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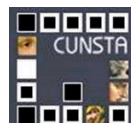
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Unlocking innovative potential: examining the contributions of Creative Europe to the Italian cultural and audio-visual sectors

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Abstract

This paper examines the impacts of the Creative Europe framework programme on participating Italian organisations in the cultural and audio-visual sectors. Using primary data collected from 94 Italian organisations that received funds from the Culture and Media sub-programmes between 2014 and 2020, the study investigates the programme's effects on innovation capacity, innovative practices, and outcomes regarding new cultural products and services. Results highlight the programmes' positive outcomes in acquiring new skills, networking opportunities and innovation capacity and suggest that national policies complement the funding of Creative Europe. Identified policies include structuring financial or fiscal instruments, enhancing training and mentoring, building networks, and improving communication.

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L'articolo esamina gli impatti del programma quadro Europa Creativa sulle organizzazioni italiane dei settori culturali e audiovisivi partecipanti. Utilizzando dati primari raccolti da 94 organizzazioni che hanno ricevuto fondi dai sottoprogrammi Cultura e Media tra il 2014 e il 2020, lo studio investiga gli effetti del programma sulla capacità innovativa, sulle pratiche organizzative e sui nuovi prodotti e servizi culturali delle organizzazioni beneficiarie. I risultati evidenziano gli esiti positivi dei due sottoprogrammi sull'acquisizione di nuove competenze, sulle opportunità di networking e sulla capacità innovativa, suggerendo anche possibili strategie per le politiche nazionali per rafforzare e integrare l'impatto dei finanziamenti di Europa Creativa. Le politiche individuate includono la creazione di strumenti finanziari o fiscali, attività di formazione e mentoring, la creazione di reti di collaborazione tra organizzazioni e miglioramento della comunicazione.

1. *Introduction*

The economic impact of cultural and creative industries (CCIs) in Europe is widely recognised, with CCIs employing over 7.7 million people, constituting 3.8% of the European workforce as of 2022¹. The sector has demonstrated a robust capacity to create value, with firms growing at an average rate of 2% per year between 2014 and 2019 (the last year for which comparable data is available at the EU level), and the added value of the cultural sector increasing by 2.9% annually over the same period.

Despite these strengths, the export capacity of CCIs remains relatively small, comprising only about 1% of total EU exports in 2022, although countries like Italy and France perform above this average². Italy, in particular, stands out with a positive trade balance in cultural goods and significant growth in exports, yet it lags in global market share for added value in the audio-visual sector. The reasons behind the difficulties faced by Italian and European cultural and creative industries in the global market are multifaceted. Among them, sector fragmentation along geographical, cultural, and linguistic lines plays a significant role, as do globalisation, digital transition, and the need to access sustainable and diversified finance³.

In response to these challenges, the Creative Europe programme was established by the European Commission to sustain and promote cultural diversity, enhance the competitiveness of CCIs, and strengthen the sector's capacity to operate across borders. Creative Europe is a flagship initiative reflecting the EU's commitment to cultural diversity and innovation in line with Article 167 of the Treaty of Lisbon, which states that the «EU shall contribute to the flowering of the cultures of the Member States, while re-

¹ Eurostat 2023a.

² Eurostat 2023b

³ Anica 2019; Symbola-Unioncamere 2019.

specting their national and regional diversity and at the same time bringing the common heritage to the fore»⁴. Compared to other European funding programmes, Creative Europe stands out for its targeted support to CCIs, receiving a substantial budget allocation. Its emphasis on cross-border collaboration and innovation sets it apart from other funding schemes. The programme, which ran from 2014 to 2020 with a budget of 1.46 billion euros, is divided into two sub-programmes: Culture and Media, with an inter-sectoral section addressing transversal aspects.

The application process for Creative Europe involves submitting detailed proposals that outline the project's objectives, impact, and alignment with the programme's goals. The Creative Europe Programme (2014-2020) selected projects⁵ based on their alignment with objectives such as promoting cultural diversity, fostering transnational cooperation, and enhancing sector competitiveness. Selection criteria included relevance, quality, project management, and European added value for the Culture sub-programme, as well as European dimension, quality, and potential for success for the Media sub-programme. Proposals were evaluated by independent experts, ensuring projects met these goals effectively.

