

General Approaches to Creative Economy Within the European Space

Mazilu Sorin

"Alexandru Ioan Cuza" University of Iasi,
Centre for European Studies, Faculty of Law
mazilu.sorin@yahoo.com

Abstract

Creative economy has become one of the key concepts in the new economic paradigm, being considered an important factor of economic growth, as well as a significant source of employment and resilience in developed and developing countries, from various parts of the world. Although its impact on economic development is generally acknowledged, there is no world-wide acceptance in defining the creative economy and its comprising economic sub-sectors. By using document and report analysis through a comparative approach, this paper aims to briefly identify the main perspectives on creative economy within the European space. Thus, we highlight the spatial distribution of the concepts embodying economic activities based on valuating creativity as a main input and we identify the main features of each identified approach.

Key words: creative economy, creative industries, cultural industries, experience economy, Europe
J.E.L. classification: A10, Z10

1. Introduction

As literature in the economic field emphasizes it, creative economy has gained an increasing attention over the past years, being acknowledged as an important factor of economic development and employment. "The creative economy is recognized as a significant sector and a meaningful contributor to national gross domestic product. It has spurred innovation and knowledge transfer across all sectors of the economy and is a critical sector to foster inclusive development." (United Nations, 2018, p. 3) . While it has no wide accepted definition, it relates with *creative and cultural industries* (CCI), comprising of economic activities which capitalize individual's creativity, skill and talent through the generation and exploitation of intellectual property (in areas such as arts and crafts, books, films, paintings, festivals, songs, designs, digital animation or video games). In 2015, according to Eurostat data, cultural and creative businesses, accounting 5% of the total number of enterprises within European Union economy, generated 2,8% of total value added (approx. 200 billion EUR) and 1,7% of total turnover (Eurostat, 2015). In the same time, the sector employs almost 8,4 million people (3,7% of the total EU workforce) (Eurostat, 2016). Being an important source of growth, the sector is supported through Creative Europe programme (2014-2020), as well as by a number of policy actions included in the Work Plan for Culture (2015–2018, 2019-2022) (European Commission, 2018). Moreover, the impact of the creative industries in the UE economy goes further than being a mere contribution to employment and production, and that they contribute to the technological progress and long-term development of the EU (Boix and Rausell-Koster 2018).

This paper aims to inventory some of the main perspectives on the creative economy, found in the European space. As methodological approach, we use report and document analysis (qualitative research), in order to identify the different acceptations on the industries that embodies creativity as a main resource, as well as the criteria which are used to distinguish them from the other economic fields and the comprising sub-sectors of each perspective.

2. Theoretical Background

As a direct result of the accentuation and diversification of economic activities that encompass creativity and their spreading into the world economy, more and more opinions (of some prolific economists such as Richard Florida, Charles Landry, John Howkins and others) claim that we living in an *era of creativity*, characterized by *continuous innovation*. Therefore, creativity seems to have become the "ultimate economic resource" (Florida, 2002).

However, although the concept has gained a lot of attention in both academia and the policy-makers, the approaches to tackle the concept vary throughout the European space. In Table no. 1, there are mentioned some of these approaches, according to the findings included in the report The Economy of Culture in Europe, conducted by the KEA European Affairs organization.

Table no 1. Spatial distribution of concepts used in European countries to describe creative sectors

"Creative Industries" Approach	"Copyright-based industries" Approach	"The Experience Economy" Approach	"Specific studies sector" Approach
Austria	Denmark (2006)	Sweden (2004)	French Community in Belgium
Flemish Community in Belgium	Finland	Denmark (2003)	France
	Hungary		Ireland
Denmark (2000)	Latvia (2005)		Poland
Estonia	Norway		Portugal
Latvia (2005)			Slovakia
Lithuania			Spain
Sweden			
Bulgaria			
Romania			

Note: the information provided in table is not exhaustive and it is based on the responses received to the questionnaire provided by KEA

Source: (KEA European Affairs, 2006, p. 48)

Nevertheless, all the different perspectives on the creative economy, although unique as ways of manifestation and conceptualization, aim at the same economic dimension and are overall complementary. Moreover, comparing the main approaches encountered within the European space highlights the overlaps on the one hand, as well as the differentiations between the notions of cultural industries / cultural economy - creative industries / creative economics - the economy of experience, on the other hand.

