

V4 – Creative Incubators

**GUIDE TO
PLACES AND SPACES
OF CREATIVE INCUBATION
IN CENTRAL EUROPE**

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Content

**Does
creativity
need
incubation?**

9

**What is
a business incubator
and how can it be
creative?**

10

**Creative
Incubators
in V4
countries**

15

Hungary

17

Slovakia

27

Poland

37

Czech
Republic

47

Conclusions

57

Does creativity need incubation?

The economic performance of the cultural and creative sectors is recognised: in the EU they account for 3.3% of GDP and employ 6.7 million people (3% of total employment).

2010 European Competitiveness Report

This guidebook is one of the results of a project realized by Neulogy, a.s. (SK), Budapest Observatory (HU), Institut umění – Divadelní ústav (CZ) and Art Inkubator – Fabryka Sztuki (PL). The aim of this collaboration, supported by the Visegrad Fund was to focus on the phenomenon of creative incubators as places for nurturing the entrepreneurial skills of the cultural sector, clustering and creating new ideas. The rise of creative industries, as entrepreneurial activities fostering individual creativity, skills and talent, shows how culture can be an important factor in development and economic growth. Nowadays, incubators, clusters, co-working spaces and other ventures concentrating creative workforce are very important tools for new approaches to culture, arts and economy.

Project “V4 Creative Incubators” was created with the aim to better understand the dynamics of creative incubators and specific conditions for their development and existence in the reality of Central Europe. We tried to map existing initiatives and better understand their specific challenges, needs, goals, modes of operation and their potential. We have been mapping constantly inspiring examples all over Europe, as well as documents, policies, studies etc. (www.creativeincubators.eu) and comparing them to the reality of Central Europe.

As it happens to all topical and up-to-date movements and phenomena, the information given on the following pages is old in the very

moment of publishing. The activities described here emerge and dissolve, re-group and resurrect in a very dynamic pattern, but they apparently shape the landscape of progressive and smart entrepreneurship everywhere, and - as we can clearly see - Central Europe does not lag behind.

Creative people can always find their ways to cluster, innovate, bring up new ideas and get them realized. But places, cities, regions and countries, aware of the enormous economic and social potential of creative economy, can boost this grassroots boiling and bring it to another level by introducing good policies, incentives, measures and support, which bring new types of smart economic and social developments to its stakeholders.

These pages can inspire those, who have ideas to incubate, but also create awareness as a first step to good policies.

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What is a business incubator and how can it be creative?

The objective of the business incubator is to take people with an idea and send them out with a successful venture. In this process incubators provide access to knowledge, expertise, technology, networks, money and markets.

A business incubator is an entity which helps start-up businesses with all the necessary resources or support that the start-up needs to evolve and grow into a mature business.

Typically, incubators provide the clients (start-up businesses supported by the incubator) with necessary infrastructure support, technology development support, research assistance, help clients get funding, business consulting assistance and do whatever is necessary to make the start-up a success.

Business incubators are organizations that support the entrepreneurial process by helping to increase survival rates for innovative start-up companies. Entrepreneurs with feasible projects are selected and admitted into the incubators, where they are offered a specialized menu of support resources and services.

Resources and services open to an entrepreneur might include such diverse elements as:

- PROVISION OF PHYSICAL SPACE
- MANAGEMENT COACHING
- HELP IN PREPARING AN EFFECTIVE BUSINESS PLAN
- ADMINISTRATIVE SERVICES
- TECHNICAL SUPPORT
- BUSINESS NETWORKING
- ADVICE ON INTELLECTUAL PROPERTY
- HELP IN FINDING SOURCES OF FINANCING

Business incubators can be private or public. Private incubators are for-profit firms that take equity or receive a fee for the business services they provide to their clients. In essence, they are a consulting firm that specializes in new firm creation. Since the 1980s, many developed and developing countries have set up systems of public business incubators to encourage and assist entrepreneurship. In many cases, public incubators are focused on high-tech industries. For science-based business incubators, an effective collaboration with universities and research institutes can motivate researchers into taking the risk of initiating a company.

Incubators can have many partners in addition to universities. Since new firms require finances to grow, incubators have close relationships with many kinds of investors. Seed capital and venture capital funds, business angels and banks generally provide most of the seed and start-up capital for incubated companies. Since business incubators are powerful economic development tools, they collaborate actively

with regional and national government agencies, from which they often receive financial grants. In many countries, business incubators have national associations to represent their interests and organize meetings where best practices are disseminated.

History of Business Incubators

The formal concept of business incubation began in the USA in the 1960s. The very first commonly known business incubator was The Batavia Industrial Center, established in 1959 in New York. However, until the late 1970s there were only 12 business incubators within the USA.¹ The real boom of incubating new ventures came in the 1980s, when the limitations of economies based solely on large corporations were spotted. Since this period, the contribution of small enterprises as well as the importance of their creation and growth have been widely recognized. Currently, there are about 1250 incubators in the U.S. only.²

The concept later developed in the UK and Europe through various related forms (e.g. innovation centres, pépinières d'entreprises, science parks) during the 1980s.

The rapid increase in incubation activity over the last 15-20 years can be attributed to a number of factors. Business incubation has been identified as a means of meeting a variety of economic and socio-economic policy needs, which may include:

- EMPLOYMENT AND WEALTH CREATION
- SUPPORT FOR SMALL FIRMS WITH HIGH GROWTH POTENTIAL
- TRANSFER OF TECHNOLOGY
- PROMOTING INNOVATION
- ENHANCING LINKS BETWEEN UNIVERSITIES, RESEARCH INSTITUTIONS AND THE BUSINESS COMMUNITY
- INDUSTRY CLUSTER DEVELOPMENT

A study funded by the European Commission in 2002 identified around 900 incubation environments in Western Europe.³ The NBIA

estimates the current number in the U.S. to be around 1500. Incubation activity has not been limited to developed countries; incubation environments are now being implemented in developing countries and raising interest for financial support from organizations such as the World Bank.

Among the range of available economic development program tools, the process of business incubation and the development of facility-based business incubators have been a growth industry over the past two decades.

Nowadays, business incubators accelerate successful development of entrepreneurial companies through an array of business support resources and services, developed or orchestrated by incubator management, and offered both in the incubator and through its network of contacts. A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding. These incubator graduates have the potential to create jobs, revitalize neighbourhoods, commercialize critical technologies and strengthen local and national economies.

Among the first generation of incubators, the majority focused on relatively low technology businesses, typically in the service and manufacturing sectors. Gradually, the incubation industry expanded in size and sophistication of businesses represented among client companies.

¹ National business incubators association (NBIA). www.nbia.org/resource_library/history/index.php

² Bloomberg Businessweek, www.businessweek.com/articles/2012-11-06/the-number-and-variety-of-business-incubators-is-on-the-rise#p1

³ Centre for Strategy and Evaluation Services, "Benchmarking of Business Incubators", Brussels, European Commission Enterprise Directorate General, 2002

Creative Sector and Incubation

The rapid changes in industrial processes and the revolution of digital technologies have created an entirely new demand for creative ideas, talent and processes. Creativity, cultural and creative industries and creative economy are talked about as an important and growing part of the global economy, located at the interface of culture, business and technology.

The very process of incubation is essential to the creative process – creative and artistic ideas are being “incubated” in the mind of their creator and throughout the process, until they are incarnated into creative work or product.

That is why in the creative sector, the clustering typical for incubators has always been present in various forms. Over the last few decades, this has been accelerated by the post-industrial situation in many cities across Europe and North America. Former industrial spaces, such as old warehouses, showrooms and factories, have been left behind by traditional manufacturing activities due to deindustrialization and industrial restructuring processes. These buildings have become a natural attraction for artistic activities – first an informal (often illegal), later an institutionalised “occupation” of abandoned sites has been the base for the emergence of phenomena of post-industrial cultural spaces, hosting artists, ateliers, event venues, galleries etc.

With the boom of creative economy, the demand for creative ideas is growing and these are often sought in places with a high concentration of arts and culture. On the other hand, cultural spaces face the need to reconsider traditional operational models due to decrease of direct funding and new managerial and economic demands. Mainly over the last decade we can see a lot of new infrastructure dedicated to incubation services for creative industries or just creative businesses emerging in the cities around the world. Also the challenges of urban regeneration and recreation of communities are being targeted by regeneration projects

based upon the provision of affordable workspace for artists and creative industries as well as on innovative design principles. The reason for that is that their work and organizational attributes make them particularly well-suited for location in post-industrial urban factories. The majority of cultural and creative firms are small-sized, independent and unstable organizations. They need affordable and flexible workspaces and leases. They also require being in a place that is well-connected to formal and informal networks, that nurtures creativity and that enables them to keep abreast of current trends and opportunities. All these features are almost always found in post-industrial spaces in inner cities.

Creative incubators combine the functions of business incubators and creative ateliers in order to stimulate creative ideas and to make the best commercial use of them. The services and the benefits from incubation are basically same as in business incubators. They offer space and office equipment to creative businesses or artists at subsidized rates. Furthermore, they enhance development of these creative ventures by providing consultations and trainings. Each of the services is uniquely designed to meet the needs of the community. The main idea of these incubators is to foster the community in creation of viable ideas with a commercial potential. However, the specific role of creative incubators often is to bridge the worlds of business and arts/culture and to provide space for new encounters which can create innovation with commercial potential. As the Policy Handbook of OMC Expert Group on Creative and Cultural Industries states,⁴ there is no unique definition or criteria for cultural or creative incubators. They vary in size, location, working principles and selection of tenant companies. Some incubators concentrate more on cultural operators (working mainly as residencies), others purely focus on creative entrepreneurs or target a certain cluster of companies, such as games companies. More and more regular business incubators are looking into accepting creative businesses into their incubation

programmes, but there is still an apparent need to develop specialised incubators for cultural and creative industries (CCIs) for three main reasons:

- CCIS ARE GENERALLY LOOKING FOR AN INSPIRING, LIVELY ENVIRONMENT TO OPERATE IN
- CCIS NEED SPECIALISED CONSULTANCY SERVICES THAT TAKE INTO ACCOUNT THEIR SPECIFIC OPERATING MODELS
- CCIS OFTEN OPERATE ON PROTOTYPE OR PROJECT BASE AND PROFIT FROM LIKE-MINDED CO-TENANTS FROM OTHER CCIS THAT CREATE SYNERGY AND NEW BUSINESS OPPORTUNITIES.

