Creative & Cultural Industries in Stockholm

Stockholm
The Capital of Scandinavia

Report – The Creative & Cultural Industries in Stockholm

Covid-19 Note

While producing this report in Q1 of 2020, we saw the covid-19 pandemic grow from a distant threat paid little attention to, into the global pandemic it has become today. During post-production of the report, we have firsthand witnessed how the pandemic has affected lives and industries around us. It is impossible to convey the damages to the world that the pandemic has caused, and even more so in a short note in a report that is not focusing on it. However, we do feel that it is worth pointing out that while the pandemic has affected almost every single industry in some way, the Creative & Cultural industries has been amongst the most affected ones. As the Creative & Cultural industries are highly dependent on events and live audiences, much of the activity in the industry has come to a sudden halt. The Creative & Cultural industries is also one with many smaller businesses and independent freelancers, which often times have less protection and financial resources than larger corporations do. As a result, many workers and performers within the Creative & Cultural industries has seen their livelihood disappear during the pandemic.

As a final remark we wish to make it clear that this report is based on data, insight and research predating the covid-19 pandemic. It is important for the reader to keep this in mind when reading the report, and we hope to be able to provide an overview of the impact that covid-19 has had on the Creative & Cultural industries in the future. For the time being, our focus and resources are dedicated to do what we can to support the Creative & Cultural industries in these times of hardship.

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PHOTO: ROBERT HÖGLUND

1. Introduction

This report aims to provide a holistic and objective overview of the Creative & Cultural industries (CCIs) of Stockholm. The CCIs are often discussed in media and public debate. However, they are rarely seen as a part of the overarching trade and industry, but rather seen as novelty and of cultural value primarily. The Creative & Cultural industries have grown considerably over the last decade and are today larger and more productive than numerous other industries. Despite this, public and legislative attitudes towards the industry have not changed substantially. One explanation for this may be the fact that the Creative & Cultural industries are not as homogenous as the name indicates. Whilst sounding uniform on surface, the Creative & Cultural industries consist of several different sub-industries that have been grouped together due to certain similar characteristics. Whilst this report does not attempt to speak on the behalf of the Creative & Cultural industries, it does wish to share the story of their growth, success and contribution to Stockholm in various aspects.

The main purpose of this report is to shed light on the current scale of the Creative & Cultural industries in Stockholm: how they have grown in recent years, what are the drivers for this growth, and what key obstacles exist that may hinder their growth in coming years.

Hopefully, this report can contribute to a more objective and informed public debate about the Creative & Cultural industries. By highlighting the actual contribution and value added by these industries, perhaps this report could serve as an eye opener for the potential value that could be unlocked by providing better support for these industries, and also help them overcome their current obstacles. As the Swedish journalist Pontus Schultz put it[1]:

> **“Creativity is the new steel”**

It is important to view this report as a first step in better understanding the value, impact, needs and future of the Creative & Cultural industries. This report is not a be-all-do-all, but a very first step in understanding and highlighting these industries value to all the stakeholders that are affected by it, and may be able to better support it. By sharing an overview of their story we hope to raise the attention and interest of these industries, and that other's will pick up where we left of. By deepening our collective knowledge about these industries, which support they need and what we could gain from supporting them, we will hopefully help Stockholm to become a global frontrunner within Creative & Cultural Industries. To anyone interested in building upon our work and this report, we are more than willing to provide input and a guiding hand.

1 http://kulturekonomi.se/tagg/pontus-schultz/

2. Which are the Creative & Cultural Industries?

Creativity and culture have defined human civilizations from the very beginning. Culture and expression of creativity in various forms have been present in every civilization in history.

As humanity and our civilizations have evolved, the act of creating and nurturing culture and creative expressions have followed. Through formalization and specialization of our labor markets, people are now dedicating entire careers and lives to these jobs. Unlike many other trades in our society, these jobs are still not viewed as jobs or professional occupations by many, but rather seen as an act of inspired people following their dreams.

As true as this might be on an individual basis – the truth is that in the 21st century, most occupations based on creativity and culture have become both formalized and most of all professionalized. These are occupations that contribute to the overall economy of our society, just like any other occupation in any other industry. As such, it is time for our society to start viewing these individuals as not only passionate souls, but also professionals in the true meaning of the word – in that they together make up an industry whose products and services are not only loved by citizens, but part of our integrated economy. Together, they make up the Creative & Cultural industries.

2.1. Definition of the Creative & Cultural industries

The concept of "Creative & Cultural Industries" has been around since the mid-20th century and was first used by sociologists in 1948[2], but has just recently become an established term. Public debate and media have always used the concept of various industrial sectors such as automotive industry or forestry industry to form a common basis of discussion for these industries. However, the Creative & Cultural Industries have for a long time not been considered a significant part of what we traditionally define as our industrial sector. A widely accepted definition of the Creative & Cultural Industries is necessary to establish an objective and informed public debate about these industries. However, the definition must also keep up with changes in the industry and, when the need arises, be updated to represent the current Creative & Cultural Industries. Without adapting the definition over time, there is a risk that the public debate starts deviating from the definition, which is currently the situation for the CCIs.

2.2. Our definition

With an increasing demand to reach a common ground for discussion, the government agencies – Statistics Sweden and the Swedish Agency for Economic and Regional Growth – have suggested a definition for the Creative & Cultural Industries. The definition is based on the European Commission's definition and structure of the Creative & Cultural Industries, which is necessary to be able to make relevant comparisons between countries. However, the Swedish definition is largely adapted after the basis of which Statistics Sweden is publishing economic statistics, and includes the following industry groups and industry categories[3].

This report, and the economic data presented in it, is based on this (right) suggested definition. As with any subjective definition, it is subject to discussion but as the report does not attempt to redefine the Creative & Cultural Industries – this is a well-suited definition to expand upon. Hopefully, this report will contribute to the convergence towards a common basis for discussion and debate of the Creative & Cultural Industries.

Our definition

Industry group	Industry category
Architecture	Architecture
Audiovisual	Audiovisual storage
	Gaming
	Film & TV
	Radio
Picture & Form	Art
	Design
	Photo
Cultural Heritage	Archives
	Museums
	Historical and archaeological locations
Literature & Press	Press
	Literature
	Libraries
	Uncategorized
Literary and artistic work	Literary and artistic work
Fashion	Fashion
Advertising	Advertising
Stage art	Music
	Cultural educations
	Stage art

2 https://en.wikipedia.org/wiki/Culture_industry
3 https://tillvaxtverket.se/statistik/kulturella-och-kreativa-naringar/kreametern—statistik.html

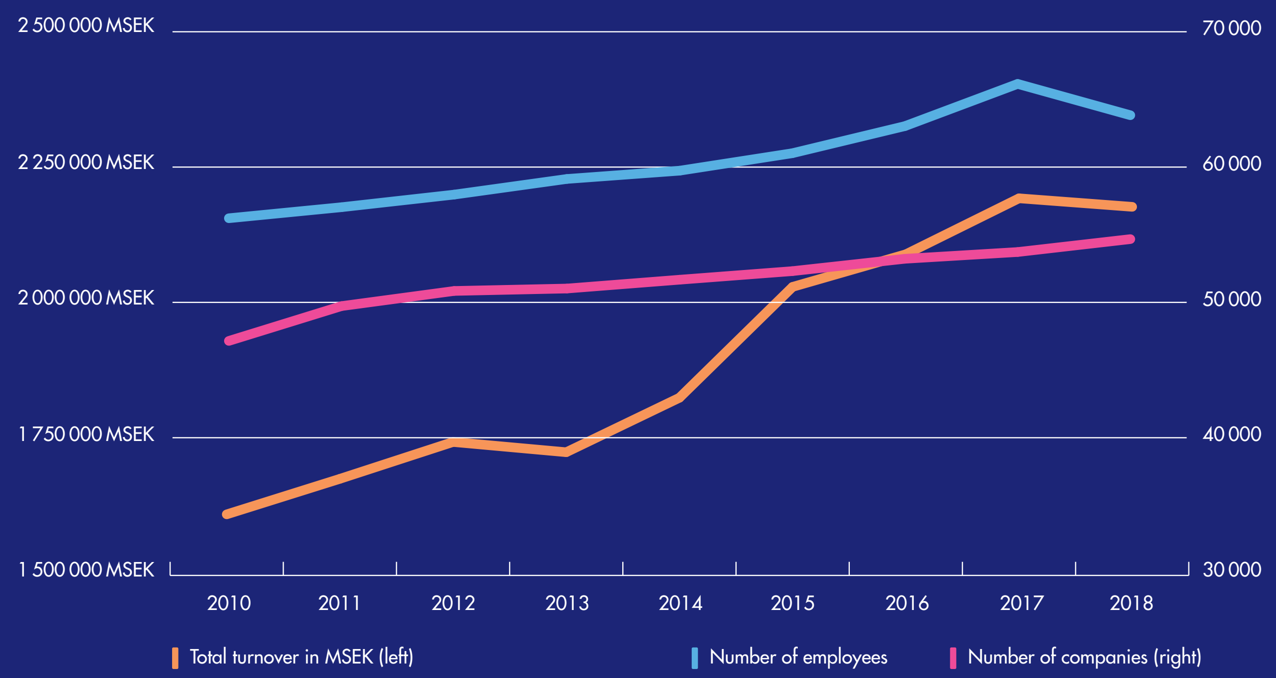
3. The impact of the Creative & Cultural industries in Stockholm