Between 2014 and 2020, 320 cultural organisations from the Culture sub-programme and 133 from the Media sub-programme in Italy benefited from Creative Europe funding. These funds often provide the necessary resources for project start-ups and support a range of organisational, managerial, and research aspects crucial for future development. However, the motivations that drive cultural organisations to participate in European funding programmes such as Creative Europe go beyond economic support for candidate projects, and the impacts of such funding often concern a multitude of organisational, managerial, and research aspects of the participants that can become crucial for the future development of these organisations. Therefore, analysing the impacts of the Creative Europe Programme on participating organisations in terms of organisational and managerial competencies and innovation capacity is particularly interesting.

While academic literature has broadly investigated the issue of support policies and national funding schemes for cultural and creative industries and cultural entrepreneurship⁶, there is a dearth of research on the impact of European funds, specifically the Creative Europe Programme.

⁴ Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007, OJ C 306, 17.12.2007.

⁵ The term "project" refers to all initiatives funded under the Creative Europe Programme, including both the Culture and Media sub-programmes. Each project is a distinct initiative proposed by an organisation or a consortium of organisations, aiming to achieve specific cultural or creative goals as outlined in their funding application.

⁶ Greffe 2016.

This research aims to fill this gap by exploring the role of the Creative Europe Programme in enhancing the innovation capacity of Italian cultural organisations. Specifically, it investigates how the programme supports innovative practices and the outcomes of these innovations in terms of new cultural products and services. The study examines both process and product innovation, analysing how Creative Europe funds contribute to developing new cultural products and enhancing organisational processes.

Specifically, the study investigates three research questions: (1) To what extent and in what ways the Creative Europe programme strengthens the innovation capacity of participating Italian organisations; (2) what innovative practices are supported by the Creative Europe programme for Italian cultural and audio-visual organisations; (3) what the outcomes of these innovative processes in terms of new cultural products and services for Italian cultural and audio-visual organisations are.

The paper is organised as follows. The next section provides a literature review; section three outlines the methodological framework; the fourth section provides the study's empirical results and discusses the analysis's primary outcomes. Finally, the concluding remarks focus on managerial and cultural policy implications and suggest future research developments.

2. *Background and literature review*

The role of cultural and creative industries (CCIs) in driving innovation and economic growth has been widely acknowledged. In recent years, a rich academic literature has emerged emphasising the significance of CCIs in contributing to local economies, fostering job creation, and supporting innovation across various sectors.

Scholars have engaged in analysing the creative economy's potential and spatial concentration of creative talents for territorial competitiveness⁷, showing how CCIs contribute to local economies in terms of job creation, wealth generation, and economic growth⁸. CCIs have also been recognised as a critical driver for urban regeneration processes, revitalising underused areas and creating vibrant and attractive urban environments, which in turn can attract new investments, residents, and businesses⁹. Authors have highlighted the innovative responses of CCIs to major European societal challenges, suggesting the development of a knowledge and competence base within the industry¹⁰,

⁷ Hall 2000; Scott 2000; Boschma, Fritsch 2009.

⁸ Potts *et al.* 2008; Santagata 2009; Boix *et al.* 2016.

⁹ Hall 2000; Comunian 2011; Montalto *et al.* 2019.

¹⁰ Gustafsson, Lazzaro 2021.

underscoring the sector's adaptability and forward-thinking approaches also in terms of technological innovation¹¹. Finally, by collaborating with other sectors, CCIs have also been recognised as drivers of knowledge and skills transfer, thus contributing to the development of new products and services¹². Several studies highlighted how CCIs support innovation in other sectors, particularly in the creative and technology industries, by creating new products, services, and processes¹³. This is because CCIs are often at the forefront of technological innovation, using advanced technologies to create new art, entertainment, and media forms. International bodies such as UNESCO, UNCTAD, the OECD, and the European Commission have also joined this academic debate, producing important reports on the creative economy and giving critical theoretical contributions for understanding its rules, development paths and related policies¹⁴.

