



# CROSS INNOVATION APPROACH AND THE CREATIVE INDUSTRIES: A CASE STUDY IN THE CITY OF LISBON, PORTUGAL

Janaina Mendes de Oliveira<sup>1</sup>  
Manuel Laranja<sup>2</sup>  
Maria Alice Lahorgue<sup>3</sup>  
Henrique Figueiredo Born<sup>4</sup>

## ABSTRACT

Given the cultural diversity of Europe, and the inextricable link between culture and creativity, creative industries also represent a great asset and a source of global competitive advantage. In this regard the EU launched the project Cross Innovation, aimed at identifying and sharing innovative experiences among the participating cities, and more specifically seeking to identify how the creative industries can interact with other industries in other sectors. This project was taken part by 11 European cities such as Amsterdam, Berlin, Birmingham, Stockholm, Linz, Lisbon, Pilsen, Vilnius, Warsaw, Rome and Tallinn. The purpose of this article is to describe the process performed in Europe and show that this can be used by other cities and even other regions to leverage the innovation process using the potential of the creative industry. It was utilized a documentary research on the project (reports, websites, documents submitted by respondents) and there was performed a field study, with personal interviews with those responsible for the agencies involved in the project (Town Hall, University of Lisbon, companies, including others) in one of the participant cities: the city of Lisbon, in Portugal. When researching the results of this project, specifically in the city of Lisbon, it is seen that there was learning in the sense of how the city can arrange a mediation policy from this process of rapprochement between the sectors of the economy of a region and Creative Industries, and the results in terms of knowledge generation are visible.

**Keywords:** Innovation, Cross Innovation, Creative Industry, Innovation Process, Competitive Advantage.

<sup>1</sup> Doctor in Production Engineering from the Federal University of Santa Catarina. And she is adjunct professor at the Federal University of Pelotas UFPEL and Post-doctorate at the Federal University of Rio Grande do Sul UFRGS (Brazil). [janainamendes@uol.com.br]

<sup>2</sup> Master degree in Management from SPRU- University of Sussex. And he is senior associate professor of Lisbon School of Economics and Management, University of Lisbon (Portugal). [mlaranja@iseg.ulisboa.pt]

<sup>3</sup> Doctorat in Sciences Economiques - Université de Paris I (Panthéon-Sorbonne). And he is associate professor at the University of Federal do Rio Grande do Sul (Brazil). [marialahorgue@hotmail.com]

<sup>4</sup> Master degree in Business Administration from the University of Federal do Rio Grande do Sul (Brazil). [contatohenrique@hotmail.com]

## INTRODUCTION

Studies on the innovation subject are no longer restricted to the business district. The ability to innovate is also a factor in competitiveness among countries and one of the developers of a region. Authors such as Freeman (1994), Rosenberg (1983), Lundvall (1985) and Nelson (1993) list the systemic character of innovation. According to Cassiolato and Lastres (2007), the process of accumulation of knowledge is specific to the company, but it is fundamentally influenced by constant relations between firms and other organizations. Yet according to the authors, innovation came to be seen as a learning process, cumulative specific to locality and difficult to replicate.

For Park (2014), analyzes based on science and technology policies indicate that the new technology and innovation lead to growth and prosperity. Therefore, most of the advanced nations have done their innovation policies in order to create the best structure possible and the conditions for innovation in technology, products and management.

Chesbrough (2003) identified that increasing the mobility of knowledge (through labor mobility) and the availability of venture capital are elements that lead to the creation of new businesses. And seeking external knowledge to the company is a necessity in this learning economy. Thus, it is necessary to find mechanisms to facilitate innovation processes among industries and among sectors of the economy.

According to Belgrave (2012) recent reports indicate that the creative industries play a much bigger role in innovation than it was previously recognized. These were announced for regeneration of post-industrial cities and are being seen as a dynamic economic sector in its own right, and it plays an increasingly important role in regional and national innovation.

Based on the perspective that the regional development is grounded on innovation and creativity leads to innovation, new mechanisms are being tested in cities of the European continent seeking to leverage innovation from exchanging ideas.

This article is taking into consideration one of these mechanisms: the Cross innovation Project. It will be described how it was performed Europe, detailing the process in Lisbon, seeking to demonstrate that projects like these can be used by other cities in other countries, which involves companies from different sectors, and also highlighting the important intermediation of regional governance systems to encourage innovation and competitiveness of cities.

Surveys were conducted in documents about the project (reports, websites, documents submitted by

respondents) and personal interviews with those involved in one of the cities participating in the project: the city of Lisbon, in Portugal.

