

CREATIVE INDUSTRIES AS A GROWTH DRIVER: AN OVERVIEW

Adriana Bujor

Gheorghe Asachi Technical University of Iasi, Romania
adbujor@gmail.com

Silvia Avasilcai

Gheorghe Asachi Technical University of Iasi, Romania
silvia.avasilcai@gmail.com

Abstract:

Creative Industries are those industries which combine the creation, production, and commercialization of creative elements. DCMS identified several “industrial” sectors, starting from advertising, architecture, art and antiques, and going to computer games, crafts, design, film and video, publishing, software, television and radio, all and each incorporating a different technology. Creative Industries are seen as a tool for innovation against poverty, having an important economic impact worldwide. Creative entrepreneurship represents the practice of setting up a business in a creative industry. The creative entrepreneur is concerned with the creation and exploitation of creative or intellectual capital. The aim of this paper is to offer an overview of creative industries and their economic impact at international level.

Keywords: creative entrepreneurs, creative industries, entrepreneurship, innovation

1. INTRODUCTION

Creative Industries represents a quite relatively new concept that was first launched in the middle of 90ties, initially in Australia and especially developed in United Kingdom, with the contribution of the former British Minister of Culture, Chris Smith.

The official origins of the concept of creative industries can be found in the 1997 decision by the newly elected British Labour Government to establish a Creative Industries Task Force (CITF), as a central of its new Department of Culture, Media and Sports (DCMS).

The concept of „creative industry” refers to the following domains of which activities involve artistic or scientific creativity:

- architecture and urban regeneration
- art and design
- performing arts, film and video
- photography, industrial innovation and artificial intelligence
- mass-media (paper, audio or video)
- fashion and design
- traditional crafts, monuments and cultural tourism
- music, advertising, software and interactive video games
- publishing and bookbinding
- web design

The definition of the creative sector starts from European Commission’s approach which is encompassing. This approach highlights the economic impact of creativity. At European level, creativity is an innovation process that uses culture as input that influences numerous economic sectors. The definition of creation/creativity differs in USA and in Europe. For the first one, it starts from the artistic creation core, and represents the production of new forms that are easily transferable and useful, widely. Intellectual property is the form through which their creations are protected and paid (**GEA, 2012).

2. CREATIVE INDUSTRIES AT INTERNATIONAL LEVEL

Starting from the American researches done on creative industries, in the majority of the documents related to these industries in the world, core creative is first considered/ mentioned and then the definition of creative industries extends to all that is related to production and distribution. Creative Class in USA includes artists, writers, poets, professors, researchers and engineers, actors, designers, architects, as well editors, figures in the culture, analysts, review leaders.

The Department of Culture, Media and Sport (DCMS) from United Kingdom has defined the creative industries as those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.

Table 1: Creative Industries classification according to DCMS UK

Advertising	Interactive leisure software (electronic game)
Architecture	Music
Arts and antique markets	Performing arts
Crafts	Publishing
Design	Software and computer services
Designer fashion	Television and radio
Film and video	

Source: DCMS, 1998; Flew, 2007, p. 10

Even though in Italy there is not an official definition for cultural industries, what one can understand is that the term refers to those cultural services and goods that can be technically produced or industrial produced and commercial sold: books, media, radio-television, cinema, recorded music and new media (**COMPENDIUM, 2013).

The first report that treats creative industries in Italy is the White Paper on Creativity, edited by Walter Santagata in 2009. According to this report there are three types of creative industries recognized in Italy. The first one is related to material culture: design, fashion, handicrafts, industry of food and taste, the second one is related to information and communication technologies: advertising, cinema, publishing, software, TV and radio, and the third type is related to cultural heritage: architecture, artistic and cultural heritage, contemporary art, music and performing art. From all these, fashion is the most important one from economic point of view (Boix, Lazeretti, Capone, & al., 2010).

In Portugal, creative industries are growing, becoming more and more important, but still need to face few obstacles. Although a formal definition for creative industries does not exist, the *Creative and Cultural Sector in Portugal* study, ordered by the Cultural Ministry (2009) has brought to public a new awareness of the subject (**COMPENDIUM, 2011).

