as high level of contents digitation and dissemination.

4.3 Setting up participatory policies and platforms

The ecosystem approach of CCIs brings a larger step that is fundamental for EaP countries. That is bridging the gap between public authorities and citizens. The mutual lack of trust hinders the development of a civic and participatory culture. In order to allow CCIs to thrive and unleash its crossover potential, diverse stakeholders need to contribute and interact. All have a role to play in this shared responsibility agenda: State and regional/local authorities; businesses and private sector; and civil society.

Top-down one-sided state policy and action is insufficient to trigger innovation and creativity *per se*. Equally the sector's common reaction "let us do our own business alone" is not enough either. While there are few good examples in the EaP countries, there is still a long way in order to build a participatory culture that is not simply based on one-off events. Participatory discussions and open consultation are essential but they should lead to concrete action plans and implementation (even if partial and/or dependent on further political negotiations). This approach includes policy discussions and formulation, but also its consequent shared implementation, monitoring and evaluation, preferably through effective public private partnerships (PPPs) that are not yet common or even regulated in this sector in most countries. To nurture such a culture entails a long-term investment as it involves a change of mind-set and practice. It is about building up and upholding processes, much beyond their mere results.

New platforms and alliances are needed to open new channels among diverse stakeholders. Formal or informal, databases, web platforms or clusters, and joint structures are crucial to showcase, mediate and promote mutual acknowledgement and activate collaborations and linkages. These platforms may constitute the sector's collective and legitimate voice to represent and engage in dialogue with the authorities. The CCIs sector in EaP countries lacks these intermediary organisations bringing together state/public authorities, artists/creatives and citizens/users. Cluster initiatives for instance may gather all those that are or might be interested in this field, including education, training and research; urban planning and development authorities; to users and audiences.

It is essential for the CCIs sector to promote and network, to join forces and build partnerships for their field and for business development, and also to have a clearer voice and better political representation. Creative hubs play also an important role in community development. This is particularly relevant for EaP countries, where a lack of trust is still prevalent. National funding programmes that create networks and clusters and establish creative hubs could help develop a culture of active engagement and participation.

Mappings and public consultations at national, regional and local level should become standard practice by CCIs in order to identify resources as well as discuss and define policy-making initiatives. They can also run online consultations, working groups and public hearings. Mappings and participatory budgeting can be a good testing ground to activate civic participation. Participatory budgets, for instance, are being implemented throughout Europe at diverse political levels including in some EaP cities and it is an instrument that can contribute to activate citizenship, regional ownership, policy-making ownership and increase trust.

4.3.1 International examples

Norwegian Innovation Clusters[22]

> *In the early 2000s the Norwegian cluster programme was founded on the premises that enterprises that collaborate are more innovative, productive and competitive. This financial scheme encourages bottom up shared initiatives by co-funding their collaborations and undertakings. Annual open calls provide up to three years of support based on business plans. The cluster resources, potential for growth and position in the industry are just as important as whether the initiative is participatory, the leadership share a common interest and whether the cluster project has common ownership. It funds clusters on three levels of development: (1) emergent, (2) mature with a national market presence, and (3) mature with an international market presence.*

For more examples, see more: Participatory Budgeting Portugal[23] and Culture Map Valletta[24]

4.3.2 Opportunities in Armenia

> *Openness for dialogue among the government and the sector professionals.*

Some meetings of the Ministry of Culture have taken place with the sector's professionals in order to obtain feedback on relevant issues, seemingly taking initial steps towards a much-needed debate and interaction. The website of the Ministry of Culture has been improved to become more user-friendly; and in 2016, a new Public Council of the Ministry of Council was launched, which provides a bridge for dialogue between the Ministry and civil society.

Local example: Urbanlab_am[25]

Founded in 2011 by young professionals that decided to take up their social role. It is a unique institution for democratisation processes of urban planning that claims the right to healthy and high-quality environment. Their goals are defence of decision-making participation and of natural and cultural architectonic heritage in Yerevan and Armenia. Besides several rehabilitation processes, one of their most visible outputs is a mapping of alternative heritage of Yerevan that received a lot of feedback, and resulted in a digital platform complemented by an offer of guided tours.

Local example: 360stories.com / 360Armenia[26]

360Stories is a social touring platform for virtual storytelling developed by an Armenian team that allows sharing stories and site images.

4.3.3 Challenges in Armenia

> *Policy-making still lacks transparency and a systematic participatory approach.*

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[22] http://www.innovationclusters.no
[23] https://opp.gov.pt
[24] https://www.culturemapmalta.com/
[25] http://www.urbanlab.am/en/
[26] http://360stories.com/yerevan/ and http://www.360armenia.com/

A gap remains between policy-makers and the sector professionals, preventing their interests and visions to be discussed and their feedback to be reflected upon and integrated into policy-making. The sector claims the lack of information on cultural projects, decision-making and selection processes. On the side of policy makers, there is a lack of a clear vision on what benefits could the open systematic participatory relations with all stakeholders bring.

> *Rather weak civil society and lack of joint collective organisation within the CCIs.*

The CCIs lack joint umbrella organisations for information sharing, networking and advocacy. The sector's diversity and small scale creates further fragmentation and separation into small closed communities mostly centralised in Yerevan in absence of leadership and mutual trust. Furthermore, there is a lack of inter-sectorial and inter-institutional relationships that may connect CCIs with other industrial sectors and society at large.

> *Professional unions are not well adapted to new market rules and cultural management logics.*

Remaining professional unions are not reflecting young practitioners or new creative areas expectations and interests, and are not taking over a needed advocacy role. Some unions are involving younger generations, but change is slow and therefore the inadequacy of the system based on unions is high.

4.4 Building on emerging creative hubs

Several new IT and creative hotspots, or "creative hubs", have been emerging throughout the EaP countries as well as in the rest of Europe in response to the current needs of the sector. It is still a recent phenomenon in some EaP countries and the majority of them are private initiatives with little or no support from public authorities. These hubs serve and showcase the dynamic entrepreneurial spirit of the creative and business communities following global trends.

Creative hubs have different shapes and set-ups. Most are physical spaces – but can also be digital platforms and virtual networks – and may incorporate co-working spaces, incubators or accelerators, fablabs or city labs, but above all they personify a new community. In many cities, they start to occupy abandoned buildings in the centre, in derelict spaces or in former/actual industrial sites and neighbourhoods. While inhabiting and gradually renovating them, they bring forgotten parts of towns back to life and contribute to land and urban development. These are places for working, meeting, learning and interacting; where knowledge is shared and transferred. Creative hubs assume different functions and offer various products and services: Work locations and offices; master classes and workshops; mentoring and coaching; business clubs; matching events, hackathons, etc. Above all, hubs facilitate project and business development and build communities.

