

Mariam Khurtsilava¹

CREATIVE ECONOMY – GEORGIAN AND ESTONIAN CULTURAL AND CREATIVE INDUSTRIES' DEVELOPMENT MODELS

Abstract

This study focuses on reviewing the Georgian model of Culture and Creative industries (CCI). The paper examines EU support to the sector's development, including Culture Programmes, funding opportunities, etc. Based on an analysis of core strategic documents and interviews with Georgian experts, key developments and current challenges of the sector are identified.

Secondly, the paper encompasses a study of the Estonian Culture and Creative industries model, using Estonian expert interviews. As a result of the research, recommendations on successful adaptation of the Estonian CCI model to the Georgian are issued according to the gaps identified in the Georgian system and best practices found from the Estonian model.

As a result of the study, consideration of the Estonian experience will condition positive direct and indirect impacts to the Georgian economy and, therefore, enable growth of the sector contribution. In addition, it will facilitate the Europeanisation of Georgia.

Key words: Creative Economy, Culture and Creative Industries, Culture Policy, Entrepreneurial policy, Europeanisation.

Introduction

The main aim of this paper is to analyse Georgian and Estonian models of the Creative economy – Creative Industries development. The two countries were chosen for the study considering several similarities, like the history, population, economy and for Estonia being one of the most developed countries of the EU in the CCI sector. Article distinguishes the key challenges the Georgian system faces while, it investigates the flaws of the system that prevents the model from being successful. It also provides recommendations on how these gaps can be addressed based on the Estonian experience.

The notion of 'Creative Economy' was elaborated and initially used by John Howkins in 2001. Therefore, it is rather a novelty of the 21st century. However, there is no single definition for the Creative Economy considering the fact that the concept stands on the edge of two sectors – Creativity and Economy. As Mrs. Anu-Maaja Pallok² states, the first issue was to define the subject matter – "We introduced something new and we had to give a sound meaning of what we were talking about" [Interview with Anu-Maaja Pallok].

Therefore, this article begins with elaborating the main terminology and definitions, followed by the importance of the sector for the EU and developing countries, like Georgia. The treaties and relations of the EU and Georgia in the CCI sector, including international expertise provided, programmes implemented, etc. The article includes information on theories and methodology used and applied to the paper, accompanied by the main findings of the study, recommendations and conclusion.

¹ This article had been created on the basis of the Master Thesis, which was defended within the frames of the English-taught interdisciplinary Master's Programme in European Studies of Ivane Javakishvili Tbilisi State University and supervised by Nino Lapiashvili, Director of the Institute for European Studies at TSU. E-mail: mariamkhurtsilava5@gmail.com

² Adviser (Creative Industries), Estonian Ministry of Culture (Interview with Anu-Maaja Pallok).

Definitions

As mentioned above, the concept of Creative economy is rather a novelty. Right at the heart of The Creative Economy stand Cultural and Creative Industries (Cultural and Creative Sectors, European Commission website), which are also not easily definable. However, they are argued to be the growth “drivers” of the economy nowadays, which changes throughout time. According to Potts and Cunningham: “...creative industries are a growth ‘driver’ in the same way that agriculture was in the early 20th century, elaborately transformed manufacturing was in the 1950s–60s, and ICT was through the 1980s–90s..” [Potts, Cunningham, 2008]. There are also various definitions of the term provided by different organisations, namely UNESCO³, UNCTAD⁴ and WIPO⁵, DCMS⁶, Creative Europe Programme (2021 to 2027)⁷. Definitions vary due to the profile and scope of these organisations and programmes.

In addition, it is necessary to mention that the list and content of the industries vary along with different authors as well as countries. One of the classifications is noted together with the definition of the Cultural and Creative sectors according to the Creative Europe Programme (2021 to 2027). Others are provided by such authors and organisations as John Howkins⁸, David Parrish⁹, UNESCO International Fund for Cultural Diversity (IFCD)¹⁰, UK-DCMS¹¹ Model, etc. The study focuses on the UK-DCMS classification due to the fact that both of the countries selected for the study have their classification based on this model. In addition, the classifications tend to alter as a result of application of the local specificities of the countries (Interview with Elene Toidze¹²; Interview with Eva Leemet¹³).

Relations between the EU and Georgia in CCI

The relations between the EU and Georgia have been deepening since 1991-1992 when Georgia regained its independence after the collapse of the Soviet Union (Chronology of major events of EU-Georgia Cooperation, Georgian Ministry of Foreign Affairs website). Since then, relations have enhanced due to several milestones on the way to closer cooperation between the parties. The biggest milestone in the EU and Georgian relations have

³ UNESCO is the United Nations Educational, Scientific and Cultural Organization. It seeks to build peace through international cooperation in Education, the Sciences and Culture (UNESCO in brief – Mission and Mandate, UNESCO website).

⁴ United Nations Conference on Trade and Development – We support developing countries to access the benefits of a globalized economy more fairly and effectively. And we help equip them to deal with the potential drawbacks of greater economic integration (“About UNCTAD”, UNCTAD website)

⁵ World Intellectual Property Organization is the global forum for intellectual property (IP) services, policy, information and cooperation (Inside WIPO, WIPO website)

⁶ Department of Culture, Media and Sports of the United Kingdom (DCMS) helps to drive growth, enrich lives and promote Britain abroad (What the Department for Digital, Culture, Media & Sport does, GOV UK website)

⁷ Creative Europe is the European Commission’s framework programme for support to the culture and audiovisual sectors. Following on from the previous Culture Programme and MEDIA programme, Creative Europe, with a budget of €1.46 billion (9% higher than its predecessors), will support Europe’s cultural and creative sectors (“About”, Creative Europe, European Commission website).

