Final, In-Depth Assessment Report

CENTRU REGION, ROMANIA

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával,
az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

Summary

Centru Region has a good polycentric urban build-up, cultural assets, educational basis and individual CCI related success stories to establish a regionally viable and visible CCI environment and network. Surmount to the following barriers are essential to make the next necessary steps to create that environment: isolation trends of administrative stakeholders, cultural and creative groups in various sub regional level, lack of capacity building from strategic animation through mentoring and supporting to cooperation, low-key CCI presence and acceptance in various local/regional development policies, unbalanced quality of regional education, low-level entrepreneurship among creatives, ICT performance makes local CCI top-heavy - other subsectors, especially cultural side, lagging behind; immature local business and financial environment, venture capital did not discover the region yet, weak local market for CCI products and services.

Section 0: Introduction

(a) Short introduction of the CRE:HUB project

The project "Policies for cultural CREative industries: the HUB for innovative regional development" (CRE:HUB) started on April 2016 and it will continue until the end of September 2020. It's divided into two phases: during Phase 1 (01.04.2016 – 30.09.2018) all eight project partners will develop Action Plans for improving cultural and creative industries (CCI) in their regions following their Roadmaps. During Phase 2 (01.10.2018 – 30.09.2020) the implementation of Action Plans will take place.

In the project context CCIs represent highly innovative SMEs and their promotion can effectively increase regional competitiveness and job creation capacity. For participating regions CCIs represent a strategic sector of development as underlined in many of their RIS3 documents. Despite the dynamic and innovative field of action, CCIs encounter difficulties in access to credit and lack resources to enhance their competitiveness on the global market, building effective partnerships, extending their activity to other countries. CRE:HUB overall objective is to improve 8 programmes for Investment for Growth and Employment (TO3), to support creation and development of new SMEs in CCI sector at regional and national level through fruitful cooperation among regions with different level of capacities and experiences in CCIs supporting policies.

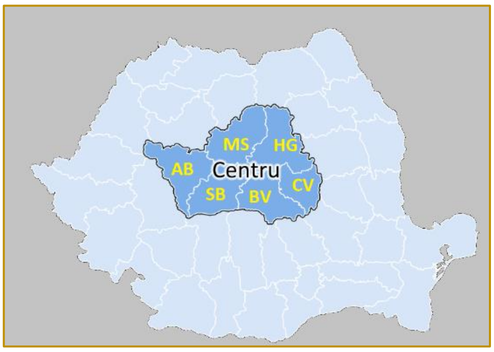
(b) Short introduction to the Peer Review methodology

The CRE:HUB Peer Review Methodology helps regions to improve their policies for promoting CCI development. The methodology is developed directly to use it during the CRE:HUB project, when assessing different regions' CCI policies. The methodology standardises the relevant aspects that need to be measured, in order to enable experts with different background to assess the regional situation in an objective way. By this, they will be able to give appropriate recommendations for CCI development in the host region. Important advantage of peer reviews is the selection of experts, who are practitioners in the field of the assessment, which means that the recommendations given by them after the review will be practical and realistic.

Section 1: Overview

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával,
az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

(a) Short description of the Host Region, general overview, economic profile



By geographical position, the Centru (Center) Region is well-connected territorially, it has got connections with 6 of the other 7 development regions in Romania. Centru region includes 6 counties: Alba, Brasov, Covasna, Harghita, Mures and Sibiu. The Region's contribution to the country's GDP Is the 3rd largest out of the 8 regions, and the county of Brasov as the 6th richest county in the country – and the richest county of the Central Region.

The region covers an area of 34 100 km^2, making up for 14.3% of the country's territory, and counting 2.35 million inhabitants in 2014, with a density of 74 inhabitants/km^2, 59.4% of which settled in urban areas. Most of the region's settlings have a population smaller than 20 000 inhabitants, only the city of Brasov counting more than 200 000 persons, followed by Sibiu and Targu Mures with up to 200 000 inhabitants each. The most important cultural capital specific to the region is its ethnical and cultural diversity: Romanians 65,3%, Hungarians 29,9%, Roma 4%, Germans 0,6%.

According to the Socio-economic analysis of the Centru Region (as part of the Development Plan for the Centru Region 2014-2020) we can highlight the following characteristics:

Natural environment, geographical features and resources: The predominance of the mountainous relief (47% of the region's area) presents a great potential for animal husbandry, the plateau and meadow areas are suitable for agricultural crops and altogether they allow a vast diversification of agricultural activities in the region. Concerning renewable energy resources Centru region has the greatest potentials in biomass and solar energy as well as the hydro-energetic resources of Mureş, Olt and Sebeş rivers are highly important.The variety of relief - as an important geographic feature of the Region - has also a high tourist potential. The presence of diverse natural resources in Centru Region is an important premise in local economic development. The most valuable resources are methane gas, metallic ores, salt, mineral waters, coal, building materials, arable land, forests.

