

# МІЖНАРОДНА ЕКОНОМІКА

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## OPPORTUNITIES FOR EUROPEAN AND NATIONAL FUNDING FOR BULGARIAN CULTURAL, CREATIVE AND RECREATIVE BUSINESS

### МОЖЛИВОСТІ ДЛЯ ЄВРОПЕЙСЬКОГО ТА НАЦІОНАЛЬНОГО ФІНАНСУВАННЯ БОЛГАРСЬКОГО КУЛЬТУРНОГО, ТВОРЧОГО ТА ТВОРЧОГО БІЗНЕСУ

*The article is devoted to the exploring and analysis of the opportunities for European and National funding for Bulgarian cultural, creative and recreative business. In this article, the author explores different possibilities (both national and European) for project funding of culture and creative Bulgarian enterprises. The basic logic is that once an economic sector (or sectors) has been declared as strategic and priority, then special financial mechanism should be envisaged for its development. Culture and Creative Business (CCB) has become a priority for European Union, respectively – for European economy policy as one of the real opportunities which could act as an engine for the rest of the economic sectors. This understanding for Culture and Creative Business is entirely appropriate for small national economy such Bulgaria is. Legislative and institutional framework for Culture and Creative Industries (CCI) has been studied. Innovation Strategy for smart specialization of the Republic of Bulgaria (2014-202) as well as the National Development Programme: Bulgaria 2020 are highlighted. The article generalizes the opportunities for European funding of projects from CCI by two main points of view - business and culture. The author emphasizes that in general, Bulgarian small and medium-sized enterprises are eligible to present project proposals and suggests the special activities to promote entrepreneurship, which could be used to developed new idea. The study assumes that for Bulgarian organizations working in the CCI, the European programmes managed directly from Brussels are less interested than these programmes which are managed from Sofia. On the other hand, Bulgaria takes 7<sup>th</sup> place so far in Juncker's plan implementation which is could be consider as a step in right direction to explore all opportunities for funding.*

**Keywords:** funding, creative business, enterprise, SME, culture industry

*Стаття присвячена дослідженню та аналізу можливостей європейського та національного фінансування болгарського культурного, творчого та рекреаційного бізнесу. У цій статті автор досліджує різні можливості (як національні, так і європейські) для проектного фінансування культури та творчих*

*болгарських підприємств. Основна логіка полягає в тому, що як тільки економічний сектор (або сектори) оголошено стратегічним та пріоритетним, тоді для його розвитку слід передбачити спеціальний фінансовий механізм. Культура та креативний бізнес (ЦКБ) стали пріоритетом для Європейського Союзу, відповідно - для європейської економічної політики як однієї з реальних можливостей, яка може стати двигуном для решти секторів економіки. Це розуміння культури та творчого бізнесу цілком підходить для невеликої національної економіки, такою як Болгарія. Вивчено законодавчу та інституційну основу для культури та творчих галузей (ТПП). Виділено Інноваційну стратегію інтелектуальної спеціалізації Республіки Болгарія (2014-202), а також Національну програму розвитку: Болгарія 2020. Стаття узагальнює можливості європейського фінансування проектів від ТПП за двома основними точками зору - бізнесом та культурою. Автор підкреслює, що загалом болгарські малі та середні підприємства мають право представляти проектні пропозиції та пропонує спеціальні заходи для сприяння підприємництву, які можуть бути використані для розробки нової ідеї. Дослідження передбачає, що для болгарських організацій, що працюють у ТПП, європейські програми, якими керують безпосередньо з Брюсселя, менш зацікавлені, ніж ці програми, якими керує Софія. З іншого боку, Болгарія посідає на сьогодні 7 місце в реалізації плану Юнкер, що можна розглядати як крок у правильному напрямку для вивчення всіх можливостей для фінансування.*

**Ключові слова:** фінансування, креативний бізнес, підприємництво, SME, індустрія культури.

**Introduction.** Today's business world especially on global scale is characterized by complexity of trends, turbulent environment and also - with different important and ambitious players that have the opposite understanding and vision for the world economy development, based on the role of its own country or countries' formation. Powerful national economy such as USA, Russia, China, Taiwan, Germany, United Kingdom, etc. are competing for the leading role and pursuing this idea form different economy units – European Union (EU), North American Free Trade Agreement (NAFTA), European Free Trade Association (EFTA), Asia – Pacific Economic Cooperation (APEC), Southern Common Market – MERCOSUR etc. Every national economy, every international economic organization, every multinational corporation try to identify and develop these characteristics that could guarantee at least for a while leading role of the world economy.

The competitiveness nowadays is so strong that covers almost every part of our life – from services such as health care to universities which have to offer to their candidate perspective profession combining with an interesting and interactive education. Competition is a permanent feature for each level – local, national, international, global.

On this background Culture and Creative Business (CCB) has become a priority for European Union, respectively – for European economy policy as one of the real opportunities which could act an engine for the rest of

economic sectors. This understanding for Culture and Creative Business is entirely appropriate for small national economy such Bulgaria is.

In this article, the authors explore different possibilities (both national and European) for project funding of culture and creative Bulgarian enterprises. The basic logic is that once an economic sector (or sectors) has been declared as strategic and priority, then special financial mechanism should be envisaged for its development.