⁸ John Howkins is a leading strategist on creativity and innovation. He first published his ideas in *The Creative Economy* in 2001 which became the standard book (revised in 2013) (About, John Howkins website);

⁹ Speaker, Consultant, Trainer and Writer on Creativity and Business (About David Parrish, David Parrish website)

¹⁰ The International Fund for Cultural Diversity (IFCD) is a multi-donor fund established under Article 18 of the 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Its purpose is to promote sustainable development and poverty reduction in developing countries that are Parties to the 2005 Convention. It does this through support to projects that aim to foster the emergence of a dynamic cultural sector, primarily through activities facilitating the introduction and/or elaboration of policies and strategies that protect and promote the diversity of cultural expressions as well as the reinforcement of institutional infrastructures supporting viable cultural industries (What is the IFCD?, IFCD website);

¹¹ The Department for Digital, Culture, Media & Sport (DCMS) helps to drive growth, enrich lives and promote Britain abroad. We protect and promote our cultural and artistic heritage and help businesses and communities to grow by investing in innovation and highlighting Britain as a fantastic place to visit. We help to give the UK a unique advantage on the global stage, striving for economic success (About Us, UK-DCMS website);

¹² Head of Creative Industries Division in Creative Georgia (About us – Our team, Creative Georgia website);

¹³ CEO of the Creative Estonia (Interview with Eva Leemet);

to be discussed and the responsibilities that Georgia has taken under the Association Agreement (AA), which fully entered into force in 2016 and it has provided Georgia with opportunities for funding and development in various sectors including the CCI sector (Chronology of major events of EU-Georgia Cooperation, Georgian Ministry of Foreign Affairs website). The following chapters of the AA are extremely relevant for the sector – Chapter 9 – Intellectual Property Rights; Chapter 17 – Cooperation in the Cultural field and Chapter 18 – Cooperation in the Audiovisual and media fields (AA, Official Journal of the European Union, 2014).

The AA's main objectives are related to Political association and Economic integration of the country to the EU. The agreement supports the country's economic activities in order to use all the economic potential and come closer to the European standards (Article 1, Objectives, AA, Official Journal of the European Union, 2014). Under the goal of strengthening Economic system of Georgia, can be applied the Creative Economy part, where cultural and creative industries play important role. However, issues regarding Culture and EU's support that will be provided in the field is reflected in Chapter 17 (Cooperation in the cultural field) of the AA (AA, Official Journal of the European Union, 2014). Article 362 envisages cooperation in the cultural field based on the ideology of 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (Article 362, Chapter 17 – Cooperation in the Cultural Field, AA, Official Journal of the European Union, 2014). There has been dedicated a separate chapter to the cooperation in the audiovisual and media films. (Article 365, Chapter 18 – Cooperation in the audiovisual and media fields, AA, Official Journal of the European Union).

In addition to chapters 17 and 18 of the AA, it is relevant to discuss Chapter 9 on Intellectual Property Rights (AA, Official Journal of the European Union, 2014). The objectives of the chapter are: “(a) facilitate the production and commercialisation of innovative and creative products between the Parties; and (b) achieve an adequate and effective level of protection and enforcement of intellectual property rights” [Article 150, Chapter 9 – Intellectual Property Rights, AA, Official Journal of the European Union, 2014]. The AA obliges parties for effective implementation of international treaties related to Intellectual Property, namely, the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)¹⁴, Paris Convention for the Protection of Industrial Property of 1967 (Paris Convention)¹⁵ and other international treaties in the field of IPR (Article 151, Chapter 9 – Intellectual Property Rights, AA, Official Journal of the European Union, 2014).

The AA includes five types of IPR and provides a section on Standards concerning Intellectual Property Rights; The IPR include: Copyright, Trademarks, Design, Geographical Indications, Patents (Chapter 9 – Intellectual Property Rights, AA, Official Journal of the European Union, 2014). All of the IPR are related to the CCI sector, however, in a different manner and they give protection to the CCI representatives. Therefore, it is extremely relevant and important for the protection of the CCI sector.

Furthermore, the study focuses on the EU's contribution to the CCI field through different programmes. The first phase – EaP Culture Programme I was conducted during the years 2011-2014. It comprised a budget of 12 million for the countries in the EaP region. (Eastern Partnership Culture Programme, EU neighbours website). On the other hand, the Culture and Creativity programme was implemented from 2015 till 2018 and throughout these years it has supported Georgia on the government and policy level as well as the cultural and creative industries and its representatives. Led by the British Council in cooperation with the Soros Foundation Moldova, Goethe Institute and the National Centre for Culture of Poland, the programme had impressive results (“EU-Eastern Partnership Culture and Creativity Programme”. British Council website).

General and united outcomes of the programme for all EaP countries is detailed as follows with the country-oriented approach. There has to be highlighted the events, which were most able to impact the country's development in different fields. First of all, the EaP forum, conducted in 2015, which gathered 400 EaP Countries' cultural professionals. Two-day forum was based on the discussions and speeches of international representatives with the emphasis of the importance of Culture in the economic sector.