217 710 000 000
Total turnover in SEK

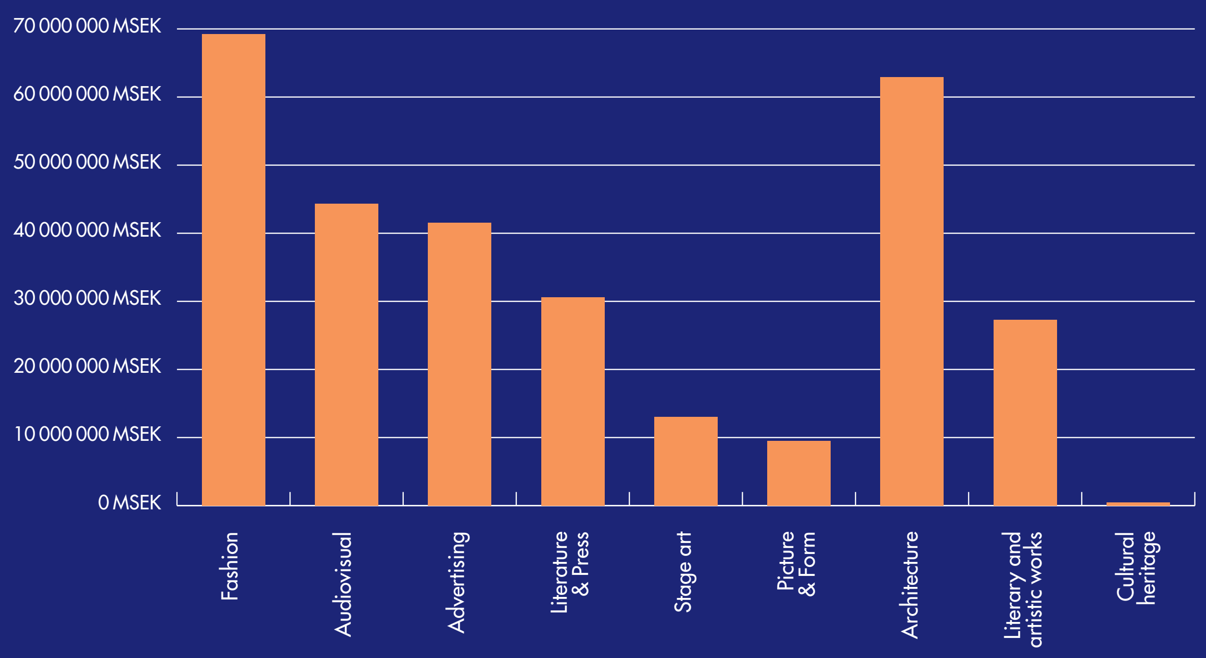
63 831
Number of emplyees

54 676
Number of companies

The Creative & Cultural Industries 2010–2018



Total revenue by industry group



3.1. Economic impact

The Creative & Cultural Industries have, as of 2018, reached a total turnover of over 217 Billion SEK. To put this into perspective, the entire retail industry of Stockholm had a revenue of 160 Billion SEK in 2018[4], the forestry industry of Sweden had a total revenue of 222 Billion SEK in 2016[5] and the food industry of Sweden had a total revenue of 195 Billion SEK in 2018[6]. Given the size of the CCIs, it could be argued that perhaps it is time to start viewing them as an industry just as any other.

One common misconception is that the Creative & Cultural Industries are not financially viable and are dependent on governmental aid and subsidies to be able to thrive. Data from the Creative & Cultural Industries in Stockholm suggest otherwise. The average value added per employee in the Creative & Cultural Industries of Stockholm was, in 2018, a total 992,000 SEK. This is just shy of the total average in Stockholm (1,125,000 SEK) and a bit above the total national average (925,000 SEK)[7]. The significant value added per job in the Creative & Cultural Industries proves that these jobs are not just novelties and of cultural value, but notably contribute to the economy of Stockholm.

The Creative & Cultural Industries are not only important for the economy of Stockholm, but also for its labor market. There are in total over 63,000 people employed directly by the Creative & Cultural Industries in Stockholm, which is equivalent to 1 in 20 employees in Stockholm being employed within the Creative & Cultural Industries[8].

3.1.1 Recent growth

The recent surge in interest towards the Creative & Cultural Industries have come courtesy of an extended period of growth. The total revenue of the Creative & Cultural Industries has grown by 35% since 2010, and they employ 13.5% more people today, as compared to 2010.

The growth has been steady with increasing numbers each year. However, the sub-industries within the Creative & Cultural Industries have shown a large difference in their growth, with some growing ever so slightly while others are multiple times larger today than they were in 2010. Notably, only one of the larger sub industries has experienced a decline since 2010 – Literature & Press.

Development of the Creative & Cultural industries, 2010-2018

Industry group	Companies		Employees		Turnover (SEK)	
Fashion	4 629	+3%	18 457	+44%	69 264 451 819	+40%
Audiovisual	5 597	+47%	8 867	-1%	44 335 944 558	+54%
Advertising	5 640	-10%	10 418	-1%	41 560 059 364	+32%
Literature & Press	4 830	-4%	11 255	-19%	30 570 549 205	-6%
Stage art	12 533	+61%	4 275	+46%	13 016 626 902	+81%
Picture & Form	9 714	+8%	4 361	+43%	9 489 115 353	+61%
Architecture	1 873	+16%	4 579	+65%	6 296 073 682	+103%
Literary and artistic works	9 736	+7%	1 203	+48%	2 731 452 560	+20%
Cultural heritage	124	+20%	416	-17%	446 095 302	-11%

3.2. Impact on the city scape

It is natural to think of the CCIs as just another industry, but they are unique since they affect the city scape more than any other industry. The Creative & Cultural Industries are very closely linked to identity, not only of the creators but also of the audiences, and therefore possess both economic and social power. Hence, analysis of these industries should not be limited to economic factors but also include a societal perspective throughout the process.

3.2.1. CCIs and the city identity

The total economic effects of culture and creativity on a city are difficult to measure, but the emotional connotations that comes with it are not. For a city to thrive, it also needs to be perceived as an attractive place to live and work in. One way of understanding the drivers behind urban migration, or attraction, is Richard Florida's theory of the creative class. Florida pinpointed in 2002 what we know very well today about gentrification. The creative class steers towards middle class and industrial areas in search for cheap accommodation. Their presence consequently leads to a more attractive living area – thanks to the vibrant culture that they bring[9].

Stockholm is not an exception; the city is rather an international frontrunner. Södermalm is a great example of the market dynamics. The area was historically known to be rough until the Nytorget quarters received an uplift. Today, it is crowded with fine dining and exclusive retail as well as social events such as Nytorgsfestivalen. Music, food, and shopping attracts citizens and tourists from all around Sweden and abroad. Södermalm has through its vibrant culture become a location for urban competition. While the areas around Nytorget became a cultural hotspot with an appreciated mix of upscale bistros and charity shops, the west side of the island – Hornstull – was still infamous for relatively high crime rates and dodgy vibes up until a few years ago. After a considerable makeover involving construction of two traffic liberated plazas and modernization of the metro station, the area is not only host to multiple popular entertainment spots, but the development is also notable enough to be internationally praised in the New York Times[10].

3.2.2. CCIs as a tool to develop exposed area

There are several indications that other parts of Stockholm will continue in the same direction as Södermalm. An upcoming initiative is the digital culture house – SPACE, currently being developed between Stockholm central square and the Hötorget square. SPACE is an initiative by Björn Ulvaeus Pop House, known for the ABBA Museum and Cirkus, together with AMF Fastigheter. Starting from 2021, SPACE will be a 7,500m^2 facility hosting music production studios, e-sport facilities, a stage, merchandise and more[11]. The vision is to create an international creative hub dedicated to culture and experiences.

Culture cannot only be a way to develop the city scape, but also serve as a way to lower crime rates. Per Sundin, Co-founder of SPACE, discusses crime rates in Stockholm and especially around the central areas of Hötorget, where SPACE is being constructed. Sundin is positive that politicians, civil servants and entrepreneurs share the vision of culture and creativity as a catalyst for societal improvement. Apart from raising awareness and pride internationally for Stockholm as a place of possibilities, creative activities can lower crime rates and inspire the youth to pursue their creative ambitions.

Sundin in no way suggests that cultural activities can substitute a solid police force or rigid legislation, but as a complement to these, positive development will flourish:

> **"The solution is not to empty Sergels Torg, but to fill it with experiences, people and culture."**
>
> – Per Sundin

The social scientist Richard Florida has received massive criticism from fellow scholars for promoting gentrification while completely disregarding the negative side effects[12]. However, one cannot deny gentrification as a phenomenon. Another more accepted method to identify a city's success are its employment statistics. Florida coined the term "Creative Class" to distinguish the people who employ their brains rather than their bodies. So called Brain Businesses can be measured, and while they are growing steadily in Europe, Stockholm region has the third highest concentration of Brain Business just short of Bratislava and the Oxford region[13].

To attract the creative class, Florida emphasizes the three T's of technology, talent and tolerance[14]. Stockholm fills the criteria for all and other research tends to agree. Nima Sanandaji is a Swedish social analyst and author of several publications about entrepreneurship, labour markets and Nordic welfare states. Sanandaji maps out the human capital in Europe and explains the factors behind the success of the Swedish capital. Foremost, he points out Stockholm's advances in knowledge assets and international reputation of great entrepreneurship as what has allowed the city to attract foreign investments.

3.2.3. CCIs and the international marketing of Stockholm

Creative & Cultural Industries are immensely powerful when it comes to international as well as domestic marketing of a city. As people and consumers in general have become more critical, and growing tired of traditional commercials, other factors will prevail. Studying the CCIs, no one branch alone makes up for the entire image of Stockholm, but they act as strong components contributing to the whole.

Firstly, Stockholm is known as The Unicorn Factory for a reason. Klarna, Skype, Spotify, King and Mojang are only a few Stockholm born success stories that lie behind the wonder of the Swedish tech scene, causing the rest of the world to cast envious glances.

Perhaps the most obvious example of location marketing beyond traditional commercials is moving pictures, namely film and TV. Film Commissioner Mia Uddgren specifically emphasized that people have become less receptive to traditional marketing but consume moving pictures in bigger quantities than ever before.

Film and TV have the advantage that they emotionally affect the viewers, and strongly so with regards to identity, which in marketing is considered as the most powerful tool. The Swedish Millennium series is a highly representative case. Apart from the direct financial impact of the production of the movies, Cloudberry Communications has calculated the exposure of Stockholm region in the movies to have an estimated marketing value of 960 million SEK[15]. Entertainment in its purest form hence, has extremely beneficial long-term effects. There are also examples of how other entrepreneurs are able to further capitalize on marketing effort, with The Millenium Tour being a prime example. The walking tour allows tourists to get a firsthand experience of important locations from the movies, and has been rated the world's best literary walking tour by Lonely Planet[16].