**Problem statement.** The aim of the present study is to explore and analyze the opportunities for European and National funding for Bulgarian cultural, creative and recreative business. This focus explains the reason why the current literature overview is concentrated only authors from the old continent. Obviously when the CCI is one of the leading priorities of the European strategic policy to development, CCI have to be become as well a leading topic for serious exploration and theme for many researchers. Indeed numerous scientists from many European countries (not only member-states of European Union) has explore different aspects of CCI and try to reveal characteristics and relations, which could bring added value both to academic and practice.

*Literature Overview on Culture and Creative Business.* Castaldi in [4] has provided an empirical survey focused on tradition of Culture and Creative Business (CCB) to use trademarks. The results of this study are really interesting and in the same time outline the specific feature and diversity of CCB. “The overall picture sketched by the results is indeed one of sectors where most companies do not use trademarks...Across the selected CCIs, between two thirds and three quarters of firms do not own trademarks. For these firms, copyrights represent a natural alternative and this confirms the characterization of CCIs as the copyright-intensive industries” [4].

Portuguese team of scientists has explored the different conditions (environmental and internal for business organizations) that have directly influence over entrepreneurship in CCI. In [8] they claim that “The market's job flexibility in the CCI industry in relation to the stage of the industry's development tends to reduce the significance of businesses' maturity for job creation, and can even translate into a negative relation between these variables.”

Another researchers` team has developed the concept on the importance of region environment when it comes to the innovations in CCI but with an academic origin. They has provided an analysis in depth in order to explore the relation between regional context and innovative activities of CCI. In [9] they found out that “region in which the firm is located matters, but it is not enough to enhance innovation. Firm age has a negative effect on the probability of having patent activity, suggesting that for young firms, it is more likely to benefit from the knowledge spillovers that happen in their

surrounding system. Similarly, firm size and venture capital tend to increase innovative performance.”

Again regional theme is leading in [11] this time in regards to the interaction broadband and CCI in rural Scotland. The authors` conclusions are not surprising especially when we having in mind that internet sometimes is the only instrument for having access to the market (no matter local, regional, national or global) “Our analysis suggests that for the creative economy to grow in e and contribute to e rural areas, broadband connectivity is essential. Rural creative enterprises need good broadband infrastructure if they are to remain viable.”

Academic perspective for CCI presents two scientists from Slovakia in [6], but they have considered that the university programmes for Creative Industries should be more flexible, innovative and interactive in order to cover hall spectrum of the CCI.

The effect of CCI to the national economy is the research area for two scientists from Lithuania. They have outlined three main importance roles of CCI influencing the national economy of Lithuania – “creating jobs, contributing to GDP and exports.” [2]

In another paper, based on the case study of Riga, Latvia, authors argue that CCI have rather regional than universal characteristics. In [10] the authors has come to the conclusion that “these results highlight the “non universal” character of the creative industries and illustrate that it is possible to have a preliminary grasp on some aspects that are linked to place-specificity”. Same understanding, presented in a different point of view has shared Becut. In [3] this Romanian scientist has explored the development of CCI in his country and try to explain the differences between regions in the country regarding CCI development. The author has claimed that “The specific conditions of cultural production, distribution and consumption organisation in the communist period have had direct effects on the creative industries' development in the last 25 years. The cultural infrastructure is a variable that cannot be ignored in any analysis of the creative industries, as the differences between urban and rural, between historic regions, between counties and cities are obvious” [3].

Team of researchers from Turkey has evaluated the role of film industry on national scale. They have admitted that “Film industry has a strategic importance for development and promotion of a country. Recognition of this importance and development of the sector both financially and morally are significant” [7]. They present amazing data, which are indisputable as regards the national policy to support and develop film industry. “Number of film producer entrepreneurs, which was 365 in 2003, increased to 1.126 in 2008. While increase in the number of entrepreneurs was 48.42% by years, the number of movie producer

entrepreneurs increased 200% and the number of movie projectionist entrepreneurs increased 95.35% in Turkey” [7].

In [5] the two authors have posed one of the biggest questions concerning CCI – the link between “creative industries, flagship cultural projects and regeneration” [ibid]. Moreover, they determine this link as the weakest possible in the title of their article. Their analysis and results “highlight the existence of a structural gap between the public interventions and specifically the new flagship cultural institutions created and the local creative economy base.” [5]. As one of the highlight conclusion they made is that “in the UK public investment in arts and culture has been promoted as impacting on local creative economy but has often ignored the potential and possible links with the broader creative industries and creative economy.” [5]

In summary, CCI are subject for serious researchers` work. Recent papers are focus to the different regional aspects and characteristics that developed or could be considered as a barrier for CCI development.

*European Union Context of Culture and Creative Business.* European Union as a leading economy on global scale is trying to keep this master position developing new approach in order to find new competitive advantage. Since 2004 CCI have been identified from different European institutions as potential engine which could help the development of other economic sectors (with new knowledge, innovation, know-how). The synergic effect of CCI is recognized both from academic persons and practitioners.

