



# CULTURE

for Cities and Regions

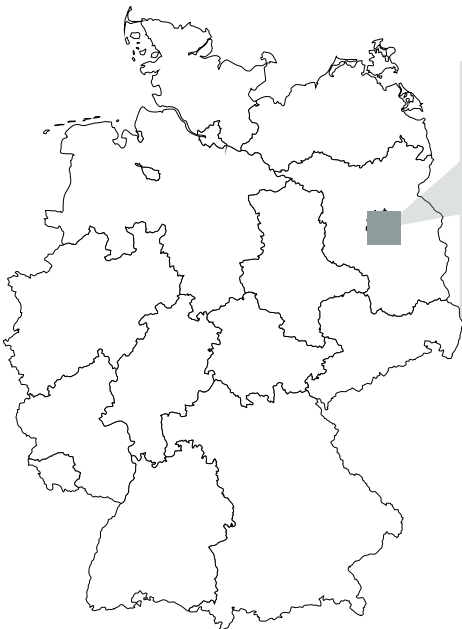


## Projekt Zukunft

A pioneer in economic development through creative and digital industries



- Private/ public partnerships
- New business models
- Cross-sectorial collaboration
- Internationalisation
- Entrepreneurship
- Employment



### Context

**Berlin** is the largest metropolis and capital of Germany. It displayed an impressive economic recovery in the 1990s after the fall of the Berlin Wall, leaving many disparate areas across the city. Now Berlin's economy is mostly based on high-tech firms and services, creative and IT industries, innovation and research centres as well as media corporations and conventions. It is an academic and culturally diverse centre with an internationally recognised profile.

Against this background Berlin has developed several policies to promote and ensure the economic growth of the metropolitan area via digitisation and creative industries (CI) with strategies managed by Berlin's Senate Department for Economics, Technology and Research. The Digital Agenda 2014-17 incorporates specific measures focusing on the challenge of digitisation, which is considered an opportunity for creating jobs and boosting economic vitality and quality of life.

The city of Berlin has launched several initiatives concerning the creative economy to integrate the sector on a political level. Since it is a city of creative professionals, artists and talents, Berlin aspires to an integrated approach to the cultural and creative economy.

Launched in 2004, Berlin's Cultural Economy Initiative (Kulturwirtschaftsinitiative) quickly became an inter-agency and cross-ministerial initiative that enjoys the support of businesses, networks, institutions and political parties. In particular, two initiatives were launched, Creative City Berlin and Kulturprojekte Berlin Ltd. Berlin coordinates the CI Working Group on the federal level and contributes to several CI expert groups of the national government.

## Projekt Zukunft

Projekt Zukunft (PZ) is an umbrella programme of Berlin's Senate Department for Economics, Technology and Research, which back into 1997 foresaw the need for supporting innovation and creative economy in a consistent and strategic manner so as to build a solid base for economic growth and vitality. Back then, the main focus was IT, film and media. Ever since the first Creative Industries Report for Berlin was published in 2005, the Senate's strategy was broadened to cover ICT, media and creative industries.

As a link between the economy, science and politics, PZ can be seen as a creative cluster that aims to improve the general conditions for businesses located in Berlin and thereby facilitate their growth and power to innovate.

PZ's activities are designed to bolster the ICT, media and creative industries cluster ecosystem in Berlin. They include developing strategies and master



plans, providing information and organising events, establishing networks, sub-clusters, platforms and projects, coordinating networking and cooperation within the whole cluster (on regional, national and international levels), optimising framework conditions (coaching, start-up, marketing, funding/financing, presentations abroad, incubators/spaces, innovation and cross-sectorial projects), connecting technology and content creation, driving internationalisation, and aiming to optimise growth conditions and stimulate innovation.

PZ works in partnerships to create the conditions required for innovative pilot projects. The marketing campaign "log in. berlin." initiated by PZ and SIBB (a local ICT trade association) champions the excellent reputation of the ICT industry all over the world. The portal Creative City Berlin launched by Kulturprojekte Berlin GmbH and PZ informs the creative community about events, funding opportunities, training, jobs

and local contacts. As for funding measures, PZ has successfully contributed to the launch of several initiatives adapted to the needs of CIs such as Design Transfer Bonus (matching design skills and tech-oriented companies) and Coaching BONUS (business management consulting), resulting in impressive investment: in the first half of 2013 alone, almost €41 million was granted for companies in ICT, media and creative industries.