The concept of creative industry (previously known as cultural industry) was extended to creative economy during the 1990s (Howkins, 2013, 2007, 2001), the creative class (Florida, 2002), and later to creative regions and creative cities, in the fields of microeconomics and the theories of innovation systems. Theoreticians like Charles Landry (Landry, 2012) and other exponents of cultural geography have explored how technological innovation can emerge from a cultural and institutional environment that promotes innovation and experimentation (Flew, 2005, 2002). The creative environment is defined as "a complex space of common traditions within which people can learn, compare, compete and collaborate and through which ideas can be proposed, developed and disseminated" (Flew, 2005). The movement of "creative cities" is predominantly of European origin and involves re-imagining urban local spaces within a global competitive environment (Pratt, 1994), as well as attracting and generating workforce and output in the creative industries (Sassen, 2005). It can also be said that the sector or cultural district within the new urban geography has generated the concept of "clusters" in the study of new production networks and has designed the distinctive style through which a city can become known (examples: "Cool Britannia", "Singapore - Renaissance City").

Despite all these various nuances to the conceptualization of creative economy, in the scientific literature we can identify three core mainstream approaches that exist within the European space: British, French and Northern countries.

3. The British Approach - Creative Industries

As KEA report states it, the identification of the clear origins of the concept of “creative industries” is difficult to make (KEA European Affairs, 2006, p. 46). Some studies show that it was formally used for the first time in England, others attribute this merit to Australia, which in 1994 has launched its cultural policy (Keating Government), entitled Creative Nation. Although designed as a cultural oriented policy, the document included economic measures, strategies and funding plans, highlighting the economic importance of cultural activities and the arts. Therefore, the optics in which the term creativity has been used is that this cultural policy has been designed and implemented as an economic policy. This was meant to help Australia meet the demands of the revolution happening in information technology sector and to find its own place in the world’s culture.

In Europe, however, the concept has been introduced by the Department for Culture, Media and Sport's (DCMS) 2001 of the United Kingdom, within its Mapping Document, with the purpose of measuring the economic contribution of these industries to the UK, identifying the opportunities and threats they faced, and setting a blueprint for action for both British Government and the industries. (DCMS, 2001, p.4). Further, the term was included in other policy making documents, such as Creative Britain report (DCMS, 2008), where it was related to the technological developments driven by the new economy. Similar to the Australian perspective, the principle invoked in the document was that “when creative and media industries join with digital technology, they become an essential source of jobs and creativity for the whole economy” (Moore, 2014, p.740). Looking at the 2018 horizon, the report’s authors explained: “The vision is of a Britain in ten years’ time where the local economies in our biggest cities are driven by creativity, where there is a much expanded range of creative job opportunities in every region with clear routes into creative careers from local schools and colleges, and where every young person believes they have a real choice to use their talents in a creative capacity. It is a vision of creativity as the engine of economic growth for towns, cities and regions. It’s also a vision of dynamic, innovative, successful creative businesses providing prosperity and fulfilling job opportunities right across the country” (DCMS, 2008, p.6). The approach has gained popularity and it has spread across among some European space (see Table 1), being addressed by governments and organizations, although with certain particularities and differences from case to case. As a common feature, European scholars incline to divide the creative industries into two categories: first, the *core* creative (arts related activities) industries and *partially* creative industries (advertising, architecture, and design as well as media industries) (O’Connor, 2007).