One of the main strategic document on European level for current programming period is Strategy 2020 - A European strategy for smart, sustainable and inclusive growth [18]. The major goal of the strategy is included in the title, and CCI play a key role especially regardless innovation and job creation. According to data, presented in [1] the CCI “... are already a leading sector for economic growth and job creation, even when their full potential is far from reached. The CCI boast €558 billion in value added to GDP (4.4% of total EU GDP) and hold 8.3 million full time equivalent jobs (3.8% of total EU workforce).” On the other hand, the data from Commission [12] shows “that the cultural and creative industries are highly attractive for young people and absorb them easily: on average, the CCS employed more 15-29-year-olds than any other economic sector (19.1 % of total employment in CCS versus 18.6 % in the rest of the economy)”.

Eurostat data showing the proportion between numbers of culture enterprises as percentage of total economy poses also interesting theme for analysis in depth (Fig.1). For instance, we are accustomed to consider that United Kingdom is leading country in terms of culture and creative industry, but when we focus only to the culture sectors, the leading part is for Sweden (7,6%) and Netherland (7,3%). On the bottom of this ranking is Slovakia

(2,7). Unfortunately the score for Bulgaria is almost same (3,1) which give Bulgaria the penultimate position. Even Former Yougoslav Republic of Macedonia has better result (3,8). On this background the percentage of culture enterprise comparing to the total enterprises in Iceland are almost amazing (9.2) even for all member-states of EU.

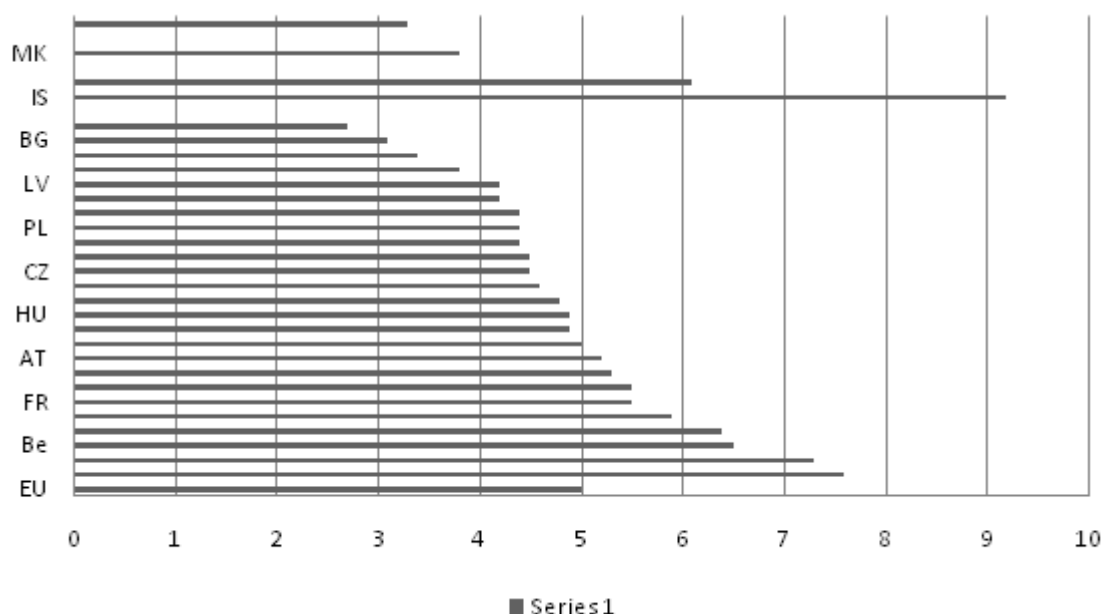


Figure 1 - Number of cultural enterprises as percentage of total business economy

Source: Eurostat, 2015

In the Green Paper [13], unlocking the potential of cultural and creative industries, European Commission has admitted that “There is a lot of untapped potential in the cultural and creative industries to create growth and jobs. To do so, Europe must identify and invest in new sources of smart, sustainable and inclusive growth drivers to take up the baton... Furthermore, cultural contents play a crucial role in the deployment of the information society, fuelling investments in broadband infrastructures and services, in digital technologies, as well as in new consumer electronics and telecommunication devices”.

Access to finance has been identify in the Green Paper as “core barrier to growth for many businesses within the sector”, especially when we have to admit that the main part of enterprises in CCI are small and medium-sized. According to European Commission, major problem with access to finance are [13]: lack of information and understanding about relevant sources of finance; difficulty in developing and presenting a business plan in a convincing way; reliance on a failing business model.

To these obstacles European Commission interpolates and specific characteristics of CCI, which could be considered as a further trouble on the road of finding financing such as: very talented oriented business (especially for culture enterprises), where marketing activities also play crucial role.

Green Paper poses also two very important questions, concerning the financial environment of CCI [13]:

- How to stimulate private investment and improve CCIs access to finance? Is there added value for financial instruments at the EU level to support and complement efforts made at national and regional levels? If yes, how?

- How to improve the investment readiness of CCI companies? Which specific measures could be taken and at which level (regional, national, European)?

*Bulgarian National Perspective for CCI.* Creative and culture Industries have their deep traditions even before the big social changes in 1989 from one economic system (communist) to other (capitalism). Bulgaria has developed a well-functioning ecosystem in terms of creative and cultural activities, as well as well-known international (mostly in former socialistic countries) prestige in this field. These traditions were abruptly disrupted right after changes with the process of privatization, when the big state-owned enterprises, including those in creative industries (mainly in cinematography) were sold to private investors.

