

Policymaking for Creative Economy in Ministry of Economic Affairs

Ministry of Economic Affairs and Employment
Department of Innovations and Enterprise Financing
Ministerial Adviser Petra Tarjanne



Työ- ja elinkeinoministeriö
Arbets- och näringsministeriet

A ministry focused on growth



Our goal is to generate socially, economically and ecologically sustainable growth.



Sustainable growth requires renewal – of companies, employees and administration



The Ministry of Economic Affairs and Employment Group leads the way in growth policy. We provide regulation, funding and services to ensure the availability of skilled labour, good working and business conditions, well-functioning markets, and transition to a climate-neutral economy.

Economically, socially and ecologically sustainable growth lays the foundation for a welfare society. Such growth is generated by skilled people in jobs that match their skills, well-performing companies, productivity growth and a growing labour input.





LONG-TERM PRIORITIES OF THE MINISTRY OF ECONOMIC AFFAIRS AND EMPLOYMENT

Reform of
innovation policy

Well-functioning
markets and
competitiveness

Creating an operating environment
that supports employment
and economic activity

Cities and
regions as
growth drivers

Transition into a
climate neutral economy

**BUSINESS
FINLAND**

 Centre for Economic Development,
Transport and the Environment

 energy authority

FINNVERA

 **GTK**

 NATIONAL EMERGENCY SUPPLY AGENCY

KIKI Finnish Competition
and Consumer Authority

 **TE-palvelut**
Employer Services

PRH
Finnish Patent and
Registration Office

 **TESI**

tukes
Finnish Safety and Ombudsman Agency

VTT

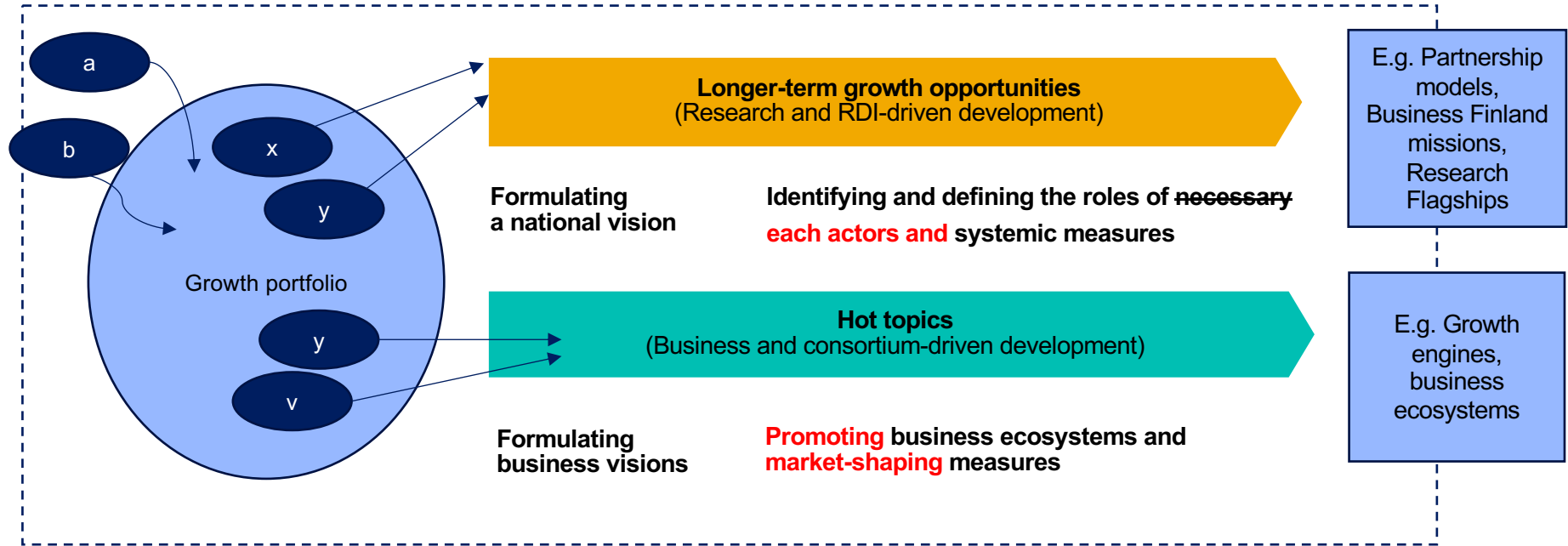
in **2035** | **75%** | **4%**


Socially, economically and ecologically sustainable growth

Growth Portfolio: Turning growth opportunities into action



A continuous approach facilitating the dialogue between the public sector, business and industry, and research organisation concerning ways of turning growth opportunities into action