Thus, it helped to raise awareness of the significance of the issue and delivered the message through different

¹⁴ The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the most comprehensive multilateral agreement on intellectual property (IP). It plays a central role in facilitating trade in knowledge and creativity, in resolving trade disputes over IP, and in assuring WTO members the latitude to achieve their domestic policy objectives [Intellectual Property, WTO website];

¹⁵ The Paris Convention, adopted in 1883, applies to industrial property in the widest sense, including patents, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition [Paris Convention for the Protection of Industrial Property, WIPO website].

levels of attendees. In addition, reports and analysis have been produced regarding the Culture and Creative Industries (CCI) and their development, namely: “Developing performing Arts Sector in Georgia” report by Iulia Popovici, published in 2017, which discusses the performing arts sector in the Keynesian three sector model, including Public, Intermediary and Private sectors (Popovici, 2017). The report uses example of three countries – Estonia, Poland and Slovenia for comparative analysis, which is beneficial for the purpose of the paper, however, it is restricted to the performing arts sector, which according to Julia Popovici: “the private sector in the field of performing arts is underdeveloped, while the public one is dominant, with a growing intermediary sector supported by a diversity of public financing programs” [Popovici, 2017]. In addition to the abovementioned, there has been a report by Cristina Farinha in 2017 – “Developing Cultural and Creative Industries in Georgia”, which has tackled key issues such as the importance of the CCI sector for the EU. The report focuses on the key areas where EU discusses the importance of the CCI sector, among which are: Mainstreaming CCIs into the EU strategic agenda to foster a holistic European wide ecosystem – putting CCI sector as a key driver of the UN Sustainable Development Goals 2030¹⁶; The report includes very useful and valuable information regarding the assessment of the CCI development conditions, their challenges and ways of solving the issues – providing recommendations for its development (Farinha, 2017). There is also the Mapping and Strategy Building Handbook for Creative Towns and Regions by Lia Ghilardi, which focuses on the maximum effective usage of the Cultural and Creative resources. However, the report focuses mostly on “intangible elements of a community’s identity and sense of place” (Ghilardi, 2017). As Mr. Giorgi Razmadze explains:

However, it has a different direction – is oriented on crafts mostly, which actually is part of the cultural industry, but it does not reflect the whole... And the highlight is different for the Initiative, but it included crafts as well – a bit part of it... [Interview with Maya Darchia and Giorgi Razmadze].

While the report considered reflecting 12 CCI sectors including: Advertising, Architecture, Broadcasting and Media, Crafts, Design, Entertainment IT, Film and video, Cultural Heritage, Literature and publishing, Music, Performing arts and Visual Arts for analysing purposes.

Estonia and the CCI development

According to the Ministry of Culture of Estonia the acknowledgement of Creative Economy more seriously in Estonia and other European countries started since 2000ies (Creative Economy, Republic of Estonia Ministry of Culture website, 2020). The first thing they present is the relations between economy and creativity:

The creative industries comprise an economic sector based on individual and collective creativity, skills and talent, which is able to create prosperity and jobs through the creation of intellectual property and its use as the main selling point, and in which creative thinking and creative people are central to the processes [Creative Economy, Republic of Estonia Ministry of Culture website, 2020].

The sector contributes to different fields of the Estonian development and as the Ministry of Foreign Affairs webpage declares creativity not only strengthens the country economically, but it supports to the improvement of the “environment, quality of life, innovation and competitiveness... As a result, creative industries play a considerable role in regional development, tourism and increasing the state’s export capacity” [Creative Industries in Estonia, Republic of Estonia Ministry of Foreign Affairs, 2018].

Estonia started with definitions separating the Cultural and Creative Industries, however “The definition of the creative industries sector is stipulatory, changes over time and varies somewhat from country to country or region to region” [Creative Economy, Republic of Estonia Ministry of Culture website, 2020]. Followed by gathering the very important Statistical data of the field and its sectors. First mapping in Estonia including economic contribution of the sector took place in 2005 and 10 sectors were defined as a result (Lassur, Tafel-Viia, Viia, 2010). The last mapping activity has been conducted in 2018 and here are the results – “The total

¹⁶ The United Nations 2030 Agenda for Sustainable Development acknowledges, for the first time, the essential role of culture, creativity and cultural diversity in reconciling the economic and social aspects of development, advancing economic growth and fostering social inclusion. Agenda 2030 contains 17 Sustainable Development Goals adopted by countries to end poverty, protect the planet, and ensure prosperity for all. As a strategic instrument of the UNESCO 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, the IFCD will be key in the implementation of this new development agenda, with its financed projects impacting at least 11 goals thus far (The IFCD and the United Nations SDGs, UNESCO Diversity of Cultural Expressions website)

income of the creative industries sector is €1,481 million (2.9% of GDP). 30,681 people (4.8% of the employed) work in the creative industries sector. There are 9,098 companies and institutions operating in the creative economy sector (11.6% of companies)” [Creative Economy, Republic of Estonia Ministry of Culture website, 2020].

Meanwhile, in 2009 CCI Cluster and Development Center – Creative Estonia was established, “which promotes and develops creative industries and creative businesses in Estonia” [Creative Estonia, Loov Eesti website]. The organisation supports CCI field development greatly. Time by time different regional and sectoral development centres as well as Creative incubators and business accelerators have emerged throughout the country (Creative Economy, Republic of Estonia Ministry of Culture website, 2020).

The European Union strongly supports development of the CCI sector of its members, including Estonia. In the transnational report on ‘CCI policies on European Level’ we read: “When talking about CCI in Europe we have to consider that the cultural and creative sectors in Europe accounting for 4.4% of the EU’s GDP, that they are making up 12 million full-time jobs and €509 billion in value added to GDP” [Weber, Duarte, 2020]. Estonia except from the fact that is eligible for different EU funding programmes for the CCI sector, is supported by the European Union Structural funds that “For the period of 2007-2013... gave Estonia the opportunity to support the horizontal development of the sector and implement measures that meet the potential witnessed in different studies” [Realising the growing potential of cultural and creative industries (CCI), UNESCO periodic report Estonia, 2012].