The natural environment also results some restrictive conditions such as construction of road transport routes (Southern Carpathians), difficulties in accessibility, development of settlements in the rural areas.

Centru has a special natural capital, the areas of 3 biogeographical regions can be found in the region's territory out of Romania's 5 such areas. There are 192 natural areas with a national legal protection status: 3 national parks, 3 natural parks, 156 natural reserves, 2 bird protection areas and 28 nature monuments.

Structure of settlement system in the region: The dynamics and configuration of the region's settlement network are factors that have directly influenced the level of social and economic development of Centru Region. The network of settlements in the region consists of 57 cities (20 of which are municipalities), 357 communes and 1788 villages. Centru Region has two urban development poles with considerable metropolitan areas: Braşov (also titled as the only real growth pole of the region) and Târgu Mureş, the third development pole is Sibiu but this city is without a larger metropolitan area. Other important cities with a population ranging from 50 000 to 100 000

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

inhabitants are Alba Iulia, Mediaş and Sfântu Gheorghe. Geographical features have directly influenced the development and spatial distribution of rural settlements, most of the villages are in Alba County (656). Support and development of a polycentric development policy is a great opportunity for Centru Region, contributing to the increase of territorial cohesion and the competitiveness of the region.

Socio-demographic structure of the population: Population of Centru Region reaches 2.36 million people (2011 Census), with this figure the region is the 5th among the 8 development regions of Romania. Low population density (69 inhabitants / km^2) is a common feature for the region, although the urbanization rate is higher than the national average, it was 58% in 2011. The region's population has fallen by 12.6% in the last 20 years, and by 2050, according to long-time demographic estimations Centru Region could lose another 25% of its current population. The main causes of decreasing population: external migration and negative natural growth caused by rapid birth rate reduction after 1990. Centru Region faces an increasing demographic aging process, with the 15.4% share of elderly people (in 2011), the forecast for 2050 is 31.1%.

The active population is 42.5% of the total population of the region, decreasing in recent years as a result of the increase in the number of pensioners and the delay of young people entering the labor market. The employment rate and employment rate of the working age population have been significantly reduced over the last 22 years, reaching 60.5% and 53.4% respectively in 2012. The share of the labor force with higher education has increased significantly in recent years, these trends being expected to continue in the next period. The service sector held the largest share of the employed population in 2011 (42.1%), followed by industry (27%) and agriculture (24.2%). At the end of 2012, the unemployment rate in the Central Region was 6.4%, slightly above the national rate. Significant intra-regional disparities are observed: the highest value is recorded in Alba County (8.7%), and the lowest in Sibiu and Brasov (4.8% and 5.1% respectively).

Infrastructure: Centru Region has got a privileged position in accessibility and of road connections with the rest of the country and with Europe, it is crossed by five European roads (951 km in total). Completing the TEN-T network will have a major impact in reduced travel time for passengers and goods. In the last 20 years rail transport at national and regional level has declined both in terms of the condition of infrastructure and traffic. Significant investments are needed both in the extension of the road network and in the rehabilitation and modernization of the road infrastructure. There are two international airports in Sibiu and Târgu Mureş - Ungheni, the third one: International Airport Braşov - Ghimbav is currently under construction. In recent years, the international and domestic passenger transport of airports in the region has increased greatly.

The development of Sustainable Urban Mobility Plans for the cities of the region is a necessity.

Among Centru Region's counties, the share of the population without access to broadband connections is between 50%-80% in the county of Covasna; 40%-50% in Alba County and 20%-40% in the counties of Brasov, Harghita, Sibiu and Mures. Less than half of the households had a computer at home or were connected to the Internet from home (2012), thus the region had the penultimate place at national level with its figures.

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával,
az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

There are a large number of social services and service providers in the region, more than one fifth of the accredited social service providers in Romania were coming from Centru Region (21,6% - 2012). The main regional social problems are identified as follows: aging population, widening poverty, high long-term unemployment, high youth unemployment, low labor market inclusion, high school dropout rate, high poverty rate among Roma people.

The educational infrastructure is well developed at regional level, the total number of pre-schools, primary schools, high schools, post-secondary, vocational and higher education units was 1 087 in 2011 - most of them in Braşov, Mureş and Sibiu counties. In 2010/2011, the highest share of students was registered in primary and secondary education (40.7%), then high school (19.8%) and higher education (17.9%). In 2011 there were 13 higher education institutions with a total number of 78 faculties and a teaching staff of 2 699 people in Centru Region. The main universities are: Transylvania University of Brasov (the largest), Lucian Blaga University of Sibiu, University of Medicine and Pharmacy of Târgu Mureş, 1 Decembrie 1918 University of Alba Iulia, Petru Maior University of Târgu Mureş, University of Arts of Târgu Mureş, Babeş-Bolyai University (Cluj) - Sfântu Gheorghe Subsidiary, Sapientia University (Cluj) - Miercurea Ciuc and Târgu Mureş Subsidiaries. In 2011 Braşov county has the highest share of the total number of employees from the R&D sector in the region (64.1%, 2 257 employees) followed by Sibiu (15.6%). and Mureş (10.6%) counties. In 2011 Centru Region ranked 4th on the number of patent applications filed by Romanian applicants.

