My CREAction 4 EU Guide

A step-by-step guide for youth and youth workers on how to build up their own creative venture

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PART A

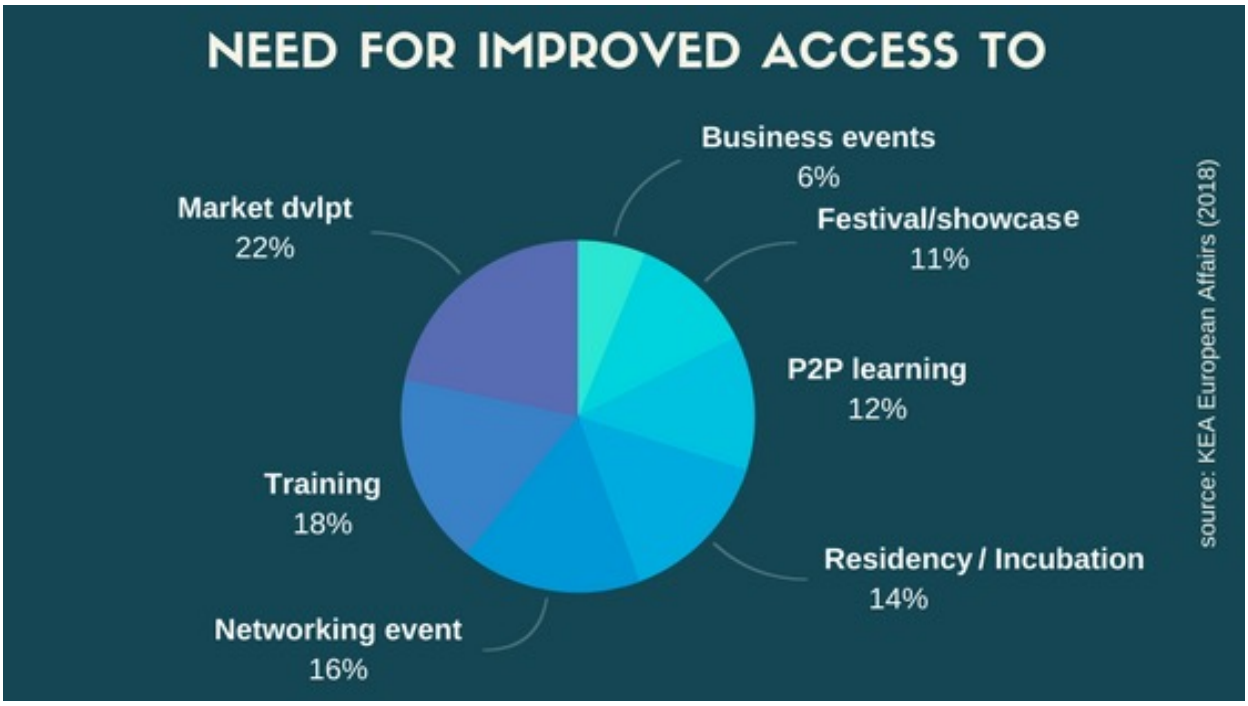
How to develop entrepreneurial ventures during crises (COVID-19)

Introduction

Introduction

Entrepreneurship is typically considered a process driven by individuals (or stakeholders within firms) which involves an "innovative behaviour and/or risk-taking that results in change," having, thus, the potential to lead to the creation and expansion of firms[1]. Obviously, when discussing entrepreneurship, the role and skills of the entrepreneur are central, the most important being their ability to spot an opportunity for innovation between existing resources and future possibilities[2]. It is these personality traits that, along with a range of business/economic environmental factors (such as labour-market regulations, technology diffusion rate, patent regime, availability and ease of access to finance, or bankruptcy) and/or climate for entrepreneurship, determine a country's entrepreneurial performance. Ultimately, successful entrepreneurial ventures within a given regulatory framework and culture are a combination of "resources, opportunities, and skilled persons"[3].

In Europe, the cultural and creative industries (CCIs) are drivers of growth and social development, and their innovation potential could significantly boost Europe's competitiveness[4]. Cultural and creative entrepreneurs are at the forefront of European creativity, innovation, and growth. However, according to report published by KEA European Affairs[5], creative entrepreneurship in Europe is hindered by "the market fragmentation along cultural, linguistic, and regulatory frontiers as well as by a lack of good market intelligence, pressure on existing business models, and limited forward planning among SMEs in the cultural and creative sectors"; therefore, the authors argue, entrepreneurs need better access to market development (22%), business events (6%), festivals/showcase (11%), P2P learning (12%), training (18%), residency/incubation (14%), networking event (16%) as summarized in the figure below:



1. Eurostat „Entrepreneurship determinants: culture and capabilities", 2012, p.8 available at https://ec.europa.eu/eurostat/documents/3217494/5748437/KS-31-12-758-EN.PDF accessed on 14.1.2023
2. Eurostat „Entrepreneurship determinants: culture and capabilities", 2012, p. 9 available at https://ec.europa.eu/eurostat/documents/3217494/5748437/KS-31-12-758-EN.PDF accessed on 14.1.2023
3. Eurostat „Entrepreneurship determinants: culture and capabilities", 2012, p.10 available at https://ec.europa.eu/eurostat/documents/3217494/5748437/KS-31-12-758-EN.PDF accessed on 14.1.2023
4. European Commission „European Cultural Heritage Cloud – stakeholders survey", 2022, available at https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/european-cultural-heritage-cloud-stakeholders-survey-2022-09-30_en accessed on 14.1.2023
5. KEA European Affairs „Cultural & creative entrepreneurs call for improved mobility for market exploration and development", 2018, available at https://keanet.eu/cultural-creative-entrepreneurs-call-improved-mobility-market-exploration-development/ accessed on 14.1.2023

The CCIs are a varied group, consisting of the following macro-categories:

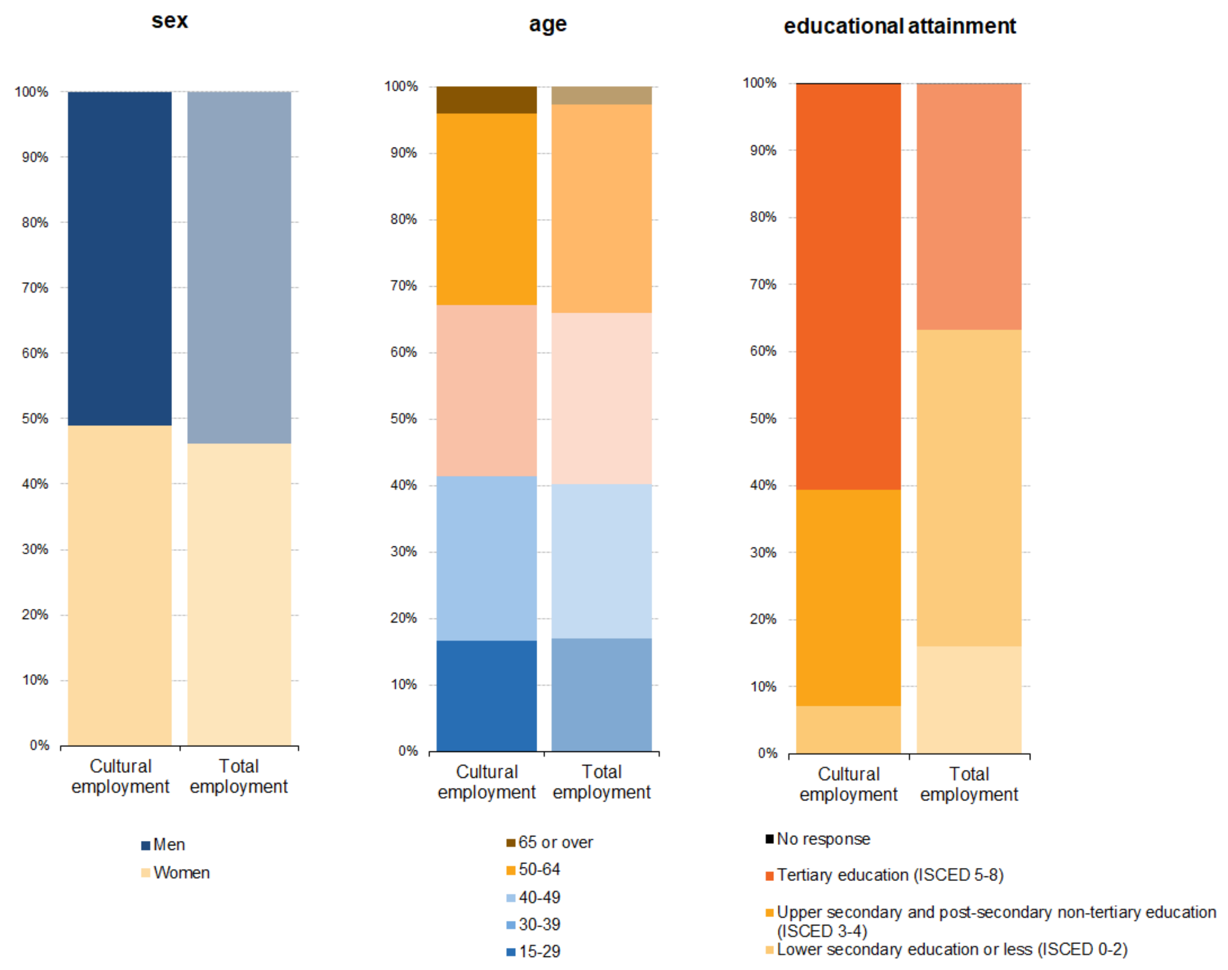
- architecture;
- audiovisual;
- books and publishing;
- music;
- performing arts.

It is mainly small and medium-sized enterprises (SMEs) that contribute to job creation.

In Europe, culture and creativity are regarded as a public good and may receive public support (eg. public funds play an important role in the AV industry or the heritage sector) while many creative entrepreneurs are driving the creative economy (e.g. music, publishing and media, architecture, design). Cultural education is considered part of the ecosystem.

It is interesting to understand the socio-demographic profile working in this sector. Compared with the total employment, slightly more women were employed in this field, and about 60% of CCI workers have tertiary education[6].

Cultural and total employment by sex, age and educational attainment, EU, 2021
(%)



6. Eurostat, "Culture statistics - culture employment", available at ", 2021, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 5.2.2023

The COVID crisis has accelerated major trends in digital, causing the CCIs too to increase efforts to develop new content and new business models. The same is true for entrepreneurial and managerial skills to strengthen professionalisation and scaling up. The CCIs are key to the single market because they have great spill-over effects in terms of innovation across the economy and promote European exports by enhancing the image of Europe across the world.

In order to counter the challenges of the cultural and creative industries, it is necessary to adopt a strong political response. In this regard, the European Union has allocated EUR 1.46 billion over seven years through the “Creative Europe” programme to help companies in the sector. The proposal for the period 2021-2027 aims to remedy the weaknesses of the cultural and creative industries by including new specific support in areas such as:

- music;
- architecture;
- books and publishing;
- cultural heritage.

Beyond “Creative Europe”, there is a variety of funding opportunities promoted by the European Union; here are some of the most important:

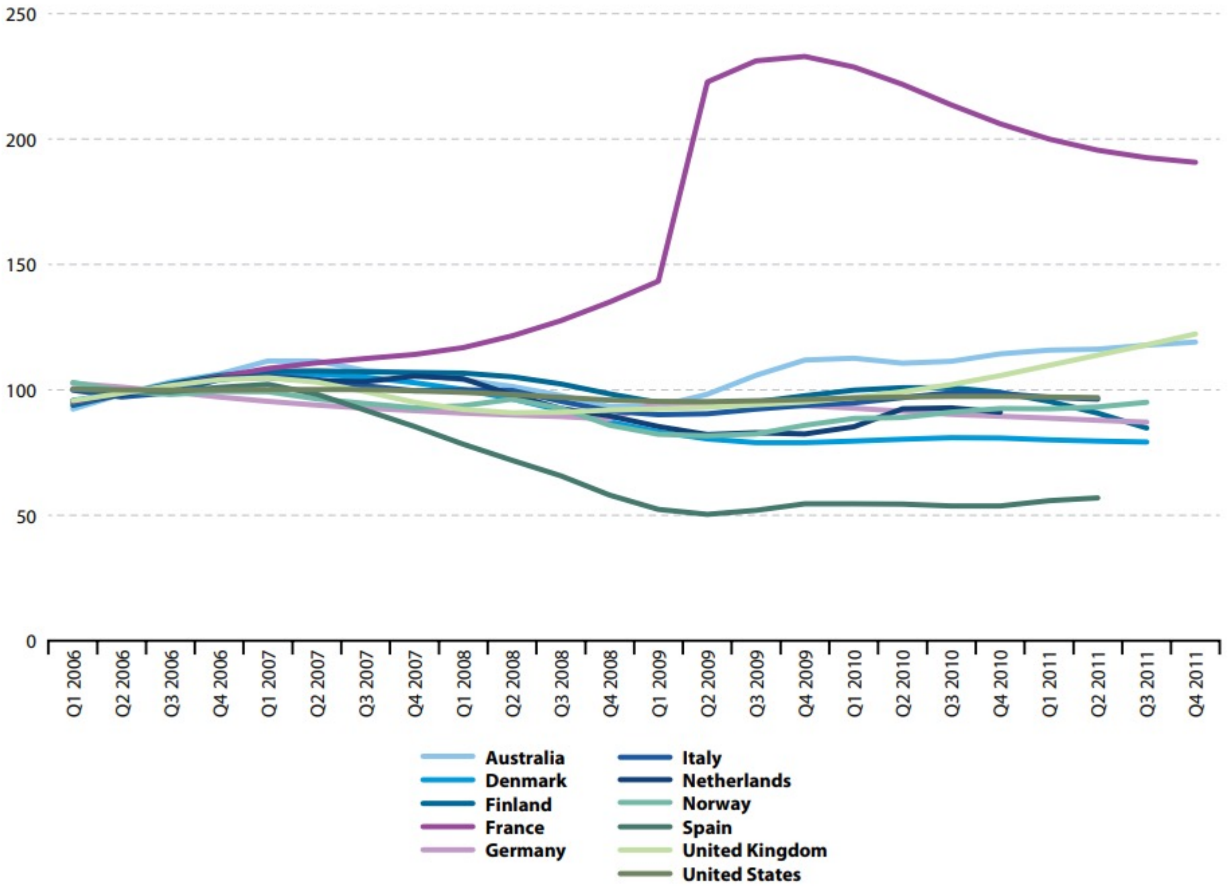
- Horizon Europe
- Recovery and Resilience Facility (RRF)
- The Digital Europe Programme
- InvestEU

The Case of France

Cultural Entrepreneurship in France

In France, companies in the cultural industry have always existed, and, in fact, new businesses are created every year[7]. As demonstrated in the figure below, France led the number of new enterprises created from 2006 to 2011[8]:

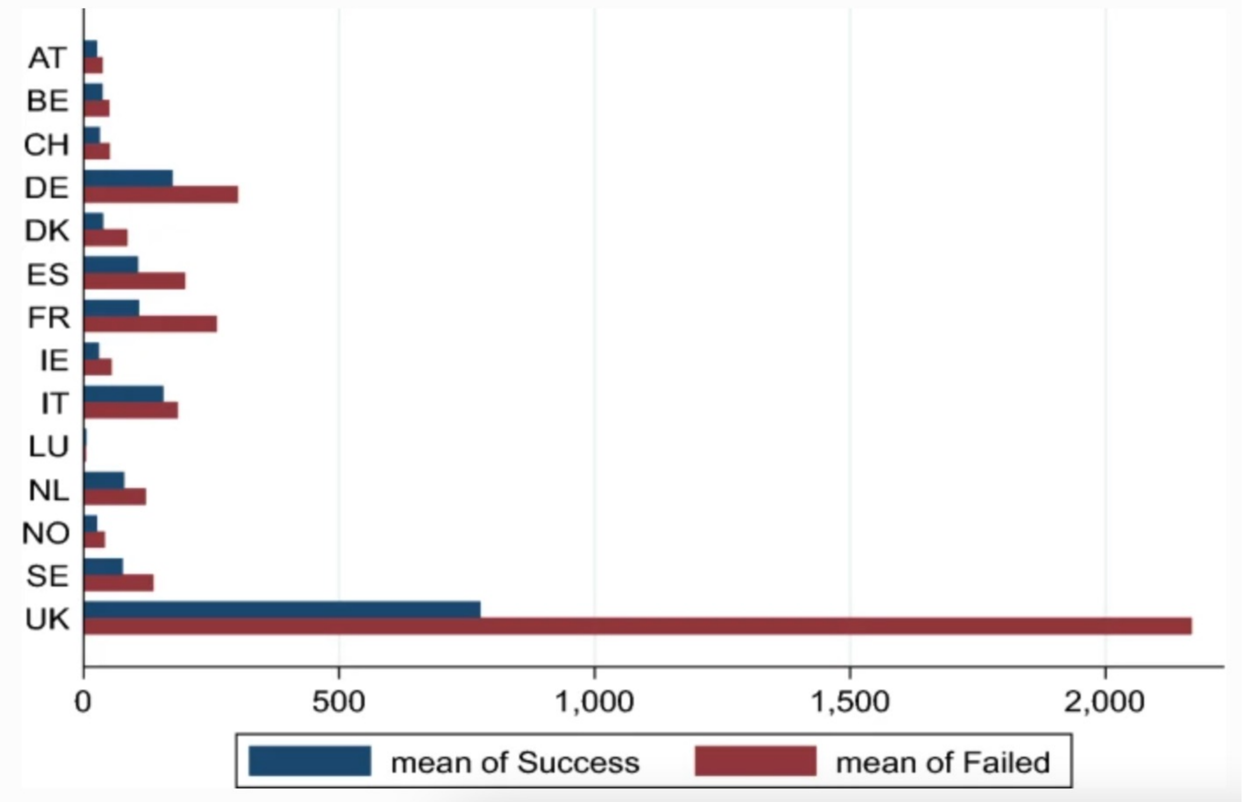
Figure 1: Timely indicators: new firm creations
Number of new enterprises, Trend-Cycle 2006 = 100



