

**“Policies for Cultural Creative Industries: the hub for innovative regional development” (CRE:HUB)**

# State of the Art of the CCI Sector in Latvia

Riga 2017

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## 1. Key statistics about Latvia

### a. General information

Latvia is one of the three Baltic States, located in the Northern Europe. It borders with Lithuania, Estonia, Russia and Belorussia. Latvia's territory consists of four historical regions: Kurzeme, Zemgale, Latgale and Vidzeme. The population of Latvia is nearly two million – 1 968 957 (2016) and total area covers 64 573 km<sup>2</sup> that makes one of the lowest density in the European Union (EU) – 30.49 (inhabitants/ km<sup>2</sup>). Latvia is a small, open economy with close links to trading partners in the Baltic Sea region. Due to its geographical location, transit services are highly-developed, along with timber and wood-processing, agriculture and food products as well as manufacturing of machinery and electronics industries.

The registered unemployment rate, which was the highest during the economic and financial crisis (2008-2010) continues to decrease. In 2016, the unemployment rate decreased by almost half – reaching approx. 9.6% on country average. However, it still exceeds the EU average level – 8.2%. At the same time, the labour market is tightening due to net emigration and negative natural growth (Central Statistical Bureau, 2016).



Source: Google maps (created by author, 09.01.2017)

According to the latest report [Economic Development of Latvia \(June 2016\)](#) elaborated by the Ministry of Economics of Latvia, the highest economic growth was observed in 2011 when GDP grew by 6.2% on average after the economic recession in Latvia has stopped. During the last year grew of GDP was 2.8% on average (see Table 1).

**Table 1.** GDP in Latvia (EUR, at current prices)

	2010	2011	2012	2013	2014	2015	2016
<b>Total, thsd</b>	17 937 881	20 302 761	21 885 613	22 786 508	23 631 154	24 368 269	25 018 230
<b>Per capita</b>	8 553	9 845	10 743	11 315	11 838	12 324	12 760
<b>Per person employed</b>	21 266	23 673	25 153	25 628	26 930	27 422	28 194
<b>Economic growth (GDP, %)</b>	-3.8	6.2	4.0	3.0	2.4	2.7	2.8

Source: Central Statistical Bureau of Latvia (2016), Ministry of Economics of the Republic of Latvia (2016)

Latvia is located in the centre of the Baltic Sea region and has well-developed infrastructure – it has three major international sea ports, the largest airport in the Baltic States, railway connecting East and West, and North and South (the development of the railway infrastructure project Rail Baltic is in the process), roads and oil & gas pipeline systems, and largest naturally developed underground gas depository in the region.<sup>1</sup> Those benefits can foster the development of CCI in Latvia and increase internationalization of the industry.

It should be also pointed that the main concentration of employment and business opportunities, communication and transportation infrastructure, skills workforce, culture activities are available in the capital city Riga and, in the last years, Riga Region. It accounts for almost 60% of Latvia's GDP, and has a more urbanized economy than the rest of the country.<sup>2</sup>

## b. CCI definition

Culture and creative industry (CCI) in Latvia has been introduced based on the United Kingdom's experience and recognised as potential for economic development. In 2005, the Ministry of Culture of Latvia in collaboration with the support of the British Council started the process of guidelines development. As a result, the CCI definition for the first time was included in the political document – the Guidelines for the State Cultural Policy of Latvia for 2006 – 2015. The definition was reviewed again during the development of the Information Report on creative industries and their policy in 2008, and in the process of elaborating “Creative Latvia 2014-2020” cultural policy guidelines. The policy document includes the following CCI definition [Creative industries involve] “activities, based on individual and collective creativity, skills and talents, which by way of generating and utilizing intellectual property, are able to increase welfare and create jobs. Creative industries generate, develop, produce, utilize, display, disseminate, and preserve products of economic, cultural and/or recreational value”<sup>3 4</sup>, which is also used within this study. Later, the CCI definition appears in other documents of national importance, such as the Latvian National Development Plan 2007-2013 and various research reports, where the latest and one of the most extended is „The Performance of the Creative Industries Sector of Latvia and Preconditions for its

<sup>1</sup> European Commission (2016), *Country Report Latvia 2016*, Brussels, 26.2.2016 SWD(2016) 82 final. Available at: [http://ec.europa.eu/europe2020/pdf/csr2016/cr2016\\_latvia\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_latvia_en.pdf)

<sup>2</sup> Rozentale, I. (2014), „Creative industries during economic recession: the case of Riga,” *Regional Studies, Regional Science*, Vol.1, Issue 1. Available at: <http://www.tandfonline.com/doi/full/10.1080/21681376.2014.981578>

<sup>3</sup> Estonian Ministry of Culture, British Council, et al (2011), *Creative Industries in Estonia, Latvia and Lithuania 2011*

<sup>4</sup> Kultūras ministrija, Radošās industrijas [Creative Industries]. Available at: [http://www.km.gov.lv/lv/starptozares/radosas\\_industrijas.html](http://www.km.gov.lv/lv/starptozares/radosas_industrijas.html)

Targeted Development” carried out in 2013.<sup>5</sup> In the Table below (Table 2) officially recognized sectors of CCI in Latvia are provided.

**Table 2.** The CCI sectors in Latvia

Architecture
Design
Cinematography
Performing arts (theatre, dance, festivals)
Visual arts
Music (interpreting, composing, producing, publishing, musical, instruments, festivals, etc.)
Publishing (books, periodicals, newspapers, etc.)
Advertising
TV, radio & interactive media
Computer games & interactive software
Cultural heritage
Cultural education
Recreation, entertainment & other cultural activities

Source: Ministry of Culture of the Republic of Latvia (2016), *More about creative industries*. Available at: <https://www.km.gov.lv/en/culture/creative-industries/more-about-creative-industries>

Based on the scope of activities of the Ministry of Culture of Latvia and other CCI related institutions and initiatives as well as economic indicators, **architecture, design, ICT sector, advertising, audiovisuals** and **crafts**, are recognized as the most important sectors of Latvia. Architecture and design are those fields that integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design or advertising and other.

Elaborating this research study, the problem related to the unavailability of precise and appropriate data to perform detailed CCI analysis was faced. The problem has been discussed also in the previous studies and described in the national guidelines of cultural policy, which resulted in some improvements. However, there is still a number of CCI sectors where data on the economic performance and other quantitative indicators (specifically data on export) are still fragmented, non-comparable or not available at all due to the regulatory framework of national statistical office, data confidentiality, limited NACE classification and other reasons.<sup>6</sup>

The most of publicly available data about the economic activities at the Central Statistical Bureau of Latvia (CSB) are not sufficiently detailed and precise to identify only enterprises of CCI and to gain an insight (idea) about development of CCI. The number of enterprises are only data provided according to NACE (rev.2) 4-digit codes by CSB, the rest of information (employment, trade, etc.)

<sup>5</sup> SIA „Baltijas Konsultācijas” un SIA „Konsorts” (2013), *Latvijas radošo industriju darbība un priekšnoteikumi nozares mērķtiecīgai attīstībai* (Valsts kancelejas pasūtījuma), Rīga: Valsts kanceleja.

<sup>6</sup> BICEPS (2007), *Latvijas radošo industriju apskats. Definīcija, statistika, ekonomika un savstarpējās saiknes* (Kultūras ministrijas pasūtījums), Rīga: LR KM. Available at: <https://culturelablv.files.wordpress.com/2009/04/ri-apskats2007.pdf>

is given according to 2-digit codes. Therefore, it only reflects situation in particular sectors (where subsectors can be directly classified as the CCI), however it does not describe the entire industry.

Besides, not all CCI activities are listed according to the NACE codes. Enterprises of certain sectors, which could be classified as creative industries, are included in the broader sectors of the NACE classification and not categorised by its creative components. As well as, many CCI businesses are classified within the group of “other activities”.<sup>7</sup>

At the moment, the most extended analysis on the CCI enterprises and employment were performed in the study „The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development” (2013) based on the identified 87 activities (37 of them represents CCI and 50 – not directly related to the industry, those are sectors which are not considered as representatives of CCI, but creative industries produce or may produce a significant added value for them) after reviewing the experiences of Baltic States and Germany as well as previous research studies in Latvia.<sup>8</sup>

In this study, the analysis of statistical data about enterprises and employment were performed based on the requested information from the CSB which was classified according to selected 56 codes (see Annex 1) from the classification of economic activities (NACE rev.2), as a result of compilation of the NACE codes identified within the study from 2013 and the group of codes published by the Ministry of Culture.<sup>9</sup>

**Table 3.** Economic activities identified within the study (NACE rev.2)

No.	NACE Code	Activity (NACE rev.2)
1	1392	Manufacture of made-up textile articles, except apparel
2	1411	Manufacture of leather clothes
3	1412	Manufacture of workwear
4	1413	Manufacture of other outerwear
5	1414	Manufacture of underwear
6	1419	Manufacture of other wearing apparel and accessories
7	1420	Manufacture of articles of fur
8	1431	Manufacture of knitted and crocheted hosiery
9	1439	Manufacture of other knitted and crocheted apparel
10	1520	Manufacture of footwear
11	1811	Printing of newspapers
12	1812	Other printing

<sup>7</sup>Conclusions were made based on the discussions with CCI experts who participated in the CRE:HUB seminars in Riga 06/01/2017 and 29/03/2017 as well as publication: Estonian Ministry of Culture, et al (2011), *Creative Industries in Estonia, Latvia and Lithuania 2011*

<sup>8</sup> SIA „Baltijas Konsultācijas” un SIA „Konsorts” (2013), *Latvijas radošo industriju darbība un priekšnoteikumi nozares mērķtiecīgai attīstībai* (Valsts kancelejas pasūtījuma), Rīga: Valsts kanceleja.

<sup>9</sup> Kultūras ministrija, Kultūras un radošās industrijas, statistika.. Available at: <http://oldweb.km.lv/lv/starpnozares/radosa/statistika.html>



13	1820	Reproduction of recorded media
14	3101	Manufacture of office and shop furniture
15	3102	Manufacture of kitchen furniture
16	3109	Manufacture of other furniture
17	3211	Striking of coins
18	3212	Manufacture of jewellery and related articles
19	3213	Manufacture of imitation jewellery and related articles
20	3220	Manufacture of musical instruments
21	3240	Manufacture of games and toys
22	4761	Retail sale of books in specialised stores
23	4763	Retail sale of music and video recordings in specialised stores
24	4765	Retail sale of games and toys in specialised stores
25	5811	Book publishing
26	5813	Publishing of newspapers
27	5814	Publishing of journals and periodicals
28	5819	Other publishing activities
29	5821	Publishing of computer games
30	5829	Other software publishing
31	5911	Motion picture, video and television programme production activities
32	5912	Motion picture, video and television programme post-production activities
33	5913	Motion picture, video and television programme distribution activities
34	5914	Motion picture projection activities
35	5920	Sound recording and music publishing activities
36	6010	Radio broadcasting
37	6020	Television programming and broadcasting activities
38	6201	Computer programming activities
39	6312	Web portals
40	6391	News agency activities
41	7021	Public relations and communication activities
42	7111	Architectural activities
43	7311	Advertising agencies
44	7312	Media representation
45	7410	Specialised design activities
46	7420	Photographic activities
47	8552	Cultural education
48	9001	Performing arts
49	9002	Support activities to performing arts
50	9003	Artistic creation
51	9004	Operation of arts facilities
52	9101	Library and archives activities
53	9102	Museum activities
54	9103	Operation of historical sites and buildings and similar visitor attractions
55	9321	Activities of amusement parks and theme parks
56	9329	Other amusement and recreation activities

## 2. Characteristics of CCI of Latvia

Despite fact that the concept of CCI industry in Latvia is relatively new, it has significantly developed during the last 10 years – it is important both as an economic sector and as a source of employment, but development of the industries is linked to issues of national identity, language, unique export offerings & the potential for marketing Latvia abroad.

