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## The Role of Culture and Creative Industries in development of City and Region

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## Ролята на културата и иновативните индустрии в развитието на градовете и регионите

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**Abstract:** *The aim of this article is to examine the role of culture and creative industries they play in the socio-economic development of cities and regions of nowadays. Creativity has ceased to be the domain of genius, but has accorded to people making their daily activities. Therefore culture industries and creative industries, which are based on creativity and ingenuity, have significant impact on economy. They influence on regional and cities development is trough economic potential, innovation of economy, spill-over processes, social innovation and improving the quality of life.*

**Keywords:** *creative industries, creativity, culture*

### INTRODUCTION

Creativity - this concept in recent years is playing an increasingly important role in the so-called *new economy*, which is based on knowledge and intellectual capital as a driving force of economic growth [2][8][12][22][28]. Particularly important approach is saying that the creativity of individuals, groups or institutions is an integral part of stimulating innovation in the economy. R. Florida in his book *The Rise of the Creative Class* [12] claims that the concentration of companies with advanced technology and a high rate of innovation occurs in those regions where was created the right climate for the development and those regions are the leaders that manage to attract creative companies and creative people. Therefore, such concepts as creativity, cultural industries, creative class, creative cities and - finally - the capital of creativity - are doing staggering "career" in many fields of research. The issue of creativity is interdisciplinary, multidimensional, therefore it is a field of research interesting by various sciences: economics, geography, social sciences, arts, humanities [31]. Inseparably, with the terms related to creativity appears the culture issue. A culture that creates our identity, our aspirations and relationships with others and that creates the world around us, space in which we live, develops our way of life. And despite widespread acceptance of the role of culture in our lives from social point of view, the importance of such branches as cultural heritage, fashion, cinema, music, design, theater, photography from an economic point is not yet fully recognized. Therefore, the objective of this article is to show the role of culture and creative industries, they play in the socio-economic development of modern cities and regions.

### FROM CREATIVITY TO INNOVATION: CREATIVITY - CULTURE - INNOVATION

Mutual relations between creativity and innovation have already been raised in the late 60th century [14]; when in scientific works appeared voices about the need to build a multi-disciplinary models explaining social reality. But the real breakthrough took place in the 80s of the last century that changed the perception of creativity and creativity of the individual as a "privilege" of people broad culture, but the mental work that began to be considered also in relation to the "average" citizens [24]. Creativity has ceased to be the domain of geniuses, but has become the participation of people making everyday professional activities [1].

During this period it has increased the importance of the relationship between the individual creativity and innovation groups, teams or organizations. Same innovation came to be seen not only as a measurable and tangible results in the form of products, processes, services or organizational changes, but also as the competence of the personality of its creators. Along with this, increased demand for innovators in the field of better use of existing resources, which means the building of intellectual capital through the acquisition of new knowledge, skills and competences [17]. In other words, economic growth in the post - industrial economy is driven by the intellect not by muscles. And thinking about the production is anchored in the minds of those individuals who create new products and trends rather than machines that standardize and distribute (duplicate) old. Therefore, the role of the creative class has been growing. And therefore creativity started to be seen in two ways: on the one hand - as a feature attributed to artists, on the other hand - as the feature human allowing for abstract thinking, which goes beyond schemes, solves problems in an innovative way and is always looking for answers [17]. And no doubt, these two types of creativity are inextricably linked. It caused that contemporary economy started to treat culture as a factor in stimulating creativity, as creativity is the basis of innovation. Such approach confirms, among others, the Report prepared by P. Kern [19] for European Commission, which stresses so-called *culture-based creativity*. Which means that creativity is based on the culture producing cultural and artistic products or services as well as on releasing innovation, which is then associated with innovative, unconventional thinking, what allows to create specific solutions, innovation in network, design, electronics, IT services [19][31].

It should be noted that for many years dominated traditional understanding of culture as a non-profit area which absorbs state or local government's budget funds. The desirability of the development of the cultural sector was considered only in terms of arts and social. Contemporary approach of the role of culture in economy changed and the process of "culturisation" economy and the "economization" of culture is already a fact.

