

SOCIAL/ENVIRONMENTAL IMPACT OF CULTURAL & CREATIVE INDUSTRIES:

CAN THEY BE A PIONEER FOR 'DOING GOOD'?

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Master Thesis

Berlin, 2018

Naime Idil Serifoglu

Matriculation Number: 035908

Management of Creative Industries (HM017)

Abstract

The purpose of this study is to investigate if the cultural and creative industries in Berlin can be a pioneer for 'doing good'. In a broader perspective, the study analyzes whether cultural and creative industries take into consideration the social/environmental aspects and how far they integrate these aspects in their business models and management structures. A qualitative research method is designed by combining B Corporation Impact Assessment and the United Nations Sustainable Development Goals, targeting creative companies in Berlin. It has been observed that cultural and creative industries are in fact very integrated, specifically with the social/environmental aspects, however, better engagement is still needed with respect to their business models and management structures .

Acknowledgment

I would like to thank to Dr. Malte Behrmann and Dr. Yvonne Spielmann for the supervision.

Special thanks to the founders or employees of the creative companies that took part at my research, Maral Salmassi (Television Rocks), Mario Malzacher (circular.fashion), Alpan Esen (Jung von Matt/Spree), Lotte Laub & Bernak Kharabi (Zilberman Gallery), Noah Telson and Leah Katz (Comedy Cafe), Daniela Schaffarczyk (Hoidn Wang Partner), Lenny Leiter (Deskish), Jan Varak (Ackee), Tamer Ergün (Metropol FM) and (Shakespeare and Sons).

In addition, I also want to thank the people that shared their visions, thoughts or related data, Selim Özadar (Bi'Bak), Yigit Han Yilmaz (Signavio), David Brüll (NODE Forum for Digital Arts), Jake Schneider and Lieke Kessels (Sand Journal), Julia Köln (Kompetenzzentrum Kultur- und Kreativwirtschaft des Bundes), Osman Bayram (Ar City Media) and Rae Tashman (Yeoja Mag.).

I also want to thank to my dear brother Ömer and my family Ayse & Vecdi Serifoglu as well as Ömer, Saadet & Ahmet Külahci. Also special thanks to my great friends for their support, Deniz, Marc, Alejandro, Lara, Hamdi, Jana, Kaan, Merve, Sinem, Morik and my classmates.

Naime Idil Serifoglu

List of Abbreviations

AI	Artificial intelligence
HIV/AIDS	Human immunodeficiency virus infection and acquired immune deficiency syndrome
B Corp	B Corporation
CCI	Cultural and creative industries
CSR	Corporate social responsibility
GDP	Gross domestic product
IT	Information technology
ICT	Information and communications technology
LGBTI+	Lesbian, gay, bisexual and transgender and more
LOHAS	Lifestyles of health and sustainability
MDG(s)	Millenium Development Goals
Nr	Number
OECD	The Organisation for Economic Co-operation and Development
RBC	Responsible business conduct
SDG(s)	Sustainable Development Goals
SaaS	Software as a service
UN	United Nations

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Declaration of Approval

I hereby declare that I have not submitted the thesis at any other university and that I prepared it out by myself only with the help of the indicated means.

Place, Date

Naime Idil Serifoglu

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1 INTRODUCTION

The demand from social movements for a socially as well as an economically sustainable world has been transforming the customers and leading businesses to redefine their core values. The customers are now better engaged with social and environmental aspects driven by knowledge and take their actions accordingly. They are even willing to pay extra if the company targets a specific social/environmental impact. In order to attract these knowledge-intensive customers, businesses have been pushed to embrace 'doing good' rather than only making profit or implementing short-term corporate social responsibility (CSR) projects. Furthermore, they should prove their performances.

In 2015, the United Nations (UN) defined 17 goals in order to achieve sustainable development. 'Creativity-centred businesses' are openly targeted to take action in order to overcome the world's most complex problems. The creative and cultural industries (CCI) enhance the development of economic growth by fostering entrepreneurship, competitiveness, employment and create new norms within the cultures where tolerance and diversity are essential. On the other hand, they are highly correlated with controversial issues such as the income gap between the poor and the rich, hyper consumerism, gentrification and unfair supply-chain practices.

It is not realistic to expect CCI to solve all the world's challenges heading towards a sustainable development. However, can they be a pioneer for 'doing good'?

This MA thesis aspires to understand whether CCI in Berlin are aware of the essentials of sustainable development. It also aims to analyse which UN Sustainable Development Goals (SDGs) are prioritized the most. Lastly, the study is also designed to investigate how CCI apply social/environmental aspects in practice; both in their business model and management structures.

In order to analyse this, a globally recognized non-governmental organization (NGO) that scores companies' social/environmental impact - B Corporation (B Corp) - and UN SDGs are taken into consideration. Targeting small creative companies in Berlin, B Corp Impact Assessment were revised based on the UN SDGs. One company from each CCI sector took

part at this research, including publishing, music, performing arts, art, design, advertising, software/games, architecture, film, broadcasting and press sectors.

CCI have a different motivation mostly driven by an intangible value rather than profit. However, a better integration of social/environmental aspects in their business models and management structures is needed. Even though the majority of them are not aware of the UN SDGs, they fundamentally value sustainable development with a high priority especially on gender equality and quality education.

2 REDEFINING CUSTOMERS

2.1 THE PROTESTER

Time Magazine selected 'The Protester' as the person of the year (Andersen, 2011). From Istanbul to Madrid, from Tunis to New York, from Rio to Cairo the protestors gathered together to demonstrate against corruption, authoritarian regimes, the rising economic gap between the rich and the poor within the last decade. Even though the circumstances in each region was different, the origin of the protests such as the Arab Spring and the Occupy movements aimed for a better economical order and dignified life whilst respecting human rights. Corruption, unemployment, poverty, social inequality are respectively the major topics of concern not only in developing countries but also in developed countries (Jackson, 2017). Creative activism was centred during the demonstrations which is defined as an act without appealing violence rather adapting artistic and creative ways to protest. The confrontation to the status quo through street art, creative social media hashtags, campaigns, viral campaigns, social experiments, sitting, standing up, hugging, etc. perturbed many decision-makers (Harrebye, 2016). To this day, it still does.

Additionally, technology helped the transition of postcapitalism era, by not only changing the characteristics of businesses but also enabling people to connect without borders. Disadvantaged and marginalized groups have had more access to certain online platforms thus an efficient environment to be organized. Virtual platforms have enabled them to themselves everyone openly, leading to a better understanding of people with different background and increased their visibility. Even though media activism online inevitably decreased the number of meaningful jobs, it has certainly given rise to a new dyke where a considerable number of people have become more aware of the current social, environmental and political issues.

2.2 ACKNOWLEDGMENT OF KNOWLEDGE-DRIVEN CUSTOMERS

This movement towards activism within the society has also influenced the markets and businesses. When it comes to spending, the customer behaviours can be altered very quickly. Are the customers willing to pay more in order to support the enhancement of the social and environmental aspects?

Studies show that a considerable number of customers are looking for products with a positive affect or at least lesser negative impact on the planet, communities or animals. More than half of the customers (55%) are willing to pay extra if the company aims for a social/environmental impact. 51% of the customers have bought at least one product from one or more socially responsible companies within the last six months (Nielson, 2014).

Among those customers, 67% said that access to clean water was the most important criteria, followed by access to sanitation and ensuring environmental sustainability within United Nations Sustainable Development Goals (UN SDGs) with 63% of the respondents. 49% said that they look for gender equality and the promotion of racial, ethnic and cultural inclusiveness. 'Doing Well by Doing Good' report also shows that the customers also want to be in active involvement by working in socially and environmentally responsible companies with 67% (Nielson, 2014). In other words, they do not only want to purchase these items, but also be part of this social change.

Meanwhile, the efforts to draw attention to the climate change shows remarkable results and sustainability is a mainstream topic nowadays. A new customer segment -LOHAS (Lifestyles of Health and Sustainability)- has been growing, the representatives of which purchase the products or services that are both good for planet and people. They consume more than \$546 billion all over the world and growing 10% a year (Martin, 2016). This is the reason why businesses also put an emphasis on it despite the rising costs.

The rise in popularity of the activism, sustainability, and social issues has created a basis for a knowledge-driven customers generation. They push businesses to also adapt these trends despite the costs. As a response, some businesses have begun to apply 'purpose marketing' in which the target groups can see a gay couple holding hands or a women wearing a hijab rebelling against the hegemony of men (Harrebye, 2016). Although well-received, these

efforts are not enough in regards to the social and environmental damages humans cause -- fully dedicated businesses are urgently needed.

3 REDEFINING THE BUSINESSES

For the last couple of decades, the discussion has been around capitalism and whether it is insufficient in regards to answering societal and environmental needs. Capitalism has resulted in wealth and comfort, but in parallel to these an undeniable gap between the rich and the poor. The world population is expected to be 9 billion by 2050 and we would need three planets if we do not change any of our habits in our lifestyle (UN, 2015).

As the customer needs and demands drastically changed, knowledge-driven customers have obtained a stronger positions. Businesses are now forced to take into consideration the social and environmental perspectives rather than only profit. They are urged to transform themselves with a changed focus on social and environmental aspect due to the formation of this new customer segment which influenced the private sector (Porter & Kramer, 2011).

As an alternative to the current model of capitalism, the notion of the sustainable capitalism has been put forward. It is a new way of understanding with which the customers evaluate the products and services as a whole without neglecting their social and environmental impact. Most traditional businesses, however, are still sceptical due to their own beliefs that the social and environmental impact should be in the scope of specific organizations such as non-governmental organizations (NGOs), governments or international organizations (Martin, 2016). Therefore, this notion is backed by the financial statistics, claiming that the sustainable capitalism generates a higher level of competitiveness and profitability in order to attract the private sector.

Businesses discovered several ways to respond positive social and environmental impact. Corporate social responsibility (CSR) has been one of the most popular of these responses, however its efficiency and the companies' honesty in CSR projects are heavily questioned. (Nieuwenkamp, 2016).

3.1 WHAT IS WRONG WITH CORPORATE SOCIAL RESPONSIBILITY?

For the last decades, the 'good' acts were divided between certain players and their role was identified clearly. Traditional role of the philanthropist has been to donate to charitable

causes while that of NGOs has been to receive grants to deal with specific problems. Governments have been involved in social programs, tax and regulation, whereas companies have donated to charitable causes and implemented corporate social responsibility projects (Porter & Kramer, 2011).

NGOs, charities or governments are mostly considered to be highly responsible for the mobilization of the solutions for social and environmental problems yet traditional businesses were, somehow, never associated with social and environmental policies within the company culture. They resisted to the idea, simply because they have never thought that it is their duty, but rather that of NGOs and public bodies. (Porter & Kramer, 2011).

The private sector is mostly engaged in cultivating a positive impact through CSR programs. Although transformed from philanthropy, CSR is now a global industry with its top talent managers, celebrities who take part in awareness campaigns, advisors that help companies develop strategies and countries in their implementation of taxes, laws, progress reports, etc. (Nieuwenkamp, 2016).

Most CSR projects are seen as just a public relation tool by corporates depending on the budget of marketing departments. It is undeniable that the philanthropic work are well-received in the developing countries, however short term and outdated projects have not managed to create much positive change. Trustworthiness and honesty of CSR are questioned and criticized in the recent years, considering them as one of the primary causes of social, environmental and economic problems (Nieuwenkamp, 2016).

The increasing number of knowledge-driven customers have also altered the dynamics of 'doing good'. Being aware of the critics, corporations designed more projects to employ with social responsibility in the recent years (Porter & Kramer, 2011). Nonetheless, the customers are not convinced.

3.2 SOCIALLY RESPONSIBLE BUSINESSES

As the cause of large scale companies were finally very visible, the strategy of 'doing good' have drastically changed. Some players encouraged that acts. The Organization of Economic Cooperation and Development (OECD) is one of the international organization that took action accordingly targeting multinational companies in order to be more responsible regarding several terms. The series of non binding principles include

recommendations on social, environmental, economic view to achieve sustainable development. To explain it in a more detailed way, it covers the variety of topics from respect to human rights to encouragement to develop a local capacity, from implementation of efficient governance applications and to avoid any kind of discrimination. Furthermore, whatever the action is taken, to carry it out with a multistakeholder approach especially together with governments is a must. Therefore, efficient and meaningful works can create economic, social and environmental value whilst applying a multistakeholder approach (OECD, 2011).

Apart from all these recommendations, one thing that is strongly emphasized is the a new way of 'doing good' is not just simply promoting CSR projects. Instead, it is responsible business conduct (RBC). That is to say that the businesses should take a step further and implement their operations and supply chain practices in relations with the term of sustainable development. They should embrace the social, economic and environmental impact and integrating sustainability as the core value.