First discussion about “creative industries” has started at the beginning of 2000 when the role of culture in economic development were analysed. Since that a number of studies related to the creative industries were conducted. One of the most significant steps was marked in 2005, when potential of the CCI was recognised as important for the future development of the country and for the first time described in the national-level policy documents (described in the sector 1.b.). Currently, CCI are reflected in the most important policy documents & strategies of Latvia (more detailed information provided in the section 5).

Latvia is characterised as a land with rich and cultivated cultural heritage, vital and diverse cultural life, creative people, competitive creative industries and upward quality of life for everyone.<sup>10</sup> Development of the creative industries is linked to issues of national identity, language, unique export offerings & the potential for marketing Latvia abroad.

Every year, a wide spectrum of national and international cultural events is organised across all Latvia. Currently, one of the remarkable events in the history of Latvia is taking place. In 2018, the Republic of Latvia celebrates a hundred years since it became an independent state. In this regard, a 5-years long project “Latvia 100” with a budget nearly 60 million EUR was prepared. The celebration of anniversary continues from 2017 to 2021, when a large number of cultural events is planned. Latvia's official program of events includes more than 800 events in Latvia and all around the world.<sup>11</sup>

To provide information on all the events and activities, a digital platform Latvija 100 ([www.lv100.lv](http://www.lv100.lv)) has been developed where everyone is invited to add their own ideas, dedicated to Latvia and corresponding with the goals of the celebration.



Statistical data and successful business examples show that by joining creative ideas and business skills, successful entrepreneurship is currently being developed in the sector of CCI in Latvia.<sup>12</sup>

In Latvia, CCI are mainly dominated by micro and small enterprises. The enterprises are usually characterised by a small number of employees and low economic performance indicators.<sup>13</sup> In the

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<sup>10</sup> Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by the Cabinet Order No. 401 29 July 2014

<sup>11</sup> Lsm.lv (2016), *More than 800 events for 100th anniversary*. Available at: <http://lv100.lv/en/news/more-than-800-events-for-100th-anniversary/>

<sup>12</sup> Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by Cabinet Order No. 401 29 July 2014

<sup>13</sup> SIA „Baltijas Konsultācijas” un SIA „Konsorts” (2013), *Latvijas radošo industriju darbība un priekšnoteikumi nozares mērķtiecīgai attīstībai* (Valsts kancelejas pasūtījuma), Rīga: Valsts kanceleja.



period between 2010 and 2015, a number of medium and small enterprises decreased, while the number of micro companies (0–9 employed) increased by around 8%, (from 7 thous. to over 10 thous. enterprises) (for more details see Table 4).

**Table 4.** Economically active CCI enterprises by SME categories (2010-2015)

Categories of enterprises	2010	2011	2012	2013*	2014*	2015 (preliminary results) *
<b>Micro</b>	7 059	8 110	8 972	9 802	10 781	12 526
<b>Small</b>	613	623	637	618	507	515
<b>Medium</b>	139	144	140	118	119	113
<b>Large</b>	0	0	1	0	0	15
<b>None of the categories are applicable</b>				11	11	12

Source: data provided by the CSB

Note: Calculation of SMEs categories performed according to the criteria of the EC Regulation (EU) 651/2014, Annex I (micro-enterprise – employs fewer than 10 persons, annual turnover does not exceed EUR 2 mln.; small enterprise – employs fewer than 50 persons, annual turnover does not exceed EUR 10 mln.; medium-sized enterprise – employs fewer than 250 persons, annual turnover not exceeding EUR 50 mln.)

\*Revised European System of Accounts 2010 (ESA2010) methodology - SMEs category is not applicable (attributed) to non-market merchants

Starting from 2017 the number of micro enterprises (including CCI) may decrease due to the several amendments that came into force on 1 January 2017: the increase of micro enterprise tax from 9% to 15% (in the Law on Micro Enterprise Tax); besides, companies that are micro-enterprise tax payers have to pay now the minimal mandatory social insurance contribution for each of their employees (in the State Social Insurance Tax Law) – that from another side will provide better working conditions for employees of small CCI businesses.

Besides, in the light of development of digital technologies, the CCI companies are subjected to substantial changes. Due to the fragmented and small national markets, these companies are capable to introduce innovative business solutions.<sup>14</sup>

The opportunities of establishing micro-enterprises and various support instruments (start-up financial support programmes, incubators and other) forms beneficial circumstances to create CCI entrepreneurship (particularly small). Currently, the support for “young enterprises” is offered by:<sup>15</sup> [Latvian Investment and Development Agency \(LIAA\)](#); [LIAA Creative Incubator](#); [Finance institution “Altum”](#); [State Culture Capital Foundation](#); [Centre of New Entrepreneurs](#); [Stockholm School of Economics in Riga](#); [Mentor club](#); [Nordea Business School](#); [Crowdfunding Platform “Bank of Projects”](#); [Association “Connect Latvia”](#); [Information platform Labs of Latvia](#); [Grant program “Atspēriens”](#) and other.

As the capital city of Latvia and the biggest city in the country, Riga (including Riga region – *Pierīga*) locates majority of companies, work places, infrastructure as well as cultural events.

<sup>14</sup> Nacionālais kino centrs, Projekts “First Motion”. Available at: <http://nkc.gov.lv/aktualitates/projekts-first-motion/>

<sup>15</sup> Kultūras ministrija, Radošās industrijas, Iespēja. Available at: <https://www.km.gov.lv/lv/kultura/radosas-industrijas/iespejas>

Therefore, most of the CCI activities are concentrated in here. However, during the last years, other cities like Cēsis, Liepāja, Rēzekne, Kuldīga, etc. has been recognised with a considerable potential for development of CCI sectors.<sup>16</sup> As an example of the CCI activity outside of Riga, is an organisation of the annual conference of creative industry in Liepāja (since 2015) – “[Subject: Creativity](#)” which is taking place in the building of modern concert hall “Great Amber”.

Based on the data prepared by the CSB the number of CCI enterprises and employment were calculated for the time period 2010-2015. The results show that no significant changes occurred during this period – there was a slight, but constant increase in the number of CCI enterprises (share of enterprises increased from 6.9% in 2010 to 8.2% of total enterprises in Latvia in 2015) (see Table 5, Graph 1). The increase was also observed in the number of employed persons in the CCI sector (share of employed persons in creative industries increased from 5.8% in 2010 to 6.8% of the total employment in 2015) (see Table 5, Graph 2).

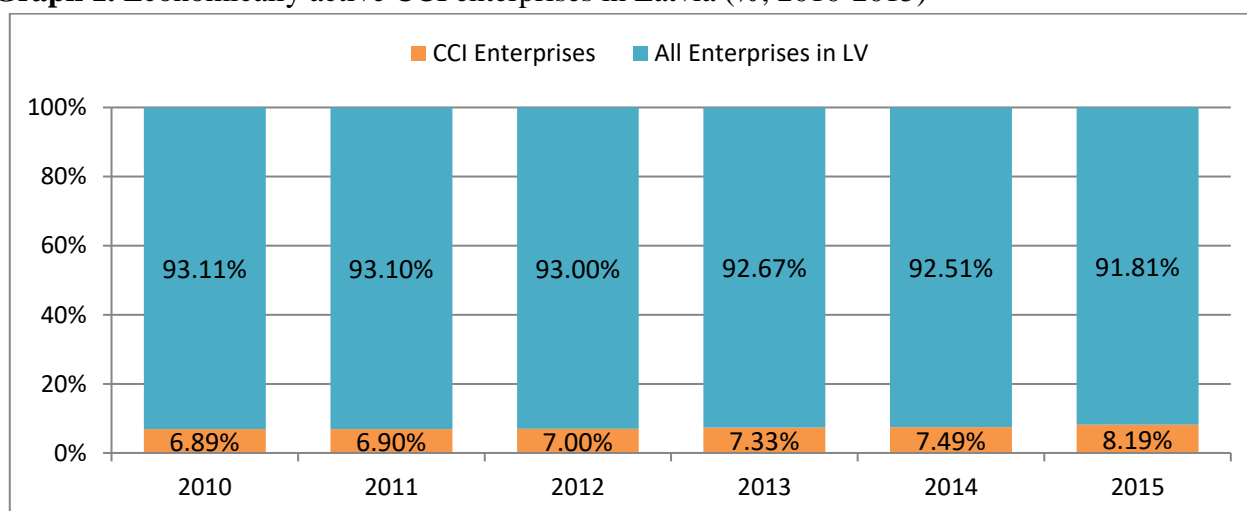
**Table 5.** Economically active CCI enterprises and average number of employed (thsd., 2010-2015)

	2010	2011	2012	2013	2014	2015*
<b>CCI Enterprises</b>	7,811	8,877	9,75	10,549	11,418	13,181
<b>All enterprises in LV</b>	113,318	128,586	139,198	143,891	152,444	160,998
<b>%</b>	6,89%	6,90%	7,00%	7,33%	7,49%	8,19%
<b>CCI Employment</b>	38,783	41,39	45,584	47,416	48,395	49,48
<b>Total Employment</b>	672,916	703,48	749,179	764,681	782,414	727,905
<b>%</b>	5,76%	5,88%	6,08%	6,20%	6,19%	6,80%

Source: Calculated based on the data provided by the CSB. Economically active enterprises comprise: commercial companies, individual enterprises, self-employed natural persons

\* 2015 – preliminary results

**Graph 1.** Economically active CCI enterprises in Latvia (% , 2010-2015)

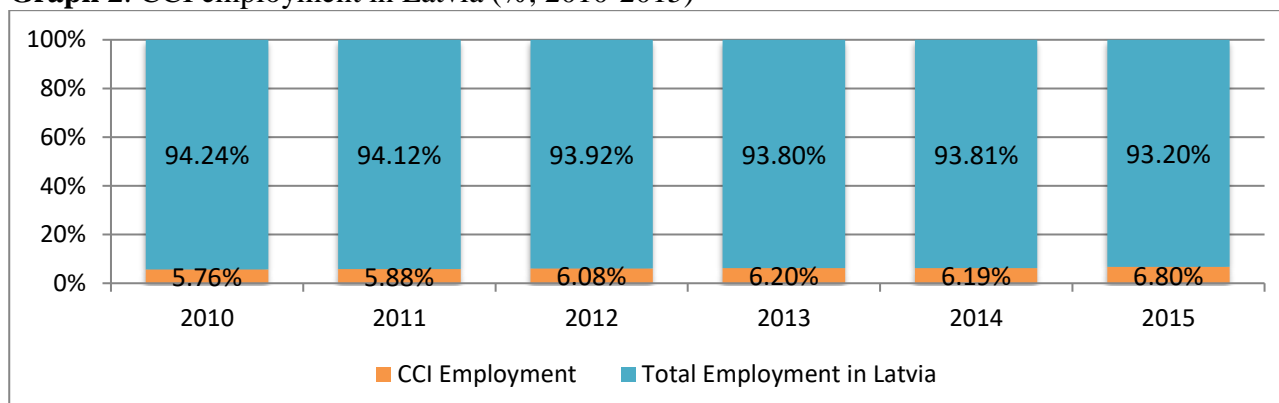


Source: Calculated based on the data provided by the CSB

\* 2015 – preliminary results

<sup>16</sup> Baltijas Konsultācijas Ltd and Konsorts Ltd (2013), *The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development*, Summary of the Study (performed within the State Chancellery administered project “Support for the Implementation of Structural Reforms in the Public Administration”)

**Graph 2. CCI employment in Latvia (% , 2010-2015)**



Source: Calculated based on the data provided by the CSB

\* 2015 – preliminary results

It is expected that the availability of skilled labour force in the upcoming years will be one of the most important development obstacles of the CCI sector, especially in the ICT sphere, project management, design and marketing, architecture and wood crafts.<sup>17</sup>

The highest number of total CCI enterprises during the time period 2010-2015 represents the following sectors: Advertising services (companies) (19.3% of total CCI enterprises), IT sector (12.4%), Manufacture of clothes and shoes (11.6%), Books and printed media (7.9%) and Architecture (7.5%) (see Table 6).