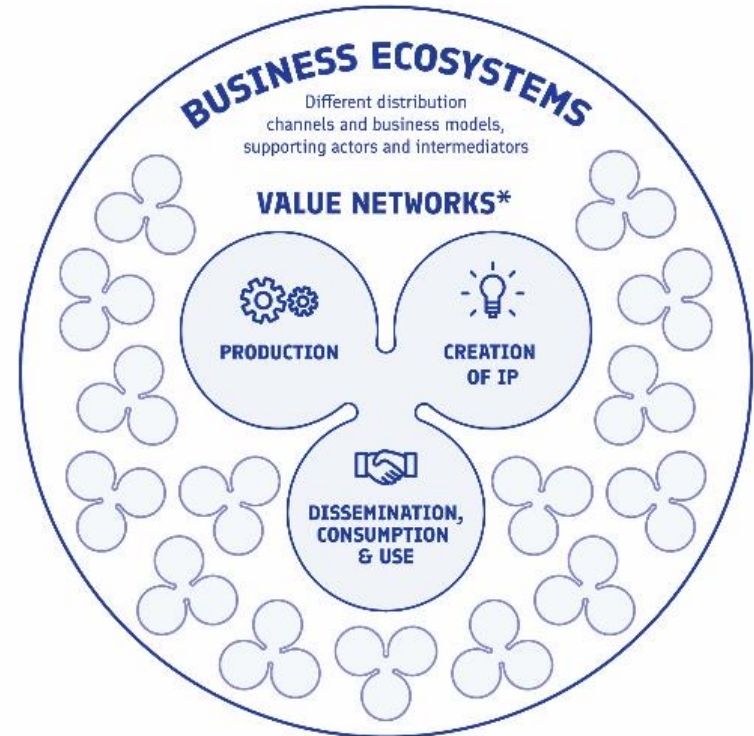


how do we define
creative sector
from business
point of view

| Scalable Business | Services | Events |
|--|---|--|
| <p>Digital content International business Consumer business</p> | <p>Value creation Business to business</p> | <p>Local and regional ecosystems Consumer business Strong regional influence</p> |
| <p>From production to publishing and distribution of books, music, films, media and games Life style and fashion</p> | <p>Design, service design arcitechture, advertaising marketing, communication etc. creative skills in creating intangible value</p> | <p>Performing arts, festivals, museums, visual arts, galleries, handicrafts All events</p> |

Difference between content and business

- The development of business ecosystem activities highlights the importance of the overall picture and the perception of interdependencies between different actors.
- The business ecosystems in the scalable content sector are global, and the owners of digital (distribution) platforms have powerful positions. The growth of Finnish companies has leveled off after strong growth in the 2010s. Bundles of different content (music, games, virtual reality technologies) may provide novel growth opportunities for Finnish actors
- In creative services, the transition to the intangible competences and the connection with business management provide significant growth potential (in recent years, the growth has been app. 5% a year)
- Revenue in the event sector has dropped due to the coronavirus but seems to have recovered well in 2022. The business has grown by more than 15% over the past five years. The Finnish event sector has many competitive advantages in organizing international large-scale events