At present moment CCI were undoubtedly identify as economic sectors with the highest growth rate. Moreover, according to data from the Ministry of Economy [14]:

- In the top 10 most productive sectors in Bulgaria there are 5 sectors of the creative industries: information technology; Film industry; Architectural activities; Advertising; Research and Development.
- In the film industry for the past four years the number of companies increased by 50%, the value added by 40% and employment by 25%.
- Companies from the creative industries in Bulgaria have a total annual turnover of 6.2 billion lev. This is equal to the budget expenditures of all municipalities in Bulgaria.

*Legislative framework for Culture and Creative Industries.* Bulgaria, as a member state of European Union since 2007, has official governmental understanding, similar as European authorities, about the importance and key role, which CCI may have over the national economy. This understanding has deepened during the last 10 years and in the current programming period we have several national strategic documents which directly identify CCI as priority for the national economy.

*National Development Programme: Bulgaria 2020.* For the current programming period (2014-2020) National Development Programme: Bulgaria 2020 is the most important framework document, which draws the

foundation of strategic national development. In fact, National Development Programme is the relevant document to the Strategy Europe 2020, but this time referring to a national level.

Main goals of the strategy are as follows [15]:

- Raising the standard of living through competitive education and training, creating conditions for quality employment and social inclusion and ensuring accessible and quality health care.

- Building of infrastructure networks, providing optimal conditions for the development of the economy and quality and healthy environment for the population.

- Enhancing the competitiveness of the economy by ensuring a favourable business environment, promotion of investments, application of innovative solutions and improving resource efficiency.

In all goals reflects from one side – the vision of Bulgarian government, but on the other – they all are synchronizing with European general policy.

These goals are foreseen to be implemented though several priorities: improving the access to and enhancing the quality of education and training and the quality characteristics of the workforce; reducing poverty and promoting social inclusion; achieving of sustainable integrated regional development and use of local potential; development of the agricultural sector to ensure food security and production of products with high value added through sustainable management of natural resources; support of innovation and investment activities to increase the competitiveness of the economy; strengthening of the institutional environment for higher efficiency of the public services for citizens and businesses; energy security and increasing resource efficiency; improving transport connectivity and access to markets.

The role of CCI could be considered in almost everyone priority area, excluding these, which involve concrete economic sector (such as agriculture and energy security).

*Innovation Strategy for smart specialization of the Republic of Bulgaria (2014-2020).* The vision of the Strategy is “By 2020 Bulgaria must make a qualitative leap in its innovation performance at EU level to tackle public challenges in the field of demography (reverse brain drain and youth entrepreneurship), sustainable development, intellectual capital and the nation's health.”[14]

The authorities have concretized this vision through achieving one strategic and two operational objectives. They are as follows:

Strategic Goal: By 2020 Bulgaria will move from the group of “modest innovators” into the group of “moderate innovators”.

First Operational Objective: Focus the investment for the development of innovation potential in the smart thematic areas (for creation and



development of new technologies leading to competitive advantages and increase in the added value of domestic products and services).

Second Operational Objective: Support for accelerated implementation of technologies, methods, etc. which improve resource efficiency and application of ICT in the enterprises in all industries.

This document on strategic level has for its priority area to develop new technologies in CCI. This thematic area has been identified by the authors of the document as an opportunity to achieve good economic results, given the pace of development which CCI are characterized in Bulgaria.

*Institutional Framework for Culture and Creative Industries.* In General, there are two main approaches (fig. 2) in understanding what the leading characteristic of CCI is. First approach is connected to the pure business approach, considering CCI as every other sector of the national economy. The followers of this concept claim that there is no need to provide special governmental policy to support CCI.

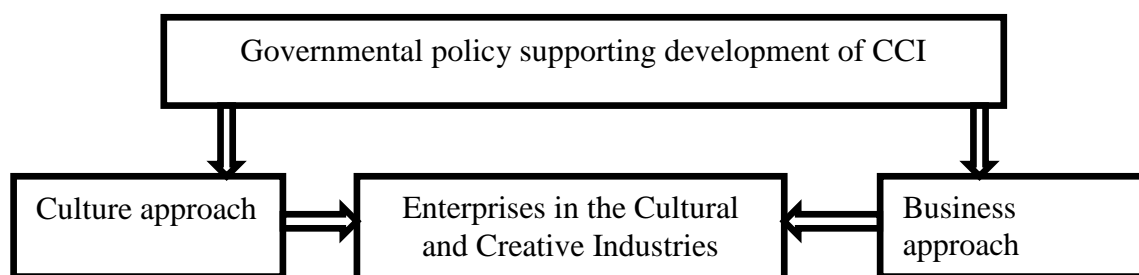


Figure 2 - General approaches to the enterprises in the CCI  
 Source: author

They also believe that there should be general financial instruments through which the government could support the CCI as well as other priority sectors, but on a competitive base and conditions with the enterprises from the other supported sectors. The main argument in this concept is the fact that the general strategic goal of the governmental policy is to ensure good standard of living and prosperity if its citizens. Thus could also be achieved through purposeful financing of projects with high economic potential. Moreover, “creativity” precisely is one of the leading characteristics of the CCI, relying very much on the individual characteristics of talent. It is really possible that organizations with a modest budget in a relatively small country (such as Bulgaria) to develop an idea able to give them a competitive advantage on global scale. There are a number of examples supporting this thesis, especially with regard to the enterprises of CCI from ICT and high-tech. Therefore, the potential for development through public investments in creativity industry can really be the key element to help a relatively small national economy

On figure 3 is presented the institutional frame of the national business approach to develop enterprises from CCI.