**Table 6. Total number of CCI enterprises by sectors (2010-2015)**

	No of Enterprises	% of the total number of CCI enterprises
Manufacture of clothes and shoes (fashion)	7 162	11.6
Design	2 096	3.4
Architecture	4 595	7.5
Furniture manufacturing	3 978	6.5
Crafts	2 647	4.3
IT	7 664	12.4
Advertising services (companies)	11 864	19.3
Media	2 855	4.6
Books and printed media	4 886	7.9
Films and video	1 482	2.4
Music	603	1.0
Performing arts	3 387	5.5
Heritage	190	0.3
Education and artistic creations	3 177	5.2
Amusement and recreation activities	5 000	8.1
	<b>61 586</b>	<b>100.00%</b>

Source: Calculated based on the data provided by the CSB

<sup>17</sup> Baltijas Konsultācijas Ltd and Konsorts Ltd (2013), *The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development*, Summary of the Study (performed within the State Chancellery administered project “Support for the Implementation of Structural Reforms in the Public Administration”).

As of general CCI turnover, it is around 1 billion EUR per year on average. The following activities are the largest contributors to the turnover: advertising agencies, computer programming, furniture manufacturing and architectural services - that makes 64% of the total annual CCI turnover.<sup>18</sup>

## Architecture

Architecture as the sector of creative industries focuses on the support of creativity in architecture as a factor promoting the development of economy and tourism in the urban environment.<sup>19</sup>

The architecture of Latvia is an integral part of the national identity and Northern European culture. It is characterised by high interior design culture and traditions.<sup>20</sup> The cultural and historic heritage of Latvian architecture spans many centuries, from authentic rural homesteads to unique samples of wooden architecture, to luxurious palaces and manors, churches and impressive Art Nouveau buildings.<sup>21</sup> Due to which the historic centre of Riga, Kuldīga town and other objects are included in the in the UNESCO World Heritage List.



Photo: The Latvian Institute, 2016. Liepāja region Tourism information centre, Andrejs Vasjkevičs

During the past few years, Latvia has become richer thanks to the new modern objects across Latvia (world-class acoustic regional concert halls in Cēsis, Rēzekne, Liepāja and Jūrmala, national library, etc.). One of the remarkable examples of Latvian modern architecture is the National

<sup>18</sup> Kultūras ministrija (2014), *Latvijas arhitektūras nozares statistiskais raksturojums*, pētījuma noslēguma ziņojums, īstenotājs SIA “Excolo Latvia”

<sup>19</sup> Latvian Architecture Policy Guidelines 2009 – 2015, approved by Cabinet Order No. 538 of 11 August 2009

<sup>20</sup> Ministry of Culture of the Republic of Latvia, Architecture. Available at: <https://www.km.gov.lv/en/culture/architecture>

<sup>21</sup> Investment and Development Agency of Latvia (LIAA) (2016 last upd), “Architecture,” *Latvia.travel*. Available at: <http://www.latvia.travel/en/article/architecture>

Library of Latvia “Castle of Light”, 13-level building constructed in the form of glass mountain. The project was built in 2014 in the context of the historical centre of Riga. It hosted the headquarters of the Latvian Presidency in the Council of the European Union in 2015. Another significant example is the Great Amber Concert Hall in the city of Liepāja. Great Amber is also a regional centre of culture and events, home to the Liepaja Symphony Orchestra, Liepaja Music, Art and Design High School. Since its opening in 2005 it has won several important awards (the European Concrete Award, the International Architecture Award as the best new architectural project, the “Architizer A+” award, and the Latvian Architecture Award, all in 2016).<sup>22</sup>

According to the information provided by the CSB within this study, 820 enterprises were operating in the field of architectural services (NACE code 7111) in 2014 which makes approx. 7% (11 418) of total number of CCI enterprises in Latvia, most of them are self-employed persons or micro enterprises. However, entire number of architectural enterprises is higher. Data of the Certification Centre of the Latvian Association of Architects shows that in 2014 in Latvia worked 846 certified architects.<sup>23</sup>

Architecture is one of the CCI sector with high export potential, however, it is prevented by few obstacles: weak management of the sector, lack of knowledge about the export market and the differences in the legislative requirements as well as lack of the targeted/necessary management resources.<sup>24</sup>

The main support instrument is the national level strategy the Architectural Strategy 2015 -2020,<sup>25</sup> elaborated in the context of Cultural Policy Guidelines 2014-2020, aims at creation of favourable conditions for development of new businesses, exporting of architectural products and services and support architectural education. The strategy foresees the drafting of a Law On Architecture and ensuring of the systematic participations of Latvian architecture in the International Architecture Exhibition of Venice Biennale (with the state support) and other significant international events of state significance.

One of the great successes of Latvia within the field of architecture and design is performance (exposition) [The Baltic Pavilion](#) at the La Biennale di Venezia 2016 in Italy. A group of architects from Latvia, Lithuania and Estonia went beyond the national representation and the traditions of the Architecture Biennale by applying as a joint project of Baltic States - All three countries had to win three separate national competitions to represent themselves in a single exhibition at the Biennale. The Baltic Pavilion presented the common issues: experiences by all three countries as they convert from Soviet to European infrastructure.<sup>26</sup>

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<sup>22</sup> The concert hall Great Amber. Available at: <http://www.greatamber.lv/en>

<sup>23</sup> Data based on the research study: Kultūras ministrija (2014), *Latvijas arhitektūras nozares statistisks raksturojums, pētījuma noslēguma ziņojums*, īstenotājs SIA “Excolo Latvia”

<sup>24</sup> Vavilovs, M. (2015), diskusija „Latvijas arhitektūras eksporta potenciāls: izaicinājumi un iespēja,” *Ir.lv*. Available at: <http://www.irlv.lv/2015/5/6/arhitekturas-potencials-slepjas-eksporta>

<sup>25</sup> Architectural Strategy 2015 -2020, approved by Minister of Culture of the Republic of Latvia on 22 November 2015.

<sup>26</sup> Story of the Baltic Pavilion success was presented by Niklavs Paegle at the Creative Industries Conference “Subject: Creativity” organised on 17 February 2017 at the Concert Hall “Greta Amber” in the city Liepāja





Photo: The Baltic Pavilion: Estonia, Latvia, Lithuania at the 15<sup>th</sup> International Architecture Exhibition – La Biennale di Venezia 2016, © Laurian Ghinitoiu; <http://www.archdaily.com/789829/inside-the-baltic-pavilion-at-the-2016-venice-biennale>

Among the main support institutions should be mentioned the National Council of Architecture that fosters collaboration among different actors in the field; Latvian Architects' Association; State Inspection for Heritage Protection, State Culture Capital Foundation as well as the Riga City Architect's Office.

Higher education possibilities in architecture are offered by several universities in Latvia (most of which located in Riga): Riga Technical University (Faculty of Architecture and Urban Planning); Latvia University of Agriculture (Landscape Architecture); University of Business, Arts and Technology RISEBA (Architecture) as well as University of Latvia, Faculty of Geography and Earth Sciences (Spatial Development Planning). Vocational and the first-level professional education in architecture is possible to acquire in Riga Building College (architectural assistant) and Liepaja's School of Design and Art.

## Design

Since Latvia regained its independence in 1990s, the design market has been renewed. The main characteristic of the market is a strong collaboration among designers, manufacturers and entrepreneurs. The main advantages of Latvian design are its unique historic background, its



capacity to combine history and tradition with contemporary challenges and its long-term industrial background.<sup>27 28</sup>

Understanding of design has changed significantly in the modern world (including Latvia in the recent years), where “Design” is seen as a traditional industry as well as a strategic development process, approach and method on how to identify problems and resolve thereto. Efficient use of design relates both to result and process, accentuating importance of the design thinking at all decision-making and management levels.<sup>29</sup>

Design is not only a creative process or final product, but it is also an instrument for introducing innovations and a way of thinking that is used strategically including economic, social, as well as sustainable development aspects. Design is closely correlating with the quality of life and social equality of inhabitants.<sup>30</sup>

Design in Latvia is one of the creative industries that have high export potential by interacting with CCI and traditional industries increases the value and competitiveness of products and services. The following industries in Latvia, where design is directly applicable, demonstrate economic development: textile (manufacturing of clothes) and light industry, the food industry, furniture industry, printing and publishing industry, the advertising business and others. The design work is also important for several unique initiatives undertaken by Latvian companies, such as ecological cosmetics, art wallpaper production, CatchBox microphones, jazz microphones and others.<sup>31</sup> The leading design sectors in Latvia are graphics, interior, advertising, furniture design, digital solutions, packing and environment.<sup>32</sup>

An important achievement within the sector in the recent years was marked - one of the lead design offices in Latvia “[H2E](#)” brought Latvian design into the international arena. The exposition “Information” of the “[Design Manifestation](#)” carried out by “H2E” has gained international recognition – the prestigious Red Dot Award in the category Spatial communication in 2016, SEGD international design award in 2016 and the top award, as well as A’Design Award (Italy).

The key non-governmental players of the design industry are the Latvian Designers’ Society (LDS) and the Design Information Centre which are responsible for promotion of professional growth and enhancement of creative capabilities on the basis of common interests through collaboration with different players. In 2013, the Latvian Design Council (s a consultative body of the Latvian Ministry of Culture) was established to facilitate cooperation between state and professional institutions in order to develop the sector and create a high quality cultural environment in Latvia.

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<sup>27</sup> Latvian Investment and Development Agency (LIAA) (2014), *Designed in Latvia*. Available at: [http://www.liaa.gov.lv/files/liaa/attachments/k\\_2014\\_designed\\_in\\_latvia.pdf](http://www.liaa.gov.lv/files/liaa/attachments/k_2014_designed_in_latvia.pdf)

<sup>28</sup> Baltijas Konsultācijas Ltd and Konsorts Ltd (2013), *The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development*, Summary of the Study

<sup>29</sup> Purviņa, Dz., Piņķe, A. et al (2017), *Latvijas dizains 2020* [Latvian design 2020], Rīga: Kultūras ministrija, Latvijas Mākslas Akadēmija

<sup>30</sup> Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by Cabinet Order No. 401 29 July 2014

<sup>31</sup> LIAA (2014), *Designed in Latvia*. Available at: [http://www.liaa.gov.lv/files/liaa/attachments/k\\_2014\\_designed\\_in\\_latvia.pdf](http://www.liaa.gov.lv/files/liaa/attachments/k_2014_designed_in_latvia.pdf)

<sup>32</sup> Information elaborated based on the: Purviņa, Dz., Piņķe, A. et al (2017); LIAA (2014) and [www.niid.lv](http://www.niid.lv)

In recognition of its growing role and influence, design was included in the State Cultural Guidelines for 2014-2020 as one of the creative industries. Later, a separate strategy Latvian Design Strategy 2020 was elaborated by the Design Council which states that Latvia should utilize its innovation potential of design as a strategic asset for economic growth, social well-being and national cultural identity. The areas of action are 1) fostering Latvian design quality and awareness raising; 2) integrating design into entrepreneurship; and 3) improving the framework conditions of the Latvian Design System.

Design has strong education traditions – there are several secondary schools and institutions of higher education<sup>33</sup> across Latvia, where it is possible to obtain design education from the different perspectives. Some of these institutions maintain research units such as design factories (e.g. RTU Design Factory), etc. Institutions of higher education: Art Academy of Latvia, Faculty of Design; Riga Technical University, Institute of Technology and Design of Textile Materials; University of Latvia; Baltic International Academy (Environment Design, Computer Design, Design); Latvia University of Agriculture; University of Liepaja, Art Research Lab; Rezekne Academy of Technology (Interior Design, Fashion Design and Technology).

Vocational schools: Design and Art School of Riga; Daugavpils College of Applied Art “Saule”; Liepaja’s School of Design and Art; Rezekne’s School of Art and Design; Janis Rozentals Riga Art High-school; Valmiera’s School of Art, Riga Art and Media School (prev. Riga School of Arts and Crafts), Riga technical school of tourism and creative industry, Ltd.; Ogre State Technical College, Mālpils Secondary Vocational School (Interior Design), etc.