Apart from its architecture, water and the Stockholm Syndrome, Stockholm is mostly known for music due to multiple reasons. For one, we have talent. Both behind the scenes and on stage. Max Martin and his team at the famous studio Cheiron in Stockholm wrote and produced hits for Westlife, Back Street Boys, Britney Spears and many more. For years, his reputation attracted musicians who wanted to work with him and learn from him. Other known names born in Stockholm are ABBA and Avicii. Their music and talent have inspired audiences and aspiring musicians worldwide, while at the same time honing the capitals reputation as fertile music soil.

Stockholm is also on the international radar for being a gaming hotspot. Stockholm is the home of DICE and Paradox Interactive, and to huge base of gamers and gaming celebrities. To their excitement, the internationally renowned gaming event – The International, will for the first time be held in the Swedish Capital. In addition to the main event, that will fill Ericsson Globe with 16,000 people, the organizers will host related events in the entire area of Slakthusområdet that surrounds the venue[17].

4 http://www.mynewsdesk.com/se/hui-research/pressreleases/detaljhandeln-i-stockholms-laen-omsaetter-1607-miljarder-kronor-2913956
5 https://sv.wikipedia.org/wiki/Skogsindustri
6 https://www.livsmedelsforetagen.se/branschfakta/
7 https://www.scb.se/hitta-statistik/statistik-efter-amne/nationalrakenskaper/nationalrakenskaper/regionalrakenskaper/pong/statistiknyhet/regionalrakenskaper-2017/
8 https://www.scb.se/hitta-statistik/statistik-efter-amne/arbetsmarknad/arbetskraftsundersokningar/arbetskraftsundersokningarna-aku/pong/statistiknyhet/arbetskraftsundersokningarna-aku-arsmedeltal-2018/
9 https://www.theguardian.com/cities/2017/oct/26/gentrification-richard-florida-interview-creative-class-new-urban-crisis
10 https://www.nytimes.com/slideshow/2013/06/16/travel/20130616_SURFACING.html
11 https://www.fastighetsvarlden.se/notiser/ulvaeus-startar-digitalt-center-i-hotorgsskrapan/
12 https://en.wikipedia.org/wiki/Creative_class
13 https://www.ecepr.org/wp-content/uploads/2020/01/Brain-Business-Jobs-2020-Index.pdf
14 https://www.nytimes.com/2017/06/26/books/review/the-new-urban-crisis-richard-florida.html?auth=login-email&login=email 15 http://www.frsm.se/wp-content/uploads/2012/07/Millennium_Rapport_20110407.pdf
16 https://stadsmuseet.stockholm.se/in-english/guided-tours/the-millennium-tour--the-girl-with-the-dragon-tattoo/
17 https://esportsobserver.com/ti10-stockholm-sweden/


Shooting in Stockholm (The Girl in the Spider´s web)

PHOTO: MIA UDDGREN, FILM CAPITAL STOCKHOLM

4. Conditions for the Creative and Cultural Industries in Stockholm

Stockholm has a long legacy of creative output, from being the home of world-renowned game studios to its world leading exports of music per capita and being dubbed the "Unicorn Factory" by financial times[18]. But what is it that really makes Stockholm so special?

Stockholm and Sweden consistently ranks among the most innovative places on earth. While this is great news for the CCIs, it is important to understand why Stockholm has become so innovative and what role the CCIs play in this innovative output. One major factor in the creativity of Sweden is its freedom, and one proof of this is that Freedom House has ranked Sweden as the freest country in the world[19]. With freedom comes the opportunity for citizens to share their view on the world and its problem, and by sharing and exchanging views and thoughts, new ideas are born. Another important factor of the creative output of Stockholm is not only that everyone has the freedom to express themselves, but also the opportunity and ability to do so.

In addition to its freedom of speech, Sweden also ranks amongst the most equal countries in the world[20]. Equality is a hugely important factor in creativity, as a mix of different views and perspectives is one of the cornerstones in creative output[21]. If only a homogenous group is allowed to participate in any exchange, creativity is bound to be limited. Stockholm also has all the necessary support systems to allow people with creative ideas to act upon these. With some of the world's best and most extensive social security, Stockholm allows people to take the leap of faith needed to bring their creative ideas to reality. In addition to social security, Stockholm also offers an excellent support system to aspiring entrepreneurs. With great access to both knowledge, capital and talent, paired with great living standards and social welfare Stockholm has been named the second best city for start-ups in Europe, just shy of London[22]. This unique combination of a creative heritage, freedom of expression and opportunity to create a business out of ideas has made Stockholm into the creative hub it is today.

4.1. Facilities & adaptions in the city

Meeting places are crucial for all industries, and even though many are now virtual, they will probably never completely substitute physical ones. Third places are the living rooms of society. They help societies build a sense of community and can ignite organic development. In third places, social classes are levelled out and cooperation across disciplines can happen more naturally and efficiently, thanks to the lack of bureaucracy and red tape[23]. The degree of control over the activities in these places will vary, and depending on the desired outcome, the design and rules will too.

Third space facilities are thus important for society as a whole, but industry specific ones are equally beneficial, although with varied results. Networking, trust and knowledge sharing are just a few of the values that improve when social encounters are facilitated. Depending on the industry and if the product is physical or not, services or experiences – the importance of physical meetings will vary. Within the CCIs, fashion might be the most obvious example, since the whole industry orbits around the physical material and texture of the garments. As a result of this, the fashion industry is highly dependent on the availability of different types of meeting places, where the industry can come together to exchange ideas, designs and visions. Fashion shows and showrooms has for a long time been the go-to meeting places for the fashion industry, but as these starts to fade in the modern world, the industry has started to look around for options. Venues for shows and availability of easily accessible offices and showrooms will partly determine the success of this industry going forward.

The importance of social communities has increased effectively with the digital evolution, and even the most digitalized industries require physical components. E-sport and gaming illustrate this well. Regardless of the preconceptions, gaming is a social activity. We already know of the internet cafés, like Inferno Online in central Stockholm, where people meet to play

FOTO: MARTINA RAHM

Kulturhuset in Stockholm indicates that the city was ahead of its time, identifying the values that a creative hub brings to a city. The spot close to the central has since 1983 hosted countless exhibitions, concerts, films and debates.

together. Interestingly, virtual games and sports are quickly establishing themselves as a growing, lucrative industry that attracts investors all over the world.

E-sports are social, intelligent and entrepreneurial, and while Stockholm understands this, as mentioned earlier, there is a need to continuously adapt to the needs of a growing market.

Kulturhuset in Stockholm indicates that the city was ahead of its time, identifying the values that a creative hub brings to a city. The spot close to the central comprises restaurants, exhibition rooms, conference rooms, concert rooms, cinema and a library, and has since 1983 hosted countless exhibitions, concerts, films and debates. In 2013 it merged with the Stockholm Theatre, ultimately strengthening its position as a hub for cultural experience, education, and production. For a city to strengthen the cultural industries, facilities where creative businesses can ignite and grow domestically and internationally are crucial.

4.2. Talent and labor market dynamics

For any knowledge-intensive industry, one of the main challenges is to attract and keep the most talented professionals, and the Creative & Cultural industries are no exception here. Stockholm ranks high in this respect among European cities – with the highest share of knowledge-intensive jobs, coming in at third just after Oxford and Bratislava[24]. This gives Stockholm a unique talent market, where supply of talent is high but so is demand and the competition over the most talented employees is fierce.

The current labor market dynamic within the Creative & Cultural industries is that on a general level, the market is relatively saturated, and there is competition over the most attractive jobs and most common roles. This dynamic is expected to stay the same over coming years. However, it is important to notice that the balance on a more granular scale varies widely over industry subsectors and types of roles[25].

“The unique combination of a creative heritage, freedom of expression and opportunity to create a business out of ideas has made Stockholm into the creative hub it is today”

PHOTO: ANNA HUGOSSON

The Swedish Public Employment Service points out that the main surplus of labor and talent within the Creative & Cultural industries are found within traditional roles that have been around for a long time, and that have not been changed or influenced significantly by the recent digitalization trends. Within new roles created by digitalization, and within sub-industries that have seen fundamental changes due to technology, there is instead a shortfall of talent, especially within digital and technologically related jobs. One reason behind the shortfall is that many of these jobs are highly specialized for their specific industry and have proven difficult to recruit from other fields or educational backgrounds. This shortfall of talent has already caused imbalances on the labor market, where for example game developers are experiencing imminent hardships to find enough talent to fill their open positions. As of 2019, there is a greater demand for video game developers than are currently graduating on an annual basis[26].

4.3. The role of the educational system

Contrary to popular belief, many jobs in the Creative & Cultural industry do not require natural talent or artistic abilities. What they do require is quality education that is adapted to meet the industries' specific needs. Just like most other industries, the Creative & Cultural industries have been becoming increasingly digitalized. This has contributed to an increasing need for higher education, as well as more tailored education that is adapted to the technologies being used within these industries. Industries with a higher level of digitalization such as gaming and media are experiencing more significant effects of these trends, but almost every part of the industry has seen some change. As a result of this, a majority of all available jobs within the Creative & Cultural industries require post-secondary education today[27]. Recent trends also point in the direction that requirement for post-secondary education is still rising in every sector of the Creative & Cultural industries, thus further shifting this imbalance[28]. This gives the education system an important role in the success of the Creative & Cultural industries in Stockholm going forward.

Despite the importance of the post-secondary educational system in order to supply the Creative & Cultural industries with educated talent, the educational journey starts far earlier than that. For most kids, their creative and cultural education starts at an early age. Creativity, culture and arts are an important part in the elementary school system, with the objective of giving each and every kid an introduction to this world, knowledge they will carry with them wherever they go in their professional career. Something that really sets Sweden apart in the educational space is the system of public arts schools. The public arts schools is a system of publicly funded schools where kids and adolescents can take classes in various arts-related fields, subsidized by the government, available in 283 out of Sweden's 290 municipalities[29].