3.3 UNLEASHING THE SHARED VALUE

Similar approach is 'shared value' in which companies are fully integrated in the economic and social values. In a broader explanation, it is the enhancement of the competitiveness of companies while improving the social and economic challenges, due to urgent need to address the force of the knowledge-driven customers. To define shared value as a part of the economic progress in the long term forms a new understanding and it has altered the perception of 'value' which used to be defined only with the economic earnings. It has fastened the process to integrate a social and environmental aspect in businesses as some of them still keep themselves separate from social and environmental driven organizations (Porter & Kramer, 2011).

Development of products and services that addresses the problems of the disadvantaged people can one way lead to the creation of shared value. Social entrepreneurship and social innovation are the most specific examples in targeting the societal or environmental problems through the products or services of their focus.

Another way is to transform the supply chain processes into 'value chain' where a company can increase the productivity by enhancing the conditions, skills, health and safety of their employees as well as the efficient usage of sources such as water and energy. This option

particularly is a concern for businesses as they think the more the sustainable supply chain operations are, the higher the costs are. However, Porter & Kramer claim that these approaches will increase the competitive advantage of the companies in the long run.

Third way of the shared value practice is to foster the local clusters, by not only including businesses but also the organizations and institutions that can create a social asset. Clusters are the driving force of the innovation, productivity and competitiveness, improving their environment by leveraging their skills, supportive institutions and an efficient environment fosters a benefit in the long run. Transparency is the key element in order to develop to form successful clusters. The sectors with monopoly and those that consist of workers and suppliers open to financial exploit have a low chance of being a productive cluster (Porter & Kramer, 2011).

3.4 HOW TO PROVE THE IMPACT?

The transformation of the businesses created a common ground to prove the impact to increase their accountability. In the traditional method, CSR would have been part of it. However, rather than implementing short term CSR projects, a holistic assessment covering the entirety of social and environmental aspect is more persuasive.

B Corporation (B Corp) defines it by 'using business as a force for good is good for business'. In other words, the businesses have a greater benefit in regards to profitability in the scenario of enhancement of its social and environmental impact. (B Corp, 2014).

B Corp is a non-governmental organization that is trusted by large scale companies as well as small businesses from 50 countries. It provides an impact assessment that is a combination of four section: community, employees, business model and governance. Each section consists of detailed questions where businesses are fully investigated in their processes of operations, management, implementation as well as the notions of transparency, accountability and equality. Companies are adapting the B Corp Social Impact Assessment in order to show that they have a full commitment to improving the social and environmental conditions inside and outside their companies. They release their performances publicly in order to attract the customers and aim to improve their scores while observing their competitors.

All in all, we are now at a junction where businesses will either finally engage with social and environmental improvements or go extinct. Value has never been considered as a series of policies that companies apply towards the planet and people, but used only to assess the economic outcome. 'Doing good' should be the core part of the each of every businesses (Weed, 2016) .

4 WHAT IS ACTUALLY 'DOING GOOD'?

In 2015, United Nations sets 17 sustainable development goals to be achieved by 2030 (Figure 1). These goals are accepted as the continuity of the eight Millennium Development Goals implemented between 2000-2015 that aimed to eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability and develop a global partnership for development (UN, 2015).

The new sets of goals are claimed to be more down to the earth and inclusive since they are not only targeting the developing countries but also the challenges of developed countries by ensuring the responsible consumption and production, and affordable and clean energy; building sustainable cities and communities, and peace, justice and strong institutions; protection of the life below water and on land as well as ensuring decent work and economic growth (UN, 2015).

THE GLOBAL GOALS

For Sustainable Development



Figure 1: Graph summarizing UN SDGs

(Goal Nr. 1: No Poverty, Goal Nr. 2: Zero Hunger, Goal Nr. 3: Good Health and Well-being, Goal Nr. 4: Quality Education, Goal Nr. 5: Gender Equality, Goal Nr. 6: Clean Water and Sanitation, Goal Nr. 7: Affordable and Clean Energy, Goal Nr. 8: Decent Work and Economic Growth, Goal Nr. 9: Industry, Innovation and Infrastructure, Goal Nr. 10: Reduced Inequality, Goal Nr. 11: Sustainable Cities and Communities, Goal Nr. 12: Responsible Consumption and Production, Goal Nr. 13: Climate Action, Goal Nr. 14: Life Below Water, Goal Nr. 15: Life on Land, Goal Nr. 16: Peace and Justice, Strong Institutions, Goal Nr. 17: Partnership for the Goals.)

While forming the goals, six core elements are taken into consideration: (1) People, fostering to take inclusive actions where no one is left behind while assuring information and healthy live for all, (2) Dignity, ending poverty and providing equal conditions where everyone deserves to live in, (3) Prosperity, ensuring inclusive and sustainable growth and consumption, (4) Justice, powering the institutions for peaceful and safe communities, (5) Planet, combating with climate change by protecting the ecosystem under and above the water, (6) Partnership, securing a partnership with businesses, governments as well as non-governmental organizations in order to achieve the sustainable development. 'Partnership to achieve the goals' is specifically emphasized as a separate goal since it requires collaborative and systematic approaches with a global solidarity (UN & KPMG, 2015).

Overall, the UN Sustainable Development Goals aim to achieve a balanced world by 2030. On one hand, justice, peace and human rights; on the other hand, sustainable and fair growth with respect to each of every life (UN & KPMG, 2015). To achieve a balanced world, UN openly called private sector's involvement regardless of size.

Governments in the Post-2015 conference declared *"...call on all businesses to apply their creativity and innovation to solving sustainable development challenges"* (UN & KPMG, 2015).

This call has been formulated into two means in practice. One is to encourage businesses to foster innovation and creativity to overcome the world's biggest challenges. That is also

announced as an opportunity to serve low-income consumers which is roughly the half of the world population (UN, 2015). Second is a call for companies to apply sustainable and ethical supply chain models (UN & KPMG, 2015).

5 CAN CREATIVITY-CENTRED BUSINESSES BE A PIONEER FOR 'DOING GOOD'?

'Human beings have been engaged in creative activities since antiquity, often with spectacular results. But what we are doing now is mainstreaming these activities; building an entire economic infrastructure around them.' Richard Florida (2012).

The idea of the creativity is not something new. What is new is how it strongly engaged to successful businesses. Nevertheless, 20 years ago, the concept of creativity has begun to outreach to a considerable crowd and come to be an essential element to run successful businesses. It has become a core part of businesses, established cultural and creative industries.



The definition of the cultural and creative industries may differ by country by country as well as by organization by organization. In this respect, the definition that is indicated (Figure 2) is taken from 2017 Cultural and Creative Industries Monitoring Report that is based on the conference of Economic Affairs Ministers. (Bertschek et al., 2017)

Figure 2: The definition of CCI.

Creative and cultural industries (CCI) have not just changed the way we do business but also how we do it and where we do it. Members of these new industry -the creative class- are constantly disrupting the cultures both in workplaces and communities through their unique norms, values and lifestyles. In addition, their ability to form connections between different sectors fosters new products, services, processes and innovation design. Their tendency to build communities enables inspiring clusters and significantly supported the economic growth of some cities significantly.

In contrary, creative industries made some of the world's biggest problems worse. A natural monopoly where companies are simply is better due to their unique ways to solve problems (e.g. a unique algorithm or data mining) is very common in our modern capitalist system. Monopoly-driven approach also causes unequal competition rules since some tech giants are very keen on acquiring small companies that has a similar business model (Pasquela, 2018). Naturally, this centralized model turned the supply chain to become blurry, the income gap has become wider and; due to the infinite opportunities of goods and services, hyper consumerism has drastically increased.

5.1 CREATIVE CULTURE

The creative industries have a significant role; they touch our senses and soul. It broadens the perspectives, empathizes with others, enables people to become more tolerant and more open to new ideas and 'different' people.

'Diversity is favored first of all out of self-interest; it can be a signal of meritocratic norms.'
Richard Florida, (2012).

Their unique culture reflects in values, norms and attitudes and is based on a number of simple factors where it differs itself from industrial age. First of all, resisting the traditional cultures with a strong focus of **individuality** and **self-expression** is one of the core characteristics of the creative class. They also have strong belief in **merit**, in other words, with defined goals of success of hard work. They are self-motivated and aware that they are good at doing their job. That is why they want to be appreciated and respected by their employers (Florida, 2012).

The culture of **diversity and openness** is a must, not only for people with different background but also for new business ideas, innovation design as well as new business industries and structures (Florida, Mellander & King, 2015). They also carefully investigate whether the company culture welcomes the diversity at workplace. During one of Florida's interview, his respondent specifically emphasized that even though she was not a member of underrepresented group, it was very important to her to work with a group of people from different ethnicity, sexuality, race and even lifestyle (Florida, 2012).

Diversity strengthens the social cohesion where opportunities in the societies are equally formed for people with different backgrounds (EU OMC, 2012). The intensity of the communication within different communities fosters the development of strong ecosystems and clusters in specific cities. Cities and countries that are tolerant to racial and ethnic minorities, gays and lesbians perform a faster economic growth. These countries are also likely to establish a higher competitive advantage by attracting talents as well as higher GDP per capita and entrepreneurial activity (Florida, Mellander & King 2016).

5.2 CREATIVE ECONOMY

The concept of 'creativity' is centered in economic life thanks to the unique culture of creative industries. Intellectual properties with ideas helping each other flourish, nurtured genuinely as a part of the creative economy. They were perceived as a part of economy and have become concrete assets as a part of the new 'creative economy' together with the development of advanced technologies, innovation and new industries (Florida, 2012).

Collaboration among different sectors and cross-border applications stimulates the economic growth through the development of new forms of products and services. It does not need to be based on entrepreneurial companies necessarily, but it can also be research laboratories, artist studios and even a factory itself (Florida, 2012).

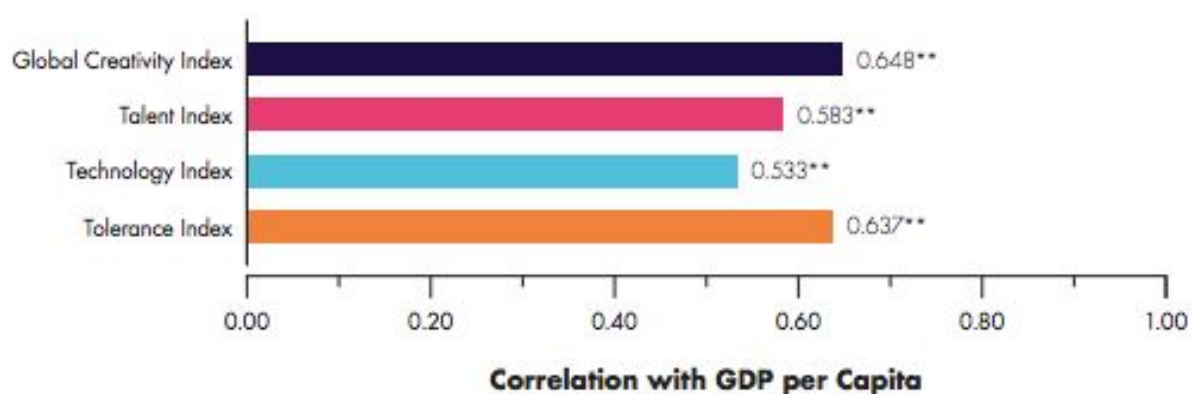
These joint approaches and innovation-driven businesses have clearly revolutionized the businesses as an essential part of the economic development. Cultural and creative industries plays a significant role by generating US \$2,250 billion revenue, in other words 3% of world GDP. Furthermore, the industry also employees an underestimated number of workers with 29.5 million which is 1% of the world's worker population. 7.7 million of these employees work in Europe. Television, visual arts and newspapers and magazines are the

top sectors that generate revenues however publishing and performing arts are sectors that employ the highest number of workers (EY, 2015).

As entrepreneurial mindset is highly engaged within CCI, the workforce is three times more keen on to be self-employed in comparison with all US workers (EY, 2015). Especially in Europe, as most of the creative companies consist of self-employed works, the creativity nurtures together with micro and small companies (EU OMC, 2018). The structure also reflects the company cultures and combine with the culture of creative industries, they are very agile and open to try new management structures.

A significant correlation is also measured between creativity and gross domestic product (GDP) per capita (Figure 3), competitiveness (Figure 4) and entrepreneurship (Figure 5). It is not a secret that countries that are fostering -tolerance, technology and talent (3T's)- for economic development have the highest scores when it comes to creativity (Florida, Mellander & King 2016).

The relationship between creativity and GDP per capita, competitiveness and entrepreneurship is positively correlated as shown in Global Creativity Index (GCI) based on 3T's. When we look at the GDP per capita, the countries with a higher GCI score are positively associated with the 3T's of the economic development. Within 3T's, tolerance shows the higher correlation with 0.64 and followed by talent (0.58) and technology (0.53). (Florida, Mellander & King 2016).



Note: ** indicates significance at the 1 percent level, * at the 5 percent level.

Figure 3: The Global Creativity Index and GDP per Capita correlations.