Note: The *trend-cycle* is the underlying path or general direction reflected in data over the longer term, i.e. the combined long-term (trend) and medium-to-long-term (cycle) movements in the original series.
Source: OECD

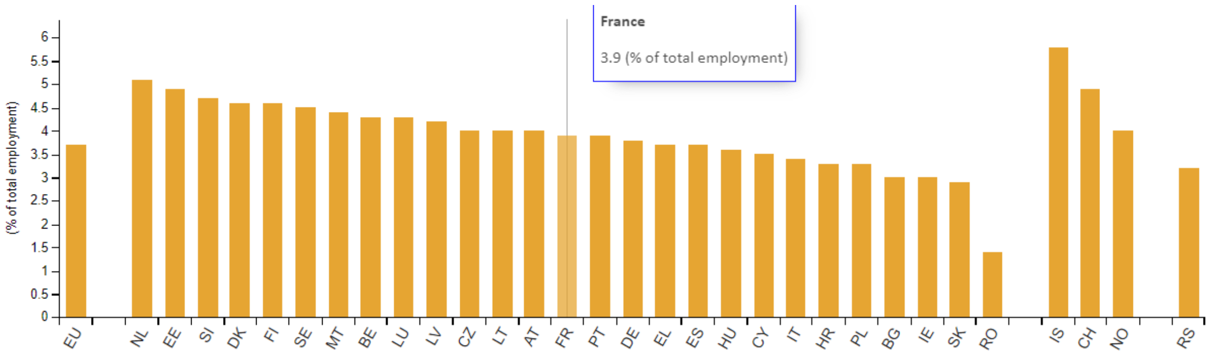
Additionally, the country ranks fairly high in the number of successful (and failed) project campaigns launched on Kickstarter between 2015 and 2019 in cultural and creative categories[9]:

7. The music market is also led by the USA, but among the top ten music markets, three are European: Germany, France (and UK) and Spotify is a globally successful EU player (Commission Staff Working Document "Annual Single Market Report 2021", p.99 available at https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0351&from=en accessed on 14.1.2023)
8. Eurostat „Entrepreneurship determinants: culture and capabilities", 2012, p.49 available at https://ec.europa.eu/eurostat/documents/3217494/5748437/KS-31-12-758-EN.PDF accessed on 14.1.2023
9. Antonella Francesca et al „Financing the cultural and creative industries through crowdfunding: the role of national cultural dimensions and policies", Springer, 2022, available at https://link.springer.com/article/10.1007/s10824-022-09452-9 accessed on 14.1.2023



Employment

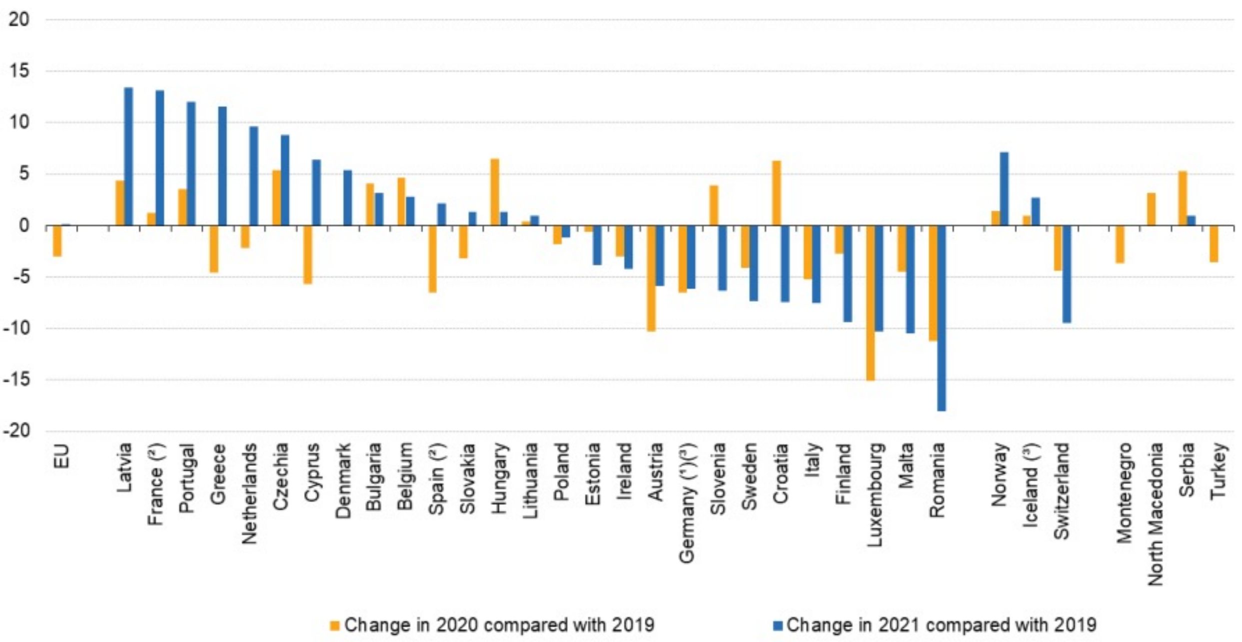
Data from Eurostat shed important light on the situation on cultural entrepreneurship in France; in 2021, cultural employment comprised 3.7% of total employment (7.4 million people) in the EU, with one of the largest increases being recorded in France (up by 0.4 p.p.)[10]:



Data from 2019, 2020, and 2021 demonstrate that the percentage change of people employed in the cultural sector in France increased; the rate of cultural employment in the country rose in both 2020 and 2021, recording the second highest increase in the EU (13.1%)[11]:

10. Eurostat „Culture statistics - cultural employment", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 14.1.2023
11. Eurostat „Culture statistics - cultural employment", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 14.1.2023

Cultural employment changes by country in 2020 and in 2021 compared with 2019
(%)



In fact, the biggest increase in cultural employment between 2019 and 2021 in absolute numbers was recorded in France (up by 126.000 employees)[12].

Cultural employment, 2019 to 2021

	Number (1 000 persons)			Share of total employment (%)			Change in the number of employees (ths) 2020 compared with 2019	Change in the number of employees (ths) 2021 compared with 2020	Change in the number of employees (ths) 2021 compared with 2019
	2019	2020	2021	2019	2020	2021	%	%	%
EU	7 357	7 135	7 363	3.7	3.6	3.7	-3.0	3.2	0.1
Belgium	205	214	210	4.2	4.5	4.3	4.6	-1.7	2.8
Bulgaria	89	92	91	2.7	2.9	3.0	4.1	-0.9	3.2
Czechia	193	203	210	3.6	3.9	4.0	5.3	3.3	8.8
Denmark	126	126	132	4.4	4.4	4.6	0.0	5.4	5.4
Germany (1)(2)	1 682	1 572	1 579	4.0	3.8	3.8	-6.5	0.4	-6.1
Estonia	34	33	32	5.1	5.1	4.9	-0.6	-3.3	-3.9
Ireland	76	74	73	3.3	3.2	3.0	-3.0	-1.2	-4.2
Greece	129	123	144	3.3	3.2	3.7	-4.6	17.0	11.6
Spain (3)	714	667	729	3.6	3.5	3.7	-6.5	9.3	2.1
France (3)	960	972	1 086	3.5	3.6	3.9	1.3	11.7	13.1
Croatia	60	64	56	3.6	3.9	3.3	6.3	-12.9	-7.5
Italy	835	791	771	3.6	3.5	3.4	-5.2	-2.5	-7.6
Cyprus	14	13	15	3.4	3.2	3.5	-5.7	12.9	6.4
Latvia	32	33	36	3.5	3.7	4.2	4.4	8.7	13.4
Lithuania	54	54	54	3.9	4.0	4.0	0.4	0.6	0.9
Luxembourg	15	12	13	5.1	4.2	4.3	-15.1	5.6	-10.3
Hungary	164	175	166	3.6	3.9	3.6	6.5	-4.9	1.3
Malta	13	13	12	5.2	4.9	4.4	-4.5	-6.3	-10.5
Netherlands	430	421	471	4.8	4.7	5.1	-2.2	12.1	9.7
Austria	181	163	171	4.2	3.8	4.0	-10.3	4.9	-5.9
Poland	548	538	542	3.3	3.3	3.3	-1.8	0.7	-1.2
Portugal	168	173	188	3.4	3.6	3.9	3.5	8.2	12.1
Romania	136	120	111	1.6	1.4	1.4	-11.3	-7.6	-18.1
Slovenia	49	51	46	4.9	5.2	4.7	3.9	-9.9	-6.4
Slovakia	74	71	75	2.9	2.8	2.9	-3.3	4.8	1.4
Finland	132	128	119	5.1	5.1	4.6	-2.7	-6.8	-9.4
Sweden	249	239	231	4.8	4.7	4.5	-4.1	-3.4	-7.4
Iceland (2)	11	11	11	5.5	5.8	5.8	0.9	1.8	2.7
Norway	105	106	112	3.9	3.9	4.0	1.4	5.6	7.1
Switzerland	253	241	229	5.4	5.1	4.9	-4.4	-5.3	-9.5
Montenegro	8	8	:	3.3	3.5	:	-3.7	:	:
North Macedonia	25	26	:	3.2	3.3	:	3.1	:	:
Serbia	91	96	92	3.1	3.3	3.2	5.3	-4.1	1.0
Turkey	669	645	:	2.4	2.4	:	-3.5	:	:

Concerning permanent jobs, the second country with the biggest difference (of more than five percentage points) between cultural and total employment was France, where 76% of workers in culture-related professions had a permanent contract while the average for the overall employment was 85%[13]:

12. Eurostat „Culture statistics - cultural employment", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 14.1.2023
13. Eurostat „Culture statistics - cultural employment", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 14.1.2023

Selected labour market characteristics of cultural employment and total employment, EU, 2021

(%)

	Self-employed persons		Employed persons working full-time		Employees with a permanent job		Employed persons with one job only	
	Cultural employment	Total employment	Cultural employment	Total employment	Cultural employment	Total employment	Cultural employment	Total employment
EU	32	14	77	81	83	86	93	96
Belgium	29	14	80	75	85	90	92	96
Bulgaria	21	10	94	98	95	97	99	100
Czechia	38	16	87	93	92	93	94	97
Denmark	20	9	68	75	86	89	87	92
Germany (1)	28	8	67	71	85	89	93	96
Estonia	19	11	79	86	99	98	90	94
Ireland	31	13	78	79	90	91	95	97
Greece	39	29	77	92	81	90	96	98
Spain (2)	35	16	82	86	74	75	94	98
France (2)	31	12	79	82	76	85	93	96
Croatia (3)	16	12	92	94	88	86	96	98
Italy	46	21	78	81	83	84	97	99
Cyprus	29	11	76	89	89	87	92	97
Latvia	24	12	84	91	99	97	92	96
Lithuania	19	11	88	93	99	98	91	95
Luxembourg	20	9	76	81	92	91	93	95
Hungary	30	12	92	95	96	94	98	99
Malta	28	15	85	89	85	92	90	95
Netherlands	47	15	61	57	72	73	87	90
Austria	28	11	64	71	89	91	89	95
Poland	23	19	90	94	82	85	95	95
Portugal	29	15	88	92	80	83	91	95
Romania	13	12	98	96	100	98	100	99
Slovenia	31	12	83	90	84	88	95	96
Slovakia	34	15	95	96	97	96	98	99
Finland	30	14	75	81	80	84	88	93
Sweden	26	10	72	77	85	84	93	95
Iceland	27	13	74	77	88	87	87	91
Norway	17	5	66	73	89	91	90	93
Switzerland	29	13	46	60	87	87	86	93
Serbia	22	17	87	92	80	77	94	93

In 2021, less than two-thirds of employed artists and writers in France (62%) had a permanent contract; however, the difference between the percentage of people employed as artists and writers with a permanent contract and the national total economy was still big (of at least 20 p.p.)[14].

Characteristics of persons working as creative and performing artists, authors, journalists and linguists, 2021

(thousand, %)

	Persons working as creative and performing artists, authors, journalists and linguists in 2021	Self-employed persons		Employed persons working full-time		Employees with a permanent job		Employed persons with one job only	
		Authors, journalists, linguists and creative and performing artists	Total employment	Authors, journalists, linguists and creative and performing artists	Total employment	Authors, journalists, linguists and creative and performing artists	Total employment	Authors, journalists, linguists and creative and performing artists	Total employment
EU	1 607.9	46	14	74	81	75	86	91	96
Belgium	52.3	35	14	78	75	76	90	93	96
Bulgaria	28.1	37	10	91	98	91	97	99	100
Czechia	59.3	53	16	88	93	95	93	91	97
Denmark	32.6	31	9	70	75	83	89	86	92
Germany (1)	364.8	41	8	70	71	70	89	92	96
Estonia (2)	6.8	29	11	78	86	97	98	89	94
Ireland (3)	17.8	56	13	72	79	81	91	95	97
Greece	32.2	40	29	68	92	83	90	94	98
Spain (4)	128.3	41	16	85	86	70	75	93	98
France (4)	239.3	46	12	71	82	62	85	88	96
Croatia (5)	9.4	25	12	82	94	90	86	95	98
Italy	131.1	62	21	70	81	77	84	95	99
Cyprus (3)	3.2	49	11	60	89	78	87	76	97
Latvia (2)(3)	5.4	46	12	76	91	98	97	92	96
Lithuania	11.5	35	11	79	93	97	98	86	95
Luxembourg (2)	5.5	16	9	75	81	91	91	96	95
Hungary	36.5	45	12	90	95	98	94	98	99
Malta (2)(3)	1.6	34	15	77	89	72	92	80	95
Netherlands	135.8	67	15	64	57	69	73	85	90
Austria	37.8	43	11	61	71	85	91	80	95
Poland	85.4	35	19	84	94	77	85	92	95
Portugal	31.7	49	15	75	92	67	83	79	95
Romania (6)	26.5	:	12	96	96	100	98	98	99
Slovenia	10.8	46	12	80	90	80	88	92	96
Slovakia (2)(7)	14.1	55	15	93	96	:	96	97	99
Finland	34.2	47	14	68	81	74	84	85	93
Sweden	65.7	46	10	66	77	77	85	92	95
Iceland	2.8	50	13	81	77	89	87	86	91
Norway	30.7	35	5	58	73	80	91	90	93
Switzerland	47.0	36	13	38	60	85	87	84	93
Serbia	20.4	33	17	73	92	66	77	96	93

14. Eurostat „Culture statistics - cultural employment", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 14.1.2023

Funding

The Ministry for Europe and Foreign Affairs of France offers programmes and support to innovative businesses, helping them achieve their goals and expand internationally[15]. France's minister of culture Rima Abdul Malak recently announced that the French government will allocate a record €4.2bn budget to cultural activities in 2023, a 7% increase compared to 2022[16]. In 2020, France registered a 1.5% ratio to GDP of government expenditure in the 'recreation, culture and religion' function, a number which is slightly higher than the 1.2% of GDP in both the EU and the euro area[17].