These new work locations contribute to blurring lines between disciplines and hierarchies. While creative professionals come together to meet, discuss, create and perform across cultures, disciplines, languages and profiles, more attention is given to experimentation and methodology. Interaction in hubs stimulates artists and creative professionals used to focussing on their own individuality to associate and collaborate with the rest of the creative community and beyond. This interest in organising collectively is a matter of survival in this ever-changing competitive environment. Sharing know-how and resources within common spaces diminishes

skill gaps. Creative hubs are new venues or organisations for the sector, as they are versatile and flexible places that experiment and interact. Public cultural institutions in EaP countries often do not provide favourable conditions for private operators to use their venues, their facilities are expensive to use/rent, thus their potential and facilities are under-used. This region is highly equipped with theatres, opera houses, museums, film studios but many of them are not facing the challenges that new opportunities pose.

Many hubs are ICT based or ICT dominant, but CCIs are also part of these ecosystems. Fewer hubs are orientated on art, or invest in projects that might not necessarily be profit making - but sustainable; other hubs have social entrepreneurship as a main focus, promoting projects and businesses that focus on cohesion and inclusiveness; and some hubs are labs that provide cities with solutions to their challenges.

In EaP countries most creative hubs have been established from the bottom-up, while in some European countries creative hubs came out of a top-down institutional initiative. The latter have led in many cases to brand new spaces that take a long time to populate. Many hubs may be vibrant and crowded, but they are also fragile. The maintenance bills are high and sustainability is hard to achieve; teams and activities are a constantly struggling to keep up; hub managers often lack all the necessary skills to deal with businesses in this specific sector; many miss connections to other similar hubs in the same city or country; to other regional stakeholders – schools, policy makers, investors, industry, and to international peers.

Creative hubs can make significant contributions to CCIs business development, community strengthening and urban renovation. Creative hubs can revitalise neighbourhoods and under-developed city quarters. It is a good investment to allow access to empty or non-used spaces and venues for CCIs. Free or low-costs rents and simplified procedures can support many new initiatives. Supporting teams and operations in the initial years and integrating them into wider city/region and sector development plans can provide an impetus towards their structural sustainability and take them to new heights. As new stakeholders, hubs can build on their achievements and social capital and become the basis for the development of potential Public-Private Partnerships (PPPs), which have yet to have a legal basis in some EaP countries

4.4.1 International examples

IncrediBOL![27] (Italy)

> *IncrediBOL! was born in 2010 as a city of Bologna pilot project, to provide tools to develop entrepreneurship in the CCIs. Today it is a well-established network with diverse partners and works across the Emilia-Romagna region. It started to issue annual public calls for creative entrepreneurs offering small cash contributions, space free of loans and advisory services, training and promotion. Proposals were matched with city locations - often closed or empty municipal spaces. Creativity has proven as a key factor to redevelop the city and contribute to its economic regeneration. As a result, recently a new "micro-requalification" programme was launched to redevelop public spaces through art and creative interventions.*

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[27] http://www.incredibol.net/

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For more examples, see Subtopia[28] (Sweden), Telliskivi Creative City[29] (Estonia), Nova Iskra[30] (Serbia) and Poligon[31] (Slovenia)

4.4.2 Opportunities in Armenia

> *Emergence of new venues for business development in Yerevan and in the regions.*

Some new spaces are starting to appear in Yerevan, but also in the regions, to provide up-to-date environments for entrepreneurs to work and receive support for their projects. In Yerevan, a business centre was created promoted by the American University with business development programmes, and the intention to become a smart centre. In Dilijan and Tatev, business centres have been established to prevent exodus and contribute to local development, serving as information and support focal points. Furthermore, with a focus on CCIs, in Yerevan, an Impact Hub was opened where several creative projects are hosted; and finally, a co-working space named utopeanlab[32] was opened in the very centre of the city, though at the moment currently looking for a new space and preparing to re-launch.

> *Libraries are being renovated and re-equipped to become knowledge centres.*

Many of the existing libraries are being renovated and equipped by public initiative to become focal points for resources and knowledge sharing. This infrastructure is particularly important in smaller cities and regions where access to other cultural resources is missing and where they can serve also as relevant spaces for wider cultural and social participation.

Local example: Impact Hub Yerevan[33]

Part of a wider international network, it is funded by the diaspora. It hosts co-working spaces and offices from several start-ups, including some creative companies such as designers, including also NGOs working with craftswomen from the regions. It has a special focus in the development of social entrepreneurship.

4.4.3 Challenges in Armenia

> *Lack of support for the creative community to access and make use of new spaces.*

Professionals in the digital age have changed the way they work and present their outputs; therefore the venues have become spaces of facilitation of interactions, co-working, experimentation and community development. Policy makers, particularly at local level, have not acknowledged the need for new venues and the capacity of the creative community to regenerate city areas. Many operators face difficulties in accessing spaces to work, perform and showcase due to financial and administrative barriers.

> *Cultural institutions require new management and business models, in order to serve as focal points for experimentation and showcasing.*

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[28] http://www.subtopia.se/

[29] http://telliskivi.eu

[30] http://novaiskra.com/

[31] http://www.poligon.si/

[32] utopianlab.am

[33] https://yerevan.impacthub.net/

Cultural institutions often operate in out of date management models, missing a contemporary evidence based management that includes efficient planning and programming, including fundraising, but also new relationship with audiences/users as well as with the overall creative community.

> *Lack of availability of up-to-date technical equipment in cultural institutions, notably in schools and cinemas.*

Lack of adequate and up-to-date materials and equipment, notably for photography, printing, and film that includes venues, but also schools which in turns prevents the development of necessary skills. This gap hinders production and further learning, therefore puts Armenian productions into an unfair competition in the international market. Furthermore, the past long-term absence of cinema houses in Armenia (except for one screen in Yerevan), had negative consequences for production and distribution. Presently there are some new halls in Yerevan and few further screens throughout the country.

4.5 Easing access to specific funding and support

Many European countries recognise the challenge of the complicated access to finance for CCIs resulting from their specific nature and value.[34] The main obstacles are: the small size of most creative organisations, their predominantly intangible assets, their sources of revenue, their reliance on intellectual property rights as a driver for growth, their weak managerial skills and their lack of knowledge of and contacts in the business world.

European public business development services and private investors, from banks to business angels, are not familiar with CCIs operational and business models. CCIs do not qualify to loans for certain SME's funding programmes and schemes often because they lack guarantees. CCIs face similar problems in accessing finance in EaP countries. The difficult and limited access to finance, poor infrastructure, unfriendly legislation, weak incentives in developing a charitable culture, etc. mean they are not considered favourable business partners.

Public funding of independent culture (NGOs) needs greater clarity and better criteria in relation to the transparency of selection processes, regularity of support and sustainable development. State support for SMEs does not consider CCIs' specific nature and therefore needs further diversification, especially in relation to accommodating their micro-dimension. Local operators have little access to international co-productions and partnerships, because they often lack sufficient matching funds and adequate regulatory framework by the state. There are currently no incentives or tax deductions for private donations and sponsorship to CCIs. Intellectual property rights (IPR) protection laws are often neglected due to a lack of awareness among professionals or monitoring agencies. Restrictive regulations for online and offline trade and export also hamper business internationally.