In fact, given the crucial role of CCIs, policies and incentive schemes aimed at supporting cultural and creative entrepreneurship have been widely implemented across countries, which have launched both structural interventions and measures to develop innovative companies and creative start-ups¹⁵ and sustain the creative economy. However, research¹⁶ has shown how these policies have often faced limitations, highlighting market failures, especially in traditional micro and small cultural activities operated by cultural MSEs and organisations¹⁷. Micro and small cultural and creative activities compete in an increasingly crowded market with more limited economic resources; this growing competition requires solid managerial and organisational skills, the ability to innovate and the capacity to build networks¹⁸, which sometimes these companies do not have¹⁹. Such a situation, therefore, requires specific policies to support cultural and creative sectors in strengthening these aspects, also consistently with their countries' business environment. The issue concerns not only national public policies but also the funding measures that the European Union has put in place to encourage and support the growth of European cultural and creative industries, as well as the connection between the two levels of policymaking.

In this context, the Creative Europe Programme by the European Union emerges as a significant policy initiative able to foster collaboration and networking among European cultural operators²⁰. The programme aims to sus-

¹¹ Peukert 2019.

¹² Bakhshi *et al.* 2008; Pratt, Jeffcutt 2009.

¹³ Müller *et al.* 2009; Innocenti, Lazzaretti 2019.

¹⁴ OECD 2014; UNCTAD 2018, 2024; European Union 2018.

¹⁵ Foord 2009; Pratt 2009; European Union 2018.

¹⁶ Bakhshi *et al.* 2015; Varbanova 2016; Cunningham, Flew 2019; Kolb 2020.

¹⁷ Hausmann 2010.

¹⁸ Konrad 2013.

¹⁹ Bilton, Cummings 2014; Friel *et al.* 2018.

²⁰ KEA European Affairs 2018.

tain small and micro enterprises, not only to ensure their survival but also to harness their potential for development. Moreover, the Creative Europe Programme supports various types of enterprises, particularly those at the micro and small scale, which often struggle with limited economic resources and heightened competition. However, to date, only a few sector reports have analysed the programme's impact on European cultural and creative industries at the national level.

The SQW Group²¹ found that the Creative Europe programme significantly benefited the UK's creative industries by providing funding, networking opportunities, and access to European markets. The report also highlighted the programme's role in facilitating collaboration between UK and European artists and cultural organisations. Also, in Northern Ireland, a report by Creative Europe Desk Northern Ireland²² pointed out how the projects financed by Creative Europe proved to be transformative for the organisations, artists and audiences involved. Evidence is also available for Spain, where a Ministry of Culture²³ study showed that the Creative Europe programme had positively impacted the country's CCIs by supporting the development of cultural projects, promoting cultural heritage, and fostering innovation.

Despite the presence of these reports – which adopt different methodologies to measure the impact of policies on CCIs, from qualitative assessments through case studies to quantitative analyses using economic indicators – the academic literature has largely overlooked the topic, except for some studies on the audio-visual sector and the programme's contribution to collaborations with non-European Union states²⁴.

Further academic research is therefore needed to explore the medium and long-term impacts of the Creative Europe programme on CCIs in individual European countries and to assess the initiative's effectiveness in supporting creativity and innovation in funded organisations. The need to delve deeper into these aspects is also of central importance in view of a better connection between national and European policies.

By adopting a mixed-method approach to examine the programme's effects on innovation capacity, innovative practices, and outcomes, this research aims to contribute to the existing literature by providing empirical evidence of the programme's impact at the national level in Italy using primary data collected from 94 organisations that received funds from the Culture and Media sub-programmes between 2014 and 2020. This approach allows us to offer comprehensive insights into the programme's effectiveness, considering both qualitative and quantitative dimensions of policy impact.

²¹ SQW 2021.

²² Le Garsmeur 2021.

²³ Gobierno de Espana 2021.

²⁴ Bengesser, Hansen 2022; Vos 2022.

3. *Methodology and data*

To contribute to the understanding of the Creative Europe Programme's impact on participating cultural organisations, we adopted a comprehensive evaluation framework. This framework is based on the European Parliamentary Research Service²⁵ and national studies conducted by the UK Creative Europe Desk²⁶. Our data was derived from both secondary sources and primary data collection efforts.

