Bajusova, Dana; Spesova, Maria; Zarska, Elena

Conference Paper
The approaches on supporting creativity as a stimulus of developing local economy

52nd Congress of the European Regional Science Association: "Regions in Motion - Breaking the Path", 21-25 August 2012, Bratislava, Slovakia

Provided in Cooperation with:
European Regional Science Association (ERSA)

Suggested Citation: Bajusova, Dana; Spesova, Maria; Zarska, Elena (2012) : The approaches on supporting creativity as a stimulus of developing local economy, 52nd Congress of the European Regional Science Association: "Regions in Motion - Breaking the Path", 21-25 August 2012, Bratislava, Slovakia, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:
http://hdl.handle.net/10419/120568

Terms of use:
Documents in EconStor may be saved and copied for your personal and scholarly purposes.
You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.
The approaches on supporting creativity as a stimulus of developing local economy

Dana Bajusová – Mária Špesová – Elena Žárská
dana.bajusova@euba.sk - maria.spesova@euba.sk - zarska@euba.sk

University of Economics in Bratislava
Faculty of National Economy
Department of Public Administration and Regional Development

Introduction

It’s already a general accepted fact that the economy has changed from the industrial to the economy based on using qualitatively new information, creative knowledge and skills. That means we include to the traditional driving forces of economic, social and cultural development human creativity that creates new services, knowledge and innovations. This era called creative economy is the global trend today and will influence the further development of society. The pivotal points of the new paradigm are creativity, knowledge and access to information. These are powerful engines of economic growth in a globalizing world (UNCTAD, 2008). Ochrana (In Kloudová, 2010b) emphasizes the necessity of examining the creative economy and developing appropriate strategies and policies to support it, which means to implement such a policy on each level of government that by using adequate resources and tolls will help develop the creativity, will stimulate the growth of creative industries and create an environment for the creative class to achieve and maintain economic growth. The content of the policy should be suitably selected and specific to each level of government. We must not forget that the creative economy draws attention to new categories such as creative industries and creative class. They are also associated with the place as a creative space. The presence of creative industries and creative class in the structure of local (urban) economy has an impact on the competitiveness of the city, which shout be the ambition to each local unit.

Aims and Methods

The aim of this paper is to identify and evaluate different approaches, measures and instruments used or proposed to support creativity by the national, regional and local governments.
Our paper is divided into two parts. The first will focus on the specification of the tools that are recommended for higher levels (national and supranational). We made a briefly overview of the documents received abroad and by the European Union which aim to promote creative economy. We also look at concepts that are dedicated to the promotion of creative economy at the local level and identify tools and techniques that are presented in order to support the creative economy. The second part is focused on the current situation in Slovakia; our aim is to determine whether the support of creative economy at central, regional and local level is a part of their policy and if it is reflected in their strategic documents.

By processing this topic we mainly used the method of analysis of theoretical approaches and assessment of strategic documents of government levels, focusing on the local level - the level of cities. At first we selected all the 8 county seats in Slovakia. And in addition we examined all cities of the Bratislava region (Malacky, Senec, Modra, Svätý Jur, Pezinok and Stupava) without Bratislava, which was already examined in the group of county seats.

**Approaches, measures and tools to support creative economy**

Ignoring the trend of creative economy by various actors would bring the risk for the European Union and the national economies to become passive players in the “arena” of international competitiveness. Early studies on the economic impact of cultural and creative industries say that creative industries have created about 5 million jobs and generate for approximately 2.6% of EU GDP. Furthermore this sector is growing and some part of this sector is growing even in times of crisis (Green Paper, 2010). These views are put forward by the European Union in a document entitled Green Paper (2010) - Unlocking the potential of cultural and creative industries, and its aim is to stimulate debate about the requirements of stimulating creative environment for creative industries of the EU. This document identifies the tasks that must be addressed to ensure the development of creative industries. It also advocates the important role of local and regional dimension in developing cultural and creative industries. There is an essential step before policy making for promoting creativity on national, regional and local level which is the creation of the definition of creative industries. Many various institutions and various government officials are dealing with this task. The first institution which started to deal with this was Department for Culture, Media and Sport in the UK and in 1998 issued a document that mapped and identified 13 creative industries (Creative Industries Mapping Document). The document presented a comprehensive analysis of the economic benefits of creative activities. In 2001, another document was prepared to
assign the importance of creative industries in the knowledge economy as the forces that promote economic growth. The British Department was not the only one that has undertaken the definition of creative industries, there were other institutions such as WIPO, UNCTAD, UNESCO, and authors such as Howkins, Potts and Cunningham and Boix et al.