Thus, despite the challenges, Estonian CCI sector has been developing since 2000 and it can apply as a role model for Georgia on its way of field enhancement and approximation with the standards of the EU.

Theoretical Framework

The present study draws on two theoretical approaches – Creative Economy and Theory of Europeanisation. Within the Creative Economy, there are discussed “Four models of the Creative Industries” by Jason Potts and Stuart Cunningham (2008) in order to examine the direct impact of the CCI sector – If we talk about the dynamic interaction between economy and creative industries, we encounter the following four models: the welfare model (negative effect on the economy), the competition model (neutral effect), the growth model (positive effect), and the innovation model (positive effect) (Potts, Cunningham, 2008). However, there has been discussed the indirect impact of the sector, so-called Spillover effects (Knowledge, Industry, Network), which are being argued by the Tom Fleming Creative Consultancy (TFCC) for the report on “Cultural and creative spillovers in Europe” issued in 2015 (TFCC, 2015).

In addition, the paper discusses Europeanisation theory, “Europeanization is an incremental process reorienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organizational logic of national politics and policy-making” [Ladrech, 1994]. “By ‘organizational logic’ the author refers to the ‘adaptive processes of organizations to a changed or changing environment” [Graziano, Vink, 2013]. Later, in 2003, Claudio M. Radaelli provided the following definition, which was drawn upon the above mentioned definition by Ladrech:

Processes of (a) construction (b) diffusion and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, “ways of doing things” and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies [Radaelli, 2003].

Furthermore, the domestic structural change caused by Europeanisation is discussed according to the “Three step” approach by Risse and others (2001) implying Europeanisation and “Goodness of Fit”, Mediating Factors – Institutions and Actor Strategies. The Europeanisation processes “...necessitate some adjustments on the domestic level of the member states so that states can be in compliance with EU norms, rules, and procedures” [Risse et al., 2001]. Then the concept of “Goodness of fit”, which measures the compliance of policies between the EU and the member states encompasses that – “The lower the compatibility between European and domestic processes, policies, and institutions, the higher the adaptational pressure” [Börzel, Risse, 2003].

Methodology

The research was conducted via Document analysis and semi-structured in-depth interviews with experts. 10 interviews were conducted among Georgian cultural professionals and five among Estonian experts of the field. The interview-based research envisaged examining CCI systems of the two countries – Georgia and Estonia. Estonia was selected as an EU member state to investigate based on the following reasons. Main reasons, which allow comparison of the two countries and ease issuing adaptation of the Estonia development model of the sector to Georgia, are as follows – both Estonia and Georgia have small number of population¹⁷; both being post-Soviet countries¹⁸; GDP per capita of Estonia and Georgia are comparable – Estonia¹⁹, before its accession in the EU²⁰ and Georgia²¹. Furthermore, Estonia is one of the most developed countries in the European Union in terms of the CCI sector.

Besides the similarity and comparability of the countries, Estonia and Georgia have tight relations in the sector and Estonian experts/cultural professionals support Georgian ones in further development of the sector through sharing information and best practice.

The main aim of the study was to provide recommendations to the Georgian CCI sector based on the EU member state – Estonian CCI sector model including the structure, experience and best practices.

Deriving from the aim, the paper envisages answering to the following research questions:

- What are the key challenges to the CCI sector development in Georgia?
- What were the development phases of the Estonian CCI model since accession to the EU?
- What measures have to be taken in order to adapt the Estonian CCI model to the Georgian system?

At the final stage, as a novelty of the article, there has been issued recommendations based on the Estonian experience and best practice for further development and better organization of the CCI sector in Georgia.

Main Findings

The first research question envisaged examining the CCI sector of Georgia and defining the key challenges that stand in the way of development of the sector. Even though the EU Culture Programme within EaP conducted in 2015-2018, has brought a lot of expertise and consultation to the country, there were certain weaknesses identified regarding it. Throughout the research there are acknowledged main direct as well as indirect benefits of the Programme. Direct impacts include awareness raising for different levels of society due to the EaP forum in 2015, reports on the specific CCIs, like Performing arts presented in the document by Julia Popovici (Popovici, 2017), reports on CCI sector's development issues, namely Christina Farinha analysis on CCI development in Georgia (Farinha, 2017), reports on mapping matters focusing on the Intangible elements (Ghilardi, 2017), reports on statistics including UNESCO Culture for Development Indicators elaborated as well as Georgian Economic Team Georgia in cooperation with ISET Policy Institute, both elaborated in 2017, etc. In addition, the main indirect outcomes of the Programme include: Culture Strategy 2025, LEPL Creative Georgia, etc.