In Austria, since 2000, the importance of Creative Industries in cultural policy life has known a great improvement, having as evidence the increased number of research works done in this field. During the years, five reports on Creative Industries were written and published at national level, as well as studies on cities, Vienna, Linz and Graz et al., and provinces of Burgenland, Lower Austria, Upper Austria, Vorarlberg and Tyrol. Studies have shown the fact the definitions on creative industries differ for all the above mentioned cities. The most current definition can be found in the first study on creative industries, study that was carried out together with Mediaworld and Wifo and was commissioned by the Vienna City Council department for EU strategy and economic development, the Vienna Chamber of Commerce and the Vienna Film Fund (**COMPENDIUM, 2014).

According to this, the creative industries include all activities that have to do with architecture, the audiovisual field (film, radio, television, video), fashion and design, the fine arts and the art market, the graphic arts, literature, the performing and entertainment arts, publishing and print media, museums and libraries, the music industry and advertising, multimedia, software games and the Internet (**COMPENDIUM, 2014).

The „creative industries” can be understood as overarching enquiries into the „management of creativity” not only by individual enterprises but also in regard to the entire local production and service sectors. Different European studies have increasingly cast the focus on the complex interactions between CI-enterprises in the private and the public sector, as well as the intermediary sector” (Ratzenbock, Harauer, Falk, & et al., 2004).

Cultural industries in Belgium, more exactly in Flemish Community, are defined as those producers or distributors of cultural products and services. Their cultural essence is of maximum importance for the economic value of products and/or services. For this very reason during the time numerous initiative were done to support the cultural domain (**COMPENDIUM, 2014).

In Czech Republic, at the moment, a definition of creative industries cannot be found in any strategic document of the state. For this very reason, in the spring of 2011, the Arts and Theatre Institute has initiated a research project called *Czech Cultural and Creative Industries Mapping* (2011-2015), with the purpose to define creative and cultural industries in Czech Republic. Through this project it is wanted to obtain more complete and detailed information, both in terms of quantity and quality, for each sector of creative and cultural industries in Czech Republic. As well, as an important part of this project, a comparison with existent situations of creative industries in other EU Member States is aimed. Consequently, the desired outcome of the project is a document that maps cultural and creative industries in Czech Republic, as well the collection and preservation of all the results obtain in this project. Using this mapping, strategic recommendations will be formulated for a better organization and a more real financing of arts and culture with public resources at the national, regional, and local level, as well for a better use of the economic and social potential of creative and cultural industries in Czech Republic (**COMPENDIUM, 2014).

In the Federal Republic of Germany, the culture industries represent veritable pillars, separated and independent ones, and, on the whole, the cultural field are organized in three sectors: private cultural enterprises, state or municipal publicly financed institutions or activities (cultural heritage, libraries, monuments, museums, theater, etc.) and not-for-profit, intermediary organizations, foundations, associations and so on. In Germany, the term of “creative industries”, known and widely used at

international level, has become more significant in the last years, having though a narrower meaning, also including: advertising and software/games (**COMPENDIUM, 2013).

In Netherlands, creative industries are organized in three sectors:

- arts and cultural heritage,
- media and entertainment, creative services, as well
- design, fashion, architecture, new media, computer games and advertising.

These three sectors have as main objectives the followings (**COMPENDIUM, 2014):

- to consolidate the cooperation and relations between the creative and other industries;
- to invest more in cultural businesses;
- to offer more sponsorships and private investments in arts and culture;
- to improve the exploitation conditions of intellectual properties;
- to support and increase the export of cultural products; and
- to better manage the businesses and cultural institutions.

In compliance with the National Development Plan for the Cultural Sector 2007-2013, cultural industries in Romania are defined as being those activities of production and reproduction of symbolic goods, having an important and increasing role in social and intellectual life of communities. The economic value of symbolic goods mainly derives from their cultural value, and the cultural industries perform activities to produce them, being also responsible to make them known to the community. In Romania can be found: “classical” cultural industries – audio-video production, radio, film, editing –, “new industries” – architecture, design, gaming, multimedia –, and traditional arts – visual arts, handicraft, shown, written culture. At present, due to the crisis period of time, the independent cultural sector has appeared, including: self-employed, creative and independent artists, which are becoming more and more numerous (**COMPENDIUM, 2012).