The fund-raising skill in most of the sector operators is weak, especially for international grants. CCIs need more information, contacts and networking to identify and test the right partners, as well as resources to invest in long-term planning requirements. Some alternative and interesting funding endeavours are

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[34] The OMC working Group of EU member-states report "Towards more efficient financial ecosystems" has described this main issue and compiled a set of best practices.

being developed by entrepreneurs, e.g. crowdfunding platforms, but structural improvement is needed in public systems and legislation to ease access and diversify funding alternatives for the sector.

4.5.1 International examples

PMV - Cultuurinvest[35] and STARTS – Investment Fund for Cultural Enterprises[36] (Belgium)

> *Two regional funds promoted respectively, by the Flemish Government – PMV - Cultuurinvest; and by the Walloon Government – STARTS. Both schemes provide specialised loans and equity investments to the diverse phases of business development, accompanied by coaching and advice to enterprises (SMEs) as well as not for profit organisations in the CCIs.*

For more examples, see AWS VINCI Vouchers in Creative Industry[37] (Austria) and National Lottery[38] (UK)

4.5.2 Opportunities in Armenia

> *Emerging interest of private funding to CCIs, notably from international organisations and companies based in Armenia.*

The sector gradually becomes more interesting for private donors. Beyond diaspora and international organisations investments (USAID, OCDE, UN), there are some other regularly active donors in the country (AGBU Armenian General Benevolent Union and Cafesjian Centre for the Arts) and foreign corporations (e.g. Viva-cell-mts and Orange) that often contribute as social corporate responsibility. Still, the total number of Armenian companies that are interested in investing in this field is very limited.

> *Specific state funding to literature and publishing has recently become more focused.*

State funding to literature and publishing include: literature promoting Armenian cultural heritage, literature from the diaspora, national minorities, musicological literature, which will contribute to the provision of national music schools, colleges and conservatories with necessary manuals and notes. The protection of Armenian fonts and the translation of foreign literature have been determined as government's priorities.

4.5.3 Challenges in Armenia

> *State funding to arts and culture lacks competitive procedure targeting the diversity of CCIs stakeholders.*

State funding in the culture sector remains connected to narrow perception and understanding of role of culture and creativity in overall economic, social and intellectual development. There is lack of monitoring and evaluation of realised

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[35] http://www.pmv.eu/nl/financiering-voor-ondernemers/leningen/cultuurinvest
[36] http://www.start-invest.be
[37] https://www.aws.at/foerderungen-1/vinci-voucher-in-creative-industries/
[38] http://www.lottery.culture.gov.uk/

financing and expected outputs. The funding system lacks systematisation and a competitive scheme, notably managed by an independent body mandated to issue public calls, select, distribute and monitor (e.g. Cultural Endowment, Arts Council, etc.). Besides state cultural institutions and few acknowledged NGOs, new creative disciplines and entrepreneurial projects are not sufficiently included. On the other hand, the state's instruments to promote industrial sector, particularly SMEs, do not integrate and consider specificities of CCIs.

> *Absence of beneficial regulatory framework to encourage sponsorship.*

Despite the above-mentioned growing interest from companies in investing in the sector (mostly foreign companies), sponsoring culture remains not very attractive as it lacks tax benefits and a supportive legal framework. In addition, private funders are in general unaware of the sector's potential.

> *Lack of specialized support services and alternative funding sources to creative enterprises.*

Creative entrepreneurs lack specific funding tools such as grants, accessible credits and loan guarantees, seed-funding, and other tax incentives. Moreover, private investors are not acquainted with CCIs specific logics, motivations and life cycles to be able to assess its value and be convinced to support its ventures.

> *Creative enterprises face complex and heavy tax framework and accountancy procedures.*

Burdensome entry barriers as well as high costs of income tax, especially in the ramp up years, hinder creative enterprises, due to their small size. The overall legal framework that assists the sector economic development requires revision, that would take into account the CCIs' specific character.

> *Deficient copyright awareness and management.*

Law copyright and related rights (from 2006) is generally in line with EU standards, yet several copyright and other intellectual property rights constraints remain. There is a lack of monitoring and information in the distribution process of cultural and creative products and services. Moreover, professionals lack awareness of their rights and ways to be duly remunerated, collective management lacks accountability, and legislation on control marks and IP Enforcement guidelines are not published by the State IP Agency.

> *Lack of specific up-to-date legal framework promoting cinema and audiovisual sector.*

Despite years of discussion of a new Law on Cinema, a specific legal framework for promoting cinema and audiovisual is not yet in force. Film production infrastructure and means are mostly state owned; the National Cinema Centre requires an updated mandate; and the whole audiovisual value chain needs renewal, from funding and production to distribution. While there are recent efforts towards internationalisation, the absence of a certification to define and identify a state "national film" prevents international co-productions to become official and benefit from advantages. There is need to overcome this blockage and attract investors via tax incentives and providing an adequate business environment.

Law on television and radio (2000, amended in 2010) proposes a minimum of 65% local production, however television contents are mainly produced by the state channel itself and few limited number of companies, therefore not promoting an internal fair competition. Furthermore, recent transition to digital broadcasting in 2016 previewed only one broadcasting operating network by a state-owned company instead of contributing to foster increase of diversity of providers. Some regional television companies did not manage to switch by deadline. Finally, Russian media contents pervade Armenian audiences that are subject to reduced diversity of expressions and opinions, especially on political news and affairs.

4.6 Improving creative entrepreneurial education and skills

In view of the emergence of a new economic paradigm means educational and training institutions from schools to universities need to open up and connect more with regions and communities. Educational institutions need new approaches in how to design and conduct academic and vocational education that is more practical, resilient and entrepreneurial. Embracing the approach of lifelong learning would offer this. Many universities in EaP countries are prestigious for their technical quality notably in film, performing arts and music. However technical or artistic skills are not enough for young professionals to thrive, develop projects and start enterprises in the global market. Moreover, creativity and innovation are now being recognised as essential skills in other professions. All levels of education therefore need to integrate culture and creativity into their courses and develop creative skills and thinking and cultural practice and participation from early childhood. Lifelong learning needs to be promoted and teaching standards improved for pre-school to higher education, formal and non-formal institutions.

CCIS have also been impacted by the growth in digital media, globalisation, cross-border and cross-cultural collaboration. This creates a need for strategic and relational skills that deal with working in plural and multi-layered markets. Creative professionals need strategic, management and communications skills. Strategic skills rationalise the ways projects, businesses and careers are conceived and managed. A professional today has to be a creator, a manager, a researcher, a public relations specialist and a polyglot. All creatives need skills in how to negotiate, lead and discuss ideas, objectives and plans with partners. The need for continuous training increase in this more demanding and competitive market. Professionals have to be permanently on top of their game otherwise they risk losing contracts, schedules, deadlines, contacts and partners. Time management is fundamental especially when joint research and reflection are needed for a project, which is under pressure to produce outputs. Professionals have to reinforce their communication skills to overcome the obstacles caused by a lack of time, trust and mutual knowledge in non-hierarchical, multilingual and multi-sectorial temporary teams.