## **Information and Communication Technology**

Information and Communication Technologies (ICT) are considered as an important tool for the support and development of the rest of creative industries’ sectors (including crafts). Using innovative IT solutions (digitalisation, software) opens up various competitive advantages for innovation and business, not only in the areas of the creative process per se, but also within the production, reproduction and distribution of the goods created.<sup>34</sup> Today’s technologies play an important role in the development of new products, services, distribution channels (marketing tools), business models, etc.

ICT is a rapidly growing sector in Latvia, as elsewhere in Europe, and it was not significantly affected by economic crises.<sup>35</sup> Export volumes, the number of employees and companies, as well as the industry’s overall turnover have increased in recent years. Revenue from exports of computer

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<sup>33</sup> Latvijas Dizainerus savienība, Mācību iestādes. Available at: <http://design.lv/lv/izglitiba/macibu-iestades>

<sup>34</sup> ICT for the Creative Industries Background document for the Expert Group Meeting November 2012. Available at: <http://cordis.europa.eu/fp7/ict/creativity/background-doc-creative-ind.pdf>

<sup>35</sup> LIAA (2014), *Information and Communications Technology Industry in Latvia*. Available at: [http://www.liaa.gov.lv/files/liaa/attachments/k\\_2014\\_information\\_and\\_communications\\_technology\\_industry\\_in\\_latvia.pdf](http://www.liaa.gov.lv/files/liaa/attachments/k_2014_information_and_communications_technology_industry_in_latvia.pdf)

services and information services have grown the most – from EUR 98 million in 2008 to EUR 257 million in 2015.<sup>36</sup>

Latvia's IT sector is also the largest among the Baltic States in terms of production value. During the last few years, the IT service subsector has been experiencing outstanding growth, much faster than that overall in the EU. The 17.5 % annual growth in computer-programming activities was the third highest in the EU (2014).

Main directions are software development and re-engineering; e-platform and mobile app development; development of computerized software tools; implementation of state-of-the-art internet B2B solutions and other.<sup>37</sup>

Latvia has one of the fastest internet speed in the world (average internet connection speed 16.9 Mbps ranks Latvia 10th).<sup>38</sup> According to the [Digital Economy and Society Index DESI 2017](#), in Latvia, fixed broadband is available to 93% of households (which is slightly lower than in the EU – 98%) and a number of persons subscribing to mobile broadband is growing – 78 per thous. (while EU – 84 per thous).

One of the strongest industry's features is stable, well-trained and highly productive workforce. However, IT market in Latvia, and Europe as well, faces substantial lack of specialists, it has the lowest employment ratio of ICT specialists: 2.2% on average (3.5% in the EU).<sup>39</sup>

The most important supporting policy documents are: National Development Plan for 2014-2020; Operational Programme „Growth and Employment 2014 - 2020” (promotes a business enhancing environment that is based on available information (data), integrated ICT solutions for both the public and private sector and full inclusion of Latvia in the single European digital market); the Information Society Development Guidelines for 2014 – 2020; Science, Technology Development, and Innovation Framework 2014-2020.

More than 15 institutions of higher education in Latvia offers IT study programmes in different specializations: Riga Technical University, Faculty of Computer Science and IT as well as Faculty of Electronics and Telecommunications; University of Latvia, Faculty of Computing; Latvia University of Agriculture; Daugavpils University, The Faculty of Natural Sciences and Mathematics; University of Liepāja; Transport and Telecommunication Institute; Ventspils University College, Faculty of IT; Vidzeme University of Applied Sciences; Rezekne Academy of Technologies; Information Systems Management Institute – ISMA; Baltic International Academy; Alberta College (the only education institution in Latvia where it is possible to acquire specialization in Game Development) and Riga Business College as well as at the vocational level: Riga Technical College.

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<sup>36</sup> BNN (2017), *LIKTA: there is a lack of specialists in Latvia and the EU*. Available at: <http://bnn-news.com/likta-there-is-a-lack-of-specialists-in-latvia-and-the-eu-163190>

<sup>37</sup> LIAA (2014), *Information and Communications Technology Industry in Latvia*

<sup>38</sup> Fastmetrics (2017), *Average Internet Speeds by Country*. Available at: <https://www.fastmetrics.com/internet-connection-speed-by-country.php>

<sup>39</sup> DESI Index 2017. Available at: <https://ec.europa.eu/digital-single-market/en/scoreboard/latvia>

## **Audio-visual and interactive media (industries), visual arts**

Audiovisual media (TV and cinematography) and multimedia is one of the CCI industries that have the highest export potential.<sup>40</sup> It's recognised as one of the main contributor to economic development in Latvia.

After restoration of independence in 1990s, the film industry in Latvia faced some major changes – while independent studios were founded, there was a rapid decrease in the number of films produced, especially feature films. After financial crises in 2008, the film industry is once again thriving. Currently, it is experiencing the most active period in terms of production and creativity. On the occasion of approaching 100-years anniversary of Latvia in 2018, film industry has received a state funding over 7.5. mln EUR (total annual budget in 2017 is 10.6 mln EUR – the highest annual state support since the 1990s), which allows to significantly increase the number of films being made: production of [16 full-length films is foreseen](#).<sup>41 42</sup>

Besides, Latvian feature films, documentaries and animations works are increasingly receiving awards at the most prestigious international festivals, and in 2016 over 70 films were nominated for the Big Kristaps National Film Awards.<sup>43</sup>

The capital city Riga is home to the largest film studios in Northern Europe (e.g. Riga Film Studio, Baltic Film Services and other. List of film producers is available [here](#)) and to the Cinevilla Studio backlot outside the city, in the Tukums Municipality in Slampe parish.

[The Cinevilla Studio](#) is one of the greatest examples of film production and film industry facilities – it provides the only open air film decoration in Baltic States with many possibilities for filmmaking – Cinevillage. The overall area of Cinevillage is 150 ha, with 15 ha of the territory currently developed and consisting of large scale film sets with historical buildings and other features, which create a sense of historic reality. Cinevillage was built for the outdoor shootings of the historical film “Rīgas Sargi” (Defenders of Riga) – the most ambitious film project in Latvian film history to date, currently it is operating as a unique tourist attraction in Latvia with an extensive organization of events, filming and entertainment options.<sup>44</sup>

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<sup>40</sup> Riga City Council City Development Department (2016), *The Economic Profile of Riga*. Available at: [http://www.liaa.gov.lv/files/liaa/attachments/riga\\_economic\\_profile\\_2016\\_eng.pdf](http://www.liaa.gov.lv/files/liaa/attachments/riga_economic_profile_2016_eng.pdf)

<sup>41</sup> Nacionālais kino centrs. Latvijas filmas Latvijas simtgadei. Available at: <http://nkc.gov.lv/en/wp-content/uploads/sites/2/2015/12/Latvijas-filmas-100-AG.pdf>

<sup>42</sup> Estonian Film Institute, National Film Centre of Latvia, Lithuanian Film Centre (2017), *Facts& Figures 2017: Estonia, Latvia, Lithuania*, Baltic Films

<sup>43</sup> National Film Centre of Latvia, Cinema in Latvia. Available at: <http://filmlatvia.lv/en/latvia-and-industry?sub=1479469039>

<sup>44</sup> National Film Centre of Latvia (2007), *Audiovisual Production in Latvia - Nordic Context*, Riga: NFC Available at: <http://nkc.gov.lv/wp-content/uploads/2014/09/Audiovisual-Production-in-Latvia.pdf>





Photo: Cinevilla Studio backlot, <http://cinevilla.lv/>

In addition, with the advent and inevitability of digital content in audiovisual production, Latvia has great IT potential and capacity to support CCI seeking professional solutions (e.g., a digital design company [Dd studio](#) that is creating visualizations of digital information using innovative ideas, various types of media, and the most recent technology).

Policy document: based on the Cultural Policy Guidelines “Creative Latvia” 2016-2020, the Strategy of the cinematography and film industry (*Kino un filmu nozares stratēģija*) has been developed to support and facilitate development of the film industry.

Several supporting and co-financing programmes on the film industry are available in Latvia (financial support is offered also for foreign filming groups): Riga City Council’s [Riga Film Fund](#) (since 2010) and [National Film Centre of Latvia](#) (since 2013). Since establishment of both funds, twenty-five international productions from ten countries have received co-financing. In 2016, director Sergei Loznitsa made his newest film, [A Gentle Creature](#), in Latvia; it was produced by Marianne Slot (Slot Machine, France).<sup>45</sup> As a part of European film industry, professionals of film industry in Latvia benefit also from the support programmes Eurimages and Creative Europe (Sub-programme: Media).

Main institutions of the audiovisuals: [National Film Centre of Latvia](#) (NFC); [Riga Film Museum](#) [Film Board of Culture Capital Foundation](#); Filmmakers Union of Latvia; Latvian Film Producers Association; [Latvia State Archive of Audiovisual Documents](#)

The following institutions of higher education offers study programmes related to audiovisual industry<sup>46</sup>: Latvian Academy of Culture (Department of Screen and Stage Art); University of

<sup>45</sup> Rietuma, D. (2017), *Several Dimensions of Latvian Cinema*. Available at: <http://nkc.gov.lv/en/overviews/dimensions-of-latvian-cinema/>

<sup>46</sup> Nacionālais kino centrs, Kino izglītība. Available at: <http://nkc.gov.lv/kino-izglitiba/>

Business, Arts and Technology RISEBA (Audiovisual Media Arts); Art Academy of Latvia (Audiovisual Media Arts, Visual Communication, Stage Design); Rīga Stradiņš University (Multimedia Communication); University of Liepāja (bachelor and master-level programme New Media Art joint study program with RISEBA University).

## Crafts

Crafts in Latvia are not defined as a separate CCI sector, but rather considered as significant sector supporting creative industries.<sup>47</sup> It closely interacts with design, architecture, fashion and other creative industry's sectors.

The most popular crafts in Latvia are pottery, ceramics, textiles, wood processing, weaving having centuries long history. Crafts are not so popular as centuries ago when there were no shops and people made everything by themselves or asked professional craftsmen to produce one or another item. However, unique traditions and skills of ancient crafts and craftsmen's professions are still being kept. Moreover, it plays an important role in the economy of Latvia. Craft business is mostly represented by self-employed persons or family-run enterprises (micro).<sup>48</sup>

One of the main problems faced by the industry is lack of skills and knowledge as to how to combine crafts activities with modern design and sustainable business model, successfully implementing entrepreneurship<sup>49</sup> (e.g., crafts' professionals not always are using internet resources to promote their products by establishing or regularly updating the homepage and other activities)<sup>50</sup> as well as the decreasing interest on crafts by young generation that results in the shortage of qualified specialists.<sup>51</sup> Development of existing craft businesses is prevented also by limited financial resources for marketing activities and attracting and educating new talent and without the skills to create sustainable business models.<sup>52</sup>

Attention to the crafts industry is given both in the few policy instruments, however in a very limited extent (e.g. Creative Latvia 2014-2020 and research studies related (one of the most extended study were developed within the EU Interreg project "Regional Cooperation for Crafts' Development").

The most important institutions within the industry is the [Latvian Chamber of Crafts](#) (professional self-governing organisation of craftsmen) that unites not only blacksmiths, carpenters and potters, but also such professionals as make-up artists and car mechanics. It focuses on the development of

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<sup>47</sup>Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by the Cabinet Order No. 401 29 July 2014

<sup>48</sup>Regio Crafts (INTERREG IVC financed project), Crafts in Latvia. Available at:  
<http://www.regiocrafts.eu/index.php/crafts-industry/crafts-in-latvia>

<sup>49</sup> Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by the Cabinet Order No. 401 29 July 2014

<sup>50</sup> Rīgas plānošanas reģions (2012), *Radošās industrijas stāvoklis un perspektīvas*, Rīga: RPR. Available at:  
[http://www.rpr.gov.lv/uploads/filedir/ES\\_SF\\_IC\\_materiali/Seminara%20programmas/RadIndRigaReg.pdf](http://www.rpr.gov.lv/uploads/filedir/ES_SF_IC_materiali/Seminara%20programmas/RadIndRigaReg.pdf)

<sup>51</sup> Latforin.lv (2016), "Latvijas amatniecības ilgtspēja," *Baltijas Koks*. Available at:  
<http://www.latforin.info/2016/02/11/latvijas-amatniecibas-ilgtspeja/>

<sup>52</sup> Rīgas plānošanas reģions (2012), *Radošās industrijas stāvoklis un perspektīvas*, Rīga: RPR



the industry by supporting crafts education, enterprises and establishment of professional craftsmen's organisations (*darbnīcas*).