There are studies (e.g. KEA, 2010a, 2010b) that examine the mechanisms promoting cultural and creative industries; they also identified a number of tools used in different countries, for example.: tools for attracting private investment by reducing risk (suitable for capital-intensive sectors - the use of tax credits), guarantee arrangements in respect of loans granted by banks to ensure compliance in entering the market, the use of specific funding mechanisms - creation of specialized banks, a special fund for venture capital or direct subsidies, provision of micro financing - providing micro loans and loans to provide general support and advice - creating clusters and incubators, private meetings with investors, providing training for management, export promotion etc.

Obviously some of these tools should be provided from the national level (e.g. ensure compliance in entering the market, and export promotion), others are more effective if they are provided and managed at the local level. Local officials have better preconditions to develop an appropriate strategy to reflect the real needs in the region (e.g. providing advice, training, micro-finance projects or businesses, the establishment of incubators, etc.). Cities can apply for development grants and tax breaks, loans and guarantees, equity financing, or non-financial support.

As noted above, regional and local levels play an important role in development of the creative economy. Especially in foreign literature we encounter concepts that summarize the approaches to its development. In the next part we give a brief description of some of them.

*Concept of 'Creative Cities'*

The concept of creative cities belongs to the newest concepts of urban growth. It stresses the importance of firms in creative industries and creative individuals for urban development (Rehák, 2012). In the global economy, technology, research and development activities are currently big cities of key importance. The competition between them is increasing. "Ideas of creativity and creative potential in urbanism and city planning are applied. This creates a new paradigm of perception of the urban organism, its development, growth and success factors."¹

¹ In: Východiská koncepcie na podporu kultúrneho a kreatívneho priemyslu v Slovenskej republike, 2011
Costa (2007) summarizes the different approaches of the creative city concept into 3 groups:

1. Creative city as a toolkit for urban development
2. Creative city focusing on creative activities
3. Creative city as the capacity to attract creative human resources

One of the first authors of the creative city concept - Landry (2008)² presents it as a urban development tool. He developed it in his book The Creative City: A Toolkit for Urban Innovators, in which he highlights that such development strategies of creative cities are from city to city different because it depends on their local culture and identity. Such strategies are also more focused on people since their creativity is the driver of urban development (Landry, 2008, p. 160). Landry says that cities should transform their planning policy of economic development to become creative but the final aim is not to pursue the objective of promoting itself but the achieving of economic goals. The benefit of his work in the concept is the planning perspective. The core definition is “to find new solutions to quotidian problems” of cities. “Generating a creative milieu and discovering and keeping creative processes for urban management are the key to success in a perspective centred on creativity as a toolkit for planning and innovating in cities.” (Costa et al, 2007).

The second approach to creative activity is based on the definition of creative industries³. The starting point is the interrelatedness of the city and the creative industry, generating products. A Creative city is so focused on promoting and creating so called cultural product. This approach is one of the most widespread, used and implemented in the policies of cities. Target points of support are creative cultural products and services. The emphasis is placed on the draft measures and on creating favourable conditions for attracting and developing creative businesses as a source of job creation and wealth. These measures are based on the use of subsidies and tax breaks.

The last approach is based mainly on the work of Florida (2002), who in The Rise of the Creative Class defines the concept of creative class - highly skilled and innovative human resources. It follows that cities themselves become competitors in the "fight" for representatives of this class. Florida claims that they form the basis of competitiveness of the currently most dynamic contemporary urban areas. He links the idea to be creative and innovative with the ability to retain and attract new social classes equipped with knowledge and skills necessary for the creative sector which has a high share in the growth and

---

² The concept of creative cities was defined by Landry in the late 80’s.
³ Creative Industries have been defined at first by Department of Culture, Media and Sport in the UK
competitiveness of the current economy. Simply said this is a process of improving the quality of jobs as a tool to attract talent which subsequently raises the investments into companies and new businesses, employment growth, income and innovation growth.