Lots of products or services has assigned by culture and creative, innovative inspiration, which increase the value of those products. The role of art and culture in economic development has been seen especially in urban, regional and global economic processes. The growing importance of culture and arts testifies to the fact that we have to deal with the economy driven by human capital and society oriented to the consumption of goods of higher order. Higher standard of living provides number of people to be guided by the criteria of non-materialistic consumption, such as aesthetics, functionality, prestige of the products and places. In light of these transformations of society and economy, art and culture are in the center of attention [9][31].

From other side, the sector of culture and art succumbing to "industrialization" of production has become an independent field of management, increasing gross domestic product, forming new, profitable jobs. And very often it is difficult today to separate economics, culture, science and technology. Because all of these areas to the same extent determine the shape of the human environment in the modern world.

### **CREATIVE INDUSTRIES – HOW TO MEASURE?**

As it was mentioned above, the concept of creative industries has an interdisciplinary dimension. Therefore, it is still no complete agreement to the classification of individual economic activity for the creative sector. Very often the term of creative industries is identified with the culture industries [1]. But, both in literature as in the practice there are some concepts threatening those industries separately. Despite those differences in one field there is full agreement that creative sector is considered as a branch of economy, which is based on the ingenuity and originality of the action using the intellectual resources [1]. And here is the consensus on the belief that the creative industries are at the crossroads of

art, culture, business and technology where the element of creativity and intellectual input is essential [10].

In recent years, has been created a number of different models of cultural industries and creative industries in order to systematize their structure. One of the first models was proposed by the Department of Culture, Media and Sport in the UK (DCMS) in the second half of the 90s., which described the creative industries as activities which have their origin in individual creativity, skill and talent, have the potential to create wealth and job creation through the generation and exploration of intellectual property [6][18]. So generated term is most frequently quoted definition in the literature, which is based on the assumption that creativity is the engine of the production process in the creative industries, and intellectual property is distinguishing or characteristic feature of the result. According to the DMCS creative industries consists of 13 sectors: advertising, architecture, art and antiques, games, crafts, design, fashion design, film and video, music, art, theater, publishing, software, television and radio [6][18].

In turn, United Nations Conference on Trade and Development (UNCTAD) sets creative industries, as industries whose primary effort is intellectual property [5].

And although still creative sectors are defined in different ways, it is assumed that they are based on the creativity and skills of people who create new ideas (sounds, texts, images), distributed and delivered to the market in the form of goods and services. These goods and services are the engine of progress and development, a stimulus to the creation of new original products or services, the "core" of these activities are the industries / institutions, such as advertising, printing and publishing, architecture, design and artistic creativity, cultural institutions, radio and television, design, visual media, visual arts, performing arts [5].

Here arises the question: how to measure creative industries? The answer is not simple, because the lack of consensus on the classification of individual industries to the creative sector results in different measurements. The more that the creative industries "radiate" hooking up ever wider circle. In other words, the activities carried out under the various industries across the element of creativity stimulates not only the industries but also contributes to the development of related technologies (ICT, tourism, manufacturing and education), touching almost all sectors of the economy. Therefore creativity - broadly understood - can lead to the perception of almost every activity for the creative sector. Therefore, some concepts - such as for example the approach of UNESCO - propose to consider separately the cultural and creative sectors.

The same approach we can meet in the practice: most of governments or organizations treat the creative industries in their own way, depending on the scope of activities and the needs they meet in the country. For example, in the United States, we can find the *information industries* [1.], while Sweden treats the creative industries as an *experience economy* and includes to creative industries gastronomy and restaurants [25]. In Germany, we meet the economy of culture, whereas in the Netherlands creative industries are classified according to the so-called *copyright industries* [1].

### **CREATIVE SECTORS IN THE ECONOMY OF THE REGION AND THE CITY**

In the literature in the recent years appears research results related to the strong connection of creativity or economy of culture [3][7][8][15][16][26][28][30]. Some concepts underlined the potential of culture and creativity as the main factor of creation and revitalization of the city [4][13][21][22].