*modified from "Mapping the creative value chains" report

LIKEVAIHTOLUVUT 2022

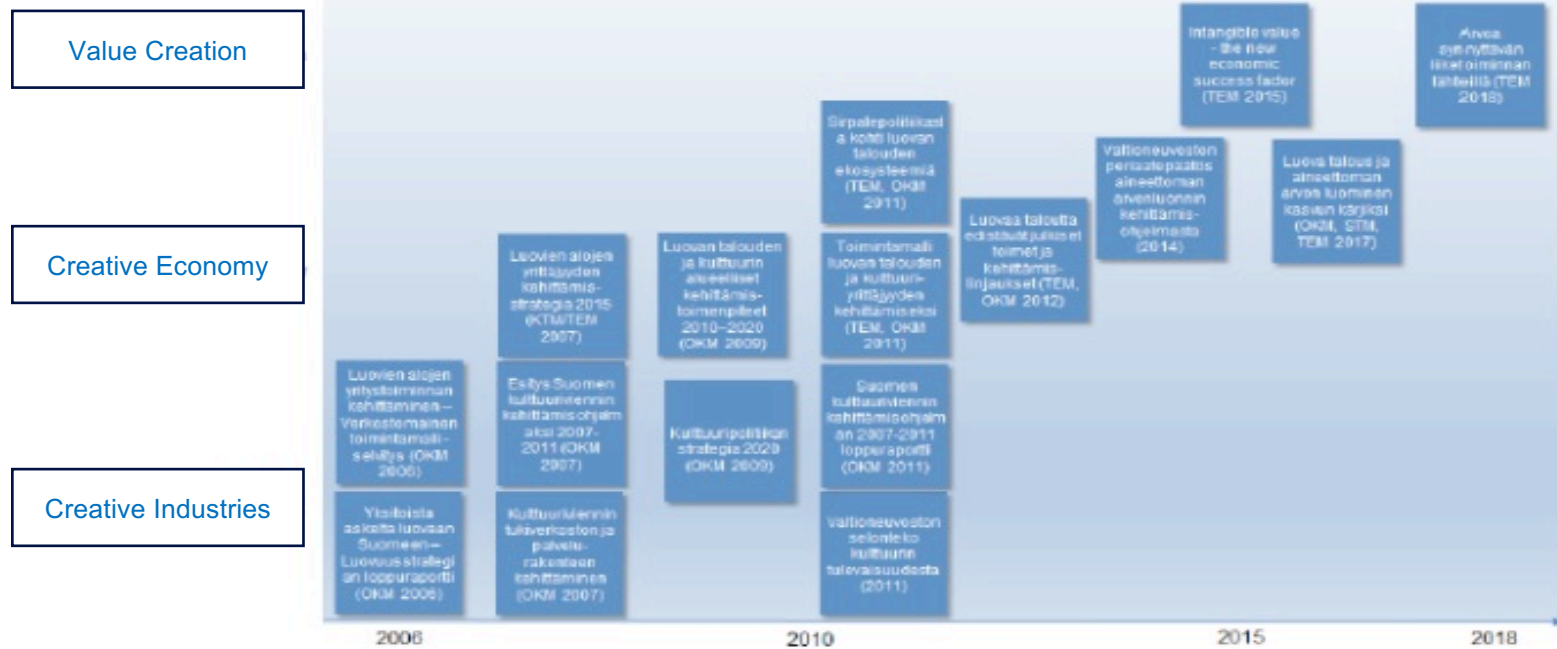




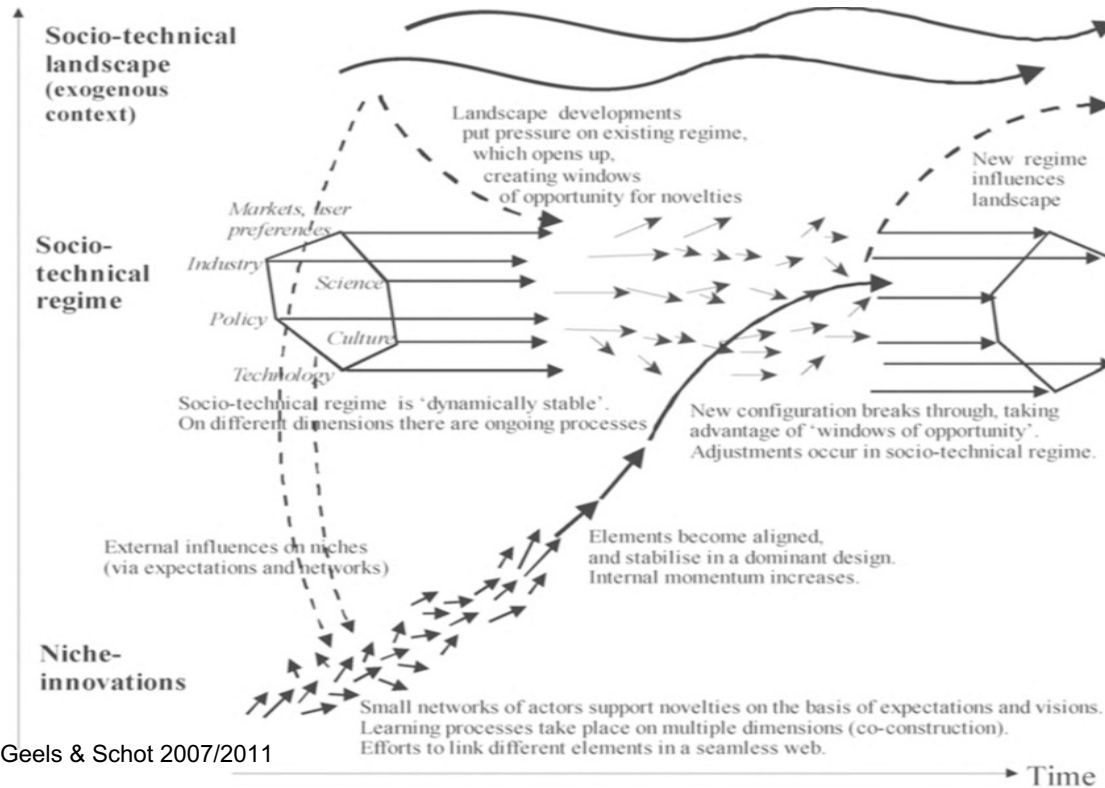
polycymaking models for CCIs



Figure 1. Policy reports published by the Ministry of Education and Culture and the Ministry of Economy and Employment 2006-2018.



How to Explain Major Policy Change Towards Sustainability?



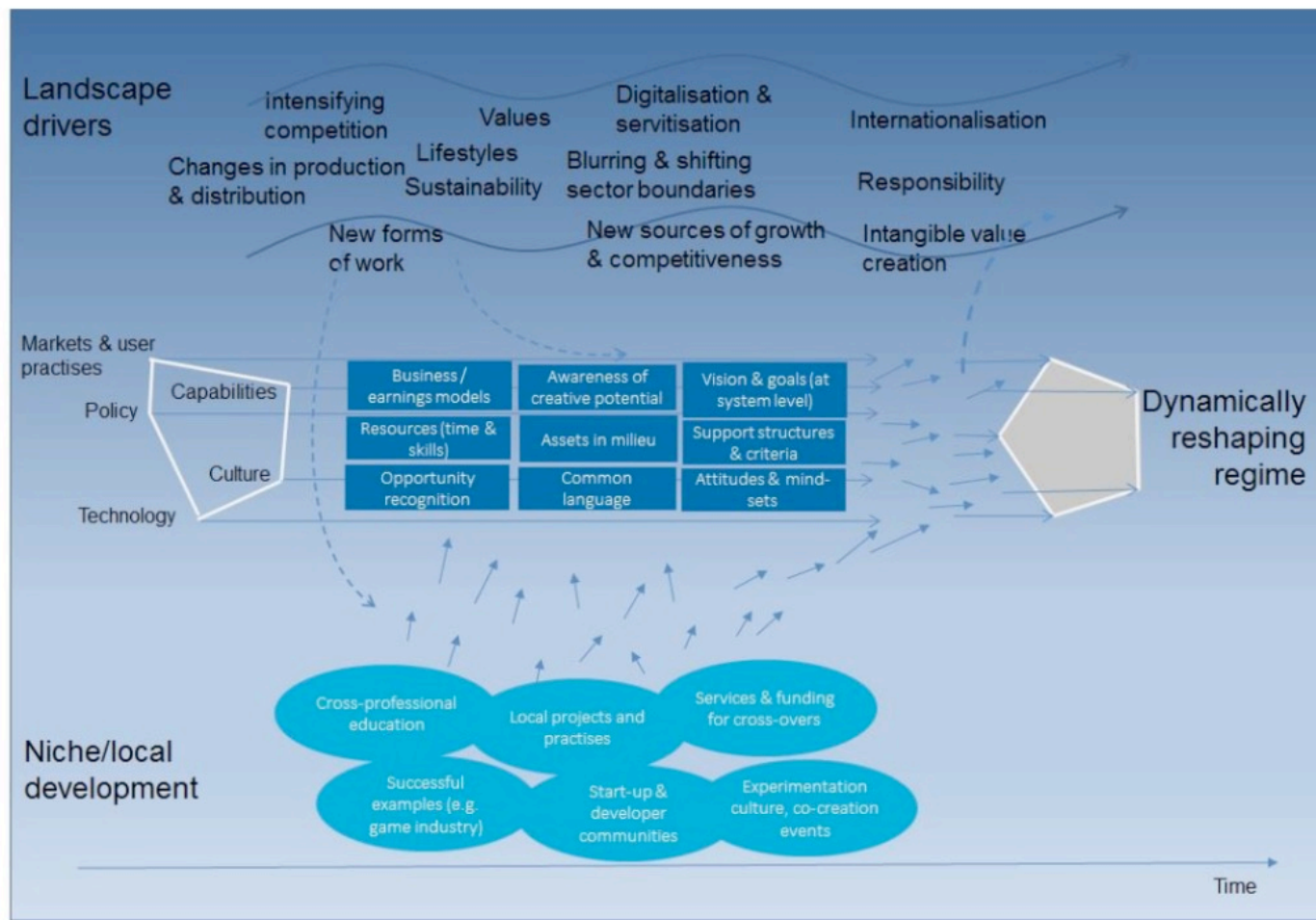


Figure 2. Systemic transition framework for analysing change in the creative field. (Adopted from Geels & Schot, 2007) CreaEco, VTT 2018