When we have look at the correlation between creativity and competitiveness, they are also positively correlated with each other. Talent has the strongest correlation with 0.73 which can be simply defined as the people who have bachelor or a higher degree. In other words, the countries that are eligible to attract the talents have relatively higher (Florida, Mellander & King 2016).

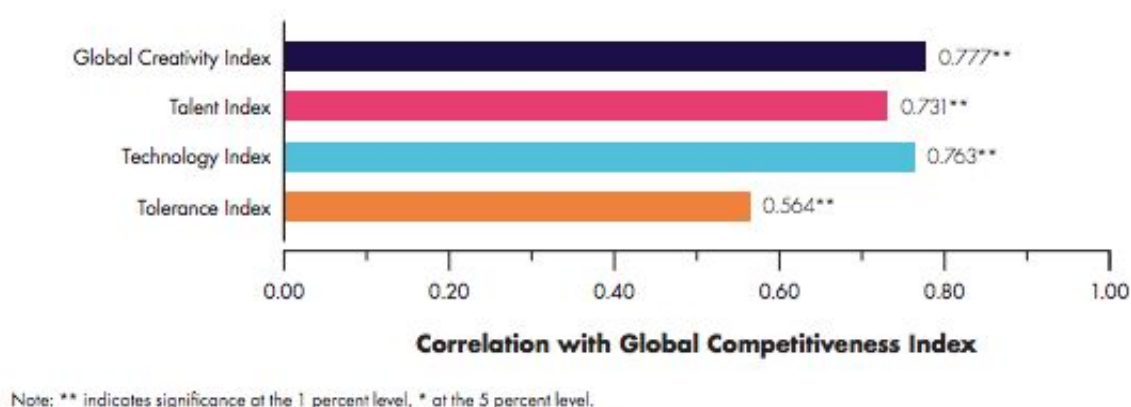


Figure 4: The Global Creativity Index and global competitiveness correlations.

Considering entrepreneurship, it has the highest score of correlation compared to competitiveness and economic output with 0.83. They are hand in hand, nurturing to disruptive business models not only within cultural and creative sectors but also creating value through social entrepreneurship and social innovation (Florida, Mellander & King 2016).

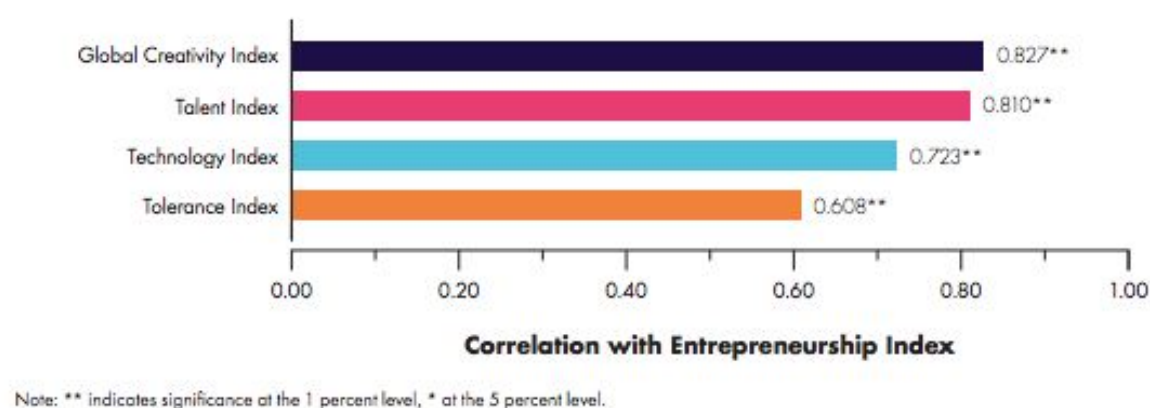


Figure 5: The Global Creativity Index and entrepreneurship correlations.

On the other hand, creative industries have made some of our problems worse. Income gap between the rich and the poor has widened in the recent years. The new rich recovered after 2008 Global Crisis. Currently, the wealthiest people worldwide who are 0.7% of the world's adult population owns the 46% of the global wealth (Shorrocks, Davies & Lluberas, 2017). Especially the income gap between north and south is an area of concern.

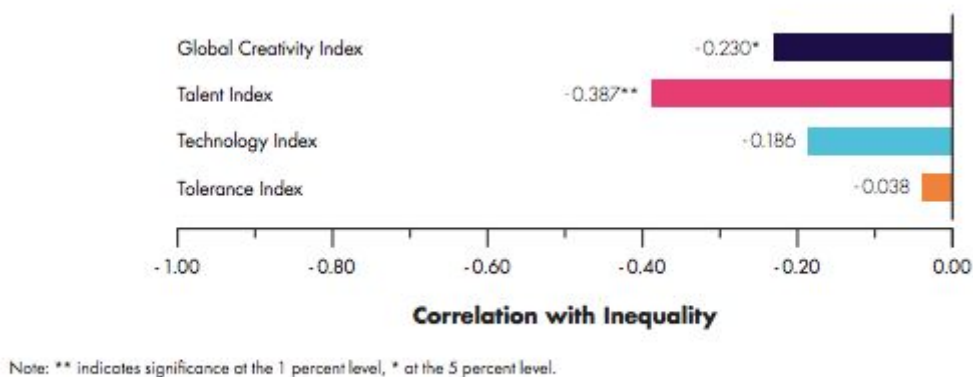


Figure 6: The Global Creativity Index and economic inequality correlations.

The rapid transformation from industrial age to the knowledge-driven economy is considered as one of the reasons for unequal wealth distribution. Service workers get paid less compared to the tremendous amount of salaries for knowledge-driven societies. The relation with creativity and inequality proves it with a negative coefficient of -0.23 (Figure 6). If the countries score higher in the Global Creativity Index, the income inequality is wider (Florida, Mellander & King 2016).

5.3 CREATIVE DISRUPTION

Despite what most people think, studies show that the world is becoming a better place to live (Jackson, 2017). We are connected in a way unprecedented in the history. Sharing has never been so easy thanks to the advancement in technology. We share our cars, houses, couches, tech-equipments, knowledge and money. This new wave of sharing has affected the status quo players, evidenced by the effect of decentralized blockchain applications on the financial players. The concepts of environmental sustainability and circularity have penetrated into businesses due to climate change and the debates on the colonisation of Mars has gone beyond a sci-fi movie together with the latest advancements in transportation.

On the other side, we are still confused how to build a trust between humans and machines whilst heading to singularity which is expected to happen in 2045 (Kurzweil, 2017). The complexity of the issue rise many questions; whether artificial intelligence (AI) will take over the human beings or automated systems leveraging companies towards Industry 4.0 leads the increase of unemployed people. Furthermore, privacy issues and data mining applications started an everlasting discussions including to ensure fair elections as well as governance extreme surveillance tools.

Technology merging with creative industries has established a rapid and broad destruction. In the 1940s, Schumpeter introduced the theory that the capitalism can not be stationary. By nature, it is in constant need to change as the processes are enhanced by 'revolutionizing it with new methods' by the entrepreneurs that observe opportunities or needs. Therefore, the constant technological improvement leads to a systematic restructuring of the working environments, business models, supply chain forms and more. These periodical developments destruct the one before the other. Schumpeter defined this process as 'creative destruction' adding "the process of destroying one's gestalt in favor of a better one." (Schumpeter, 1943).

Creative industries generated familiar change within the economies, policies and societies. Experts came up with the term of 'spillover effect' to define the broad impact/outcome/value of creative industries. **Knowledge spillover** is about new ideas, forms and innovation developed by the creatives without directly generating a benefit for those who formed them. The expansion of the tolerant culture, rise of employment, formation of new organization structures, encouragement of the creativity are all under this topic. **Industry spillover** is more related to the value chain in which creative industries have an influence on the commercial markets, entrepreneurship, competitiveness and investment (Fleming et al., 2015).

Network spillovers are specifically focused on the impacts of the creative industries on economy and society where a high concentration is observed. Its effects can be seen as individual basis as well as communal basis where clusters are strongly accelerated the interactions (Fleming et al., 2015).

Considering communal basis, talents are triggered to move creative cities or regions and interact with like-minded people. On the other hand, some cities keeps pushing their boundaries and currently, 50%+ of the world population lives in the cities (Florida, Mellander & King 2016, 29-31). By 2050, $\frac{2}{3}$ of world population will be likely to live in the cities, according to the research of UN Department of Economic and Social Affairs (DESA, 2017). As shortly mentioned Section 5.1, as creative minds tend to cluster in specific locations thus fosters the local development, it is not a surprise to observe a positive correlation among creativity and urbanization with 0.61 (Figure 7). The regions that are more urbanized are more creative.

On the other side, clustering in specific places turns low-cost houses and factories into expensive studios, ateliers or offices to be used by bohemians as well as creative workers. This transformation in the cities leads gentrification and obviously known as negative outcome. The poor eventually had to move out because they can not afford to pay the rents anymore (Fleming et al., 2015).

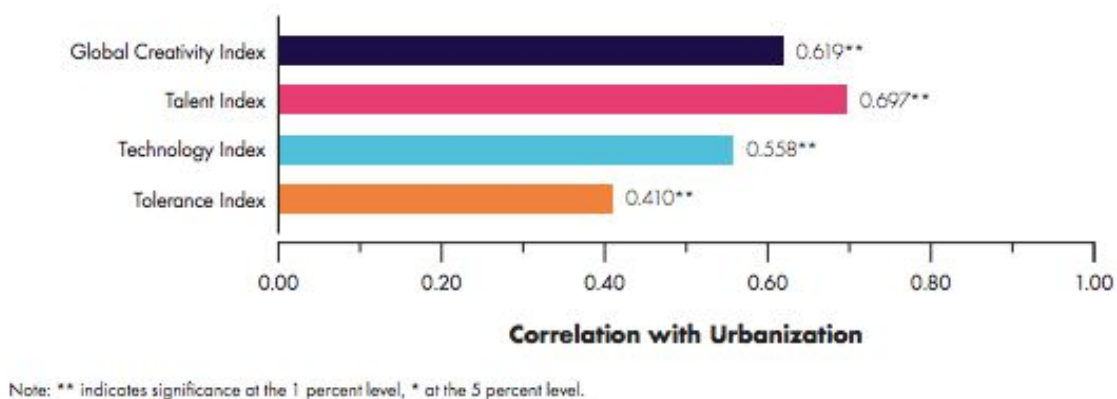
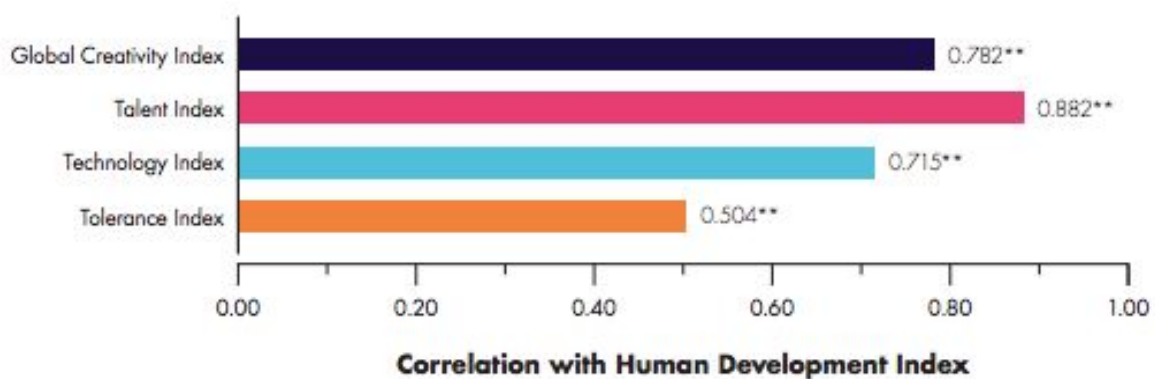


Figure 7: The Global Creativity Index and urbanization correlations.

As considering it in the individual basis, human development index is the standard measurement to understand the quality of lives. The basis of human development is defined by tangible and intangible point of view of well-being where leads a person to realize its full potential.

'Human development is all about enlarging freedoms for every human being.' Selim Jahan (2016).

To be more specific, human development index is the compilation of the measurement such as health, education, standard of living, income (Jahan, 2016) and it is fundamental to see economic and social improvement in communities. Figure 8 shows the correlation between Global Creativity Index and human development is positively associated with 0.78. Talent has the strongest associate to human development with 0.88 followed by technology (0.72) and at last tolerance with 0.50 (Florida, Mellander & King 2016).



Note: ** indicates significance at the 1 percent level, * at the 5 percent level.

Figure 8: The Global Creativity Index and human development correlations.

It is not a secret that well-being is not just about health. It is also about feeling happy and comfortable. Creative industries leverages the self-esteem which leads people to express themselves easily that eventually guide people to actively involved in the community. At this very specific moment, creative industries' value which differs it from other industries, is revealed. Building purpose-driven businesses with a creative perspective is another way of Demonstration hereby has a huge potential to achieve social and environmental impact.