Table no. 2. Creative Industries Approach

Approach	Economic
<i>Definition</i>	„Those industries that originate in individual creativity, skills and talent and have the potential to secure wealth or create jobs by generating and exploitation of intellectual property” (DCMS, 2001)
<i>Criteria</i>	“Creativity” is the main input in the production process Intellectual property (and not just copyright) characterizes the outputs of this industry
<i>Main fields/sectors</i>	Advertising, architecture, arts and antiques markets, crafts, design, fashion, film and video industry, interactive entertainment software, music, performing arts, publishing and printing, software and hardware services, radio and television. Activities include: creation, production, distribution, dissemination, promotion, educational and media activities
<i>Comparison to the other approaches</i>	The approach is one of the most extensive.

Source: (KEA European Affairs, 2006, p. 47)

Considering their essential role in the socio-economic process of adoption and retention of novel ideas, creative industries are seen as important components of the innovation system within the new economy. (Berg & Hassink, 2014, p.657).

4. The French Approach

In its first, singular form from 1944, the term “cultural industry” was attributed to negative connotations due to the critics of Theodor W. Adorn, a representative of the Frankfurt School. The term was depicted as “an instrument of the capitalist elite to deprive both artists and artwork of their intrinsic value and transforming the consumer into a pseudo individual” (KEA European Affairs, 2006, p. 47). Later, in the 1970s, the concept “cultural industries” (in the plural form) acquired positive meanings, being considered in the research of the economy of culture. Due to the John Myerscough’s efforts, concretized in the book *The Economic importance of the Arts in Great Britain* (1988), cultural industries’ study received an increasingly attention. Over time however, the expression was used interchangeable with “creative industries” syntagma. This made room to various attempts, considered more appropriate for various circumstances or regions, in creating delimitation on the two approaches. For example, David Throsby (2008) proposed a model of the concentric circles for describing cultural industries. According to his view, the activities that use artistic creative ideas to produce goods and services of high cultural value are placed closest to the core of the model (literature, music, performing and visual arts), while the ones that embody less inputs of this type are set at the outer layers of cultural industries, respectively other core creative industries (film, museums, galleries, libraries and photography); wider cultural industries (heritage services, publishing and print media, television and radio, sound recording and video and computer games); and related industries (advertising, architecture, design and fashion).

In the analysed report, KEA defines the cultural industries as including industrial and non-industrial sectors. “Culture constitutes a final product of consumption, which is either non-reproducible and aimed at being consumed on the spot (a concert, an art fair, an exhibition) or aimed at mass reproduction, mass-dissemination and export (a book, a film, a sound recording)” (KEA European Affairs, 2006, p. 44). For assessing the contribution of culture and creativity to the European economy, the report proposes a conciliation alternative - “cultural and creative sector”, presented in Table no 3.

Table no. 3. *The Cultural and Creative Sector*

THE CULTURAL AND CREATIVE SECTOR	
CULTURAL SECTOR	CREATIVE SECTOR
Core arts field	Creative industries and activities
Visual arts, Performing arts, Heritage	Design, Architecture, Advertising
Cultural industries	Related industries
Film and video, Television and radio, Video games, Music, Books and press	PC manufacturers, MP3 player manufacturers, mobile industry and others.

Source: simplification after (KEA European Affairs, 2006, p. 56)

Even with the various delimitations proposed by scholars or organizations in order to classify and categorize these sectors, the *cultural industries* term remained popular within certain countries, although with different meanings and perspectives. This is the case of France (Laurent, 2014), where the Department of Studies, Foresight and Statistics (fr. Département des études, de la prospective et des statistiques, DEPS), within the Ministry of Culture defined the sector as an independent economic segment within the culture sector which groups together all businesses and independent traders that are involved in the creation and distribution of artistic products and services in the market (DEPS-Ministry of Culture, 2011).