A good example of a complex strategy for creative industries development, which includes incubators as one of the main triggers of city regeneration and development is the case of London and its creative industries business practices introduced over the past 20 years. The culture and creative industry-focused regeneration projects in London have all had positive economic and regeneration impacts. The majority of this impact rests in offering business space and studio space to artists and creative businesses which have pulled like-

minded investors, businesses, and visitors to the area boosting the profile of the respective areas, and reinforcing the areas’ potential for further growth and development. London has also created partnerships between non-profit groups and government agencies which has resulted in creative industry incubators such as the London Apparel Resource Centre which focuses on the fashion industry and is fully funded by the London Development Agency, and offers grant programmes, training, mentoring, work studios equipped with state-of-the-art technology, and support and involvement from fashion industry insiders who act as mentors. The results of these efforts in London have been economically successful from a cost per square foot ratio, and from the perspective of providing affordable resources to artists and creative businesses.⁵

⁴ Policy Handbook on Cultural and Creative Industries in local, regional and national development strategies, EU OMC Expert Group on Cultural and Creative Industries, 2012

⁵ John Montgomery: Urban Cultures, Planning, Practice, & Research, 22 (4), pp. 601-617, 2007

Between 2008 and 2011, employment in the cultural and creative sectors proved more resilient than in the EU economy as a whole.

Eurostat (EU-LFS)

Creative Incubators in V4 countries

Regions with high concentrations of creative and cultural industries have Europe's highest prosperity levels.

Priority Sector Report: Creative and Cultural Industries 2010

Hungary

Hungary is new to launching incubators – most of them were established on account of EU funds, whether being business or creative incubators. Being new to this field, cultural industry policy settings lack. As early as 2007, however, the Creative Industries Technology Platform (CITF) was established following EU trends. Within the R&D Framework Programme, CITF intends to support Hungarian creative entrepreneurship with its R&D and innovation activities, allowing for the sector to flourish. Nevertheless, their web portal carries no recent entries.

There are very distinctive patterns considering the functions and locations of Hungarian incubators. While some spaces only serve as co-habiting places for entrepreneurs with no added value, others are designed so as to play a part in the creative industries sphere, and again others, who do not even call themselves incubators, cover all or most of the functions an incubator house includes. The list is very diverse, however, characteristics differ extensively between urban and rural areas. Most of the incubator houses we encountered during the study are centred in the capital with even higher rates among creative incubators.

The process of mapping Hungarian creative incubators included several steps. Starting with our closer network partners, we collected a list of incubators existing in Hungary and then

using the snowball effect we found several other institutions. Prior to requesting interviews, we identified the organizations relevant for the study based on the institutions' online profiles. Finally, seven institutions were asked to contribute to the study with interviews and institutional visits, out of which five could accept the request. The interviews followed a semi-structured questionnaire and focused highly on the institutions' orientation, physical and intellectual infrastructure, admission and rotation conditions as well as the process of market tracking.

The chapter presents short case-studies of each interviewed institution. We also included the institutions which could not participate directly. Apart from these institutions, a description is presented also about the partner of this project, Zsolnay Cultural Quarter and Incubational House, which is yet in an initial state, but contributed highly to our understanding of incubators in Hungary.

Jurányi Közösségi Produkciós Inkubátorház – Jurányi Art Incubator House

www.fugeprodukcio.hu
www.juranyihaz.hu (to be launched)

The Jurányi Art Incubator House was opened on 29th October 2012; therefore its system of incubation and co-working is yet very fresh and its structures are still developing. A former school building rented from the local government serves as the location and therefore provides the necessary physical infrastructure. The venue is huge; an approximate 6500 m² area on five stories offers offices, (rehearsal) studios and storerooms for clients of three specific target groups.



Prior to the establishment of the incubator house, its profile had been determined. The FÜGE Foundation (Independently Together) running the centre is an umbrella and production organisation officially registered in 2006. It has an established network of representatives of independent performance artists and groups which forms the basic target-group of the incubator. Through the second circle of networks (connections of the performance arts groups) visual artists and craftsmen were invited to form a second, complementary target group to facilitate the processes of production. Following the same basic idea, civil organisations are also hosted as they are of help regarding topics and themes for the performers. Even

though most of the tenants received their place through an invitational system, a very few places were open for applications. As such, there is still a long list of groups requesting admission.

Entering the building one can find these colourful pathways leading to the individual offices, different studios and rehearsal halls making it a playful live-maze. The physical infrastructure is, however, still under construction (a coffee shop has just been introduced), therefore the main focus still lies there, leaving improvement of intellectual infrastructure, the “software” slightly behind. A well-functioning system of operational support already exists – tenants may avail themselves of legal or application-writing consultancy, however further improvements will prevail including bookkeeping consultancy, as well as a general management course of two semesters.

Tenants can rent also individual offices, slightly isolated from other spaces. Being provided with the necessary infrastructure, they can focus on the production itself. Apart from supporting organisations without any rotation in mind, Jurányi has a special rotational system established for start-up performers. The “key-pass” system provides free rehearsal rooms for artists up to the point when they become registered groups, when the “key” of the free rehearsal room is passed on to another group in need.



SÍN Kulturális Központ – SÍN Culture Center

www.sinarts.org/SIN_Culture_Center.html

SÍN Culture Center opened in 2008 starting off with a tightly-knit group of performers wishing to fill a gap on the market. With independent performers as their prior target group, they wanted to create a space where choreographers and (mainly dance) groups could work and rehearse freely. Experience from America and another institution preceded the present one; therefore the aims were clear from the start.

SÍN provides infrastructure for free and for the share of utilities. Four studios are available for practices which are shared by two types of clients – independent performer groups and for-profit groups which follow different rules. As the basic idea is to support independent performers, they receive everything for free; meanwhile, for-profit groups are required to participate in cost sharing of the institution. The main income does not come, though, from tenants, as there are only two of them at stay, but they are provided with resources from EU funds.

The system is based on rotation, which means they admit programs until these are finished. However, they also include selection based on a letter of application describing the project plan and performance details, economic background and the applicants’ references. SÍN embraces the admitted projects and helps them through the production and if necessary, gives assistance with fundraising, however these are the only services provide. They do not aim to support the organisations in any other way. Additional residency programmes with infrastructural supplies supporting international cooperation and individual improvements are also included. SÍN also established a competition for choreographers, which supports their progress. As such, SÍN provides incubation for individuals to grow.

Bakelit Multi Art Center

www.bakelitstudio.hu

Bakelit Multi Art Center is a typical example of cultural recycling of old industrial places. Located on the outskirts of Budapest, Bakelit occupies an old building of a former spinning factory. The area is huge and is under constant construction leaving space for further cultural involvement.



20

This cultural house works with a perfect combination of for-profit and non-profit activities. While its basic profile is to support fine and performing artists, however, in order to achieve this they use the infrastructure to gain re-investable profit. The place includes a hostel and dining infrastructure and facilities apart from studios, rehearsal halls, exhibition and event rooms which all incorporate both for- and non-profit aspects. As everything is locally available leaving behind the metropolitan bustle, the perfect place for artistic creation is available to both national and international guests. However, such infrastructure is also an ideal setting for business meetings, conferences and private events (such as weddings, parties etc.).

Bakelit M. A. C. supports artists in three different ways. First, it provides the location for performing arts groups with a self-regulated rotational system, as well as with mentoring



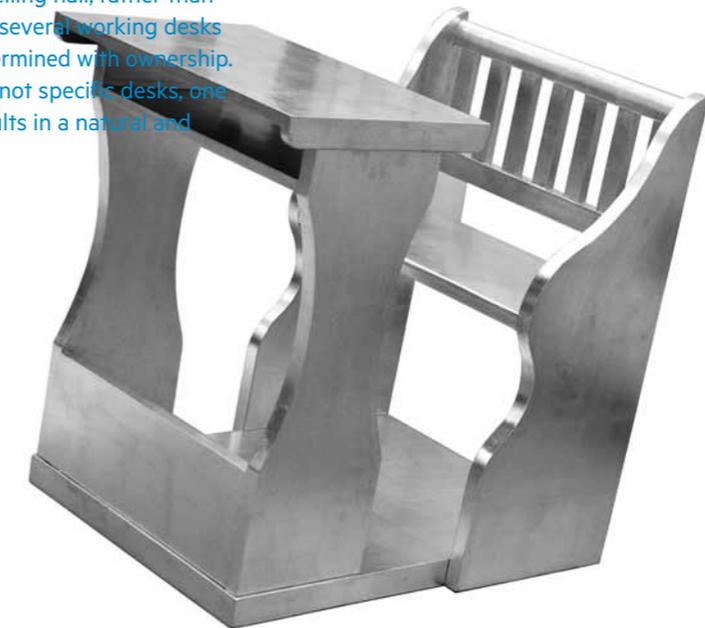
for application writing. They find EU funds the most important resource for creative industries; therefore apart from applying themselves, they also form joint applications with the performance groups. Second, a residency programme for fine and performing artists has been established, which also meets the necessary infrastructural needs. As a third activity, the centre welcomes interns and volunteers for various positions.

Loffice Coworking

www.budapest.lofficecoworking.com

This family business is a so-called new-generation office launched in 2009. Using the method of cultural recycling of industrial buildings, the company first claimed a former printing office and then later on occupied four more buildings including one in Vienna. As their motto says, Loffice is the place “where the creative and the business spheres coincide”.