Regional Economy: GDP in 2010 totalled 59.12 bn lei (in 2010 prices) in Centru Region, representing 11.3% of the value of Romania's performance. By GDP value the region was ranked third at national level, after the Bucharest-Ilfov Region and the West Region. Calculated at standard purchasing parity, GDP was 10 900 € per capita, representing 45% of the EU average and 95.9% of the national average. Two counties of Centru Region, Brasov and Sibiu, are among the most developed in the country, Alba is close to the national average, while the other 3 counties of the region are 20-30 pp below the national level of GDP per capita value. Compared to the average level in the European Union, labor productivity in Centru Region reached almost 46% in 2010. Compared to the other regions of Romania the region was in the third position after Bucharest and the West Region. The economic structure of Centru Region has undergone substantial changes in the last 10 years. The weight of the basic economic sectors had fallen sharply (such as agriculture, mining and manufacturing), while the share of other economic sectors and especially tertiary sector have increased. Regional industry centres on food industry, textiles, woodworking, building materials and automotive industry.

FDIs in Centru Region reached 4.625 bn € at the end of 2012, 7.8% of total foreign direct investments in Romania, thus was second after the Bucharest-Ilfov Region. Regional exports have seen a strong upward trend over the past 10 years, reaching around 5.8 bn € in 2011, 4.2 times more than in 2001. SMEs in 2011 represented about 73% of the staff and 63% of the turnover of the local enterprises in industry, construction and services, except those in the banking and insurance sectors. The participation of local companies in the various economic cooperation networks at European level is still low.

Clusters have been formed in Centru Region in the fields of wood processing, biomass, electrotechnics, and food industry.

Tourism: The economic importance of tourism is relatively low, both at regional and national level, although Centru Region has a high and diversified tourism potential, especially in mountain tourism,

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

spa tourism, cultural tourism and rural tourism. The tourist infrastructure in the region in 2012 meant 1 526 accommodation units, of which were 269 hotels and motels, 29 hostels, 49 cottages, 109 villas and bungalows, 429 tourist boarding houses and 594 boarding houses, the rest was other types of tourist units. The density of accommodation units doubled the national level and by capacity the region held second position in the country. The network of tourist accommodation units is unevenly spread, the lack of modernization affecting the quality of services offered to tourist, the index of capacity utilisation was only 23.6%! In 2012 the average duration of tourists' stay was 2.2 days in the region slightly lower than national level. Seasonal analysis shows a concentration of arrivals and overnight stays of tourists during the summer, August and July being the peak months and in March at the lowest level. Most of the tourists visiting Centru Region are Romanians, the proportion of foreigners being significant (18%). Centru Region holds 37.9% of Romania's agro-tourism pensions and 34.4% of the tourist boarding houses.

Agriculture and rural development: Rural areas occupy about 83% of the territory of Centru Region with 357 communes and 1788 villages. The rural population was 1 028 971 inhabitants in 2011, representing 40.8% of the total population of the region. Compared to 1990, the rural area of Centru Region decreased by 9%.

The employment rate of the rural population aged 15-64 dropped to 45.4% in 2011, lower than in the urban area - 56.6%. Agriculture in Centru Region is characterized by the predominance of small-scale farms, the aging workforce, the low share of mechanized labor in production, low income earned. Population employed in agriculture was still large in 2011 (24.2% of the total empl.), although the share of agriculture in regional GDP has fallen sharply in recent years, from 19.3% in 1993 to 6.8% in 2010.

The agricultural area expands 1.87 million hectares, representing 54.8% of the total area of the region and 12.8% of the agricultural area of Romania. Land use: arable 38.6%, pastures 34.2%, meadows 26%, viticulture 0.5%, orchards and fruit-growing 0.7%. Forests are one of the most important assets of Centru Region, they cover 36.5% of its territory. With a volume of 4.4 million m^3 of wood logged in 2011, the region is the first region for timber production in Romania.

Capitalization of agricultural production is one of the most important problems that local farmers have to face with. Lack of organization of producers, the insufficient development of infrastructures and the internal agricultural market as well as the insufficient regulation of the producer-seller relationship are among the greatest difficulties. Excessive fragmentation of agricultural production, reduced individual yields, high transport costs of agricultural products, along with the lack of product certification in many cases determine the low interest of large processors for local agricultural products.