Every year, around 400,000 kids and adolescents enroll in various classes in the Swedish arts schools system[30]. The arts school in Stockholm is the largest arts school in Europe, and hosts around 15,000 students each year. With heavily subsidized enrollment-fees, the Swedish arts school system is a prime example of how democratization of arts education can allow a greater proportion of the population to explore and learn about creativity at an early age[31]. Sweden's educational efforts to introduce kids to culture, creativity and art at an early age gives two key advantages. Firstly, basic creative capabilities is something that is beneficial in almost every profession. Even if no further creative education is pursued, what was taught in elementary school will follow and influence the abilities of these people, and thus introducing creativity in their line of work wherever they go. Secondly, exposing kids to arts and culture at an early age gives those with an interest, passion or talent the opportunity to pursue their goals within these fields from an earlier age. This gives the opportunity to educate and cultivate world-class artists and other talents from a young age, increasing the likelihood of a successful career going forward.

In the light of the growth and changes in CCIs, it is evident that the post-secondary and specialized educational systems supporting them needs to adapt to their new needs and try to balance the demand-supply gaps in labor. Market demand suggests that an increase in educational programs adapted to the new niche technologies within the Creative & Cultural industries are necessary, whilst output needs to be reduced in more traditional roles within these industries. The implication of this insight is that the interaction between the Creative & Cultural industries and the educational bodies needs to be coordinated in a way that allows the educational bodies to adapt and respond faster and more effectively. Given the publicly funded

structure of education in Sweden, the market forces may have difficulties in making these necessary corrections with adequate speed and precision, in which case governmental interference to assist these corrections could become desirable.

4.4. The rise of the gig-economy

The recent growth of the gig-economy has had a significant effect on the labor market of the Creative & Cultural Industries. With a high level of specialization and many productions produced in project-form, the Creative & Cultural industries have become significantly prone to this new form of employment[32]. Gig-ers within the Creative & Cultural industries typically comes in one of two forms. The first one is the specialists who have highly sought-after knowledge or talents and use the gig-type economy to gain the highest possible leverage on their capabilities. This often takes the form of performing shorter "consultant" engagements with various employers within the industry. The second form is the hobby-creators or true gig-ers who are not living entirely off their career within the Creative & Cultural industries.

Whilst the research on the effects of the new gig-economy within the Creative & Cultural industries is still scarce, some key trends that are already affecting the industry has been identified. Foremost, the gig-economy has allowed many, who previously engaged in various forms of art such as music, painting, etc., to monetize their art. These types of gigs are often important first steps in many professionals' careers within the Creative & Cultural industries, as many artists start their careers in this manner. By giving more artists the opportunity to professionalize their work more of them can take the step to become full-time artists. This trend has also allowed recreational artists to pursue secondary careers alongside their primary occupations, whatever these may be.

One notable fact that highlights the importance and influence of the gig-economy within the world of artists is the share of artists that do not practice their art as a primary occupation. Within music for example, a majority of all musicians do not have music as their primary source of income. This brings out several interesting perspectives. Amongst others, it highlights how hard it is to make a living off art and artistic expression for independent artists. It also highlights the importance and need of support systems for independent artists, as most artists do not have the resources and support that the poster names we typically associate with the music industry have. At a time when independent artists on a semi-professional scale have become the norm in the business and they together make up a significant part of the entire industry, it is essential that the support systems address this issue. While previously major record labels with entire teams dedicated to each artist were common place, this must today be complemented by organizations that can give adequate support adapted to the needs of independent artists . This includes everything from bookings to marketing and other tasks they may find hard to execute themselves, in order to assist them to focus on their creative expression and development as artists. By cultivating this enormous base of independent artists, Stockholm could increase the output of professional fulltime artists, which would benefit the entire Creative & cultural industry. From an economic viewpoint, this is also important, as professionalizing independent artists significantly increases their economic contribution to the industry, as well as creates a ripple effect to create new job opportunities that support them.

4.5. Effects of a lack of investors and venture capital

Unlike many other industries, commercial investments on a start-up level are rare within the Creative & Cultural industries. Whilst many other industries enjoy possibilities for investments from both public- and private investors, very little financial support is to be found for the Creative & Cultural industries. The lack of available capital and early stage funding are widely recognized as an impediment to the creation of new ventures and pursuit of various projects within the Creative & Cultural industry. The issue has also been recognized at the highest level of government in Sweden, where the secretary of state to the Swedish Minister of Culture pointed out the need for loans and other forms of funding for Creative & Cultural start-ups, calling them essential for the industry to continue to thrive[33].

The tech scene in Stockholm has flourished over the last decade, attracting the attention of investors both domestically and internationally and leading to the epithet "The Unicorn Factory". In 2019 alone, over 30 Billion SEK was invested in Swedish tech start-ups[34] with a majority invested in Stockholm and two Stockholm-based companies entering the top-10 list of start-ups that raised the most capital in 2019[35]. Stockholm is also the city with the fourth highest number of funded start-ups since 2019, following London, Paris and Berlin[36]. Much of the tech scene's success in Stockholm can be attributed to the attention from investors, as access to capital has been fundamental to the explosive growth that the industry has achieved over the last decade. Access to capital and high valuations of these companies have also lowered the barriers and increased the incentives for entrepreneurs to attempt new ventures, leading to an increasing number of tech start-ups. As such, it is clear that an established eco-system and interest for investing in an industry is not only beneficial, but almost necessary for it to achieve its full potential. With a growing Creative & Cultural industry, there is an urgent need for attractive options for commercial investors to invest in the industry.

Even if commercial investors invest a vast majority of all venture capital into start-up companies regardless of industry, public funds are still an important part of the venture capital eco-system – especially for early stage start-ups, which are yet to prove their commercial value. However, a breakdown from 2019 shows that even in the domain of publicly financed funds, very little interest for the Creative & Cultural industries has been shown. Most investments from these funds have been made in companies within IT/Technology and Transport & Heavy industry[37], whereas investments in the Creative & Cultural industries have either been non-existent or have been so small that they are not even accounted for. In Stockholm, there have been several attempts to finance and stimulate the Creative & Cultural industries through public funds at various levels. However, most of these attempts have been on a small scale and often aimed at financing the very first steps in a venture's life cycle, mostly with loans or direct aids. In most cases, these "funds" have been established purely to stimulate the cultural value of the ventures that they support, and very rarely to invest on a commercial basis.

One great opportunity for Stockholm to kick-start the investment eco-system in the Creative & Cultural industries is a publicly funded investment vehicle to prove that it is possible to make financially viable investments in projects, ventures and start-ups within these industries.

One rather compelling argument for the government to engage in funding start-ups or other ventures on commercial grounds in the Creative & Cultural industries is that there are numerous successful domestic (and international) examples for such an initiative. Funds and other investment vehicles to support start-up, ventures and other Creative & Cultural projects have been able to not only provide financial support, but also made direct financial returns on their investments. This has led to a situation where these funds eventually become self-sustaining, meaning that an initial investment can ultimately lead to independent financing of these projects. It is of the greatest importance that the financial aid and investment support for the Creative & Cultural industries is driven with the aim to become commercially viable, in the same way as they are in the tech-industry. Through the right government support these systems could be established and hopefully become self-sustainable soon enough, to not need direct support from the government in the long run.

18 https://www.ft.com/content/e3c15066-cd77-11e4-9144-00144feab7de
19 https://freedomhouse.org/sites/default/files/FH_FIW_2017_Report_Final.pdf
20 https://www.weforum.org/agenda/2019/12/gender-gap-equality-women-parity-countries/
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33 https://www.regeringen.se/pressmeddelanden/2019/10/de-kulturella-naringarna-far-riktad-mojlighet-till-finansiering/
34 https://2019.stateofeuropeantech.com/
35 https://digital.di.se/artikel/rekordar-for-techinvesteringar-i-europa-svenska-bolaget-toppar
36 https://2019.stateofeuropeantech.com/chapter/investments/article/investments-geography/
37 https://www.tillvaxtanalys.se/download/18.3911dff616a2b63fc3235f15/1556787321068/pm_2019_10_Offentliga%20insatser%20pa%CC%8A%20riskkapitalmarknaden.pdf

5. The CCI's Focus Industries

Following is a deeper dive into four industry categories of the CCIs. The segments aim to offer an overview of the most significant characteristics of each specific category. The segments are by no mean a complete insight into the respective industries, but rather aims to serve as a base for discussion on how these may be accelerated and which support they may need going forward.

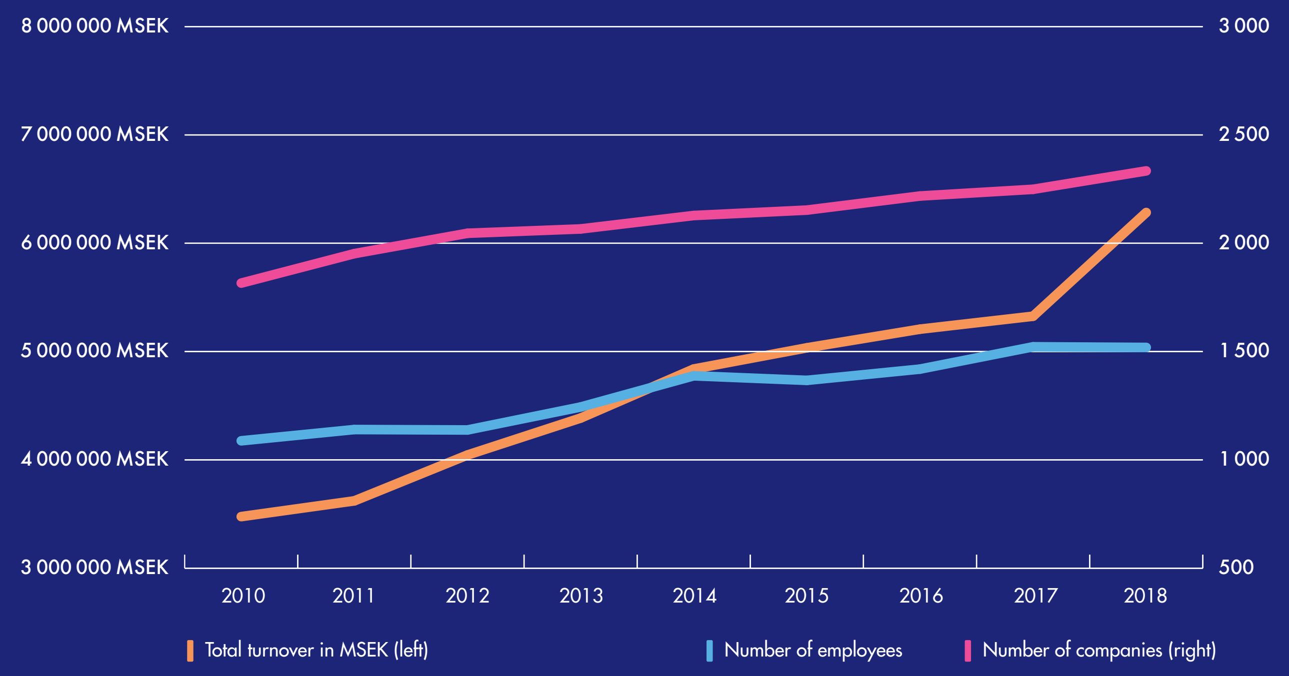
Music
Gaming
Film & TV
Fashion

PHOTO: KRISTOFER SAMUELSSON

5.1 Music

The music industry in Stockholm has a long history with many notable contributions to the international music scene. With its heritage and past glory days of ABBA and Avicii, the music industry of Stockholm is still significant and still growing.