The Klementz sisters as founders consciously emphasized the inclusion of contemporary art while creating workstations, offices, event spaces and exhibition areas. As they welcome any micro and medium-sized enterprises, they encourage creative cooperation within different sectors, which, they believe, are triggered by the modern design and unique characteristics of the facilities. The co-working area is situated in a loft (serving also as an origin of the name), which refers to a high-ceiling hall, rather than an attic. In this loft area several working desks are available not predetermined with ownership. Tenants only rent seats, not specific desks, one month ahead which results in a natural and constant fluctuation.



Even though Loffice is a for-profit rental system, they provide several incubational services and non-profit activities. Their mission is to offer consultancy and trainings to tenants, while they also organise networking events and workshops on business, legal, financial and economic topics. As a rather special feature they also provide virtual office spaces giving a postal address and storage for small-budget companies. They also find it important to foster creative processes; therefore they created an office-design competition providing exhibition spaces to the winning designs.

Loffice initiates the blending of creative industries and economic enterprises. As a method of inspiration, cooperation, community building and innovation, creative industries are incorporated into the day-to-day lives of the tenants. On the top of other qualities, Loffice prioritizes sustainable development, becoming also a green office (prize won in 2011).

21

University of Debrecen Incubational Centre of Creative Industries – Debreceni Egyetem Kreatív Iparágak Inkubációs Központja (DEKIİK)

www.dekiik.hu

DEKIİK is a technically and technologically modern infrastructure established in 2009. Executed by the Debrecen Info Park with an already existing IT infrastructure, this incubational house was formed to host any organisations along four different profiles – it is open to anyone who needs infrastructural support for 2D and 3D animation, works with data privacy and data security, has profiles including e-community or is a call/contact centre. Further admission criteria are set for their strict rotational incubation-period, only young (maximum 3 years old) micro and small enterprises or companies with RDI activities developing new products can apply, while they also have to be profit-oriented.

Set up with strict rules, DEKIİK provides access to offices equipped with high-end technical infrastructure including video conference equipment, projector and projection screen. Tenants may rent the offices for a reduced price in the first 3 years, while during the fourth year they have to pay the full price for the location. Afterwards, starting with the 5th year, the rental costs are raised every month motivating a natural fluctuation process. During their stay, however, tenants have full access to the present instruments for an annual rental fee, and free access to marketing support, sales support, tender advice and partner search. Organisations may also attend trainings to require sufficient manpower for management and organisational improvements.

Keleti-Blokk

www.kblokk.hu

Keleti-Blokk is a special example among the incubator houses at scope, as it is the only one specifically addressing performing arts with the main profile of music. Even though they provide exhibition halls and studios for fine artists and craftsmen, most of their infrastructure exists to help musicians meet their needs for production. One can find 28 music studios, 5 fine arts studios, two community rehearsal halls and additional spaces for creation and exhibition.



Community and Art Level – Művelődési Szint MŰSZI

www.muszi.org

Starting off with a theatre group struggling to find a suitable rehearsal room after series of shutdowns in November, 2011, MŰSZI was established to fill the gap on the arts market. Seizing a proffered opportunity, they agreed to conduct an economic recovery of a 2800 square meter space provided by a private owner in the heart of Budapest. As the sector has limited access to public funds anyway, the board decided to execute their plans independently, as a market economy enterprise highly relying on community effort making (re)use of everything the network can offer.

Although still under construction, MŰSZI provides 20 studios, two multifunctional performance and exhibition spaces, one workshop room, café & bar, a co-working area, a community garden and a greenhouse. Being a host-place, MŰSZI is open for NGOs, community arts projects, creative workshops and various cultural and social events with no input or output criteria forming a self-regulated rotational system. All processes are bottom-up, the staff is open to ideas and cooperations, which leads to a mix-up of different sectors. Even though they are providing for the audience (as a for-profit body), the artistic director rather defines them as communities forming their own programmes. They define themselves as a new-age community centre which also helps start-up processes of independent artists as an incubational process.

Zsolnay Cultural Quarter and Incubator House

www.zskn.hu

The Zsolnay Cultural Quarter located in Pécs serves as a new cultural centre for both locals and tourists. Having renewed the existing infrastructure of an old ceramics factory, Zsolnay Centre today still hosts the modernised factory, as well as 7 permanent exhibitions, a planetarium, several concert and conference venues, 4 coffees and bars, 2 restaurants, 10 shops (tenants), and 10 offices to rent to creative businesses. The Faculty of Arts and the Department of Communication and Media Studies are also located within the premises.

In 2010, the Zsolnay Cultural Quarter was one of the leading projects of the Pécs 2010 European Capital of Culture programme. The re-cultivation of the area of the ceramics factory, the greater part of which had ceased to operate, has been co-financed by the EU and is still in progress. The bid for the Capital of Culture title included the establishment of a creative incubational structure in the Quarter, combining the mixed facilities available in the Centre.

Thanks to the productive contribution of the Capital of Culture programme, Pécs has undergone major changes in the last few years. By now, the perks of the improvements can be seen all around the city, as well as in the statistics. However, as any enormous project, the cultural investments of Pécs were also endangered in many ways seemingly affecting the weakest link – the incubator house.

In the original documents on the Zsolnay Cultural Quarter, building an incubator house was supposed to serve as a link between the creative industries and the business sphere; the improvement levels were defined by specific indicators. They set the goals for the incubator to be working in full capacity within three years, as well as having at least 50 enterprises which should avail themselves of the services,

while 50% of the companies having left the incubator should still be working in the creative sector of Pécs. However, having aimed too high and facing financial capacity problems, the system has not taken off yet.

One may ask why the incubator house is the weakest jigsaw in the project, and one can only guess. Establishing creative incubators has just started in Hungary leaving only foreign examples to follow. This handbook also addresses the challenge that the concept and criteria of creative incubators are not yet sufficiently defined, leaving too many options to decide about for the founders. It must, however, be emphasised, that the Zsolnay Centre has met with enormous success among various segments of the public and possesses the capacities to implement the plans of the incubator house as has been set in the initial ideas.

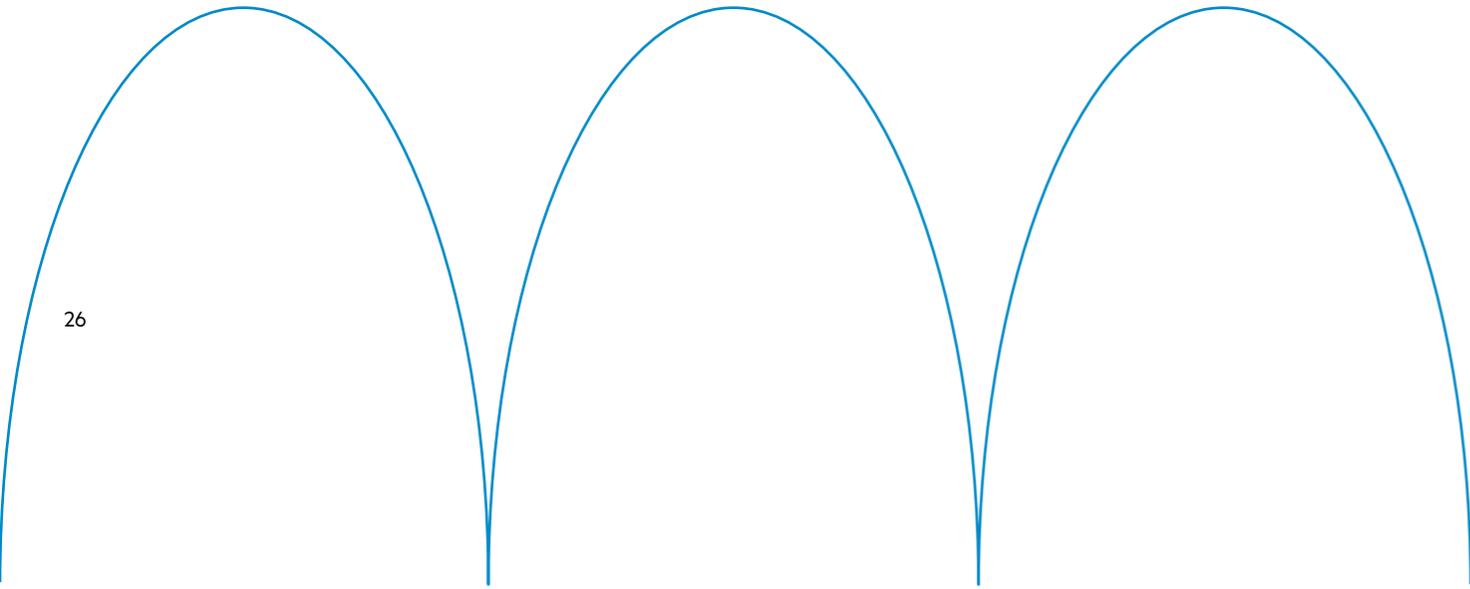
The description of the situation of incubators in Hungary would be complete with the perspective of tenants, too; these, however, are missing from these case presentations. As it seems from the interviews and the visits to the institutions, most of the groups taking economic advantage of the institutions do not seem to perceive the full potential of co-habiting. A certain set of mind developed by the organisations is necessary to establish co-working and cooperating systems. The level of cooperation in each institution is different as their profiles, aims and histories are different, which brings us to the conclusion that this system is still in its evolutionary state, bringing further improvements in cross-sectorial and inter-sectorial cooperation in the future.

Slovakia

However, there is still very little structured understanding of the needs of creative businesses and no policy frameworks have been established for their development so far. An initiative of the Ministry of Culture to draft an analysis of the present conditions of creative industries in Slovakia has been announced in 2013 and it is the first of a kind. That is one of the reasons why all following examples of creative incubators or similar initiatives are either very specific or et in development. They are, however, quite promising pilots for the upcoming years.