There are several examples of alternative educational and training projects and initiatives in EaP countries that fill the gaps and respond to these new needs. They are run by NGOs and established educational and cultural institutions. The challenge consists of how to integrate these new learning methods into the educational and training systems' official mainstream offer and how to engage different stakeholders to take up active roles in this development.

4.6.1 International examples

Escalator - Creative Industry Kosice[39] (Slovakia)

> *Escalator is an intensive programme of training and development of creativity, talent and professionalisation for those working in the creative field, individuals or enterprises/groups promoted by Creative Industry Kosice. Initially participants identify their needs and define their objectives through interviews with foreign mentors. This forms the basis of a "tailor-made" training and support programme of workshops, seminars, coaching, mentoring, business and strategic planning, research and development, study tours and pilot implementation.*

For more examples, see OTELO regional network of youth creative centres[40] (Austria), Creative Partnerships[41] (Lithuania), Royal College of Art Innovation[42] (UK) and Tallinn University of Technology - Innovation and Business Centre Mektory[43] (Estonia)

4.6.2 Opportunities in Armenia

> *State goals include the improvement of cultural education system.*

The Culture Programme in 2014 states, that the replenishment of the sector with skilled professional human resources, notably management wise, is clearly targeted. The promotion of creative capacities involving all social groups is also included. At the same time, concrete action plan, which would be developed with universities and schools are not yet in place.

> *Number of private sector initiatives pave the way to a more creative education system.*

There are number of exemplary private sector initiatives in formal and non-formal education that may serve as model for further articulation and transfer to state formal education system. Like TUMO and Dasaran (see highlights bellow); AYB School with motto "Know and Create" proposes a new culture of learning that strives to become a model environment of the 21st century Armenian School; and the capacity building programmes for artists and curators from AICA Armenia – National Association of Art Critics.

Local example: TUMO Centre for Creative Technologies[44]

Not-for-profit organisation, created in 2011 by the Simonian Education Foundation. It is a non-formal learning environment where young people of 12-18 ages carry out their own individual study plan under the guidance of experienced teachers and media professionals. Specially designed educational platform prepares them to practical work in which they are free to develop their own ideas within 4 main areas: animation, game development, filmmaking and web design. Specialised courses, lectures and events provide students with the opportunity to apply their knowledge and skills in everyday

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[39] http://cike.sk/en/project/escalator

[40] http://www.otelo.or.at/

[41] http://www.kurybinespartnerystes.lt/

[42] https://www.rca.ac.uk/research-innovation/innovationrca/

[43] https://www.ttu.ee/mektory-eng

[44] https://tumo.org/

life. The goal of TUMO is to expand minds and horizons of young people and to allocate resources to unleash their creative potential. Access is free and it is open to all local youth in an after-school schedule of 2h shifts. It reaches approx. 7000 students in Yerevan; and it is also located in three other cities in partnership with other local stakeholders: Gyumri, Dilijan - 400 registered users, and Stepanakert, with capacity for 1000 students.

Local example: DASARAN Knowledge base platform and educational programme[45]

Created in 2009, it is a pioneering school management system, uniting around 1 495 schools, including from Artsakh region, in one common online environment for the whole education community. It is a sort of E-learning platform, to promote learning, gamified education, civic education, human rights, and social inclusion.

4.6.3 Challenges in Armenia

> *Creativity and entrepreneurship are not promoted within overall education curricula.*

The formal education system does not sufficiently promote creativity and entrepreneurship competences from early age. These skills are crucial for overall societal development and participation in culture, as well as good basis for further professional growth.

> *Artistic education and training lacks associated management and communication skills and it does not respond well to market changes and needs.*

Creative professionals are not business-orientated and lack strategic and managerial skills that would allow them to knowledgably design and implement their projects effectively and to contribute to overall socio-cultural development. Besides the absence of this set of skills within formal artistic education, it also lacks a lifelong learning offer allowing permanent update of professionals, especially since ICT is constantly evolving and changing skills needs and trends. Furthermore, education and training offer is also too slowly responding to market demands. The market is requiring a bigger number of IT programmers, but also profiles in engineering, film producers and digital art.

4.7 Developing audiences and markets

CCIs' potential and transversal features are still little known by policy-makers and much of society in EaP countries. Many CCIs professionals are not the sector's best advocates. CCIs remain largely absent in media and public discourse except among niche audiences in capitals or big cities. Active and contemporary cultural venues and institutions are difficult to find in regions and rural areas, even on the outskirts of capitals and distribution systems are under-developed. Cultural houses/clubs (*dom kultury*) across the country need more resources and consequently up-to-date cultural and creative content. Developing audiences and a demand for cultural content is also crucial. This requires increasing the number of distribution channels. The different markets within EaP countries and different regulations and languages make it difficult to internationalise and operate across borders.

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[45] https://www.dasaran.am/

The digital revolution is blurring the distinction between creators and consumers, since content can be distributed without mediators to target audiences. Cultural production and access to new content are two phases of the same process, according to Pier Luigi Sacco. In his culture 3.0 model participation becomes a generator of value as its economic and social effects can be larger than market mediated distribution. User engagement and participation demands a new economic and social environment and framework that requires trust and dialogue between different stakeholders.

Most cultural institutions and many creative enterprises and professionals need audience engagement, communication and marketing skills. Box office sales and communications tend not to be a priority for many traditional and established institutions because they target a cultivated and familiar elite that frequently attend events. For the independent scene, the lack of strategic and planning skills and a shortage of long-term investment contributes to poor communication strategies. Most independent creatives seem to have difficulties with self-promotion, branding and market positioning and rely on sales points or parallel commercial initiatives. The shortage of value chain intermediaries - managers, agents, producers and especially marketing experts, public relations officers and communication specialists has a significant negative effect on the sector's development because these professions have the expertise to select, target and disseminate content and develop user engagement.

The diversity of expressions and content in national media is another challenge. Television can play a crucial role in promoting CCIs and contribute to building recognition and awareness and thereby increasing demand. This powerful tool is not being used to its full potential. In EaP countries there is a need to critique and a need for specialised journalists and media experts that can write about CCIs personalities, stories and successes. There are some interesting media platforms, that promote urban culture, festivals, lifestyle, cultural tourism, etc.

EaP countries are known for the diversity and quality of some of their festivals for films, music and theatre that take advantage of their geopolitical location to bridge East and West. These festivals have been important focal points for audience and business development and tourism attraction. Several of them keep a programme running all year round, and in some cases, develop initiatives that go beyond the capital cities, despite difficulties.