## Creative Economy

The term *creative industry*, conform Belgrave (2012) is used for the companies that focus on symbolic cultural creation of products for operating income (arts, films and interactive games) or in providing services (business to business) as architecture, advertising, marketing and design, web, multimedia and software development. They are specialized companies which produce creative goods and services that have potential for wealth creation through the generation and exploitation of intellectual property.

The terminology creative economy appeared in 2001 in the book of John Howkins that addressed the relationship between creativity and economics. To Howkins (2001), this combination creates value and wealth for society. For the author, the term creative economy is broad and extends from arts to science and technology.

According to the report of the United Nations Conference on Trade and Development (2008), the creative industries already contribute to job creation and exports expansion in some developing countries, but its broader potential is still unexplored. They are often associated with precarious security in employment, with low added value. As a result, there is an urgent need to modernize this sector and strengthen local capacities in order to increase their contribution to income generation thus contributing to poverty reduction and also:

- Creative economy is the creation cycle, production and distribution of goods and services that uses creativity and intellectual capital as primary inputs;
- It constitutes a set of activities based on knowledge, focused but not limited to the arts, potentially generating trade revenue and intellectual property rights;
- It includes tangible and intangible products or artistic services with creative content, economic value and market objectives;
- It is at the crossroads among the sectors of craft industries, services and heavy industry, and
- It constitutes a new dynamic sector in world trade.

The importance of the creative industries is most evident in the developing countries of East Asia, such as South Korea, Singapore, Taiwan, and especially in China, where its entry has been noticeable in areas such as software, publishing, design, music, video movies production and video games. China is moving from an

older state where the focus was on cultural industries (which includes a legacy of a wide range of skills) to a more targeted standard for the creative industries market, with the advantage of having a large internal market.

The growth of this sector has been recognized by a wide range of European Commission initiatives. This dynamism is represented by convincing statistics. In 2008, the sector accounted for 5% of Europe's workforce, representing 4.5% of total GNP. In 2007, the creative industries were the fourth largest sector of the European

economy, and from 2000 to 2005 the sector grew 11%. This potential for growth, even in times of crisis, is a key feature of the sector. Given the cultural diversity of Europe, and the inextricable link between culture and creativity, creative industries also represent a great asset and a source of global competitive advantage. This is demonstrated by the fact that 8 of 10 cultural exporters in 2005 were the European countries. The activities of the creative industry are divided into four groups: patrimony, arts, media and functional creations.

These are subdivided into other activities as shown in Table 1.

**Table 1 - activities that make up the Creative Industry**

<b>Patrimony</b>	<ul style="list-style-type: none"> <li>• Traditional Cultural Expressions: crafts, festivals, etc.</li> <li>• cultural sites: museums, libraries, archaeological sites</li> </ul>
<b>Arts</b>	<ul style="list-style-type: none"> <li>• Performing arts: live music, theater, dance, opera, circus, etc.</li> <li>• Visual arts: painting, sculpture, photography and antiques.</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• editing and printing: books, newspapers and other publications</li> <li>• audiovisual: cinema, radio, television and other broadcasting</li> </ul>
<b>Functional Creations</b>	<ul style="list-style-type: none"> <li>• Design: interior design, graphic design, fashion, jewelry and toys</li> <li>• New media: software, video games and other digital content</li> <li>• creative services: architecture, advertising, recreational activities and research to create new products</li> </ul>

Source: UNCTAD's work on the Creative Economy (2015).

In Brazil, according FIRJAN (Federation of Industries of Rio de Janeiro), the chain of creative industries is divided into:

**The core of the creative industry**, consisting of the areas: consumption (advertising, architecture, design, fashion);

Culture (cultural expressions, heritage and arts, music, performing arts); Media (publishing, audiovisual); Technology (R & D, biotechnology, information technology and Communication- TIC).

**Related activities** are considered the professionals and establishments that provide goods and services to the Creative Industries. They are represented largely by industries, service companies and professional suppliers of materials and key-elements to the functioning of the

Highlighting the role of creative industries in politics, culture and economy;

- Providing a sound basis for decision-making;

creative core, as the manufacturing industries, i.e.: preparation of leather, computer equipment, etc. and / or services such as technical support in IT, registration of trademarks and patents, engineering, etc.

**Support:** proffer goods and indirect services to the creative industries as construction, weaving and translation services.

For UNCTAD, governments need to create an official body that can monitor the activities of the creative industry in order to promote it, with the following functions:

- Collecting and standardizing national and international statistics that provide a basis for policy analysis;
- Formulating, implementing and monitoring appropriate policies in partnership with public authorities and industry;
- Enabling the exchange of information and sharing of best practices and networking.

## Methodological Procedures

This research is defined as a qualitative, exploratory study using the technique of a case analysis.