Industrial Strategy at a glance

We will create an economy that boosts productivity and earning power throughout the UK

Industrial Strategy is built on 5 foundations



UK

FIN



Reform of innovation policy

Business renewal through innovation



Well-functioning markets and competitiveness

Well-functioning market and fair competition benefit both consumers and companies



Creating an operating environment that supports employment and economic activity

Matching the needs of companies with skilled employees generates growth



The role of cities and regions as drivers of growth

The strengths of regions and cities generate vitality



Transition to a climate neutral economy

Transition to a climate neutral economy while tapping into

We will set Grand Challenges to put the United Kingdom at the forefront of the industries of the future:



AI & Data Economy

We will put the UK at the forefront of the artificial intelligence and data revolution



Clean Growth

We will maximise the advantages for UK industry from the global shift to clean growth



Future of Mobility

We will become a world leader in the way people, goods and services move



Ageing Society

We will harness the power of innovation to help meet the needs of an ageing society



polycymaking
actions to take for
CCIs

Growth opportunities, tools to success

- Digitalisation and the changes in global economy have instant effects to **value chains and business models**.
- **New opportunities and new markets are born.**
 - Av-sector is growing rapidly due to production incentive and safe environment during pandemia
 - Value for customer has more importance – its essential for international competitiveness. Creative elements as design, service design and communication have bigger role in products and services.
 - Entertainment and experience economy have an important role in regional activity and attraction.
- **Our strengths are skilled people and safe environment**
- We need to act now to utilise the opportunities!



Roadmap for Growth of Creative Economy in Finland



Key elements:

- Agreement between industry and public sector
- Follow up of implementation
- Design of new measures and metrics

Model from UK: Creative Industries Sector Deal



The Bottlenecks

Undeveloped ecosystems, weak networks

Lack of skilled people in specific areas like film and games

Difficulties to recognize growth opportunities in the middle of disruption

Customers don't recognize their needs, e.g. for design

How to recognize new markets?

Lack of industry knowledge measures, common language

Lack of measuring information influences also to the access of financing

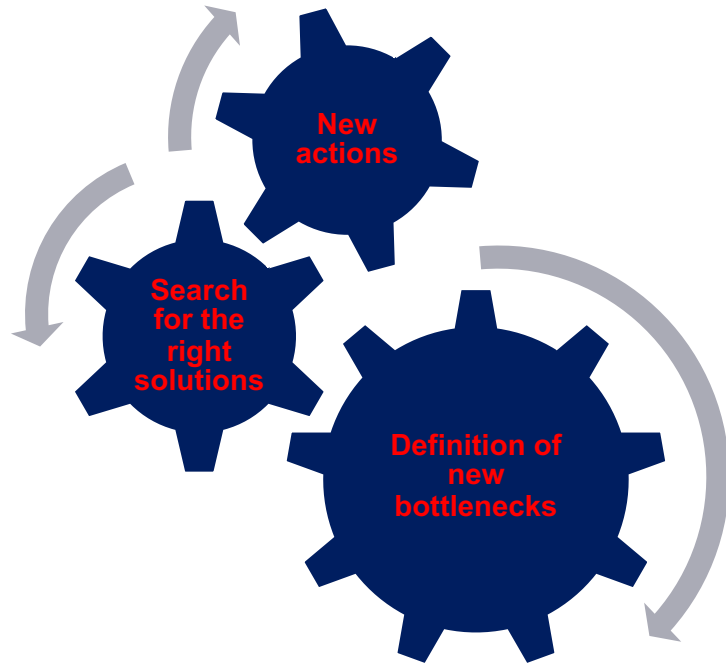
Roadmap Cycle



Actions

- What kind of knowledge we should have of disruptions and new business models? Modelling new ecosystems and the dynamic impacts of their development.
- Several areas of creative sector needs new talent and new skills. Needs for them are changing rapidly and self employed have difficulties to follow. Coordination of creating new skills for industry requirements and growth.
- How can new businesses find their customers when customers don't know their needs? How can they add the innovative elements for renewal and growth? Creation of regional hubs for business services with special knowledge of value creation and regional empowerment.
- Strengthening the role of creative skills in all internationalizing businesses. Specially the use of design and design thinking as the source of creating new value. Strengthening of experience economy as the regional attraction factor.
- Collecting industry information and data to a bases where growth and other targets are compared. Definition of measures and targets, agreement of common language.
- Definition of new bottlenecks and search for the right solutions to solve them.