The idea of incubators as places and spaces for entrepreneurs forming new companies is still new even to the Slovak business environment. A suitably equipped and functioning network of incubators providing an entrepreneur with the premises, a complex range of services and necessary starting capital is, in comparison with Europe, at its very beginning. With the help of the PHARE and EU funds several so-called business incubators have been established all over the country. However, these often host very traditional businesses with no added or innovative value. There is still a long way to go before establishing vivid multilateral partnerships between universities, research and development institutions, and business and venture capital. The top-down approach of the origin of most of those incubators has resulted in a situation, in which the management and the conditions determined by public funds spending rules have often been too rigid to really react to the needs of the sector. However, over the past few years we can see a fresh bottom-up movement of young entrepreneurs and innovators attempting to establish self-sustainable places with incubation services.

When it comes to the creative sector, for a long time there has been very little understanding of cultural and creative industries on both sides of the society – the entrepreneurial community and economic experts on the one hand and creative community on the other. It is only an issue of last decade that the economic aspect of creative activities has been explored and taken into consideration. It is also connected to an increasing understanding of innovative ecologies, where the creative professionals play an important role.



BRATISLAVA

the Potential for Creative Clusters

Bratislava as the capital is a place of primary and natural concentration of creative professionals, with the appropriate skills, ideas and ability to network locally and internationally. That is why the main concentration of creative incubators is found here. After a long period when the creative sector and its potential economic activities were overshadowed by problems connected to the major economic and political transformation of the society, we can now see a lot of new activities in ateliers, creative studios, co-working spaces and similar initiatives. There is suddenly an explicit need within the sector to create spaces and platforms for meetings, collaborative work and development. For a long time, the missing infrastructure for this kind of activities has been the main obstacle of a more structured development of the creative sector. Most of the postindustrial areas in Bratislava city centre have been demolished by private owners with the aim to develop them, but after the crisis had begun, they have left them in ruins or in a very bad condition. Over the last few years we have seen a significant number of new bottom-up initiatives focused on both – incubation and clustering of creative professionals and innovative approach to urban spaces and sites.

Cvernovka

www.cvernovka.sk
www.galeriacvernovka.sk

The large complex of the former thread factory was built at the beginning of 20th century. After 1989 the original production has been gradually decreasing until it stopped altogether and the whole building complex was sold to private developer. Due to the economic crisis refurbishing plans had been postponed and somehow the spaces naturally started to attract creative professionals. The relatively cheap rent together with the beauty of industrial halls has created a very unique creative community of architects, visual artists, graphic designers, photographers and fashion designers over the few years.

While never intended as an incubator and lacking any top-down strategy, the community has generated common activities and services, which are typical for incubation. Shared responsibilities for the common spaces, joint activities, cross-fertilisation projects and events, training sessions etc. have become a natural part of creative life in Cvernovka. This social and creative value has increased the demand for spaces in the factory and gave birth to other activities (e.g. Connect Co-working – see below).

The story of Cvernovka is a significant one for the circumstances in Slovakia. It has been created by the community itself without any intentional strategy as a reaction to non-existing policies, supporting structures or infrastructure for creative professionals. It is, however, fully dependent on the decision of the private owner of the building regarding the beginning of the development of the building complex, which will destroy the existing ecosystem of creative professionals.

Cvernovka and its story can be perceived as a pilot or forerunner of creative incubators and co-working spaces in Slovakia, since it has proved that this model is even economically viable and can be managed.



Connect Co-Working

www.connect-network.com

The relatively new co-working space is also to be found in the Cvernovka complex. It is based on traditional principles of co-working (rent of space, desks and services) and it focuses on innovative entrepreneurial ideas. The main emphasis is put on facilitating cooperation among various innovative activities. It features a large and interesting meeting space, which is hosting more and more conferences, workshops and other events. Even if not explicitly focused on creative professionals, a lot of its activities involve creative industries and social innovations.



KC Dunaj

www.kcdunaj.sk

30

The former large department store building located in one of the main squares of Bratislava city centre had been empty for several years. In 2011, a group of creative professionals converted one floor into the cultural venue/ club KC Dunaj. From the outside, it operates as a regular programmed venue, but the internal model of program composition works as an incubator for event organizers, promoters and cultural operators. It also offers spaces and offices for small cultural organizers and creative industries companies, in addition to common spaces and offices. The specific program called QuickKancle offers office space (desks) and training in marketing and PR to 5 creative NGOs each year, based on call for proposals.

The planned activities of KC Dunaj for the forthcoming months and years include a public garden on the roof of the building and an entire new floor offering atelier and working spaces to artists and creative industries companies.

This initiative represents another fully bottom-up established venture, based on a union of various creative professions and on combined mode of financing. A very effective collaboration between stakeholders has created an inspiring and nurturing environment for young creative professionals and has quickly become a popular cultural venue in Bratislava. It also operates in a hub together with The Spot (see below).

The Spot

www.thespot.sk

The Spot is a physical (and on-line) space for the support of the start-up community. Similarly to KC Dunaj, it is to be found in the former department store Dunaj, where it occupies another separate floor. It is not an incubator specifically focused on creative industries, but it offers incubation services, creative working environment, trainings, meeting and a chill-out space for various innovative start-ups, including those with a strong creative component. Its work stresses activities focused on creating a community of innovative people with fresh ideas all over the country.

ŽILINA

Benchmarking the Cultural Space

Stanica Žilina-Záriečie /Cultural Node

The cultural centre in the building of a still operating small train station located under a highway roundabout was founded in 2003. At that time, it was by far the first really independent cultural venue focused on contemporary culture in the entire country. The work of Stanica has been pioneering in many ways since then, going beyond the limits of what was thought possible in Slovakia in terms of organizing, funding and creating culture, arts and community.

Having always been mainly a cultural venue, it is not a creative incubator which would offer the obvious set of incubation services explicitly. However, over the years it has become an incubator for many creative ideas in arts and creative industries. Their residency program, but also new projects in development (S2 – theatre and dance venue built from beer crates and hay bales, S3 – gallery and ateliers from ship containers, and mainly refurbishing of the Neological Synagogue in Žilina with the aim to establish a Kunsthalle there) are the incubators of new and innovative ideas involving many cultural and creative professionals, which foster entirely new partnerships, collaborations and create new communities.

31

Stanica is a place where new ideas for culture incubate constantly. It was, and still is, in many ways a model and origin for many other creative spaces in Slovakia.



KOŠICE

Promises to Be Fulfilled

The city of Košice is the European Capital of Culture 2013. The original project Košice INTERFACE 2013, which won the bid for ECOC was based on the holistic concept of development of the city, with a strong focus on culture and creative industries. Via investments into new types of cultural infrastructure and support of cultural and creative industries this post-industrial and post-military city sought to find a new identity based on creativity, communication and openness.

During the implementation of the project a lot of changes were made to the original vision and until today most of the big investments have not been completed. The idea of creative incubators as focal points for a future development of the city still resonates in the present activities and hopefully at least a few of them will start taking place before the end of 2013. The next few years will show how effective these can be.



Kasárne Kulturpark

www.kulturpark.sk
<http://www.kosice2013.sk/en/projects/kasarnekulturpark/>

A building complex of former military warehouse with great historical value is being transformed into a multi-genre cultural venue, including spaces for creative incubator and ateliers. The municipality declares that the centre “will also include the support of companies, organisations, civil associations and artistic groups involved in various types of creative activities, in order to create area concentration and resulting synergy. With its nature, it should serve as support for small and medium businesses in the creative sector. It will also provide space for subjects focusing upon educational activities in the creative industry, contemporary art and new media”.

The centre is planned to open in the last quarter of 2013.

Tabačka

www.tabacka.sk

Tabačka is the result of a civic initiative that was formed in the 1990s with the need to find spaces for hanging out and putting on contemporary art and music productions in the wild climate following the end of the Communist rule. After moving from space to space within the city, in 2009 the initiative finally (we hope) put its anchors down in the former tobacco factory in the heart of the city. It is primarily focused on programming of contemporary arts and experimental artistic events. In addition to that it hosts artist residencies and creates a meeting space for various art communities.

As a part of the investments realized in connection with the Košice – European Capital of Culture 2013, Tabačka is being refurbished with the aim to extend its activities and services. Part of the new space will be used as a creative incubator for young creative entrepreneurs wishing to set up small businesses in Košice with the aim to interlink the arts, science, small local businesses and local industry.

The new spaces will be finished in the first half of 2014.

Creative Centre Halmiho dvor – Media Incubator

www.oneclick.sk

The privately-owned space on a main street was opened recently and it is focused exclusively on media and interactive media. The owner - a company operating in on-line and media marketing (One Click) – has fully furnished a film studio with technology for professional photography, film, video and 3D production. It offers standard rental of the studio and technology, together with training courses and professional assistance. In September 2013 a new co-working space will open, which will include a training module of business accelerator for SMEs working in film and media.

CONCLUSIONS

All of the described examples are either fully bottom-up initiatives with the general idea to support and develop cultural space or initiatives yet to be realized. Most of them are run by groups of creative professionals without direct public support and the incubation services provided are only part of their activities or a result of these. This situation is caused by a long-term absence of policies, frameworks and infrastructure for modern cultural and creative life where individuals and private initiatives often substitute the inadequately fulfilled public role. On the other hand it is a sign of healthy grassroots culture which is able to produce successful pilots and initiate public debate.

Existing initiatives often bridge gaps between the creative and the business communities, creating new models of partnerships, developing pilot support programmes and building case-studies for new types of creative ecologies, which can generate both economic profit and development, and creative enhancement of the public space. All of this gives the best background for effective policies, recognizing these efforts which should be developed in the following years.

Poland

The fact that there is no national definition of creative industries does not make a researcher's life any easier and results in a reproduction, or production of new definition for the sake of a single study (which is especially visible in those commissioned by municipalities and regions). Comparative quantitative data is still lacking. The Regional Central Statistical Office is conducting a new pilot research using a new research tool based on the methodology of ESSnet-Culture² in Małopolskie Voivodship at the moment. If successful, the research will be repeated on the national level.