6 283 784 000	1 519	2 334
Total turnover in SEK	**Number of emplyees**	**Number of companies**
+81%	+40%	+29%



5.1.1 The Music industry in numbers

In 2018, the music industry of Stockholm had a total revenue of 6.3 Billion SEK and employed just over 1 500 people. As compared to 2010, this is an increase of 80% in revenue and almost 40% in number of employees.

The music industry in Stockholm also lives up to its reputation of prosperity by being highly productive. The average value added per job in Stockholm's music industry is around 1.6 Million SEK annually, which is more than 40% above the city's total average value added per job looking across all industries. However, it is important to note that while the music industry employs only 1500 people approximately, Stockholm has a total of 2 334 registered corporations within the industry. This indicates that the number of people active within the music industry may be greater than the employment numbers suggests, as these may be independent contractors who are not formally employed.

5.1.2. The music industry in the 21st century

Streaming has taken the music world by storm and Sweden is no exception. Multiple successful startups with ties to the music industry were in fact founded in Stockholm. In addition, these companies are a great example of the ripple effect that CCIs have on other industries. Thus, it comes as no surprise that Spotify was born in Stockholm. Traditions of reliable policies, little corruption, and freedom of expression are a few of the success factors behind the music industry's growth in the Swedish capital. Clustering effects are prominent within the city and it continues to develop a strong identity that fosters new companies which combine music with tech, marketing and PR, management and more.

Per Sundin describes the dynamic:

> **Stockholm has a great reputation within music. It starts with our fantastic songwriters and producers. What happens is that a large group of talented professionals cluster around these people, ultimately attracting artists from all over the world to our capital."**
>
> – Per Sundin

The music industry is rapidly changing due to several reasons. For one, becoming a musician has never been easier. The availability of online tutorials means that anyone can learn how to mix, master or play a violin from home. Whether deciding to title oneself an artist, singer, producer, or creative – it can all be marketed through social media. As for the music itself, the major labels are losing their monopoly as a result of the power shift throughout the music industry. It is partially a result of artists becoming increasingly independent, as new services have emerged simultaneously over the past years. Sweden's legacy and recent success in the music industry could also be a factor that is driving the growth of the industry. Sundin emphasizes the strength of the legacy in Swedish music.

5.1.3. The importance of live music

In Stockholm, Scendöden – referring to the closure of live scenes – has been debated and grieved since before the turn of the century, and the trend is ongoing. Although technology enables music to be limitlessly experienced from anywhere, it cannot be compared to live shows. The future of music will be integrated, and dependent on a hybrid platform that bridges the physical and digital worlds.

> **Stockholm has lots of talent and competence, from singers and songwriters to mixers and producers. The industry is powerful and lucrative, but it's also dependent on platforms where creators can share their art and meet the audiences. Without live music, there cannot be any music industry."**
>
> – Per Sundin

With a majority of all people who label themselves artists in Stockholm not having their music as their primary source of income, it is important that there are sufficient support systems for this specific group in place. While world-renowned artists may have entire entourages of people to take care of everything from logistics to marketing, the industry must understand that the vast majority of all artists have a completely different situation. In order to continue to cultivate a diverse music scene in Stockholm and create the opportunity for these independent artists to take the next step in their careers, there must be a dedicated support system targeted towards this group. This includes everything from the opportunity to monetize their music online and through streaming, market their content and make sure that there are live scenes where the audience can discover their works. While the music audience goes to great lengths to attend concerts by their favorite world artists, the situation for independent artists are very different. They are dependent on the more accessible scenes that can be found in the city center, as people do not go out of their way to attend their shows. However, for the live music scene to thrive there is a need for policies that foster cultural events within the city. The current legislation and "Trial-by-media" situation where many high profile live scenes such as Södra Teatern has been under scrutiny[38], causing a decrease in number of shows and in some cases even closures, has been a reason for concern. It is imperative that the city can come to a solution where live scenes have a natural place in the cityscape, as the current uncertainty is detrimental to new initiatives. Today, it is considered too much of a risk, not to mention a hassle, for smaller venues to back live initiatives, especially if the venue is located centrally in the city. While the city-center live scenes has decreased in recent years, nearby suburbs has shown a more positive development. The number of live scenes in the areas surrounding Stockholm has actually increased in recent years, showing a trend where the live music are moving from the city-center to the outskirts of the city. Cultural hotspots like Slakthusområdet has been pivotal in giving the live music scene a new home when closures within the city center are becoming more prevalent. As the trend started quite recently it is yet hard to say how this will affect both the industry but also the cityscape. What can be said though is that the area of Slakthusområdet, which is the most notable example of suburban cultural hotspot in recent years, has already benefited greatly from the inflow of cultural events[39].

With the current turbulence in the live-music industry, and considering the vast amount of capital within and interest for the music industry, new ventures are leading the development and are exploring new ways of making music experiences accessible in new ways. With time, the number of music makers will continue to grow, and genres are bound to advance in all possible direction. As a result, more independent artists will require assistance with distribution, marketing & PR, financing and collaboration.

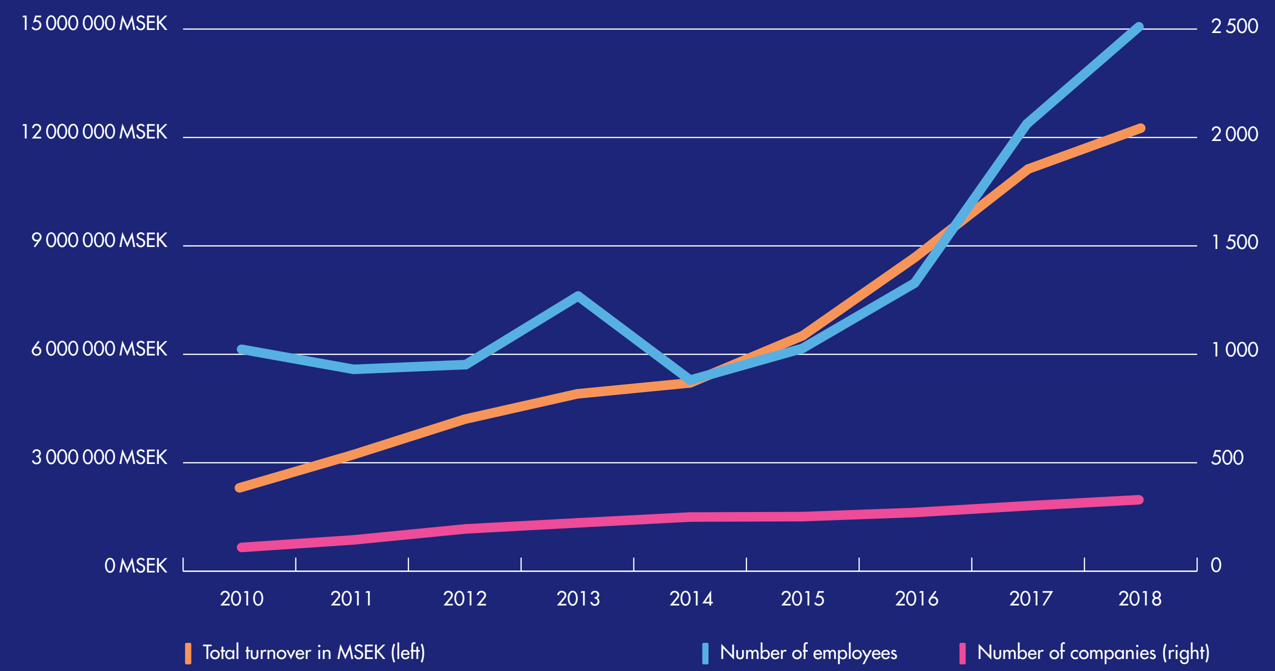
Retail and other consumer facing industries are showing greater interest in collaborating with the music industry, perhaps because they identify the value and marketing opportunities that artists contribute. As to facilitate the ability for musicians to monetize their work, it is essential that the state deploy a supportive infrastructure as well. If Stockholm is to continue to be an attractive destination for all types of artists, the support system needs to be sufficient and internationally competitive. They need an innovative approach that meets the new demands and needs of independent artists. Stockholm was an international frontrunner in identifying the opportunities to do this. Record Union and Amuse are only two examples of scalable tech solutions that help artists to distribute their music to streaming platforms, ultimately challenging the services that major labels offer. However, since the music industry is complex, and obsolete success formulas have dissolved, there is an interdisciplinary belief that collaboration across industries and services is the only path for the music scene to thrive.

5.2 Gaming

Digital games were first invented in the 1970s and became a household staple for young kids and teenagers in the 1990s[40]. For much of its history, the gaming industry have been portrayed as a form of entertainment for geeks, by geeks. As televisions and personal computers became commonplace in every household during the 21st century, the consumer base for video games grew considerably to include almost every kid and teenager. As the consumer base for the games grew, so did the industry that created these games. Over the years, the industry transformed from hobby projects into a multi-billion SEK industry with world-renowned companies leading the industry forward. However, the typical caricature of a gamer as a teenage boy hiding away in the cellar has remained and does to this day to some extent.