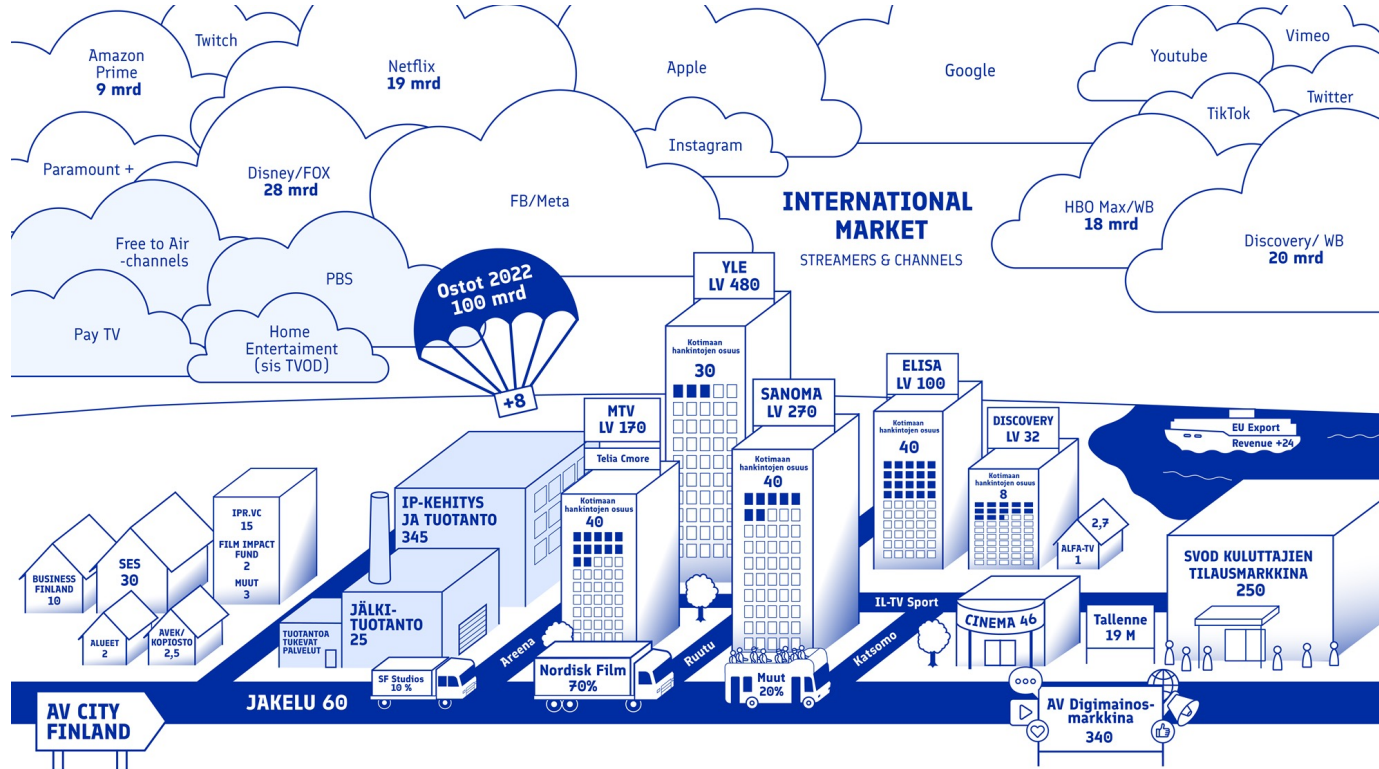


growth deal
as a tool

Steps to Growth Deal and Dialogue



Why to picture the current situation?





BUSINESS FINLAND

- [Luvuvin albiin keskittymien ja hubien suunnitteluosio](#)
 - [CreaTech Industry in Finland: Current status, ecosystem structure and future business potential](#)
 - [Luvuvin talouden strategiatilaisuus](#)
 - [Kestäväin kasvun tutka](#)
 - [Tilannekuva luvuvin aloien ja taaphtuma-alan liiketoiminnasta](#)
 - [Luvuvin talouden liiketoiminta- ja neuvontapalvelut Suomessa: Selvitys palveluiden nykytilasta](#)
 - [Licensing Ecosystem of Creative Content Industries](#)
 - [Luvuvin talous alueiden strategisessa kehittämisessä](#)
 - [Sustainability playbook for digital commerce smes](#)
 - [Luvuvin talouden liiketoiminnan käsikirja](#)
 - [International growth of Finnish B2C Fashion](#)
 - [Markkinoilla avautuvat mahdollisuudet luvuvin aloille -selvitys](#)
 - [Kestävyvyydestä kasvua luvuvin aloille](#)
 - [Suomalaisen av-alan tiekartta](#)
 - [Kotimainen av-ala kiihtyvässä muutoksessa -toimiala-](#)
 - [Tapahtumateollisuus vuonna 2021 -toimialaselvitys](#)
 - [Luvuvin talouden mittaaminen tiedolla johtamisen tueksi -selvitys](#)
- ## TYÖ- JA ELINKEINOMINISTERIÖ
- [AV-alan kasvusuunnitus](#)
 - [Competitiveness of Finland's textile and fashion industry in the global market](#)
 - [Julkisten rahoitusinstrumenttien toimivuus monistettävien av-alan toimialoissa](#)
 - [Tapahtuma-alan toimialamääritys ja yhteydet kaupunkikehittämiseen](#)
 - [Luvuvin albiin monistettavat sisällöt – keinoia kasvun edistämiseen](#)
 - [Luvuvin talouden tiekartta](#)
 - [Arvoa synnyttävän liiketoiminnan lähtötilä](#)
 - [Rohkeutta, näkemystä, kasvua: Aineeton tuotanto vahdittaa uudistumista](#)
 - [Yrityskatsaus: Palvelut kasvun lähteenä 2/2016](#)
 - [Aineeton arvo, talouden uusi menestystekijä](#)

7MUUT JULKAISUT

- [Luvuvin web3-aiassa – Uuselmia, haasteita ja ansaintamahdollisuuksia](#)
- [The Game Industry of Finland Report 2022](#)
- [Valtioneuvoston periaatepäätös kulttuuriperintöstrategiasta 2023–2030](#)
- [Kulttuurivirtavointitoiminnan taloudellinen arviointi - Arviointimenetelmien jatkokehitystarpeet Suomessa](#)
- [Tilastoita tekstiilikulttuurin tuotannosta globaalisti](#)
- [Elinkeinoelämä ja luonnon monimuotoisuus: Missä mennään ja mitä tarvitaan?](#)
- [Meatrendit 2023](#)
- [ELOW IMPACTS Material and environmental footprint assessment of Flow Festival 2022](#)
- [Suomen tekstiiliteollisuuden ja muotiteollisuuden ympäristö- ja sosiaalisesti kiinnostava suurtaaphtumien Suomi](#)
- [Mittausalan toimintakatsaus](#)
- [Luvuvin talouden tilanne- ja toimialakatsaus 2020](#)
- [Luvuvin alojen ansaintatiloitien mittaaminen](#)
- [Luvuvin alat kestävyvyyttä etsimässä](#)
- [The Stuff of Finland: A Creative Economy for the 21st Century - Finland](#)
- [Käsitteellisen taaphtumateollisuuden taaphtumateollisuus](#)
- [Tapahtumateollisuuden tuotantoketjun ja arvoketjun yhteisvaallien aluetaloudelliset mekanismit](#)
- [Tekstiili- ja muotialan kasvun paikat](#)
- [Muotiteollisuuden muutokset](#)
- [Tiekartta suomalaiselle tekstiili- ja muotiteollisuudelle vuoteen 2035 saakka](#)
- [Telaketju-kiertotaloushankkeen tulokset –avoimesti kaikkien alan toimijoiden hyödynnettävissä](#)
- [Tapahtuma-alan rooli Suomen taloudessa](#)
- [Tapahtumateollisuus -Toimialatutkimus 2020, osa 2](#)
- [In search of Finnish creative economy ecosystems and their development needs](#)
- [Tapahtumateollisuus -Toimialatutkimus 2020, osa 1](#)