5.4 CULTURAL AND CREATIVE INDUSTRIES & SUSTAINABLE DEVELOPMENT

The sustainable development is a very complex issue and it covers every single problem worldwide. It would be unrealistic to expect that the creative industries would be a cure to the world's problems by itself, however their effect on the enhancement of social and environmental problems and their power that enables the expression of identities both in societies and workplaces, should not be underestimated (Florida, 2012).

On the other side, UN SDGs created a common ground in order to increase the awareness on those specific goals and take an action accordingly, together with the help of knowledge-driven customers and multi partnership approach. In the simplest way, the basis of the UN Development Goals is explained:

'a job-rich economic growth coupled with environmental protection and social inclusion'
Ban Ki-Moon (2012).

Creative industries shape the cultures, economies and societies but can they be a pioneer for 'doing good'? Can the idea of 'doing good' be transformed in a way that creative businesses would all agree on?

As of August 2018, there are over 2,353 companies which conducted the social impact assessment of B Corp. 130 sectors from 50 countries measured their companies' social and environmental performances as well as their level of accountability and transparency. Almost 20% of the all sectors belong to creative industries in Figure 9, left (B Corp Impact Data, 2018).

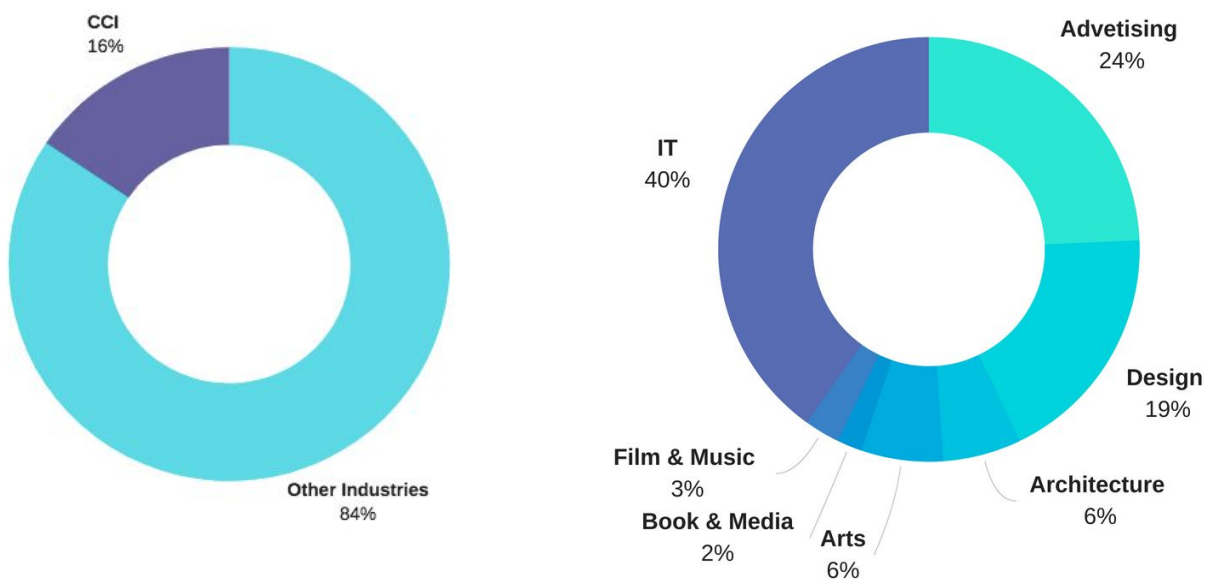


Figure 9: The percentage of the creative companies that applied B Corp Impact Assessment (left) and division by sectors (right).

Companies in information technology (IT) software, software as a service (SaaS) platforms, tech based businesses and products have the highest participation rate with 40%. Advertising sector comes second with 24% and third place belongs to design which is mainly the apparel companies. Book and media shares the lowest participation rate with 2% and 3% (Figure 9, right).

In a broader perspective, it is obvious that the creative industries are still not fully engaged with social and environmental impact due to the low level of representation. However, in the case of the suitable combination where creative industries are very well-developed and the number of knowledge driven customers are highly arbiters, can creative industries significantly contribute to the achievement of the UN Sustainable Development Goals?

6 CREATIVE BERLIN

The creatives are still very dependent on the locations and they have a tendency to cluster in specific regions, not only to prompt their creative processes as a part of the creative economy but also to engage with the creative class with strong values in diversity, openness, self-expression and inclusiveness. Cities and regions are also aware of that; the more they can attract the talents, the higher the economic development is. Therefore, the cities focus on the improvement of the conditions to attract talent in order to leverage the economic growth. It is not a secret that this concentration leads to economic growth as they have the capability to create innovative business models matching the market needs, leading to big commercial success and highly competitive cities. (Florida, 2003)



Germany is the 14th creative country worldwide. It is 18th in tolerance, 7th in technology, and 28th in talent (Figure 10). These three elements are the essentials to measure the global creativity index (Florida, Mellander & King, 2015).

Figure 10: Global Creativity Index - Germany

The economic value of the CCI to Germany is significant. 3.1% of GDP is contributed by the industry. In 2016, gross value added is calculated as €98.8 billion and it has been growing. 68.2% of this figure is the core creatives, with the rest being the professional creatives (Bertschek et al., 2017).

Startups play an important role in the German CCI not specifically as an economical value but rather with their dynamism to create a specific culture in the city with the new product and service development. CCI are divided into music, book, art, film, broadcasting, performing arts, architecture, design industry, press, advertising, software and games industry and other (Bertschek et al., 2017).

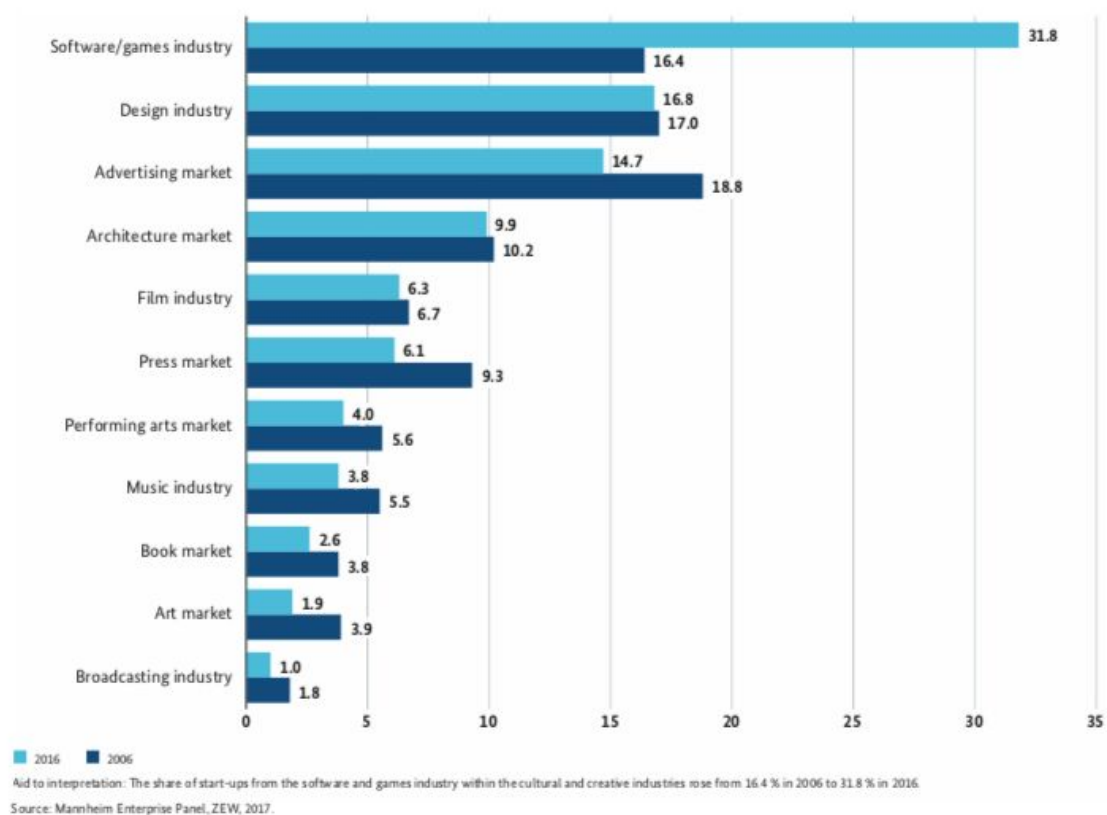


Figure 11: Startups in the cultural and creative industries in Germany broken down by submarket (Bertschek et al., 2017).

Three major sub-sectors dominate the German creative startup scene. The first place is software and game industry with 32% of the whole industry. Design (17%) and advertising (15%) follow the software and game industry. The 4th place is architecture with a relatively high score compared to the top 3 shares of CCI with 10%. Shares of press and film sectors have the size of 6% and the rest of the sectors share is 14% of all startups at the others category (Figure 11).

Berlin is also the capital of CCI in Germany. 20% of all companies in Berlin belongs to creative industries and 9% of all the creative companies in all Germany. Berlin has been the hub for both creative workers and core creatives for ages. Exposed to high fluctuation, its creative scene has never developed in one center spatially, giving birth to many for the creatives.

Berlin is most known for its diversity. Its reputation, particularly on openness and inclusiveness lead to the creation of international platforms, projects, works and businesses. 190 nations live in Berlin, 8.8% of them are refugees and 18.5% of them were born in a foreign country. The city is very young, with 54% of the total population younger than 45 years of old (Berlin Partner, 2017).

CCI generate 8.5% of Berlin's gross value added. Highest growth is in software/games companies with 30% , followed by design sector with 25% (awarded to be city of design by UNESCO) and publishing sector with 20% between 2009-2012 (Mühlhans & Walther, 2014).

CCI in Berlin mostly consist of small or very small companies. 186,000 people are employed by the creative industries in Berlin and the share of freelancers and self-employment is high with 42%. 12% of the German workforce is based in Berlin. The number of self-employment is boosting since 2000, 60% of all CCI workers are self-employed. Compared to other German cities, the number of performing artists, musicians and visual artists are higher. Overall, musicians and the employees in the advertising sector have higher income compared to other sectors within the creative industries. Total turnover in is c. €16,6 billion. (Mühlhans & Walther, 2014).

Cross innovation is one characteristics of Berlin. The collaborative approach among different sectors may result in the form of innovation. Seen as one of the future economies,

-interconnected economy- generates new alternatives and perspectives to the current economy. To be more specific, online platforms that bring together the circular fashion designers, would be an example. By nature, these interdisciplinary approaches create among stakeholders an openness to other approaches and incubations and accelerations are big part of this cross-innovation ecosystem. The sectors of design, games and software and music are leading in the cross-innovation approaches, disrupting the other markets. (Mühlhans & Walther, 2014).

Berlin is calling. Due to its economic stability and tolerance environment, currently Germany is the second desired destination that migrants want to move. Food, rent and transportation is relatively cheap compared to other capitals in Europe. In addition to that, Berlin is all by itself commemorated with creativity, entrepreneurship and innovation that are couple of reasons why the tech giants wants to move their offices in the unique district of Berlin - Kreuzberg. The founder of Comedy Cafe Berlin nicely explains:

'Berlin is a very artistic city, a lot of people move here to explore their creative sides (...) here the concern is less about paying the rent and more about how can I pursue some of my dreams and actually make career out of it'. Noah Telson (2018).

In parallel to these, customer side is also follows the necessities of lifestyles of health and sustainability (LOHAS). This new customer segment presents roughly $\frac{1}{3}$ of the population of Germany with 27,8% (Statista, 2018).

Having these ideas in mind, mutual interest both from customers and creators side would nurture an environment of 'doing good'? Would these combination can find solutions to achieve sustainable development?

7 METHODOLOGY

7.1 AIM OF THE STUDY

This chapter describes the research method that is applied to this study. The purpose of this study is to understand the relationship between cultural and creative industries (CCI) in Berlin and sustainable development. In order to understand the connection, the research focuses on the following questions:

1. Are the CCI in Berlin aware of the UN Sustainable Development Goals?
2. Which social and/or environmental problem do the CCI in Berlin care most about?
3. Whether deliberately or otherwise, do the CCI in Berlin insert related goals into their business models or management structures?

The study also presents the comparative results between different sectors of CCI in Berlin regarding social and environmental impact.

The overall aim of this research is to understand whether the CCI scene in Berlin be a pioneer for 'doing good.'

7.2 THE QUESTIONNAIRE

The qualitative research method is designed. The questionnaire involves 25 questions and is designed in 2 blocks.

The first block (21 questions) is designed to understand whether the CCI in Berlin include social and/or environmental aspects in their business models or community management structures.

The second block (4 questions) looks into their general knowledge on sustainable development. In this section, the United Nations Sustainable Development Goals (UN SDGs) form the basis, as they are accepted as global standards. Until this section, respondents have not been made aware that they will be asked questions regarding UN SDGs.