There are several initiatives that focus on the maintaining and development of craft industry. In recent years, two popular annual public events are organised: during the European Heritage Days Latvian historic and cultural sites are opened to the public, while the project "Find Your Master Craftsman" (that takes place in the framework of European Artistic Crafts Days) encourages people to learn traditional crafts.<sup>53</sup> In the time period 2016- 2020, it is foreseen the organisation of master classes for craftsmen of ancient crafts and design students, promoting creation of new innovative products in regions (based on the state budget). Another initiative where crafts are among priority sectors (development of skills) is creative partnership initiative "RaPaPro" (described in the sections 3 and 5).<sup>54</sup>

Besides, craftsmen's markets (e.g. festival of crafts, food and beer) are regularly organised within the different public events and celebrations in Latvia that facilitates promotion of ancient crafts.

Examples of crafts enterprises: "[Ars Tella](#)", "[LM Radošā darbnīca](#)", "[Studio Natural](#)" and other.

### 3. Main stakeholders of CCI of Latvia

The list of potential stakeholders of CCI in Latvia includes representatives of ministries, chambers of commerce, service providers and business support centres (with a focus on creative industries), municipalities and regional authorities, professional associations of creative industries, cultural institutions, education institutions, financial institutions, etc.

**Table 7.** The list of the potential CCI stakeholders in Latvia

Stakeholder	Activities related to the CCI
Ministry of Culture ( <a href="#">Cultural Policy Department, Creative Industries Division</a> )	One of the main national institutions in Latvia responsible for policy making and development of the CCI. It also coordinates activities with different players within the sector; facilitates information of awareness rising on CCI issues, conducts analysis and research work. <sup>55</sup> The main focus of the Ministry is on the cultural field as it finances a large part of its activities in Latvia.  The Ministry supports different initiatives related to the CCI, e.g. creation of the public platform "Creative Latvia", in cooperation with Ministry of Economics, Ministry of (VARAM), etc.
<a href="#">Ministry of Economics</a>	Responsible for the support and development of CCI businesses in Latvia by providing necessary legislative framework and ensuring creation of a favourable business environment. E.g., in the framework of "Creative Latvia" it is responsible for: <sup>56</sup> <ul style="list-style-type: none"> <li>• promotion of innovation &amp; creativity in business sector by facilitating cross-sectoral cooperation between producers &amp;</li> </ul>

<sup>53</sup> cultural policies and trends in Europe country profile: Latvia

<sup>54</sup> Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by Cabinet Order No. 401 29 July 2014

<sup>55</sup> Ministry of Culture of the Republic of Latvia. Cultural and Creative Industries. Available at: [http://www.km.gov.lv/en/cross\\_sector/creative.html](http://www.km.gov.lv/en/cross_sector/creative.html)

<sup>56</sup> [http://www.km.gov.lv/lv/doc/ministrija/radi/Nodomu\\_protokols\\_090312\\_radosas\\_Latvijas\\_platforma\\_KM\\_EM\\_IZM\\_VARAM.pdf](http://www.km.gov.lv/lv/doc/ministrija/radi/Nodomu_protokols_090312_radosas_Latvijas_platforma_KM_EM_IZM_VARAM.pdf)

	<p>creative industry;</p> <ul style="list-style-type: none"> <li>• implementation of measures to increase export of Latvian creative industries;</li> <li>• support of creation and development of new enterprises, including those in the field of creative industries.</li> </ul>
<a href="#"><u>Ministry of Education and Science</u></a>	Ministry is responsible for the implementation of efficient education system in Latvia and to support related fields.
<a href="#"><u>Ministry of Finance</u></a>	Ministry is providing a financial support to the creative industries by involving in the Funding – national and EU cohesion funds
<a href="#"><u>Latvian Investment and Development Agency (LIAA)</u></a>	LIAA, as a state institution supervised by the Ministry of Economics, is responsible for facilitating business, promoting Latvia's exports and attracting investment to Latvia. It also supports different projects and initiatives related to CCI development, e.g. in 2016 the Creative Industries Incubator was established by the LIAA. It has also supported the establishment of another business incubator "Creative Andrejsala" (2010-2015) financed from EU funds.
<a href="#"><u>LIAA Creative Industries Business Incubator</u></a>	LIAA CI Business Incubator was established (Dec. 2016) to support the creation of CCI start-ups. It is located in Riga, but also operates in other cities of Latvia (through Regional offices of LIAA Business Incubator). Incubator provides necessary office space, consultations on business and financing, as well as financial support for some activities of companies. Support for starting business is available for micro enterprises, small and medium-sized companies, and private individuals.
<a href="#"><u>Latvian Chamber of Commerce and Industry (LCCI)</u></a>	LCCI is a voluntary, politically independent business organisation uniting micro, small, medium and large-sized companies from all regions and economic sectors (including CCI) of Latvia.
<a href="#"><u>Liepaja Creative Cluster</u></a>	The Cluster is supporting regional development of CCI by uniting creative entrepreneurs, freelancers, organisations and research & education institutions in order to support and promote creative industries in the city of Liepaja and Liepaja district.
<a href="#"><u>University of Latvia (LU) Business Incubator</u></a>	The Incubator helps the students of the LU and other Latvian universities to start and develop business ideas already during their studies; it focuses on the creative start-ups as well.
<a href="#"><u>Riga Technical University (RTU) Design Factory (DF)</u></a>	The DF is a place where creative ideas of scientists and students turn into prototypes, which later become products and enter the market in collaboration with entrepreneurs. The DF is equipped with cutting-edge technologies, including four 3D printers of different sizes and other valuable equipment – laser cutting, engraving, large format printing, as well as electronics workshop.
<a href="#"><u>RISEBA Creative Business Incubator</u></a>	Opened in 2013 for RISEBA students and alumni to support business ideas, start-up and early stage companies.
Business Incubator "Creative Andrejsala"	"Creative Andrejsala" was active from 2010 to 2015. Representatives of Incubator can share their knowledge & experience on the activities & measures related to the support of creative businesses. This Incubator has provided financial support for start-ups received from the EU Structural Funds (about EUR 2.4 million). <sup>57</sup> The main goal of this incubator was to contribute to the emergence & development of new competitive businesses in creative industries. <sup>58</sup>
<a href="#"><u>Latvian Designers Society (LDS)</u></a>	LDS is a non-profit creative organisation, established in 1987. It is the only organisation in Latvia, which sets certification and protects

<sup>57</sup> Tjarve, B. (2014), *Latvia/ 4.2 Specific policy issues and recent debates*, Compedium. Available at: <http://www.culturalpolicies.net/web/latvia.php?aid=423>

<sup>58</sup> <http://www.fold.lv/en/2013/08/design-organisations-in-latvia/>

	designer rights. LDS's main goals are facilitating the development of design in Latvia, enhancing its added value in culture and economics, identifying and maintaining of the design values. One of LDS's regular activities is the organisation of the Annual Design Award in order to evaluate & promote the best practices of the Latvian design. The LDS is a member of the Council of the Creative Unions of Latvia.
<a href="#"><u>Council of the Creative Unions of Latvia</u></a>	CCUL was founded in 1988 as the Culture Council of Creative Unions. Later in 1995, it was registered as an association of professional creative organizations "The Council of the Creative Unions of Latvia". CCUL comprises 10 creative unions, and more than 3000 members participate in the Council activities.
<a href="#"><u>Art Academy of Latvia</u></a>	The Academy offers possibility to acquire the higher education in arts through 5 departments: visual arts, visual sculptural arts, design, audiovisual media arts as well as arts history and theory.
<a href="#"><u>Latvian Academy of Culture</u></a>	LAC offers a master-level study programme on the Cultural Management and Creative Industry, which provides interdisciplinary knowledge of culture and society along with research on culture processes & leadership.
<a href="#"><u>Riga Technical University</u></a>	The only institution of higher education where it's possible to study urban development, architectural and cultural monument restoration as well as interior and landscape architecture. All specialisations are provided by the Faculty of Architecture and Urban Planning.
<a href="#"><u>BA School of Business and Finance</u></a>	BA offers a master study programme: MBA in Creative Industries Management.
<a href="#"><u>Riga International School of Economics and Business Administration</u></a> (RISEBA)	RISEBA offers bachelor and master-level study programmes: Architecture as well as Audiovisual Media Arts (including TV and film producer qualifications). The teaching of creative skill is also included in the study programmes about businesses as well as PR and marketing.
<a href="#"><u>The University College of Economics and Culture</u></a> (EKA)	EKA provides a few study programmes related to the CCI: Creative Marketing & Sales; Management of Entertainment Industry (college level); Interior Design (professional BA).
<a href="#"><u>Janis Rozentals School of the Arts</u></a>	The JRRMV is one of the arts high schools in Latvia offering a high-level foundation in academic drawing and painting, sculpting, photography, computer graphics, animation, video arts, website design, etc.
<a href="#"><u>Riga Design and Art School</u></a>	RDAS – secondary vocational education establishment. It specialises in nine various design programmes: Apparel; Leather Goods; Form; Form Textile; Interior; Ceramics; Woodwork; Metalwork; Advertising; Glassware; Structure Textile.
<a href="#"><u>Latvian Culture College</u></a>	LCC provides three first-level professional higher education programs: Administration of Arts Institutions (qualification of Culture Manager with specializations in technical sounding of events; theatre studies festival and event production; events direction; music management; fashion management, lighting design, design management, media production, advertising and PR, creative photography, and culture tourism); Contemporary Dance as well as Library Science and Information.
<a href="#"><u>Jāzeps Vītols Latvian Academy of Music</u></a>	The main goals of the Academy are to provide studies of exceptional quality in subjects of music, choreography and education sciences, humanitarian and social sciences. It offers professional undergraduate and postgraduate programmes and academic postgraduate programmes in music performance, conducting, composition, music science, music pedagogy and choreography.
<a href="#"><u>Project Creativity Week "radi!"</u></a>	The "radi" is a social movement that aims to create public interest and understanding of the development of the CCI sector and its interplay

	with other sectors such as education, which promotes creativity, innovative business and rational management.
<a href="#"><u>Demola Latvia</u></a>	The Demola Latvia is an international organization (originates from Finland) that facilitates co-creation projects between university students & companies, either locally or internationally, with the aim to find innovative solutions for the needs of companies, institutions & organizations that are seeking for the spark of creativity, design thinking & new products. The Demola Latvia was launched in 2014 by Latvian IT Cluster with the support of Ministry of Economics and LIAA. <sup>59</sup>
IdeAllies, PULSE Hub, Creativity Lab	Projects and initiatives (NGO) related to the CCI managed by a self-employed person <i>Mrs. Signe Adamoviča</i> , Expert in the field of creative industries, innovation, cultural policy, cultural tourism, foreign affairs and HR. NGO aims is to facilitate awareness of creation of innovative solutions (products, services, processes) with high added value in various fields helping to advance economy, well-being and quality of life by using design and creative methods, multidisciplinary cooperation model, novel entrepreneurship trends, know-how and skills. All three initiatives closely cooperate with the Demola Latvia.
<a href="#"><u>FOLD –Creative Industries Communication Platform</u></a>	The FOLD is CCI Communication Platform that since 2013 provides: unified information about CCI in Latvia; news, opinions, analysis, success stories; information on funding opportunities for creative business development, etc. It facilitates cooperation between national and international strategic partners in the field of creative industries.
<a href="#"><u>The Red Jackets</u></a>	The Red Jackets is a business support movement and platform for the best exporting brands from Latvia. The aim of Red Jackets is to strengthen the image of Latvia abroad and to expand export opportunities for Latvian companies.
<a href="#"><u>Culturelab</u></a>	Culturelab is regional NGO located in Cēsis (estab.in 2005). It is aiming to promote an individual and community development through arts and cultural activities, creative and innovative use of cultural resources – both physical assets as well opportunities in cultural engagement.
<a href="#"><u>Skola 6</u></a> (School 6)	“Skola 6” (established in April 2016 in the building of ex-vocational school) is an example of co-working space (house) and digital industry centre. It organises events supporting creative entrepreneurs. <sup>60</sup>
<a href="#"><u>State Culture Capital Foundation (SCCF)</u></a>	The SCCF (public establishment) aims at the balanced promotion of creativity in all the branches of art and preservation of cultural heritage of Latvia in conjunction with the guidelines of the state cultural policy. The SCCF administers culture project competitions, allocates life-long grants for culture and arts workers for their life achievement for the development of culture and art, and awards financial support to short term educational, creative or scientific travels abroad.
<a href="#"><u>Latvian National Centre for Culture (LNCC)</u></a>	LNCC is responsible for CCI education. It implements national cultural policies in culture education and in the field of cultural heritage. The Centre coordinates and monitors culture education system in Latvia and cooperates with national and local government institutions, art and design schools, non-governmental organizations.
<a href="#"><u>Centre for Culture Information Systems (CCIS)</u></a>	The CCIS supplies archives, libraries and museums with the requisite IT resources, enabling them to preserve cultural values and make them available to the community. The Centre is responsible for digitalisation projects in cultural heritage institutions, many of them implemented