The theoretical concepts have a direct impact on public policies creation and the exploring of relationship between creativity and local development. In the creative class approach the emphasis is put into improving the quality of jobs as a tool to attract talent. On the other side the creative industry approach tells us to create favourable conditions for creative businesses since they are a prerequisite for providing jobs and wealth growth in the locality.

*Concept of ’Creative Ecosystem’*

Another approach is the concept of creative ecosystem, which is seen as a creative environment based on assets that create socio-economic growth and development. It consists of three interrelated components: economy - creative industries, place – creative space and creative people - creative talent. This interaction is largely dependent on specific governance and institutional government structure and by their local hierarchy position and on their access to information and communication technologies - connectivity (INTELI, 2010).

In available academic studies or policy studies, however, this concept appears more in relation to the big and metropolitan cities and is often neglecting the importance and the role of small and medium-sized cities and regions. However, the INTELI study (2010) has examined the concept of creative ecosystem - his approach and tools on the example of small and medium-sized cities. Based on the analysis of case studies of creative areas 4 types of policy strategies have been identified to promote a new trend: the "physical approach", "green approach", "thematic approach", and "integrated approach".

1. Physical approach – this strategy is based on urban regeneration. The main objective is the creation of creative spaces to attract artists. This proposed strategy often follows the creation of creative neighbourhoods of old and degraded areas.

2. Green approach – this strategy uses a set of natural and symbolic amenities and also its unique cultural facilities. The aim of these strategies is to attract and retain artists and creative people. Very important factors in this type of strategy are the authenticity and identity of the territory.

3. Thematic approach – the Idea of this strategy is to select a specific segment of the cultural and creative industries and its reflection in public policy (music, dance, theatre, food, etc.).
4. Integrated approach – this strategy is built on attraction of talented people and creative industry businesses with the help of integrated tools that have impact on the social, cultural and environment.

In reality, these strategies are not implemented separately; in fact these strategies and their different instruments overlap each other. However, this systematic distinguishing of strategies is necessary to generate knowledge and information important in the decision making process.

It should be noted that there is no strategy that could be used as a pattern for other territories. In their determining and selecting It is important to relate on the initial (starting) position of the territory, its institutional organization and specific forms of governance used in these process. It is also necessary to emphasize the importance of historical tradition, the symbolic value of place and its cultural heritage. The strategy should connect tradition with innovation and the future with the past.

**Creative economy in small and medium-sized cities**

Authors are increasingly studying the relationship between small cities and the creative economy. Through case studies they seek to highlight the achievements of small communities. The fact that approximately 40% of EU population lives in small towns gives importance to their role in creative economy. We also observe a reverse flow migration from big cities to small towns mainly because of their natural and cultural capital and a higher quality of life.

Several models are examining the relationship between creativity and spatial development, which usually can be divided into two main approaches – exploring the creative industries approach and creative class approach. These approaches, however, are more suitable for examining large metropolitan cities and the creative economy. Several studies show (e.g. Andersen, 2010) that it is not appropriate to use this approach by evaluating small cities. By evaluation of small and medium-sized cities it is necessary to take into account their specific features, e.g.: territorial capital, natural and cultural amenities, rural lifestyle and quality of life. Therefore it is not appropriate apply the approaches of major cities in small ones, but public policies of the major cities should be adapted and based on conditions of the small ones.4 (Selada, 2011) Local authorities should think, plan and implement policies to promote creativity based on their own specifics, resources and assumptions.