More specifically, data for our analyses were derived from three primary sources, namely secondary data from Creative Europe Desk documents; primary data collection, which involved administering two detailed questionnaires to beneficiaries of the Media and Culture sub-programmes of Creative Europe, targeting Italian organisations that participated between 2014 and 2020. These questionnaires were meticulously structured to cover three main sections. The first section aimed to gather detailed information about the interviewees and their organisations, focusing on typology, geographical location, number of collaborators, and their sector within the cultural and creative industries. The second section explored the specifics of their participation in Creative Europe, including the chosen funding schemes, involvement in other European programmes, evaluations received, and their reasons for participating. The third section was dedicated to identifying and studying the areas of impact, which are in line with the strategic and operational goals of Creative Europe. For the Media sub-programme, an additional section was included to delve into the different financial support schemes, such as production, distribution, promotion, and film education.

The questionnaire was distributed to 453 potential respondents through the Italian Creative Europe Desk between April 1 and 15, 2021. Reminders and follow-ups were sent via email and phone to maximise the response rate, resulting in 94 completed responses, which translates to a 20% response rate. These responses included 53 from the Media sub-programme and 41 from the Culture sub-programme.

Our analysis focused on six specific areas of impact: internationalisation, partnerships, and networks; new management models, new technologies, applied research, and creativity; economic and financial impact; cultural and audience development; knowledge, skills, and abilities; and social impact (Tab. 1). This approach allowed us to comprehensively assess the Creative Europe Programme's multifaceted influence on participating organisations.

²⁵ Zygierevicz 2018.

²⁶ SQW 2021.

IMPACT TYPE	IMPACT INDICATORS
1. Internationalisation, partnerships and networks	Partnership scope Geographical distribution of partners by country Expansion of the organisation's range of action Partnership formation methods EC's facilitation role in partnership formation Longevity of partnerships Ability to identify new markets/countries to operate in Willingness to continue operating at an international level Involvement in post-project activities
2. New management models; new technologies; applied research and creativity	Ability to support creative risks, experimentation, and innovation EC's facilitation role in taking creative risks Creation and distribution of products Inclusion of a research function area in the partnership Adoption of new work practices Adoption of new digital technologies
3. Economic and financial impact	EC funds received in Italy Economic benefits resulting from participation Revenues generated by the project Amount of complementary funding (match-funding) EC's facilitation role in raising complementary funding Job creation by contract type and function performed Financial resilience and ability to expand staff in the medium term
4. Cultural and audience development	Increase in audiences for cultural and media products New methods of engaging the public Dissemination of Italian products and work at an international level Dissemination of European products and work in Italy Reaching new audiences and communities
5. Knowledge, skills and abilities	Skills and knowledge improvement Types of skills and knowledge improved Methods of acquiring knowledge and skills Ability to connect with talented professionals Change in the ability to work at an international level
6. Social Impact	Support to practices that promote diversity and equality Support to projects that focus on the experiences of different communities Support to projects that promote European values

Tab. 1. Evaluation framework and impact areas (Source: authors on Zygierevicz 2018 and SQW 2021)

Consistently with our research questions, results have been analysed with specific regard to the second area of impact, i.e., new management models, new technologies, applied research and creativity. By focusing on specific areas directly aligned with Creative Europe's objectives, we can offer targeted insights. Combining secondary data with primary questionnaires, the mixed-method approach provides a comprehensive view of the impacts.

4. Results

4.1. *The participation of Italian organisations in the Creative Europe Programme*

In the seven years 2014-2020, Italy participated 515 times in Creative Europe Culture sub-programme projects, being leader 136 times, a result, in absolute terms, better than other comparable countries. Participation has also grown from just over 20 organisations a year in the early years to around 40 in the final years.

Since many organisations have been selected several times as leaders and partners, the total number of organisations that have won a Creative Europe project – Culture sub-programme in Italy is 320, with 103 as project leaders. Overall, this is 8.6% of the organisations at the European level, which, taken together, received 7.6% of the funds from the programme.

In comparison with other European countries of comparable size, Italian organisations are higher in number but less capable of intercepting a high amount of funds. Furthermore, Italy shows a lower success rate of about ten percentage points compared to Western European countries, which are more effective in obtaining programme funds. The relatively low success rate is a general problem of the programme, considering the high number of organisations seeking to participate and the low budget available for 2014-2020. This problem is particularly visible in Italy, given the many applicants.