The opposite approach is shared by people, usually working in different organizations from the culture sphere. They consider that culture and arts have totally different characteristics than conventional business which aim is clear - the profit. They claim that the focus of culture and arts have to be the non-material goals, connected to the human value and therefore they need special policy and special authorities` efforts which is not achievable when culture and arts are based only on the economic principles. The main arguments in this concept could be found to the non-commercial aims of culture and arts. The national institutional framework of culture approach is presented on figure 4.

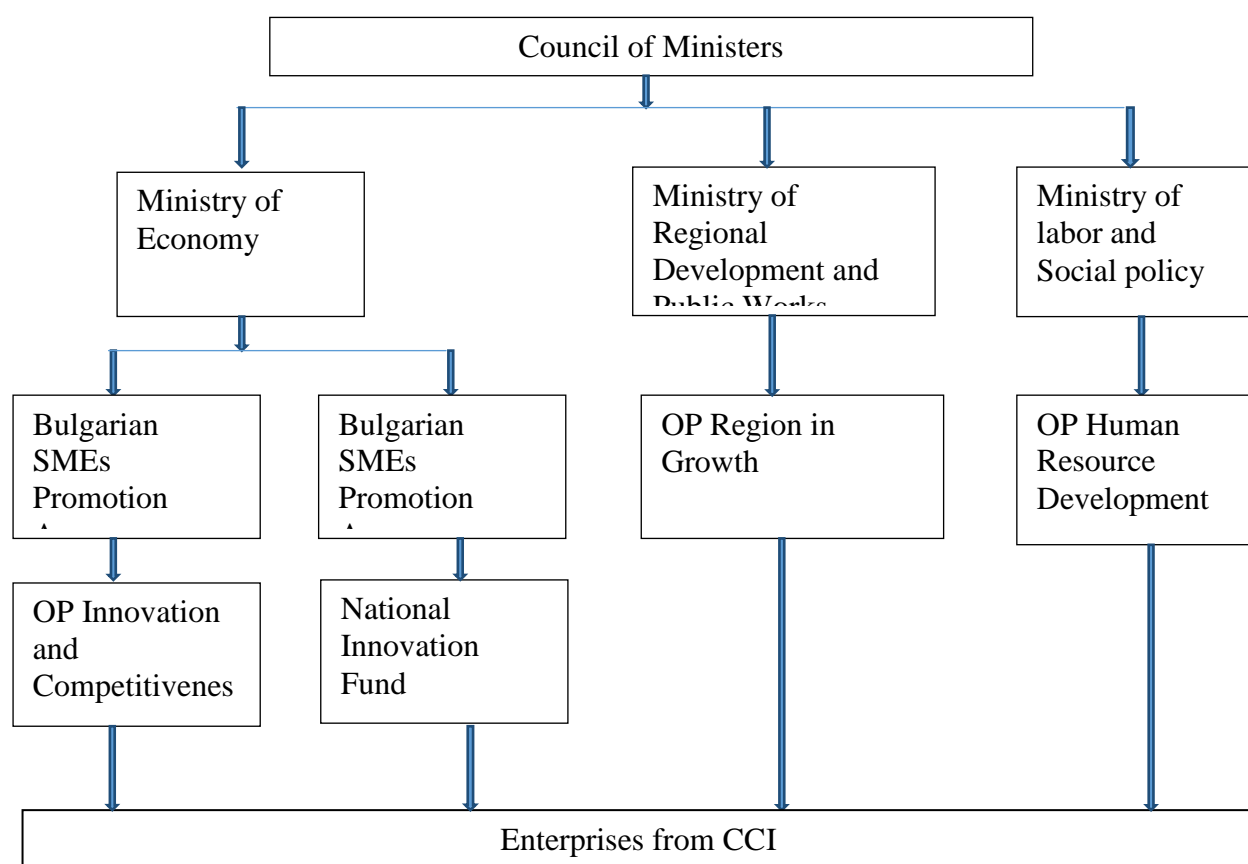


Figure 3 - Institutional frame of business approach supporting CCI  
 Source: author

In Bulgaria these two approaches are implemented in parallel.