---

4 In examining relationship between small cities and creative economy we are facing new concepts such as ‘creative countryside’ or ‘creative rural economy’
We have to note that small cities play a role in the "battle of the creative class." The ability of small cities to attract the creative class depends largely on the use of their own benefits (advantages) and the ability to provide a good quality of life. “Creative people are looking for alternative lifestyles to those prevalent in big cities, giving priority to wellbeing associated with sports, healthy food, preservation of the environment and sustainable practices, and to the sense of community and local authenticity.” (Selada, 2011) Small cities in pursuance of their amenities (e.g. geographical location, tradition, natural resources, quality of life, etc.) attract the creative class. We distinguish between natural, cultural and “symbolic” assets that are inimitable, hardly reproducible and contribute to the uniqueness of the place. Moreover, small towns offer better possibilities of community involvement, cooperation and participation in community affairs.

**Supporting creative economy in Slovakia**

Slovakia starts to do the first steps toward realizing the importance of the idea of creative economy in the policy making. Slovakia started to cooperate with the British Council on a project Creative and cultural industry economy of Slovakia. The ministry of Culture has undertaken to create a document for promotion of cultural and creative industries in Slovakia. The aim of the document should be to "create a basic ideological and legal framework – a premise for the future activities in defining the economic and legal status of the creative and cultural industries in Slovakia, in regard to fields such as copyright protection, creation of support programs and creative enterprises in the cultural and creative industries. (Chudinová, 2011) Creativity initiatives support is also the keynote of the previous government. So far only a document was approved (Východiská koncepcie na podporu kultúrneho a kreatívneho priemyslu v Slovenskej republike) constituting a background for the final intended document. According to this document it is necessary for creating conditions for development of creative industries in Slovak republic to invest in following public policy areas: political awareness, favourable conditions for development of creative industries, promotion of creative clusters, support for links between creativity and innovation.

The document does not avoid the essential aspects of the new programming period, the framework of intellectual property rights and issues of co-regulation. It considers the EU Structural Funds as an important financial resource that provides a structured inter-sector approach within the programming documents. These funds also enable to implement the already mentioned tools for developing of the creative industries.
It should also focus on effective implementation of legislation and practice. The document points out the necessity of creating judicial proceedings in matters of intellectual property rights. The concept of co-regulation allows the state to intervene if self-regulatory mechanisms fail. Such proceedings should lead to a better development of creative industries. A relevant question of correct relations between central and local government comes out. We should not forget the role of cities in supporting the development of creative industries and creative economy. Their representatives should give attention to the economy, social, environmental and culture development of the city. Other issues that should be included in development papers at regional and local level are improving the environment for business, providing lifelong learning, encouraging innovation and entrepreneurship, culture preservation, promotion of local characteristics, the balance of entrepreneurship and environment space for residents.

At the regional level in Slovak republic the issue of creative economy is mentioned only in strategy documents of Košice region. It has also a document only for the strategy of implementing the concepts of creative industry and creative economy in the public policy. This document reveals us that this region has a full awareness of the development potential (in employment rate, competitiveness and attractiveness of the Košice region) of the idea of creative economy. The strategy of the document is based on the following 5 pillars: [1] Infrastructure of creative economy, [2] The creative economy information system, [3] Human resources and employment development, [4] Marketing, promotion and Information dissemination [5] Cooperation and networking. The aim of the concept is according to the proposed measures and activities in these areas (pillars) to contribute to the dynamic development of the creative economy and creative cities in Košice region.

The document declares an effort to boost cooperation between different actors of the creative economy in Košice region and providing quality services to strengthen the creative economy, especially in cooperation with organizations founded by its regional self-government. Similar activities have not appeared in other self-governing regions of Slovakia yet.

At the local level we have observed the implementing of creative cities and creative economy concepts in 8 county seats. Only two of them stand out - Bratislava (413,192) and Košice (240,688). Both cities have, unlike the others, concepts of creative economy and creative industries incorporated into their plans of economic and social development (strategic plans of cities). Bratislava is in its document aware of the creativity as a potential source of development. It also shows the need for greater awareness of creative use of knowledge in
development. In the field of Knowledge economy we find the priority entitled “Profiling Bratislava as a City of culture and creative industries”. The measures (6) of this aim have a broad spectrum – ranging from promoting the introduction of creative industry supporting tools, through direct support of the arts and specific projects, till supporting the infrastructure (galleries, cultural centres, film clubs, etc.) but also to mention the role of popularizing and promoting the development of IT sector (attracting development activities of foreign companies, competition for young developers to support schools in the field of IT).\(^5\)