Regarding the Creative Europe Media sub-programme, 133 organisations took part between 2014 and 2020, some of which submitted multiple projects, thus resulting in selections in various calls. Over the period, 5.5% of the organisations at the European level received 7% of the funds allocated by the programme.

The projects submitted by Italian organisations in the seven years amounted to 1,639, of which 518 were supported out of the total of 12,546 financed at a general level by the Media sub-programme, with a success rate of around 32% and a share of funded projects of just over 4% of the total.

Compared to other European countries with a high audio-visual production capacity, Italy ranks third for projects presented, after France and Germany, surpassing Spain and the United Kingdom (Tab. 2). In terms of supported projects, however, the country is in third place with a share of funded projects of 4%, after France and Germany with 9% and 8%, respectively.

Since 2014, the Italian audio-visual and broadcasting industry has benefited from 48 million euros in economic contributions through the Media sub-programme, i.e. 7% of the total 695 million euros allocated at the European level and 48% of the approximately 99 million euros requested at the national level.

<i>Country</i>	<i>Success rate – Culture Programme (%)</i>	<i>Success rate – Media Programme (%)</i>
Belgium	37	46
France	24	35
Italy	11	32
Spain	18	26
UK	19	26

Tab. 2. Success rate in participating in the subprogrammes by country (Source: Santagata Foundation for the Economics of Culture on Creative Europe Desk data)

As regards the type of organisations that participated in the programme, in most cases, the participants are cultural organisations such as cultural associations (33%), foundations (20%), cooperative societies (8%) or corporations operating in the cultural sphere. This group is followed by universities (11%) and public bodies such as Municipalities (5%), Provinces, Regions and Institutes of the Ministry of Culture, which account for 3% of the organisations financed in Italy. Finally, a series of entities, such as consortia and other companies, make up the remaining 9%.

The macro-sectors in which these subjects operate are the performing arts (51%), publishing (27%) (with a focus on translation, given the dedicated call), tangible and intangible heritage (16%), visual arts (6 %) and other sectors of cultural production (4%). These sectors reflect a broad spectrum of cultural production, indicating a robust interest in maintaining and innovating traditional cultural expressions alongside newer digital formats.

In recent years, certain sub-sectors of the Cultural and Creative Industries (CCI) in Europe and Italy have experienced varying degrees of growth and decline. According to the latest available data, the sub-sectors that are growing the most in Europe and Italy include the video games and digital media industries, followed by the performing arts and music sectors²⁷. Conversely, traditional publishing and print media have seen a decline due to the shift towards digital consumption. In comparison, the Creative Europe programme, therefore, shows a diverse participation profile across its sub-sectors.

If we look at businesses by turnover, all the businesses in the sample interviewed belong to small or micro-enterprises (about 90%). The most significant number of financed organisations stands in a turnover range ranging from 100,000 to 500,000 euros; a few less have a turnover between 500,000 and 2,000,000 euros. A similar result can also be obtained by looking at the number of people employed within organisations: more than a third of organisations have fewer than ten people on staff, and almost as many fewer than 50.

On the other side, looking at the beneficiaries of the Media sub-programme,

²⁷ Unioncamere Symbola 2019 and 2023.

also in this case, around 90% of the companies in the sample interviewed fall into the category of small or micro-enterprises. The largest group of funded organisations are in the €100,000 to €500,000 turnover range (42%), and around half have a turnover between €500,000 and €2,000,000 (21%).

Even considering the number of employees in the organisations, the result is similar to that recorded for the sample of participants in the Culture sub-programme, as more than a third of organisations have less than ten employees, and almost as many have less than 50. Only 6 have more than 50 people working within the organisation.

Regarding previous experience in other European programmes and motivations for participation in Creative Europe, about 80% of the organisations in Creative Europe, sub-programme Culture, also participated in another European programme. These programmes include the Erasmus+ programme, the ERDF – European Regional Development Fund (20%), Interreg, and Horizon 2020 (for 17% and 11% of the organisations, respectively).

The motivations for participation in this specific sub-programme are numerous and, as already noted, do not exclusively relate to financial support. Organisations have seen in Creative Europe the opportunity to adopt an internationalisation perspective, developing new networks and strengthening existing ones, improving the internal organisation through the enhancement of skills and the possibility of developing new ways of working. Creativity is the third most common motivation: innovating and differentiating their cultural production. Economic motivations only rank fourth, and the possibility of expanding their audience or involving new audiences ranks last.