According to Gil (2010), exploratory studies are empirical research investigations that are aimed at the formulation of a problem or questions, developing hypotheses or increasing the familiarity of a researcher with a phenomenon or environment for future and more accurate research. Exploratory studies may be combined descriptive type which combines exploration and description characteristics by employing both qualitative and quantitative descriptions in a given study.

Yet, for Gil (op.cit) exploratory research generally takes the form of literature review or case study.

This research was divided into two stages. At first, a bibliographical and documentary study was performed. The literature on cross innovation is incipient or almost zero, the project is a new initiative in the area of Portugal and in the other countries of the European Community involved. Thus, the theoretical review expounded on related topics such as innovation, open innovation, cooperation among enterprises and among economic sectors, policies to promote innovation and creative economy.

In the second step, the sample was set. From contacts, and document analysis it was decided to conduct a case study in one of the participating cities, the city of Lisbon, in Portugal.

From the bibliographical study, it was elaborated the semi-structured questionnaire to subsidize the interviews.

Then there was the collection of case study data in Lisbon, Portugal. Interviews were conducted with project stakeholders such as representatives and senior officials responsible for the project in the city of Lisbon, the Lisbon City Council, specifically the Directorate of Innovation; Professors and representatives of universities, specifically the University of Lisbon, Faculty of Fine Arts and the School of Economics and Management; The participating companies and organs where there were companies in the creative sector: The Fablab of Lisbon and the Lisbon Cowork.<sup>1</sup>

Contacts were made with other companies, but do not get a response for the timing of the visit to the country.

Interviews were conducted in January and February 2015 and took an average of 1h30minutes each, they were recorded and later transcribed.

There was documentary research with reports on the operational methodology of Cross Innovation project and

on its results and future prospects (new projects, new products and services, etc.).

In the final step, it was taken data analysis and preparation for the conclusions of the study from transcriptions of interviews and compiling of documents on that project, from websites and reports containing the methodology of all the work done, and the documented results of activities and further plans for future actions. It is noteworthy here that the data were related to the participation of all 11 European cities cited, but had greater details in Lisbon, as it could be personally seen in the city.

To Yin (2005) data analysis is to examine, categorize and test the qualitative and quantitative evidences for treating the initial propositions of the study. In this exploratory study we tried to look for evidences that might validate other later studies utilizing the method already used in Portugal.

## The Cross Innovation Project

The European Community has promoted a set of actions that promote business cooperation as a means of improving competitiveness, in particular small and medium enterprises.

The project called Cross Innovation was one of such initiatives, launched by the European Union, in order to find creative solutions to the challenges, whether economic or social, was attended by joining 11 European cities: Amsterdam, Berlin, Birmingham, Stockholm, Linz, Lisbon, Pilsen, Vilnius, Warsaw, Rome and Tallinn. It occurred from 2012 to 2014. The project is seen as a key policy priority of the European Union (EU) for 2020 and considered one of the flagship initiatives of the EU with views to innovation.

The aim of the project was the identification and sharing of innovative experiences, present in the participating cities, and more specifically seeking to identify how creative industries can interact with other traditional or growing industries (startups).

The design of Cross Innovation was founded on four bases:

- **Collaboration spaces** (spatial cross collaboration): spaces where intersectoral innovation has special conditions to occur: incubators, FabLabs, coworking spaces.
- **Mediation** (brokerage): mediation services that can bridge the gap between sectors of the economy, for example a sector of the creative industry and a startup.

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<sup>1</sup> A Fablab is a prototyping laboratory and the Cowork is a space for creations, being explained later on.

- **Innovation based on culture** (culture based innovation): processes through artistic and creative practices generate innovation in companies in the private or public sector.

- **Smart Incentives:** Innovative funding models that promote intersectoral innovation.

Within the project, each city should identify or propose the creation of these four elements.

The methodology used in the three-year project was based on: identifying the potential of the city in terms of creative industries and growing industries, through data collection; sharing the called good practices already existent and related to the four themes (Spaces, Mediation, Cultural Projects and Incentives); conduct workshops for innovation policies implementation; draw up a matrix of interaction between the sectors involved and conclude with a Local Implementation Plan.

All these actions were carried out individually by the working group set up in each participating city and, collectively, in meetings and workshops involving all. According to the data collected, there were 17 events and 66 meetings, counting a total of about 2,000 participants (CROSS INNOVATION, 2015).

Each city chose the key body, which coordinated the project: in Lisbon, it was the Town Hall (public agency that runs the city); in the city of Birmingham, the key organ was the University of the same name. These groups were made up of universities, public agencies (municipal

governments, development agencies and departments) banks and funding agencies and companies in the sectors of the creative industry and other traditional or growing industries.