3. ECONOMIC IMPACT OF CREATIVE INDUSTRIES

There is no doubt that the age we are living in is one of enormous economic and social changes. If a century ago, the economy and society suffered a change from an agricultural to an industrial system, today the change is considered at least as vast as that one, being characterized by a greater implication for the way people work and live, the way people organize their time, the nature of their family and community structures (Florida, 2005).

Creative businesses can save the economy of a town, mainly where the traditional economies based on agriculture, industry or commerce has failed. They represent the happy combination of both qualities: that of the artist and that of the business man.

In USA there are 905,689 businesses involved in the creation or distribution of art with 3.35 million of employees, representing a percentage of 4.42 of all businesses and a percentage of 2.15 of all employees (according to Dun & Bradstreet, one of the most known and trustworthy source of information in business domain from USA).

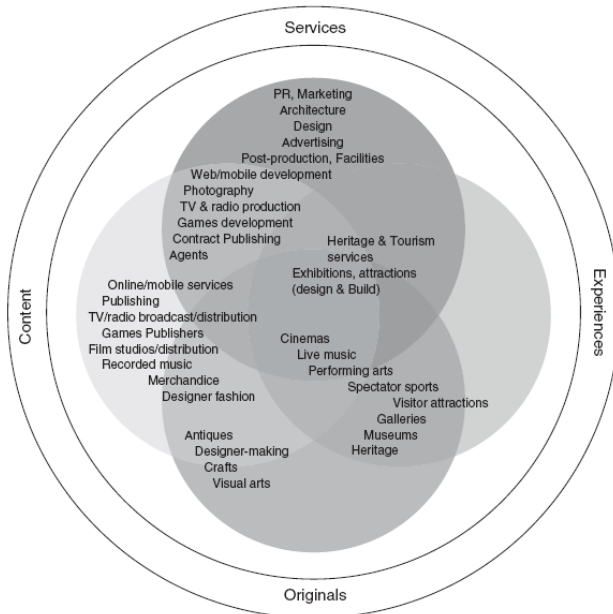
It is already demonstrated that the largest creative sector in the EU can be found in UK, and in terms of GDP probably the largest in the world. For this very reason it is considered a national asset in various ways. The creation of images, symbols, ideas, design and cultural expression would alone be enough for the creative sector to draw attention, thereby this characteristic needs to be honored and continually nurtured. The size of the creative industries is comparable to the financial service sector. So far, the creative and cultural industries play an increasingly important role in economic life, accounting for 7.3 per cent of the economy comparable in size to the financial services industry, and growing at 5 per cent per year (almost twice the rate of the rest of the economy). As well, creative industries employ 1 million people just themselves, while another 800,000 people work in creative positions. Shortly, the creative economy employs 1.8 million people. The subsistence of a growing proportion of British citizens will depend upon the sector maintaining its trajectory of growth. The UK creative industries outperform every other European state and in the 21st century they have moved to center stage of the UK economy. It is necessary to the whole economy that British Government works with industry to create a framework in which these creative sectors can flourish (**DCMS, 2007).

Both bodies, The National Endowment for Science, Technology and the Arts (NESTA) and The Work Foundation developed a more nuanced and coherent approach in understanding creative industries as being multi-layered, but internally differentiated (Flew, 2012).