The questionnaire includes:

- (a) Open-ended questions in 'short answer or paragraph form' in order to give the possibility for unexpected answers which may allow the research to be more authentic,
- (b) Multiple-choice questions and checkboxes with predetermined answers in order to direct the respondent to answer the question in a quicker way,
- (c) Dichotomous questions with the options of 'yes', 'no' or ' am not sure' in order to understand the knowledge of the respondent in regards to a specific topic,
- (d) Scaling questions on a linear scale with predetermined answers in order to rank the questions on a 1 (very high) to 5 (very low) scale.

7.3 THE RESPONDENTS

The respondents are representatives CCI in Berlin that have maximum of 100 employees. From each sector of the CCI, one company was selected. The sectors were defined depending on the division of Germany's cultural and creative industries; publishing, music, performing arts, art, design, advertising, software/games, architecture, film, broadcasting and press. Therefore, in total 11 small creative companies took part at the research.

Since the questions specifically focus on details about the companies, mostly senior or managerial level employees and founders answered the questions. Even though some of the companies have branches in different countries, all companies are based in Berlin.

7.4 THE RESEARCH QUESTIONS

To begin with, respondents are asked to provide their email and the company name. It is noted that in the case that they would like to keep their company anonymous, they can point this out via email. One company indicated that they want to keep the company name anonymous. While preparing the questionnaire, the B Corporation (B Corp) Impact Assessment is revised by combining the UN SDGs. Furthermore, some additional questions were developed in order to fully sense the social and environmental impact within small startups in Berlin.

7.4.1 SECTION 1

7.4.1.1 SOCIAL/ENVIRONMENTAL IMPACT ASSESSMENT

The B Corp Impact Assessment consists of four sections - community, environment, governance and impact business model. At the end, the assessment provides a percentage that measures the impact of the businesses. Apart from assessing themselves, the measurement also provides an opportunity for companies to compare themselves with their competitors as well as a chance to improve conditions for their employees, customers, environment and business models. In this respect, the B Corp Impact Assessment has been adapted in accordance with the UN SDGs.

7.4.1.2 UN SUSTAINABLE DEVELOPMENT GOALS

UN SDGs contain an extremely broad perspective of challenges from eradication of hunger to fostering innovation, from combating desertification to reducing the spread of AIDS/HIV.

In this regard, some specific goals are considered as not directly related to the creative industries in general. That is why, eight goals are eliminated from the questionnaire.

7.4.1.2.1 NON-RELATED UN SUSTAINABLE DEVELOPMENT GOALS

The following UN SDGs are omitted from the questionnaire as they are not directly related to the creative industries. The eliminated goals are mostly part of the Millennium Development Goals (MDGs), which are particularly targeted sanctions to be applied by the local authorities of developing countries and require public actions. The goals that are indicated below was defined by UN in 2015 and online available at UN Sustainable Development Knowledge Platform website (UN, 2015).



Goal Nr. 1: No Poverty

Goal Description: End poverty in everywhere and for everyone.

Target: Elimination of any kind of poverty by 2030 that causes humanity to access the most basic human needs such as access to clean water, adequate food and sanitation.

The reason for expulsion: Public action is required in the scope of the targeted goals.



Goal Nr. 2: Zero Hunger

Goal Description: End hunger in everywhere and for everyone.

Target: Eradication of extreme hunger and malnutrition by 2030 by applying sustainable agriculture methods to increase agricultural productivity especially for children

The reason for expulsion: Public action is required in the scope of the targeted goals.



Goal Nr. 3: Good Health and Well-being

Goal Description: Assure health lives and improve well-being for at all ages.

Target: Prevention of epidemics of AIDS, tuberculosis, malaria and other communicable diseases by 2030 in order increase the conditions of maternal health, combating AIDS/HIV and child mortality.

The reason for expulsion: Even though well-being is one of the network spillover of cultural and creative industries, this specific targeted goal aims to prevent the infectious diseases which requires public action.



Goal Nr. 6: Clean Water and Sanitation

Goal Description: Assure the management of water and sanitation for everyone.

Target: Providing clean and affordable drinking water by 2030 with the aim of building adequate infrastructure and facilities.

The reason for expulsion: Public action is required in the scope of the targeted goals.



Goal Nr. 7: Affordable and Clean Energy

Goal Description: Ensure access to affordable and clean energy for all.

Target: Ensuring access to clean energy by 2030 by upgrading technology and providing infrastructure.

The reason for expulsion: Public action is required in the scope of the targeted goals.



Goal Nr. 9: Industry, Innovation and Infrastructure

Goal Description: Enhance strong infrastructure by nurturing inclusive and sustainable industrialization and foster innovation.

Target: Develop sustainable infrastructure, inclusive industrialization which can also be transformed to developing countries as well as ensure access to information and communication technology (ICT) and support technological development.

The reason for expulsion: Public action is required in the scope of the targeted goals. Goal Nr. 8 Decent Work & Economic Growth is taken into consideration while measuring the companies' tendency toward innovation.



Goal Nr. 14: Life Below Water

Goal Description: Maintain and sustainably use the life below water.

Target: Decreasing pollution impacting marine and coastal life with the implementation of sustainable management.

The reason for expulsion: Public action is required in the scope of the targeted goals. Goal Nr. 13 Climate Action is taken into consideration while measuring the companies' environmental impact.



Goal Nr. 15: Life on Land

Goal Description: Maintain and sustainably use the life on land.

Target: Preventing deforestation and protecting terrestrial surface on earth such as forests, wetlands, drylands and mountains by decreasing negative effects on natural habitats and biodiversity.

The reason for expulsion: Public action is required in the scope of the targeted goals. Goal Nr. 13 Climate Action is taken into consideration while measuring the companies' environmental impact.

7.4.1.2.2 RELATED UN SUSTAINABLE DEVELOPMENT GOALS

The UN SDGs indicated below are kept in the research questionnaire. Even though some of the goals have more targets, only related targets are added to this section as they may generate a relation with creative industries.

For each related UN SDG, the detailed description of the question has been added. Some questions cover more than one UN SDG.

Even though all of the questions were prepared in accordance with the UN SDGs, this is not mentioned at all. The respondents discover this only in Section 2.

The goals that are indicated below was defined by UN in 2015 and online available at UN Sustainable Development Knowledge Platform website (UN, 2015). Additionally, questions that covers the goals are revised the version of B Corp Impact Assessment (B Corp Impact Assessment, 2018).



Goal Nr. 4: Quality Education:

Goal Description: Ensuring an inclusive and equitable quality of education and promoting lifelong learning opportunities for all.

Related Targets:

- (1) By 2030, substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship,
- (2) By 2030, ensuring that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

Questions that cover Goal Nr. 4:

Companies are asked if they are interested in educating their community (employees and customers) via awareness campaigns as a part of their marketing strategies.

Companies are asked the number of their young employees and customers aged between 18-30.



Goal Nr. 5: Gender Equality

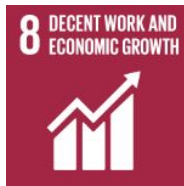
Goal Description: Achieving gender equality and empowering all women and girls.

Related Targets:

- (1) Ending all forms of discrimination against all women and girls everywhere,
- (2) Ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.

Questions that covers Goal Nr. 5:

Companies are asked their overall percentage of female employees and customers.



Goal Nr. 8: Decent Work and Economic Growth

Goal Description: Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Related Targets:

- (1) By 2030, achieving full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value,
- (2) Achieving higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

Questions that cover Goal Nr. 8:

The companies are asked the overall percentage of their employees and customers who are young people (aged between 18-30), LGBTI+, expats, minorities and people with disabilities.

Also, the companies are asked if they have service or product innovations that are specifically designed for the benefit of disadvantaged customers.

Lastly, they are asked if they hold regular (at least monthly) management or staff meetings, share their financial performance with employees, have internal financial controls, have a code of ethics / specific unwritten or written good company culture, have a whistleblowing policy, have their financials reviewed and/or audited by a third party and publicly share data about their impact on workers, community, and/or environment.



Goal Nr. 10: Reduced Inequality

Goal Description: Reducing inequality within and among countries.

Related Targets:

- (1) By 2030, empowering and promoting the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Questions that cover Goal Nr. 10:

The companies are asked the percentage distribution of their customers and employees (women, people with disabilities, migrants, expats, LGBTI+) in order to understand their level of diversity.



Goal Nr. 11: Sustainable Cities and Communities

Goal Description: Making cities and human settlements inclusive, safe, resilient and sustainable.

Related Targets:

- (1) Strengthening efforts to protect and safeguard the world's cultural and natural heritage,
- (2) By 2030, reducing the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

Questions that cover Goal Nr. 11:

The companies are asked if they formally encourage behaviors in their facilities to reduce their environmental impact (i.e. re-use, recycled office suppliers) as well as the % of recycled, renewable, or other environmentally preferred materials in their facilities.

In addition, companies are asked whether they experienced any forms of gentrification and whether they took action accordingly.



Goal 12: Responsible Consumption and Production

Goal Description: Ensuring sustainable consumption and production patterns.

Related Targets:

- (1) By 2030, achieving the sustainable management and efficient use of natural resources,
- (2) By 2030, substantially reducing waste generation through prevention, reduction, recycling and reuse.
- (3) Encouraging companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
- (4) By 2030, ensuring that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

Questions that cover Goal Nr. 12:

The companies are asked if they formally encourage behaviors in facilities to reduce environmental impact (i.e. re-use, recycled office suppliers) as well as the % of recycled, renewable, or other environmentally preferred materials in their facilities.

In addition, focusing on their business models, they are asked whether

- They desire about social/environmental impact but it is not our priority focus.
- They often consider social and environmental impact as as a high priority.
- They consider social/environmental impact in some aspects but not often.
- They mostly incorporate social/environmental impact into decision-making because it is important for success and profitability.

- Social/environmental impact is their primary measure of success even in some situation that there is no profit.

Lastly, they are asked whether their marketing strategy incorporates awareness campaigns and if yes to explain it briefly.



Goal Nr. 13: Climate Action

Goal Description: Taking urgent action to combat climate change and its impacts.

Related Target:

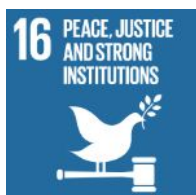
- (1) Improving education, awareness-raising and human and institutional capacity on climate change.

Questions that cover Goal Nr. 13:

The companies are asked whether they encourage behaviours in their facilities to reduce their environmental impact.

They are also asked if their business model aims to solve social or environmental problems as well as the the percentage of recycled, renewable and environmentally preferred materials in their facilities.

Lastly, they are asked whether their marketing strategy incorporates awareness campaigns and if yes to explain it briefly.



Goal Nr. 16: Peace, Justice and Strong Communities

Goal Description: Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels.

Even though local authorities are target of this goal, the authentic culture of the creative industries, which are based on inclusiveness, openness and diversity, links to Goal Nr. 16.

Related Targets:

- (1) Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels,
- (2) Developing effective, accountable and transparent institutions at all levels,
- (3) Ensuring responsive, inclusive, participatory and representative decision-making at all levels.

Questions that cover Goal Nr. 13:

The companies are asked if they are in touch with policy makers, NGOs and local communities and what their targeted outcome is.

Lastly, they are asked if they hold regular (at least monthly) management or staff meeting, share financial performance with employees, have internal financial controls, have a code of ethics / specific unwritten or written good company culture, have a whistleblowing policy, have their financials reviewed and/or audited by a third party and publicly shares data about its impact on workers, community, and/or environment.



Goal Nr. 17: Partnership to Achieve the Goals

Goal Description: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Related Targets:

- (1) Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system as defined by the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda,
- (2) Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise,

technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries,

- (3) Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Questions that cover Goal Nr. 17:

The companies are asked if they seek out underserved or low income suppliers and provide prices higher than the market prices and/or additional support, in an effort to help alleviate poverty? (e.g. fair trade).

Also, they are asked if they are in contact with policy makers, NGOs and local communities.

7.4.2 SECTION 2

The second block of the research consists of questions on the perception of CCI in regards to the UN SDGs. Hereby, they are openly asked:

- If they have ever heard of the UN Sustainable Development Goals?
- Which one (or ones) of the UN Sustainable Development Goal(s) below they think that their company is serving.

7.4.3 ADDITIONAL QUESTIONS

In order to fully understand the tendency of companies in creating social and/or environmental impact on purpose, further questions are asked as follows.

In the very beginning of the questionnaire, they are asked whether they have a specific social and/or environmental policy within their company.

In Section 1, they are asked to indicate their ultimate business goal. The reason behind this question is to sense whether they are driven only by profit or there is any additional motivation.

In Section 2, they are asked which sources they utilise when making social/environmental decisions in regards to their company? This question is designed to understand whether they rely on UN SDGs.

At the very end of the questionnaire, they are asked if they have a system/tool in place to measure their social and/or environmental impact.