As gaming and video games grew in much of the industrialized world, international giants came to dominate the hardware aspect of gaming early on. The software however, the actual games, were developed by various studios around the world. In the realm of game studios, Sweden soon became a frontrunner and was dubbed – "The Swedish gaming wonder"[41].

12 258 838 000	2 514	320
Total turnover in SEK	Number of emplyees	Number of companies
+432%	+147%	+123%




DREAMHACK | PHOTO: HELENA KRISTIANSSON

5.2.1 The gaming industry in numbers

In 2018, the Swedish game-development industry had a total revenue of 12.25 Billion SEK and directly employed around 2 500 people. Since 2010, the gaming industry in Stockholm has grown at an astonishing rate, outpacing every other sub-industry within the Creative & Cultural industries. In the timespan between 2010 and 2018, the revenue of the gaming industry has grown by over 430% and total employees by almost 150%.
The gaming industry is not only large and growing, but it is also highly productive. The average value added per employee within the gaming industry is over 2.2 million SEK per year, which is almost twice the average value added per job in Stockholm. Estimates by the Swedish Game Industry claim that each employee in the gaming industry contributes with tax revenues to the cost of an assistant nurse in the healthcare industry[42].

Notable in the economic data of gaming is that only game developers and game publishers are included in the data. Hardware developers and e-sport related businesses are not included here.

5.2.2 Gaming outside the digital world

As gaming has gained popularity outside of the world of tech-interested teens, a larger community around gaming is emerging. With meeting places for gaming-interested people ranging from e-sport competitions to online discussion boards, streaming, e-sport bars and physical gaming arenas – the community around gaming today is almost as important as the games themselves.

Stockholm has been exceptionally good at cultivating the e-sports and gaming community, which have taken gaming out from the kids' bedrooms into the cityscape. Amongst other venues, Stockholm is today home to the world's largest gaming arena, Inferno Online, which holds the record since 2010[43]. E-sports and the support systems around it have also flourished in Stockholm, with the first pop-up BarCraft in 2011[44], and the first permanent e-sports bar – Kappa, which opened in 2017[45]. The world's largest e-sports event, The International, is also set to return to Stockholm later this year for the first time since 2011, after being hosted in cities such as Seattle, Vancouver and Shanghai[46]. To put the size of the event into perspective, the prize pool of around $35 million for The International is comparable to the total prize pool of $44 million for Wimbledon[47].

The future of the gaming culture and community in Stockholm is looking bright, with notable industry profiles currently working on establishing the culture institution SPACE, which will be home to the largest gaming arena in Europe[48].

5.2.3 Investments in E-sport and gaming

In the wake of the gaming and e-sport industry's growth, investors have shown an increase in interest for investing in these businesses. Historically, investors have seen investments in the industry as risky, especially towards new game studios that haven't released their first games. This has led to a situation where newly founded game studios and other businesses have had a hard time raising enough capital to survive, until they could release their first game and start generating income. With growth in the industry, investors have become more open to taking these risks. Many believe that the industry's growth will soon be further accelerated by an increased appetite for risky investments by venture capitalists[49]. Someone with a bit of insight into this is Tomas Lyckedal, CSO at DreamHack.

> **We are seeing increasing transaction volumes and valuations within gaming and e-sport start-ups in the US. That tells us that the trend is coming to Europe in a few years, and with the world class companies within the industry in Sweden, we should see a lot of interest from investors here."**
>
> – Tomas Lyckedal

Even if Stockholm seems to lag behind the US in terms of investments, there are already signs that things are about to change drastically. MTG, one of Sweden's largest investment company within e-sport and gaming made investments of over 100 Million SEK within start-ups and growing game companies in 2019 alone[50]. Another example of this is G-loot, a Stockholm based company that offers an e-sport platform raised 230 Million SEK in 2019 in Europe's largest e-sport investment.

5.2.4 Detriments to the growth of the gaming industry

Looking at the numbers, it seems that nothing can stop The Swedish Gaming Wonder on its road to success. However, another picture emerges when you dive deeper into the underlying mechanics of the industry. The most alarming issue for the gaming industry in Stockholm is the lack of talent to fill the open positions for game developers and studios. The acute shortage of developers in Stockholm has already had severe effects on the industry. More than half of all new jobs in Swedish game development companies between 2016 and 2018 has been established outside of Sweden, partly because of troubles hiring nationally[51]. Two main drivers of this issue have been pointed out – previous lack of education and complications in labour immigration.

As the industry itself is quite new and has grown considerably in just the last decade, dedicated education for game development is still in a nascent stage. As of today, the educational system has caught up with the industry and is today supplying graduate developers at an adequate rate. However, the previous shortage of education has led to a situation where more senior, but still sufficiently educated, developers are scarce[52]. The industry has attempted to fill these senior positions by hiring international talent to their offices in Stockholm, but the intricate labour immigration processes of Sweden, in combination with a very difficult housing market in Stockholm have proved to be a barrier for the industry[53]. Per Strömbäck, spokesperson for the Swedish gaming industry calls out for more public initiatives to assist labor immigration:

> **If there's one thing the public sector could really help the games industry with, it would be to facilitate labor immigration. We can do a better job welcoming those who come to Sweden to be part of our industries and make sure they can stay. Otherwise, we could hurt our image of being one of the best countries to live and work in."**
>
> – Per Strömbäck

5.2.5 E-sports role in the gaming industry

In the national definition of the Creative & Cultural Industries, and the basis on which economic data about the industry and its sub-categories are reported – E-sport is not a part of the gaming industry. Instead, E-sports is bundled with all other types of sports events. While this may seem an attractive position, the fact that e-sport is not formally recognized as a sport comes with a new set of complications. Foremost, the e-sport scene as of today does not enjoy the organizational support that many other smaller sports does due to them being just sports. There is a great need for a central organization to assist the e-sport in gaining public acceptance and to establish e-sport on the political agenda for it to receive the credit it deserves. With a world class game industry and a legacy in e-sport, Stockholm has a golden opportunity to establish itself as dominant e-sport city before other cities starts to capitalize on this and increase the competition. However, doing so will require a combination of organizing the industry and the support from politicians.

5.3 Film & TV

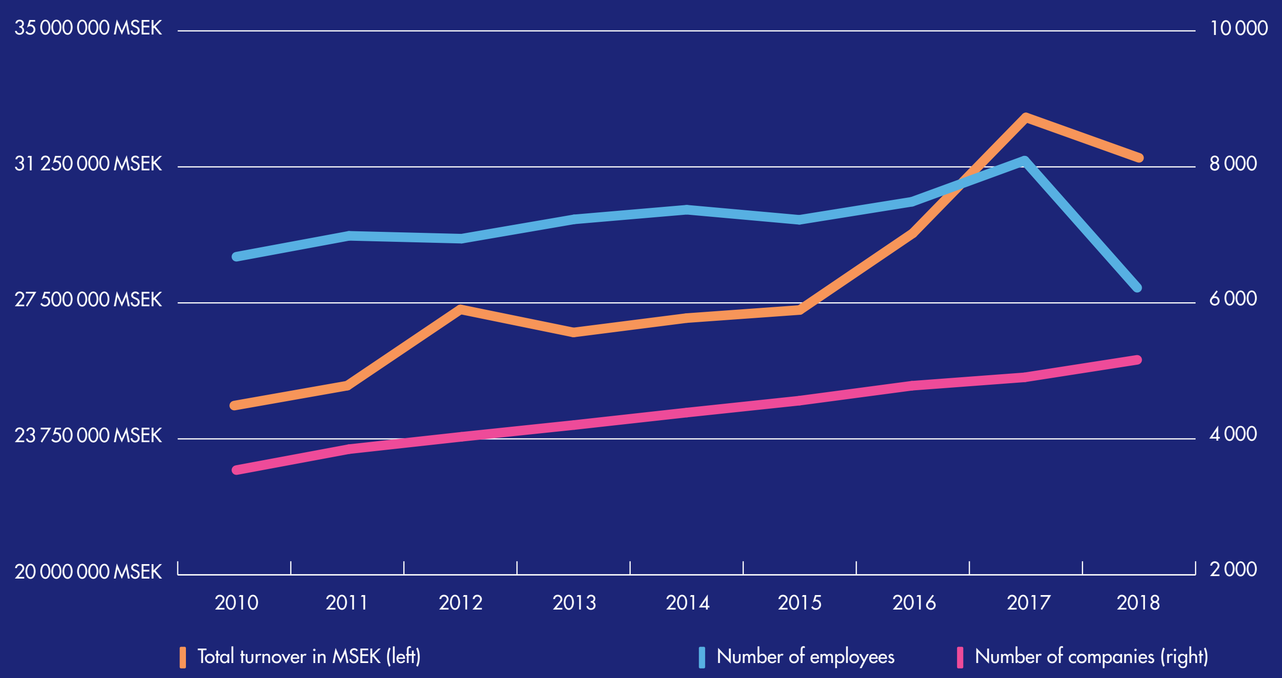
Stockholm does not have an international reputation for film and has lately had trouble to attract and keep productions in the city. Judging by a combination of two facts that a large portion of Sweden's talent is based in Stockholm, and that environmental sustainability penetrates the film industry too, production may very well be kept within the capital city going forward. Production related domestic flights are already being reduced, less a result of regulations than of personal standpoints. Director Måns Herngren at FLX Productions relied entirely on train commutes during the course of last autumn, and he sees that the trend will only continue to increase.

Stockholm does not have an international reputation for film in the same way we do in music. Despite this, it is one of the largest industry categories within the Creative & Cultural industries. Whilst full of talent and great opportunities, the Film & TV production industry in Stockholm are facing some serious challenges. Considering a combination of two facts, that a large portion of Sweden's talent are based in Stockholm, and that environmental sustainability currently is starting to penetrate the film industry too, production may very well be kept within the capital city. However, it will require a great bit of government intervention to achieve the full potential in attracting film projects to Stockholm.