PUBLICATIONS
creativefinland.fi

Aim of the Growth Deal

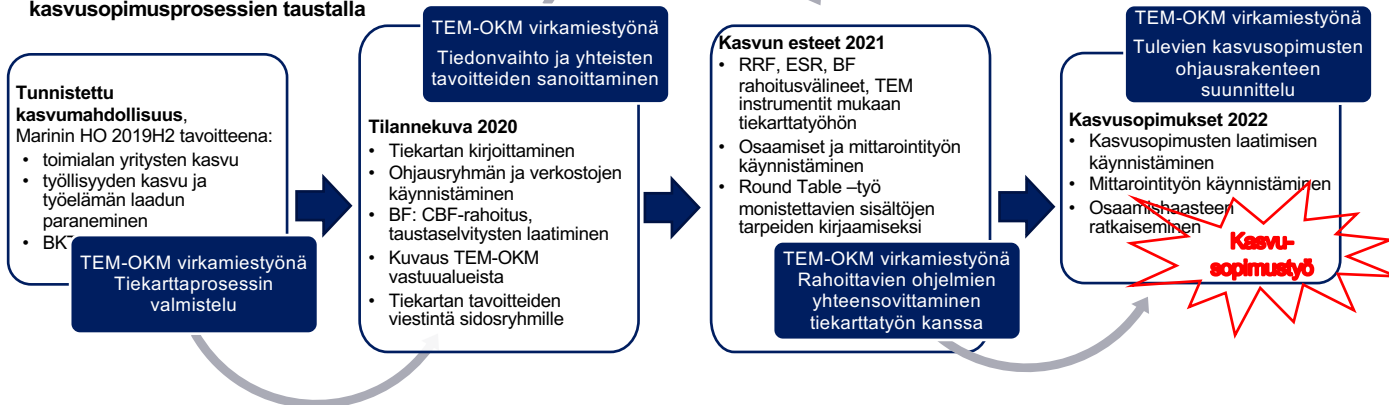


- The objective of the Growth Deal is to jointly agree between the public and private sectors of the steps by which both parties aim to achieve goals jointly agreed in order to achieve sustainable growth in society.
- Economic growth alone is not enough; other common societal goals, such as the UN Sustainable Development Goals, must also be taken into account. Each state will build its own development path to implement them in business activities.
- Growth agreements are a means of initiating dialogue with companies at a level that takes into account the challenges of new innovations, sustainable growth and renewing of industries.

Renewal of the co-operation of public sector

LUOVA TALOUS

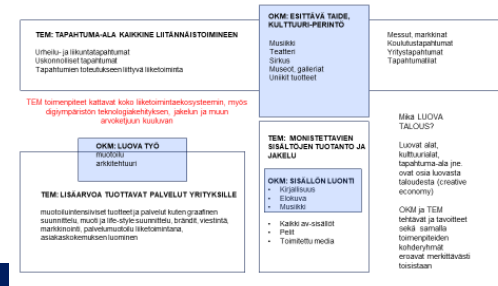
Luovan talouden tiekarttatyö kasvusopimusprosessien taustalla



Prosessi kohti julkisten toimijoiden työn uudistumista:

Tavoitteena on yritysten liiketoiminnan uudistumisen aikaansaaminen eri liiketoimintaympäristöissä tai ekosysteemeissä jotka jo lähtökohtaisesti ovat joutuneet kohtaamaan globaalin muutoksen. Keskeisin työ on ollut sovittava yhteen tunnistettujen kasvun pullonkaulojen ratkaisemiseen liittyvät toimenpiteet, niiden toteuttamisen vastuut eri hallinnon aloilla sekä julkisen rahoituksen ohjaaminen muutosprosessia tukevien hankkeiden toteuttamiseen. Muutoksen tunnistaminen ja siihen liittyminen vaatii pitkäjänteistä työtä kaikilla hallinnon ja yritystoiminnan tasoilla.

OKM ja TEM –välisiä lähestymiseroja



A faint, light blue watermark of a lion's head crest is centered in the background. The lion is facing left, wearing a crown with three circular ornaments. The crest is surrounded by decorative, swirling flourishes.