8 OUTCOMES

8.1 SECTION 1

8.1.1 DO CULTURAL AND CREATIVE INDUSTRIES KNOW ABOUT SUSTAINABLE DEVELOPMENT GOALS?

60% of the respondents never heard the United Nations Sustainable Development Goals (UN SDGs). These sectors are software/games, music, advertising, publishing, film, architecture and broadcasting sectors. Those who have knowledge about UN SDGs are design, art, performing arts and press. Nevertheless, 15 goals out of 17 (except Goal Nr. 1&2) were selected by the representatives of CCI in Berlin.

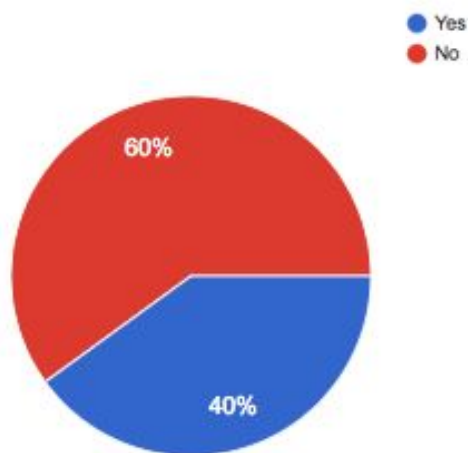


Figure 12: The percentage of the CCI in Berlin that knows SDGs.

8.1.2 THE HIERARCHY OF 'DOING GOOD'

When they are asked to choose 1 or more UN SDGs that their company is serving Gender Equality were associated the most with 72.7% and followed by Quality Education with 54.5%.



Figure 13: The Hierarchy of 'Doing Good'.

The goals of Decent Work & Economic Growth, Reduced Inequalities and Climate Action shares 3rd place considering the most caring issues with 45.5%. 36.4% of the CCI serves Sustainable Cities & Communities, Responsible Consumption & Production, Peace, Justice & Strong Institutions followed by Good Health & Well-being with 27.3%. The goals of Clean Water & Sanitation, Resilient Infrastructure, Sustainable Industrialization & Innovation and Partnerships for the Goals shares 18.2% of all interest. The goals of Life below Water, Life on Land and Affordable & Clean Energy shares 9.1% of all interest whereas the goals No Hunger and Zero Poverty is not served by CCI in Berlin (Figure 13).

8.1.3 SECTOR-BASED INTERESTS

Design was aligned with 9 SDGs (Good Health & Well-being, Clean Water & Sanitation, Decent Work & Economic Growth, Resilient Infrastructure, Sustainable Industrialization & Innovation, Reduced Inequalities, Responsible Consumption & Production, Climate Action, Life below Water and Life on Land) out of 17 goals.

Press was aligned with 9 goals. These are Good Health & Well-being, Quality Education, Gender Equality, Decent Work & Economic Growth, Reduced Inequalities, Sustainable Cities & Communities, Responsible Consumption & Production, Climate Action and Peace, Justice & Strong Institutions.

Broadcasting follows design and press sector by selecting the goals of Good Health & Well-being, Quality Education, Gender Equality, Decent Work & Economic Growth, Reduced Inequalities, Sustainable Cities & Communities, Climate Action, Peace, Justice & Strong Institutions.

Art was aligned with 7 goals that are Quality Education, Gender Equality, Reduced Inequalities, Sustainable Cities & Communities, Responsible Consumption & Production, Peace, Justice & Strong Institutions, Partnerships for the Goals.

Performing arts sector serves the goals of Gender Equality, Affordable & Clean Energy, Decent Work & Economic Growth, Resilient Infrastructure, Sustainable Industrialization & Innovation, Reduced Inequalities, Peace, Justice & Strong Institutions.

Architecture adapted 4 UN SDGs. These goals are Quality Education, Gender Equality, Clean Water & Sanitation, Sustainable Cities & Communities.

Advertising adapted Gender Equality, Climate Action, Partnerships for the Goals.

Publishing sector indicated that it serves to achieve 2 goals -Gender Equality, Decent Work & Economic Growth- whereas **film** serves Quality Education and Climate Action.

Music was aligned with Gender Equality and Responsible consumption & Production.

Lastly, **Software/Games** was aligned itself with the goal of Quality Education only.

As indicated in section 8.1.2, the goals of No Poverty and Zero Hunger were not in scope of any of the sectors.

UN SGD	SECTORS
Goal Nr. 1: No Poverty*	-
Goal Nr. 2: Zero Hunger*	-
Goal Nr. 3: Good Health & Well-being*	Design Broadcasting Press
Goal Nr. 4: Quality Education	Software/Games Art Film Architecture Broadcasting Press
Goal Nr. 5: Gender Equality	Music Advertising Publishing Art Performing Arts Architecture Broadcasting Press
Goal Nr. 6: Clean Water & Sanitation*	Design Architecture
Goal Nr. 7: Affordable & Clean Energy*	Performing Arts
Goal Nr. 8: Decent Work & Economic Growth	Design Publishing Performing Arts Broadcasting

	Press
Goal Nr. 9: Resilient Infrastructure, Sustainable Industrialization & Innovation*	Design Performing Arts
Goal Nr. 10: Reduced Inequalities	Design Art Performing Arts Broadcasting Press
Goal Nr. 11: Sustainable Cities & Communities	Art Architecture Broadcasting Press
Goal Nr. 12: Responsible Consumption & Production	Music Design Art Press
Goal Nr. 13: Climate Action	Design Advertising Film Broadcasting Press
Goal Nr. 14: Life below Water*	Design
Goal Nr. 15: Life on Land* ¹	Design
Goal Nr. 16: Peace, Justice & Strong Institutions	Art Performing Arts Broadcasting Press
Goal Nr. 17: Partnerships for the Goals	Advertising Art

8.2 SECTION 2

In order to fully understand how engaged they are with social/environmental applications, they are asked detailed questions regarding their business model, employees, customers and management processes.

¹ The goals that are marked with 'star (*)' are not involved in the questionnaire, whilst selected by the respondents that their sectors are indicated in front.

8.2.1 SELF-SCORING FOR 'DOING GOOD'

When they are asked to enumerate whether they drive positive social/environmental impact, 27.3% of the respondents answered that their companies are impact-driven. These respondents are from art, music and performing arts.

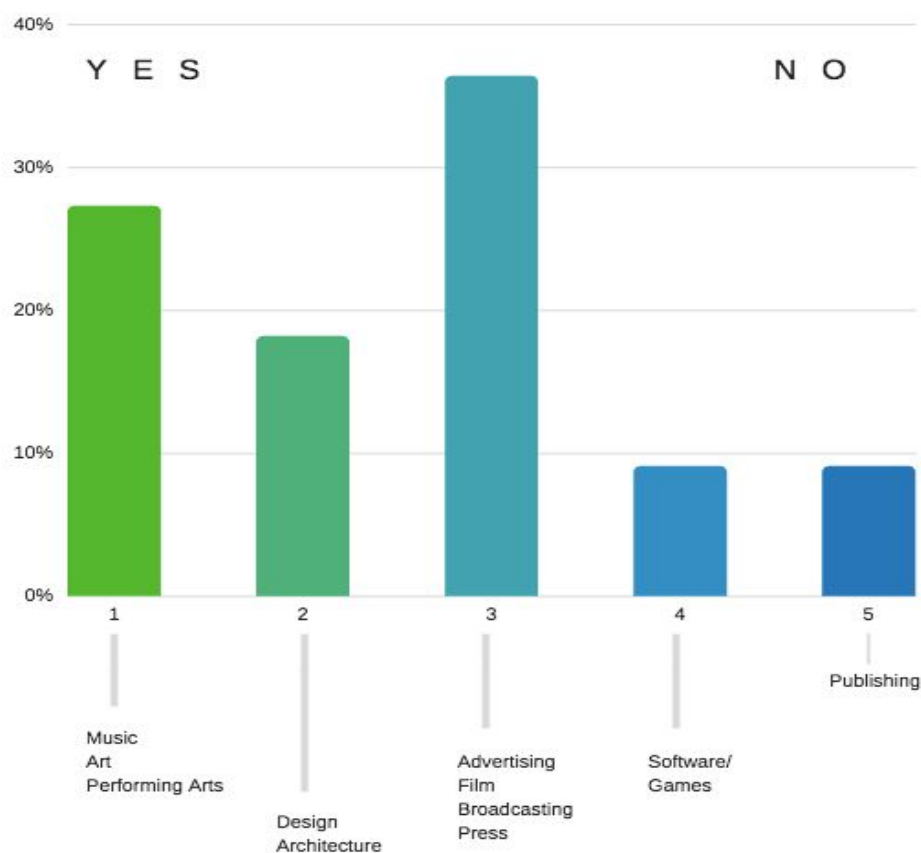


Figure 14 : Self-scoring for 'Doing Good'.

On the other hand, design and architecture indicates that their positive impact is relatively less with 18.2% followed by advertising, film, broadcasting and film with 36.4%. Software/games and publishing indicated that they are really not driving social/environmental impact.

8.2.2 ARE THEY PROFIT-DRIVEN OR PURPOSE-DRIVEN?

Founders/employees are asked to indicate their companies' ultimate goals in order to fully understand whether they are driven by profit or there is another intangible motivation behind.

Only 3 out of 11 sectors (72.7%) answered that question with "profit-driven." These sectors are **software/games** and **press**.

The respondent from the **music** sector declared that they would like to promote their artists, inspire the young generation and define music as not just a product but also as an artistic value.

The respondent from the **design** sector declared that their ultimate goal is to make fashion "circular," meaning, the resources of clothing of today become the resources for new clothing.

The respondent from the **advertising** sector declared that the continuous creation of ideas that constantly generate an impact that affects the world positively is their main focus.

The respondent from the **art** sector indicated that promoting contemporary artists supporting their expansion into the international art scene and curation of the grant program for young artists are emphasized as the company's ultimate goals. Furthermore, it was also pointed out that they support the development of culture through artist talks, lecture performances, book launches and roundtable discussions.

The respondent from the **performing arts** sector emphasized that providing a home for English speaking improvisation the comedy in Berlin, is the company's ultimate goal.

The respondent from **film** sector demonstrated that making audiovisual expression easier and more accessible is the company's ultimate aim.

The respondent from the **architecture** sector pointed out that designing on every scale -from urban design to detail planning- is the company's ultimate goal.

The respondent of the **broadcasting** sector indicated that even though they are profit-driven company, it is very critical them to increase the level knowledge on certain topics within the audience.

The respondent from **publishing** indicated that even though they are profit-driven company, overall encouraging people to read books entirely drives a social impact.

It would be unrealistic to expect that the companies are not driven by profit. However, the fact that the majority of the companies indicated non-profit goal rather than a profit shows that they are purpose-driven companies.

8.2.3 HOW DO THEY APPLY THE SOCIAL/ENVIRONMENTAL IMPACT TO THEIR BUSINESSES?

The respondents of CCI in Berlin are asked to select the description that best describes their businesses. 3 companies claimed that they are well-engaged with social/environmental impact even though it is not driven by profitability. These sectors are **performing arts, design** and **music** with 27.3%.



Figure 15: CCI's Engagement to Social/Environmental Impact

3 companies emphasized that they take into consideration social/environmental impact since it affects their business' success and profitability. These sectors are **art, architecture and broadcasting** 27.3%.

2 companies from **software/games** and **publishing** indicated that they care about social/environmental impact but not often and consist 18.2%.

None of the respondents indicated that they do not see social/environmental impact as a high priority whereas **advertising, film** and **press** sectors look for it but they do not make it their main focus.

8.2.4 HOW DO THEY INTEGRATE SOCIAL/ENVIRONMENTAL IMPACT IN PRACTICE?

The representatives of all of the sectors indicated that they integrated environmental or social considerations in the design of products or services with 72.7% in the last years. These sectors are **software/games, advertising, design, publishing, broadcasting and press, performing arts** and **architecture**.

We haven't designed products/services specifically for disadvantaged customers.

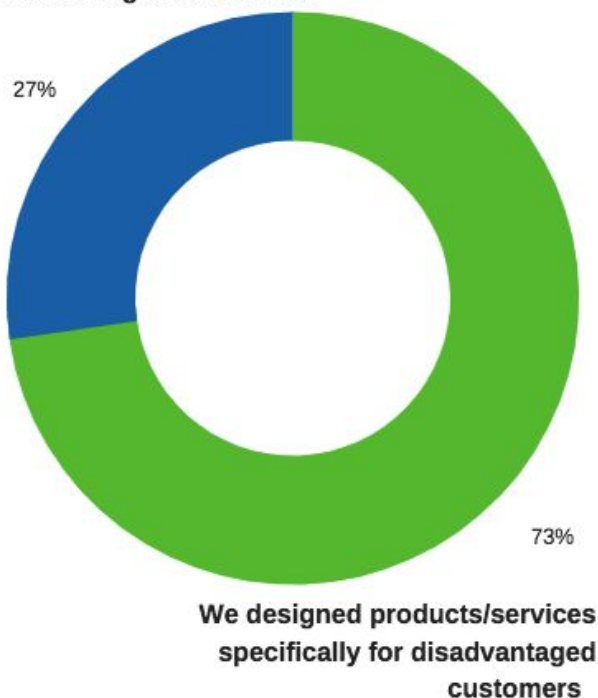


Figure 16: Percentage of CCI that designed products/services specifically for disadvantaged customers.