31 498 873 000
Total turnover in SEK
+28%

6 211
Number of emplyees
-7%

5 145
Number of companies
+46%



5.3.1 The Film & TV industry in numbers

The Film & TV industry is one of the largest industry categories within the Creative & Cultural industries. In 2018, the industry had a total revenue of almost 31.5 Billion SEK. Despite decreasing slightly from its peak in 2017, the industry still remains one of the Creative & Cultural industries largest industry categories. Since 2010, the industry's revenue have grown 28%. Whilst some other industry categories have grown significantly more relative to their size in 2010, the Film & TV industry have shown a very impressive growth in absolute numbers, considering how big it was already in 2010. As a comparison, the 6.8 Billion SEK revenue growth of the industry since 2010 is larger than the entire music industry of Stockholm in 2018.

While the industry have been growing since 2010, the number of employees have decreased slightly. In 2018, the Film & TV industry of Stockholm employed around 6 200 people. Since 2010, that marks a decrease of around 7%. The reason behind this is not clear in the statistics, but indications points towards a larger project-basis driven industry with more contractors and internationally located shootings as driving factors. Looking at the number of active companies within the industry, they have increased from 3 500 in 2010, to 5 150 in 2018, an increase of almost 50%. This increase is also pointing in the direction of an increased number of contractors, which keeps the employment numbers down.

5.3.2. International competition and production incentives

The Film & TV industry has been severely impacted by the increase in global trade and internationalization. Today, when considering locations and venue for Film production producers are not only looking in their backyard, but are evaluating opportunities around all of Europe. With low margins and a constant pressure to do more for less, price is often the primary deciding variable. Many countries have picked up on this and have instituted "Production incentives", which is financial incentives via tax-cuts or rebates to attract film production to their countries. As of today, Sweden together with Denmark and Luxembourg are the only countries in the European Union to not offer any financial incentives to film productions.

The lack of production incentives in Sweden has been enormously detrimental to the production industry of Stockholm and many productions, even ones hosted by Stockholm based production companies, are currently located outside of Sweden. Each production located outside of Stockholm or Sweden is of course negative for the industry in Stockholm, as fewer jobs and business opportunities are created. The industry are yet to see any direct effects of this, but people in the industry are growing increasingly concerned about the future if Stockholm continues to fail to attract projects. The most alarming concern is the talent situation. Currently, Stockholm is home to a significant talent pool of highly educated individuals within the Film & TV industry. As of today, many of these are constantly travelling to off-site locations both domestically but also internationally. Without significant opportunities in Stockholm itself, the city risk losing a significant proportion of this talent pool to other cities. The climate question is on the rise also within the Film & TV industry, which is yet another reason for the industry to grow concerned about the extensive travels to off-site locations for shootings. As both customers and consumers grow increasingly concerned about the climate impact of the Film & TV industry, not being able to offer competitive solutions for recording locally could soon become an issue for the industry in Stockholm.

The issue has been debated recently and are certainly on the political agenda. In 2017, Tillväxtverket in collaboration with the Swedish Film Institute was assigned by the government to assess whether it would be suitable for Sweden to institute financial incentives to attract Film shootings to Sweden. The report was particularly clear in its conclusions and recommendations, to institute a production incentive of at least 25 percent[54]. Despite their clarity, the Swedish government has yet to act on these recommendations. In addition to the recommendations of the report, further pressure to institute these incentives has come from abroad, where the initiatives to institute these incentives are praised. Many industry leaders within the Film & TV industry are now also increasing the pressure on policymakers[55].

Mia Uddgren, former film commissioner of Stockholm explains her view on what Sweden needs to become competitive in the film production industry:

Production incentives. This is an enormous opportunity to create both jobs and revenues in the industry. Not a single country that has instituted production incentives has claimed it to be unprofitable. In addition, Swedens lack of production incentives creates a competitive imbalance for Sweden as every other country has it."

– Mia Uddgren

With a lack of a competitive toolbox, Stockholm will not be able to optimize the interest of filming in Stockholm and the business opportunities both for the industry and for the destination.

5.3.3 Domestic competition

It is clear that Stockholm are in fierce competition with international locations when it comes to shootings given its disadvantage of not offering any financial incentives. In addition to the international competition, Stockholm also faces significant domestic competition in attracting film shootings. Trollhättan and the region of Western Sweden has long been an important stronghold for the Swedish film industry. The region has since the middle of the 1990s established itself as the primary film region of Sweden, named "Trollywood". Together with the Swedish Film Institute, a regional investment fund called Film i Väst managed to secure EU finances to create strong opportunities and incentives for locating Swedish productions in the region. Since its inception, the fund have co-financed over 1 000 Swedish productions, and in many cases made significant profits from these, making the financing of this fund a great investment for the regional governmental bodies that are putting their money into this. As a result of the inception of Trollywood and the many productions in the area, a cluster of supporting industries and companies have since been established in the region, which have benefited western Sweden significantly.

With a great interest for attracting film shootings from a broad range of stakeholders in the region, the strong support for the region has created an eco-system that is well adapted to facilitate these projects. Ease of communication, simplified bureaucracy and understanding from local inhabitants and policymakers has made the region an attractive location for film shootings, in addition to the opportunity to financial support.

This eco-system of support is something that Stockholm lacks and is of great concern for local production companies. Film Capital Stockholm is a local film-investment fund that has attempted to match the opportunity to co-financing of projects as Film i Väst offers, but with Mälardalen as its focus. Despite great efforts and support from the city of Stockholm, Film Capital Stockholm has been unable to acquire sufficient financing, and as a result have had a hard time supporting larger projects that are in need of substantial investments. The support system around the film industry in Stockholm has also been criticized. With limited resources of commissioners to facilitate the intricate bureaucracy of permits and other practical matters, film shootings have turned to nearby cities right outside of Stockholm.

Måns Herngren of FLX productions explains the situation:

Smaller regions around Stockholm city has realized how important a simple bureaucracy is. By offering our productions a single contact person to help us with anything from parking permits to renting swimming pools, we are able to focus on our shootings rather than navigating bureaucracy. This gives these regions an advantage over Stockholm."

– Måns Herngren

5.3.4 The marketing value of film

Film productions are highly desirable for a city to attract partly due to their direct spending. It is hard to generalize how much a region or city gains from hosting film shootings, but a compilation from Film Capital Stockholm shows that the projects they were involved in financing spent 168 million SEK in the region of Mälardalen in 2016[56]. There are in addition to the direct spending also many other benefits of attracting film shootings to a city. One reason that have gained attention in the last decade is the marketing value of films. The interest in regions and cities portrayed in high-profile films have shown to affect international attention and even the flow of tourism. The most prominent example in Stockholm is as earlier pointed out the Millenium-movies, where the Swedish movies alone contributed with a marketing value of 960 Million SEK, on a mere 100 Million SEK budget[57]. This could be compared to the Swedish Institutes budget of 505 Million SEK, a government agency with the task of promoting Sweden and the perception about Sweden abroad[58]. Many international examples also shows how the portrayal of cities in movies can have a direct effect on tourism, with the HBO series Chernobyl increasing the flow of tourism by 30%[59], and the movie Black Panther causing a 620% surge in searches and booking attempts for a city that does not even exist[60]. As motion pictures is taking over more and more of our attention, the effects of the indirect marketing of cities in films are expected to increase as Mia Uddgren, film commissioner of Stockholm explains:

Motion picture is the fastest growing industry in the world, but Sweden has not yet realized its full value. The contribution to the marketing of a city from the film industry is invaluable. Consumers are so tired of commercials, but when we watch a movie, a beautiful place, we identify ourselves with it in a unique way. It's another dimension of marketing."

– Mia Uddgren

5.3.5 Supporting industries

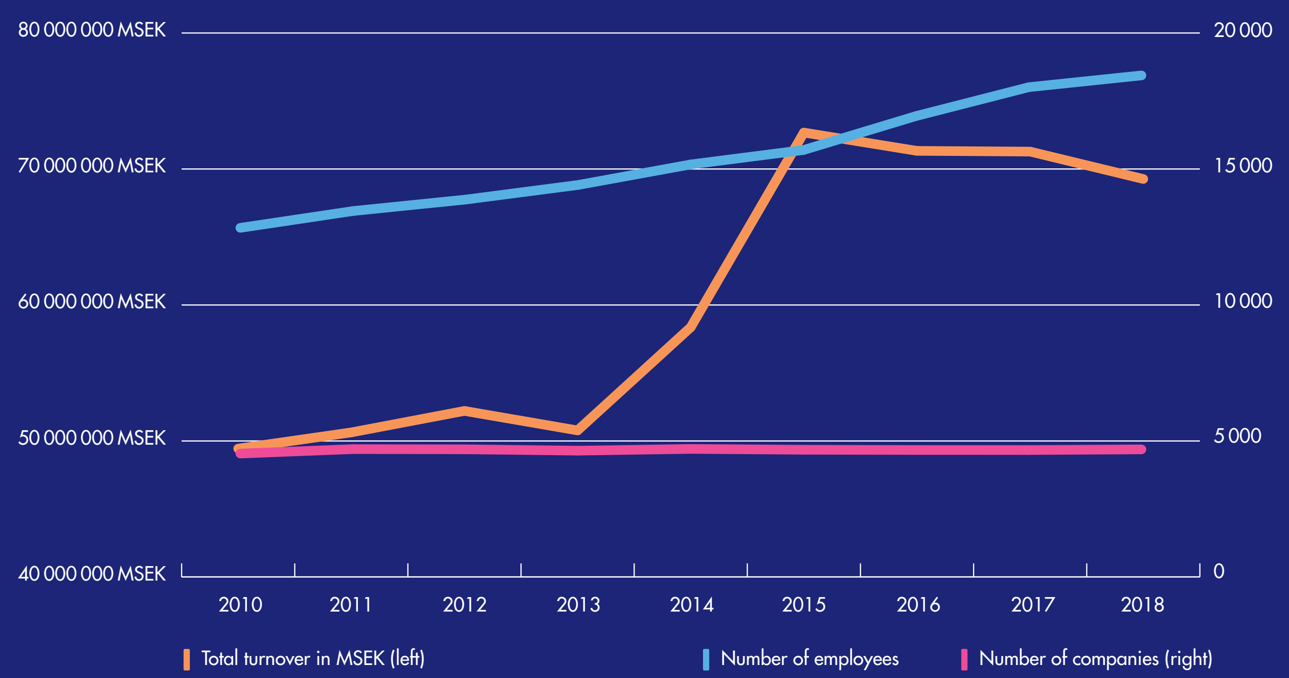
The film industry is a central part of the Creative & Cultural industries, at is has close ties to many of the other industry groups and categories. As audiovisual experiences are becoming the norm in many medias, and finding its way into more and more industries, the expertize and exchange with the film industry are becoming increasingly important for many nearby industries. For example, music and gaming are two industries that have very close ties to the film industry. One prominent example of the proximity between the film and gaming industry is the Swedish film director Josef Farez, who went on to start a highly successful game studio[61]. The gaming industry shares two important characteristics with the film industry which brings them together, visual effects and storyboarding. The two industries mutually benefit from the skills and talent that they together are able to curate within these two fields, and it is commonplace for employees within these areas to switch between the two fields.