At first in the Cross Innovation Project it was designed a matrix to identify, in each partner city, the different sectors of cultural and creative industries and other sectors of economic activity present in each one. Based on this matrix, there were listed the possible crossed approaches between sectors, that is, the potential for concretization of cross-sector innovation. Table 2 shows the list of the sectors involved.

Each city presented its matrix which later was compiled for all others and was represented in a general matrix. From this crossing, it was found that the sectors that are most closely related are design and environment; social media and environment, and design and production industry. The sectors that have nothing to alike or are weak compared to others are: open data, contemporary arts, advertising and fashion.

As examples of these interactions it's feasible to mention: companies that collaborate with health professionals as Information and Communication Technology (ICT); design companies, working to improve public services; universities, offering multidisciplinary courses; initiatives funded by the government, that connect the arts with technology and business, among others.

**Table 2 - Sectors crossing Matrix**

Sectors	Involved Areas	
Creative Industry	Design	Architecture
	Social media	Fashion
	Games & web	Music
	Visual Arts	Advertising
	Open data	Contemporary Arts
	Traditional or in Growth Industries.	Growing Environment and Energy
Production goods industry		Manufacture
Retail and leisure		Education
Financial Services		Tourism
Social Environment		Construction
Public Patrimony		Technology
Information and Communication Technology (ICT)		Restoration
Logistics e transportation		Public Administration

Source: Cross Innovation: Crossing Matrix (2014).

Another relevant factor is that beyond the intersectoral innovation possibilities, there was still innovation among nations (cross border). Companies took part in the meetings among cities and these kept in touch. For instance, the creative industry in Linz (Austria)

established a possible partnership with the growing sector industry in Lisbon (Portugal) to develop an application to follow seed development.

Another learning result from the project to the cities involved was what is called "good practices" which have

been identified, for each of the sub-themes under consideration (spaces, Mediation, Cultural and Incentives projects), as a set of actions already existent and that can be a model for other cities. For example, the case of Philips in the Netherlands, which develops in partnership with universities, experiment with lighting, benefiting local schools in the area of mediation; an example of spaces is the FabLab in Lisbon, which acts as a link between the idea and industry, between creativity and production. FabLabs are digital fabrication laboratories, consisting on low cost rapid prototyping machines that are controlled by computer, allowing the creation of new products. Given the relatively low cost of the equipment and its easy to use, it allows democratic access to creativity, invention and innovation (CROSS INNOVATION, 2015b).

From the meetings held, there was an exchange of ideas that resulted in products created by collaboration along different sectors and regions involved, as: the intelligent battery for electric bicycles; robotic system applied to construction projects; the use of renewable plastic at bus stops; animation software for schools; Rechargeable batteries for aircraft lighting; prototyping techniques for industrial design; medical database platform for information on pathologies.

And yet, the project was recognized in the main recommendations of the European Creative Industries Alliance (ECIA) and this is seen by the Commission as a key political activity to support the 2014-20 program (CROSS INNOVATION, 2015c).

According to documents, as a result of Cross Innovation Project, participating companies understood that may cooperate towards the development of new applications for existing solutions and towards cooperation to develop new solutions.

And yet, as a strategy to facilitate cooperation, the participating cities should perform actions such as:

- Support for transfer of very specific technologies;
- Organization of periodic events where there is interaction along the sectors;
- Managerial support to segment the brokerage events;
- Attempts to reduce the lack of qualified human resources;

### The Cross Innovation Project in Lisbon

For respondents in the town hall of Lisbon the project was, above all, political. "...We've inserted Lisbon in this European current of research and innovation", according to the interviewee. This way we can attract more investments, more business and more critical mass.

According to respondents, Lisbon has learned from other cities how to leverage this innovation process. "Some cities such as Amsterdam, Berlin and Birmingham are already more advanced in this regard," interviewee.

Lisbon is working strongly in an entrepreneurial ecosystem where incubators, technology parks, Cowork spaces, prototyping laboratories, accelerators, startups, companies from the creative industry and traditional industry are placed on a platform and thus can communicate, creating relationships aimed to innovation.

For this report, the realization of the Cross Innovation Project led to the emergence of various configurations of relationships among sectors and cities. The interaction between the education sector and the information technology and communication area is one of the examples.

In the matrix of interactions among sectors, it can be observed in Lisbon that the sectors of the economy which have collaborated the most with the creative industry sector are: health-architecture; ICT with social media, visual arts and web; maritime economy with architecture, advertising, visual arts; energy and the environment with architecture and design; tourism with the web; trade with architecture, design, social media, visual arts and the web.