Source: State of the art - Cultural and Creative Industries CENTRU REGION ROMANIA

Planul de Dezvoltare a Regiunii Centru 2014 – 2020 / Analiza socio-economică a Regiunii Centru, Agenția pentru Dezvoltare Regională Centru, 2014 http://www.adrcentru.ro/Document_Files/Capitolul%202.%20Analiza%20socioeconomica_ye9t6s.pdf

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

Characteristics of CCI's in Centru Region

The State of the Art Analysis of the Cultural and Creative Industries of Centru Region covers the analysis of 40 economic activity classification codes (NACE). The results of the analysis come from their indicators of entrepreneurial dynamics (evolution of number of companies), turnover and employment of companies from these industries. In 2011 CCI had represented 4.5% of the EU GDP and hired 3.8% of its workforce. In 2009 in Romania this contribution stood at 5.93% of the GDP and 4.48% of the workforce. The results show that all county residence cities of Centru Region: Alba Iulia, Brasov, Sfantu Gheorghe, Miercurea Ciuc, Targu Mures and Sibiu are in the first 15 most culturally vibrant cities in Romania.

In terms of economy, Centru region has a strong orientation towards industrial activities with a significant potential for supporting CCI activities – ensuring 46% of the national timber production, but also 20% of the furniture production. The region has a great potential in terms of tourism, including cultural tourism, but the most important dimension of its CCI is the ICT sector.

The CCI sectors in Centru Region have seen a vigorous development in the recent years, mostly due to the rise of ICT, which dominates in terms of revenues. The regional analysis explores this relationship in depth. ICT, printing and advertising subsectors accumulate over two-third of the economic results in the region's CCI. The ICT subsector, covering 6 NACE codes, is especially well established in Brașov, Mureș and Sibiu counties, where it dominates the local CCI. Brașov is among the top 5 ICT poles in the country.

As it happens in all regions of Romania, CCI activities are polarized around large cities, in particular county residence-cities. Looking at the recent year's dynamics of the CCI within the region, based on the selected NACE codes, we see that 3 counties dominate these industries, accounting for 80% of the region's CCI, and for 94% of the growth of the regional CCI from 2012 to 2015: Brașov, Mureș and Sibiu. Going beyond economic activities, the cultural industries of the region have different hierarchies. Sibiu is the dominating county in all matters related to culture, while Brasov is only an emerging pole. Cultural entrepreneurship in Sibiu, Covasna and Alba are significantly higher than in more established counties like Brasov and Mures.

In terms of funding, Centru Region shows the most advanced consistency with local public funding for cultural projects (festival, exhibitions region, etc.) in the entire country. Analysing the local and county level budgets allocated specifically for cultural projects we can estimate that in 2016 more than 2.5 million € have been spent on such projects. There is still however an issue with intra-regional consistency in handling funding processes. Each of the regional authorities operates its own grant system under different rules, with a couple of them (Alba Iulia City, Mures County) funding cultural via partnership networks. The differences in budgets, rules and ease of work have had a direct influence on the cultural life of the respective cities and counties. As a result, the good practices from the region come from different fields, depending on the county. In Brasov the technology festival *ALT Brașov* established Brasov as a national and international ICT and innovation pole, while in Alba Iulia the Carolina Cultural Quarter project is working on revitalizing the old city fortress. In Sibiu European Capital of Culture status has transformed the cultural life of the city, while in Mures, Covasna or Harghita the rehabilitation of the cultural heritage monuments have spawned not only a new cultural tourism market, but also a new interest (and market) for craftsmanship.

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

CCI sector is defined by a well distributed educational network and well established subsectors like publishing, advertising and ICT-related disciplines. It however lacks cohesion and collaboration at all regulatory, funding, and community levels. To enhance the competitiveness of creative SMEs in Centru Region, their global value chain values needs to be raised. The resources for a stronger collaboration between CCIs need to be developed; and a stronger spillover across sectors needs to be linked with cross-funding and the development of cohesive regulatory ecosystem.

Source: Roadmap for enhancing Cultural and Creative Industries in CENTRU REGION ROMANIA

C***ultural sector***

According to a study by the Center for Cultural Research and Consultancy („Vitalitatea culturala a oraselor din Romania" 2010 - Centrul de Cercetare si Consultanta in Domeniul Culturii) measured the cultural vitality of the Romanian cities by firstly understanding their potential. The authors considered a healthy cultural life is reflected through the following opportunities: access to cultural goods (cultural infrastructure like venues, libraries, museums, exhibition spaces, etc); cultural and artistic development (CCI-related educational centres, necessary training personnel, and the infrastructure needed for teaching); and the possibility to capitalize on the outcome of creative work (copyrights). The study is based on data collected in 2010, but it is relevant considering the slow and gradual nature of change in the cultural and societal sectors. The authors considered data related to the 46 Romanian county residences and other settlements with a population of over 50 000 inhabitants (excluding Bucharest area).