Total general government expenditure on recreation, culture and religion, 2020, % of GDP

	Recreation, culture and religion	Recreational and sporting services	Cultural services	Broadcasting and publishing services	Religious and other community services	R&D Recreation, culture and religion	Recreation, culture and religion n.e.c.
EU*	1.2	0.4	0.5	0.2	0.1	0.0	0.0
euro area*	1.2	0.4	0.5	0.2	0.0	0.0	0.0
Belgium	1.3	0.4	0.5	0.2	0.1	0.0	0.1
Bulgaria	0.9	0.2	0.5	0.1	0.1	:	:
Czechia	1.4	0.5	0.7	0.2	0.0	0.0	0.1
Denmark	1.7	0.4	0.6	0.2	0.4	0.0	0.0
Germany*	1.1	0.3	0.5	0.3	0.0	0.1	0.0
Estonia	2.1	0.6	1.0	0.2	0.0	0.1	0.2
Ireland	0.5	0.1	0.2	0.2	0.0	0.0	0.0
Greece	1.0	0.5	0.2	0.1	0.0	0.0	0.2
Spain*	1.3	0.4	0.5	0.2	0.1	0.0	0.0
France*	1.5	0.6	0.7	0.2	0.0	0.0	0.0
Croatia	1.7	0.4	0.8	0.5	0.0	0.0	0.1
Italy*	0.8	0.3	0.3	0.2	0.1	0.0	0.0
Cyprus	0.9	0.4	0.2	0.2	0.1	0.0	0.0
Latvia	1.4	0.2	0.9	0.2	0.0	0.0	0.1
Lithuania	1.4	0.3	0.9	0.1	0.0	:	0.0
Luxembourg	1.2	0.5	0.5	0.1	0.1	0.0	0.0
Hungary	4.0	1.3	1.3	0.4	0.7	0.0	0.3
Malta	1.3	0.2	0.9	0.1	0.0	0.0	0.1
Netherlands	1.3	0.5	0.5	0.2	0.1	0.0	0.0
Austria	1.2	0.3	0.5	0.3	0.1	0.0	0.0
Poland	1.3	0.4	0.7	0.2	0.0	0.0	0.0
Portugal*	1.0	0.3	0.3	0.1	0.0	0.1	0.1
Romania	1.0	0.3	0.4	0.1	0.1	0.0	0.2
Slovenia	1.4	0.3	0.7	0.3	0.1	0.0	0.1
Slovakia	1.2	0.2	0.6	0.2	0.1	0.0	0.0
Finland	1.5	0.6	0.5	0.3	0.2	0.0	0.0
Sweden	1.4	0.6	0.6	0.2	0.0	0.0	0.0
Iceland	3.5	1.7	1.2	0.2	0.3	0.0	0.0
Norway	2.0	0.5	0.7	0.2	0.3	0.1	0.1
Switzerland	1.1	0.4	0.4	0.2	0.0	0.0	0.0

Another funding method that is becoming all the more popular is crowdfunding[18]; it is becoming increasingly common for cultural and creative businesses and artists to turn to internet users for financial support. Among the largest crowdfunding markets in the European CCIs is France with 30% of campaigns and 22% of transaction volume during 2013–2016); the country also scores third in the highest number of projects on Kickstarter[19].

15. France Diplomacy „Promoting and supporting French innovation", 2021, available at https://www.diplomatie.gouv.fr/en/french-foreign-policy/economic-diplomacy-foreign-trade/promoting-france-s-attractiveness/promoting-and-supporting-french-innovation/ accessed on 14.1.2023
16. Rebecca Leffler „French culture minister pledges €4.2bn in cultural support for 2023", Screenday, 2022, available at https://www.screendaily.com/news/french-culture-minister-pledges-42bn-in-cultural-support-for-2023/5174800.article accessed on 14.1.2023
17. Eurostat „Government expenditure on recreation, culture and religion", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government_expenditure_on_recreation,_culture_and_religion accessed on 14.1.2023
18. Lazzaro & Noonan, 2020, as cited in Antonella Francesca Cicchiello et al „Financing the cultural and creative industries through crowdfunding: the role of national cultural dimensions and policies" (Springer, 2022), available at https://link.springer.com/article/10.1007/s10824-022-09452-9 accessed on 14.1.2023
19. Lazzaro & Noonan, 2020 Antonella Francesca Cicchiello et al „Financing the cultural and creative industries through crowdfunding: the role of national cultural dimensions and policies" (Springer, 2022), available at https://link.springer.com/article/10.1007/s10824-022-09452-9 accessed on 14.1.2023

The following table shows that France also represents the largest cultural expenditure per capita (56.3%), and that the average highest amount issued under the Creative Europe Programme on the GDP per capita is also recorded in France[20].

Country	Government expenditure on culture (% of GDP)	Volume of EU grants (in millions €)	Number of Kickstarter cultural and creative project
Austria	49.5	97.17	69
Belgium	52.5	318.95	93
Germany	44.4	385.01	519.2
Denmark	51.8	96.11	134
Spain	42	239.39	337.2
France	56.3	773.06	399
UK	41.2	258.84	3145.2
Ireland	26.5	23.02	91.8
Italy	48.8	340.16	371
Luxembourg	41.6	7.99	9.4
Netherlands	42.8	180.61	221.2
Sweden	49.6	76.74	230.4

Last but not least, when it comes to regulating the CCIs, Antonella Francesca Cicchiello et al. argue that, because there is great diversity in the way the policies are defined, developed, and implemented, it is hard to attempt a comparison among countries. However, based on the typology of the welfare state framework, Zimmer and Toepler[21], have identified three models: the second one, the Central European model, which is characterised by "strong state-level support for high culture" is embodied by the "paradigmatic example" of France. Furthermore, the system of cultural policy is centralised and managed by the central government and the Ministry of Culture "with direct responsibility to generate a legitimate pattern of behaviour and cultural practice, which radiates throughout the national territory"[22].

20. Antonella Francesca Cicchiello et al „Financing the cultural and creative industries through crowdfunding: the role of national cultural dimensions and policies" (Springer, 2022), available at https://link.springer.com/article/10.1007/s10824-022-09452-9 accessed on 14.1.2023
21. Zimmer & Toepler, 1996, as cited in Antonella Francesca et al „Financing the cultural and creative industries through crowdfunding: the role of national cultural dimensions and policies" (Springer, 2022), available at https://link.springer.com/article/10.1007/s10824-022-09452-9 accessed on 14.1.2023
22. Rubio Arostegui & Rius-Ulldemolins, 2020, as cited in Antonella Francesca et al „Financing the cultural and creative industries through crowdfunding: the role of national cultural dimensions and policies" (Springer, 2022), available at https://link.springer.com/article/10.1007/s10824-022-09452-9 accessed on 14.1.2023

The Case of Romania

In Romania, the creative industries are legally understood as being composed of the following subsectors: Libraries and archives, Cultural heritage, Art Crafts, Performing arts, Architecture, Books and press, Visual arts, Audiovisual and multimedia, Advertising, IT, software and electronic games and, lastly, Research and development[23].

The last few years were tough on the Romanian economy in general and the creative industries in particular. In 2020 we have all faced a global pandemic and the restrictions that followed which have significantly affected most economic activities, in 2021 most restrictions remained into place as the spread of the pandemic was not yet under control and, lastly, in 2022 just as the it looked like we could move past the pandemic and all the hardships that it imposed, the war between Russia and Ukraine has started and Romania, as well as the whole Europe is now faced with an inflation crisis.

As shown by the 2021 Annual Single Market Report, creative industries were among the hardest hit by the aftermath of the covid pandemic. The Report states that „this is particularly the case for activities based on venues and visits: performing arts and 'heritage' sectors (e.g. live music, theaters, circus, festivals, cinema, museums and heritage sites) ... cinema operators in the EU report a 70% drop in box-office sales in 2020, music venues report a 76% drop in attendance (64% in revenues) and museums lost revenues up to 75-80% (in popular touristic regions)"[24].

As data shows, at European level the number of people employed in creative, artistic and entertainment jobs has decreased by over 10% in the last 3 years, the percent of people employed in this sector currently represents 3.7% (7.4 million people) of the total employment at EU level where if we look at individual countries, the Netherlands finds itself at the top of the list with 5.1% and Romania is at the bottom with a total percentage of jobs in the culture and creative sector of only 1.4%[25].

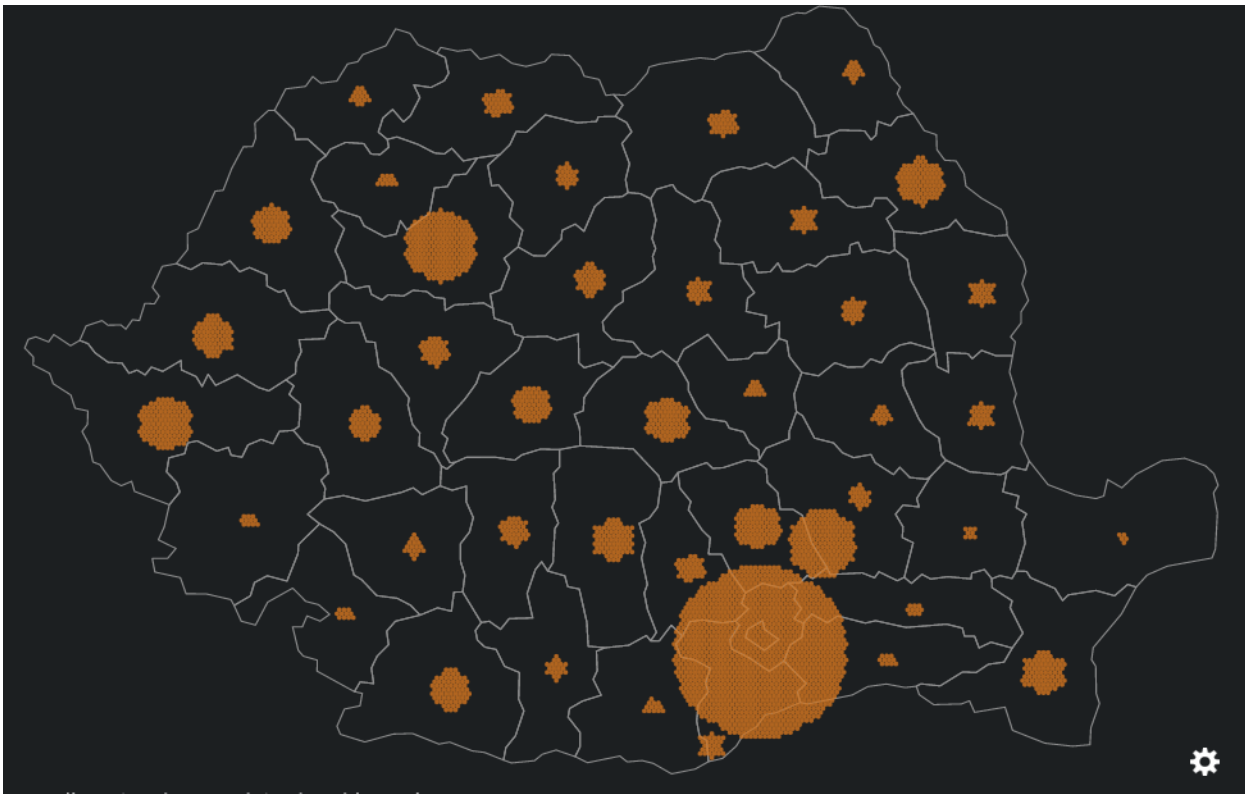
If we look at the data from 2019, 2020 and 2021, compared with 2019, Romania saw the biggest decrease in employment in the sector from all the 27 member states (-18.1 %), while these numbers actually increased in 14 other member states, most noticeably in Latvia (13.4 %) and France (13.1 %)[26]. For identifying more clearly all the relevant actors in the case of Romania, it is important to note that all the cultural public institutions that are officially recognized at the national level are subordinated to the Ministry of Culture while the independent enterprises under the cultural sector, whether involving freelancers or employees, fall into one of the following categories: NGOs (the majority), private companies and independent artists (with or without authorized freelancer status)[27]. Romania has had a really poor response in helping the cultural and creative industries during the pandemic, in part because at the beginning of the crisis there was no centralized data on the number or occupation of enterprises that fall under the creative industries and were not under the tutelage of the Ministry of Culture therefore the authorities didn't know where to intervene, which were the cities with the highest number of institutions or employees in this sector and what was their activity profile.

23. Croitoru Carmen et all „White paper for unlocking the economic potential of the cultural and creative sectors in Romania" (NICRT, 2017), available at https://www.culturadata.ro/wp-content/uploads/2017/01/Cartea-Alba-EN-FR-WEB.pdf
24. Commission Staff Working Document "Annual Single Market Report 2021", p.14 available at https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0351&from=en
25. Eurostat „Culture statistics - cultural employment", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 22.12.2022
26. Eurostat „Culture statistics - cultural employment", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021 accessed on 22.12.2022
27. Popa Nicolae, et all "The Impact of the COVID-19 Pandemic on Independent Creative Activities in Two Large Cities in Romania" (International Journal of Environmental Research and Public Health, 2021, vol. 18, no.14) p.5, available at https://doi.org/10.3390/ijerph18147674

This, in turn, seriously affected their ability to implement targeted responses. Due to this lack of official data, no coherent measures were really put into effect until well after the pandemic had started.

In order to address this institutional weakness, the National Institute for Research and Cultural Formation set up a Cultural Register for gathering all the missing data into one place. The direct result of this initiative was seen at the end of 2020 when through the national mapping (although arguably still incomplete) of the cultural sector were identified 6.606 cultural workers (individuals), 1.179 cultural NGOs, and 3.135 commercial companies, covering all the domains of artistic and cultural activity (theater, arts, visual arts, books, patrimony, audio-visual)[28].

The overall idea regarding the spread of the creative industries in Romania by county can be formed with the help of the following map[29]. As it can be seen, the region where the capital city, Bucharest is situated has the biggest number of registered enterprises working in the creative sector.



Now that all the members of the creative industries had a face, some would think that implicitly they also acquired a voice and that they are consulted and listed by the decision makers when it comes to policies directly affecting them, but this is far from reality.

During the pandemic, the government has provided some help at the individual level through the Emergency Ordinance no. 130/2020 which gave monetary help in the form of micro-grants of 2000 euros to small and medium size enterprises among which the ones listed under the creative industries, which were available to workers who figured in the newly formed Cultural Register or the technical unemployment scheme, as well as individuals whose incomes came from the selling of copyrights.

28. Ibid.
29. Culturadata "The Cultural Sector Register - The distribution by county of commercial societies registered in CULT", 2021, available at https://culturadatainteractiv.ro/acasa/registrul-sectorului-cultural/societati-comerciale/, accessed on 25.12.2022

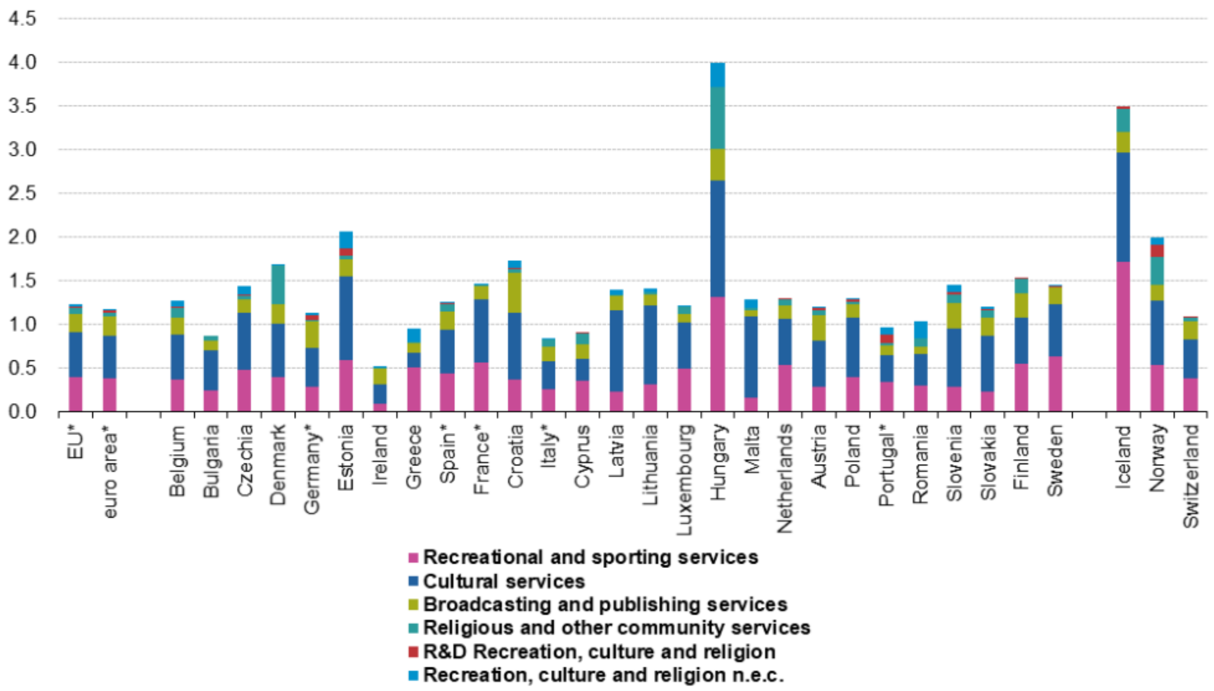
Nonetheless, there were recurring complaints from the enterprises in this sector, pointing out that besides this form of basic help targeted towards individual workers, there was no sustainable support given at the organization level, more specifically, they complained that there was no long-term initiative or strategy for the recovery of the creative industry[30]. Also, another issue that became painfully obvious during the pandemic was the uncertain status of a significant number of artists and other workers in the creative industry, specifically, those that worked independently. If they were not listed under an enterprise these people were not listed for typical governmental social protections such as unemployment benefits, because by the specific character of the entertainment industry, artists and performers had a hard time proving that they worked, especially because the number of hours is often unquantified and because they never had a stable income to begin. This situation has left them vulnerable during the pandemic as the restrictions had seriously affected their means of livelihood. Even now, in 2022, the uncertain legal situation of these jobs has not been fixed and normal benefits associated with employment, such as paid sick leave, social security, maternity leave and other benefits are missing.