dialogue

Deal Memo

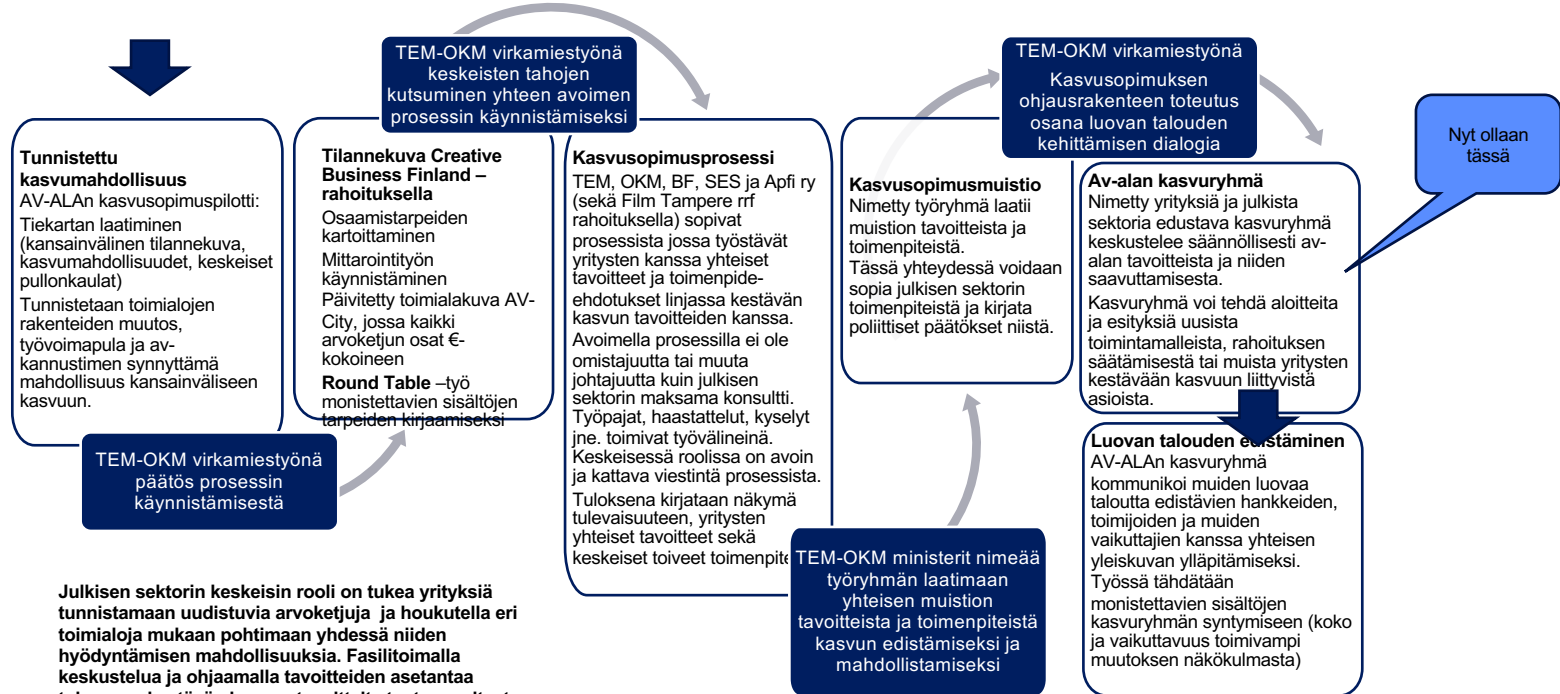


- Public and private sector work together towards **common goals** and commit to investing together in sustainable growth.
- The scope of businesses, new ecosystems or interfaces of sectors, the direction of the future and the measures and growth resources will be worked on together and **understood in the same way**.
- In continuous dialogue, services promoting growth can be formulated in an **agile manner** together with the business sector. For example, the identification of new **competence needs** in working life and the transfer to training programmes will be speeded up.
- Resources will be allocated in accordance with common objectives. The impact and significance of the measures taken will be measured and monitored using **jointly agreed indicators**.
- An operating model will be agreed for agile support to companies in adapting to the global situation or market changes.
- The memo will include the definition of the business ecosystem in accordance with the Growth Deal and a proposal for how to maintain continuous dialogue between the public and private sectors.
- In the future, the memorandum will serve as a basis for dialogue, to which new objectives and measures will be updated.

What is biodesign?

Biodesign is the use of living organisms in design. Its processes can be used in the creation of fashion, textiles, furniture and architecture. Nonprofits, design companies and universities around the world increasingly implement biodesign practices into research and product development.

Pilot: Audiovisual Growth Deal



Textile and Fashion Ecosystem

Raw materials / fibers

Infinited Fiber Company
Spinnova
Ioncell
Fortum
Metsä Spring
Nordic Bioproducts Group
Biocelsol

Education & research

Aalto University, Lapin yliopisto ,
Helsingin yliopisto, LAB, Metropolia,
HAMK, Savonia, XAMK, TAMK
VTT, Syke, Luke
Keuda

Associations

STJM
Fashion Finland
Ornamo
Kaupan liitto
Teknologiateollisuus
(Muoti- ja urheilukauppa ry)

Financing/Funding

Private financing: FIBAN, Maki VC,
Innovestor, other VCs, banks
Public funding: BF, ELY, EU funding,
Ilmastorahasto, Tesi
Public innovation fund: Sitra
...

Recycling

Lounais-Suomen Jätehuolto
Rester
Dafecor

Brands

Luhta Sportswear Company
Manna & Co. (Finlayson, Makia, Sasta
Vallila), Lapuan Kankurit
Frenn Myssyfarmi Papu Design
Marimekko Halti Touchpoint
Reima, By Hinders, Vain Fashion Group
Pure Waste Textiles etc., see stjm.fi

Technology –

tarjoajia vai asioita!?!?

3D: yritykset tunnistettava
Virtual fashion: The Fabricant
AI: yritykset tunnistettava
Digital product passport: Ioxio,
Second Thought, Solita
Production technologies: Andritz,
Valmet, Sulzer

Government

TEM
OKM
YM
MMM
...