The challenges to the Georgian system of CCI sector in relevance to the above-mentioned information have to be discussed. As a result, the reports elaborated within the EaP are very helpful to the sector, however, they are fragmented, which means that some are focused on specific fields of the sector, like performing arts or the crafts sectors. Therefore, they do not provide full and complete information regarding the whole system. In

¹⁷ Estonian population – 1,327,082; Georgian Population – 3,984,488 (Worldometer: Live, Worldometer website);

¹⁸ Estonia has been dominated by foreign powers through much of its history. In 1940 it was incorporated into the U.S.S.R. as one of its constituent republics. Estonia remained a Soviet republic until 1991, when, along with the other Baltic states, it declared its independence (Estonia, Britannica, Britannica website);

An independent Georgian state existed from 1918 to 1921, when it was incorporated into the Soviet Union. In 1936 Georgia became a constituent (union) republic and continued as such until the collapse of the Soviet Union. ...One of the most independence-minded republics, Georgia declared sovereignty on November 19, 1989, and independence on April 9, 1991 (Georgia, Britannica, Britannica website);

¹⁹ Estonian GDP per capita 2003 – 7,206.17 USD (Data Commons website);

²⁰ EU member country: since 1 May 2004 (European Union website);

²¹ Georgian GDP per capita 2019 – 4,697.70 USD (World Bank website).

addition, the documents tend to be more general without full understanding of the local situation. This problem is conditioned due to lack of involvement of the local professionals in the process of document elaboration. Furthermore, the document of Culture Strategy 2025 being elaborated based on the 2005 UNESCO Convention, is not well structured and it complicates its implementation as well. There is a necessity for each CCI field to have a strategy first. According to most of the experts, the Culture Strategy 2025 is not being implemented accordingly to its goals and objectives.

Another important gap lies within the statistics. Even though there has been elaborated the above-mentioned documents to provide statistical data, they are fragmented and do not present the full picture. In this regard, the Georgian Economic Team Georgia in cooperation with the ISET Policy Institute report states "... the measurable creative industries – 7 out of 11 industries...". These words speak for themselves. In addition, there are activities being conducted, which would drop under the Creative economy of the country. However, they are not counted and it is not possible to elaborate on the precise and correct data in terms of evaluating the direct or indirect impact of the CCI sector.

There were revealed and distinguished issues of prioritisation of the sector by the Government and funding related to the CCI sector development. As it comes out, creative economy has not been much of a priority field for the Government, which is reflected in partial or non-implementation of the policy documents; not taking into account recommendations of Cultural professionals' on policy documents, like the Culture Strategy 2025, on the 2005 UNESCO Convention implementation issues; not having competent field professionals or groups of professionals in the ministries familiar with the CCI sector issues, like periodic report elaboration; Scarce funding issued for the sector development, including funding for the LEPL Creative Georgia and the Creative Europe Programme co-funding scheme; Prioritising certain Industries, like Fashion and Film within Enterprise Georgia.

Moreover, there are awareness raising issues among the CCI Sector representatives, who lack understanding of the relations between the two systems – Economy and Culture. The commercialisation of Arts and Culture is unacceptable for the industry representatives, which is due to the lack of awareness on these matters as well as the Soviet mind-set.

The next topic that must be summarised here is the Estonian Model of CCI in order to respond to the second research question on development phases of the Estonian model. To start with, it is necessary to mention that Estonian experts note that the challenges to the sector tend to be more or less the same in most of the countries. As a result, it came out that the policy needs to be adapted to the CCI sector due to the following characteristics of the sector: Smaller size of the Creative businesses, individualism, fragmentation, project-based work type and remuneration, etc. Therefore, there is a need for policy amendment and adaptation to the jobs of the 21st century (Interview with Ragnar Siil).

To have a closer look at the development of the Estonian system, the first step was to raise awareness on the cultural and entrepreneurial relations, including its meaning, terminology. And the first target group for the awareness raising activities were the professionals involved in the CCI field in order to inform them about the concept of creative entrepreneurship. More importantly, the target groups included students and universities in the first place. The awareness raising envisaged such activities as the theatre play on different aspects of creative entrepreneurs, their biggest challenges, how to make teams, how to find a place, where to sell, etc. This activity was informational in addition to being entertaining and engaging for the students and lecturers. Furthermore, there were awareness raising activities for the policy making authorities, different ministries of the government. There were programmes and seminars, study visits held for the ministries as well as to the parliament in order to support the decision-making processes. More importantly, this kind of awareness raising activities are held on a continuous basis considering the fact that the representatives of different ministries and parliament change over time. In addition, there is a necessity for awareness raising among all relevant authorities deriving from the circumstance that there is no specific policy for the CCI sector considering that creative industries are rather horizontal subjects and they are included in different policy documents, like culture policy, entrepreneurial policy, innovation policy, etc.

In addition to the awareness raising issues, one of the primary activities was to identify the standpoint, thus, define the sector – conduct the mapping activities for obtaining full statistical data according to the Estonian CCI sector classification, which reflected the UK model as mentioned previously. In elaboration of the

Mapping document, different research institutions take part and various databases are considered. Mappings are conducted once in 4 years, so that the data is being updated on a regular basis.

Along with the above-mentioned activities, one of the important steps for beginning working on the CCI sector related issues was to establish a department in the Ministry of Culture responsible for the Creative Industries. Establishment of such a department encouraged and eased the process of gathering different ministries and government authorities to the roundtable for joint discussion and planning of activities for CCI sector development. Collaboration among different ministries is one of the main conditions for successful implementation of the planned activities. This was enabled with the effort of the Intermediary body implementing different entrepreneurship measures, the Enterprise Estonia. Initiative came from the Ministry of Culture and Enterprise Estonia held the role of interpretation of the message. In addition, the support of the Minister of Culture was immense for these communication processes and overall activities within the field. Therefore, the good will of government officials and their contribution towards each further step is extremely important.