Similarly, the majority of organisations that participated in the Media sub-programme also have previous experience with European programmes, particularly in the Eurimages programme (34%), Erasmus+, ESF – European Social Fund, Horizon 2020, and Interreg. Motivations for participation in Creative Europe include the need to collect resources for the project, the internationalisation of organisations through the development of new partnerships and the strengthening of existing ones, and the opportunity to innovate, develop new skills and knowledge, maintain control over their projects, and increase programming diversity.

4.2. Creative Europe: the support to creativity and innovation

Among the stated objectives of the Creative Europe framework programme, we find those of providing organisations with the support needed to strengthen their innovative capacity, thanks to research and experimentation; to develop innovative formats, thanks to new artistic, interdisciplinary and intersectoral collaborations; to innovate in promotion and communication practices; to expand the use of new technologies; to develop new business models.

The Programme has effectively fulfilled these intentions. More than half of the organisations participating in the Culture sub-programme declare that participation in Creative Europe has allowed them to develop new ways of working, thus recognising the capacity of the programme to encourage innovation of management models and processes (Tab. 3). Fifty percent highlight that the organisation has been able to innovate and take more risks. Around 30% believe that the programme has allowed them to maintain direct creative control of projects that otherwise would have had to be outsourced to other organisations for realisation. The programme's impact on the ability to innovate is perceived differently by companies in the audio-visual sector compared to those participating in the Culture sub-programme. The share of audio-visual companies that believe that the programme allows for the development of new ways of working is, in fact, lower for the Media sub-programme where, however, the share of organisations that believe that the programme has an important impact in maintaining creative control of projects is almost double compared to the Culture sub-programme. In a sector where the contribution of capital for production is an important, if not decisive, factor, obtaining Creative Europe funding also contributes significantly to not losing creative control and not having to review the methods of artistic creation due to lack of resources or, conversely, due to the presence of significant development capital from third parties.

	<i>% Culture Programme Organisations</i>	<i>% Media Programme Organisations</i>
Adopt new work practices	83	62
Innovate and take more risks	50	55
Maintain creative control of the projects	30	55

Tab. 3. Impact of the Programme on the ability to innovate; question with multiple-choice answer: "Has participation in Creative Europe allowed your organisation to..." (Source: Santagata Foundation for the Economics of Culture on Creative Europe Desk data)

Regarding how the programme promotes innovation (Tab. 4), according to the participants in the Culture sub-programme, these are mainly linked to qualification and the diversification of skills. The ability to be exposed to new networks, ideas or working approaches and the possibility of drawing on the skills and knowledge of partners are considered, together with formal learning opportunities, the main factors the programme supports organisations' innovative and creative capacity. Financial support, linked to the increase in the budget and the consequent reduction of the financial risk, is also mentioned among the tools for supporting innovation and the development of creativity but to a lesser extent, especially compared to what happens for Media. The availability of a higher budget and the reduction of the financial

risk are judged instead as the most important ways to favouring the innovative processes linked to production by the organisations participating in the Media sub-programme, which, instead, evaluate less relevant the intervention axes of the programme relating to the increase and to the qualification of skills.

	<i>% Culture Programme Organisations</i>	<i>% Media Programme Organisations</i>
Through exposure to new networks, new ideas and/or approaches	78	42
Through the possibility of drawing on the skills and knowledge of the partners	63	32
By increasing the available budget	63	77
Through formal learning/training opportunities	38	21
Thanks to the reduction of financial risk	25	66

Tab. 4. Ways through which the Programme fosters innovation; question with multiple-choice answer: “In your experience, in what ways does Creative Europe support creativity and innovation?” (Source: Santagata Foundation for the Economics of Culture on Creative Europe Desk data)

The programme supports the ability to innovate mainly during the project: the moment in which Media organisations take more risks, experiment, and innovate is during project implementation, while a smaller number of organisations continue even after the project, thanks to the momentum provided by Creative Europe. Most organisations also state that they took more risks in creativity, experimentation, and innovation during the project. Only a third state that they have taken greater risks even later. This result indicates that the programme’s ability to encourage experimentation is essential but manages to become structural only for a few organisations, affecting the organisation and production methods and permanently changing their DNA.