The model proposed by NESTA differentiates the creative industries into four distinct interlinked groupings:

- creative service providers
- creative content producers
- creative experience providers
- creative originals producers

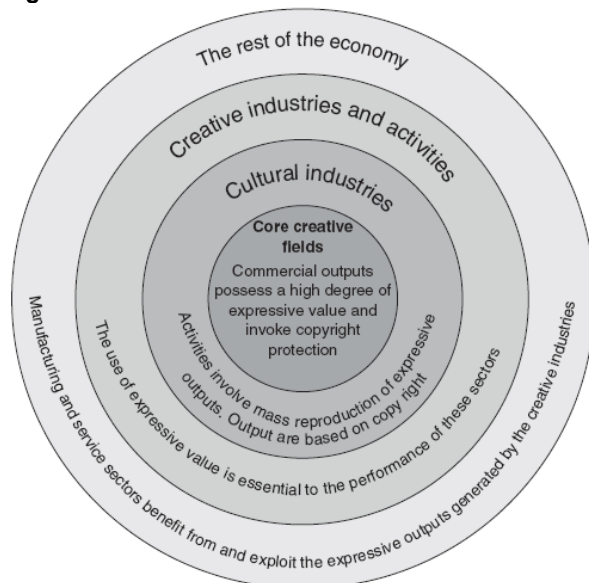
Figure 1: NESTA Model of Creative Sectors



Source: Flew, 2012, p. 25

In contrast to the NESTA approach, The Work Foundation approach differentiate creative content, as well the industries that produce and distribute it, given the expressive value of creative products and services. (Flew, 2012)

Figure 2: The Work Foundation “Concentric Circles” Model



Source: Flew, 2012, p. 26

4. ENTREPRENEURSHIP IN CREATIVE INDUSTRIES: CHALLENGES FOR CREATIVE ENTREPRENEURS

An entrepreneur in creative industries is a person that uses his/her creativity, ideas, passion to realize economic activities, most of the time, as an individual. This person does not differ at all from the stereotype entrepreneur as principles governing such business and the tools used to achieve it are the same. What differs is only people's conception of those who run such businesses.

Though the entrepreneur in creative industries has a different structure, he/she will use the creativity in his/her own business development as well, or can anytime to choose a business partner to complete him/her (the business manager), this matter being framed as a creative solution. In this case, it is very important to hit the road together as a team which completes each other and in which to exist understanding and respect for each other values, because, in most cases, the business manager conflict with the creator, who has the tendency to move away from core business. The motive of the conflict: the creator will always try to be more original in what he/she creates to be able to offer new products and services, while the business manager will try to be more efficient.

Irrespective of the chosen business, creative or non-creative, it must respond to few questions:

- What is the need of the business?
- Which is the proposition of a person having the quality of an entrepreneur in creative industries?
- How will the entrepreneur in creative industries communicate with his/her clients?
- What kind of channels will the entrepreneur in creative industries use to find/place an offer?

The problems that an creative entrepreneur must face in the creative industries sector include the distinctive challenges of building and sustaining a business just from creative activities, as well challenges that are normally faced by small businesses, such as: finding a market for their activities, attracting this market to grow the demand for their business, attracting able people, financial and technical resources, making strategic choices on how to compete, collaborate and specialize to be able to adapt to changing environment. Another important aspect that a creative entrepreneur must consider, at personal level, is if a long-term career within the creative industries is sustainable, considering the fact that these industries are dominated by fashion, taste and young people (Henry, 2007).

It is already proven the fact that creative businesses often exist in a special environment characterized by rapid technological and social change, tough/strong competition and ephemeral relationship with customers. For this very reason, we consider that a creative entrepreneur needs a business manager, the one mentioned above, or other stakeholder to learn to gain the skills required to manage, in order to grow, in this so fast changing context.

5. CONCLUSIONS

The definition of creation/creativity differs in USA and in Europe. For the first one, it starts from the artistic creation core, and represents the production of new forms that are easily transferable and useful, widely. Intellectual property is the form through which their creations are protected and paid.

At European level, creativity is regarded as an innovation process that uses culture as an input, and in this way numerous economic sectors are influenced. Beautiful and successful businesses can be established in any area of the creative industries: dance, music, design, handicraft so on, but with the condition to respect the main rules of entrepreneurial initiative.

As a conclusion, creative industries target all that is produced by scientific and artistic creativity and has industrial potential that enters in the economic circuit, produces value, generate government revenue through paid taxes, creates new jobs and profits, and helps to regional and national development.

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