Logically, the next topic should be the Development centre system, which is very much related to Estonia and it does not exist in every country in the EU (Interview with Eva Leemet). Almost all sub-sectors have their own development institutions. The Development Centre's programme was launched in 2009 and still works successfully. The centres are similar to the Associations and Unions in the Soviet period. However, centres have different structures. They are combining several stakeholders of the specific sector and focus on business and export development of the sector – "they run the professional development of the sector, they promote the sector, they organise training, they organise cluster activities, they organise reports, they organise service development... So, they are our, so they are the state parties for Creative Industries Development" [Interview with Ragnar Siil]. They are key contacts for the government or other organisations for the specific sector related issues. Therefore, the development centres are considered as Task Forces, the centres that work for each field separately and they are created by the key organisations of the sector. The process of establishing sector-specific competence centres was as follows: "There was a need of partners and organisations, who would accumulate all this knowledge we gained through the development programmes or international cooperation" [Interview with Anu-Maaja Pallok]. So, they started with existing organisations, examining their main goals and their willingness to develop some new competencies, their resources, including human resources, access to networks, international cooperation and so on (Interview with Anu-Maaja Pallok). Therefore, they started cooperation with existing competence centres and new competence centres were established in the areas, where they did not exist. For example, the gaming industry – a new organisation was established (Interview with Anu-Maaja Pallok). As a result, there are Incubators, Competence centres, Regional development centres – they all have different functions.

Conclusion

As a result of the study, there have been identified certain implications regarding the Georgian CCI system. The main reason for the deficient development of the CCI is the fact that the sector is not a priority for the Georgian government. There is no political will to acknowledge the sector and, therefore, there is no knowledge/awareness/understanding of it. As a result, the government does not take recommendations on the policy issues from the experts of the field and furthermore, the actions on the policy papers are not being taken appropriately. This issue can be considered as one of the 'misfits' that prevents approximation of Georgian policies, processes to the EU's and in this case, Estonian standard of the CCI field. Nevertheless, there were identified other important matters/'misfits' that prevent the sector from developing, which mainly lay down the representatives of the Cultural and Creative Industries themselves, who are not willing to grow, cooperate and just, do business. Thus, the characteristics of the sector create a rather big challenge as well. Issues related to policy implementation are major, however, not the only one.

Secondly, within the study of the Estonian Model, there has been observed the fact that it relates to the "Growth model" presented in the Theoretical framework based on the work of Potts and Cunningham in 2008. The growth model implies that the CCI sector has a positive impact on the country's economy, which was confirmed by the analysis of the Estonian expert interview and provided statistical data. In addition to the benefits, the Growth model also encompasses the fact that creative industries should be treated as a "special sector" (Potts, Cunningham, 2008). "Model 3 thus argues that the creative industries are good for the economy

because they introduce and process the new ideas that drive economic growth” [Potts, Cunningham, 2008]. Therefore, in case the Georgian CCI system is amended on the basis of the Estonian CCI model development, then the sector contribution to the economy of the country will increase. In addition, as another circumstance of considering certain recommendations for specific activities, the spillover effects of the sector will be escalated. As a result of networking and cross-sectorial cooperation, the knowledge and industry spillover effects will enhance. However, the positive effect is immensely dependent on the relevant adaptational measures taken by the Georgian side.

Finally, adaptation of the Estonian CCI model will enhance relations between Georgia and the EU, hence, facilitate the country’s Europeanisation process. While discussing the theory of Europeanisation, there were described characteristics of the notion. As a result of the study, The EU conditions direct mechanism of Socialisation through its EaP Culture Programmes. In order to convince and persuade Georgia of the importance of the CCI sector, the EU provides specific programmes, which greatly support Georgian CCI sector basis and development. And according to Schimmelfennig (2012), the mechanism of Socialisation works better “...if the external actors are in a novel and uncertain environment...” – The given situation was familiar for Georgia before implementation of the Culture Programme II between the years of 2015-2018. On the other hand, in my opinion, the two indirect mechanisms of Europeanisation – Externalisation and Imitation also take place, however, as the study shows and as it is discussed above, not on all levels of society. The Europeanisation in the CCI field is also fragmented as the sector itself.

Furthermore, The Europeanisation “...necessitate some adjustments on the domestic level of the member states so that states can be in compliance with EU norms, rules, and procedures” [Risse et al., 2001]. Then the concept of “Goodness of fit”, which measures the compliance of policies between the EU and the member states encompasses that – “The lower the compatibility between European and domestic processes, policies, and institutions, the higher the adaptational pressure” [Börzel, Risse, 2003]. As it was observed within this study, there are certain ‘misfits’ between the Estonian and Georgian models of the CCI. Therefore, the support provided by the EU and Estonia in the field of Cultural and Creative industries is significant. Moreover, when the culture and the CCI sector are at the core of the EU, UNESCO values and cover most of the UN Sustainable Development goals.

As Mrs. Eva Leemet noted, collaboration in the sector is one of the drivers for the Europeanisation process: “As these are so-called friendly countries to Estonia and we are happy to help them to reach European level and get members of the EU. As we once did and now we see that now it’s our turn to help establish better” [Interview with Eva Leemet]. In case the measures are put in place for heightening the compatibility between the European and domestic processes, policies and institutions (Börzel, Risse, 2003), the opportunities for Georgia increase and the recommendations provided above will support the country on the way to updating its standards to the European through Creative Economy – Culture and Creative Industries’ sector development. Hence, the process is directed to and will result in deepening relations with the EU.

Recommendations

In conclusion, there is a necessity to provide recommendations to the adaptation of the Estonian CCI model to the Georgian system and therefore, answer the third research question. As a matter of fact, the Georgian system of the field lacks structure and the measures taken by the government, separate organisations or activities implemented within the EU conducted programmes are fragmented.