There is no single strategy or action plan at the national level aiming at developing and strengthening the creative sector in Poland.

Nevertheless, mainly due to the efforts of the Ministry of Culture and National Heritage, the awareness of the social-economic value of creative sector has arisen. As a result, the term "creative industries" was incorporated into horizontal strategic documents on the national level. One of the most important examples is the recognition of the potential and the functions of creative and culture industries in the "National Development Strategy 2020" which has been adopted by the Council of Ministers on 25 September 2012. The main objective of this medium-term strategy is to strengthen and make use of the economic, social and institutional capabilities in order to ensure rapid and sustainable development of the country, and to improve the quality of life.³ Culture is being referred to as an important development factor. The document also calls culture "the space for innovation, where a new form of subjectivity, participation, consumption and creation of values are sought and tested";⁴ saying that those factors "have direct (in the form of cultural and creative industries) and indirect impact on socio-economic development".

The discussion of the potential of creative sector has also resulted in a bottom-up movement. The representatives of creative industry became more vocal, clear on demands towards municipal authorities and at the same time

much more active in taking action and obtaining funds on their own. Some of them managed to put together projects (financed mainly through European funds) securing the space, training and start-up funds not only for themselves but also for other creative entrepreneurs.

There is also an interest in creative entrepreneurship expressed by universities, development agencies and other business branches and business environment institutions resulting in opening up their offer or even creating special actions aimed at creative individuals and companies.

Developers (some of them in crisis due to the general difficult situation on the market) understood that preferential rents offered to creative endeavors would result in gaining popularity of their investments and rising prices in the future.

Incubation is a relatively new endeavor in Poland. Most incubators are attached to economic or technical universities or were established as/by business environment institutions. There are also examples of incubators which started as ones of general profile, focused mainly on business innovation, and later, as the discussion on creativity evolved, opened up to companies representing the creative sector.

- 1 When registering a new company, the entrepreneur is asked to choose a list of statistical categories/numbers called PKD numbers (Polska Klasyfikacja Działalności = Polish Classification of Activity) reflecting future activities and to name the chief one. Usually, the selected ones are most general.
- 2 European Statistical System Network on Culture, final report available at: ec.europa.eu/culture/our-policy-development/documents/ess-net-report-oct2012.pdf
- 3 Ministry of Regional Development www.mrr.gov.pl (www.mrr.gov.pl/english/regional_development/development_policy/nds_2020/strony/default.aspx)
- 4 The National Development Strategy 2020

In Poland, similarly to most European countries, the subject of creative sector has gained popularity over the past years – both among national and local decision makers. As for the latter, it can be described as an actual trend. As a result, a number of studies have been commissioned, projects conducted and strategies written. Some are being implemented and followed-up, some ended up on office shelves and in the archives. Most Polish cities and regions commissioned research and mapping of the sector. "Creativity" became also one of the most popular terms used for branding in Polish cities. Yet, most of them do not have a consistent strategy of development of the sector.

One of the first attempts to map the creative sector at national level was a study commissioned by the Ministry of Economy titled "The Analysis of Needs and Development of the Creative Industries". It was conducted by the consulting

company ECORYS and published in 2009. The result is a report, which is, in fact, more of a comparison study than a mapping report, as it presents different approaches to defining and supporting creative entrepreneurship and lists good practices in different countries. However, it is a positive outcome of the document that it contains a number of recommendations for the national administration.

The aim of a second study (carried out by the Institute for Structural Research) was to grasp the economic value of the sector. It proved that the existing method of collecting data by the Central Statistical Office does not give a clear picture of the number of entities active in the creative and culture sectors. This is a result of the existing registration regulations for new companies¹ and the practice of the Central Statistical Office of data collection in selected branches and activities i.e. film industry, publishing houses.

ŁÓDŹ



38

ART_INKUBATOR of FABRYKA SZTUKI in ŁÓDŹ (ART FACTORY IN ŁÓDŹ)

www.fabrykasztuki.org
www.artinkubator.com

Art_Inkubator is an interesting example for at least three reasons: legal form of organization, which established the incubator, source of financing, and format of functioning.

Art_Inkubator is a project developed by Fabryka Sztuki. Fabryka is a cultural institution situated on the premises of a 19th-century factory in the Priest's Mill (Księży Młyn). It was created jointly by Łódź Art Centre, Chorea Theatre Association and the City of Łódź Office in January 2007.

Programming of Fabryka Sztuki is mostly focused on theatre, modern art and art education. Fabryka regularly organizes educational projects which are now a permanent part of the cultural

events calendar in Łódź. It prepares a series of lectures and meetings with artists and leading experts on culture and art, as well as seminars and workshops. It also carries out music projects and concerts. Another vital element of the activities of Fabryka Sztuki is its involvement in organizing two large international artistic projects, the first of which is organized by Łódź Art Centre (Fotofestiwal – International Festival of Photography in Łódź and Łódź Design Festival) and the second by Chorea (RETRO/PER/SPECTIVES: CHOREA – Theatre Festival).

The final areas of operation of the Factory of Art are activities aimed at providing support for entrepreneurship in culture and development of creative industries.

The latest is the reason for interest in the creation of Art_Inkubator. Art_Inkubator investment is co-financed from the Regional Development Fund¹ and the City of Łódź. This is where the second interesting fact regarding this project



appears: even though conducted by a cultural institution, it was not financed from an “obvious” source such as “culture”, “revitalization” or “tourism” but from the financial priority dedicated to entrepreneurs. Art_Inkubator is the first project of this kind.

The project consists of two layers: tangible and intangible, inseparably connected, therefore developing simultaneously. The first layer is the revitalization of three post-industrial buildings; the second is the construction of the concept of future functioning of the institution (content-wise).

The revitalization of Fabryka's headquarters and its transformation into Art_Inkubator is being conducted with great attention to detail – most of the historical elements of the building are re-polished and secured. Office spaces, co-working spaces, conference rooms, workshop spaces and artistic studios were built. Art_Inkubator clients will also benefit from a performance hall and three full-sized rooms

for displaying and organizing all kinds of events. A restaurant, a bar as well as a boutique for presenting and selling the works will also be established.

The third important fact is the open formula of Art_Inkubator regarding beneficiaries. Art_Inkubator does not limit its offer to entrepreneurs but it serves as a platform for professionalization of the whole culture and creative sectors. It will be available for companies, NGOs, cultural institutions, individuals (freelancers) for both production and presentation providing a wide range of services in relation to gaining business skills and professionalization.

The space for incubation of ten new business ideas is secured. These will be chosen on the basis of an open call for proposals and receive preferential treatment (both in terms of space and services) in comparison to other Art_Inkubator clients. The estimated time of incubation is 2 years but in justified circumstances it can be prolonged for another year.

In parallel, works on the on-line Multimedia on Managing Creativity Platform, serving as knowledge base for the whole creative sector are being conducted. The Platform will also serve as a virtual meeting point, providing on-line consultations, coaching, mentoring and networking opportunities.

Art_Inkubator is the first institution of this kind in Poland – dedicated entirely and solely to those active in creative and culture sectors.

Its revitalization will be finalized by the end of 2013 and the building will be ready for future creative entrepreneurs to move in.

¹ “The Creation of Culture Incubator - Art_Inkubator within The Factory of Art in Łódź” (formal title of the project) received funding from The European Regional Development Fund within the call for proposals under “Priority III. Economy: Innovation, Entrepreneurship. Measure III: Business Development” within the Regional Operational Programme of Łódzkie Voivodship 2007-2013.

'Creative Self-Employed' European Culture Consulting Factory (Publisher of Purpose magazine)

www.purpose.com.pl

The project's first phase was realized in the years 2009-2010 using financing from European Social Fund. It has three main objectives:

- PROMOTING ENTREPRENEURSHIP AND SELF-EMPLOYMENT;
- DISSEMINATING GOOD PRACTICES IN THE AREA OF CULTURE AND CREATIVE BUSINESSES;
- ENHANCING THE KNOWLEDGE OF RUNNING A BUSINESS AND OF THE POSSIBILITIES OF RECEIVING SUPPORT FOR STARTING AND RUNNING A BUSINESS.

The project has also enhanced knowledge concerning creating and operating small companies among people involved in arts and culture, stimulated their participation in training and counseling projects aiming at starting a business, promoted cultural sector and creative industries among training and business environment institutions, created and promoted a database of projects/institutions providing grants and support in starting a business.

There were two main target groups of the "Creative Self-Employed": people involved in culture and arts – both professionals and amateurs (employees of cultural institutions and people without such employment) and business environment institutions (employees of training and counseling institutions, incubators etc.; people who make decisions concerning providing grants and selecting training and counseling participants).

Activities undertaken within the project made them more aware of their potential in the creative sector and gave them the knowledge and tools to help them start their own business as well as make better use of their creative potential.

One of the outputs of the project has been the publication of a book ("The Creative Self-

Employed"), which covers various aspects of doing business in the cultural field and gives examples of successful good practices. An internet guide has been set up to disseminate practical advice and a step-by-step guide on setting up a business, and to promote the experience of successful artistic entrepreneurs who have become self-sufficient.

The web portal created within the project consisted of:

- ENTREPRENEURSHIP AND SELF-EMPLOYMENT GUIDE (ADVICE, USEFUL INFORMATION, ADDRESSES ETC.);
- EXAMPLES OF GOOD PRACTICE FROM SUCCESSFUL PEOPLE WHO STARTED COMPANIES IN THE CREATIVE SECTOR (VIDEOS, INTERVIEWS, PHOTOS);
- DATABASE OF ENTITIES PROVIDING GRANTS;
- NEWS FROM THE TRAINING MARKET, COUNSELING AND UP-TO-DATE INFORMATION CONCERNING THE POSSIBILITIES OF RECEIVING GRANTS.