In terms of budget, grants and other forms of governmental support, the creative industries usually tend to never be a focus point for the administration. Regarding the yearly budget of the state, calculating the total sum allocated for the creative industry is a tricky situation because there is no one distinctive line attributed to this sector. At most we can look at the budget in 2022 for the Ministry of Culture (approximately 27.370.000 euro in commitment credit and 270.760.000 euro in budgetary credit, which taken together represent 0.1% of GDP which is already with 45% bigger than the one allocated for 2021), at the budget for Romanian Cultural Institute, a governmental organization that promotes Romanian culture nationally and internationally (approximately 6.657.000 euro in commitment credit and 6657000 euro in budgetary credit, which represent an increase of 14% compared to 2021), other institutions from which the creative industries could access funds, such as by applying to projects under the Ministry of Economy and the Ministry of Entrepreneurship and Tourism, as well as for grants destined to startups and small and medium enterprises.

30. Popa Nicolae, et all "The Impact of the COVID-19 Pandemic on Independent Creative Activities in Two Large Cities in Romania" (International Journal of Environmental Research and Public Health, 2021, vol. 18, no.14) pp.8-9, available at https://doi.org/10.3390/ijerph18147674

A specific number can be reached if we combine the total amount of government expenditures on recreation, culture and religion which adds up to 1% of GDP (the average at the EU level is 1.2%) but no distinct and specific branch was however created exclusively for the creative industries so the complain regarding the lack of specific and targeted initiatives for this sector in particular seems more that justified[31].

Total general government expenditure on recreation, culture and religion, 2020 (% of GDP)

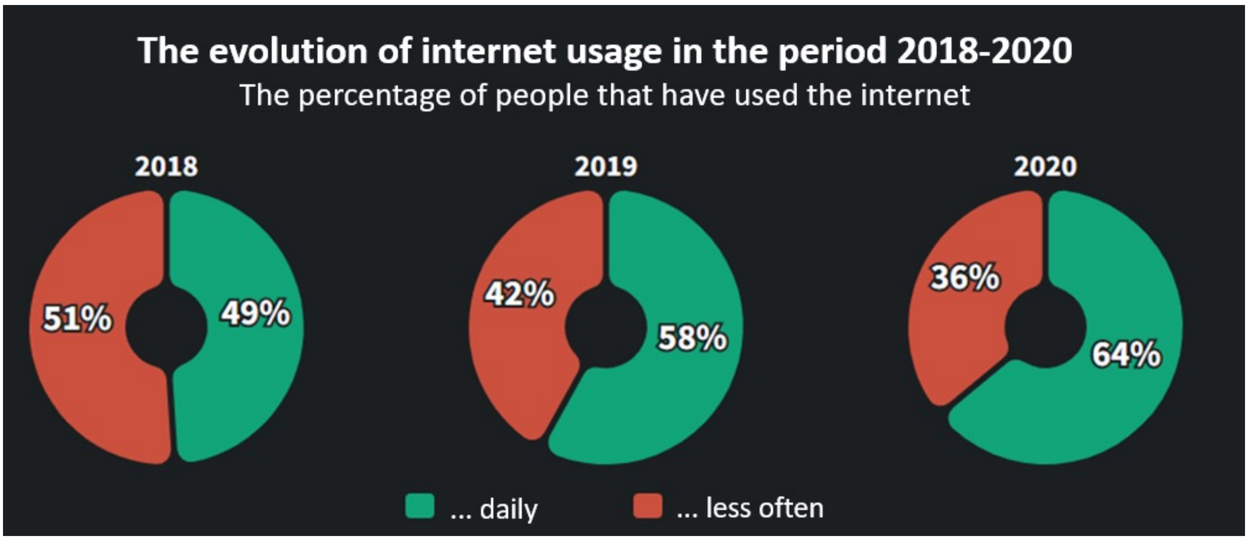


Another one of the biggest challenges, as well as the biggest opportunity, for the creative industries in Romania is digitalisation. With the constant evolution of digital technologies, a lot of markets, as well as their audience and consumers were moved online. This process was amplified by the pandemic, so the creative industries were and still are faced with the need to adapt to this new environment.

In fact, although the consumption of some cultural goods and services such as music, movies (on streaming platforms) and video games increased during the pandemic, others saw a significant and crippling decrease. The most affected cultural sectors were those that required direct interactions between institutions and visitors or artists and their public, such as museums, libraries, theaters, cinematographs, concert halls, etc.

As shown by the following graphs, the internet usage in Romania has risen in the years prior to the pandemic, an event which also accelerated this trend so the cultural market should also adapt[32].

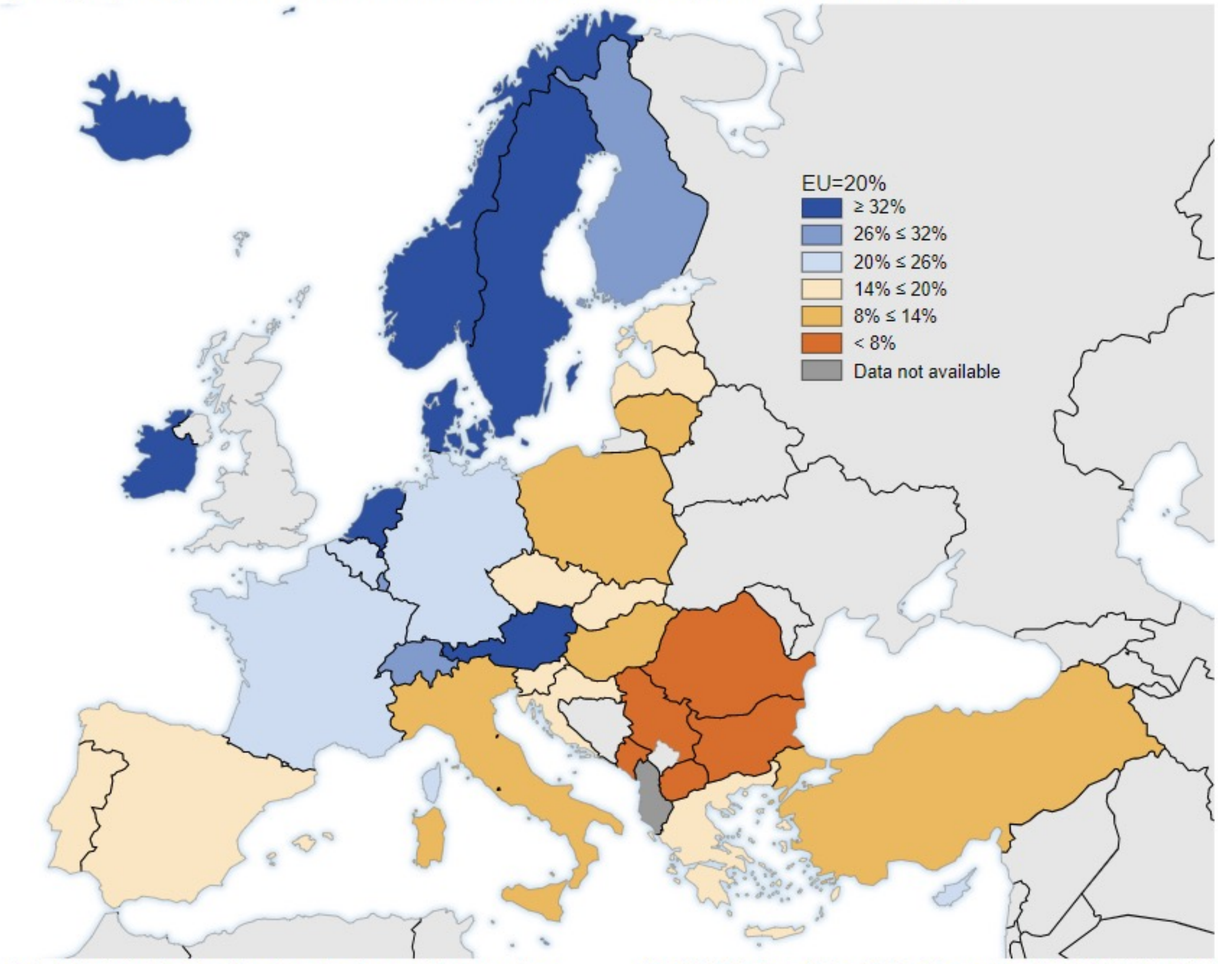
31. Eurostat „Government expenditure on recreation, culture and religion", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government_expenditure_on_recreation,_culture_and_religion accessed on 27.12.2022
32. Culturadata „Tendințe ale consumului cultural în pandemie (ediția I)", 2020, available at https://culturadatainteractiv.ro/tendinte-ale-consumului-cultural-in-pandemie/consumul-cultural-in-perioada-de-izolare-moduri-de-petrecere-a-timpului-liber-si-problematica-decalajelor-digitale/, accessed on 26.12,2022



According to Eurostat, except for printed books, cultural content on physical media is rarely purchased online; this can be considered an issue in Romania especially, because it has one of the lowest overall rates of use of the internet for purchasing cultural goods and services as shown by the map below[33].

Use of the internet for purchasing at least one of selected cultural goods and services, 2021

(% of people aged 16-74 years who used the internet in the previous three months)



Note: 'Selected cultural goods and services' means: films or series as recordings,streaming services or downloads; music as recordings, streaming services or downloads; printed books, e-books, printed and online magazines or newspapers; games online or as downloads, tickets for events.
Source: Eurostat (online data code: isoc_ec_ibgs)

Administrative boundaries: © EuroGeographics © UN–FAO © Turkstat
Cartography: Eurostat – IMAGE, 07/2022

ec.europa.eu/eurostat

33. Eurostat „Culture statistics - use of ICT for cultural purposes", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_use_of_ICT_for_cultural_purposes accessed on 22.12.2022

If we look at some other data, this time from a survey done by the European Commission tackling the specific case of cultural heritage stakeholders, the majority of those asked pointed out that the main challenge in the digital transition of their sector is the lack of a digital collaboration platform with tools adapted to their needs, as well as the need for clear information on the benefits of the Cloud and training on how to use the Cloud[34]. Other elements pointed out in the survey for dealing with the digital transition are the need for IT support, trainings on developing digital skills, an active user community and also, appropriate IT equipment[35]. These needs, although highlighted by a subgroup of the creative industries, apply to the entire sector as most of those engaged in it are having the same problems during the digitisation process in Romania. A clear example of this is the fact that the database system currently used by the National Cinematography Center uses an operating system from 1998 which seriously limits their internal capacity to collect and organize their own data as well as the ability of authorities to intervene through targeted policy if they cannot understand the full picture of this sector.

In fact, the only segment of the creative industries that has followed a positive trend of growth in the last years, is also the only one that was already digitalised, the IT sector, more specifically, game developing, broadcasting and streaming services, etc. Therefore, we can conclude that nowadays digitalisation has become a necessity for cultural enterprises in order to remain relevant on the market.

Lastly, the situation could take a turn for the better in the following years as these issues were addressed in Planul National de Redresare si Rezilienta (The National Plan for Recovery and Resilience) which lays out a sustainable plan for rebooting the industry and promises investments of 449 million euro for tourism and culture[36]. This plan includes policies among which: the reform of the financing system for the cultural sector, increasing access to culture in culturally disadvantaged areas and the development of a digital system for culture financing processes[37].

34. European Commission „Stakeholders' Survey on a European Collaborative Cloud for Cultural Heritage", 2022, available at https://research-and-innovation.ec.europa.eu/system/files/2022-12/ec_rtd_eccch-stakeholder-survey-report.pdf
35. Ibid.
36. Ministerul Investitiilor și Proiectelor Europene „Bugetul Planului National de Redresare si Rezilenta" available at https://mfe.gov.ro/wp-content/uploads/2021/10/6c5361a5fd58b7b22eddf8316192abc8.pdf
37. Ibid.

The Case of Italy

In the collective imagination, the modern artist is associated with a precarious figure, with no future, but, in reality, the data prove the opposite. Thousands and thousands of Italian companies and workers live thanks to the culture and creativity industries.

Italy is among the top countries in the world in terms of cultural influence thanks to its extraordinary historical and artistic heritage. Businesses in the cultural and creative sector accounted for 6.1% of the wealth produced in Italy in 2017, amounting to over 92 billion euros. This wealth is also positively reflected in employment: the Cultural and Creative Production System employs 1.5 million people, representing 6.1% of the total number of people employed in Italy.

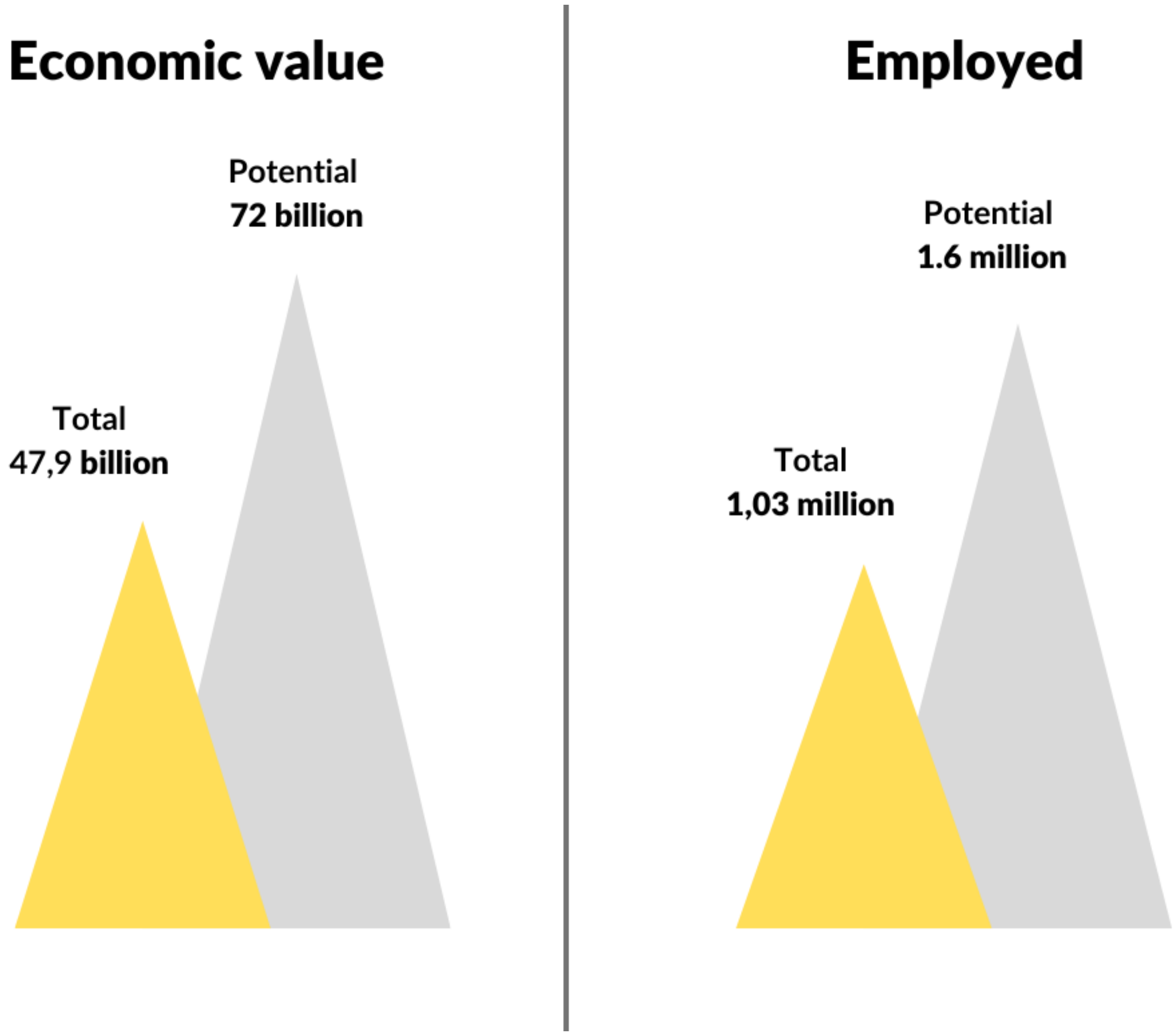
Renzo Piano and Aldo Rossi: 2 Italian architects among the winners of the Pritzker	**The Uffizi Gallery in Florence is the 1st museum in the world for density of visitors**	**1st country in the world by number of sites heritage of humanity UNESCO**	**Lucca Comics and Games is the Europe's 1st comics and illustrations in Europe**

Source: Ernst&Young's Creative Italy

In recent years, a central role in quantifying the economic sector of cultural and creative enterprises has been held by "Ernst&Young's Creative Italy" report and the document "Io Sono Cultura" by the Symbola Foundation, produced in cooperation with Unioncamere (the Italian Union of Chambers of Commerce)[38]. The reports highlight not only the importance of the sector but also its weaknesses. Among these, some very relevant aspects stand out, such as the very small size of the companies, their low capitalisation, the lack of attention paid to valorisation tools and the gap compared to other countries with respect to digitalisation.