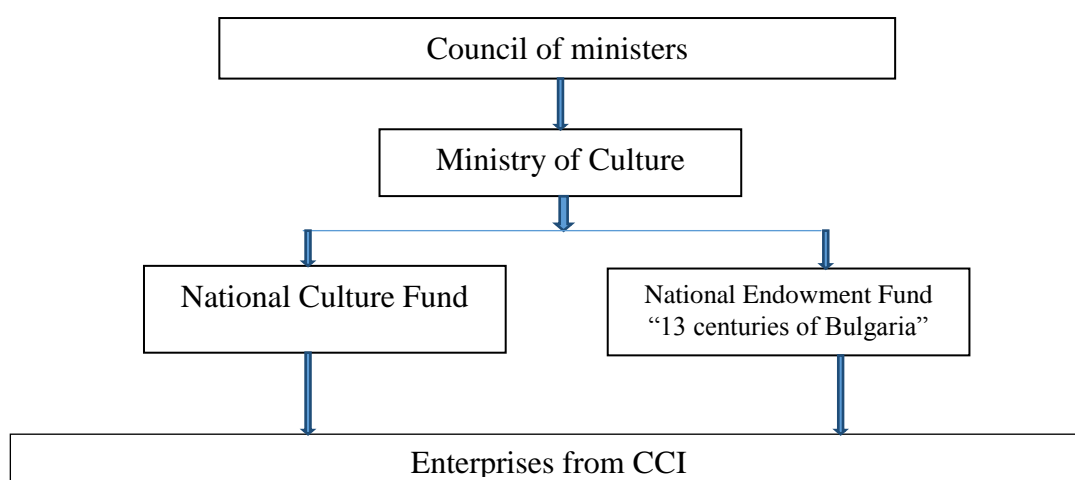


Figure 4 - Institutional frame of culture approach supporting CCI

Source: author

*Opportunities for European funding of projects from CCI.* It could be considered that European policy also implement both approaches due to the fact, that there are programmes and financial instruments, specially designed for culture and arts, but also there are general financial mechanisms accessible for enterprises from many economic sectors. On table 1 is presented all programmes in EU level, eligible for some or all sectors covering CCI.

*Programmes directly targeting sectors from CCI.* On European level Creative Europe is the programme covering major part of the sectors under CCI. The major aim of the Creative Europe is to support European Audiovisual, cultural and creative sector. According to article 6 in Regulation 1295/2013, the Programme has the following structure: MEDIA sub-programme, culture sub-programme, cross-sectoral strand.

On the Media sector the Programme envisages to support [17]: facilitating the acquisition and improvement of skills and competences of audiovisual professionals and the development of networks; increasing the capacity of audiovisual operators to develop European audiovisual works with a potential to circulate in the Union and beyond and to facilitate European and international co-production, including with television broadcasters; encouraging business-to-business exchanges by facilitating access to markets and business tools enabling audiovisual operators to increase the visibility of their projects on Union and international markets; promoting transnational circulation.

Table 1 - European programme/ policy, eligible for enterprises in CCI for the period 2014-2020

N	Name of the programme/ policy	General Focus	Budget
1.	COSME – competitiveness of enterprises and SMEs	SMEs	2,3bn
2.	Creative Europe	Audiovisual, Cultural and Creative sectors	1,46 bn
3.	Europe for Citizens	NGOs	188 mln
4.	European Neighbourhood Policy / through Programmes for bilateral cooperation, region cooperation programmes and Cross border cooperation	Public Authorities, SMEs, NGOs	15,4 bn
5.	EU programme for employment and social innovation	Public Authorities, SMEs, NGOs	<b>919 mln</b>
6.	Horizon 2020	Research and Innovation	<b>80 bn</b>
7.	Investment Plan for Europe	Projects with economic potential	<b>Target: 315 bn public-private partnership</b>
8.	European Territorial Cooperation	Specific Territorial Characteristics	<b>At least 5% from European Fund for Regional Development</b>

*Source: authors` summarize on the base of data from European Commission*

Under the sub-programme for Culture, supported activities areas follows [ibid]:

- the development of a comprehensive range of training measures promoting the acquisition and improvement of skills and competences by audiovisual professionals, knowledge-sharing and networking initiatives, including the integration of digital technologies;

- the development of European audiovisual works, in particular films and television works such as fiction, documentaries and children's and animated films, as well as interactive works such as video games and multimedia with enhanced cross-border circulation potential;

- activities aiming to support European audiovisual production companies, in particular independent production companies, with a view to facilitating European and international co-productions of audiovisual works including television works.

The budget and its allocation is presented on the figure 5.

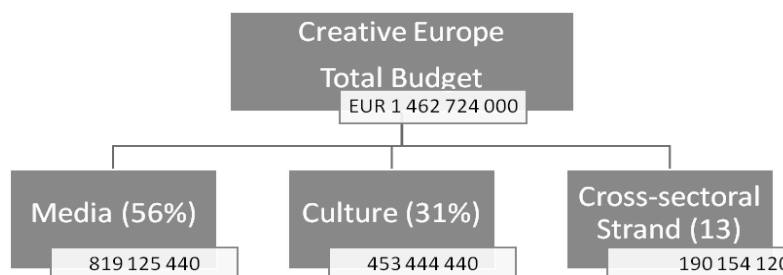


Figure 5 - Budget allocation of Creative Europe Programme (2014-2020)

The biggest part from the total budget is allocated for the sub-programme Media. This fact could be explained in two main directions: first one is connected to the basic characteristic of TV and cinema production and investments needed to start project in this field. The second could be found in the expected benefits from such projects. The budget allocation from the third sub-programme for cross-sectoral strand in fact shows the strategic direction for development. Cross-sectoral initiative and relevant projects have bigger potential and increase drastically the chance to have spillover effect due to their natural origin.