The recommendations include:

- Establish an inter-agency cooperation council that focuses on the CCI development issues and hold working meetings on CCI related matters on a regular basis. The council should actively cooperate and engage with the sector-specific NGOs, creative businesses, creative people, individual professionals of the field, etc.;
- Establishing regular awareness raising activities on the government level, including providing programmes and seminars conducted by the outsider CCI development organisation to different ministries and parliament on the Creative Economy – Culture and Creative Industries and their importance for the country’s economy;
- Engaging local cultural professionals in the CCI policy elaboration as well as their implementation;
- Supporting awareness raising activities among the main target group of students and universities with

different activities, like informational seminars by relevant organisations of the field, theatre play on creative entrepreneurship, etc. (The Entrepreneurial courses on Bachelor and Masters levels were elaborated in the Academy of Arts by the Creative Georgia in collaboration with the British Council, however, the awareness raising on the importance of Entrepreneurial skills is not sufficient among students and lecturers);

- Most importantly providing support to the elaboration of the ground statistical data for all CCI sectors and its sub-sectors according to the Georgian Creative Industries Classification in consideration of the spillover effects of the sector (The actions have been taken by the Creative Georgia within the project “Creative Twist” with the support of the International Fund for Cultural Diversity (IFCD));

- Ensuring inclusion of the sector in development policies of different ministries in order to encourage cooperation and joint planning on the CCI issues;

- Directing and allocating grants by different ministries and LEPLs for organisations willing to implement sector development projects, like incubations, entrepreneurial skills training, export support, etc.

- Encouraging key organisations of each sector for establishing sector-specific Competence/Development Centres (If the money will be allocated for CCI development projects by ministries or other relevant organisations, then the motivation of establishing such centres will increase);

- Encouraging existing organisations to gain international funding via applying to the international calls provided by the EU and UNESCO;

- Enhancing cross-sectorial cooperation via creating platforms for different field representatives (maybe starting with Students again). For example, the workshops that intend to develop business ideas together under the supervision of a mentor for networking purposes between different business sectors.

In conclusion, a rather holistic approach is required to the issues related to CCI sector development in order to fulfil the ‘misfits’ in the Georgian system.

References

- Association Agreement, Articles 1, 362, 365, Official Journal of the European Union, L 261, Volume 57, 2014.
- Börzel, T., Risse, T., *Conceptualizing the Domestic Impact of Europe, The Politics of Europeanisation*, Oxford, 2003.
- British Council, EU-Eastern Partnership Culture and Creativity Programme. Available at <https://www.britishcouncil.ge/en/programmes/arts/eu-eap-culture-and-creativity>
- Creative Europe, About. Available at https://ec.europa.eu/programmes/creative-europe/about_en
- Creative Georgia, About us – our team. Available at <http://creativegeorgia.ge/About/chveni-gundi.aspx>
- Data Commons, Estonia. Overview. Available at <https://datacommons.org/place/country/EST>
- David Parrish, About David Parrish. Available at <https://www.davidparrish.com/david-parrish-2/>
- DCMS, About us. Available at <https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport/about>
- DCMS, What the Department for Digital, Culture, Media & Sport does. Available at [https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport#:~:text=The%20Department%20for%20Digital%2C%20Culture%2C%20Media%20%26%20Sport%20\(DCMS,a%20fantastic%20place%20to%20visit](https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport#:~:text=The%20Department%20for%20Digital%2C%20Culture%2C%20Media%20%26%20Sport%20(DCMS,a%20fantastic%20place%20to%20visit)
- EU neighbours, Eastern Partnership Culture Programme. Available at <https://www.euneighbours.eu/en/east/stay-informed/projects/eastern-partnership-culture-programme>
- European Commission, Cultural and Creative Sectors. Available at <https://ec.europa.eu/culture/sectors/cultural-and-creative-sectors>
- European External Action Service (EEAS), Culture – Towards an EU strategy for International Cultural Relations, 2017. Available at https://eeas.europa.eu/topics/culture/18306/culture-towards-eu-strategy-international-cultural-relations_en
- European Union External Action Service, Eastern Partnership Initiative (EaP), 2016. Available at https://eeas.europa.eu/diplomatic-network/eastern-partnership/419/eastern-partnership_en
- Farinha, C., *Developing Cultural and Creative Industries in Georgia, EU-EaP Culture and Creativity*, 2017.