4.7.1 International examples

OSTV - Canal180[46] (Portugal)

> *Open Source TV channel (OSTV) is entirely dedicated to culture, arts and creativity, combining TV and internet on the same platform. It broadcasts innovative content, created by a new generation of artists and producers, and develops cooperation projects with partners around the world.*

For more examples, see HELMET city library network[47] in Helsinki (Finland), Kinodvor City Cinema[48] in Ljubljana (Slovenia), Opgang youth audience-based

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[46] http://canal180.pt/en/
[47] http://www.helmet.fi/
[48] http://www.kinodvor.org/

theatre [49] (Denmark), Laznia Nowa Theatre & Cultural Centre [50] (Poland) and Science Gallery[51] (Ireland)

4.7.2 Opportunities in Armenia

> *Diverse private initiatives to connect CCIs with wider audiences.*

There are several private independent initiatives to bridge the gap between arts and culture and their respective audiences. Cafés that propose arts and culture programmes; and pop up galleries that make use of the public space to meet and engage directly with audiences (see highlights bellow). The Museum Education Centre is another example of a private institution that contributes to the introduction of educational programmes into Armenian museums. Moreover, many festivals also present new genres/contemporary expressions opening new artistic horizons as well as organise events for specific audience groups, such as children and families.

Local example: Diverse cafés proposing arts and culture programmes in Yerevan:

*- **Bureaucrat café and bookstore**[52] proposes a special atmosphere that associates food and wine with arts and culture. It has a gallery exhibition space and organises diverse events.*

*- **Mirzoyan cafe-library**,[53] the largest photo library in the region, offers all resources necessary for general public to engage in this art, most especially targeting at young people.*

*- **Artbridge bookstore café**,[54] meant to be a bridge between cuisine and arts: debates, book presentations, exhibitions, music are some of the proposals.*

*- **Hayp Pop Up gallery**[55] - it is a nomadic contemporary art gallery that promotes emergent young artists in public space. Intention to reach beyond the niche of dedicated arts and culture participants, by using accessible locations, with engagement potential, to encourage walk-ins. Develops a programme of artistic residencies, international exchanges and research in Yerevan but also targeting the regions for decentralisation.*

4.7.3 Challenges in Armenia

> *Lack of audience development and user-engagement strategies.*

Most cultural institutions and CCIs projects do not target their audiences/users and are enclosed within a circle of devoted audiences. Moreover, a great deal of entrepreneurs focus only on simply putting products on the market. They do not invest resources or simply do not have the communication skills to develop a parallel strategy for engaging and mediating their relation towards wider audiences/customers.

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[49] http://opgang2.dk/

[50] http://www.laznianowa.pl/

[51] https://dublin.sciencegallery.com/education

[52] https://www.facebook.com/CafeBooks/

[53] https://www.facebook.com/mirzoyanphotolibrary/

[54] http://artbridge.am/

[55] https://haypopup.com/

> *Difficult access to cultural offer in the Marzes.*

There is a lack of cultural and creative offer outside of Yerevan. The existing cultural infrastructure remaining from Soviet period – from art and music schools to theatres, libraries, culture clubs - has not been renovated and therefore lacks necessary human resources, equipment and programming.

4.8 Encouraging internationalisation and cooperation

EaP countries are gradually engaging in the international arena by using culture as a soft power ambassador that builds their distinctive identity. Many are initiating international tourism campaigns and using culture as a central element based on their rich cultural heritage. However, CCIs have not yet been integrated into economic and trade diplomacy in relation to export and investment campaigns. EaP countries could develop the potential of local creative talent and human resources and their contribution to the added value of the economy in new national promotional campaigns. The small market size of most of these countries makes internationalisation a necessary step so that CCIs can enlarge audiences and scale up their activities.

The opportunities for professional mobility and circulation are easing although conditions differ between EaP countries. There are no travel restrictions for EaP citizens to travel around the region. Five EaP countries demand no visas or invitations for entry to EU citizens. However, the citizens of three EaP countries are subject to restrictions when travelling to the EU. Moldova, Georgia and Ukraine have seen their visa requirements waived to the Schengen area. The on-going conflict in five EaP countries feeds instability that affects international exchange, trade and collaboration.

All EaP countries participate in major international cultural organisations and have signed international cultural conventions, e.g. within the UNESCO framework. They are active partners in several Council of Europe and EU cross-border projects,[56] targeting cultural heritage, museums, film, crafts and publishing.

One of the region's biggest achievements is participation in the EU's Creative Europe Programme. Three EaP countries are now members and others are in the process of negotiation or considering membership. The benefits go beyond funding for different dimensions of cooperation in culture and media. The Programme gives EaP countries the opportunity to engage alongside with European peers in co-creation and co-productions. Developing partnerships is basic to most of Creative Europe strands project requirements. The programme funds formal and informal training and peer to peer learning activities for sector professionals that helps them stay in touch with potential international partners. The disadvantages are many operators in EaP countries need more international contacts and project management skills and most calls require 40-50% of co-funding which prevents many from getting involved.

Festivals in EaP countries promote the region and trigger the internationalisation of CCIs. Competitions, festival programmes, parallel showcases and talks all promote

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[56] "Kyiv Initiative"; Strengthening Creative Industries in Armenia, Azerbaijan and Georgia: Heritage Crafts – Common Platform for Development"; "The Book Platform"; "Black Sea Animation Programme"; "Let's Talk about Film in South Caucasus!", are some examples.

content and creatives at home and abroad and lead to local artists and producers participating in similar events abroad. Festivals host many foreign professionals, producers, directors and related businesses. Some export their concept to other cities abroad and organise "spin-offs". Many festivals also engage in international networks that feed continuous contact and access to opportunities for the region's professionals and organisations. Festivals in general are most prepared to engage and take advantage of the Creative Europe Programme.

The majority of EaP countries[57] are active in the Creative Business Cup (CBC), a global platform for innovative businesses based in Copenhagen. CBC is a year-round initiative that empowers entrepreneurs in creative industries and coordinates national competitions. Local contact points promote the national competitions and the winners then go on to compete in an international event. CBC members and participating entrepreneurs have the opportunity to develop their skills and build links with investors and global markets.

Operating in the international environment requires a specific set of skills as well as pool of material resources. Professionals recognise their lack of scale to cope with the vast dimension of the international market, thus their need to network, find partners, reflect together and disseminate information. This challenge calls for an upgrade in capacity building for the sector in developing long-term strategies, and increasing managerial skills such as fundraising and networking. Institutions need to include internationalisation in their policy priorities and implement programmes and tools that allow CCIs to work transnationally.

4.8.1 International examples

Go International[58] (Austria)

> *This is an internationalisation initiative created in 2003 to support and brand Austrian businesses as reliable and interesting partners abroad. It supplies individual enterprises with the expertise, tools and opportunities to market their offer internationally. It is coordinated with other Austrian economic and trade agencies who provide additional direct financial support instruments.*

Tallinn Music Week[59] (Estonia)

> *TMW started in 2009 as an initiative to internationalise the music industry through a conference and talent showcase festival. It has since then broadened its concept into an all-encompassing weeklong city festival, covering arts, design, technology, city space, food culture and various social issues. It is now a meeting point for European creative communities.*

For more examples, see:

Regional centres promoting CCIs internationalisation - Catalan Institute for Cultural Enterprises[60], Flanders DC[61] and NOMEX Music Export Programme[62]

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[57] Belarus, Georgia, Moldova and Ukraine

[58] https://www.go-international.at/

[59] https://tmw.ee

[60] http://cultura.gencat.cat/ca/departament/estructura_i_adreces/organismes/icec/

[61] http://www.flandersdc.be/nl/promotie

European and international networks and platforms - Creative Business Cup[63], Creative Tracks – Talents without frontiers[64], European Creative Hubs Network[65], European Festivals Platform[66] and the Creative Europe Programme[67]

4.8.2 Opportunities in Armenia

> *Internationally well connected CCIs community.*

In general, the cultural and creative community is well connected worldwide via networks and through the wide diaspora. Several Armenian festivals, theatre venues, museums and artistic residencies participate in European networks such as IFACCA, EFA, IETM, NEMO, Europa Nostra and ResArtis.