<sup>59</sup> <http://www.labsoflatvia.com/communities/demola-latvia>

<sup>60</sup> <http://www.fold.lv/2015/11/darbs-skola6-cesis/>

	with the assistance of the EU Structural Funds. CCIS operates under supervision of the Latvian Ministry of Culture. <sup>61</sup>
Kurzemes Planning Region	Regional planning institutions created to facilitate development of each of five planning regions in Latvia. Planning regions can coordinate supporting actions at regional and local level in order to bring possible benefits for CCI developers outside Riga and, especially, in rural areas of country.
Vidzemes Planning Region	
Latgales Planning Region	
Zemgales Planning Region	
Pierīga Planning Region	

## 4. SWOT analysis

SWOT analysis was elaborated based on the analysis of policy documents, literature, research studies. More information about weaknesses of the CCI and identified solutions is described in the CRE:HUB Matrix of Barriers&Solutions of Latvia. Main information sources used to develop analysis, are as follow:

- Cultural Policy Guidelines 2014-2020 "Creative Latvia";
- The latest report on the CCI: „The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development” (2013);
- Latvian version of the latest CCI report: SIA „Baltijas Konsultācijas” un SIA „Konsorts” (2013), *Latvijas radošo industriju darbība un priekšnoteikumi nozares mērķtiecīgai attīstībai* (Valsts kancelejas pasūtījuma), Rīga: Valsts kanceleja;
- Purviņa, Dz., Piņķe, A. et al (2017), *Latvijas dizains 2020* [Latvian design 2020], Rīga: Kultūras ministrija, Latvijas Mākslas Akadēmija;
- information acquired from workshops with CCI stakeholders organised in Riga within the CRE:HUB project (06/01/2017 and 29/03/2017).

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> <li>1. Latvia is a country with a diverse, rich &amp; nourished cultural heritage, a vibrant &amp; diverse cultural life, creative people, developing creative industries with high export potential;</li> <li>2. Interest in &amp; awareness of the CCI is constantly increasing;</li> <li>3. Latvia has the necessary potential to develop exportable CCI products on the basis of culture (festivals, movie production, computer games, music records etc.), as well as to create design products with high added value;</li> <li>4. Exportable brands in specific sectors (e.g. design, audiovisuals, handicrafts);</li> <li>5. Strong and close inter-institutional cooperation between ministries, state agencies, think tanks, NGOs &amp; social movements within the CCI;</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of knowledge (education) about business management, innovative business models, “fear” and lack of experience in the commercialisation of creative ideas;</li> <li>2. Comparatively low demand for offered products and services, tax &amp; administration burden, lack of working capital &amp; lack of skilled workforce;</li> <li>3. Most of CCI companies are focused mainly on the internal market &amp; their export capacity is weak (fears, lack of global thinking);</li> <li>4. Small local market hinders the increase in critical mass of CCI enterprise and lack of specific support – exit of enterprises to export markets;</li> <li>5. Low, insufficient distribution &amp; activity of CCI enterprises outside the capital city Riga &amp; Riga region;</li> </ol>

<sup>61</sup> Council of Europe/ERICarts (20014), *Compendium of Cultural Policies and Trends in Europe*, 15 th edition 2014. Available at: <http://www.culturalpolicies.net/web/countries-profiles-download.php> . ISSN: 2222-7334



<ul style="list-style-type: none"> <li>6. State-level support for the CCI – Ministry of Culture &amp; Ministry of Economics play important role in the development &amp; monitoring of CCI;</li> <li>7. The creative professions have high prestige in society;</li> <li>8. Developed policy framework for CCIs; Support structure for promoting and creating CCI businesses, such as business incubators, partnership initiatives, hubs etc.</li> <li>9. There are already a few institutions of higher education that offers study programmes on the CCI management;</li> </ul>	<ul style="list-style-type: none"> <li>6. Only a small number of entrepreneurs considers CCI as a potential tool for regional/national development;</li> <li>7. Lack of structured information about EU &amp; other financial resources (complicated procedure to apply for EU funds, bureaucracy);</li> <li>8. Insufficient cooperation between CCI, traditional industries &amp; services sectors, poor collaboration between business &amp; research sector (low research capacity &amp; quality), which is important transfer of knowledge &amp; innovation development;</li> <li>9. Small number of all level education programmes are designed to promote and develop skills of creative persons to start &amp; maintain its own business</li> <li>10. CCI sector isn't included in the agenda for Smart Specialization Strategies which reduces opportunities for its development;</li> <li>11. Lack of statistical data (esp. on export) that limits the opportunities to conduct further research of CCI and to develop appropriate recommendations for strategy documents;</li> <li>12. Lack of tradition of sponsorships;</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>1. To foster collaboration between universities (academia), businesses and state/ municipalities (triple helix cooperation) to promote the development of new products &amp; services, transfer of innovations &amp; knowledge;</li> <li>2. To strengthen the synergy between CCI &amp; traditional industries, including formation of clusters in order to provide cooperation of various sectors ("crossover" effect);</li> <li>3. To establish CCI clusters (that will comprise also traditional sectors);</li> <li>4. To develop current support structures for business development (business angles, CCI business accelerator, etc.);</li> <li>5. Potential to establish new or develop current study programmes by bringing focus on commercialisation of creative idea, innovations and its export potential.</li> </ul>	<ul style="list-style-type: none"> <li>1. Risk of stagnation of CCI development due to the lack of targeted resources, i.e. EU funds (state funds) &amp; other financial resources; lack of innovation activities &amp; new cooperation models;</li> <li>2. Decreasing number (closing down, deregistration, bankruptcy, etc.) of CCI SMEs and micro enterprises;</li> <li>3. "Brain drain" due to the demographic and socioeconomic situation of the country, migration of workforce, as well as lack of incentive pay for creative workers;</li> <li>4. Lack of foreign investments;</li> </ul>



## 5. Policy instruments

The first policy document outlining and defining the CCI in Latvia was the National Culture Policy Guidelines 2006 – 2015<sup>62</sup>, where the focus was given mainly to the development of CCI typical for Latvia by facilitating cooperation between culture and economics sectors (development of creative economy) and setting up CCI study programmes.

Currently, the following **national-level** strategies, guidelines and action plans are focusing on the support and growth of the CCI:

- National Development Plan of Latvia for 2014–2020 (*Nacionālais attīstības plāns 2014. – 2020.gadam*);
- Sustainable Development Strategy of Latvia until 2030 (*Latvijas ilgtspējīgas attīstības stratēģija līdz 2030. gadam*);
- Cultural Policy Guidelines 2014-2020 "Creative Latvia";
- Design Strategy of Latvia 2020 (*Latvijas Dizaina stratēģija 2020*).

The **National Development Plan**<sup>63</sup> (NDP 2014-2016) is drawn up as the plan for introduction of Latvia 2030 in medium term and balanced with the State budget possibilities. NDP 2014-2016 states that one of the goals is the development of *commercial creative industries* which are measured by increased share of CCI exports in the total exports and increased proportion of businesses operating in the CCIs within the total number of businesses. In order to achieve this goal, the measures to be carried out within the strategic objective “Highly Productive Manufacturing and Internationally Competitive Services with Export Potential” are:

- to develop a specialised assistance instrument, support the creative industry to develop culture-based investment and promote partnerships between culture, science and business in boosting the export capacity of businesses in the creative industries and the international competitiveness of the country;
- Support for design projects of the creative industries that ensure the development of new products for export and their implementation in production.

Another goal of the NDP 2014-2016 includes the development of the adult education by promoting an increase in labour productivity in accordance with the needs of the labour market, where one of the measures to implement is related to the CCI, it sets the need/requirement to introduce the innovative forms of curriculum content and activities in elementary and secondary education to promote creative and entrepreneurial ability: a digital learning environment, contemporary methods of foreign language acquisition, improvement of natural and social science curricula, strengthening of the career education system.

The long-term strategy **the Sustainable Development Strategy Latvia 2030**<sup>64</sup> recognises culture and creativity as important assets for the future development of the country. One of the aims of Strategy Latvia 2030 is to establish a creative society by developing creative skills of each

<sup>62</sup> <https://m.likumi.lv/doc.php?id=133229>

<sup>63</sup> English version of the NDP 2014-2016. Available at:

[http://www.pkc.gov.lv/images/NAP2020%20dokumenti/NDP2020\\_English\\_Final.pdf](http://www.pkc.gov.lv/images/NAP2020%20dokumenti/NDP2020_English_Final.pdf)

<sup>64</sup> [https://www.cbs.nl/NR/rdonlyres/B7A5865F-0D1B-42AE-A838-FBA4CA31674D/0/Latvia\\_2010.pdf](https://www.cbs.nl/NR/rdonlyres/B7A5865F-0D1B-42AE-A838-FBA4CA31674D/0/Latvia_2010.pdf)

individual, taking creativity as an integral part of educational programmes, creating urban environments, developing the CCIs, using the potential of cultural heritage when developing creative tourism, expanding the digital culture space of Latvia and by public participation in the creation of cultural processes (e.g. establishing of special centres of contemporary culture or creative clusters, etc.).

The cultural policy guidelines "**Creative Latvia 2014-2020**"<sup>65</sup> that correspond to the main planning documents at national and EU levels suggest that Latvia is a country with a rich and nourished heritage, a vibrant and diverse cultural life, creative people, creative industries with high export potential, and improving the quality of life for everyone. In order to achieve the vision four priorities were outlined:

- preservation and development of cultural capital involving community members in cultural processes;
- a creative life-long learning and cultural education system oriented towards labour employment;
- cultural and creative industries with high export potential; and
- creative territories and accessibility of cultural services.<sup>66</sup>

As of financial support, priority **TO3 of the Operational Programme (OP) "Growth and Jobs", (2014-2020)**,<sup>67</sup> which is implemented under the supervision of the Ministry of Finance of the Republic of Latvia, is focusing on the SMEs competitiveness. 7.11% of the OP resources are allocated to supporting the competitiveness and innovation of SMEs by creating the necessary preconditions for private investments, and by creating new enterprises and jobs in the national and regional development centres.