4.3. Creativity, research, process and product innovation

Concerning the second research question, i.e., what are the innovative processes triggered by participation in the programme, it should be noted that the creation phase is strongly affected by innovative processes in Creative Europe projects.

Product innovation is evident through the development of new cultural products, content, and activities. Organisations have experimented with and utilised new ways of cultural creation, diverse methods to reach out to and work with communities and the public, and new cross-sectoral practices, generating fresh and original cultural outputs.

In addition to product innovation, there is significant process innovation, which involves the methodologies and practices that organisations adopt to facilitate the creation of these products (Tab. 5). New ways of learning, sharing skills, and training have been implemented, proving that the learning factor for innovation significantly impacts organisations. Participants have adopted innovative management models and processes, enhancing their capacity to respond dynamically to the changing demands of the cultural and creative sectors.

Another important area of process innovation concerns distribution and activities related to the organisation's business model. A substantial number of organisations have shared and learned new distribution practices, as well as new models of business and remuneration for their work. This adoption of innovative processes has improved the efficiency and effectiveness of how these organisations operate and engage with their markets.

On the other hand, fewer organisations have experimented with sustainable practices in the environmental field: these are, in particular, those that participated in the last Call Coop 2019, in which there were several projects on the issue of environmental sustainability. This aligns with the broader cultural sector's efforts to integrate sustainability into cultural practices, such as UNESCO's dissemination of the Sustainable Development Goals of the UN Agenda 2030.

	<i>% Culture Programme Organisations</i>	<i>% Media Programme Organisations</i>
New methods of learning, sharing skills, or training	73	30
New methods of cultural creation	73	40
Different ways to reach and work with communities and the public	58	28
New ways of organising tours/exhibitions (Culture) / New ways of presenting works (Media)	43	49
Intersectoral work	33	15
New business models	33	26
Sustainable practices	23	11
New forms of compensation	8	4
New ways to better control property rights	-	15
Bureaucracy	3	-
None	-	9

Tab. 5. New working practices tested during the project; question with multiple-choice answer: "What new working practices have you experienced during your involvement in Creative Europe?" (Source: Santagata Foundation for the Economics of Culture on Creative Europe Desk data)

A final innovative process involves incorporating new technologies in the planning and implementation of activities (Tab. 6). About 48% of organisations have innovatively used new technologies or built part of their activities in digital mode. This trend was particularly prominent in projects carried out between 2020 and 2021 or still in progress, given the restrictions on using cultural places due to the COVID-19 pandemic. Thus, the programme has significantly impacted skills development, enabling people to qualify in this area. Moreover, the Creative Europe Programme has been shown to foster both product and process innovation, with organisations creating new cultural products while simultaneously adopting innovative practices and methodologies to enhance their creation, distribution, and overall operations.

	<i>% Culture Programme Organisations</i>	<i>% Media Programme Organisations</i>
Build a part of the offer in digital mode	48	35
Using new technologies in an innovative way	48	25
Become more competent in the use of new technologies	45	40
Not applicable (Culture) / No (Media)	10	15

Tab. 6. Impact of Creative Europe on the use of new technologies; question with multiple-choice answer: “Regarding the use of new technologies, has participation in Creative Europe allowed your organisation to” (Source: Santagata Foundation for the Economics of Culture on Creative Europe Desk data)

4.4. *Creation and market introduction of new cultural products and services*

The third and final research question concerns the outcomes of the innovation processes, specifically the new cultural products and services created by Italian cultural and audio-visual organisations. The survey examined whether these innovative processes resulted in the creation and market introduction of new products, content, or activities.

The results indicate a generally positive outcome. Most organisations successfully developed new products, content, or activities during the project. Additionally, about 30% of interviewees continued to create new content or activities even after the project ended, highlighting the long-term benefits of skills and knowledge gained through their participation in the programme.

However, the ability to create new products does not always equate to successful market distribution. Only about half of those who developed new content, products, or activities managed to introduce them to the market during or after the project. This discrepancy points to potential challenges in the commercialisation and dissemination of innovative outputs.

For organisations participating in the Media sub-programme, the primary goal is to create and distribute new products, so specific questions about product creation were not necessary. Instead, the survey focused on the numerous awards these organisations have won in Italy and internationally.