> *Potential membership of the Creative Europe Programme is being negotiated.*

Negotiations are underway between the government and the EU in view of Armenia's membership of the Creative Europe Programme. The actual participation of Armenia is now subject to the signing and notification of an Agreement with the European Commission. This step would open doors to local operators to engage in wider European cooperation. Participation gives access to relevant co-funding opportunities, as well as access to diverse partnerships and international visibility and knowhow.

> *Official recognition of the relevance of culture and cultural identity to brand Armenia internationally.*

Under the slogan "one nation, one culture", the state acknowledges the contribution of culture and cultural identity to brand the Armenian nation worldwide through its values, history and heritage. Besides targeting and engaging the diaspora, this objective is also inscribed in the intention to further promote international tourism into Armenia.

> *State policy to foster young talents and support their education and presence at the international stage.*

The Ministry of Culture promotes the competitiveness of young composers and performers in the international market scene by supporting them to get education, participate in competitions as well as tour abroad.

> *Commitment to increase international links and opportunities for Armenian cinema.*

Building on the international success of the Golden Apricot Festival, the most visible face of Armenian cinema abroad, Armenia has recently joined Eurimages (2016) as well as became a member of the European Audiovisual Observatory, represented by the National Cinema Centre.

> *Festivals act as hubs for regional and wider international cooperation.*

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[62] http://nordicmusicexport.com

[63] http://www.creativebusinesscup.com/

[64] http://www.creativetracks.org/

[65] http://creativehubs.eu/

[66] http://www.effe.eu/

[67] https://ec.europa.eu/programmes/creative-europe/

Most relevant international festivals act as platforms of support and business development in diverse artistic and creative areas such as: film (Golden Apricot, Reanimatia); music and performing arts (High Fest, Aré, Aram Khachaturian Competition and Yerevan Perspectives) and literature (Literary Ark). Festivals offer advice and/or support to professionals to draft their grant applications to go abroad and participate in peer festivals and other competitions or promotional events, such as fairs and markets. Cooperation with peer festivals in the EaP region is also common, notably articulating dates and sharing costs of international guests jointly. Furthermore, Golden Apricot is also outsourcing its concept and method, giving support to organise similar festivals abroad, notably in Bremen, Amersfoort, Russia, Edinburgh, Estonia, and Almaty. In addition, there are examples of successful cross-border projects within film industry. EU funded projects such as "Directors Across Borders" have been successfully managed by Golden Apricot festival together with partners from Georgia, Ukraine, Turkey and Italy, including the creation of an Armenian-Turkish cinema platform.

Local example: Kinoashkharh[68]

It is a web platform promoted by National Cinema Centre. This platform serves as an entry point and integrated source of Armenian and world cinema information and promotion.

4.8.3 Challenges in Armenia

> *Random and fragmented support to international mobility prevents long-term maintenance of international links and partnerships.*

The government does not have a systematic support programme for internationalisation. Private support from embassies and international organisation and donors are an alternative though still irregular source of financing. This unpredictability prevents long-term planning and the endurance of international connections and partnerships.

> *Irregularity in festivals operations prevent the unleashing of their full potential to act as focal points for internationalisation.*

Most of the festivals have fragile structures due to irregular funding support and lack of diversification of business models or connections to other stakeholders. They often have difficulties in access to venues/locations to showcase. This precariousness prevents their full potential to be explored as international brokers for their community and country.

> *Lack of a cultural diplomacy strategy integrating a wide range of CCIs.*

The goals to promote national culture in the international space lack a systematic investment in branding the country within a wider and contemporary CCIs vision and strategy. Armenian diplomacy, trade and export policies should further integrate CCIs to promote and open up international opportunities for the country's talents and industry.

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[68] http://kinoashkharh.am/

5. RECOMMENDATIONS ON DEVELOPING CULTURAL AND CREATIVE INDUSTRIES IN ARMENIA

5.1 Policy-making, Participation and Platforms.

> *Create an integrated CCIs policy*
> *Set up collective platforms and engage stakeholders*
> *Promote interactions between CCIs, tourism and IT sector*

5.1.1. Short term actions

a) Elaborate annual action plans for cultural policy implementation.

Existing annual cultural policy documents should be accompanied with action plans defining specific objectives and consequent actions or tools to be implemented within a clear timeframe.

b) Create a stronger link between CCIs and tourism development.

CCIs should be considered within tourism support programmes. Local players – manufacturers, wine and food producers and hospitality providers – should be supported to connect with CCIs' professionals and enterprises to develop joint products and services and to disseminate information about their activities and offer. CCIs can also contribute to enrich and enlarge tourism offer regarding experience, active and creative tourism, and take part in developing communication tools and campaigns.

c) Conduct local cultural and creative resource mappings to support decentralisation process.

Building on former COMUS project in Goris and Gyumri, the mapping exercises should be conducted at local/regional level to identify infrastructure, venues, organisations, events, dynamics and assets in order to promote decentralisation. This process will result in an understanding of existing and resources and become a planning tool for stakeholders and public authorities wishing to develop their regions and communities, improve a city or region's infrastructure and develop local economies. These exercises will also promote community engagement and awareness. The data could be mapped and showcased interactively. The maps could use the Creative Towns and Regions Initiative's mapping exercise[69] of the EU-Eastern Partnership Culture and Creativity Programme, which has published a handbook[70] on carrying out these mapping exercises.

d) Encourage the creation of a CCIs professional alliance.

The CCIs community should organise an informal national platform that includes companies, NGOs, public institutions and venues. This process is crucial for

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[69] The pilot town in Armenia is Sisian.
[70] Making the Most of Cultural and Creative Resources. The Mapping and Strategy Building Handbook for Creative Towns and Regions, Lia Ghilardi, EU-EAP Culture and Creativity Programme, 2017.
https://www.culturepartnership.eu/upload/editor/2017/2017/170809%20Creative%20Towns%20and%20Regions%20Handbook%20FINAL.pdf

breaking the sector's fragmentation and create a joint platform, which is able to represent the sector and have a structured dialogue with the authorities.

e) Organise tech-creative labs and hackathons.