- Ghilardi, L., MAKING THE MOST OF CULTURAL AND CREATIVE RESOURCES, The Mapping and Strategy Building Handbook for Creative Towns and Regions, EU-EaP Culture and Creativity, 2017.
- Graziano, P. R., Vink, M. P., Europeanization: Concept, Theory, and Methods, Chapter 2, pp. 32-54, 2013.
- Howe, G. M., Georgia, Britannica. Available at <https://www.britannica.com/place/Georgia>
- John Howkins, About. Available at <https://johnhowkins.com/#biographylink>
- Köörna, A. A., Estonia, Britannica. Available at <https://www.britannica.com/place/Estonia>
- Ladrech, R. L., Europeanization of Domestic Politics and Institutions: The case of France, Journal of Common Market Studies, Basil Blackwell Ltd, Oxford, Cambridge, USA, 1994.
- Lassur, S., Tafel-Viia, K., Viia, A., Mapping creative industries in Estonia, Latvia and Lithuania, 2010.
- Loov Eesti, Creative Estonia. Available at <https://www.looveesti.ee/en/creative-estonia/>
- Ministry of Foreign Affairs of Georgia, Chronology of major events of EU-Georgia Cooperation, Available at <https://mfa.gov.ge/%E1%83%94%E1%83%95%E1%83%A0%E1%83%9D%E1%83%9E%E1%83%A3%E1%83%9A%E1%83%98-%E1%83%93%E1%83%90-%E1%83%94%E1%83%95%E1%83%A0%E1%83%9D-%E1%83%90%E1%83%A2%E1%83%9A%E1%83%90%E1%83%9C%E1%83%A2%E1%83%98%E1%83%99%E1%83%A3%E1%83%A0%E1%83%98-%E1%83%98%E1%83%9C%E1%83%A2%E1%83%94%E1%83%92%E1%83%A0%E1%83%90%E1%83%AA%E1%83%98%E1%83%90/%E1%83%A1%E1%83%90%E1%83%A5%E1%83%90%E1%83%A0%E1%83%97%E1%83%95%E1%83%94%E1%83%9A%E1%83%9D-%E1%83%94%E1%83%95%E1%83%A0%E1%83%9D%E1%83%99%E1%83%90%E1%83%95%E1%83%A8%E1%83%98%E1%83%A0%E1%83%98.aspx>
- Ministry of Foreign Affairs of Georgia, EU-Georgia Association Agreement fully enters into force, 2016. Available at [https://mfa.gov.ge/News/EU-Georgia-Association-Agreement-fully-enters-into.aspx?CatID=5&lang=en-US#:~:text=The%20Association%20Agreement%20aims%20to,Free%20Trade%20Area%20\(DCFTA\).&text=This%20will%20facilitate%20Georgia's%20progressive%20integration%20with%20the%20EU%20single%20market](https://mfa.gov.ge/News/EU-Georgia-Association-Agreement-fully-enters-into.aspx?CatID=5&lang=en-US#:~:text=The%20Association%20Agreement%20aims%20to,Free%20Trade%20Area%20(DCFTA).&text=This%20will%20facilitate%20Georgia's%20progressive%20integration%20with%20the%20EU%20single%20market)
- Official Journal of the European Union, REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Creative Europe programme (2021 to 2027), 2013. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1295>
- Popovici, I., Developing performing Arts Sector in Georgia, EU-EaP Culture and Creativity, 2017.
- Potts, J.P., Cunningham, S. C., Four Models of the Creative Industries, International Journal of Cultural Policy, 2008.
- Radaelli, C. M., The Europeanization of Public Policy, The policy of Europeanization, pp. 27-56, 2003.
- Regional Monitoring and Capacity Building, "Eastern Partnership Culture Programme 2011-2014", 2014.
- Republic of Estonia Ministry of Culture, Creative Economy, 2020. Available at <https://www.kul.ee/en/arts-and-creative-economy/creative-economy>
- Republic of Estonia Ministry of Foreign Affairs, Creative Industries in Estonia, 2018. Available at <https://vm.ee/en/node/9875>
- Risse, T., Cowles, M. G., Caporaso, J., Europeanization and Domestic Change: Introduction, Chapter one, 2019.
- Schimmelfennig, F., EU external governance and Europeanisation beyond the EU, 2012.
- The World Bank, Georgia. Available at <https://datatopics.worldbank.org/world-development-indicators/>
- Tom Fleming Creative Consultancy (TFCC), Cultural and Creative Spillovers in Europe: Report on a preliminary evidence review, 2015.
- UNCTAD, About UNCTAD. Available at <https://unctad.org/about>
- UNESCO Diversity of Cultural Expressions, The IFCD and the United Nations SDGs. Available at <https://en.unesco.org/creativity/ifcd/what-is/sdgs#:~:text=The%20United%20Nations%202030%20Agenda,growth%20and%20fostering%20social%20inclusion>
- UNESCO Diversity of Cultural Expressions, What is the IFCD?. Available at <https://en.unesco.org/creativity/ifcd/what-is>
- UNESCO, Realising the growing potential of cultural and creative industries (CCI), periodic report Estonia, 2012. Available at <https://en.unesco.org/creativity/policy-monitoring-platform/realising-growing-potential>
- UNESCO, UNESCO in Brief – Mission and Mandate. Available at <https://en.unesco.org/about-us/introducing-unesco>
- Weber, K., Durate, T., CCI Policies on European Level, 2020.
- WIPO, Inside WIPO. Available at <https://www.wipo.int/about-wipo/en/#:~:text=WIPO%20is%20the%20global%20>

forum,Nations%2C%20with%20193%20member%20states.&text=Our%20mandate%2C%20governing%20bodies%20and,which%20established%20WIPO%20in%201967

WIPO, Paris Convention for the Protection of Industrial Property. Available at <https://www.wipo.int/treaties/en/ip/paris/#:~:text=The%20Paris%20Convention%2C%20adopted%20in,the%20repression%20of%20unfair%20competition>

Worldometers, Population. Available at <https://www.worldometers.info/population/>

WTO, Intellectual Property. Available at [https://www.wto.org/english/tratop_e/trips_e/trips_e.htm#:~:text=The%20WTO%20Agreement%20on%20Trade,on%20intellectual%20property%20\(IP\).&text=The%20Agreement%20is%20a%20legal,for%20a%20balanced%20IP%20system](https://www.wto.org/english/tratop_e/trips_e/trips_e.htm#:~:text=The%20WTO%20Agreement%20on%20Trade,on%20intellectual%20property%20(IP).&text=The%20Agreement%20is%20a%20legal,for%20a%20balanced%20IP%20system)