Another key initiative is the Venture Capital Fund (VC Fonds Kreativwirtschaft Berlin), launched jointly with Investitionsbank Berlin. This fund aims at filling the investment gap for creative industries and can invest up to €3 million in each creative business in its portfolio (with initial investment of up to €1.5 million). The fund, first launched in 2005, is currently in its second cycle and has shares in roughly 30 creative businesses.

Competitions organised by PZ focusing on digital and creative industries such as Berlin – Made to Create, BeWireless, and Start Your Fashion Business have strengthened the sector by offering opportunities for young professionals to launch their businesses. Large events that facilitate networking, such as Berlin Fashion Week, Berlin Music Week, Berlin Art Week and DMY International Design Festival, supported and sponsored by PZ, offer businesses and creative talents the possibility to present themselves on an international stage and access new markets.

## Challenges

Project Zukunft is a mature and long-running initiative, so the initial challenges it sought to resolve may not be as relevant today as they once were. Nonetheless, the core challenge for the city of Berlin was to develop a coherent cluster ecosystem to support growth and innovation in CCIs, especially:

- improvement of general entrepreneurial conditions and strengthening the innovative capacity and competitiveness of Berlin-based companies;
- support of networking and cross-sectorial cooperation;
- development of funding instruments and coordination of actors across the metropolis;
- urban regeneration of some areas (Mitte, Kreuzberg and more recently Friedrichshain).

## Budget and financing

PZ receives €2.5 million per year for its core projects from Berlin State funds and ERDF (50%-50%). It is estimated this leverages around €25 million from other sources (other public partners but also private sources).

However, many initiatives are not directly managed by PZ and are therefore not covered by this budget. VC Fonds Kreativwirtschaft Berlin has an investment capacity of €30 million, funded through the same mechanism as PZ (50% from Berlin State funds, 50% from ERDF).

In total, it is estimated that around €143 million were spent for CCI's (including ICT and media) in 2012.

## Impacts

The results of such an initiative are reflected in the growing ICT/media/ creative industries sector regarding turnover, employees and number of companies as well as in the worldwide reputation of Berlin as a city of creativity and culture. The growing figures also reflect this:

- The number of companies increased from 20,300 in 2000 to 29,000 in 2010.
- The number of jobs increased from 190,000 in 2000 to 218,000 in 2011.
- Turnover ranged from €16.8 billion in 2000 to €24.5 billion in 2010 (13% of overall turnover).
- Strong economic growth continued even during the crisis.
- CCI's contribution in Berlin to the regional economy (10%) is higher than anywhere else in Germany.

Berlin has developed a strong international and European profile over the past several years, demonstrated by its cooperation in several networks such as European Creative Industries Alliance, INTERREG, CIP, EU Cross Innovation, Open Cities Network, etc. It is now one of the most famous creative cities in Europe and the world.



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## Sustainability

PZ is an initiative dating back to 1997. Cluster management is guaranteed in the long term since its success so far has shown that CCI can be a key asset in driving local growth and innovation capacity. The VC fund just entered its second phase and is gradually turning into a self-sustained fund, as it is successfully concluding previous investments.

## Transferability

The key factors in the success of Project Zukunft were:

- PZ's staff has extensive experience in IT/CCIs.
- The creative ecosystem developed and adapted support measures that provided opportunities for growth in the sector.
- Strong focus on small and medium-sized companies for their growth potential.
- Risk-taking and investment in grassroots projects – PZ has initiated many projects but also supported successful bottom up initiatives.
- Providing advice and coaching rather than direct funding is more efficient.
- Openness and flexibility: standardised solutions will not always work.
- Co-development allows for merging top-down and bottom-up approaches successfully.
- Discussing priorities and realising projects together with companies in the sector increases adhesion to policy/support measures, and attracts additional expertise.

## Tips

Yet even today challenges remain and close attention has to be paid to some key issues:

- 💡 CCI is a highly heterogeneous sector with many freelancers and SMEs.
- 💡 The CCI ecosystem is evolving at a very fast pace, which means constant pressure to adapt programmes and support measures.
- 💡 Communication channels are more and more fragmented as the sector grows organically, and it is not easy to reach many companies and freelancers.

## Management /partners

PZ is the operational/strategic manager of the cluster ecosystem. The board includes company representatives of all sectors and different ministries of Berlin State. PZ interacts with all networks of the ICT/ media/ CCI sector and acts in many ways as an "umbrella organisation" seeking to represent the different interests across CCIs.

Links :

[www.berlin.de/projektzukunft/en/creative-industries](http://www.berlin.de/projektzukunft/en/creative-industries)

<http://www.bmwi.de/EN/Topics/economy.html>

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