Music, art and film sectors haven't designed products/services specifically for the disadvantaged customers, together making 27.3% of respondents (Figure 16).

Especially, the respondent from performing arts particularly explained that inclusiveness of the disadvantaged was essential to their products/services.

*'We provide a service that is open to all customers. Comedy, in particular improvised comedy, is an art that is inherently egalitarian, meant to *include* the audience. Yes, the "product/service is to be used by, or specifically benefit, disadvantaged customers" just as much as*

advantaged. We feel "disadvantaged customers" will benefit more from comedy. If you are hurting, laughter/self-expression/art serve to ease the pain.'

8.2.5 HOW COMMITTED ARE THEY TO SOCIAL/ENVIRONMENTAL IMPACT ?

- **Mission Statement**

More than half of CCI's don't have a written statement (54.5%). These are the **software/games, design, publishing, film, architecture and broadcasting sectors**.

18.2% have a general commitment to social and/or environmental responsibility. These are the **music** and **art** sectors. 18.2% have a mission statement but it does not include a social and environmental commitment that consist of **advertising** and **press**.

Only the respondent from the **performing arts** expressed a commitment of serving a disadvantaged group. This represents 9.1% of all CCI in Berlin (Figure 17).

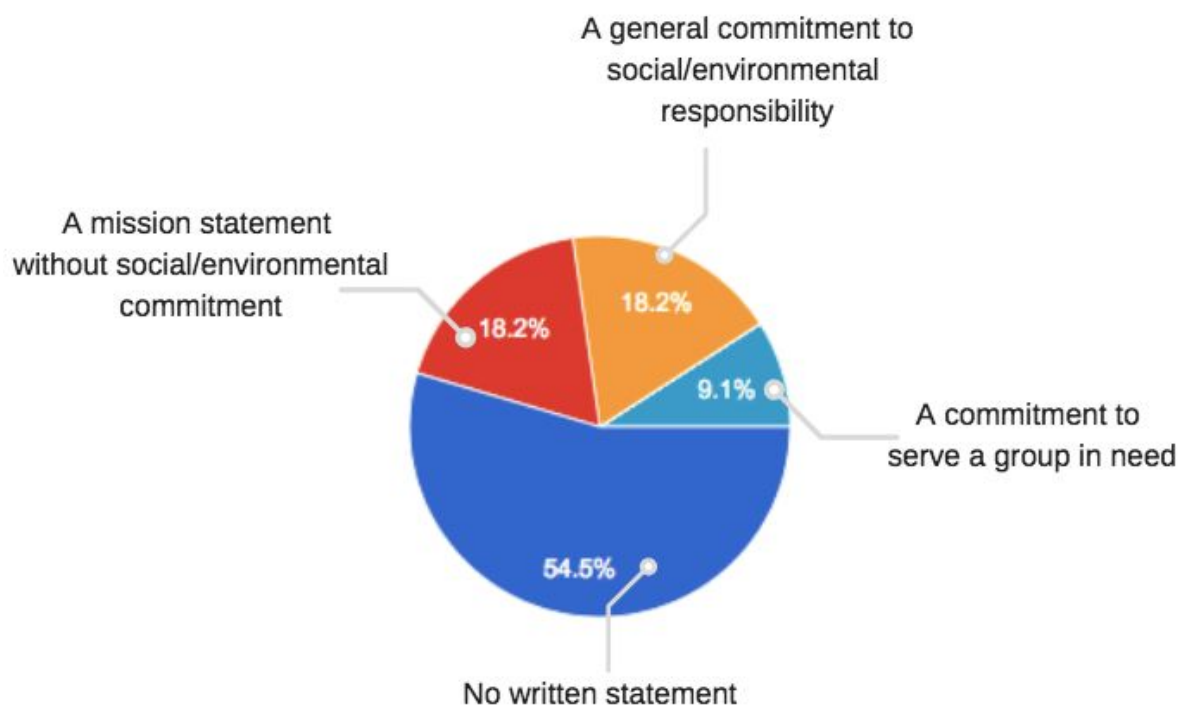


Figure 17: Mission Statement at CCI.

- **Policy Engagement**

When specifically asked whether they have a social and environmental policy engaged to their company in the form of policy, only performing art answered positively.

The respondent from the **performing arts** industry indicated as follows:

‘Providing a safe, fun and supportive space for both those performing and watching is our specific policy. Additionally, we aim to develop comedy, in particular making it open and accessible to everyone. We have a written code of conduct that encourages members to be supportive to each other, to give full attention while performing, to be respectful and open-hearted with a specific focus on the notion of team work as well as a zero-tolerance policy towards any kind of discriminatory behaviour, misconduct or harassment.’

In this respect, even though we see a goodwill that majority of the companies are driven by purpose, they haven’t managed to engage it within their company policies.

- **Governance, Accountability & Transparency**

63.3% indicated that their companies holds at least monthly regular meetings together with the employees. These sectors are **software/games, design, advertising, publishing, film, broadcasting** and **press**.

More than half of the companies (54.5%) have also a specific code of ethics and/or an unwritten good company culture. These sectors are **software/games, music, advertising, art, performing arts** and **films**.

27.3% of the companies’ financials are analyzed by third parties. These sectors are **music, performing arts** and **press**.

Lastly, only 9.1% of them shares financial performances with their staff (**software/games**), company has internal controls (**advertising**), have a whistleblowing policy (**performing arts**). The respondent from **architecture** indicated that the company doesn’t apply any of these implementations.

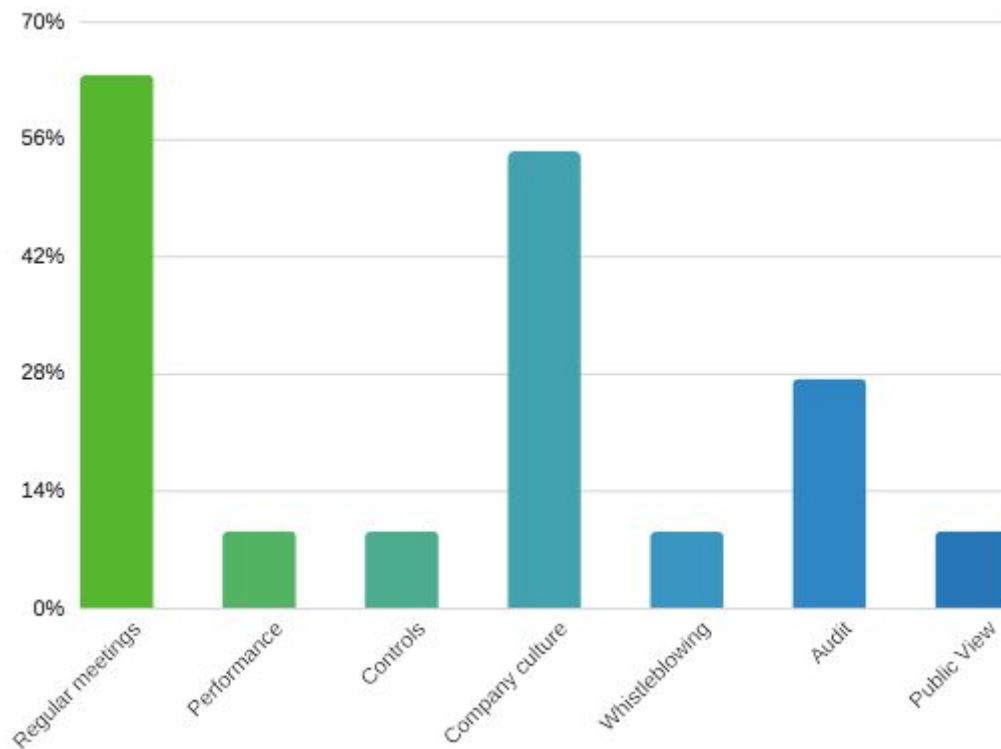


Figure 18: Governance, Accountability and Transparency in CCI.

- **In Facilities Environmental Acts**

27.3% use more than 50% recycled, renewable or other environmentally materials at their facilities. The **music, design** and **art** sectors are included in this group. The respondent from the art sector specifically indicated that they are encouraging their customers to send invoices in digital formats.

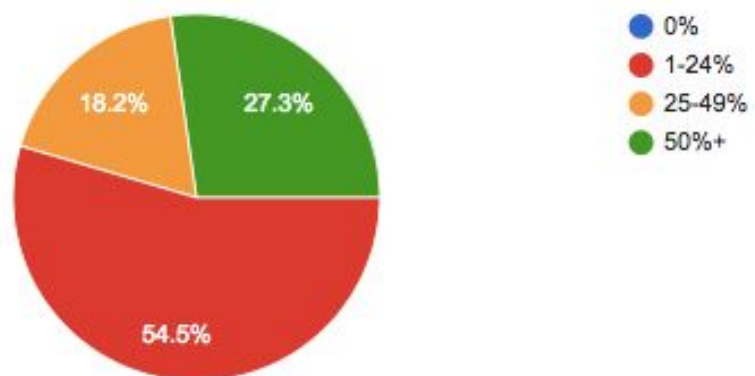


Figure 19:
In Facilities Environmental
Acts in CCI.

18.2% use more than %25-49 recycled, renewable or other environmentally-friendly materials at their facilities. The **software/games** and **performing arts** sectors are included in this group.

54.5% use %1-24 recycled, renewable or other environmentally-friendly materials at their facilities. **Advertising, publishing, film, architecture, broadcasting** and **press** are included in this group (Figure 18).

- **Externalities**

When respondents are asked whether their companies provide higher prices or additional support in the case when they work with low-income suppliers (e.g. fair trade). 54.5% of them indicated that they don't apply fair trade implementations whereas 27.3% were not sure and 18.2% answered affirmative.

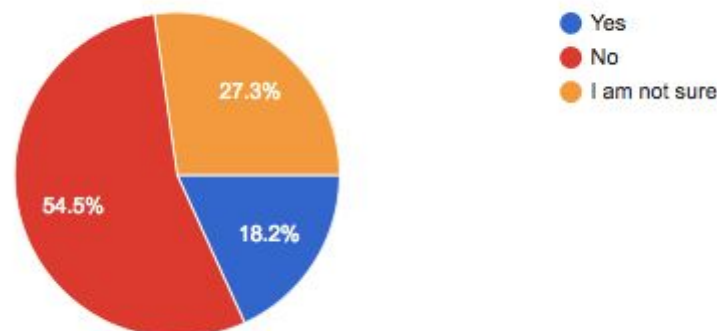


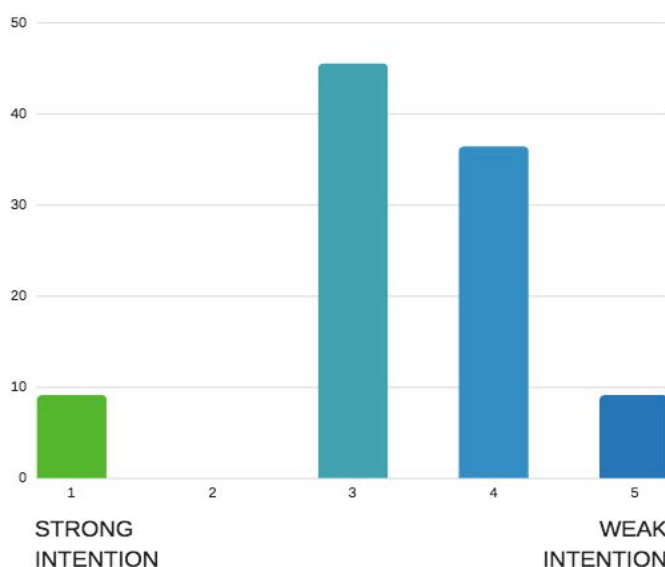
Figure 19: Percentage of Additional Support for Low-income Suppliers in CCI.

8.2.6 DO THEY SPREAD THE ACT OF 'DOING GOOD'?

Lately, as the knowledge-driven customers strongly influences the markets, we have been witness to some companies that put more effort in raising awareness of social issues among their (potential) customers. For example, as the fashion sector can have a negative effect on the environment and people's health, some sustainable fashion companies started to add some features on their websites that show how the industry is heading down a dangerous path with its unfair, unethical and non-environmentally-friendly practices. Some sustainable

companies specifically add charts and graphics to emphasize how their supply chain is being managed in fair and sustainable way as well as how decent working conditions are being implemented for the people working in the fashion industry e.g. in Bangladesh, India, Argentina etc.