The music industry also has close bonds to the film industry, as music is an important part in modern movies. Today, there is an entire field within the music industry dedicated to producing music for movies. There are production companies working solely with making music for movies, and even concerts with music from various films are being held. One sign of the prominence of the field is that there are even dedicated educations within film music offered today[62].

5.4 Fashion

Stockholm has for a long time had a reputation of being a stylish city. A combination of world-renowned Scandinavian beauty and minimalism design, together with dominant fashion brands such as H&M has put Sweden and Stockholm on the global fashion scene. It is often the retail and fashion-show parts of the fashion industry that get the most attention, but behind all the glam and beauty is a highly important and interesting industry.

69 264 451 000	18 457	4 629
Total turnover in SEK	Number of emplyees	Number of companies
+40%	+44%	+3.5%



5.4.1 The Fashion industry in numbers

Fashion is by quite some margin the largest industry group within the Creative & Cultural industries. With over 69 Billion SEK in revenues, it accounts for almost one third of Stockholm's Creative & Cultural industry. Despite having gone through a slight decline since its peak in 2015, the fashion industry of Stockholm has still grown an impressive 40% since 2010. In 2018, the fashion industry employed over 18 400 people in Stockholm, a number that has continued to grow through the revenue peak of the industry and is up around 44% since 2010.

While the industry has been growing considerably, the number of companies within the industry has remained at a steady level. In 2018, 4 600 companies in Stockholm were registered in the Fashion industry, up just 3% since 2010. The value added per job in the fashion industry is quite low compared to both other industries and other parts of the Creative & Cultural industries. At a mere 500 000 in value added per job in the fashion industry, it sits at around half the productivity of the industry in Stockholm in general. One explanation to this may be the retail-heavy nature of the industry. With many employees in retail, it comes natural that the value added per job lags behind other more productive roles that leverage the creativity in these industries on a higher level.

When diving into the fashion industry of Stockholm, it is impossible to do so without thinking about and mentioning H&M. H&M has for a long time defined Swedish fashion and been at the very center of the world's fashion industry. Due to lack of data sources, it is hard to tell exactly how influential H&M is in the economics of Stockholm's fashion industry. Nationally, H&M accounts for around half of Sweden's fashion industry, which might give an indication of its importance and size.

Another effect of the inadequate data is that it is hard to tell how much of the fashion industry that constitutes of retail, and how much is design and business-to-business trade. In the economic data sources today it´s not possible to distinguish between fashion designers and fashion retailers[63].

5.4.2. Fashion beyond the storefronts

When talking about fashion and the fashion industry, most people instinctively envision fashion shows, upscale retail stores and enormous storefronts displaying the latest trends. Despite retail and fashion shows being an integral part of the fashion industry, it is important to acknowledge that there is much more to the industry. The true creative part in the back end of the industry is often forgotten. This back end part of the industry is where new fashion pieces and trends are being developed and later refined into marketable clothing.

While H&M has truly put Sweden and Stockholm on the world scene in the fashion retail, hidden behind the storefronts is a much larger gem. It is within the fashion design and development that Stockholm is most world renowned, especially within the industry. H&M has had a big role in changing the entire fashion industry in many ways, most of all by driving the "Fast fashion" trend. Stockholm's legacy within the fashion development is not limited to H&M, but also contains many unique and niche brands that have all contributed to the international fashion development scene. While the city's contribution to the international fashion scene in terms of designs, patterns and new fashion trends is notable, perhaps the most unique and influential contribution Stockholm's fashion companies have made is through its ability to leverage other creative industries to strengthen their business.

Stockholm-based fashion companies have historically been pioneering many of the inventions and changes in the industry that we now take for granted. Early ventures within online shopping for clothes, influencer marketing and most lately sustainable fashion have all come out of Stockholm. One very prominent example of pioneering companies is Daniel Wellington. Daniel Wellington is a Stockholm-based watch company, which was one of the early and highly successful ventures that based their growth on influencer marketing. They managed to do this so well that they were named the fastest growing private company in Europe in 2017[64].

Influencer marketing and online shopping have now become commonplace in the fashion industry, but Stockholm's fashion giants and start-ups are still pushing boundaries and finding new ways of developing the industry. The latest ventures and areas where Stockholm stands out are primarily within innovation and sustainable fashion, which is not surprising at all given that Stockholm's main advantage in fashion have long been to combine the fashion industry with other strong industries in the city.

Examples of how Stockholm continues to drive the world of fashion forward through its unique competitive advantages within innovation, tech and sustainability can be found both within the fashion giants and the one-man start-ups. H&M is with its massive resources of course a crucial player in developing the fashion industry, and are engaged in countless initiatives to do so. One prominent example of how H&M is leveraging its dominant position within the fashion industry and combining this with the strong tech-scene in Stockholm is through its Monki x HoloMe initiative. H&M is working to enhance the experience of physical stores through leveraging technology and applications for virtual reality to bring the digital and physical world closer to each other[65]. Fredrik Lundin at H&M points out that in the rise of "Fashion-tech", Stockholm has a unique advantage in that it holds a strong position in both the fashion- and tech industry.

> **Without both a strong fashion industry and a strong tech industry, Stockholm's fashion-tech would have no chance of becoming as successful as it is currently on the way to be. It is the mix of the two industries that creates the opportunity for fashion-tech to thrive in Stockholm."**
>
> – Fredrik Lundin

While the innovations aimed at accelerating sales and other customer-facing initiatives often are the most visible, fashion-tech plays an important role on the back-end of the fashion industry as well. With smarter supply-chain management, ordering and warehousing the fashion industry hopes to overcome issues with amongst other things rising inventory levels. The fashion industry has, apart from tech initiatives, also found strong synergies with the sustainability industry of Stockholm. Swedish fashion with sustainability focus such as sourcing sustainable fabric or working for better labor conditions in the producing countries are currently of great interest around the world[66]. Stockholm based start-ups have in addition to this sustainable fashion trend also managed to use its creativity to push further into the sustainability space by inventing everything from digitalized second-hand recycling such as Sellpy[67], to digitalizing the renting of clothes and other goods such as Hygglo[68]. These examples highlight how fashion companies in Stockholm have managed to combine the knowledge and creativity of the fashion, tech and sustainability industries to create new types of companies and solutions.

In addition to strong synergies with the tech and sustainability industry, entrepreneurial fashion designers has been pointed out as a key success factor in the fashion industry's ability to innovate. Some of the industry's most innovative solutions have proven to come from graduate or young professional entrepreneurs with some experience from the fashion industry. The lack of support systems for young entrepreneurs within the fashion industry, such as lack of early capital to start a venture and administrative support that is commonplace in the tech industry, have been pointed out as detrimental to this development[69]. To stimulate the creative and innovative output of the fashion industry going forward, it is important that the governmental bodies involved in this make sure to establish necessary support systems to cultivate early stage start-ups, given the size and importance of the Swedish fashion industry.

5.4.3. The importance of the B2B trade in fashion

Whilst the fashion industry in Stockholm has shown great success in curating innovation and creating international interest, there are still issues in the industry's foundation. While retailing of fashion is still thriving, around 25 years ago Stockholm lost much of its fashion trade, the business-to-business sales, to Copenhagen. The key factor in this loss was the lack of physical meeting places for the fashion trade to host purchasers visiting Stockholm. In times when Stockholm did not have sufficient meeting places, Copenhagen and the Danish government were very successful in supporting their national fashion industry in creating these meeting places through governmental support and financial aid. Still to this day, the fashion industry in Copenhagen enjoys great support from the government, which allows the city to continue to host a flourishing fashion trade.

These industry wide meeting places are a crucial part of the local support networks for smaller and upcoming fashion brands, as they simply do not have the financial or organizational resources to showcase their products to fashion purchasers around the world. Helena Waker who is the CEO of Stockholm Fashion District explains the need of meeting places:

> **These meeting places give smaller players an opportunity to reach an international market, which in today's fashion landscape is almost a necessity in order to survive and grow. Without them, only the giants that can either host visits from international purchasers or go on international road shows alone can survive."**
>
> – Helena Waker

Stockholm Fashion District is a meeting place for the fashion trade in Stockholm, established by the fashion industry itself. Established in Nacka Strand since 2016, the district already hosts 10,000 square meters of permanent exhibitions and hosts over 900 brand shows each season. Financed entirely by the Association of Trade Partners Sweden, Stockholm Fashion District is now offering the fashion industry of Stockholm a long sought after meeting place for smaller and upcoming brands. The district is however struggling, and without financial aid there is a real chance that Stockholm in a near future may not be able to keep up the competition with Copenhagen, where the industry enjoys significant governmental support[70].

A weakened fashion industry could have severe effects not only on the jobs in the fashion industry, but in many supporting industries as well. Fashion is one of the heaviest spender on advertising and content creation, and with fewer brands and smaller markets, these spendings could decrease significantly.

> **If the fashion scene leaves Stockholm, other industries will falter too. PR-firms and content production are only two of many that rely heavily on the continuous progress of fashion."**
>
> – Helena Waker

Stockholm Fashion District is not only an important meeting place for the fashion trade, but also for various players within the fashion industry. For a long time, Borås has been the fashion and fabric center of Sweden, with a strong fabric industry that has a long and prominent history. Swedish Fashion District works actively to bridge the distance between the production and research knowledge of Borås with the entrepreneurial spirit and appetite for innovation in Stockholm-based start-ups. As such, Stockholm Fashion District also serves to strengthen the fashion industry in all of Sweden.

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