The results show that all county residences of Centru region – Alba Iulia, Brasov, Sfantu Gheorghe, Miercurea Ciuc, Targu Mures si Sibiu – are in the first 15 most culturally vibrant cities in Romania. If filtered by the economic performance of the creative industry indicator, Brasov is the best ranked city of Centru region with a Key Performance Indicator value (KPI) of 1.02, followed by Sibiu (5th nationally, 0.68), Sfantu Gheorghe (8th nationally, 0.59), Targu Mures (10th natinally, 0.46), Miercurea Ciuc (18th nationally, 0.03) and Alba Iulia (28th nationally, -0.22). Medias also enters the regional ranking on 4th place nationally with a positive KPI of 0.93.

Source: State of the art Cultural and Creative Industries CENTRU REGION ROMANIA

Among the 14 Romanian candidate cities for the ECC 2021 title, 4 where county capitals from Centru region – Alba-Iulia, Brasov, Sfântu Gheorghe and Targu Mures. Even though none of them went to the next stage, the respective local authorities have undertaken commitments regarding investment in infrastructures and funding for projects with impact on the development of the CCI.

Source: State of the art Cultural and Creative Industries (CRE HUB 2017)

(b) Description of Peer Review focus (why it was chosen, specific questions and expected outputs of the Host Region)

The peer Review was concentrated **to gain new perspectives on how Centru Region can improve the ROP so that CCIs are better supported.**

Based on the following questions:

- How are CCI projects financed in experts region using EU funds or other types of funds?
- What are the challenges in financing CCI projects in experts region?
- Do you have ROPs in you regions and how are they managed?
- What are the mechanisms for improving financing programs in your regions?
- Your opinions on the consistency of our Road Map and the policy instrument addressed by this project.
- What can we do to have a better involvement of the stakeholders in the process of improving the policy instrument?
- New approaches that may work.

Section 2: Regional Strategy

(a) Key Findings

From the 'Barrier & Solution Matrix' made by CENTRU REGION

Policy Issue - Lack of local policies regarding development of creative industries - Although at national and regional level there are strategies for the development of the creative industries, local strategies and projects are seldom, and therefor results are missing.

Identified solutions

- *Promote policy good practices in promoting creative industries from the region (Sibiu, Alba Iulia, Sfantu Gheorghe) or outside the region among local decision makers*
- *Create a regional working groups focused on developing creative industries in the Region*
- *Create a gamification context between local authorities on the issue of creative industries, and award the best public policies/projects supporting the creative industry*

Other Findings

CCI sectors and definition appearing in strategy
Romania follows the definition of CCI sector formulated within the Creative Europe program (EC 2011): "*Cultural and creative industries* are those industries producing and distributing goods or services which at the time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have." Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film/DVD/video, television and radio, video games, new media, music, books and press. "Creative industries" are those industries which use culture as an

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával,
az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

input and have a cultural dimension, although their outputs are mainly functional. They include architecture and design, which integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design or advertising.
Huge advantage is that according to some specific surveys, all county residence cities of Centru Region – Alba Iulia, Brasov, Sfantu Gheorghe, Miercurea Ciuc, Targu Mures and Sibiu – are in the first 15 most culturally vibrant cities in Romania.

CCI support instruments appearing in strategy

There are two important strategies related to CCI in Centru Region: the Regional Development Plan and the Smart Specialization Strategy which can be implemented with the fundings of the Regional Operational Program 2014-2020 with its dedicated allocations for Centru Region.

Main actors responsible for CCI development

Public authorities, Intermediary organisation (public) are committed:

- Development organizations, Regio RDA – Intermediate Body for EU regional funds
- Administrative public entities with some funding possibilities: counties and municipalities, chambers
- Universities (5) with CCI relevant degree programs or with R&D facilities
- Clusters with innovation that can have relations to the CCI sector (timber and associated industries, packaging-print&design, IT, fashion and textile industry)
- Relevant companies (with ICT domination)

(b) Recommendations

- The regional strategy should have the same or more focus on the other sectors of the CCI than ICT.
- According to the state of art document, on corporate/enterprise level the main stakeholders are ICT companies, the stakeholder pool should contain other sectors'viable companies, even if they are smaller in scale or financial performance comparing the world of ICT.
- The strategy should use the benefit of the local prominent ICT knowledge, we suggest to start a technology transfer center which should service the entire region first place.
- Within the tenders/applications of the ROP 2014-2020 the specific regional CCI demands should be represented at least in the SME development, the educational and the ESF type community development call of proposals
- Reinforce "sme" from CCI more specifically, because the region strengths are based on a very dynamic style life that still need to explore more and find sinergies with the other axes fostering public private collaborations

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával,
az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

Section 3: Education. Skills and Capacity Building

(a) Key Findings

From the 'Barrier & Solution Matrix' made by CENTRU REGION

a) Due to the brain- and talent drain phenomenon the region is constantly loosing most of its talented human capital before they become highly skilled human resources

b) With the exception of Sibiu, cultural entrepreneurship is not yet established as a viable alternative to other entrepreneurial ventures

c) The universities within the Region often fail to provide the needed quality and quantity of human resources, due to the inflexibility of the educational system

Identified solutions

- Improving the quality, positioning and promotion of the regions universities
- Adding to the labor market skills, via alternative educational programs, needed for an improved positioning on global value chains;
- Attracting to the labor market resources shaped in other regions with more competitive educational systems, but less competitive economies (NE region, etc.)
- Establish cultural entrepreneurship education programs
- Set up acceleration & incubation programs for entrepreneurs in the CCI
- Support the development of alternative, industry driven educational infrastructures and programs
- Encourage - skills that were not formed primarily with a view to culturally entrepreneurial vocations (e.g. artists, artisans, researchers in science and technology, economists).