As a result of the project there was a study called Local Implementation Plan, which brings the strategies to be adopted by each city. Lisbon has the major strategic areas to be developed: Lisbon Startup city, the line of knowledge and innovation and the line of strategic clusters.

The line called **Lisbon StartUp City** is already well developed, the city count on the incubator StartUp Lisbon (aggregating trademark for three different specializations, the StartUp Tech, the StartUp Commerce and StartUp Loans), the FabLab (already mentioned), the Youth Entrepreneurship Program and the Lisbon Entrepreneurship Week.

The incubator StartUp Lisbon is in strong growth and has already created, for joint of the first two (Tech and Commerce), 54 startups, 150 jobs and over 40 partnerships. The city also has 30 spaces Cowork, which are spaces where anyone can come to test their ideas.

Another important strategic line is the Knowledge and Innovation, which includes, among others, the Knowledge and Innovation Maps project and the technological pole, Lispolis. The Map Project consists on a collection of data to identify parts of the city where knowledge and Innovation is being developed. In **Figure 1**, we can notice these points, which are available on the website of the Municipality of Lisbon.



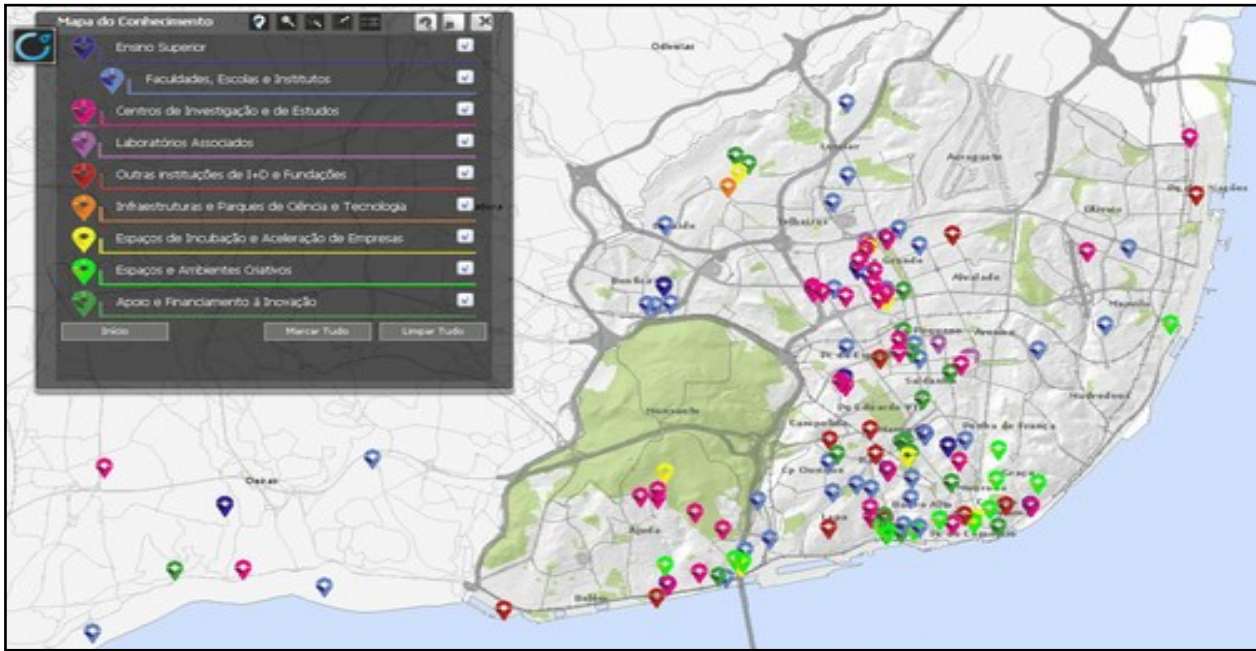


Figure 1 - Lisbon Map of Innovation

Source: <[http://issuu.com/camara\\_municipal\\_lisboa/docs/economia\\_nova\\_o\\_empreendedorism](http://issuu.com/camara_municipal_lisboa/docs/economia_nova_o_empreendedorism)>

The technological pole of Lisbon, Lispolis, aims to support the installation and development of companies that offer innovative products and services, houses more than one hundred (100) companies, including many startups, also has a pre-incubator. Examples of companies there located are: Bioteca (biotechnology), EPL (mechatronics), IdMind (robotics), among others.

In **Strategic Clusters** line some projects stand out with great potential to integrate initiatives that lead to inter-sectoral innovation. In this case there is the Cluster of Creative Economy; the Health Cluster Portugal, in health and wellness and the project of cluster linked to the maritime economy. In Creative Economy there are significant numbers of achievements as the Eurobest - European Festival of Creativity, the Lisbon Film Commission, the Polo Santa Clara - Triennial of Architecture and the IN Festival - Innovation and Creativity.