In the strategy document of Košice we can read that “cultural and creative industries are an important part of the economy”\(^6\). But the implementation of the idea of creative economy into the strategy plan in Košice has his reason – Košice applied for the title of European Capital of Culture\(^7\) for the year 2013. Košice applied for this title by realizing the project INTERFACE 2013. The mentioned project as well the event European Capital of Culture is driven by the theory of the creative class from Richard Florida which says that one of the main city objectives should be generating, attracting and retaining creative and innovative talent. Košice therefore chose a way to promote creativity, talent, knowledge, but also to regenerate public spaces and try to make it useable by citizens. For this title applied also the city of Prešov. And before the award was granted to the winner, Košice and Prešov signed a Memorandum of bilateral cooperation in preparing for the future events. Such cooperation should have an impact of both regions – Košice region and Prešov region.\(^8\)\(^9\)

Despite such cooperation and involvement of Prešov in preparing the event European Capital of Culture, surprisingly there is no mention about the concepts of creative economy, creative industries or creative city in its strategic documents.

All other regional cities are supporting various cultural events (e.g. through grants) but without pursuing economic aspects of building a creative city or the promotion of creative industries. Thus, the documents of these cities are lacking the awareness of the importance of incorporating the above mentioned terms. On the other side more and more discussions about the topic of creative economy are recognized in various organizations, association and agencies dealing with culture. This indicates that from the spatial aspect cities are the place where creativity is discussing but the self-government on itself doesn’t signifies the interest of

\(^5\) Strategy document of Bratislava (Program hospodárskeho a sociálneho rozvoja hlavného mesta SR Bratislavy na roky 2010 – 2020)
\(^6\) ibid
\(^7\) The title European Capital of Culture is awarded by the European Commission and European Parliament since 1985
\(^8\) Košice and Prešov are the capitals of two neighbouring regions in Slovakia.
\(^9\) The distance between cities Košice and Prešov is only 34 km.
incorporating the issues in their policies. This indicates that they doesn’t recognize the positive effects of such policies.

Besides these regional cities, we focused on all cities in the Bratislava region: Malacky (17,066), Senec (17289), Modra (8795), Svätý Jur (5229), Pezinok (21,263) and Stupava (9,345). First, we followed the mention of the creative economy and creative industries in their strategic documents called Plan of Economic and Social Development. In their strategy documents the using of creativity as an opportunity for their development and competitiveness isn’t explicitly mentioned. We also followed the regulations of the local self-government and the conditions of allocation of grants and subsidies – they also are formulated without realizing the positive impact of supporting the creativity as a driver of growth and development. Local grants schemes in Bratislava region are supporting activities for preserving cultural heritage and since the creative industries are closely linked to cultural industries we can observe their indirect support (supporting without knowing it).

According to the mentioned theoretical approaches to creative economy, especially the concept of creative cities it is important for the city to be able to attract creative individuals (representatives of the creative class) (Florida, 2002b) One opportunity is to achieve a more attractive and more pleasant life in the city. One of the interests of Malacky defined in its plans is to increase its attractiveness but not in order to attract creative individuals, but to seek how to increase migration to the city in order to cover the loss of reduced fertility rate.

Svätý Jur formulates its vision as following “to provide a suitable environment for the residents and visitors by using the extraordinary place and atmosphere of the mountains of Malé Karpaty, surrounding vineyards and old traditions and rich history.” It formulates 3 key areas of city development:

- Human resources
- Business support, tourism, wine and viticulture
- Infrastructure development and urban planning

A more detailed description of these objectives suggests that local self-government officials are aware of the economic impacts of increasing population particularly in productive age. Therefore Malacky focuses on creating an environment and atmosphere of pleasant live, work, leisure time and sports for both – residents and visitors. The strategy document states that "cities without the infrastructure for a quality of life become unattractive and gradually lose especially young people who are not motivated to get back after their studies." That's why the city wants to spend resources in order to create conditions for a healthy living, including culture and sport.
The second aim of the city is to create a favourable environment for existing and new businesses and to build on the near distance to the capital city of Slovakia – Bratislava. Even though most residents commute to work in Bratislava, in Malacky there are lot of local business which are providing services to citizens and visitors. The business is mainly oriented in wine and viticulture, which has a long tradition in this area. The producers have lot of joint activities, mainly in focusing on building the “Malé Karpaty wine” brand. One of the results of the joint activities is the creation of the so-called Malokarpatská Wine Route.