Other Findings

There is a good polycentric network of higher education institutions within the region. The quality of ICT education is not bad at all, but there is some capacity problems to produce enough young professionals for the sector – who are highly affected by the lure of off-regional possibilities.

There is youth unemployment issue in the region, but higher education institutes (e.g. Sibiu) try to focus on the development of creative competences of the graduates -with the overall objective to 'produce' capable workforce for regionai economic development.

Regarding CCI the main (higher) educational branches are Arts and performing arts; heritage and conversation; IT engineers, computer; communication, pr, publishing.

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

(b) Recommendations

- Never stop allocating funds for education regardless the outcome concerning the individuals staying in the region
- Higher education is highly important – but you should balance with every level from primary (basic skills from childhood) to adult and non-formal education
- It is hard to compete on the global IT market (and its salaries) locally, try put some emphasis on the development of living (and not just working) conditions for the local young professionals – knowing their specific preferences (better childcare services, healthy urban environment, mobility, recreation possibilities etc.)
- Development of local identities could help in some ways staying in or working for the region or at least strengthening the attitudes to return back sometime later
- ESF resources should be spent on scholarships, migrating back local born professional expats.
- Connect education with business skills even from secondary education.
- Create more stable ecosystem involving different actors form Education and business. Could design as a starting point between the University + students to generate innovative ideas continuously collaborating with the Municipality finding out specific "annual items" covering city needs.

Section 4: Favourable Business Environment

(a) Key Findings

From the 'Barrier & Solution Matrix' made by CENTRU REGION

A large stake of the overall turnover of the regions CCI comes specifically from specific services (IT) that are meant for export - Economical dependency of the regions' CCI on exporting leaders.

Identified solutions

- *Develop a local market for the regions CCI products and services via exhibitions, markets, networking events.*
- *Encourage development of umbrella brands for creative products from the region*

Other Findings

Business support organizations: incubators and accelerators: only three business incubators were granted from 2007-2013 EU Funds, one is operational in Timisoara, one is starting its activities this year in Cluj (film industry, media) and the last one in Brasov, Centru Region will be set up in 2018 (mixed use: ICT, renewables, aeronautics). Operating business incubators is hard – there are 3 year long cycles , many companies fail, the involvement of new enterprises needs more operational costs which is lacking.

The economic output of local CCI is highly export dependent, and it is top-heavy because of the economic weight of ICT subsector. As the players of the most important local CCI sector IT(C) service providers, enterprises often cannot perform evenly good quality in full scale from R&D through

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

coding and programming, software development to support and back office services + branding and business management.

(b) Recommendations

- Increase the activities of local chambers, its services towards enterprises concerning trainings and awareness raising of best practices with real potential for local use. This also requires a lot of field work and international connections, cooperations as well.
- With the strengthening and spreading of social enterprises (with connection to local CCI sectors like timber, textile, tourism services) there is a chance to improve local entrepreneurial culture, the lower skilled participants gaining employment experiences through such programmes could step out to the real employment market with more confidence and success.
- There should be an organization who could mentor start-up and spin-off companies, to help them to improve their business ideas, develop their marketing strategy, create an advisory board, recruit co-founders, improve their pitch, launch a product, prepare to raise capital, bootstrap to profitability, generate revenue, and more.
- The good innovative ideas should find “mentors”. If no available resources to create a CCI incubator, the regional involved stakeholders could find mentors from industry/business to mentor the best ideas and at the same time, public authorities could design the “Mentor programme” (in this case Regional Development Agency could be in charge of this development).

Section 5: Partnerships and Networking

(a) Key Findings

From the ‘Barrier & Solution Matrix’ made by CENTRU REGION

(Policy Issue) Lack of a common regional policy regarding cultural development and promotion - Due to the administrative divisions in the region, cultural institutions are managed by cities, counties or ministry, and cooperation among these is almost inexistent

Identified solutions

- *Create a working group, strategy and tools to aggregate development, promotion and commercial efforts among cultural actors involved in the Region*
- *Encourage the adoption of a common framework regarding funding of cultural projects, by all counties and capitals within the region*
- *Create a regional budget and funding mechanism encouraging cross-county/city projects, via the financial contribution of those 12 key stakeholders*

Other Findings – none taken.