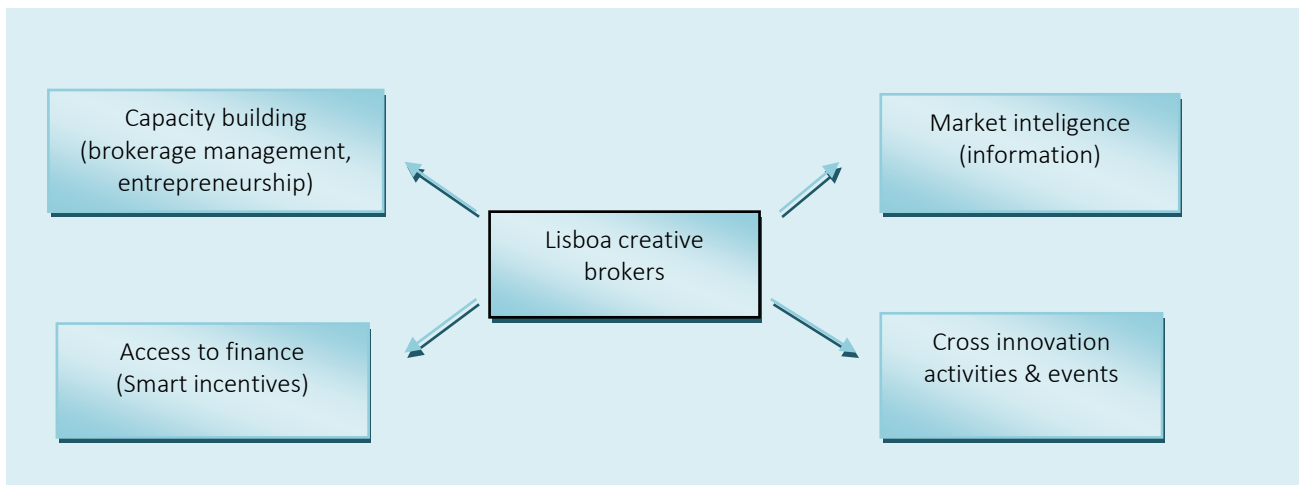
According to the PIL report provided by the Municipality, the city has the function of creating an ecosystem that includes the so-called Lisbon Creative Brokers (Figure 2), which consists in creating a platform for partners oriented to promote activities between the sector of cultural and creative industries and other sectors of the economy.

This comprises functions as: systematization of a database of the city's economy, which will serve for easy reference to other companies that can work in cooperation; the financial, logistical and promotional support to cultural events; the qualification of agents for players in mediating the processes of innovation and encouraging the internationalization of companies.

For the city of Lisbon the project served to provide policy guidelines to be developed to encourage innovation. Lisbon will be leading a process to stimulate interaction between the creative industries and other sectors, through the approach of meetings and negotiations through these sectors. As the respondents of the City Council say, it's about having these sectors to know each other, " ...because, frequently, a company has a problem but do not know where or who to turn to".

### Cross Innovation Project Results to the Development of the Creative Industry

The cross design innovation was appointed by respondents as a process for the "fertilization" of creative industry. While recognizing the importance of creativity to the process of innovation, and that the so-called "creative ones" are useful to this process, it is still necessary instruments of support for growing of this sector of the economy.



**Figure 2 - Lisbon Creative Brokers**

Source: <[http://issuu.com/setepes/docs/lip\\_final\\_5out2014](http://issuu.com/setepes/docs/lip_final_5out2014)>

For Europe the developed project aimed to stimulate economic development by uniting the skills of two sectors that need to interact to generate innovation. The "creative ones" have no business skills, and partnership with the business sector is very important, it's told by respondents.

According to the **UNCTAD report**, "the special nature of the creative economy: its intangible assets, licensing procedures, business and management principles, forms of regulation and significant (in some cases total) dependence on intellectual property. This will require a more strategic type of thinking from policy makers at both national and international level."

From a data collection work, Lisbon has created a map that indicates where the city's innovation opportunities are, and thus all agents in the economy as entrepreneurs, young entrepreneurs, investors will be able to identify and go where there may be interest for cooperation. At these innovation clusters, informal or formal meetings to exchange ideas will be held.

In Portugal the creative sector represents approximately 3.4% of the total employment. And 30% of the creative work of the country is concentrated in the Greater Lisbon, which includes cities such as Amadora, Oeiras, Odivelas, Loures, Vila Franca de Xira, Cascais, Sintra and Mafra. And in this region the data is at the same level of 3.3% and there are 21.859 companies.