Unfortunately, Bulgaria has really modest experience in participation of projects, funded by this programme. For instance, published results from the last call for project proposals for TV Programming (2018), shows interesting results: from total 77 application projects received, there are only two projects, proposed by relatively “new” member-states of EU (Croatia and Czech Republic). Only the project proposal from Czech Republic is approved for funding. All other projects belong to “old” member-states. There is another curious fact: Germany has presented 7 projects and only one of them is approved. Norway is in the same situation. Their success rate is 14%, which means that requirements are very strict and only really quality projects were approved. French projects have even worse success rate – 11%. Fig. 6 illustrated this information.

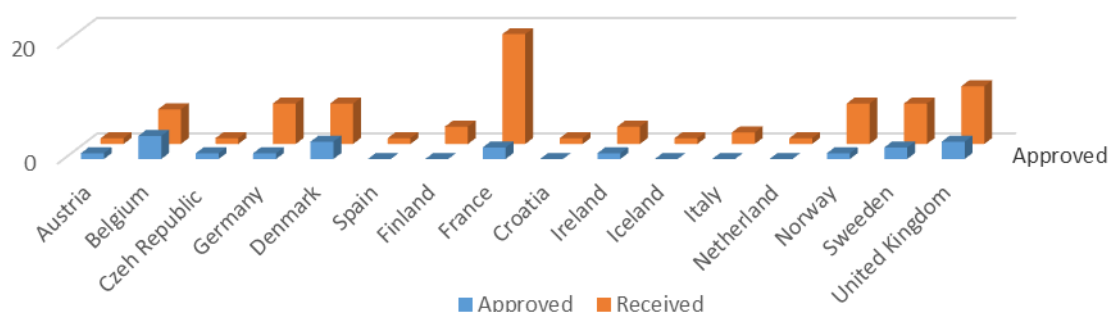


Figure 6 – Proposed for funding project and Received Application

Call for TV Programming 2018 Creative Europe

*Source: European Commission*

There are six countries with totally rejected project proposals (Spain, Finland, Croatia, Iceland, Italy, and Netherland). Maybe this strong competition acts as a burden for Bulgarian organizations which have not so good experience in preparing projects competitive on European level.

*COSME – competitiveness of enterprises and SMEs.* As the name of the programme speaks – this is the instrument on European level to support SMEs. According to the relevant Regulation 1287/2013 [18] general objectives of the programme are the following: strengthening the competitiveness and sustainability of the Union's enterprises, particularly SMEs; encouraging entrepreneurial culture and promoting the creation and growth of SMEs. These two general objectives are concretized with several specific objectives: to improve access to finance for SMEs in the form of equity and debt; to improve access to markets, particularly inside the Union but also at global level; to improve framework conditions for the competitiveness and sustainability of Union enterprises, particularly SMEs, including in the tourism sector; to promote entrepreneurship and entrepreneurial culture.

In general, Bulgarian SMEs are eligible to present project proposals. Here there are special activities to promote entrepreneurship, which could be used to developed new idea.

*Investment Plan for Europe.* This financial instrument, more popular with the name “Junker`s plan”, is interesting mechanism, combining public and private investment with more economic direction. Under this plan there is also sector dedicated to Research, Development and Innovation, which could be appropriate for Bulgarian enterprises in CCI. According to data from European Commission (November 2018), Bulgaria here takes 7<sup>th</sup> place (from all 28 member-states) with total amount of €419 million and is set to trigger €1.8 billion in additional investments.

Recapitulation for Bulgaria so far is the following, according to European Commission: Infrastructure and innovation projects: 5 approved projects financed by the European Investment Bank (EIB) with EFSI backing; approximately €298 million in total financing; set to trigger €715 million in total investment;

Small and medium enterprises (SMEs): 11 approved agreements with intermediary banks financed by European Investment Fund (EIF) with EFSI backing; €120 million in total financing; set to trigger approximately €1.1 billion in investments with some 6,796 SMEs and mid-cap companies expected to benefit from improved access to finance.

This programme obviously is recognized by the Bulgarian business for convenient instrument for business development. The potential of Junker`s

plan has to be further explained to the enterprises from CCI in order to partake in it.

Moreover, the real advantages of the Investment plan for Europe is distinguished by the European Creative Business Network which claims that “ECBN envisions that 1% of the 300 Billion Euro Investment Plan should be targeted towards innovative transfer (spillover) effects of CCI on infrastructure projects, in all implementation phases starting with existing projects, and following with new ones” [1].

*Opportunities on the national level for funding projects from CCI. Operational programmes 2014-2020.* As member-state of European Union, Bulgaria has right to develop according European and national priorities operational programmes funded by relevant European Fund and co-financed by the national budget. For the current programming period Bulgaria has not prepared special programme dedicated to CCI. On the other hand, Bulgarian enterprises in this industry could apply with project proposals and to compete with the project proposals of enterprises from the other economy sectors. These programmes are shown on the table below.