The knowledge database at the website of "Creative self-employed" project has been used by 4500 people, 500 people received the publication; 40 institutions participated in creative sector consultations and 24 firms were presented as examples of good practice.

In the year 2011 the project was extended into its second stage as a commission from the City of Lodz (in Poland), which started introducing its strategy as a Creative City in that year. In 2011 it was a weekly published newsletter; in 2012 it was published on a bi-weekly basis. It is published online as well as in a downloadable PDF version. Plus in addition to that it is being sent to the database of registered users as an e-mail newsletter. Each issue of the Newsletter presents good practice examples from the city of Lodz, interviews with professionals and officials dealing with creative sector in the city and five descriptions of good practices in developing cities and culture from around the world.

"Creative Self-Employed" received Main Prize in 'Good Practice ESF' competition organized by the Ministry of Regional Development.

GDAŃSK



STARTER Gdańsk Business Incubator The Gdańsk Entrepreneurs' Foundation (Gdańska Fundacja Przedsiębiorczości)

www.inkubatorstarter.pl
www.gfp.com.pl

Gdańsk Business Incubator STARTER is run by the Gdańsk Entrepreneurs' Foundation (GEF). GEF is a non-governmental organisation founded by the Gdańsk City Council. Over the years, GEF became one of the most important instruments supporting SMEs in Gdańsk. With the opening of a new building in January 2012, headquarters of STARTER Business Incubator, gained interest in creative and ICT companies.

STARTER helps startups through minimizing their running costs, supporting them in establishing business relations and helping them achieve their full potential.

STARTER provides a wide range of services.

First, it rents out offices and conference spaces, offering for rent both single desks in the open

space and office space with diverse areas (sized from 25 to 2155 square meters). The total space of the building is over 11,2 thousand square meters. Currently, in the Incubator part of the building, 35 new businesses have a chance to make their first steps in business. Among incubated companies are those dealing with e.g. mobile widgets for fashion, social media brand monitoring tools, highly efficient distributed applications, modern web applications and advanced information systems based on artificial intelligence technology, a modular design studio and a branding agency.

There is also a "virtual office" for those who only need an address.

STARTER also offers access to training rooms, rooms for business meetings, consultations with experts in law, marketing, accountancy, creating business plans and acquisition funds for carrying out economic activity, mentoring programmes as well as stationary and on-line trainings.

GEF runs number of projects organized into three main theme groups: STARTER PLAY, STARTER GO, STARTER UP.



42

The first one is an adventure with business activity. Activities undertaken under this project line stimulate creativity and curiosity of children and teenagers by means of entertainment and business games.

STARTER GO is for those thinking about their own company. It gives an opportunity to get inspired by the best ones, gain the knowledge and contacts, and also helps with developing new business ideas.

STARTER UP aims at the development of existing companies. Projects under this theme help in conquering the international market and look for new investors.

Gdańsk Incubator's proved to be very successful in organising networking meetings and trainings in various fields related to different aspects of economic activity.

Practice proves that sometimes securing the space is not the most important factor of succeeding in creative sector. Equally important is the competence of future entrepreneurs – equipping them in knowledge and skills needed to start an independent company. Therefore, two examples are given here to illustrate best practice.

WARSAW

Entrepreneurship in Creative Sectors Kozłmiński University

<http://kreatywni.waw.pl>

Entrepreneurship in Creative Sectors is a project combining hard work in an artistic frame. Its initiator is the Kozłmiński University, one of the best business schools in Poland. Using the experience based on previous projects and its business experience, this time Kozłmiński University focused on the creative sector.

The participants of Entrepreneurship in Creative Sectors were chosen in three stages. First one was the open call resulting in over 750 submitted applications, from which 180 people were selected and qualified to the second stage.

In the final recruitment phase 130 people were selected.

All participants received 300 hours of training mainly in business, networking, marketing and law.

From 130 participants, 80 best business ideas received grants of 10.000 euro and 350 euro of monthly financing for half a year. In addition to financial support, another 2000 hours of training, mentoring, coaching and consulting were granted.

The support was tailor-made as participants were choosing the topics they wished to gain more knowledge in themselves.

“What distinguishes the project from others are the people who prove on a daily basis that trainings, consulting and received grants are only effective when people are truly passionate,” says the project co-coordinator Piotr Kaczmarek-Kurczak.

43

Czech Republic

*“Creative industries
must move
from the margins
to the mainstream
of economic
and policy thinking”*

Creative Britain - New Talents for the New Economy (2008)

Incubators in the Czech Republic

The boom of business incubators can be seen after the accession of the Czech Republic to the EU in the last ten years, when they are being supported to a greater extent also from the EU Structural Funds. Currently we could find dozens of business incubators across the Czech Republic. The State investment and business development agency of the Czech Republic defines the business incubator as follows:

“The incubation of firms is another possibility for supporting the establishment and development of innovative businesses, particularly small and medium-sized enterprises. It is an important factor in the development of the business environment – innovation networks among universities, research institutes and independent enterprises. In order for a new firm to be able to enter and, especially, maintain its position on the market, it needs more than just a good idea with market potential. Such a firm must obtain quality facilities and background for conducting business, as well as support in the areas of marketing, consulting, accounting, taxes etc. and the financial resources to support its innovative ideas. All of these aspects are provided to the given firm by a business incubator, which focuses on supporting innovative start-up companies whose main goal is to develop new products, technologies and services, and subsequently introduce them to the market.”

Currently, interesting technological innovations as well as innovative business ideas and services are supported and the Czech government is focusing on the support of more intensive and effective linkage between the fields of research and business.

The concept of creative industries has gradually been becoming more visible since the project Socio-economic potential of cultural, respectively creative industries in the Czech Republic started in 2007. The project then transformed to an official mapping of culture

and creative industries conducted by the Arts and Theatre Institute, an organization of the Ministry of Culture. The recognition of economic and social impacts of creative sectors is increasing at the political as well as the social and cultural levels.

As evidence shows, there have been several top-down initiatives which attempt to set up creative centres or incubators in their cities, and so far several bottom-up initiatives which have started running co-working spaces and venues where people from different sectors can meet, inspire each other and create together in convenient conditions.

Nevertheless, linkage between business and creative sectors is still weak, thus it is desirable to set the conditions and hope for a successful merging of these two worlds.

The following cases are notable examples for Czech environment, all providing support, physically and intellectually, to creative people and helping them to become sustainable in the business world.



Prague HUB

<http://prague.the-hub.net>

Prague HUB is a Czech part of “THE HUB network”, which started in 2005 in London and now, in 2013, it has opened over 50 more HUBs with more than 5 000 members on 5 continents. The mission is formulated very openly: *“At the HUB, people from every profession, background and culture are being united by one thing: the imagination and drive to pursue enterprising ideas for the world. These are the people who see and do things differently and have entrepreneurial passion to create sustainable impact.”*

Prague HUB was founded in 2010 after almost one year of preparations by Petr Víttek, Zdeněk Rudolský, Jakub Mareš and Petr Baše (bottom-up principle). Some of these personalities have their background in business (SUN Microsystems, PriceWaterhouseCooper), some in the non-profit sectors of culture or human rights (Amnesty International). This mixture seems to be substantial for a further development of the Prague HUB and its activities. On a long-term basis, Prague HUB focuses mainly on the development of socially responsible entrepreneurship and social innovation, but it also allows people from various other areas

to participate. One of the objectives of Prague HUB is to interconnect these people to catalyze their creativity leading to the development of new successful projects.

Prague HUB is located on the premises of an old refurbished printing house. It has 3 main sections – the main space (open space + lounge + bar + conference room), a conference room (+ separate bar) and second floor (more open space + chill out lounge). The reconstruction of the space has been conducted with the aim to create a creative HUB, so it offers airy and open atmosphere encouraging interaction and sharing in the entire space.

Plenty of services are offered to HUB members, e.g. as organizing events such as the series “Mashup HUB”, “HUB Future” and “HUB Create” or the competition called Social Impact Award. HUB offers workspace rental, provides targeted and informal networking, organizes seminars, lectures, workshops and talks, provides expert advice, gets investors on board, and connects to a worldwide network of HUBs.

The legal form of the HUB is limited company. Most of its financing comes from its members and its tenants/renters. HUB does not receive any public funding.



Předlice Incubator

<http://www.inkubatorpredlice.cz/>

Incubator Předlice is a regional project with international outreach focused on the development of applied art and design in the region of Ústí nad Labem. It is based in the first floor of former North Bohemian fitting production factory. This project is substantially connected with the environment of the Faculty of Art and Design of the Jan Evangelista Purkyně University in Ústí nad Labem. The cooperation with experienced teachers from the faculty and consultation with them is the vital basis for the connection of the incubator to academic environment. In fact, the original idea was conceived by the university’s students (inspired by in-school incubator in Scandinavia) and has been implemented since 2012. From August to October 2012 the industrial space of fitting production factory has been refurbished by students (both the architecture of the space and even some of the building work have been carried out by students). The furniture and equipment was provided by corporate sponsors connected to the university (mainly product and interior design - Ton, Preciosa, Crystalex, Český porcelán).

After its reconstruction, the incubator consists of a variable space with movable walls, creating 7 smaller spaces (cca 40 sq meters each - equipped with desks and chairs) connected by a large space with diverse use (lectures, concerts, performances etc.) with a capacity of up to 200 people. There are also two exhibition spaces on the second floor of the complex.

The operation of Předlice Incubator is composed of two parts:

1. The Incubator is an interdisciplinary studio that participates in commissions arising from the university (e.g. graphic design of publications, photographic documentation of university events o, design of promotional materials), and also in commissions coming from outside. The incubator will offer working placements for advanced students of the Faculty of Art and Design, Jan Evangelista Purkyně University in Ústí nad Labem and its recent graduates, always for a limited period of time only.
2. SPACE is a shared space for organizing accompanying events : lectures, workshops, exhibitions, fashion shows, concerts, aiming at the presentation of high-quality design and thus cultivation of both: design and business community, and the general public.