With this idea in mind, it is important for the companies to positively influence their communities even though this means having to pay more money for their products. Therefore, only 9.1% of the creative industries have a “strong intention” to influence their customers with awareness campaigns as a part of their marketing strategy. This is specifically the **design** sector. 45.5% have “moderate intention” to influence the community and these are the **advertising, publishing, performing arts, broadcasting and press** sectors.



Music, art and architecture indicated that they have relatively less intention than the average with 36.4% whereas the respondent from **software/games** indicated that they have no intention to increase awareness via marketing campaigns (Figure 19).





Figure 19: The Intention to Spread the Act of ‘Doing Good’.



Some of the companies that show strong or average intention are asked to specifically point their implementations. The respondent from advertising indicated that some humanitarian and environmental projects which are part of their CSR are considered as a part of their marketing campaigns. A similar explanation was also indicated by the respondent of broadcasting sector.

8.2.7 DIVERSITY & INCLUSIVENESS





• Employees in CCI



Diversity in the work environment is one of the distinct characteristics of CCI in general. While asking the respondents to identify the distribution of their employees by indicating the percentage of women, young people, people with disabilities, migrants, expats and LGBTI+.

Employees' profile	Distribution of the employees' profiles
<p>Women</p> 	<p>More than 50%+ of all employees' are women in all CCI in Berlin, Except in software/games and film. This percentage is very low (1-9%) in software/games and there is no women employee in film sector. Music is the leader where 100% of all employees are women.</p>
<p>People with disabilities</p> 	<p>None of the creative industries have an employee with disabilities except architecture with 10-24%.</p>
<p>Young people (aged between 18-30)</p> 	<p>In the software/games, design, music and architecture, 50%+ of the employees are young people aged between 18-30.</p> <p>However this ratio decreases to 25-49% in the advertising, art and performing art sectors.</p> <p>The publishing, film and broadcasting sector have one the lowest percentage of young employees with 10-24% together with press with 1-9%.</p>
<p>Migrants</p> 	<p>When it comes to migrants, the percentages are quite different from one another.</p> <p>The software/games, music, advertising, publishing and film sectors have no migrant employees whereas all of the employees are migrants in broadcasting, press and performing arts.</p> <p>Migrants account for 25-49% of employees in the design, 1-9% in art and 50%+ in architecture.</p>

<p>Expats</p> 	<p>When it comes to expats, all employees of the publishing sector and performing arts are expats whereas none of the employees are expats in broadcasting and music sectors.</p> <p>Art and architecture sectors have 25-49% employees are expats, 10-24% in design and film and 1-9% in software/games, advertising and press.</p>
<p>LGBTI+</p> 	<p>All sectors have the same LGBTI+ ratio with 1-9% except for design, film and music with no LGBTI+ employees.</p>

- Customers in CCI

Customers' profile	Distribution of the customers' profiles
<p>Women</p> 	<p>More than half of the customers of design, publishing, performing arts, broadcasting and press are women.</p> <p>The ratio decreased to 25-49% in the advertising, art and film sectors. In software/games, music and architecture this ratio fell even lower, to 10-24%.</p>
<p>People with disabilities</p> 	<p>Customers with disabilities are not represented in software/games, design, advertising and architecture.</p> <p>This ratio increased to 1-9% in music, publishing, arts, performing arts, film, broadcasting and press.</p>
<p>Young people (aged between 18-30)</p> 	<p>Only in music, film and broadcasting sectors, young customers (aged between 18-30) are more than 50% whereas in architecture and design they are not represented at all.</p> <p>25-49% of the customers of publishing, arts and performing arts are young people, 10-24% in press and 1-9% in advertising and software/games.</p>
<p>Migrants</p> 	<p>Broadcasting and press sectors' customers are all migrants whereas in software/games, design and advertising have no migrant customers.</p> <p>Performing arts has the highest percentage with 25-49% of its customers being migrants, followed by 10-24% in film. The rest of the sectors (music, publishing, art and architecture) have</p>

	1-9% of migrant customers.
<p>Expats</p> 	<p>Publishing have the highest ratio with 50%+, whereas it fell lower to 25-49% (art, performing arts, film).</p> <p>It is followed with 10-24% in advertising, architecture and film whereas 1-9% in software/games, broadcasting. Press doesn't have an expat customers.</p>
<p>LGBTI+</p> 	<p>The ratio of LGBTI+ customers is higher than LGBTI+ employees. This ratio is 25-49% in music, publishing, art and film, 10-24% in performing arts and broadcasting, and 1-9% in software/games, advertising and press.</p>

At this specific section, some of the respondents that filled out the questionnaire indicated that they were not sure about the sexual orientation of their customers or employees.

8.2.8 GENTRIFICATION

More than half of the respondent (54.5%) indicated that they are affected by different forms of gentrification in their office's neighbourhood. 27.3% of the other half indicated that they are not affected by any forms of gentrification and 18.2% is not sure. When they are asked whether they take any contrary action, only respondent from performing arts sector answer in the affirmative (Figure 20).

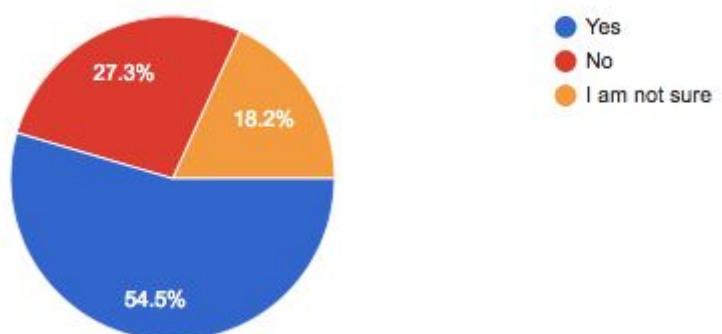


Figure 20: The Percentage of the CCI that affects from Gentrification.

8.2.9 PARTNERSHIPS TO ACHIEVE THE GOALS

Only **broadcasting, press** and **software/games** are in touch with policy makers (27.3%) with the aim to implement partnerships for CSR projects. The rest of the companies are not in touch with policy makers (72.7%).

On the other hand, when it comes to NGOs almost half of them are not in communication with NGOs with 45.5%. These sectors are **music, publishing, arts, film** and **architecture**.

A bit more than half (54.5%) are in contact with NGOs and they specifically indicated in which aspect. For example, the respondent from **software/games** indicated that they are in communication with NGOs regarding financial support and network where in **advertising, broadcasting** and **press** are related with CSR projects (Figure 21). The respondent from **performing arts** emphasized that they are in communication with NGOs in order to support the LGBTI+ community and neighbourhood verein.

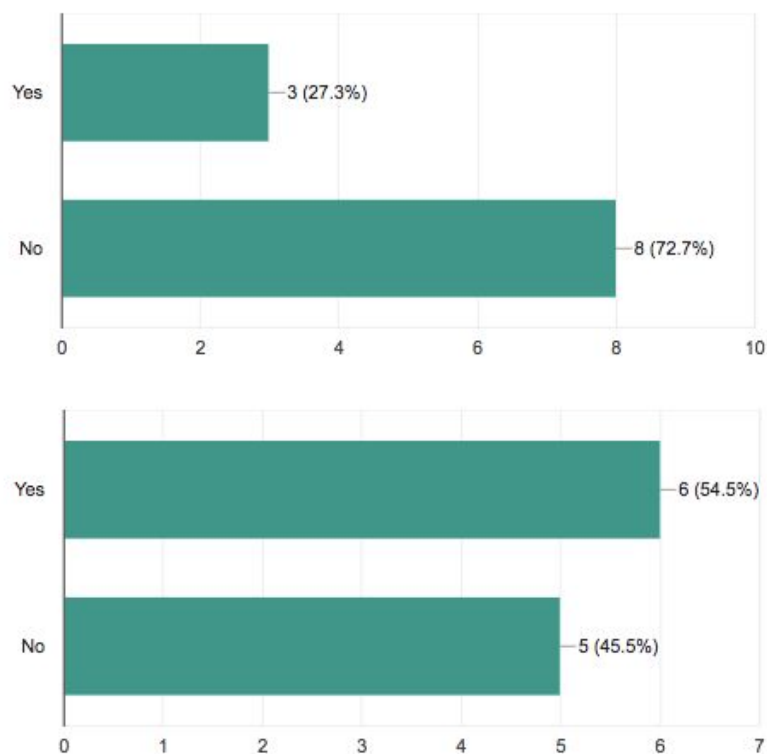


Figure 21: The Percentage of CCI that is in touch with policy makers (top),
The Percentage of CCI that in touch with NGOs (bottom).

9 CONCLUSION

Cultural and creative industries (CCI) are forming a new culture, economy and various disruption in almost every part of our lives. Yet the question remains: could they promote and foster sustainable development?

Even though 60% of the CCI have not heard of the United Nations Sustainable Development Goals (UN SDGs), they believe that their companies serve 15 out of 17 goals. In addition, at least one goal was selected by the respondents from the CCI in Berlin. Therefore, the CCI in Berlin are integrated with 'doing good' whether deliberately or otherwise being fully aware of the UN SDGs.

Amongst the 17 SDGs, Goal Nr. 5 **Gender Equality** has the most resonance in CCI with 72.7% selected by 8 sectors out of 11. Goal Nr. 5 **Quality Education** follows with 54.5%. The goals of Decent Work & Economic Growth, Reduced Inequalities and Climate Action share the 3rd place considering the most caring issues with 45.5%. Goal Nr. 1 No Hunger and Goal Nr. 2 Zero Poverty are not of consideration by CCI in Berlin.

72.7% defines their company's ultimate goal without mentioning a monetary profit, such as promoting young artists, fostering circular fashion, constantly generating new ideas, providing home to improvisation comedy, increasing the number of people who reads books etc. However, only almost $\frac{1}{3}$ of them emphasize social/environmental impact is primary even in the cases that there is no profit. They are mostly willing to support environmental/social impact by designing products/services specifically for disadvantaged groups with 73% however not directly targeting disadvantaged groups as customer segment. This is openly observed when compared the percentages of the profiles of employees and customers including women, people with disabilities, young people (aged between 18-30), migrants, expats and LGBTI+.

Inclusiveness is the key element towards achieving sustainable development as no one should be left behind. CCI have clearly pointed out that they serve to enhance Gender Equality out of the UN SDGs. That also reflects the inclusiveness of women as employees that 9 sectors out of 11 have more than 50% of their employees as women. The engagement

of people with disabilities is not really fulfilled yet the percentage of migrants looks promising that 3 sectors' employees are all migrants. Considering customers, the percentage of the women are the still at the top and migrants fell lower to 2 sectors whereas LGBTI+ and expats are relatively more represented.

They are not fully engaged with social/environmental impact in regard forming internal policies within the company or involvement of social/environmental commitment in their mission statement . However, they value bringing together with their staff on regular monthly meetings (63.3%) or create a specific unwritten 'good' company culture (54.5%). They also value their carbon footprint by using environmentally-friendly materials, none of the sectors indicated the opposite.

As CCI have a huge potential to trigger a conscious society with their unique culture, it is important to observe whether they tend to share their knowledge, skills, ideas in order to increase awareness. Especially with the implementations of environmental aspects, companies have started to share informative datas in order to increase the awareness of their customers and encourage them to consume responsibly. Almost half of the CCI (45.5%) have a moderate intention to adapt awareness campaigns as part of their marketing strategy. Still some companies have misinterpretation that the social/environmental impact is mostly related to corporate social responsibility (CSR) especially observed in advertising and broadcasting sectors. Music, art and performing arts believe that they have higher social/environmental impact compared to other sectors within CCI when they score themselves.

It is truly important to actively involve in decision-making mechanism in order to influence the policies as well as connecting with non-governmental organization (NGOs) to foster sustainable development. In regard to this, CCI are not much in communication with policy makers (only 27.3% are in contact). Yet, they are more connected with NGOs (54.5%) not only due to the implementation of CSR projects but also for networking and communal activities (in certain sectors). Some studies claim that the strong concentration of CCI in some locations is a reason for gentrification. Even though more than half of CCI (54.5%) experience gentrification in their office's neighbourhood, only one of them took a contrary action. This is also another proof that CCI are not politically active although they influence the policy makers.

A detailed analysis shows that the **performing arts** scores the highest considering their commitment to achieve social/environmental impact by focusing on their business model and community (employees & customers) management practices. Performing arts is one of the 3 sectors that indicate that the social/environmental impact is their priority even though it is not driven by profit. They have products/services specifically designed for disadvantaged group and emphasize particularly that performing art particularly connects with disadvantaged groups. They are again the only sector that have a commitment to serve a group in need in their mission statement, furthermore they have a dedicated written code of conduct.

Overall, due to the demand triggered by knowledge-driven customers and its unique culture, economy and disruption, CCI follow the values of sustainable development and show interest of 'doing good'. Even though they apply some values of social/environmental aspect, when it comes to adaptation of these aspects in their business models and community management processes, CCI are not fully integrated yet. In brief, they have a huge potential to be a pioneer for 'doing good' however they still need better internal policies, management processes as well as knowledge development.

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