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

(b) Recommendations

- Co-working spaces – room for serious work and an easy-going environment for socializing activities at the same time and place
- Specialized networking workshops for various CCI sectors
- Establish solid multiannual funding to make (intraregional stakeholder) networking occasions regular (from RDA resources, county/municipality public resources)
- Make supplementary events when stakeholders from other Romanian regions can join and build partnerships with locals (in regional sense) – e.g. for particular CCI subsectors like fashion, or how to make our mediaeval castles more attractive for cultural tourism, etc.
- Centru Region, should analyse the possibility to enhance a regional strong cluster of CCI gathering the main assets and specialities from each county covering the whole value chain, and involving the main relevant actors to both, promote international activities and business and synergies with other regions that complete the value chain fostering innovative activities.

Section 6: Access to Finance

(a) Key Findings

From the 'Barrier & Solution Matrix' made by CENTRU REGION

Except for a few investments in IT startups, angel, private or venture investment in the regions CCI is close to inexistent.

Identified solutions

- *Educate investors about the potential of the various CCI, and about investment opportunities and incentives*
- *Establishment of a regional business angel network and/or co-investment fund*
- *Establishment of an acceleration/incubation program for startups in CCI to create deal-flow towards investors*

Other Findings

Outside the ICT sector, other CCI branches –with a great emphasis on culture – can found funding possibilities varying county by county, municipality by municipality. No general ways can be identified, local solutions are flourishing.

(b) Recommendations

- Teach investors with free investment capacities how to become an angel investor.
- Sustain a regional information system on up-to-date financial possibilities and their requirements towards local CCI beneficiaries, and also find new international partners to export using more the specific calls for CCI in EU programs.

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

Section 7: Administrative and Technical Issues

(a) Key Findings

From the 'Barrier & Solution Matrix' made by CENTRU REGION

Due to the administrative division of the region in 6 counties with 6 capitals, practices regarding funding of cultural projects strongly vary across the region.

Identified solutions

- *Encourage the adoption of a common framework regarding funding of cultural projects, by all counties and capitals within the region*
- *Create a regional budget and funding mechanism encouraging cross-county/city projects, via the financial contribution of those 12 key stakeholders.*

Other Findings – none, the above identified and mentioned administrative division barrier has the key importance in this issue.

(b) Recommendations

- Counties should have commonly adopted parts within the regional CCI strategy, formulate sections which can depict the lowest common denominator when it comes to envision regional CCI development and its objectives.
- Improve the visibility of the online and offline communication and know-hows among regional CCI stakeholders and actors of the various counties.
- Beside building up a common framework for CCI funding, it should be useful to establish a common platform for providing support services for the wide range of CCI businesses (e.g. management, marketing, PR, counselling, or R&D services, etc.). Along the specific strengths of various actors (like the universities), one could provide its services for all regional beneficiary.
- Maybe as a first step the cooperations among the county-level chambers could ease the hindsight of the political-administrative level.
- The region have a very strong potential on CCI. Taking advantage from S3 follow up meeting, the regional entities could work more close to the "main stakeholders" and prioritize the relevant projects or initiatives to promote better development of CCI, balancing among involved actors and identified needs/ trends.

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

Section 8: Awareness Rising and Motivation

(a) Key Findings

From the 'Barrier & Solution Matrix' made by CENTRU REGION

a) Unlike in other regions (Bucharest, NW), emerging creatives are not aware of successful & tangible raw models (entrepreneurs, artists, etc.) that they can relate to and emulate.

b) Especially due to the administrative subdivision of the region, and the respective cultural divide, there is low cooperation between CCI communities and actors from the region

Identified solutions

- *Create a common, regional platform to foster cooperation between CCI communities – this platform can take the shape of an association, a cluster, a working group or a virtual cooperation platform*
- *Use the platform to promote role models and good practices among entrepreneurs, artists, creative from the region*
- *Create mentorship networks to support emerging creative in developing in the CCI*
- *Create common goals and projects to tackle common needs and problems, in order to bring the community together*
- *Encourage the adoption of a common framework regarding funding of CCI projects, by all counties within the region*

Other Findings

Low interest of important regional or county level decision makers. CCI is a fashionable thing, but old-school development forms, like well-presentable and high political-PR valued hard infrastructure developments often overcome progressive thoughts.

Small scale local creative communities may be capable and skilled but very fluctual as well regarding its members who often choose more promising offers within their own profession, have higher level mobility.

(b) Recommendations

- Communication of the successful stories in the local CCI.
- Create workshops for the creative industries to allow local creatives to meet and network.
- The agency should inform the decision-makers about the CCI.
- ESF type local community building initiatives (through CLLD, or through other ROP matching measures) should contain CCI elements focusing on the cultural part – establish a platform for various level local decision makers (for public sector, even make a try with the private sector) to know what is bottom up local community building, what are the needs and the demands, how can they hook with such local activities, what could be the benefits for them).
- First step to have a good impact of the above could be establish a proper, professional and medium-long term strategic animation activity led and executed by the RDA naturally – a

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

good chance to spend more TA founding on a useful purpose. Animation is not simply a PR event-based activity of spreading the CCI idea in the region. You should spread and collect information for and from potential stakeholders, whoever and wherever they are, build trust – that requires a lot of field work and it has a continuous nature. When animation works well then mentoring-counselling-cooperation building can have a much easier start.