Materials, manufacturing etc. Distribution

Materials: Saimaa Wool, Kulta Villa,
Foxa etc.
Manufacturing: Orneule, Holopainen etc.
Dyeing, finishing, printing: PMK,
Lappajärven värjäämö, Printscorpio

Retail: Kekäle, Stockmann
D2C
Online: Zalando, Boozt, Amazon
Second hand

Resale, repair, textile care

EMMY
Relove
Ninyes
FabPatch
Menddie

Brandien take back/resale-palvelut .
mm. Nanso, Luhta, Marimekko, Papu,
Pomppa sekä korjaus-/huoltotakuut mm. Voglia, Frenn, Joutsen

*mukaillen Alice Labs selvitys

BUSINESS
FINLAND

Textile and Fashion Ecosystem

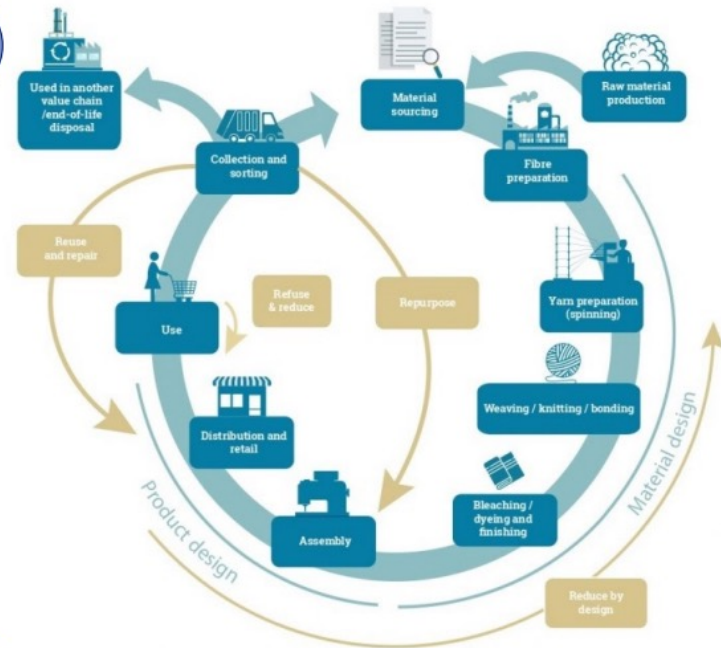
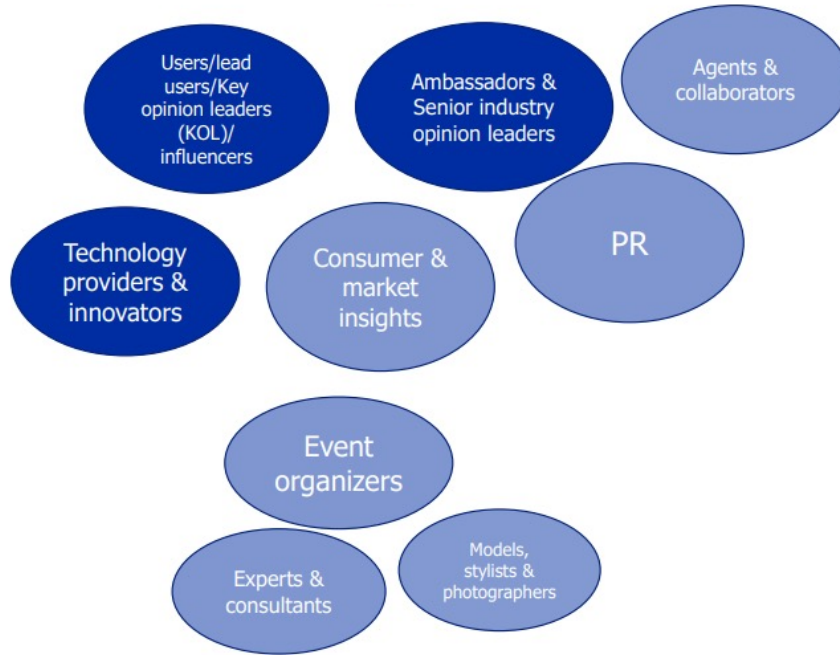




Table 2. Futures Table of identified uncertainty factors and their development options

| Changing climate | Fresh water supply | Availability of land grown raw materials | Amount of income to dispense | Tightness of regulation | Demand | Utilization of digitalization | Supply chains on the move | Workforce availability |
|------------------------|-------------------------|---|---|--|--|--|---|---|
| The world is united in | Strong regional players | (Traditional) biobased materials become as large land are conserved | Steady growth of middle class and income levels | Europe is the most strictly regulated production location in the world | Market polarization with some using a greater portion of their income on textiles while some significantly limit purchases | Supply chain optimization through data | New innovations made possible by improved cooperation across industries | Production processes in Europe suffer from a lack of employees |
| | | iversity loss ed through ation and mer vigilance. area conservation ot been required | High inflation has significantly impacted the PPP. Extra expenses have been minimized. | Regulation targeting the end-use of textiles takes effect and circulation of resources becomes mandatory | Fast fashion is unavailable. Companies are focused on producing slow fashion with limited lines | Manufacturing of smart textiles with safety and comfort features | Circular economy based industrial parks emerge in Europe | Automisation solves the lack of employees and enables bringing supply chains nearer to home markets |
| | countries | ificant loss of iversity has wiped any species of and animals, jeopardizing nature's services | Increases in income inequality and a diminishing middle class has resulted in concentration of wealth | China and the US place significant environmental restrictions on the manufacturing of textiles | Sharing economy gains preference among consumers and demand is directed away from purchasing to renting services | Technology enabled fibre recycling | A decentralised supply chain across various countries and smaller units | Europe is the world's textile hub for professionals around the globe and attracts top talent |

Dark blue Scenario 1: Europe of new materials

Green Scenario 2: World of decentralized production

Light blue Scenario 3: Flourishing circular textile economy

These uncertainty factors and their development options form the basis of the three change scenarios prepared for the year 2035.

Publications of the Ministry of Economic Affairs and Employment Enterprises • 2023:15

Competitiveness of Finland's textile and fashion industry in international markets

Lessons learned?



- Often, for the first time, the different parties in the value chain sit around the same table thinking about renewal and the challenges it brings.
- Forming a common image and language across administrative boundaries and in different parts of the value chain is often missing
- There is work to be done to coordinate existing public measures and instruments
- No one has taken a stand to ensure new kinds of competence, as the ecosystem has not been examined from that perspective.
- Dialogue is needed