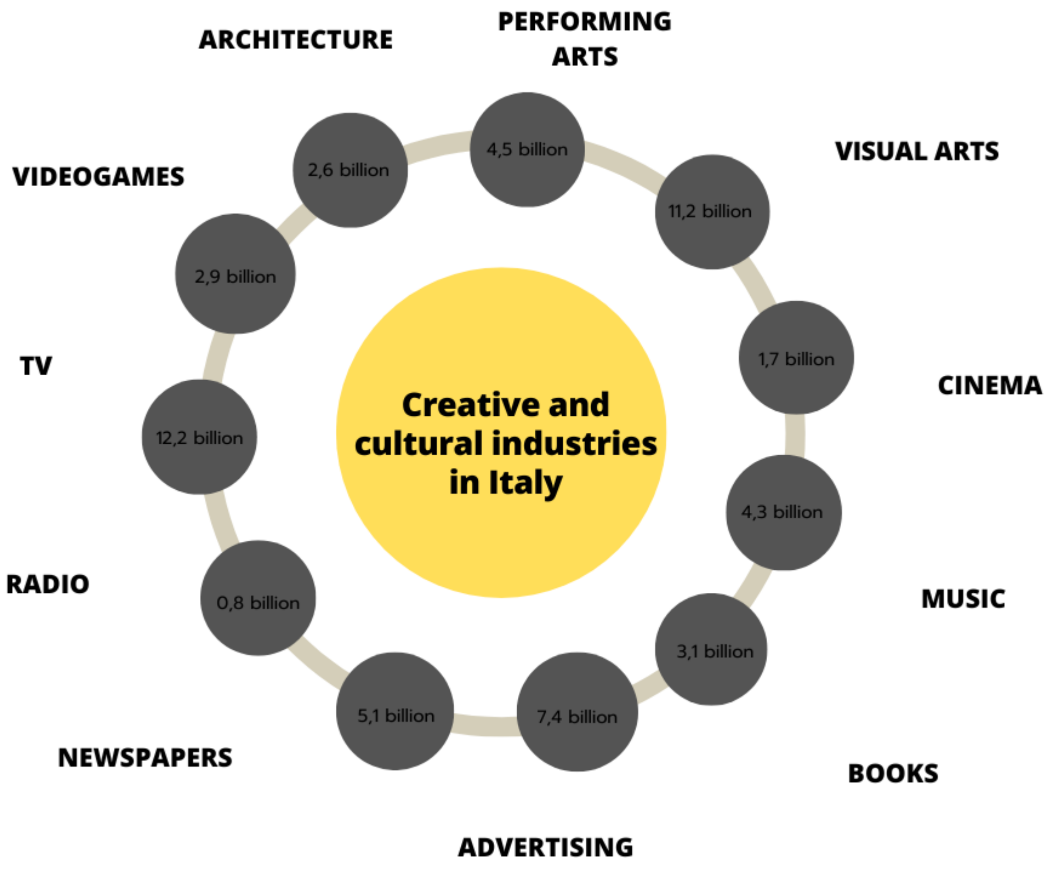
Estimates show that today's economic value is two-thirds of the value that the Culture and Creativity Industry could generate, the potential value in Italy can reach 72 billion Euro; this means that the still unexpressed wealth is about 24 billion, half of the current turnover. Without forgetting that, if the sector were able to achieve greater valorisation, it could create more than 500.000 new jobs.

38. Il sole 24 ore "La Lombardia prima in Italia nell'industria culturale e creativa", 2021, available at https://www.ilsole24ore.com/art/la-lombardia-prima-italia-nell-industria-culturale-e-creativa-AEy6W5y accessed on 5.3.2023
39. Key4biz "L'industria culturale e creativa in Italia vale 92 miliardi: in crescita comunicazione, videogiochi e software", 2019, available at https://www.key4biz.it/lindustria-culturale-e-creativa-in-italia-vale-92-miliardi-in-crescita-comunicazione-videogiochi-e-software/247913/ accessed on 5.3.2023
40. Italia Creativa Italia Creativa Report, 2017, available at http://www.italiacreativa.eu/wp-content/uploads/2017/01/ItaliaCreativa_SecondaEdizione.pdf accessed on 5.3.2023
41. Il Giornale delle Fondazioni, "L'ECONOMIA CULTURALE E CREATIVA – EUROPA E ITALIA A CONFRONTO", 2016, available at http://www.ilgiornaledellefondazioni.com/content/l%E2%80%99economia-culturale-e-creativa-%E2%80%93-europa-e-italia-confronto accessed on 5.3.2023
42. Unioncamere, "Io sono Cultura 2022 ", available at https://www.unioncamere.gov.it/sites/default/files/articoli/2022-09/Io%20sono%20Cultura%202022%20DEF.pdf accessed on 5.3.2023



Source: Ernst&Young's Creative Italy

The report "Io Sono Cultura 2022" states that the cultural and creative productive system grew by almost 3 percentage points compared to 2021. Particularly dynamic sectors are confirmed to be driving the growth: from video games and software (+12.0%) to design (+4.3%), from performing arts (+2.5%) to communication (1.2%) and the enhancement of historical and artistic heritage (+0.6%). In particular, as far as the creative industry is concerned, the best performance can be attributed to the sub-sector of design and communication. In relation to the cultural industry, on the other hand, the publishing and printing sector and the videogames and software sector stand out.



Source: Ernst&Young's Creative Italy

Regarding the video game sector, a virtuous case that can be provided as an example, is that of Hot Wheels Unleashed, a game car developed by Milestone of Milan that sold one million copies in just four months.

The reports also showed that: in terms of age, active workers are concentrated in the lower age groups: most of them are between 35 and 54 years old, but the concentration of young people between 25 and 34 years old is also not insignificant (we are talking about 20% of the total number of employees); In terms of gender, it emerges that men employed in the creative and cultural industry outnumber women; In terms of educational qualifications, 42.9% of those employed in the creative industry have at least a tertiary degree; in addition, one third of cultural and creative workers (33.9%) hold a university degree.

The crisis caused by the Covid-19 pandemic severely affected the Italian cultural and creative production system in 2020, but this economic sector remains central within the national production specialisations. The culture and creativity sector was among the hardest hit by the pandemic due to its greater susceptibility to human involvement. In the period between 2019 and 2020, the sector experienced a significant decline; the wealth produced by the sector decreased by -8.1%; and employment dropped by -3.5%. As mentioned earlier, there was a recovery in 2021, but there are still many difficulties to be faced and reinvention will be necessary.

Lombardia is the leading region in Italy in terms of added value and employment, followed by Lazio. Unfortunately, the regions of Southern Italy lag almost everywhere, despite their immense cultural and artistic heritage. The economic differences between northern and southern regions of Italy, affecting in general many Italian industrial fields, therefore, impacting also the creative one. Providing a better environment for (creative) entrepreneurship in the southern areas of the country, therefore, should be a long-term objective at policy level.

Fonte: Unioncamere e Fondazione Symbola, 2022

Valore aggiunto			Occupazione		
Pos.	Province	Incidenze %	Pos.	Province	Incidenze %
1)	Milano	9,5	1)	Milano	9,9
2)	Roma	8,5	2)	Arezzo	9,3
3)	Torino	8,2	3)	Torino	8,1
4)	Arezzo	7,8	4)	Roma	7,8
5)	Trieste	6,9	5)	Firenze	7,3
6)	Firenze	6,7	6)	Trieste	7,1
7)	Bologna	6,1	7)	Bologna	6,8
8)	Padova	6,0	8)	Alessandria	6,7
9)	Siena	5,8	9)	Monza-Brianza	6,4
10)	Pisa	5,6	10)	Padova	6,4
11)	Ancona	5,6	11)	Pisa	6,4
12)	Venezia	5,6	12)	Venezia	6,3
13)	Monza-Brianza	5,6	13)	Trento	6,3
14)	Verona	5,5	14)	Rimini	6,2
15)	Alessandria	5,5	15)	Prato	6,0
16)	Trento	5,4	16)	Pesaro e Urbino	6,0
17)	Pesaro e Urbino	5,4	17)	Como	6,0
18)	Parma	5,3	18)	Ancona	5,9
19)	Vicenza	5,3	19)	Treviso	5,9
20)	Como	5,2	20)	Vicenza	5,9
	ITALIA	**5,7**		**ITALIA**	**5,8**

<u>Challenges of the CCIs</u>

New and emerging technologies are fundamentally changing some creative industries. The use of industry 4.0 technologies opens new opportunities for the creative economy. In addition, producers of creative products, especially small- and medium-sized enterprises (SMEs), face several hurdles in accessing global markets.

In conclusion, from the report "Io Sono Cultura 2022" emerges a system that, despite the difficulties, seeks through new formats and new skills to overcome the current crisis and the structural weaknesses of the sector. Long-standing weaknesses such as the excessive fragmentation of companies and a low organisational and managerial culture. Moreover, the impact of the digital transformation is also being felt in this sector, showing a considerable lag compared to other countries. It is crucial to adapt the cultural and creative industry to the new scenarios in order to maintain a certain competitiveness in the market.

In this regard, the National Programme for Recovery and Resilience, which aims to promote innovation and the digital transition of enterprises in the cultural and creative sectors through non-repayable grants, will be very helpful. A total of 155 million has been allocated to the sector. Therefore, the situation should take a turn for the better in the coming years.

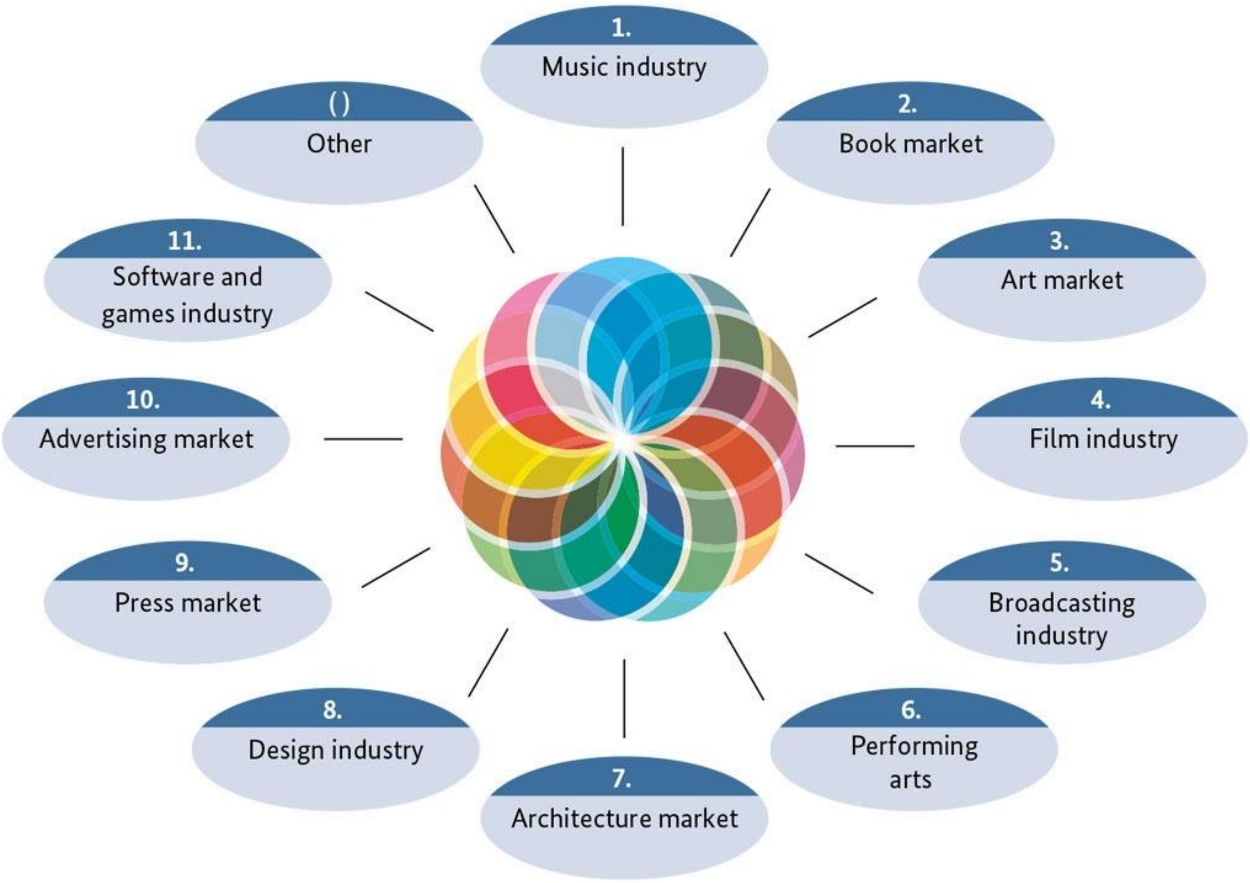
The Case of Hungary

Introduction

Culture is one of Europe's greatest assets: it is a source of values, identity and a sense of belonging. It contributes towards well-being, social cohesion and inclusion. The cultural and creative sectors also provide a stimulus for economic growth, job creation and international trade[43].

These are good reasons for culture to become more important in the EU. In line with Article 167 of the Treaty of Lisbon, the EU shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity and at the same time bringing the common heritage to the fore.

In Hungary, after the turn of the millennium, a number of studies researched the economy and industries using several different approaches. In 2006, the Creative Industries Platform defined 'creative industries as those activities that are rooted in individual creativity, skills and abilities, and which are capable of generating wealth and jobs through the creation and use of intellectual property'. The following sectors were included among the creative industries: electronic and print media, advertising, applied arts, publishing, software and digital game development, architecture, film and video, music and performing arts, fine arts, design and fashion design, and arts and crafts[44].



43. Eur-Lex „EU culture policy," available at https://eur-lex.europa.eu/EN/legal-content/glossary/eu-culture-policy.html accessed on 5.2.2023
44. Federal Ministry on Economic Affairs and Climate Action „Cultural and Creative Industries", available at https://www.bmwk.de/Redaktion/EN/Dossier/cultural-and-creative-industries.html accessed on 5.2.2023

Cultural entrepreneurship in Hungary

“Unquestionably, the creative economy’s weight and importance in nation-states’ economies are increasing”[45] – wrote a study in 2020 – but not in Hungary.

Entrepreneurship conditions in Hungary are generally less favourable than the European Union average. Despite ongoing efforts administrative burden for start-ups still ranks below the EU average, these burdens are much higher in Hungary. In addition, relatively few people self-report having entrepreneurship skills. There are several ongoing initiatives that seek to improve these conditions by increasing the availability of entrepreneurship education and reducing the regulatory burden on small businesses and entrepreneurs.

The number of registered entrepreneurs (as a company) in total is 1.310.708, and 44.425 of them are in the Arts, entertainment & recreation sector[46].

On behalf of the private entrepreneurs (as a person), the total number is 567.158, of which 22.530 are in the Arts, entertainment & recreation sector.

Data from the Global Entrepreneurship Monitor indicate that there are about 510.000 early-stage entrepreneurs, people involved in either starting a new business or managing a new one that is less than 42 months old. Of these entrepreneurs about 33% were female, 21% between 18 and 30 years old and 17% between 50 and 64 years old.

These early-stage entrepreneurship rates were above the EU for all target groups (i.e. women, youth, older people) between 2015 and 2019. However, a gender gap is observed – women were half as likely as men to be involved in early-stage entrepreneurship.

The following actions are recommended to further strengthen inclusive entrepreneurship policies:

- strengthen monitoring and evaluation activities for entrepreneurship initiatives.
- continue to make improvements to the broader business and regulatory environment.
- strengthen partnerships with non-governmental organisations to improve outreach and strengthen the implementation of programmes.

In the 21st century, knowledge, and innovation have become increasingly important to the economic development. Productive thinking and human capital have made the creative economy a prominent economic driver.

In Europe alone, the Organisation for Economic Co-operation and Development (OECD 2018[47]) estimates that creative industries employ 30 million people. According to data from the European Commission’s statistical office, Eurostat, CCI activities accounted for nearly 3.7% (8.4 million people) of employment in the European Union (EU) in 2015 and contributed 4.2% of its GDP.” In Hungary, this ratio is only 1.0%[48].

45. „Performance of enterprises in cultural and creative industries in large Hungarian cities between 2008 and 2018”, available at https://www.ksh.hu/docs/hun/xftp/terstat/2022/rs130108.pdf accessed on 5.2.2023
46. Number of registered private entrepreneurs by industries on the webpage of Hungarian Central Statistical Office”, available at https://www.ksh.hu/stadat_files/gsz/en/gsz0054.html accessed on 5.2.2023
47. Organisation for Economic Co-operation and Development „Inclusive Entrepreneurship Policies, Country Assessment Notes”, available at https://www.oecd.org/cfe/smes/Hungary-IE-2020.pdf accessed on 5 February
48. „Performance of enterprises in cultural and creative industries in large Hungarian cities between 2008 and 2018”, available at https://www.ksh.hu/docs/hun/xftp/terstat/2022/rs130108.pdf accessed on 5.2.2023

Over the last decade, an increasing number of cities have been using CCIs as a tool to develop their economy and responds to the European Leaders' invitation to do more through culture and education, to build cohesive societies and offer a vision of an attractive European Union. It aims to harness the full potential of culture to help build a more inclusive and fairer Union, supporting innovation, creativity and sustainable jobs and growth'. Cultural and creative sectors have huge capacity for experimentation, anticipating trends, and exploring models of social and economic innovation'. Different organisations (mostly NGOs) supported mostly by funds received from abroad, or from sponsorships are doing the job in Hungary, that would usually be considered aims and activities to be realised in state supported frameworks.