A non-exhaustive list of prestigious awards includes accolades from the Sundance Film Festival, ECFA Award, Best Film for Children at Just Film 2020 – Blacknight Film Festival Tallin, WEMW, TFL production award, Sunny Side of the Doc Pitch Award – Social Issues Pitch, Best Film at the Shanghai Film Festival, “Silver World Medal” at the New York Festivals TV and Film Award 2019, “Best Documentary Short” at The Fine Arts Film Festival/FAFF 2018, Nora Epron Prize of the Tribeca Film Festival in New York, selections at the Venice Film Festival, MIBACT quality award, Best Film Orizzonti at the Venice Film Festival, and David di Donatello.

5. Concluding remarks

The analysis suggests that participation in the Creative Europe Programme has provided valuable learning experiences for organisations in both the Culture and Media sectors. Through continuous interaction with partners, informal learning has facilitated the acquisition of skills. These acquired skills have not only enabled organisations to operate effectively within other countries but have also fostered innovation and the formation of strategic partnerships. Moreover, a significant proportion of Culture sub-programme participants report that their involvement in Creative Europe has led to the development of new working methods, underscoring the programme’s role in promoting innovative management approaches.

For Media organisations, the programme primarily supports innovation during project implementation, fostering a climate where audio-visual industry players are more inclined to take risks and experiment.

While it can be argued that Italian participation in Creative Europe contributes to sustaining and potentially enhancing the national “creativity rate” over time, it is also important to acknowledge certain limitations. The effectiveness of Italian organisations’ participation in the programme is hindered by various sectoral weaknesses, such as:

- a predominance of small and micro-enterprises with limited international reach;
- a lack of diversified corporate structures;
- overreliance on a small customer base;
- fragmentation within the supply chain, compounded by geographical concentration in a few cities (Rome, Turin and Bari).

These challenges, compounded by factors such as the fragmented nature of

cultural and creative entrepreneurship in Italy and the limited direct export market, present obstacles to growth not only domestically but also at the European level. This vulnerability is not only Italian but also visible at a European level: from a linguistic point of view, but also a point of view of identity, culture, and preferences. The European market is not a single market, as is the case for other important audio-visual and cultural markets (American and British, Indian, but also Nigerian and neighbouring countries).

Recognising these challenges, it becomes imperative for national policies to complement Creative Europe funding. In this endeavour, several key areas emerge from the intersection of our results with literature review as crucial focal points for policymakers and stakeholders alike.

Firstly, there is a pressing need to implement financial and fiscal measures that can amplify the programme's impact at a national level. These measures should not only ensure sustained organisational continuity but also facilitate avenues for growth and expansion within the creative sector.

Moreover, enhancing training and mentoring initiatives is essential to equip organisations with the requisite skills and knowledge to navigate the intricate landscape of the creative industry. By improving the effectiveness of existing support mechanisms, organisations can better adapt to evolving market dynamics and seize emerging opportunities.

In addition to skill-building, fostering connections and raising awareness about Creative Europe and other funding opportunities is paramount. Strengthening networks and increasing awareness within the community can empower organisations to leverage available resources more effectively, thereby enhancing their competitiveness and resilience.

Clear and effective communication strategies are also vital in this context. Transparent communication not only elucidates the programme's tools and guidelines but also highlights successful projects, fostering a sense of community engagement and ownership among stakeholders.

Furthermore, conducting research to identify innovative programme experiences and produce comprehensive reports and analyses is crucial. These insights can inform policymakers and stakeholders, enabling them to make informed decisions that drive the growth and sustainability of the creative sector.

By addressing these key areas, national policies can play a pivotal role in complementing Creative Europe funding, fostering an environment conducive to the growth and development of the creative industry in Italy.

These initial findings provide a compelling foundation for further investigation, especially considering potential biases inherent in respondent selection and responses. Reliance on self-reported data introduces the possibility of bias, while the retrospective nature of data collection may affect accuracy due to recall bias. Furthermore, while our research delves into a specific aspect of the programme's impact, future studies could explore additional dimensions

and examine their intricate interconnections. Despite these limitations, our methodology offers a meticulous and structured evaluation of the Creative Europe Program's impact, furnishing policymakers and stakeholders with insights that can contribute to more informed decision-making processes.

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