The **Strategy for Smart Specialisation (RIS3)** of Latvia mainly focuses on the research and development of natural sciences and ICT in order to boost innovation and economic development in areas with high added value. However, one of the development priorities of the Smart Specialisation Strategy of the Republic of Latvia is based on the idea that wider use of non-technological innovations and Latvian creative industry potential to produce goods and services with greater added value of national economy sectors could help to change the production and export structure in the areas of traditional economy.<sup>68</sup> Emphasize is also putted on the development of entrepreneurial and creativity in all areas of the economy and social sphere.<sup>69</sup>

Additionally, to the abovementioned documents, Latvia as a part of the Baltic Sea region (BSR) in participates in the **EU Strategy for the Baltic Sea Region** that in the Policy Area Culture outlines

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<sup>65</sup> Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by the Cabinet Order No. 401 29 July 2014

<sup>66</sup> <http://tap.mk.gov.lv/mk/tap/?pid=40305688>

<sup>67</sup> [http://www.esfondi.lv/upload/Planosana/FMProg\\_270115\\_OP\\_ENG\\_2.pdf](http://www.esfondi.lv/upload/Planosana/FMProg_270115_OP_ENG_2.pdf)

<sup>68</sup> <http://www.rsu.lv/eng/images/Documents/The-Smart-Specialisation-Strategy-of-the-Republic-of-Latvia.pdf>;  
<http://polsis.mk.gov.lv/documents/4608>

<sup>69</sup> Science, Technology Development, and Innovation Framework 2014-2020 (Informative part), Cabinet order No 685, 28 December 2013

the objectives related to the CCI: Promotion of BSR CCI as well as promoting creative entrepreneurship with the BSR.<sup>70</sup>

**Other national-level policy documents**<sup>71</sup> that highlights the importance of creative industries:

**National Industrial Guidelines Policy 2014-2020** define the main directions of industrial policy, including increasing the innovation capacity, ensuring support to the development of CCI and developing industrial design as well as to support the cooperation with traditional industrial and service sectors in order to increase product and service value.

**Science, Technology Development and Innovation Guidelines 2014-2020** laid down the priority directions for development of science, including sustainable development of the national economy – facilitation of innovations in the business sector and growth of the export capacity in the science sectors by using potential of the CCI sector and the design. The guidelines define also the framework for Latvian RIS3.

**Information Society Development Guidelines 2014-2020** determine action policy, priorities for the development of the information society, as well as the field of ICT, including define action directions that are related to e-participation of the society, as well as digitalisation of the cultural heritage.

## 6. Analysis and identification of main regional experiences and lessons learnt

### (1) “RaPaPro”

“RaPaPro” is a creative partnership programme, which facilitates collaboration among vocational cultural education institutions (involving art, design, music and dance schools), municipalities, business, social groups and other representatives of society in order to bring the creative ideas into “life”. It aims to motivate students and their teaching staff to come out of their comfort zones – beyond the well-known borders of their educational programme – and build up yet unprecedented and undiscovered forms of cooperation with other sectors and develop unified ideas in a form of creative partnership, communication and cooperation skills, understanding in CCI development.



Partnership formula:

$$\text{Partner X} + \text{Partner Y} + \text{Partner Z} = \text{Result}$$

“RaPaPro” is initiated in 2014 and is financed by the Ministry of Culture of Latvia. In the result of 11 implemented projects in 2014 & 2015 as well as 5 projects in 2016, students (pupils) gained

<sup>70</sup> <https://www.balticsea-region-strategy.eu/action-plan?task=document.viewdoc&id=17>

<sup>71</sup> Cultural Policy Guidelines 2014-2020 "Creative Latvia" (Informative Part), approved by the Cabinet Order No. 401 29 July 2014

significant knowledge and skills in the process of management, business (what the cooperation between client and contractor really means), creation of a new ideas, “creative thinking”.

Example of one of the implemented projects: Project “From Letter to Sound” implemented in the city Rēzekne. In the result of the project, a fully equipped bus stop (model 1:1) with the creative design, name of the stop, improved bench and solution for lighting were created as well as the newly designed 20 bus schedules with route plans and the 6 sound compositions announcing 6 bus stops in the public buses were developed in order to improve accessibility for people with sight problems, the elderly and children to the public transport in Rēzekne city.

Partnership within the project – Rēzekne Art and Design School, Jānis Ivanovs Rēzekne Music School, Latvian Society of the Blind (Rēzekne County Organisation), Association of the Disabled and their Friends “Apeiron”, Rēzekne Municipality Company “Rēzeknes Satiksme” (Rēzekne Traffic).

Brochure of the “RaPaPro” edition 2016:

[http://www.lnkc.gov.lv/Uploads/2016/03/11/1457695557\\_0331.pdf](http://www.lnkc.gov.lv/Uploads/2016/03/11/1457695557_0331.pdf)

## (2) Communication Platform – FOLD

FOLD is a communication platform that brings together Latvian and foreign CCIs with the aim to facilitate their collaboration and learning together. The main focus is on design and design thinking.

The creation of platform is based on the merger of previously existing blogs — “Plikums” and “DesignBlog” (both created in 2009), which gathered news on the interesting in Latvian design, and a slightly younger “Fine Young Urbanists”, which wrote about urban planning and design. At the end of 2012, the joined team took part in and won a competition by the Ministry of Culture of the Republic of Latvia to create a communication platform for Latvian CCI. As the result, the FOLD platform was launched in 2013 and it operates in Latvian and English.



The platform contains highlights of creative processes, in-depth articles, articles on the CCI theory, interviews and documentary shorts about creative people, and a calendar of upcoming events.

More information: <http://www.fold.lv/>

## (3) LIAA Creative Industries Incubator

On December 2016, the Incubator of Creative Industries was established within the Investment and Development Agency of Latvia (LIAA) with the mission to support the creation of new and development of current creative enterprises in Latvia. CI Incubator offers two programmes:



**Pre-incubation** (up to 6 months) – suitable for prospective and young creative entrepreneurs developing or improving business idea. The program provides access to open office, mentoring and carefully curated educational program. Status of legal entity is not required.

**Incubation** (up to 4 years) – suitable for entrepreneurs with clearly defined business idea. The program supports companies under 3 years and besides educational training in business strategy, marketing, PR, etc. provides 50% co-funding for following services: financial, IT, legal, design and marketing services; consulting in Virtual Reality and other specific areas of expertise (if applicable); prototyping, testing and other specific services (if applicable); product certification (if applicable); grants up to 10,000 EUR for equipment.

More information: <https://www.facebook.com/LiaaRIBI/>

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## Annex 1. Culture and Creative Industries grouped (categorised) according NACE rev.2 codes

CCI	CODE	ECONOMIC ACTIVITY
MANUFACTURE OF CLOTHES AND SHOES (FASHION)	1392	Manufacture of made-up textile articles, except apparel
	1411	Manufacture of leather clothes
	1412	Manufacture of workwear
	1413	Manufacture of other outerwear
	1414	Manufacture of underwear
	1419	Manufacture of other wearing apparel and accessories
	1420	Manufacture of articles of fur
	1431	Manufacture of knitted and crocheted hosiery
	1439	Manufacture of other knitted and crocheted apparel
	1520	Manufacture of footwear
DESIGN	7410	Specialised design activities
ARCHITECTURE	7111	Architectural activities
FURNITURE MANUFACTURING	3101	Manufacture of office and shop furniture
	3102	Manufacture of kitchen furniture
	3109	Manufacture of other furniture
CRAFTS	3211	Striking of coins
	3212	Manufacture of jewellery and related articles
	3213	Manufacture of imitation jewellery and related articles
	3220	Manufacture of musical instruments
	7420	Photographic activities
ADVERTISING SERVICES (COMPANIES)	7021	Public relations and communication activities
	7311	Advertising agencies
	7312	Media representation
MEDIA	6010	Radio broadcasting
	6020	Television programming and broadcasting activities
	6312	Web portals
	6391	News agency activities
BOOKS AND PRINTED MEDIA	1811	Printing of newspapers
	1812	Other printing
	4761	Retail sale of books in specialised stores
	5811	Book publishing
	5813	Publishing of newspapers
	5814	Publishing of journals and periodicals
FILMS AND VIDEO	5819	Other publishing activities
	5911	Motion picture, video and television programme production activities
	5912	Motion picture, video and television programme post-production activities
	5913	Motion picture, video and television programme distribution activities
	5914	Motion picture projection activities
MUSIC	1820	Reproduction of recorded media
	4763	Retail sale of music and video recordings in specialised stores
	5920	Sound recording and music publishing activities
PERFORMING ARTS	9001	Performing arts
	9002	Support activities to performing arts
	9004	Operation of arts facilities
HERITAGE	9101	Library and archives activities
	9102	Museum activities
	9103	Operation of historical sites and buildings and similar visitor attractions
EDUCATION AND ARTISTIC CREATIONS	8552	Cultural education
	9003	Artistic creation
AMUSEMENT AND RECREATION ACTIVITIES	9321	Activities of amusement parks and theme parks
	9329	Other amusement and recreation activities
	3240	Manufacture of games and toys
	4765	Retail sale of games and toys in specialised stores
IT	6201	Computer programming activities
	5821	Publishing of computer games
	5829	Other software publishing

## Barrier & Solution Matrix (Latvia)

Barrier title	Brief barrier description (up to 25 words per each barrier)	Identified solutions, if any (up to 40 words per each solution)	Where to find it in the document (e.g. page No., or Table No.)
<b>Awareness &amp; Promotion</b>			
Lack of awareness rising activities	Quite often there is a lack of comprehension information about CCI (e.g. industry's events in national and international level; the stories of success of creative industries) and there is a need to maintain a dialogue between professionals of CCI and entrepreneurs.	<ul style="list-style-type: none"> <li>Establishment of communication platform (Fold.lv)</li> <li>organisation regular of public events (Creativity Week "Create!" [Radi!]).</li> </ul>	Cultural Policy Guidelines "Creative Latvia" 2014-2020, p.42
CCI concentration in capital city Riga	Most of the CCI companies and institutions are located in Riga, where most of the country's infrastructure, human resources and businesses are concentrated. Consequently, in the rest of the territory of Latvia the development centres of creative industries are not strong enough to promote the sector to the polycentric growth.	<ul style="list-style-type: none"> <li>Promotion of creative attraction and economically active human resources, creation of creative environment outside of Riga;</li> <li>Promotion of creative towns (e.g. 2016 - 'Creative Cesis' – promotion of the town as a creative 'hot-spot').</li> </ul> #	The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development", p.7  Cultural Policy Guidelines "Creative Latvia" 2014-2020, p.54
Lack of regular monitoring (mapping) and research activities	Regular targeted mapping of sectors of creative industries isn't carried out.	<ul style="list-style-type: none"> <li>Improvement of the mechanism for compiling statistical data in the CCI sector;</li> <li>Implementation of systematic mapping, monitoring and economic impact assessment of the CCI;</li> <li>The possible compromise option - definition of the core CCI and sectors related thereto, as well as the legal form of representatives of creative industries.</li> </ul>	Cultural Policy Guidelines "Creative Latvia" 2014-2020, p.41  Presentation by Purviņa, Dz. (Ministry of Culture) "Kultūras un radošās industrijas. Radošā Latvija 2014-2020"
Lack of the objective analysis of the design sector	Due to the lack of systematic data collection and lack of defined indicative measures, it is not possible to perform the objective analysis of the design sector in the context of EU countries.		Purviņa, Dz., Piņķe, A. et al (2017), Latvijas dizains 2020 [Latvian design 2020], p.13
<b>Administrative &amp; Technical</b>			
Lack of current assets and tax load (burden)	Large part of entrepreneurs is influenced by the lack of current assets and too high tax burden. Therefore, at least partly growth opportunities of CCI are limited due to the access of entrepreneurs		"The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development", p.10