In addition to the viticulture, Svätý Jur lure by its natural, historical and cultural amenities. The city is surrounded by beautiful nature and vineyards; it has picturesque city square, prominent architectural landmarks, compounded by the configuration of the terrain, preserved city walls, wine cellars and many cultural sites are the attributes for tourism development. This potential is further enhanced by the proximity of the capital city of Slovakia. But the city wants to avoid becoming just a good suburb place of Bratislava used by the residents only for housing. Its ambition is to attract new residents and arouse in them a positive relationship to this place; enable them to participate and contribute to public life to build together a local community. The city policy is also build on creating the image of the city based on the history of wine-growing tradition.

Theoretical approaches draw attention to the importance of attracting new residents – representatives of the creative class or small creative industry businesses by improving the quality of life and the quality of the locality. Although the concept of creativity is not explicitly to found in the cities’ documents, the objectives and activities set in the documents are designed to make room for healthier life; also many elements are consistent with the theory of small and medium-sized cities in the creative economy. It can be concluded that they are trying to attract new residents, who would “live with the city”.

Conclusions

This paper discusses the approaches and tools that are used in the implementation of policies promoting the creative economy. More and more attention is given to the issues of creative economy; defining new categories such as creative industries and creative class. They are also associated with the place as a creative space. The presence of creative industries and creative class in the structure of local (urban) economy has an impact on the competitiveness of cities. It is the ambition of every local unit to increase their competitiveness. Therefore, the city is seen as a space for creating an environment that can absorb and attract creative industries and representatives of the creative class – the elements of urban development.
Creating favourable conditions is essential to its development. Several documents, however, give importance to regional and local levels, which play a key role in the development of creative economy. In this paper, we identify the tools and concepts that describe different approaches to urban development with a view of promotion of the creativity.

Our subject of interest was the mapping of the current situation in Slovakia in promoting creative economy. Based on the analysis of strategic documents at various levels, we found that Slovakia is just at the beginning of putting the idea into public policies. Only the self-government of Košice region has worked out a document of the importance of the creative economy in its development. At the local level only 2 of 8 county seats put the concept of creativity into their strategy documents. There is still missing a document at the national level which would present the motivation of implementing of the concepts into public policies.

Since the higher levels lack such documents it is likely to understand that the lower levels will not pay attention to it as well. By examination of the 6 cities of Bratislava region, we concluded that most of them do not have a direct instrument whose purpose would be to use the concepts of creative industries and creative cities in their development and improving competitiveness. Clear exceptions become small cities that show the ability to capture the recent trends in regional and local development without following national and regional documents. Such a city in Bratislava region is Svatý Jur. His policy making approach follows the theory of the role of small and medium-sized cities in the creative economy.

But the fact that creative industries are becoming an integral part of the economy remains. It is therefore necessary to pay attention to them; to create favourable preconditions, to remove obstacles and to make decisions that will facilitate their further development. This is the role of the representatives of cities, regions and states.

„This work was supported by the Slovak Research and Development Agency under the contract No. APVV-0101-10“.

References
2. COMUNIAN, R.: Rethinking the Creative City: The role of Complexity, Networks and Interactions in the Urban Creative Economy, Urban Studies, September 2010, [online]. Available at: <http://usj.sagepub.com/content/48/6/1157> [quote 2012-01-10]

4. *Creative Industries Mapping Document*, 1998, Department of Culture, Media and Sport, United Kingdom

5. *Creative Industries Mapping Document*, 2001, Department of Culture, Media and Sport, United Kingdom


25. WAITT, G., Gibson, Ch.: *Creative Small Cities: Rethinking the Creative Economy in Place*, Urban Studies, May 2009