Meetfactory

www.meetfactory.cz

MeetFactory was founded in 2001 by the artist David Černý. Its purpose is to support and develop contemporary art and culture and to make it accessible to the public. MeetFactory is unique in its attempt to connect art, theatre, film, music and educational programmes. It also provides its facilities to its resident artists, who come from all around the world, thereby connecting the domestic and international art scenes.

In the context of Prague, MeetFactory is a unique interdisciplinary institution that connects individual dramaturgic lines from the fields of fine arts, theatre, music and other areas with the background of a residential program. Generally, 6 to 8 performances are held per month in the music hall, which is fitted with high-end audio equipment. The theatre programme is focused on the political dimension of the theatre and the role of technology.

There are three galleries in the MeetFactory building: the national and international art scenes are given space for critical confrontation in the main MeetFactory Gallery, Cube Gallery is designed for short-term exhibitions of less-known artists, and the Wall Gallery is used for experimental exhibitions of drawings and paintings, ranging towards and including classical graffiti.

Finally, it is necessary to mention the international residency programme in which MeetFactory hosts contemporary artists: artists, musicians but also writers, who present their work to the public via the regular event of Open Studios, which takes place approximately once a month. MeetFactory also has a café, and in summer there is a garden with a barbecue.

The unique complex represents 5000m² of multifunctional studios, ateliers, and halls filled with a creative symbiosis of artists active in various fields. The good quality of the programme

is the condition and the guarantee of a functional long-term cooperation with various international partners. The courage to experiment in all art fields provides for the creation of new international creative teams. In the long term, the exhibition programme focuses on the presentation of Czech and international contemporary art. It uses a specific and variable exhibition space that by its character and size has no competitors amongst Prague galleries. About 300 public presentations are visited by about 30,000 people per year. Atelier utilization is almost always 100%.

It is funded by various public funds, both national and international (e.g. City of Prague, Czech Ministry of Culture, International Visegrad Fund, Deutsch-Tschechische Zukunftsfonds, Mondriaan Funds etc.), but also by private industrial and corporate partners (CEZ Group, Metrostav, Hilti, Budvar, RedBull).



Creative Gate

www.creativegate.cz

Creative Gate is another independent mutation of The HUB idea. Spaces open for co-working, networking, sharing of experience and development of new entrepreneurial projects. The functioning is based on the rental of working premises, sharing of equipment and technology, targeted and informal networking and organization of inspiring events such as seminars, lectures, discussions, talks etc.

In comparison to The HUB there is no connection to a worldwide network with common online sharing and communication tools. Even more, the founders of Creative Gate emphasize that they value "personal meetings and sharing of experience" more than on-line networking with the philosophy stating: "We want to live off-line."

The Lower VÍTKOVICE

www.dolnoblavvitkovice.cz

The extremely large-scale project of revitalization of an enormous industrial area in Ostrava is a rare example of public-private partnership in the field of culture. It has arisen from a bid of Ostrava for European Capital of Culture 2015 (Pilsen was the winner in the end). A private owner, the joint-stock company Vitkovice entered into partnership with the City of Ostrava and started planning a revitalization of former blast furnaces area of the Lower Vítkovice. Association of Legal Entities "The Lower VÍTKOVICE", consisted of three private companies and the Technical University of Ostrava with important public partners – the Moravian-Silesian Region, the City of Ostrava and the National Heritage Institute.



It has been established to transform large brownfields into educational and cultural centre. Besides building a science museum and making the area of Vítkovice (National Cultural Heritage label) and Mining Museum accessible to the public, a former gas container was transformed into a large multi-purpose GONG Auditorium hall with a capacity of 1500 visitors. The auditorium is supplemented with conference facilities, foyer and a gallery.

Costs related to transformation of the site and its maintenance (educational purposes) have been covered from European Structural Funds (95%). This affects an overall utilization of the site - 70% has been used for educational purposes and 30% for commercial uses (conferences, concerts, exhibitions, guided tours).

As a natural extension of those large investments, there is a plan to build a Creative Cluster in the industrial heritage Mine Hlubina, which is part of the Lower Vítkovice area. The revitalization of the former bathhouses for miners is supervised by the civic association "Hlásím se k továrně" ("I support the factory"), which has been organizing cultural activities and various events in the Mine Hlubina since 2009. The creative quarter intends to run in three shift operations (in reference to the mining day cycle). The morning shift focuses on education, the afternoon shift on leisure and the night shift is dedicated to shows and concerts. The project is funded by Structural Funds as restoration of a cultural heritage site. Full operation start is planned for 2015.

Creative Centre Brno

<http://www.kreativnibrno.cz/>

Brno, as the second largest city in the Czech Republic with an established tradition of culture naturally has large creative potential. This has been recognized by the municipality of Brno, which has developed a strategy and specific projects to support creative industries in the city.

One of the projects in this line is the revitalization of the building complex of a former penitentiary into Creative Centre Brno to support creative industries entrepreneurs, the creative NGO sector, culture-educational activities for the public and other activities. The centre will offer facilities for architects, designers, artists, fashion designers, musicians but also for the designers of computer games, people from the advertising and publishing industry etc. Part of the vision are also rental studios, e.g. for graduates of art schools and universities. Other common areas would be filled by a theatre hall, galleries, premises for educational activities, a café, shops and accommodation for students and artists.

An incubator for new entrepreneurs in creative industries is planned to be placed in the Creative Centre Brno. Apart from the development of the creative potential of talented people and prevention of brain drain, the aim of the project is also to make the unattractive area more open and more desirable for the general public and thus enabling the revitalization of this troubled part of the city which is often nicknamed "the Bronx of Brno".

The project of Creative Centre is part of the Integrated Urban Development Plan, of the Regional Innovation Strategy of South Moravian Region 3 and the Conception of Economic Development of the city of Brno. The possible legal status and operator of the centre will be defined by a feasibility study which is under preparation.

Světovar 4x4 Cultural Factory

The City of Pilsen is going to hold the title of European Capital of Culture in 2015. Part of the development connected to the title is dedicated to unlocking the creative potential in the city and region.

The largest investment project of Pilsen 2015 is 4x4 Světovar Cultural Factory project. The project uses two heritage listed sites of the former Světovar Brewery for a cultural centre serving the independent artistic scene of Pilsen and the surrounding region as a base for presentations and also as a place for creating and presenting the works of renowned Czech and foreign artists. The building complex will also be a place for artists-in-residence, creative workshops, courses and will include spatial conditions for a creative incubator.

The project is divided into two buildings. In the former fermenting room, cellars and filling room four halls for cultural productions (concerts, theatre performances, dance performances, exhibitions and new media) will be located.

The second building will be turned into a creative incubator, rehearsal rooms, studios, ateliers and accommodation premises.

The creative incubator is going to be run in cooperation with the Institute of Art and Design in Pilsen. The aim is to support the creative potential of promising new companies and individuals and retain their performance in the region.

Two phases of incubation are envisaged. The first phase is open to public in order to enlarge the entrepreneurial knowledge base and is mainly designed for university graduates. The second phase is selective and focuses on the development of new initiatives and companies. The intention is to provide these with spaces for work and creation, meet the technical requirements, increase the knowledge base, offer consultancy and promotion.

The total costs have been evaluated as CZK 100 million (€ 3.9 million) and will be covered by EU Structural Funds. The model of running the centre is based on a maximum cooperation within the user network, operational and production responsibility, and programme and space openness. The operational mode of the centre remains under question, however, it is intended to be designed in collaboration with local artists and representatives of NGOs interested to join. The opening is planned for the end of 2014.

Conclusions

Situation of Creative Incubators in V4

Territory

As the previous pages show, creative incubators in the countries in question have various forms and operational modes. There is a clear tendency towards the bottom-up principle – most of the operating ventures have been created by individuals and without direct public intervention or funding. The few top-down examples are still only in the stage of planning or development, usually initiated by international or European projects and initiatives (European Capitals of Culture etc.), often with an unclear future strategy and striving to get public awareness and endorsement. The most interesting and sustainable examples are those with specific public-private partnerships, where bottom-up human capital meets the public funds and policies together with corporate support and management.

It is quite apparent that most of the described examples are not specifically focused only on incubation services and often not even solely on creative businesses. However, the trend of clustering the creative and innovative generation of individuals, small companies, art institutions and civic activities manifest itself across the region.

Creative industries are still a new agenda in most of the countries. The notion of culture and creativity as a factor of economic development contradicts the traditional division between culture as something consuming the public funds, and economy which produces financial resources. All four countries had to undergo complicated processes of economic transformation over the last 20 years and cultural policies have not been on the top of the list. Only in the last decade, mainly since the enlargement of the EU in 2004, have the topics of creative industries and creative economy been permeating both, cultural and entrepreneurial policies.

The idea of incubators as triggers for business development is also new in the followed territory. We shall not find too many successful examples, especially because there is not a sufficient time distance to analyze their operation. The entrepreneurial culture in ex-Soviet territory needed some time to develop past toddler age to understand that new markets and business models must to be sought. Incubators in the creative sector had to wait until critical mass of creative professionals gained elementary business skills in order to understand the necessity of such spaces. However, the last few years witness a promising incubation boom in this sector, as the described examples illustrate.

The main challenge for the creative sector itself, as well as for incubation services as part of the progressive and innovative creative business culture is still the almost total lack of specific policies on all levels, as well as a low level of understanding of the potential of creative economy in local and regional development. In all four countries though, we can detect turmoil and various levels of the debate, leading to more articulated strategies and recognition of creative industries and incubators as important means for their development. The economic crisis forces policymakers to search for new ways of market development and the dynamic of creative sector offers many promising solutions. The grassroots level fermentation is a good sign of the demand for new approaches on the policy level.