	to financial resources.		Purviņa, Dz., Pinke, A. et al (2017), Latvijas dizains 2020 [Latvian design 2020], p.12
Insufficiently developed infrastructure, material & technical basis in cultural education institutions	There is a lack of innovative teaching tools (also digital) which would ensure an offer and provision of content of education corresponding to the modern labour market and development needs of the society in order to support emerging of excellence.	<ul style="list-style-type: none"> <li>• Strategic re-planning of the network development of vocational secondary art &amp; music secondary schools;</li> <li>• Establishment of vocational education competence centres corresponding to the requirements of the modern labour market as the basis for the development of excellence (e.g. establishment of six cultural education competence centres until 2020 – two of them (design and stage art) in Riga, rest in the cities Liepāja, Ventspils, Cēsis &amp; Rēzekne);</li> <li>• Specialisation development of the rest secondary schools;</li> <li>• Continuous vocational in-service training and acquisition of higher qualification for graduates and professionals already working, by creating new programmes, ensuring opportunities of further education and vocational in-service training, also opportunities of participation in international competitions.</li> </ul>	Cultural Policy Guidelines “Creative Latvia” 2014-2020, p.28-30
Lack of joined management system in some CCI sectors	There is a need to revise the system for governance of cultural sectors. Lack of joined management and co-ordination hinders successful development of some sectors (specifically, literature, visual art, dance, architecture and design).	<ul style="list-style-type: none"> <li>• The possibilities of co-operation between the State and non-governmental sector is a resource not used to the fullest in improvement of the management, strengthening sectoral self-governance and developing efficient co-operation model.</li> </ul>	Cultural Policy Guidelines “Creative Latvia” 2014-2020, p.15
<b>Skills &amp; Capacity Building</b>			
Lack of knowledge & skills about business management and commercialisation process of “creative idea”	One of the main obstacles for CCI business development is the lack of knowledge on commercialisation processes and skills to implement a creative idea into a commercial product/ service (inability to prepare and present a business plan, difficulties to attract investments, to prove the value of the investment project, introduction of new product into market, etc.).	<ul style="list-style-type: none"> <li>• Continuous opportunities for education and professional in-service training must be ensured for both the new entrepreneurs and the professionals already existing in the sector; business incubators</li> <li>• Consultation and training measures for commencing entrepreneurship &amp; developing innovative business ideas/ Mentoring and coaching programme;</li> <li>• Incubator of creative industries (establishment of LIAA Creative Incubator);</li> <li>• Management training;</li> <li>• Support for investors attraction;</li> <li>• Creative investments funds.</li> </ul>	Cultural Policy Guidelines “Creative Latvia” 2014-2020, p.38, 43  “The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.13, 19
Insufficiently developed co-operation	Small number of CCI entrepreneurs cooperates with other enterprises in developing	<ul style="list-style-type: none"> <li>• Mentoring &amp; coaching programme;</li> <li>• Participation &amp; motivation mechanism;</li> </ul>	Cultural Policy Guidelines “Creative Latvia” 2014-2020,

between the CCI and traditional sectors of industry and services for implementing the transfer of innovations.	and introducing products and services of CCI entrepreneurs in order to create new added value products. The potential of CCI is not fully used to stimulate innovations not only within the creative sectors, but also other economic sectors (transfer of knowledge, spill-over effect).	<ul style="list-style-type: none"> <li>• Competence centres;</li> <li>• Participation in international networks, research projects;</li> <li>• an inter-disciplinary partnership model in cultural education (education process oriented towards extensive co-operation between the labour market and sectors) (e.g. RaPaPro).</li> </ul>	<p>p.40, 50</p> <p>“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.19</p>
Low level of development and implementation of innovation activities	Enterprises in Latvia perform low activity in the development and implementation of innovations, specifically micro enterprises (low research capacity & quality, poor collaboration between business and research sector) due to the high costs, the lack of own resources and limited opportunities to attract funding.	<ul style="list-style-type: none"> <li>• The cooperation programme for CI new product and technology development;</li> <li>• Corporate income tax relief for the purchase of new equipment and R&amp;D expenses;</li> <li>• Participation in technologies transfer system;</li> <li>• Support for new products and technologies development;</li> <li>• Innovations vouchers;</li> <li>• CCI cluster.</li> </ul>	<p>Cultural Policy Guidelines “Creative Latvia” 2014-2020, p.40</p> <p>“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.16</p> <p>National Development Plan of Latvia for 2014–2020, p. 24</p> <p>National Industrial Policy Guidelines 2014-2020</p>
Poor collaboration between business sector and research institutions to boost innovation activities	Lack of information on opportunities to collaborate with scientific and research institutions and the benefits of such cooperation, as well as lack of collaborative skills.	<ul style="list-style-type: none"> <li>• Participation in technologies transfer system;</li> <li>• Support for new products and technologies development;</li> <li>• CI competence centre;</li> <li>• CCI cluster;</li> <li>• Participation in international networks, research projects.</li> </ul>	<p>“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.16, 19</p> <p>Science, Technology Development, and Innovation Framework 2014-2020, p.17</p>
Lack of favourable infrastructure and environment for innovations to develop CCI	Lack of favourable infrastructure and environment for innovation to boost development of the CCI.	<ul style="list-style-type: none"> <li>• Creation of the CCI Centre in several stages (2014-2020) in the former complex of the Tobacco Factory [<i>Tabakas fabrika</i>] buildings (Miera iela 58, Riga), involving institutions of higher education, merchants of creative industries and service providers supporting the sector.</li> </ul>	<p>Cultural Policy Guidelines “Creative Latvia” 2014-2020, p.40</p>
Lack of qualified work force	Availability of skilled and professional workforce is one of the important obstacles for development of CCI (e.g. in the IT sector, project management, design and marketing)	<ul style="list-style-type: none"> <li>• Awareness and communication platform;</li> <li>• CI business incubator;</li> <li>• Attraction of qualified specialists; Employee training programme; Ensuring internship places;</li> <li>• CI competence centre</li> </ul>	<p>“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.8, 14, 19</p>



Potential of design is not fully used	There is an insufficient awareness about potential of design to improve business development and facilitate innovations as well as the lack of knowledge on how to combine traditional industries with modern design and sustainable business model. Design (both, as a product and process) is considered as expensive and unavailable element.	<ul style="list-style-type: none"> <li>• Establishment the institutional system of the design sector;</li> <li>• Promotion of collaboration between the state and the NGO sector;</li> <li>• Establishment of a quality conformity system of Latvian design and development of an annual award in design (e.g. National Design Award of Latvia);</li> <li>• To position design of Latvia in link with the export brand strategy of Latvia (e.g. Red Jacket initiative);</li> <li>• Drawing up guidelines for design as an additional criterion for evaluation in procurements;</li> <li>• Specialised assistance instrument</li> </ul>	<p>Purviņa, Dz., Piņķe, A. et al (2017), Latvijas dizains 2020 [Latvian design 2020], p.11</p> <p>Cultural Policy Guidelines “Creative Latvia” 2014-2020, p.38, 41, 44-45</p> <p>National Development Plan of Latvia for 2014–2020, p. 24 [133]</p>
Low level of digital skills	50% of Latvian population has no sufficient level of digital skills that may prevent the development of new innovative products and result in a low level of its usage	Introduction of innovative forms of curriculum content & activities in elementary & secondary education to promote creative & entrepreneurial ability: a digital learning environment	<p>Baliņa, S. (2017)</p> <p>National Development Plan of Latvia for 2014–2020, p. 45 [290]</p>
<b>Financial &amp; Economic</b>			
Lack of financing/ targeted resources (poor access to financial resources)	CCI enterprises generally do not have material support for bank loans and business ideas in turn usually are not accepted as credit coverage – bank loans could be useful as a co-financing source to receive support from EU funds	<ul style="list-style-type: none"> <li>• Start-up capital support programmes, incubation services &amp; other;</li> <li>• State aid instruments;</li> <li>• Implementation of micro-loan programme;</li> <li>• Access to the EU co-financing (“Creative Europe”, Guarantee Fund, COSME, Horizon 2020);</li> <li>• Use of alternative financial instruments (business angels, risk capital financing, guarantees, etc.);</li> <li>• Dialogue &amp; mutual understanding among CCI entrepreneurs &amp; financial institutions;</li> </ul>	<p>Cultural Policy Guidelines “Creative Latvia” 2014-2020, p 38-39, 43-44</p> <p>“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.14</p> <p>National Development Plan of Latvia for 2014–2020, p. 22</p>
Potential of CCIs human resources is not fully used	Potential of creativity and innovations of CCI human resources is not fully used to create unique high added value products and services. A business process is now more focused on the creation, rather than growth	<ul style="list-style-type: none"> <li>• Awareness &amp; communication platform;</li> <li>• CCI clusters</li> </ul>	<p>“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.13, p.19</p>
Lack of clear information about availability of financial support	There is a lack of clearly designed and easily to handle information about state financial support instruments		<p>Purviņa, Dz., Piņķe, A. et al (2017), Latvijas dizains 2020 [Latvian design 2020], p.13</p>
<b>Policy Issues</b>			
	There is a lack of sustainable and flexible economic policy for implementation and innovation of state and European Union funds		<p>Purviņa, Dz., Piņķe, A. et al (2017), Latvijas dizains 2020 [Latvian design 2020], p.13</p>
The education	There is a weak link between	• Project “Latvian Cultural Schoolbag”	<p>Cultural Policy Guidelines “Creative</p>

system does not promote creativity to a sufficient level	educational and cultural processes, particularly for children and youth, who live further away from cultural centres, access to professional art is hindered. There is a lack of targeted State policy for expanding cultural experience and promoting creativity in perspective of lifelong education.	(the implementation of the integrated teaching programmes on the contemporary art, dance, cinema, music, heritage, literature, design, architecture, etc. and the related travel expenses and entrance tickets at the places of cultural events).	Latvia” 2014-2020, p. 27, 31
	Smart Specialization Strategy (RIS3) of Latvia is not focusing on CCI sector which reduces opportunities for its development. However, RIS 3 highlights potential of the industry to produce goods with added value.		Smart Specialisation Strategy of Latvia (RIS3)
Insufficient copyright protection	Difficulties in the field of copyright protection, harmonising the interests of the authors, the organisations representing them and the society (particularly in the digital environment).		Cultural Policy Guidelines “Creative Latvia” 2014-2020, p. 9
<b>Internationalization</b>			
Lack of internationalisation support	There is a lack of specific support instruments to initiate the exit of CCI enterprises to export markets.	<ul style="list-style-type: none"> <li>• Export support programme;</li> <li>• Business incubators;</li> <li>• targeted State financial aid for participation of enterprises international commercial fairs and exhibitions (e.g. support of LIAA);</li> <li>• creation of a data base of joint creative enterprises;</li> <li>• surveying of international commercial fairs and exhibitions</li> </ul>	Cultural Policy Guidelines “Creative Latvia” 2014-2020, p.9, 19, 40
Lack of export motivation and experience	There is a lack of export motivation and experience that prevent enterprises to enter export market. The CCI companies are mostly oriented on the internal market, rather than external, but small local market hinders the increase in critical mass of CCI enterprises.	<ul style="list-style-type: none"> <li>• Awareness &amp; communication platform;</li> <li>• Export support programme (e.g. activities of the Latvian Investments and Development Agency (LIAA), LIAA Creative Incubator);</li> <li>• State guarantees;</li> <li>• CI industry clusters (design cluster);</li> <li>• Positioning design of Latvia in link with the export brand strategy of Latvia</li> <li>• Creation of motivation by active promotion of existing examples of exporting brands (Red Jacket initiative);</li> </ul>	“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”, p.16, 19, 45
Low level of export capacity (specifically within the small	Most often export activities are carried out by big enterprise. The main obstacles for small enterprises to enter export market are lack of financial and human	<ul style="list-style-type: none"> <li>• Marketing measures in international markets,</li> <li>• Export support programme,</li> <li>• State guarantees</li> <li>• CI competence centre</li> </ul>	“The Performance of the Creative Industries Sector of Latvia and Preconditions for its Targeted Development”,

companies)	resources, strong competition with companies in foreign market, lack of marketing, sales and logistics measures, etc.	• CI industry clusters	p.16, 19. Cultural Policy Guidelines “Creative Latvia” 2014-2020 National Industrial Policy Guidelines 2014-2020, p.23
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- 3) Cultural Policy Guidelines 2014-20 “Creative Latvia” approved by Cabinet Order No. 401, 29 July 2014;
- 4) National Development Plan 2014-2016 approved in a plenary session of the Parliament of the Republic of Latvia (*Saeima*) on 20 December 2012;
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- 8) Report: State Chancellery (2013), *The Performance of The Creative Industries Sector of Latvia and Preconditions for Its Targeted Development*. Available at: <http://www.km.gov.lv/lv/starpnozares/radosa/petijumi.html>;
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