Table no. 4. Cultural Industries

Approach	Economic/ Statistical
<i>Definition</i>	"A set of economic activities that combine the most industrialized design, creation and production functions of large-scale manufacturing and marketing, using material and information technologies"
<i>Criteria</i>	- Outputs target massive reproduction - Outputs are characterized by copyright (and not intellectual property)
<i>Main fields/ sectors</i>	Publishing houses and printing houses; press and media studios. Audio-visual activities (movie, TV, etc.) Directly related activities (advertising, multimedia, press agencies)
<i>Comparison to the other approaches</i>	In contrast to the other approaches, the French one does not include educational activities press critic activities, or the activities of collective management societies.

Source: (KEA European Affairs, 2006, p. 47)

5. The Northern Countries Approach - Economy of experience

Along de approaches mentioned before, another term regarding various creative economic activities is the *Economy of experience*, introduced in 1967 by Guy Debord to highlight the growing impact of the spectacle mass society (KEA, 2006, p. 48 *apud* Huijgh & Segers, 2006). Therefore, the term "experience" in the syntax is understood as the ability to feel, to live or to experience, and does not refer to the accumulation of knowledge, skills, etc. in time. Subsequently, the concept was introduced in the economic field, being used to describe the economy of experience, the stage that succeeds service economy in the development of human civilization. The central idea in this optics is that only a fraction of the price of a product is made up of its physical value. The rest depends on the experience it can induce the consumer.

Table no 5. Economy of experience

Approach	Economic
<i>Definition</i>	„Economy of experience implies that only a fraction of the price of a product is made up of its physical value; the rest depends on the experience it can induce the consumer.”
<i>Criteria</i>	- Experience is defined and actively recognized by the consumer
<i>Main fields/ sectors</i>	Fashion, visual arts, music, toys and amusement, tourism, books, theatre, radio and television, architecture, sports industries, design, printed media, film and video, advertising, edutainment, content production, events, cultural institutions.
<i>Comparison to the other approaches</i>	Comparing to the "creative industries" approach (comprising following sectors: advertising, architecture, the arts and antique market, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, radio and television), the experience economy also includes toys/amusement, tourism, sport, edutainment (Danish Ministry of Culture, 2003).

Source: (KEA European Affairs, 2006, p. 48)

6. Conclusions

The identified approaches have some particularities and obvious differences, especially in terms of the sectors included, which could be partly explained by the modifications in the specialisation profiles of the countries/regions that embrace them, as well as in the dynamics of the domestic economic activities which valorise creativity. The lack of a homogeneous European approach in terms of strategy is also due to the role played by policy makers, at national and European levels. As Boix et al. (2014) has argued, when it comes to the persistent differences of European approaches and policies towards creative economy, the "lack of dove-tailing with the European Union smart agenda is argued to be a cause of concern". Considering EU, although it has already taken steps in the right direction in promoting investments in creative industries (e.g. Creative Europe programme), more solid bridges have to be built between the different approaches, policies and agendas in order to assure the premises for developing a strategic partnership dialogue and cross-border collaborations for supporting the European creative actors.

7. Acknowledgements

This paper is supported by the Jean Monnet Module "Culture, creativity and human capital: pillars for European Union's prosperity"- EUcreaTip, cofounded by the European Union (587908-EPP-1-2017-1-RO-EPPJMO-MODULE).