New England Creative Economic Initiative has identified three areas that makes up creative economy: creative clusters – companies and individuals who directly produce cultural goods; 2. The creative staff - that have skills and competence in the field of art and culture, that may produce art or culture products and services; 3. creative communities –

that are focusing on a particular area and have ability to attract creative professionals, creative companies and cultural institutions [23].

In turn, European Competiveness Report [11] [27] indicates four main areas of impact of the creative industries: economic potential, innovation economy, the processes 'spill-over' and the quality of life and cultural identity.

As indicated in that document, employment in creative sectors in the EU increased on average by 3.5% per year, faster than the percentage calculated for the whole of the Union (1%) [11]. Especially high growth was recorded in IT services, architecture and audiovisual industry. It has been estimated that the sector of culture and creative sectors account for 3.3% of EU GDP and employ 6.7 million people, representing 3% of total employment [27].

The second area of impact of the creative industries refers to innovation. It is pointed out that companies in this sector are more flexible and open to new solutions: technological, process and product. In addition, being at the intersection of art, technology and business creative industries indicate by the effect of a "chain effect" have a direct influence on innovation of "related" industries [11][27]. Design may be considered as an example of that concepts that affects other sectors, such as: clothing, electronic, furniture interior, moreover it is associated with a third area of influence of these sectors.

The third dimension of the impact is *spill-over effect*, which refers the Model of Concentric Circles. The model created by David Throsby's ego [30] assumes that the creative industries are composed of several districts, named circles. The first of which is - the kernel of creativity – that is mainly related to the visual arts (eg. painting, photography), art, scenic and cultural institutions, in other words fields, where created images, texts, sounds are. Their "achievements" are used by subsequent circles - cultural industries, whose activities are mainly focused on the production and distribution of these products on a massive scale (film, publishing, music industry, radio and television, books, games). On the other hand, the cultural circles use circles of creative industries, such as an architecture, advertising, programming or design. These, in turn, affect wider circles, which include areas such as cultural tourism, education, electronics, furniture industry or sector ICT. In addition, it is worth noting, that the commercialization of the products of individual branches can mutually penetrate other industries in these sectors. For example, the visual arts can be launched by the activity of the architecture or design.

And finally, the fourth dimension - the aspect of social, cultural - in other words, the impact on quality of life, increase the sense of cultural identity and to increase the attractiveness of the place. Theaters, cinemas, museums, cultural centers, festivals, music concerts, workshops undoubtedly not only provide forms of entertainment culture but also contribute to new experiences, new skills for new activities, services, which in turn can inspire the creative, creative processes and solutions thereby stimulating the process of social innovation. It indicated that considerable importance is the architecture that can protect, revitalize and create value landscapes, places, promote ecological forms of development [29].

R. Florida suggests that alongside traditional forms of cultural offer are important cultural events on a small scale with nightlife, club music scene, which promotes the development of environmentally diverse, openness and tolerant [12][4]. Places in fact, have the power. And here seem to circle closes, because - according to cited Author of 3T concept - where is available deep labor market, high standard of living and access to the broader culture and entertainment as well as where it is acceptable diversity and where there are many opportunities for social interactions migrate creative people, who are the main driver of innovation and economic growth [12].

## SUMMARY

Creativity allows to develop innovative solutions aimed at boosting economic growth and prosperity. Therefore, speaking about smart, sustainable development we have to

involve cultural factor and the whole environment of the cultural and creative industries. The huge role is assigned to the creative sector in fast-growing cities, especially large cities, metropolitan areas. As in the cities finds the greatest concentration of talent and human diversity. In addition, the cities not only provide a significant part of the funds for culture, but often also become the laboratories of cultural and creative experiments. The community which invests in culture, education becomes richer and safer. And thus more competitive.

Europe 2020, which focuses on employment growth also notes the importance of creativity and entrepreneurship as opposed to today's economic problems. Therefore, there are voices saying that it should promote culture clusters, clusters of creative industries and enable cities and regions to network nodes of knowledge to fully exploit the potential of the free flow of ideas, capital and persons.

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