Pandemic

Creative and cultural industries were not in a favorable position in Hungary before the crisis, but the turmoil of the epidemic crisis also offered the opportunity for the sector re-organize itself and prepare for the economic recovery. The extremely fragmented industry structure did not allow Hungarian entrepreneurs to participate meaningfully in the social dialog and influence economic policymaking. This resulted in very unfavorable arrangements, for example, in taxation.

However, the creative and cultural industries are very well suited to play a much larger role in the national economy in the century of automation, robotization and global competition for tax revenues.

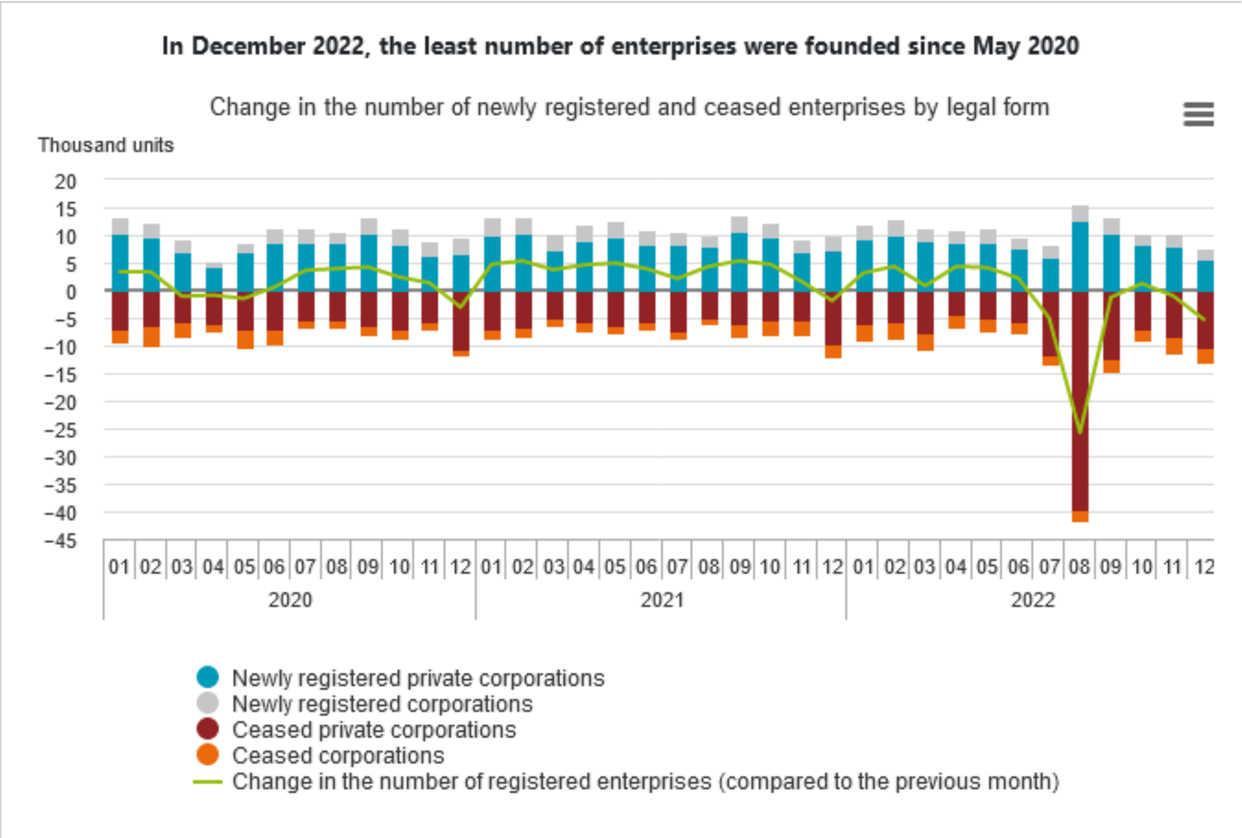
There is not much that CCIs could do during the pandemic. While the performances and productions were set on hold, it would be logical to retrain the workforce and replace obsolete skills, and develop new ones, but in the current crisis re-education was not possible. Furthermore, because of the same fragmentation, these industries have lacked organizing life-long learning for the workforce, because CCI enterprises usually do not even have strategic HR functions to plan and implement such programs. The most that could be done during the crisis was to stay organized to some extent online, and prepare for a more collaborative participation in the economic recovery discussion and make sure that in the next crisis the workforce will be able to participate in learning programmes[49].

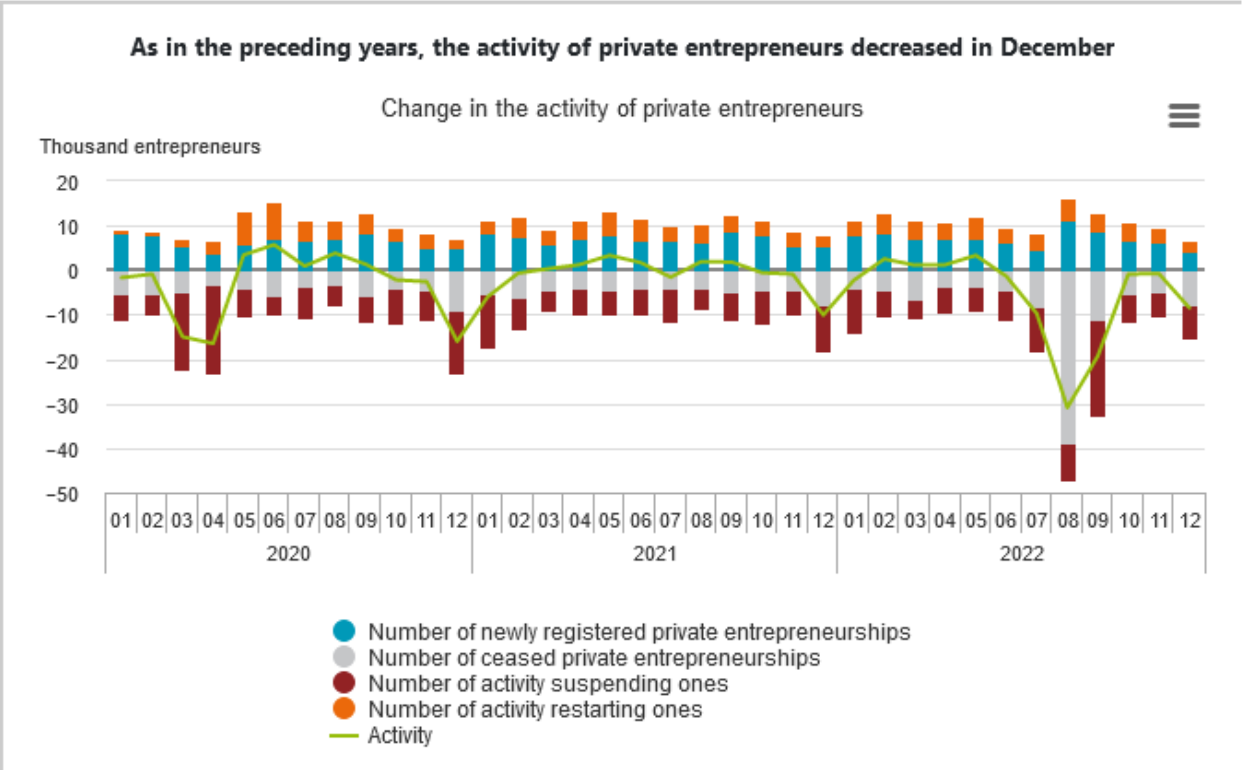
2022 was an extremely hard year for enterprises. Just as they were beginning to come to terms from the fallout of the pandemic the war in Ukraine also reshaped the economic and political context, and as a larger setback for the field the Hungarian government announced its new act on the reshaped KATA taxation scheme, following a rapid legislative process. The new rules significantly narrow the possibility of small businesses in Hungary – and even though we have little data on this as yet, many of those seriously effected negatively worked in the creative and cultural sector as small businesses.

From 1 September, 2022, only entrepreneurs who are selling goods and services to private individuals can remain under the KATA taxation scheme. All those Hungarian businesses that are selling goods or services to domestic of foreign corporate entities will now fall out and must apply for another less favourable tax scheme. No matter which taxation mode they choose it will mean a significant increase in tax and administrative burden.

This change affects more than 430.000 KATA taxpayers, and it is well-seen on the statistic table how the number of the individual entrepreneurs decreased in the end of August because of this sanction.

49. Dániel Antal „The Effect of COVID-19 On Creative & Cultural Industries", available at https://danielantal.eu/post/2020-03-18-covid19/ accessed on 5.2.2023





Culture contributes to the competitiveness of a community by strengthening the foundations of a knowledge-based society, in which the development of public culture and community development also play an important role. Cultural statistics includes the measurement of areas dealing with the cultural activities of society (theatre, cinema, museum, library, mass media, book production, etc.), the communication of data on cultural spending and funding.

We can clearly see from the Hungarian Central Statistical Office's Weekly Monitor how the number of enterprises decreased under the influence of the decisions of the Hungarian government. The real reasons need to be analysed further, but as we see, the number of the newly registered enterprises are lower than ever in the last three years.

Funding

There are several options in Hungary for funding, but often entrepreneurs have to look for loopholes, as the support system is politically biased.

The Hungarian Foundation for Enterprise Promotion[50] has dealt with the development, promotion and financing of SMEs since 1990. It is a public benefit organization, and independent body (NGO) with some co-financiers time to time, that is actively participating in various joint initiatives of the EU and the Hungarian government aiming to promote enterprises. With their programs several projects were supported in the field of training, consulting, supporting minority groups or fostering youth to become entrepreneurs.

Budapest Enterprise Agency was founded in 1993 by the Municipality of Budapest, and its goal is helping businesses in Budapest to grow and to strengthen innovation. As we can read on their webpage: "Our aim is also to enhance European integration, we strive to achieve that through international projects, smart city solutions and by liaising between the Municipality and the business sphere of Budapest.

BEA has years of experience microfinancing and mentoring local businesses, SMEs. Throughout the course of our history, we have mentored over 500 SMEs and are mentoring 60+ today with the goal of developing the economy of Budapest.

In order to help realise Budapest's smart city strategy the Smart Budapest Initiative is BEA's strategic programme to connect political decision makers and representatives of the business sphere"[51].

There are also other options. Mostly foundations or local policy makers offer some small grants or tenders for enterprises, but long-term, or sustainable projects are not really available in this category.

Culture is one of Europe's greatest assets: it is a source of values, identity and a sense of belonging. This is why culture is becoming more important in the EU. In line with Article 167 of the Treaty of Lisbon, the EU shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity and at the same time bringing the common heritage to the fore[60].

This is why the Hungarian government should give more support to this field. But at this moment education, health care system and culture are the less supported fields in Hungary. Even if opportunities are available, mostly those will benefit from them who are closer to the reigning power, as the decision-making processes are not transparent at all.

50. Hungarian Foundation for Enterprise Promotion, available at https://www.mva.hu/ENGLISH/ accessed on 5.2.2023
51. Budapest Enterprise Agency, available at https://bvk.hu/eng/ accessed on 5.2.2023
52. Eurostat "Culture statistics - cultural enterprises", 2022, available at https://ec.europa.eu/eurostat/statistics-explained/SEPDF/cache/44959.pdf accessed on 5.2.2023

PART B

What is creative entrepreneurship and design thinking?

CREAction4EU Ambassadors Course

In order to promote, develop and enrich entrepreneurship skills in the creative industries among Young people, we designed the CREAction4EU Ambassadors gamified digital course, an eight week online practical training in the field of creative entrepreneurship, design thinking, new media skills, and Business Canvas Model, based on the New Media Ambassadors (http://geyc.ro/nma) model created by GEYC in 2013.

The program started on 10 April and ended on 5 June, and included three online meetings, individual and group tasks and other asynchronous learning activities (which took the learner approximately 5-10h/week).

The course suited a wide variety of learning styles, because it depended on how much time each participant decided to put in and learn more about the topics. They could earn as much as 7 points per week for the tasks that they completed, and weekly we published the ranking in our common group.

Creative entrepreneurship was the core concept that was used throughout the 8-week online course, while the design thinking methodology was used to guide the participants from their initial business idea to a concrete business plan. The participants had the opportunity to network with young people from 11 countries: Italy, Ireland, Slovakia, Spain, Great Britain, Moldova, France, Austria, Brazil, Hungary and Armenia. With access to multimedia resources and constant feedback from trainers, the course participants developed their skills in the field of creative entrepreneurship. As a participant of this program, young people could:

- have access to multimedia resources;
- have the possibility of networking with other young Europeans;
- have the constant feedback of the team of trainers on the completion of the tasks;
- receive recognition for their results: all graduates received a completion certificate, while the top 3 graduates received a “magna cum laude” distinction and an online recommendation from the project consortium.

Structure of the course:

Module	Activities	Format	Objective(s)	Resources
1. Introductions	Introducing pax and the program	Individual	Getting to know each other & the program	Icebreaker, program timetable & details
2 - Creative entrepreneur -ship	Mapping current trends, formats and challenges;	Individual/ group work	Understanding the trends, formats and challenges	Collective map; Video interviews with creative entrepreneurs from partners' countries
3 - Design thinking	DT Intro	Individual	Understanding the DT methodology process and steps	DT Process & steps
4 - Design thinking	Artistic project development: Empathize	Individual	Understanding the community	Tools for the empathize
5 - Design thinking	Artistic project development : Define & Ideate	Individual	identifying and defining the problem they want to solve through an artistic project; Generating ideas	Tools for the ideate & prototyping steps
6 - New media tools	Artistic project development: Prototyping 1 solution & Testing NMA tools for creative entrepreneurs	Group work	Getting feedback on the prototype, adjusting the prototype	Tools for testing online
7 - Business Canvas Model	Artistic project development : Intro of BCM, filling in the BCM template	Group work	Understanding BCM & creating a business plan using BCM; Assessment of role in the team & group work	BCM template
8 - What's next	Reflection	Individual	Becoming aware of the takeaways and how to use these forward	Blob tree/Idea cloud/Message wall for feedback and reflections

Creative entrepreneurship and design thinking

In the true spirit of the course, the participants were asked to think of a … creative definition of creative entrepreneurship:

Format: recipe
"Take your idea and add 500g of discipline, 300g of motivation and 200g of perseverance. Experiment with the ingredients and collect feedback. Then we combine them all together, add some value and you're done!"

Format: definition for your grandparents
- "Using creative energy to create something that makes not only one person happy, but benefits other people as well. As an entrepreneur you are your own boss, which offers another option of how you can actually live your life."
- "Using creative energy to answer a problem that can be solved through business."
- "Discovering what lacks on the market, so outstanding service might be proposed."
- "Instead of working for a company we work for ourselves and our passions."

Format: definition for kids (8-10 years old)
"Earning money (getting a reward) and doing what you like and what you are good at/what makes you happy (like selling lemonade or drawing or pet-sitting) while you help the people around you be happy (solve a need that they might have)."

Current trends, formats and challenges of creative entrepreneurship in the countries of the consortium as identified by the participants:

France

Opportunities:
- Last year, the government has launched a program called "inclusion par le travail indépendant" (inclusion by freelancing) under the program #1jeune1solution (#1young1solution). It gives the opportunity to any person who is willing to start a business to have access to free backing up advices and:
- build up a strong(er) business plan
- strengthened the economical activity throughout the first months

If you are under 30 years old, you can get a grant a bonus up to 3000 euros to help you launch your project.

"We want to allow anyone who would want to, particularly youngsters, to access the job market by creating their own job."- Brigitte KLINKERT (Working with the Minister of Labour, in charge of insertion)

Challenges:
-In France I would say that one of the main challenges is actually our culture. We are afraid of failures, and consequently of trying. Which is a real barrier for entrepreneurship!

In some countries we see failures as experiences, well we tend to see it just as failures, so do the banks.

Italy

Opportunities:
(Specifically in Rome, and other big Italian cities)
- MULTICULTURALISM that widens the areas for entrepreneurial activity,
- a rich history that can be exploited for tourism activities
- offers a wide cultural variety from a region to another, different vernaculars, food, traditions, territories, due to the many historical influences which can be seen in arts and architecture.

