





- Public/private partnerships
- Entrepreneurship
- · Cross-sectorial collaboration
- · Attractiveness of the area
- Attraction of private investment
- Employment



#### Context

**Biscay** (Bizkaia) is a historical province of the Basque country in Spain, with Bilbao as its capital city. In the last 25 years, Bilbao has witnessed an urban transformation that has turned the city into a world reference for culture-led regeneration.

In response to the severe economic crisis of the 1980s, Bilbao was forced to abandon its industrial past and reinvent itself as a city focused on services. Bilbao took up the challenge of branding the city through culture as a key factor for economic growth and development, embodied by the opening of the Guggenheim Museum Bilbao in 1997 and the reinvigoration of its surrounding district. This led to one of the best-known success stories of culture-led urban regeneration, as the whole district – and the city at large – benefitted from a drastic improvement in terms of image, tourism and related economic activities. The Guggenheim welcomes more than a million visitors per year and the initial investment was recouped within three years of construction as around €100 million in taxes were earned due to the Guggenheim . The so-called "Guggenheim effect" inspired many other cities when investing in culture to drive local rejuvenation. This strong dynamic has now entered a maturation phase, where cultural and creative industries are seen as one of the pillars of local development.

The 2011-15 Government Plan of the Bilbao City Hall has foreseen an allocation of 10% of the municipal budget for the promotion of cultural programming, events, artistic creation and training in collaboration with the city's creative talents. Furthermore, the "Estrategia de Innovación y Especialización Inteligente - iBilbao 2020" (Smart Specialization Strategy – iBilbao 2020), adopted in 2014, establishes a model of sectorial specialisation and promoting innovation while defining the arts and culture sector as one of the priority areas for economic development. Bilbao also has several public support programmes for the local CCI sector, such as "BCreative!" (2011-13, focusing on mapping needs, strengthening the international profile of Bilbao and developing existing micro-businesses).

#### Bilbao Bizkaia

The city of Bilbao and the regional council of Bizkaia partnered in 2012 on a shared strategy to restructure the region's economy and business fabric based on emerging industries with high growth levels and market potential. This strategy is structured around five guiding principles and three operating instruments.

The five guiding principles are:

- 1. Commitment and strategic institutional alignment: the promotion and development of CCIs is streamlined across policies (entrepreneurship and culture notably) and levels of governance (city of Bilbao and Biscay province).
- 2. Operating model based on public-private agreements (involvement of sectorial cluster of the municipality).
- 3. Focus on identified priority sectors (architecture, audiovisual, communications, crafts, design, digital content, fashion, video games), further to a mapping exercise.
- 4. Multi-sectorial cooperation for entrepreneurship across creative value chains.
- 5. Active ecosystem in the promotion of international projects (global vision, global markets).

This CCI strategy is organised around three operational instruments:

1. Bizkaia Creativa Programme

BEAZ, the Bizkaia Economic Promotion Agency, is the managing agency responsible for the implementation of Bizkaia Creativa Programme (along with other entrepreneurial programmes), providing financial aid to creative companies. Furthermore, BEAZ liaises with creative entrepreneurs to facilitate their access to funds available for SMEs, and helps them with their applications.

2. Public Advisory Support Service

BEAZ provides direct assistance to companies through their own technical officers and consultancy services and has dedicated services for CCIs. BEAZ also works in partnership with business, university and sectorial associations, and with other key organisations such as incubators to provide more targeted services when necessary.

- 3. The consortium BiDC Bilbao Bizkaia Design & Creativity Council is a public-private consortium of Bilbao Biscay composed of the main sectorial organisations in the field of CCIs and aims at fostering networking and international projection. These entities are organised in:
- a board: 30 institutions and corporations.
- a forum: more than 200 companies discuss and disseminate the schemes arranged by BiDC to promote local creative industries. Most BIDC initiatives relate to internationalisation and access to fairs, and support for innovative projects in the field of design.

## Challenges

At the launch of the initiative the identified challenges were:

- De-industrialisation of the region.
- Restructuring the economic fabric through a new economic and sustainable strategy.
- Support needed for local creative industries to grow and reach new markets.
- Enhancing the international profile of the Bilbao/Bizkaia region in order to attract international players of the sector and attract talented professionals.



# **Budget and origin of funds**

The annual budget earmarked for BEAZ's financial aid to CCIs is over €500,000.

Bizkaia province also appropriates €400,000 annually to the development of crafts in the province.

The budgets of the city of Bilbao and the Bizkaia province annually provide over €2 million to the organisation of international CCI-related events in Bilbao and Bizkaia. This amount covers approximately 30% of the costs while the other 70% is covered by private funds.