From the Cross Innovation Project the city council made a mapping of the creative economy in Lisbon. The number of 277 strategic actors was raised, grouped into three segments: creative services, cultural industries, arts and cultural activities.

Being committed to a strategic program to stimulate the creative economy in the city, such as:

- Internationalization;

- Creative Events: competitiveness anchors;
- Neighborhoods and creative territories;
- Spaces or equipment: new uses and functions;
- Creative Entrepreneurship;
- Workshops and residences for artists;
- Creative Talent.

The policy of promoting innovation in the project is evident when cities, and in the specific case, Lisbon, assume their role: promoting the rapprochement between the creative industry and other sectors of the economy. According to those interviewed and consulted reports, cities should prepare and fertilize the ground for the transformation of creative work into product and services innovations for companies and even to cities in order to generate employment and income, creating the technical, institutional and financial conditions to this fact. Some instruments used in the process as the meetings held among the cities, with the presence of entrepreneurs, facilitated the interaction through them and this experience proved to be beneficial in the sense of learning and achievements. One of the participating companies reported: "I think meetings like this should be done more often, so we meet and we can exchange ideas."

The learning results to the cities were also under the financial incentives to projects and events. The so-called best practices and meetings held among cities made them present initiatives in this direction, from government funding to awards for innovative ideas.

One of the main obstacles to the Cross Innovation process is the identification by industries of other industries that may solve their problem regarding innovations in existent products. And yet, this aspect is present the cultural issue, because the industries or even



individuals do not know how to network. It is necessary to establish trust and communication levels that are essential for the success of the process. One of the interviewees said: "We have to learn how to work in networks." But there are difficulties for companies to identify other companies that can cooperate, as says Lundval et al. (2002), the government should take on this role.

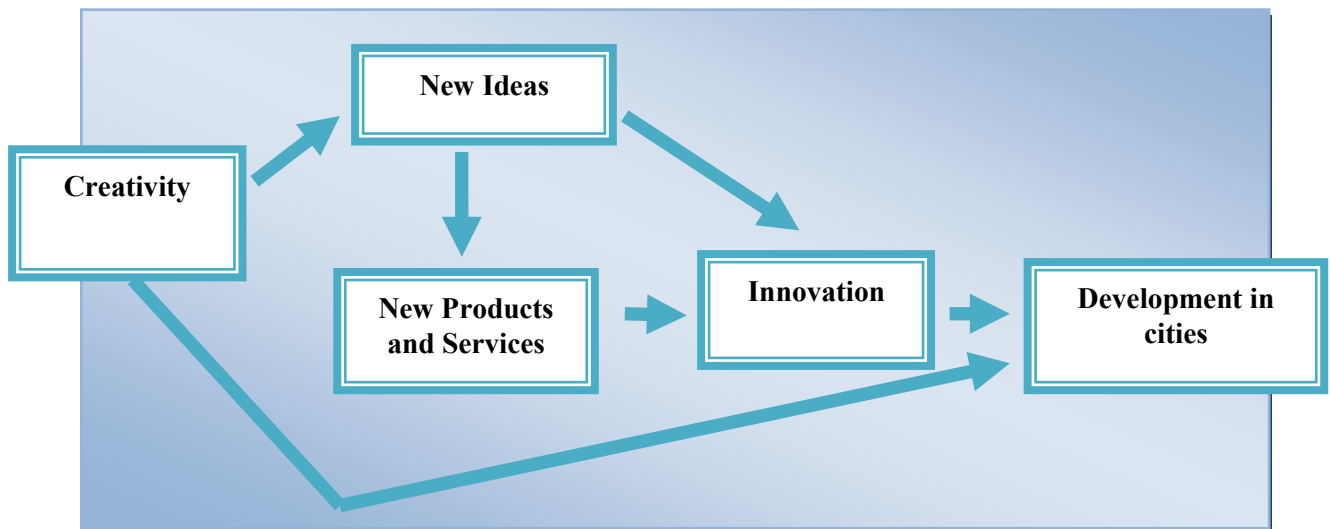
For the city of Lisbon, participating in the Cross Innovation Project provided useful tools for improving policies and promoting the development of the region, the Lisbon Creative Brokers Project, already mentioned, is an example of this tool.

The creativity and ability to innovate significantly consolidated its position as one of the factors

determining the competitive advantage of companies. Within a scenario where products are increasingly similar, creativity is seen as an important asset within the value-added logic. As noted by Florida (2010), in virtually all segments of the economy, those who can create and keep innovating are the ones who get long-term success.

Figure 03 shows this relationship graphically.

As cited in this study, the term cross innovation is new, although the subject could not be considered the same way. The approach of sectoral interaction, cross sector or cross border, to generate innovation has already been mentioned in the literature. Considering the way it was used in Europe, it is indeed something new.