Challenges:
- A lot of bureaucracy (many authorizations to be given by the government to be allowed to carry on your activity).
- A lot of taxes (actually Italy has one of the highest rate of taxes).
- These big differences between territories also have negative sides; there's a huge gap between the northern and southern areas of the country in a lot of aspects and it can be tough to work and ship your ideas when there's a huge lack of resources.
- Make the rural areas accessible - in terms of transports and telecommunication - and attractive so as not to lose the architectural and cultural dimension of those villages.

Hungary

Opportunities:
- different kinds of loans from the European Union (e.g. Covid-support);
- several banks have their own programs to finance start-ups, both in the beginning and after that;
- the Hungarian Development Bank also offers some tenders;
- As for government funding, I found two possible ways (which are hard to translate into English, but I will try my best): financial aid for becoming an entrepreneur and financial aid for expert's advice on beginning or keeping up an entrepreneurship

Challenges:
- Very high debts once in function.
- Aid comes mostly in the form of tenders - very insecure way of financing due to the criteria, and also (commonly in the case of governmental funding) it could be biased.
- The aforementioned financial aid for becoming an entrepreneur only lasts for six months and it only covers these six months' worth of the minimal wage - which is a joke in Hungary.

Romania

Opportunities:
- There is a growing trend for investments made in the solar panel selling and installing area.
- There will be a funding program for start-ups that will give 50k equity-free to new companies.
- After the Covid period there are a lot of Venture Capital funds looking in the market to make investments.
- Romania has the lowest taxes on a small company in the EU.
- Access to many resources, like Upriserz.
- Access to many support and know-how networks for entrepreneurs.

Challenges:
- Romania still has a lot of traditional business going on, and the owners are quite conservative.
- The start-up environment is pretty small and is hard to build a network of enthusiast or beta testers.
- There are not so many incubators or accelerators to participate at.
- Economic instability (high inflation) and lack of predictability.
- The laws and regulations the businesses might abide by are often changed/updated.

PART C

Design-thinking Case Studies

The Design-Thinking Framework

Design thinking is a process that puts target users at the centre of a product or service. As a process, it is non-linear but iterative, and consists of typically five, clearly outlined steps – empathise, define, ideate, prototype, test. Each of these are analysed as follows:

Step 1: Empathise

Empathising with users is the first step of this process, whose core purpose is to make product/solution designers become aware of what they already know; what the challenge is; and what the benefit of solving the problem is. This phase starts with understanding the target users and, most importantly, their expectations, needs, and challenges; thus, collecting first-hand data is imperative. At the end of this stage, the project team should be able to understand who they are designing for and what problem they are solving.

CareerFoundry defines empathy as "the action of understanding, being aware of, being sensitive to, and vicariously experiencing the feelings, thoughts, and experience of another without having the feelings, thoughts, and experience fully communicated in an objectively explicit manner." In other words, empathy refers to the ability to put aside one's own assumptions and step into another person's shoes and experience situations through their eyes. A useful framework for empathy design is the what-how-why framework; repeatedly asking these questions helps uncover helpful insights about the target users' behaviour and motivations.

Lucid Spark teams suggests four main stages for empathetic design:
- Discovery: includes identifying and approaching target users to understand behaviours and motivations.
- Immersion: includes "getting immersed" into the target users' world. In this stage, observing and engaging directly with the target users in their natural environment is key.
- Connection: includes connecting with the target users, needs, and experience through observations and research.
- Detachment: includes reflecting on key learnings and experiences of the previous two stages to draw conclusions, insights, and ideas to push the process forward.

Step 2: Define

The "Define" stage "ensures full understanding of the project goal". It is in this stage where all observations and conclusions drawn in the "Empathise" stage are put into action, hence, data analysis and interpretation is the main aim of the project team.
Leveraging raw data and information already collected, the team filters, analyses, organises and creatively interprets collected information to answer the fundamental questions that guide the team at this stage:
what the causes of the problem are.
what the effects or consequences are.
who the various stakeholders/people affected by/in touch with the problem were.

53. Emily Stevens „What Is Empathy in Design Thinking? A Comprehensive Guide", CareerFoundry, 2021, available at https://careerfoundry.com/en/blog/ux-design/what-is-empathy-in-design-thinking/ accessed on 5.2.2023.
54. LucidSpark „ Best practices for Design Thinking: Empathy", n.d., available at https://lucidspark.com/blog/best-practices-for-design-thinking-empathy accessed on on 5.2.2023
55. Emily Stevens „ Stage 2 in the Design Thinking Process: Define the Problem", 2021, available at https://careerfoundry.com/en/blog/ux-design/stage-two-design-thinking-define-the-problem/ accessed on 5.2.2023

The output of this stage is the problem statement, a clearly articulated description of the problem and how it is planned to be addressed, which guides designers throughout the rest of the project phases and helps them start generating ideas to solve a challenge or design the right intervention.

Step 3: Ideate

The third step in the design thinking process is ideation, a method of coming up with new ideas and potential solutions through generating, evaluating/ranking, refining, and, ultimately, selecting an idea to be developed into a prototype. Ideation brings together different perspectives and strengths of the team, with the aim to uncover unexplored territories of innovation and potential interventions, using collected insights, that put target users and their needs into focus.

In the ideation phase, the team gathers with an open mind to generate a lot of ideas (10-20) – the goal is quantity over quality – and then filters the ideas generated to decide which will be further developed into prototypes and which will be rejected; the crazier these ideas the better! It is essential that the ideation phase takes place in a safe, judgement-free environment and within determined time limits.
Ideation typically takes place in the form of a workshop or facilitated sessions; ideation techniques include but are not limited to**11**

- Sketching: generating and exploring ideas through sketches and diagrams.
- Brainstorming: generating and building on each other's ideas.
- Brainwriting: individual team members write down their ideas and pass them along to other team members who read them and develop or add new ideas before openly discussing with the rest of the group.
- Braindumping: individual brainstorming.
- Mindmapping: using a mind map sketch, the team lays out and connects ideas to the problems key aspects.
- Storyboarding: using a visual problem/design/solution-related story, the team illustrates a situation's dynamics.
- While ideating, it is important to not forget to evaluate whether these ideas are feasible and whether they directly solve the problem.

Step 4: Prototype

Prototyping is the fourth step in the design thinking process; using the ideas selected during the ideation phase, the project team builds prototypes to test their proposed solution with prospective users and stakeholders, and assess whether it really solves their problems. It offers the team the opportunity to bring their ideas to life, test the feasibility of their proposed solution, and explore how their target user base think and feel about it. Prototypes are often used in the final testing phase.
The benefits of prototyping include saving up in resources, such as time, manpower, and budget, as well as discovering design errors before production/launch and requesting user feedback.

56. Rikke Friis Dam and Teo Yu Siang „ What is Ideation – and How to Prepare for Ideation Sessions", 2021, available at https://www.interaction-design.org/literature/article/what-is-ideation-and-how-to-prepare-for-ideation-sessions accessed on 5.2.2023

The key questions that guide this phase are:
- how is the proposed idea implemented?
- how does the proposed solution work?
- where will the proposed solution be implemented?
- what will the features of the prototype be?
- who will the target users be?
- Is the SMART approach (Specific, Measurable, Attainable, Realistic, Timely) used so that the feasibility of the proposed solution can be evaluated?

Prototypes can be either low- or high-fidelity: low-fidelity prototypes are quick and inexpensive to produce, and include the core elements of the proposed solution; high-fidelity prototypes resemble the actual proposed solution more and allow for more efficient user testing and, thus, accurate feedback. They can take any form[57] ranging from storyboards and wireframes to paper prototypes; typically, they are not complete products, and, often, they test only one part/functionality of the solution.

Step 5: Test

The final step in the design thinking process is testing; in this stage, the project team has the opportunity to test their final solution on a full scale and discover whether they framed the problem correctly, and whether they solved the problem detected in the "Empathise" step.
The core questions that guide this phase are:
- did the team test their product/solution with sample target users?
- did the team gather feedback to improve their solution?
- did the team iterate their proposed product/solution before launching?
- did the team launch their final product?

Testing involves multiple steps[58]: the team must create a test plan, recruit test users (representative of their target), perform the test, and analyse and evaluate the results. Common metrics to evaluate include the time they take on a task, task performance, success rate, speed, goal fulfilment, expectation matching[59]

When testing, it is important to remember to:
- Have multiple prototypes available.
- Allow target users to experience the prototypes in real-time; refrain from explaining rather observe how they interact with the prototype to assess its success.
- Encourage honest feedback.
- Accept follow-up questions once the user is done experiencing the prototype.
- Document the sessions for later review.
- Review the feedback collected to understand the changes that need to be implemented.

Based on user feedback, this stage can be considered either a success or a failure; when the latter is true, testing will most likely lead to the iteration of the prototype; the team will have to rework their problem statement, before creating a new solution that will address the needs of their target user more efficiently. However, if a prototype is considered successful after having collected feedback from potential end-users, then it is implemented/launched.

57. Simplilearn „Prototyping in Design Thinking", 2022, available at https://www.simplilearn.com/prototyping-in-design-thinking-article accessed on 5.2.2023
58. Workshopper „Design Thinking Phase 5 - How to Test Effectively", 2022, available at https://www.workshopper.com/post/design-thinking-phase-5-how-to-test-effectively accessed on 5.2.2023
59. Get Cloud „Design Thinking Testing Stage", 2022, available at https://www.getcloudapp.com/blog/marketing/design-thinking-testing-stage/ accessed on 5.2.2023

The case studies presented as follows are derived from different workshops run by the project partners as part of design thinking training courses implemented for EU youth from their communities; in all cases, participants show that they have understood and follow the five-step design thinking process.

Case Study 1: Parkify

We lose too much time finding a parking slot

1. EMPATHISE

To work on empathize we started by analyzing the problem by finding the causes. In our case our causes were:
- *We don't know where the parking spaces are.*
- *There are different ways of transport which are not promoted.*
- *There are crowded parking areas (referring to many cars trying to find a parking spot).*
- *Incorrect parking from drivers, which blocks the other drivers.*
- *There is not enough space in parking slots, because of that vast majority of people crowding the cities.*
- *People don't use alternative ways of transport (depending on their job, and preferences).*

Then we proceeded to find the different stakeholders which are linked to the causes we identified.
- Companies
- Government
- Green NGO
- Public transport company
- Drivers
- Architects
- Citizens

After identifying the stakeholders, we proceeded to plan interviews with them in order to better assess the problem and clarify it. For that we had to plan questions through brainstorming. The questions where specific for each stakeholder we interviewed or targeted:
- *Have you experienced losing a large amount of time during parking?*
- *On average how long do you think it takes to find a parking slot?*
- *During which hours have you experienced the biggest problem with finding a parking slot?*
- *What do you think can be changed to solve this problem?*
- *Do you prefer getting around in the car or with public transport? Why?*
- *Under which conditions would you be capable of switching to public transport? (For drivers)*

The interviews helped us understand the basis of the problem from the stakeholder's point of view and this helped us narrow down our initial problem to this –>Same ones.

2. DEFINE

After our interview we proceeded to analyze data gathered and juxtaposed it to the initial problem and causes that we had. We selected the strongest causes as related and relevant to what the interviewees said. Based on the new causes and facts that we gathered we could rephrase our new problem and specify it.

"The number of cars in big cities is much higher than the number of parking slots"

This is what led us to the new problem mentioned ahead and we will continue to the next stage based on this problem which has hereby been defined.

3. IDEATE

After defining our problem, we wanted to check for possible solutions, so we made a brainstorming for 15 minutes. After doing this, we ended up with the following solutions for each and every cause that we already found:

Crowded parking areas and people trying to find A spot at the same time
- Traffic lights
- Car sharing
- Incorrect parking from other drivers

Move education for parking
- New systems
- Correctly drawing parking lines

Crowded big cities with people
- Support jobs from government for villages

Families having more than one car
- Charges for cars
- Leasing companies

People not using alternative ways of transport
- Faster transportation
- More comfortable

Expensive public transport
- Cheap prices

Old buildings without underground parking
- Build underground parking slots

Not efficient public transport

When we finished this process, we needed to narrow the solutions in order to focus on the most important ones. After making the importance-feasibility matrix, we ended up with the following option: car sharing for jobs

Of these five that were located in the solutions mapping matrix (check ideation stage), we discarded these options:

- New systems
- Traffic lights
- Charges for having more than one car
- Correctly drawing the parking lines

After this last step, we needed to narrow it down more, so we chose the most important one, on which we will be focusing all our effort. The final choice was CAR SHARING, as the best option for reduced parking spots.

4. PROTOTYPE

In this step of the design thinking methodology, we are going to prepare a first prototype to check with the market if it has value for them or if it doesn't. So, the very first thing we did was to make a logo.

Afterwards, we looked for a similar company (*Blablacar*) to check how they are doing things and to make use of their knowledge to prepare our first minimum viable product. Our business model is quite similar to "Blablacar", but what differentiates us from them is that our main objective is to reduce the number of cars in the city center of Athens, offering cheaper parking spots for cars that are occupied by more than 1 person and relieving big cities traffic jams and liberating parking spots. We will achieve this through three channels:

1. *Partnership with local parking*: We will be sending a constant flow of cars to private parking slots. The objective is to achieve a better price for people that are using our application, so we create value for them, and they won't just use our app for one time and then stick to the people we are offering.

2. Partnership with companies: Companies could see our app as a good social responsibility programme while also improving arriving on time rate of their employees.
3. The government: We will act as a lobbyist since we are in a powerful position in order to ask for subventions or potential mobility solutions, like using the bus line or special lines when they are using our app.

Why: save money, time and environmentally friendly.
When: Any time, where drivers on the road (Athens)
Where: Anywhere, around 50km away from big cities

Option Users: for people who work far away from home, a discount ticket for the whole day.

<u>Note</u>: Discount will be depended on How many passengers do you have in your car.

- For 1 passenger = 20 euro
- For 1+1 passengers = 15 euro discount
- For 1+2 passengers = 10 euro discount
- For 1+3 passengers = 5 euro discount
- For 1+4 passengers = 4 euro discount

At the beginning we separated the solutions with a graph (importance, feasibility). Then we had clarified the perfect solution for us. We divided for our one perfect solution three questions: How? When? Where? We defined each question separately. We came to outcomes which answer us that our one solution has sense or improve situations in so many ways. All of this make us to create ParkiFy App. We focused provide to help for job workers from suburbs of Athens.

5.TEST

We had tested the app with from (drivers and passengers). They recommended us few improvements regarding our application. We can cooperate not only with government, local government but also with companies from Athens where we intend to start our testing with.

1. Companies can provide reward or benefits for reducing time for people who live far from home and their outcome will be that employs can get faster to work.
2. Of course, they don't spend so much time in traffic jams, that means employs, would be more satisfied and fuller of energy and eager to their tasks at work. Also, companies if looking for new qualified employees they can provide for them such this kind of benefits, for parking slots, and also for expenses for journey at least reduce part of expenses for traveling.
3. The driver, would decide if he wants to drop a worker from other companies, you can decide if he drops them exactly where their work is located or they will go directly to a parking slot and they need to go to their work by themselves from the checkpoint. And also, driver and passengers can set up by themselves at the beginning, the range of distance for picking up and dropping off. What it is for them suitable or acceptable.
4. Cash-flow: Another question that was discussed was about the cash-flow. Where are we going to get our money? Actually, there would be a small fee for using the app, each time a trip is done.
5. Also, we are planning to collect money through parking places, that will be our main partners, since we will look to sign agreements with them so we can resell the parking spots for a better price.
6. One-time users: Another thing that people asked us was related to one-time users. So, we thought that the only way to make them use the app without them leaving is to reduce our fee per trip and also to offer personalized parking offers that will beat what drivers can find.

Case Study 2: CookMe

1. EMPATHISE

To work on empathize we started by analyzing the different causes of the problem by asking the question of WHY we are wasting too much food. We found the listed causes:
Too much resource.

- Exaggerated needs.
- Producing too much food during holidays.
- Quality of the food products.
- Being aware of food conservation.
- Planning the shopping.
- Preparing and managing the shopping.
- Too much product variation.
- Not regulated law for the food which is not sold
- Composting, recycle.
- Offers 2+1
-

  Then we proceeded to find the different stakeholders which are linked to the WHYs we identified:
  Families
- Restaurants
- Canteens
- Food factories
- Schools
- Shops
- Supermarkets
- Markets
- Catering companies
- Food providers and distributors

After identifying the stakeholders, we proceeded to plan interviews with them in order to better assess the problem and clarify it. For that we had to plan questions through brainstorming. The questions where specific for each stakeholder we interviewed or targeted. We asked Albert, who's 24 years old man, living in Spain, doing sports 5 times per week. He lives with parents, but he cooks by himself only for him. He prepares meals twice a day and during weekends he is ordering food by delivering applications like Uber Eats or Deliveroo, Glovo etc.
We asked him the following questions:

- *When you are after your sport training, where do you buy your food?*
- *Do you know how to conserve food?*
- *What do you do with leftovers?*
- *How much money do you spend on food shopping?*
- *Do you use all the food that you buy?*
- *Do you use the offers while buying food?*
- *How often do you order food through apps?*
- *Which kind of products you buy?*
- *How often do you eat at home?*
- *How do you do your shopping?*
- *Where exactly you do your shopping?*
- *How much attention you put to the quality of the products?*
- *What do you do with leftovers when you eat in restaurants?*

The interviews helped us know the realities of the problem from the stakeholders' point of view and this helped us narrow down our initial problem to this.