Typology of Creative Incubators

There are some patterns to be found in the previously described examples, which form their specific typologies. According to key principles concerning attitudes, three main types of creative incubators (CIs) were identified:

1. Protective-nurturing CIs

While studying the examples of different incubators of the creative sector, for many, protecting and nurturing creative processes appeared as the core concept, which thus define the rules and actions of the institution. And so, the object of incubation shifts from start-up businesses to start-up projects, while this choice by itself defines certain fundamental features. Therefore such incubators

- AIM TO HELP ORGANISATIONS/GROUPS TO CREATE AND LAUNCH PRODUCTS ON THE MARKET ACCORDING TO THEIR OWN PLANS;
- PROVIDE PHYSICAL AND INTELLECTUAL INFRASTRUCTURE AND SERVICES SUPPORTING PRODUCTION, FUNDING AND DAILY NECESSITIES IN ORDER TO SAVE TIME AND RESOURCES FOR CREATION;

- OPERATE AS A NON-PROFIT ORGANISATION OR AS A NON-PROFIT BRANCH OF THE ORGANISATION; THEREFORE THE STAY IS EITHER FREE OF CHARGE OR TENANTS SHARE ONLY THE UTILITY COSTS.
- TWO FURTHER SUBGROUPS CAN BE DISTINGUISHED ACCORDING TO BASIC DRIVES:

A/Trust-based, network-driven

In order to nurture creative processes, such incubators run based on their trust-network; therefore this system is rather closed. This implies that rotation is neither part of the system, nor is time-limits. In order to access the incubator one needs to first enter the trust-system and after that, show patience for vacancy or extensions. The incubator is not involved in the creation processes.

B/Output-oriented

Quite the opposite attitude is presented by output oriented incubators. With its open system, accession is based on the forthcoming results; therefore, anyone can join with their own (market-ready) ideas. This system also entails rotation where switches are triggered after a creation process has finished. The incubator influences the procedure to facilitate the designing of market-ready goods and services.

2. Fostering CIs

Among the creative incubators one can also find the closest relative of business incubators now termed fostering creative incubational house. It exists to support start-up businesses via its infrastructure and services; therefore its aim to help to launch businesses onto the market (top-bottom regulation) results in a set of rules for accession and for the rotational period as well. However, even though entering is limited by certain parameters, it is still an open system and any group or organisation may join by fulfilling the requirements. They operate either as non-profit or as for-profit organisations.

3. Co-habiting CIs

By definition, co-working institutions are the most distant from real incubators. As the infrastructure is built to foster creative processes, the profile of the tenants is very diverse and is not limited by any criteria, forming the most open system. It has a self-regulated rotational structure and is profit-oriented. The ultimate aim is to help creative co-operation and so to help each other.

The following table summarises the previously described formations of creative incubators:

	Protective-nurturing		Fostering	Co-habiting
	Trust-based	Output-driven		
Aims	To help production		To help organisations	To help each other
Orientation	Non-profit		Non- / for-profit	For-profit
Infrastructure	To support production		To support the organisations	To support creative processes
Accession	Network based – closed system	Product based – open system	Set of rules – open system	No limitations – open system
Rotation	No	Yes	Yes	Yes
Time-limit	No	Production time	Limited	No/Self-regulated
Market tracking	Self-managed	Mixed	Top-bottom	No

As a matter of course, the incubators described in the four countries do not represent clear cut cases of the suggested categories. Each of them can nevertheless be characterised using the concepts contained in the above description.

Policies Relevant to the Incubators

Several of the cases identified on the previous pages appear to be singular achievements, ends in themselves, without being an organic part of a broader stratagem. This can be said both about some bottom-up and some top-down initiatives. We have creative incubators in mind that represent bottom-up survival strategies (fuite-en-avant) of communities hit by the crisis, or top-down public designs that fit into abstract funding requirements. One encounters few cases of creative incubators in the four countries which have been devised in the frame of policies although these institutions fit into several different policies on various levels of governance, from local through regional to the national level.

- CREATIVE INCUBATORS CAN PLAY AN IMPORTANT ROLE IN **ECONOMIC DEVELOPMENT POLICIES**, ESPECIALLY IF THESE REFLECT THE RECOGNITION OF THE POTENTIAL IN THE CREATIVE SECTOR AS A MAIN DRIVER OF GROWTH AND COMPETITIVENESS;
- **CULTURAL POLICIES** ARE THE OTHER NATURAL SETTING FOR MEASURES IN FAVOUR OF CREATIVE INCUBATORS, ESPECIALLY IF POLICY MAKERS ARE AWARE OF THE ECONOMIC POTENTIAL OF CULTURE, AND HAVE THE ABILITY TO UNLEASH THIS POTENTIAL SO THAT THE ENTIRE SECTOR CAN PROFIT FROM IT;¹
- SINCE CREATIVE INCUBATORS REQUIRE SPECIFIC PHYSICAL SPACES, THEY FIT INTO **URBAN AND REGIONAL PLANNING AND DEVELOPMENT POLICIES** ESPECIALLY WITH THEIR CAPACITIES OF REGENERATING UNUSED OR ILL-USED INFRASTRUCTURE, AN ASSET IN PLACES FACING CHALLENGES OF POST-INDUSTRIAL BROWN FIELD REHABILITATION;
- CREATIVE INCUBATORS CAN PLAY LESS A CENTRAL, YET STILL CONSIDERABLE ROLE IN POLICIES OF **MANPOWER** WITH THEIR FOCUS ON CAPACITY BUILDING, WITH SPECIAL REGARD TO SPECIFIC ENTREPRENEURIAL SKILLS, AND POLICIES OF **EMPLOYMENT** IN GENERAL AND AMONG SMES IN PARTICULAR;
- SINCE ‘CREATIVE’ IS CLOSELY SYNONYMOUS WITH ‘ATTRACTIVE’, POLICIES OF REGIONAL OR MUNICIPAL **BRANDING** AS WELL AS **TOURISM ARE NOT INDIFFERENT TO A SUCCESSFUL OPERATION OF SUCH INCUBATORS TO**;
- INCUBATORS FINALLY FIT INTO **TECHNOLOGICAL DEVELOPMENT** POLICIES DUE TO THEIR INTENSIVE USE OF INFO-TECHNOLOGICAL COMMUNICATION DEVICES.

In quite a few cases independence from public policies is a choice made for the sake of maintaining full autonomy. Those incubators use alternative sources of support, or succeed to operate on their own means. Even in cases of self-sustainability a friendly environment is a plus. Therefore they, too, should take part in screening the relevant policies in search of slots where creative incubators fit naturally

¹ One incubator interviewed repeatedly referred to itself using the term by which local community houses of culture are called in that country. This was done ironically. Nevertheless indeed, larger and better equipped houses of culture have good chances to pick up and develop some of the functions of creative incubators.

but these have been missing or not properly included so far. Stakeholders of incubators should find ways of infiltrating policy-making processes, so that policies generate favourable conditions as well as public resources of diverse nature for the establishment and successful operation of creative incubators.

Initiating and implementing mapping and surveying of creative incubators is an important step towards unleashing their potential and including them into policies, especially if surveys are not one-shot single exercises but can be made recurrent practice in a given area (country, region or city). Beyond the primary aim of “counting”, identifying these institutions, either already operating or in an earlier stage of coming into existence, mapping has other functions and effects. It serves the raising of awareness of the aims and needs of incubators, contributes to conceptual clarification both among the authorities but also among those in charge of creative incubators. Systematic exploration of incubators helps raise awareness about the benefits of their services and thus paves the way towards a more profound inclusion into various public agendas. On a more pragmatic level, mapping can connect stakeholders and catalyse clustering and networking processes. Showcasing creative incubators may ultimately add to the branding of a city or region, too.

Inclusion into various policy agendas generates measures that improve the operational environment of creative incubators: supportive administrative measures range from direct subsidies to different exemptions of taxes and fees.

Recommendations and tips

These recommendations are primarily addressed to those who want to establish an incubator or want to upgrade an existing one. At the same time, they may prompt public authorities as well towards exploiting the potentials in sponsoring or running creative incubators.

1. LOOK FOR A BROAD RANGE OF EXISTING MODELS AND FOCUS ON THEIR SPECIFIC FEATURES SO THAT YOU CAN MOST CONSCIOUSLY IDENTIFY THE FUNCTIONS AND MODALITIES OF THE INCUBATOR THAT BEST FITS YOUR AIMS AND CIRCUMSTANCES;
2. SEEK ALLIANCES FROM A WIDE POOL OF STAKEHOLDERS BEYOND THE IMMEDIATE PROFESSIONAL ENVIRONMENT, INCLUDING PARTISANS OF RELEVANT PUBLIC POLICY AGENDAS;
3. WHEN PLANNING AND SELECTING SUBJECTS OF INCUBATION, KEEP A MAXIMUM CROSS-FERTILISING IMPACT IN MIND: BOTH TOO HOMOGENEOUS AND HETEROGENEOUS COMPOSITIONS WILL DECREASE SUCH POTENTIAL;
4. CO-HABITATION IS AN ASSET THAT DESERVES FULL EXPLOITATION: DEVISE SMART WAYS OF BRINGING CREATIVE “INMATES” TOGETHER, KEEPING IN MIND THAT TOGETHERNESS MAY BECOME A NUISANCE BEYOND A POINT OR WITH REGARD TO CERTAIN SENSITIVITIES;
5. THINK LONG-TERM: PLAN INCUBATION (OR CO-HABITING, CO-WORKING) CYCLES WITH OPTIMAL ROTATION STRATEGY AND SMART PHASING OUT SCHEMES;
6. BEWARE OF BULLSHIT. LIKE ALL FASHIONABLE CONCEPTS, CREATIVE INCUBATORS ARE PRONE TO LIP SERVICE BOTH IN THE FIELD AND EVEN MORE ON POLICY ARENAS, WHICH MAY LEAD TO FRUSTRATION INSTEAD OF EFFECTIVE SUPPORT

V4 Creative incubators

“Guide to places and spaces of creative incubation
in Central Europe“

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