Table 2 - Bulgarian Operational Programmes, eligible for enterprises in CCI for the period 2014-2020

Name of the operational programme	Total Budget Euro	EU share	National funding
Innovation and Competitiveness	1 270 135 903	1 079 615 516	190 520 387
Human Resource Development	1 092 248 077	938 665 316	153 582 761
Regions in Growth	1 543 182 110	231 477 317	1 311 704 793

*Source: Bulgarian Governmental Information System for Management and Monitoring of EU funds in Bulgaria 2020*

Compering to the competition on EU level, the perspective for success here seems to be more achievable even for these enterprises that have no yet experience in preparation and implementation of EU project. Furthermore – the project proposal and all relevant to the concrete call documents have to be written in Bulgarian language.

The implementation of the programmes could be seen in their financial results, which are shown on figure 7.

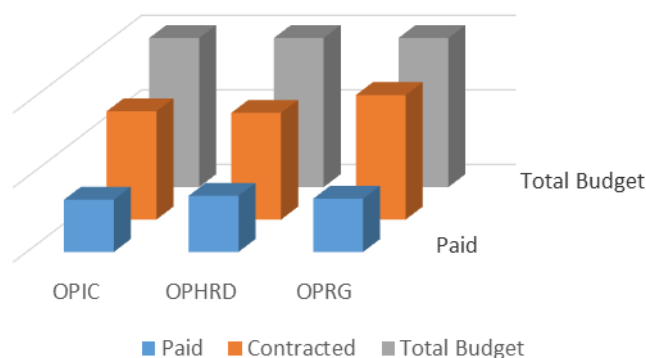


Figure 7 - Financial implementation of the OPIC, OPHRD and OPRG in percentage, November 2018.

Source: Bulgarian Governmental Information System for Management and Monitoring of EU funds in Bulgaria 2020

It could be concluded according to the presented data that all programmes have almost the same rate of development. Several issues have to be outlined: first one is the fact that one infrastructure programme such as Region in Growth has the same results as one programme for soft skills (OPHRD) or programme dedicated to the business (OPIC). On the other hand – there is only 2 years to the end of the programming period and all programmes have rate for approximately 35% of the actual paid amounts. Therefore the Managing Authorities of all 3 programmes should give special efforts to improve the programmes` implementation.

*National funds eligible for enterprises from CCI.* National Innovation Fund (NIF) is managed by the Bulgarian Small and Medium Sized Promotion Agency, under the Ministry of Economy. The main goal of NIF is “to promote the scientific and research and development activities. The direct objective of the Fund is to promote the implementation of scientific and research and development projects and projects for technical feasibility with the aim of acquiring new or improved products, processes or services designed to raise the economic efficiency, improve the innovative potential and technological level of enterprises, increase private investment and enhance the dynamics of innovative processes.”. Scientific and research and development projects – are with maximum grant 255623 and implementation period from 12 to 36 months. A project for technical feasibility – with the maximum grant is up to B 25562 and implementation period up to 1 year.

Intensity of grants is different and it is formed based on eligible project costs and should not exceed: 50% - for industrial research; 25% - for experimental development.

New technologies in Creative and Culture Industries are the priority area for the NIF. This is an acting instrument with national funding that could be consider as a very good opportunities for enterprises in CCI to achieve support in their new activities. Due to the budget limitation and



relatively good interest from the business, the competition among projects here is also strong.

*National Culture Fund.* This fund is under Ministry of Culture. The main target of the Fund is to support creative projects that develop culture sector in the country. National Culture Fund supports on national level the creation, development and distribution of Bulgarian culture and art in the country and abroad. This is fund specially design to develop culture and art. Interesting fact is that rules of these fund individuals are eligible beneficiaries.

**Conclusion.** Present paper summarizes and analyzes all potential opportunities on the European and Bulgarian national level to support organizations from Culture and Creative industries. Two general approaches were developed towards CCI – business and culture approaches. For Bulgarian organizations working in the CCI, the European programmes managed directly from Brussels are less interested than these programmes which are managed from Sofia. On the other hand, Bulgaria takes 7<sup>th</sup> place so far in Juncker’s plan implementation which is could be consider as a step in right direction to explore all opportunities for funding.

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## **РОЗВИТОК ЕКОНОМІК КРАЇН В УМОВАХ NEXT NORMALITY ТА INDUSTRY 4.0**

### **DEVELOPMENT OF COUNTRIES IN CONDITIONS OF THE NEXT NORMALITY AND INDUSTRY 4.0**

*Обґрунтовано актуальність дослідження можливості та необхідності розвитку економік світу на засадах Next Normality та Industry 4.0. Виявлені деякі з причин прояву нового глобального економічного кризового явища на порозі третього десятиліття XXI століття та привід до цієї кризи у якості SARS-CoV-2. Простежено тенденції зміни показників «Сфера послуг, додана вартість на одного працівника (дол. США за цінами 2010 року)» та «Промисловість (включаючи будівництво), додана вартість на одного працівника (дол. США за цінами 2010 року)» в Україні та на глобальному рівні (приведено до усіх країн, а дослідження здійснено за даними за період з 1991 по 2019 рік). Доведено, що у явному вигляді ці показники є інформативними для економічної сфери з позиції кризових трансформацій у суспільстві: 1991р.; 1997р.; 2008р.; 2018р. (реальний*