**Figure 3- Relationship between creativity and development in cities.**

Source: authors.

The Cross-Innovation project focused on the exchange of experiences among 11 European cities in relation to the promotion of collaborative-oriented innovation. This exchange of experiences was held through the cities in their political and economic mechanisms of mediation, to facilitate cooperation among companies. Within cities, participating companies of the sectors of the creative industry might relate with other companies, in other sectors, to innovate in partnerships.

In this study the city of Lisbon was visited, but examples of other cities can be verified through documents and even testimonials of those surveyed, where other Cross Innovation solutions were created, such as the use of renewable plastic for making bus stops and train stops, as an interaction of creative design industry and the governments.

Within the project Cross Innovation, cities have learned how to think of policies to promote open spaces that facilitate the interactions through companies, as mentioned by respondents.

The cooperation, already regarded as an important factor in the pursuit of innovation among companies, is implanted in the new paradigm of open innovation, but there are difficulties for companies in identifying other companies that can cooperate. Once the problems were identified, within the project development time, plans were set to possibly solve this dilemma.

The Cross Innovation approach comes a solution to promoting innovation. As a matter of fact, large Industries may be able to promote incremental changes in products themselves, but in a learning economy, considering the role of small and medium enterprises, this paradigm has to be overcome.

Cooperation among companies, across sectors and across economies is a major factor in the perspective of the economy of the regions.

This essay sought to show that innovation is needed for the competitiveness, not only companies, but should compose the political agenda of cities. And their role is to promote cross-sector innovation.

European cities involved in the project have resulted in a local implementation plan, which will allow them to plan actions aimed at local development.

Thus, it is suggested to be created a political agenda that includes a systematic, that encourages a culture of cross innovation, with incentives, seminars and instruments; with the creation of spaces, encouraging joint work among sectors, between university and industry and encouraging trust amid the different areas.

One issue yet, which brings us to higher studies is the matrix of interaction through sectors, which was one of the topics to be elaborated by the participating cities, but were not sufficiently clarified in the interviews. How to develop a methodology that can approach the companies in the creative sector? According to respondents, it is one of the activities to be developed from a comprehensive survey and the creation of a database.

The importance of the sector "creative industries" goes far beyond the industry. The creative industries are important and relevant for innovation, not because of the jobs they generate, or because of their own innovations, but because they induce innovation in many other sectors of the economy

## Final Discussion

In recent decades, companies not only come to recognize the importance of creativity as an input to production, as well as they realized its transformative role in the production system. Besides the capital, raw materials and labor, the strategic areas of the companies turned their eyes to the use of ideas as an essential resource for value creation.

The Cross Innovation Project, which was developed over 11 cities in the European Union for three years (2012-2014) aimed to bring together companies from the creative industry and companies from traditional or growing sectors, and discussed how these two segments can accelerate the introduction of innovation through cooperation.

In this particular case, the intention was to intensify the intersection of ideas focusing on the

creative industry, as this sector has a strategic importance for the development of European cities.

The pioneering discussion of the theme and the way it was used in this pilot project infers an approach that, above all, aims to facilitate the process of cooperation between different sectors of an economy, surpassing geographical boundaries.

When studying the results of this project, specifically in the city of Lisbon, it is seen that there was an apprenticeship in the sense of how the city can arrange a mediation policy from this process of rapprochement between sectors of the economy, and the results in terms of generation of knowledge are visible, in areas such as: design, urban planning, history and information technology that can work together to create a solution to facilitate tourism in the region (in one of the interviews it was cited this case: a startup has developed a mobile app, which when accessed front of a tourist spot, a church, for example, brings information about this at the time, such as name, foundation, etc.).

Cities should promote a series of intelligent financial incentives, such as support to risk-capital networks, and to fund creative spaces. The public sector is what drives the various sectors for this use.

This paper sought to show that innovation is necessary for the competitiveness not only of businesses but should compose the political agenda of cities. European cities involved in the project developed at the end a local implementation plan, which will allow them to plan actions that can stimulate the creative potential for innovation and that consequently lead them to local development.

However, as pointed out in this article, cultural products and services have both a tangible element, such as format or product platform (CDs, computer disks, printed paper or film roll) and an intangible element that determines its contents through meaning or symbolic representation, so it must be an alert to this differentiated nature of the creative economy.

Finally, as a limitation to this study, it has been the fact that the fieldwork was performed with one of the eleven participant cities in the project. Although, the methodology is the same for all, the obstacles encountered and results indicate differences in the competences of each region. It is suggested other studies on the subject, bringing more benefits to collaborate with the hypothesis that the project developed by European cities is a policy for promoting innovation.

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