Joint laboratories and hackathons bringing together IT sector and CCIs should be regularly organised to provoke connections between both communities, notably by existing business centres and creative hubs as well as universities and other educational and training centres. These initiatives can be thematic and respond to urban and societal issues in which engineers and developers work together with designers, composers, and media artists.

5.1.2 Mid-term actions

a) Prepare and adopt a joint national policy for CCIs development.

The Ministry of Culture should start up a participatory process of developing a CCIs national policy in which the role of the sector for cultural, social and economic development is recognised and fostered. This strategy should be conducted based on existing data (notably from UNESCO Culture for Development Indicators) and a process of consultation and articulation with the sector's professional community and other policy areas representatives, including economy, education, regional development and the diaspora and foreign affairs.

b) Integrate CCIs and ICT into Armenia's tourism strategy, including the creation of an international digital platform.

Armenia's tourism strategy and branding should be based on its distinctive cultural heritage and contemporary technological and creative talent associating its natural and urban environments with quality services and experiences via the development of creative enterprises. The ICT and CCIs communities, through the public calls, should contribute to create and maintain a digital tourism platform that would serve as promotional entry point and booking system.

c) Develop a specific audiovisual and media policy and legal framework.

The audiovisual and media sector's existing capacity in terms of skills and production facilities should be accompanied by a national sub-sector policy that specifically facilitates the independent production and distribution of this wider industry in Armenia. The potential synergies with ICT sector developments should be further fostered. Furthermore, this policy should clearly give a mandate and allocate necessary resources to the National Cinema Centre.

d) Develop joint education, research and development programme for ICT and CCIs linking academia and industry.

A joint programme to promote and support post-graduate education, research and development linking ICT and CCIs should be set up to develop qualifications, allow the investment in innovation of processes and products and build up ties among academia and industry, but also between ICT and CCIs communities.

e) Establish CCIs research and monitoring body.

It should follow up the work being done for establishing UNESCO Culture for Development Indicators, crucial to allow international comparison of datasets. The sector institutions, organisations and multiple stakeholders have to be engaged in this process to make sure that quality data is collected and monitoring processes are integrated. The monitoring and evaluation of public policies and support tools and programmes should be incorporated. Open access and dissemination of data must be facilitated.

5.2 Infrastructure, Funding and Frameworks

> *Diversify funding sources*
> *Create favourable supportive environment*
> *Strengthen evidence-based management system*

5.2.1. Short-term actions

a) Promote evidence-based management and collaborations in between state institutions with independent and start-up community.

Gradually introduce more flexible and evidence-based management of CCIs projects, organisations and institutions to which public funding should be dependent on. This will help to create opportunities for qualifications and career development and lifelong learning alongside evaluation of leadership and staff, promotion of strategic planning, including marketing and communication, and business models. In the case of state cultural institutions, the opening up to collaborate and work alongside with the independent sector and other creative entrepreneurs should be promoted. The promotion of networks and collaborations among cultural institutions associated with touring schemes are also fundamental to create synergies.

b) Facilitate and support creative projects' access to venues and public spaces.

Allowances based on project proposals and/or public tenders should be given to small-scale independent initiatives, especially when they manage to co-fund, to ease and support access of CCIs professionals to spaces, whether public (e.g. within cultural institutions) or when disused. Creative hubs, artistic and cultural venues that have proven dynamics and management capacities should also benefit from the process. It will have a positive effect on city-level regeneration initiatives.

c) Encourage sponsorship and investment in the CCIs internally and from abroad (notably in film production).

Laws should be introduced that give sponsors, donors and other investors supporting the CCIs tax incentives. These incentives are crucial to make the sector more attractive especially for companies with a corporate social responsibility (CSR) policy. An information campaign to raise awareness in the business community should accompany any such change in legislation. Special packages of incentives should also be put in place to attract foreign investors in CCIs, most notably in the film production. Armenia, in the same way as Georgia, may position its diverse territory as an attractive platform and location to encourage external film production.

d) Promote CCIs crowdfunding campaigns and platforms.

Crowdfunding should be promoted by launching information and awareness campaigns targeting the CCIs community and wider audiences.

5.2.2 Mid-term actions

a) Support the creation of a network of business, ICT and creative hubs throughout the country.

The state should provide grants to the establishment and operation of business, IT and creative hubs that provide conditions for business and project development as well as interactions among wider CCIs and ICT community. Special incentives should be given to all those initiatives stemming from outside of Yerevan.

b) Institute a regular competitive state funding system for CCIs.

The state should put in place a transparent and systematic process of grants programme that is inclusive and adapted to diverse players: cultural institutions, independent/NGOs and also creative companies/entrepreneurs. It should follow an arm's length principle (e.g. Arts Council, Cultural Endowment, etc.), ensuring equal access and a monitoring process. It should be based on project's proposals and evidence-based evaluation. In the specific case of CCIs businesses funding line, intended for operators who want to set up and develop a business in the CCIs, the funding scheme should be developed jointly with Ministry of Economy within its SME's policies and programmes.

c) Establish favourable regulations and incentives for CCIs business creation and development.

The tax system should be simplified, to allow easy and smooth start up – reduced obligations for entrepreneurs in ramp up years in particular. A revision of tax system should also secure a more stable state budget support for creative and innovation policy connecting it with taxes coming from tobacco, alcohol, or lottery and/or channelling TV stations contributions and DVD sales, for example. The state should also mediate and facilitate guarantees for investors and private sector – micro loans, business angels, and venture capital.

d) Monitor and raise awareness for copyright and develop collective management accountability.

There is a need to raise awareness for copyright procedures among all the sector stakeholders and to reform and simplify copyright and related rights laws to favour CCIs. Collective management accountability should be further developed, particularly by supporting collective management societies to develop a more transparent collection and distribution of royalties. Assessment and monitoring of copyright industries impacts and dynamics should be fostered by developing inter-institutional relations among competent authorities to facilitate data collection. Finally, new forms of remuneration and business models based on open sources and commons licencing should also be considered and explored.

e) Revise legal frameworks to allow fair competition and diversity of media.

Revise the legal frameworks to allow equal opportunities to state and non-state media in accessing public distribution systems, allocating frequency resources, licensing and advertising. The state has a crucial role to play in ensuring transparency, accountancy and fair competition that may allow overall CCIs development, but also promoting and favouring the production and distribution of local produced contents.

5.3 Skills, Audiences and Markets

> *Launch awareness-raising initiatives for CCIs*
> *Foster creative skills and entrepreneurial mindset development*
> *Develop new audiences and markets*

5.3.1 Short-term actions

a) Launch a programme of peer-to-peer learning and exchanges for creative entrepreneurs and culture professionals.

Jointly promoted by Ministry of Culture and Ministry of Education, targeting the whole CCIs community, institutional and independent, this informal training programme should promote exchanges among practitioners, with the guidance and mentorship of skilled international mentors and entrepreneurs. It should be developed alongside a structured platform, database and pool of mentors and alumni to promote networking.

b) Pilot interdisciplinary and interactive programmes associated with project development funds within university curricula in the CCIs.