Poor food management at home causes too much food waste.

2. DEFINE

After our interview we proceeded to analyze data gathered and juxtapose them to the initial problem and WHYs that we had. We selected the strongest WHYs as related and relevant to what the interviewees said.

We analyze the answers from the interview; below is a summary of the answers received:
"I cook two times per day, I buy sometimes prepared food from the supermarket, sometimes I cook for myself, during the weekends I order from UberEats. I also eat at the restaurant from time to time, I never take the leftovers from the restaurant. Sometimes it happens that I throw the food, that is left because I cooked too much. I only freeze bread and keep it for later. I am aware of how to conserve the food, but I don't do it too often. I sometimes forget about the veggies I have in the fridge, so I end up throwing it. I spend up to 50 euros per week for food. I don't usually go for promotions because we don't have them at the supermarket where I usually go. Sometimes I prioritize quality, so I would pay more for that, I'm going to the market for fresh fruits or fish."

The new causes are:
- Too much resource.
- Exaggerated needs.
- Being aware of food conservation.
- Planning the shopping.
- Preparing and managing the shopping.
- Too much product variation.
- Composting, recycle.

Based on the new WHYs and facts that we gathered we could rephrase our new problem and specify it.

We focused on the main source of wasting food and we find out that this is happening in families. The problem appears due to not preparing the shopping list before going to a supermarket, also bad management of preparing the food as well as not well conserving it.

This is what led us to the new problem mentioned ahead and we will continue to the next stage based on this problem which has hereby been defined.

After that we started to look for solutions.

3. IDEATE

We created the solution mapping matrix depending on Importance and Feasibility in our project.

During that process we came up with 24 ideas (Information in shops where you can leave your leftovers, common neighborhood gardens, leftovers can be given for homeless people or animals, for restaurants: don't prepare food after certain hours, food conservation reusing, social events about food and management and composing, government support food and restaurants management, app for exchanging food between people, app for food management, food using workshops, formation, training about recycling food, app for money management, less restaurants that deliver food, piggy bank for food money, motivation, discounts for the product after a specific hour, no plastic packages in shops.)

4. PROTOTYPE

We were looking for the best solution which may solve the problem of poor food management at home causes too much food waste. And we have chosen the strongest solution, which is a mobile app that is modern, user friendly, useful, innovative, to help users to manage their food wisely and to reduce the waste as much as possible. This app will help on expiry date, budget, the price of the products, give recipes, cooperation with supermarkets and restaurants.

The main menu of our app is simple to use, has 4 main buttons and one at the bottom for questions and answers. The main buttons are:
- “Chat me"
- "Buy me"
- "Make me"
- "Find me".

The headline of the menu is having two main buttons for checking your list of products available in your fridge or your kitchen and on the right corner you will find the budget you have available for your shopping, which you can modify on every stage at any time.

Our app named COOK ME, will have the map that will help people to find each other and share food or recipes. It will include also the shops, which will be visible on the map who cooperate with us.

- It will also consist of a “Chat me”, where you can contact people in order to find more information about how you can avoid food waste. We will have the option to scan your products (by QR code) and add the expiry date, which will have a green dot for every date. When the product is one day before expiring, the dot will become red and the app will send you a notification f.e. “cook me fast”.
- "Buy me" will consist in adding the products that you need to your shopping list.
- The option "Make me" consist recipes, to help you prepare the food that you have at home or leftovers from other meals.
- “Find me” is a section where you can find maps of restaurants and fresh markets which are eco-friendly, and they're placed close to you. Cook me users have special discounts in mentioned shops.

5. TESTING

We asked 4 potential customers to try our app through making the interview with them.

Interviews:

We present our app and its features: what does each button does, how can you use it in your favor, how is the budget working, how can you avoid wasting food through the app, then we address the questions.
Natalie, our first interviewed person thinks that the app is useful, she thinks it's easy to use, what catches her attention about the app is the chat and the fact that she can chat with somebody. She also thinks that this could help a lot of young people in order for them not to eat that much junk food. Natalie told us that the map is helpful as well. She does sport, so she thinks that if she needs more support for her diet, she would pay for the premium version, otherwise she wouldn’t buy it. In her opinion, she would improve the visual content and more personalized, she likes the idea to contact other people, share recipes with others, she advised to make the icons more dynamic, she would like to invest in our app in order to get it promoted on the market.

Our second guest was Albert, we explained to him the app. After that he shared his thoughts with us. He thinks that the feature about the expiry date is very useful, this is the thing he likes the most, but he believes that the scanning of the expiry date is not doable. Albert thinks that the premium version is useful and that the price is affordable. He would recommend the app to his friends. What is missing from the app in his opinion is that he would make it simpler. He would invest in the app because is a “win-win” situation.

Andri got a brief presentation of the app from our team member Joanna, then he was able to answer our questions. Personally he wouldn't pay for the app but he would try it for the free trial, he thinks the app might work but he is afraid that he would have to organize the fridge very well and he would be skeptical about its use and also he would like to have a feature that would show him how much food he didn't waste and so how much he saved so far. What takes his attention the most is the whole concept because it's necessary, it's an accurate problem and concerning the adds they bother him, and it would be disturbing from the app. He would try the premium versions. He would recommend the app to others. Andri would possibly invest in the app. He recommended to improve the color palette of the app.

Alisa was the last one interviewed. She had an explanation of the app, then she answered our questions. She thinks that the app is very useful. She is already working on not wasting food. The app would be useful for herself, if it would be simpler to just scan the product, then get recipes and all the details about the product. The most useful thing is the not wasting tool. She likes the colors of the app. She would try the premium version. She would recommend the app to others. She would even oblige people to use it, as she is very active in social media. To improve it would be to make it work well, to be easy to use by scanning for example, to work with barcodes, to implement something that shows you calories or health tips for example 'look, this is healthy or not'. She would invest the money in the app.

After interviewing 4 individuals from different parts of Europe as, women, 29, Spanish, named Natalia, Albert, aged 24, coming from Spain, André, 38, Iceland, Alisa, 32, Russian, we reached the conclusion that we need to improve the scanning process of the products, to work on the color palette and we also had the suggestion of reward our users for the savings of food they've done so far.

All interviewers agreed on investing in our app after all the improvements mentioned before and they said that they would be able to pay for our app a monthly amount of money such as 5-6 euros for personal dietary plan and removing the ads.

PART D

Participant Testimonials

CREAction4EU Ambassadors Course

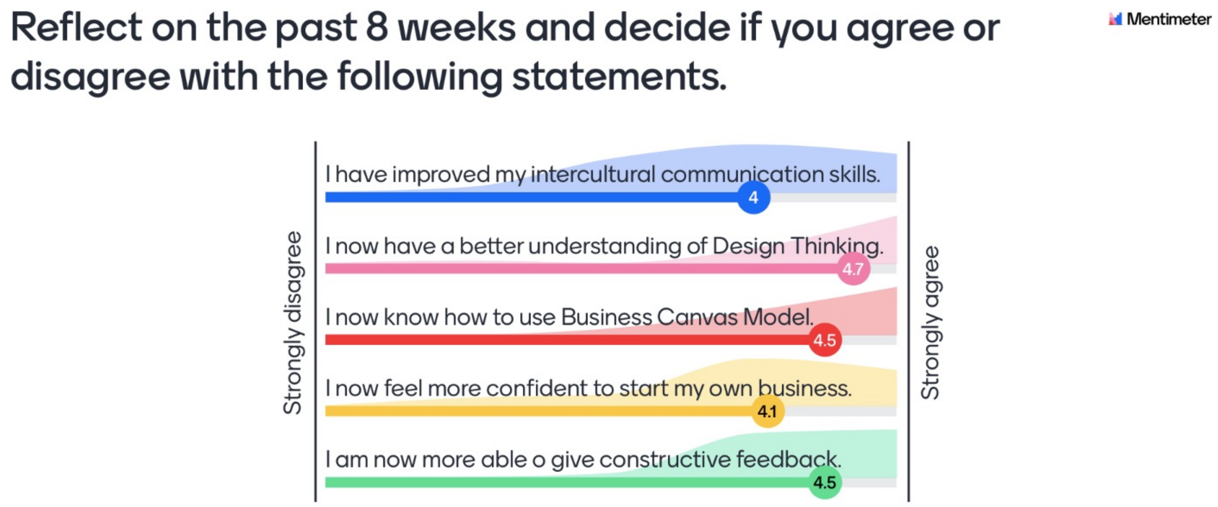
The following testimonials from participants were retrieved from the CREAction4EU Ambassadors Facebook group, which remained active from 14 March, 2022, until 8 December, 2022:

In the beginning of the course, participants shared their contributions, expectations, and fears. When evaluating the most popular answers in the first category, it is obvious that most of them were eager to share their creative input and ideas, experience, skills, and positive energy.

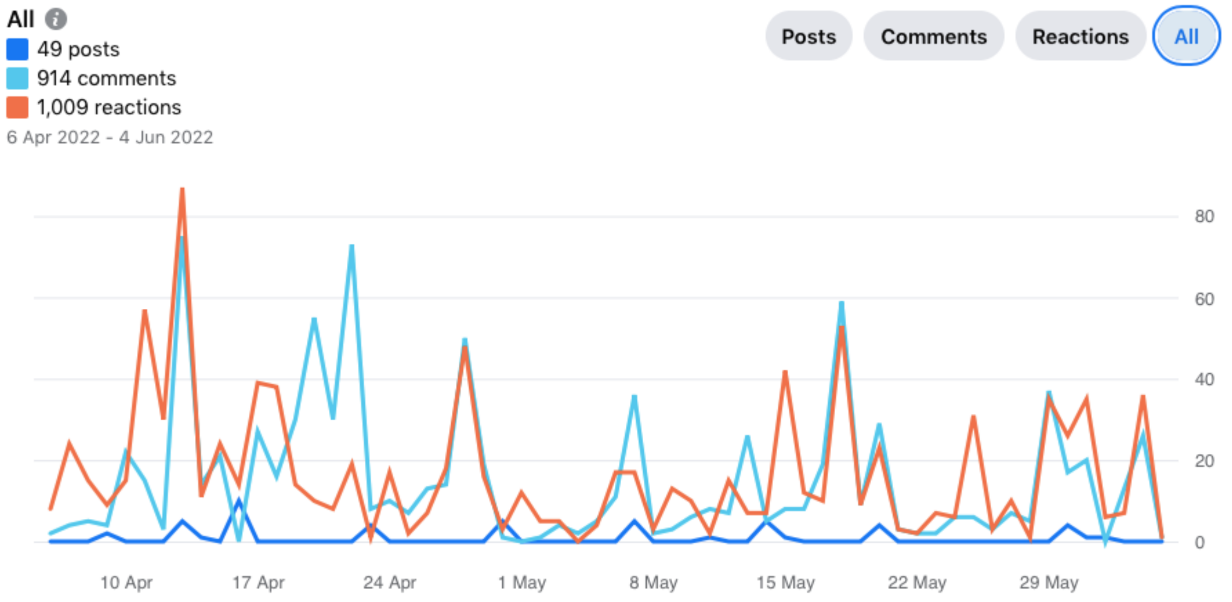
The majority of answers in participants' expectations revolved around getting inspired, learning new things, improving their social media and business skills, but most of all getting to meet and interact with new people.

Last but not least, they too reflected on their fears about the programme, which included performance, time management, possible technical difficulties, and teamwork.

At the end of the course, all participants reported that the core skills the programme aimed to cultivate had indeed improved, with the rates being satisfactorily high:



The main platform used for community development, participation, and interaction was a Facebook group for the course ambassadors. The engagement was higher in the beginning, but remained fairly high throughout the duration of the course., which was active from 14 March, 2022, until 8 December, 2022:



57. https://www.facebook.com/groups/creaction4euambassadors

From the group discussions, it was evident that the participants were grateful for what they learned and the connections they were able to make. Furthermore, they highlighted the structure and the quality of the course. At the end of the course, they all left with a solid knowledge about entrepreneurship and a clearer idea about the business they wanted to launch.

Olteanu Vlad
Hello everyone ! Just wanted to thank you for taking your time to create this awesome course, I really enjoyed it and feel like I've come a pretty long way since I started. Keep up the great work!
P.S: I loved that you made classes/assignments interactive and fun , it was awesome doing them. Wish all classes would be like yours.
Love Reply 3 d

Janina Florentina Vasile
O am so greatfull of beeing a part of this great course! You have such a positive mindeset and give great energie to the people you interact with! Thank you for the opportunity!
Love Reply 3 d

Noémi Csorba
Hi! 🙂 I just wanted to take the opportunity and say thank you for these great 8 weeks (not only with answering the questions but with sharing some personal thoughts as well) I lernt several new things which will be used well and make the execution of...
See more
Love Reply 2 d

Adriana Silwanowicz
Huge thank you for organising my knowledge towards entrepreneurship. I hope to share the materials further on the youth camps I might be facilitating during this summer 🙂
Love Reply 2 d

Mocanu Bianca
Thank you for this opportunity, for this well-developed course, and for your willingness to provide feedback. It was a beautiful experience, in which I learned to be self-taught. Resources have given me a clearer view of the business I want to run. I'm glad I was part of a beautiful team, you created a wonderful community!
Love Reply 2 d

Emiliano Castro
Me again😬!

Well, after finishing the last session one of my reflections is that now I feel super more prepared to face my business idea and most importantly is that I super enjoyed the time we shared and the whole process. This online training program gave me the opportunity not only to learn about entrepreneurship and the skills and knowledge required to make your idea real, but also -and as I think most importantly-, practice leadership and communication skills. [I'll keeping this BMC jewelry for the rest of my life!]
I feel really satisfied with the whole process, and I think the educators can have this wonderful applause!
Love Reply 5 d 2

Leslie Salmon
Hello ! ^^
I want to say thank you for this project ! Online projects are very challenging, and you've find a way to make it very efficent and particulary usefull ! My project is way clearer and more define in my head, as much as the steps to go through from now on and I've been gathering all tools since week 1 to make sure to go back to it in the future ! I'm wired up to find a team during the activities I'm planning and share with them those tools and create something amazing all together 😁😍 When I'll be there, for sure I'll let you know throught a post on this group🥰😊 And I'm very excited about having feedbacks from all of you guys about how are your business plan's going n a few months !? Kisses to all of you😘
Love Reply 3 d 2

Denisa Maria
First of all,I want to say hello to everyone. I'm grateful that I was part of this project and I'm thankful ,as well, that I was selected. For me, these 8 weeks have been part of my personal and professional development. I said personal,because I had the chance to know other people from other cultures, and because I was in a team,I met some great people who gave me good memories and I'm very happy that I worked with them. Unfortunately,I didn't have the opportunity to socialize with everyone,but one day, maybe we will be this lucky 🙂. And professional development because my skills were improved and now I have a base ,which definitely is more than useful.As I said,I'm glad that I had this wonderful experience and thank you again for helping me improve my abilities.💙
Love Reply 6 d 2

Cristina Dincă
Great project, great team. I will strongly recommend it to anyone who wants to transform a great idea into a business. The project was very well structured and it created a perfect balance between the informative part and the practical one. The constant feedback we received was also a very positive aspect since it guided us and helped improve our work. I am glad I got to know so many things about Design Thinking and Business Model Canvas (I had no idea about this tools 😥). Last but not least, getting to know to many people and hearing so many great ideas was also very rewarding. Hope all of the participands will put into practice their ideas.
Love Reply 5 d Edited 2

CONCLUSION

Conclusion

This guide was created with the hope to be a useful resource for anyone interested in trying to launch themselves in the world of cultural and creative entrepreneurship and embark on their own venture, especially in the CREAction 4 EU partner countries. Consortium partners collected useful information about the status of the cultural and creative industries and, most importantly, the ways the pandemic affected them to ultimately show that there is always space for innovation and entrepreneurship even during crises.

The focus of this project and, most importantly, the focus of the CREAction4EU Ambassadors gamified digital course was young people, and with this in mind, the team tried to promote, develop and enrich their entrepreneurship skills within the context of the creative industries; creative entrepreneurship was the core concept that was used throughout the eight-week course, while the design-thinking methodology was applied to show how it can be a useful tool to uncover untapped areas of intervention and guide participants from an initial business idea to a concrete business plan. An entire part of this guide was dedicated to explaining in detail each step of this process, in an effort to inspire and offer a framework that is understandable and can easily be implemented by anyone interested, regardless of their experience or background knowledge in entrepreneurship. It was the same process that was followed by the CREAction4EU Ambassadors, who finished the course reporting high satisfaction rates; besides the technical skills offered by the program, they found networking and peer support opportunities invaluable.

It is these two elements that, in our opinion, make the secret sauce for boosting cultural entrepreneurship among young people: accessibility of the tools and frameworks for all and creation of peer networks across Europe that promote cooperation and foster creativity and innovation among them.

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