### **Impacts**

The Bilbao/Bizkaia strategy has achieved many goals. With a maximum of €50,000 per creative company in 2014, an average amount of €170,700 was granted to emerging creative industries from the Bizkaia Creativa Programme. Since 2012, 96 projects have been presented while 69 have received financial aid.

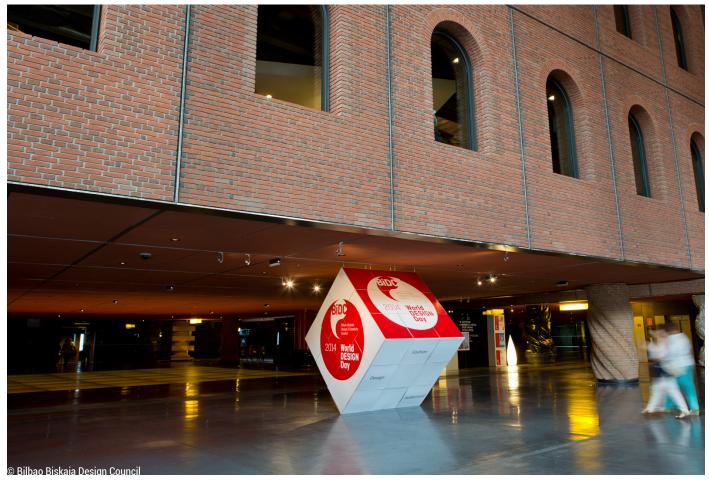
In 2014, 687 companies and entrepreneurs -approximately half from the CCI sector - had meetings through the Public Advisory Support Service.

Bilbao Bizkaia Design & Creativity Council has planned 113 activities for 2015 to raise awareness of design and creativity, bolster networking and attract potential clients and/collaborations.

Thanks to its proactivity in the design sector and to the Bilbao/Bizkaia strategy, Bilbao joined the Creative Cities Network by gaining the title of UNESCO City of Design 2014.

# **Transferability**

- Promote intersectorial dialogue and cooperation for developing new products and services.
- CCIs are an atomised sector, with no major companies in the region and many newly born micro-businesses, so strong networking activities and sustained dialogue are required to maintain a direct line of communication with the sector.
- Close dialogue and public-private partnerships are important to conceiving and developing projects with enough character to gain traction within each sector.
- Strong public leadership can articulate effective public-private cooperation and entice CCIs to tackle increasingly ambitious projects.



## Sustainability

Bilbao has a long-running history of championing culture-led urban (re)development and the city has sustained strong support for CCIs over time.

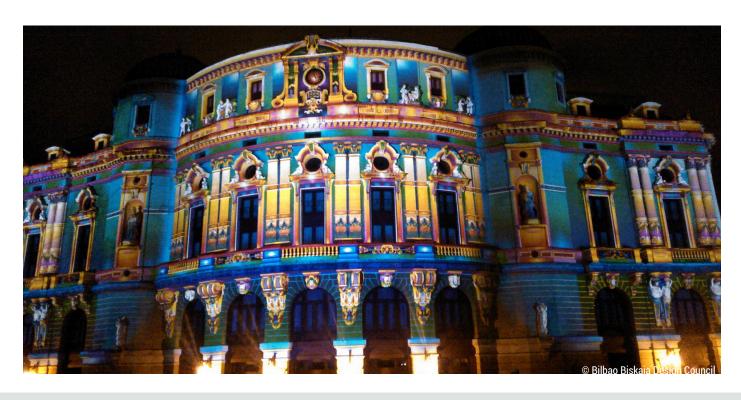
In practice, the annual budget is reappropriated every year and the agreement covers a four-year horizon from time of launch. The agreement now covers the initiative's sustainability from 2014 to 2018.

Participating partners apart from the leading public authorities (the city of Bilbao and Provincial Council of Bizkaia) are mainly from the private sector, therefore securing a more diversified and sustainable financing model through this public/private cooperation. The guiding principles of the strategy also set out objectives designed to have long-term effects for the region.

### Management level and partners

Partnerships lie at the heart of Bilbao's strategy for the development of CCIs. Alliances have been formed with clusters and sectorial associations (habitat, design, architecture, audiovisual, video games, crafts, fashion and digital content), with promoters of the international events (mass media, universities, technology centres, etc.) and private bodies that support the incubation system. The General Secretariat of the Bilbao-Bizkaia Design & Creativity Council is entrusted to BEAZ.

With the city of Bilbao and the Provincial Council of Bizkaia as the main leaders, a common vision is now shared between associations and clusters of companies, the three universities (one public and two private), the technology centres, major museums (including the Guggenheim), the Chamber of Commerce, and major cultural infrastructure of Bilbao and Bizkaia: a total of 150 organisations and companies that form the Bilbao Bizkaia Design & Creativity Council and whose work has been recognised by UNESCO.



Links

http://www.bizkaia.eus http://www.bidc.eus Contact

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