These programmes should bring together final graduate students from CCIs, business and technology, to respond to societal and city issues as well to challenges raised by the business community. It may be combined with internship placements.

c) Set up a network of shops/workshops for local CCIs products branded as "Made in Armenia" throughout the country.

These shops/workshops shall serve as focal points for dissemination of creative works and products – crafts, local produce, gem and jewels, other design products, publications, games. Museums and other cultural venues should include these shopping stands serving as showcases and sales points for Armenian CCIs products.

d) Introduce a capacity building and mobility programme for cultural journalists, critics and bloggers.

The goal of this programme is to form qualified and cosmopolitan journalists and art critics interested to produce and critically comment on CCIs works and products.

5.3.2 Mid-term actions

a) Introduce entrepreneurial and communication skills development within artistic and cultural curricula in universities.

Higher education establishments should include management courses – including strategic and communication skills and audience development skills – on the diverse artistic, cultural and creative curricula. These courses should make necessary links to the sector organisations and institutions as well as overall society to provide cases for students to work on. Links and joint working groups between arts and creative disciplines students and business and management students should be encouraged. It should also favour research in the CCIs field, data collection, organisation of guest lectures, open universities, online courses, and competitions in this area.

b) Integrate makerspaces and clubs within schools and higher education premises.

Starting up as pilot projects, gradually makerspaces and clubs should be integrated into schools since early age education. Artists, ICT experts and other creative entrepreneurs should facilitate the activities to explore creative competences and processes as well as team dynamics.

c) Support the creation and maintenance of media platforms on CCIs contents.

State should support the creation and maintenance of media platforms on of CCIs contents – blogs, digital platforms, TV and radio channels – to raise awareness of the potential and dynamic of the sector, showcasing players and stories.

5.4 Internationalisation and Cooperation

> *Promote Armenian talent and creativity worldwide*
> *Provide opportunities for international cooperation and trade*

5.4.1 Short-term actions

a) Include a culture and creativity dimension to diplomatic and diaspora policy and missions abroad.

Armenian rich culture heritage, arts and creative industries should be associated to its diplomatic relations and export and trade missions as well as diaspora engagement programmes. Cultural identity and contemporary production should be linked to other cultures; and an incentive for attracting investments as well as open up new markets.

b) Conclude membership of the Creative Europe Programme negotiations.

Armenia should now conclude negotiations with EU, by signing due Agreement with the European Commission, in order to start participation in the Creative Europe Programme. The entry into the programme should be accompanied by pre-accession wide campaign of information and skills development.

c) Set up an efficient mobility grants scheme to participate in international circuits.

A flexible and agile grants scheme – with several regular calls per year – should be set up to support and facilitate international travels, notably to: identify and meet partners, engage in networks, participate in residencies and expose in international fairs, missions and festivals.

d) Develop a cultural tourism international platform.

This platform should be the entry point to Armenia tourism showcasing the country's rich cultural heritage and creative contemporary products and services.

e) Set up the legal basis for defining "national film" to benefit from official co-productions.

Following up to Armenia's membership of Eurimages, Armenia should set up a legal framework to define "national film" which is a legal requirement to be able have benefits from official co-productions.

f) Set an international artistic and creative residency programme in the marzes.

Support artistic and creative community to set and promote international residency programmes in the towns and regions. These programmes should include workshops and exchanges with local professional community as well as development of site specific projects.

g) Build on and reinforce the existing Eastern Partnership cooperation.

Continue and strengthen peer-to-peer learning, sharing, knowledge, information, policy development, communication, and advocacy and awareness raising for the potential of CCIs in EaP countries. Pursue joint capacity building mobility programmes associated with project grants and common platforms to showcase local talents and resources.

5.4.2 Mid-term actions

a) Promote a programme of incentives to promote Armenia as filming location and platform for film production, using the National Cinema Centre as one-stop-shop.

A package of tax incentives and other beneficiary conditions should be promoted to position the country, in the same way of neighbouring Georgia, with whom synergies can be pursued, as a hub for film production, and making the best out of its diverse cultural and natural landscape.

b) Establish an international placement programme for young emergent creative graduates and entrepreneurs targeting the diaspora business community.

This programme shall give the opportunity for young graduates and entrepreneurs to acquire an international experience, network and contact with the diaspora abroad as well as with other cultures to have a fresh new outlook on things. The diaspora business community should be targeted to provide these placements.

c) Create a focal point to support and promote internationalisation.

This focal point would act as intermediary with two articulated missions: inform and build the capacity of the sector internally; and to promote Armenia's CCIs abroad. The sector requires support for international projects: provide information and contacts, notably via maintaining updated database of partners, investors, networks, consortia and projects; make linkages with international companies; provide coaching and training for cooperation and export procedures and know-

how; identify and develop applications to international funding opportunities. Secondly, it should develop a communication and branding plan to promote the country through its CCIs talents, contents, products/services. Organise showcases and events on CCIs home and abroad. This effort should also be articulated with tourism authorities for including cultural tourism as one of the targets.

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APPENDIX B: LIST OF PARTICIPANTS IN WORKSHOPS, INTERVIEWS AND SITE VISITS

Yerevan, 31st October – 1st November 2016

Organisation
Narek Tovmasyan - British Council Armenia
Norayr Yerznkyan - EaP Culture and Creativity Programme

Interviews and meetings
Emin Torosyan, Department of Culture - Municipality of Yerevan
Irina Movsesyan, EU Delegation to Armenia
Sara Anjargolian, Impact Hub Yerevan
Shushan Paremuzyan, TUMO Center for Creative Technologies
Svetlana Sahakyan, International Relations Department - Ministry of Culture
Varduhi Sargsyan, EU Delegation to Armenia

Sub-sector research roundtables
Anahit Tarkhanyan, A3 Architects
Anna K. Gargarian, Armenian General Benevolent Union/HAYP Pop Up Gallery
Anush Begloian, Marketing and Communications Expert
Armen Martirosyan, Antares Media Holding
Artur Ghukasyan, HIGH FEST International Performing Arts Festival
Isabella Merabova, Armenian General Benevolent Union
Mari Barseghyan, EIF Entreprise Incubator Foundation
Nazareth Karoyan, Institute for Contemporary Art
Nika Babayan, Cadence Music Centre
Rima Sargsyan, Dasaran
Raffi Movsisyan, Golden Apricot International Film Festival
Ruben Arevshatyan, AKA International Association of Art Critics Armenia
Stephanie Gyokchyan, Golden Apricot International Film Festival
Vigen Shirvanyan, COAF Children of Armenia Fund

Site Visits
Bureaucrat bookstore
Impact Hub Yerevan
TUMO Center for Creative Technologies

NOTE

The report is developed with the assistance of the EU-Eastern Partnership Culture and Creativity Programme. The content of this report does not reflect the official opinion of the European Union. Responsibility for the information and views expressed in the report lies entirely with the author.

The purpose of the EU-Eastern Partnership Culture and Creativity Programme is to support the cultural and creative sectors' contribution to sustainable humanitarian, social and economic development in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

The Programme is funded by the European Union