8. References

- Berg, S.-H. & Hassink, R., 2014. Creative Industries from an Evolutionary Perspective: A Critical Literature Review. *Geography Compass*, Volume 8, pp. 653-664.
- Boix, R. and Rausell-Koster, P., 2018. The Economic Impact of the Creative Industry in the European Union, retrieved from: <https://www.uv.es/raboixdo/references/2018/18003.pdf>
- Boix, R., Capone, F., De Propriis, L., Lazeretti, L. and Sanchez, D., 2014. Comparing creative industries in Europe, *European Urban and Regional Studies*, Volume: 23 issue: 4, page(s): 935-940.
- Danish Ministry of Culture, 2003. *Denmark in the culture and experience economy- 5 new steps; The Danish growth strategy*, Copenhagen: Danish Ministry of Culture, Available at: http://www.kulturplan-oresund.dk/experience_economy.pdf
- DCMS, 2001. *Creative Industries Mapping Documents 2001*. Available at: <https://www.gov.uk/government/publications/creative-industries-mapping-documents-2001>
- DCMS, 2008. *Creative Britain: New Talents for the New Economy*, s.l.: DCMS. Available at: <https://www.culture.gov.uk/images/publications/CEPFeb2008.pdf>
- DEPS-Ministry of Culture, 2011. *Concepts for the Statistical Framework on Culture, Culture-Méthode n° 2011-3*, DEPS-Ministry of Culture: s.n.
- European Commission, 2018. New Work Plan Culture. [Online] Available at: https://ec.europa.eu/culture/news/2018/new-work-plan-culture-start-2019_en
- Eurostat, 2015. Eurostat. [Online] Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture_statistics_cultural_enterprises#Cultural_sectors_covered_by_EU_business_statistics
- Eurostat, 2016. Eurostat. [Online] Available at: https://ec.europa.eu/eurostat/statistics-explained/images/f/f7/Table_1_Cultural_employment_over_time.png
- Flew, T., 2002. Beyond and hocracy: Defining creative industries. *Cultural Sites, Cultural Theory, Cultural Policy*. The Second International Conference on Cultural Policy Research.
- Flew, T., 2005. Creative economy. In: J. Hartley, ed. *Creative industries*. s.l.:Blackwell Publishing, pp. 344-360.
- Florida, R., 2002. *The Rise of the Creative Class. And How It's Transforming Work, Leisure and Everyday Life*. s.l.:Basic Books.
- Goode, L., 2018. Wired. [Online] Available at: <https://www.wired.com/story/ai-filmmaker-zone-out/>
- Howkins, J., 2013. *The Creative Economy: How People Make Money from Ideas* (revised edition). s.l.:Penguin.
- Huijgh, E. & Segers, K., 2006. *The thin red line. International and European tensions between the cultural and economic objectives and policies towards the cultural industries.*, s.l.: Re-creatief Vlaanderen network, Gent, 20 p.
- KEA, 2006. *The Economy of Culture in Europe*, s.l.: European Commission.
- Landry, C., 2012. *The Creative City: A Toolkit for Urban Innovators*. s.l.:Earthscan.
- Laurent, R. (2014). Les industries culturelles en France et en Europe : points de repère et de comparaison. *Culture chiffres*, no 7,(7), 1-20. doi:10.3917/culc.147.0001.
- Moore, I., 2014. Cultural and Creative Industries concept – a historical perspective. *Social and Behavioral Sciences 110* , pp. 738-746.
- O'Connor, J. (2007). *The Cultural and Creative Industries: A Review of the Literature* . London: Creative Partnerships, Arts Council England. Available at: https://www.creativepartnerships.com/CP_LitRev4.pdf
- Pratt, A., 1994. *Uneven re-production : industry, space and society: Policy, planning, and critical theory*. Oxford: Pergamon Press Ltd.
- Sassen, S., 2005. The global city: introducing a concept.. *Brown journal of world affairs*, pp. 27-43.
- Throsby, D., (2008), The concentric circles model of the cultural industries. *Cultural Trends*, 17(3), pp. 147-164.
- UNESCO, 2018. *Reshaping cultural policies*, s.l.: UNESCO.

- United Nations, 2018. Creative economy outlook. Trends in international in creative industries 2002-2015. Country profiles 2005-2014, s.l.: United Nations.
- UNPD; UNESCO, 2013. Creative economy report, New York; Paris : UNPD; UNESCO.
- World Economic Forum, 2018. Creative Disruption: The impact of emerging technologies on the creative economy, s.l.: s.n.