- CCI need to find the collaboration with the traditional sectors in order to create an added value, to innovate. Promoting “cross sectors” workshops could generate motivations to new challenges that could be supported by the ROP

Section 9: Internationalization

(a) Key Findings

From the ‘Barrier & Solution Matrix’ made by CENTRU REGION

Low positioning on the global value chains - While most of its CCI turnover is generated by exports, the region is still delivering low added value services (BPO, IPO) and products upwards on the value chain

Identified solutions

- *Add to the labour market skills needed for an improved positioning on the value chain: management, marketing, branding, IPR, R&D*

Other Findings

The region is famous destination for the mainly domestic tourists, although Sibiu with the 2007 ECoC title and the wise aftermath initiatives built up a promising an internationally palpable reputation as a great cultural destination.

There is a lack of financial incentives and a burden of a banking sector with low-level activities for encouraging the internationalization of the CCI sector, even in the highly export oriented ICT subsector.

(b) Recommendations

- Have no fear to use the ‘Dracula phenomena’, to gain more profit from tourists and support the local cultural activities.
- Launch investor events to promote the regional CCI strengths, use the international connections of local chambers or improve their matching (or non-existent) activities
- Sit down with the locally important banks and credit providers and open their eyes towards the possibilities of local CCI sector, initiate some ideas towards them what is needed for local CCI enterprises (e.g. guarantee funds, export subsidisation, micro loans etc.)
- The region should promote more it potential CCI and identify active networks and programs to take part in order to disseminate and catch new users creating if needed international events adhoc collaborating with other clusters/entities.

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával,
az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/

- The regional development agency can take this responsibility while creating more dynamic ecosystem will facilitate the new companies / start-ups that could generate the work.

Section 10: Conclusions

The regional strategy is ICT oriented, it would be better if the other sectors of the creative industries had the same weight. Although it is ICT oriented the region lacks the IT professionals, so the educational system should be change to provide more professionals. However it is hard to compete on the global IT market (and its salaries) locally, try put some emphasis on the development of living (and not just working) conditions for the local young professionals – knowing their specific preferences (better childcare services, healthy urban environment, mobility, recreation possibilities etc.).

A large stake of the overall turnover of the regions CCI comes specifically from the ICT, there should be a focus on improving the local market. Angel, private or venture investment in the regions CCI is close to inexistent, investors should be educated about the potential of the creative industries, the new business models like angel or venture capital investing.

The lack of a common regional policy regarding cultural development and promotion it would be beneficiary to create a working group, strategy and tools to aggregate development, promotion and commercial efforts among cultural actors involved in the Region.

6 counties with 6 capitals practices regarding funding of cultural projects strongly vary across the region, the adoption of a common framework must be encouraged regarding funding of cultural projects, by all counties and capitals within the region.

Finally, we missed the Co-working spaces – it should be a room for serious work and an easy-going environment for socializing activities at the same time and place.

Some few point to raise up:

- CRE HUB is important to keep the consortium working together as platform. Calls like the following could be exchanged and applied by the involved clusters from each region finding future collaborations enhancing CCI:

  https://eacea.ec.europa.eu/sites/eacea-site/files/1._call_notice_eacea_32_2017-culture-ce-2018_en.pdf

- S3 thematic platform. Until now and based on the most relevant regional priorities, the EC through the S3plafrom create 3 thmatic S3: Energy, Agofood and Industrial Modernisation. http://s3platform.jrc.ec.europa.eu/s3-thematic-platforms

Probably, the next 2 will be: Creative Industries, and Circular Economy. Thus, the consortium should be aware of that and find the way to participate and take part.

Section 11: Attachments

List of documents were studied by the peer review team prior, during or after the review visit:

- State of the art Cultural and Creative Industries CENTRU REGION ROMANIA
- Roadmap for enhancing Cultural and Creative Industries in CENTRU REGION ROMANIA
- CCI Barrier & Solution Analysis CENTRU REGION
- Resumé of Regional Operațional Programme 2014-2020
- Planul de Dezvoltare a Regiunii Centru 2014- 2020 - Analiza socio-economică a Regiunii Centru (2014) Centru Region Development Plan 2014-2020 – socio-economic analysis

A projekt az Interreg Europe Programból, az Európai Regionális Fejlesztési Alap támogatásával, az Európai Unió és Magyar Állam társfinanszírozásával valósul meg.
The project is co-funded by the European Union.
http://www.interregeurope.eu/crehub/