

INTERLINKS OF CULTURAL AND CREATIVE ECONOMIES THROUGH CREATIVE PRODUCTS AND SERVICES

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Abstract. The paper focuses on contemporary creative cultural economy concepts and presents formation background and confrontational points of view discussed by variety of authors. The scope of the creative economy is determined by creative industries exponent. If culture is perceptible in the anthropological or functional sense, one might use the concept of the cultural product. An alternative definition of creative products and services originates from a created value type: one might say these products and services, no matter what commercial value they would obtain, together hold a cultural value which financially cannot be evaluated to the final point. It means different types of cultural activities and products or services produced are evaluated both by producers and consumers due to social and cultural reasons which add or exceed purely economic evaluation. For example, aesthetical value or community identity is hardly measured and interspersed into traditional evaluation characteristics. Cultural value is designated and is perceived as an observed characteristic whereas cultural products and services could be equalized with other product types.

Keywords: creative economy, cultural economy, creative industries, cultural industries, creative products, creative services.

Introduction

The scope of the creative economy is determined by creative industries exponent. A definition and general understanding of the creative industries varies by different countries, cultures, theoretical approaches, national strategies, representatives of governmental and business organizations. There exist neither the single definition and conception of the creative industries, nor systematic evaluation criteria covering objectives of the creative economy. Until now a tough discussion is going on whether creative industries cover art sectors only or penetrate into science as well. Quite often some ideas of cultural and creative industries are addled, although sometimes both terms are used synonymously. A reference element discussing cultural and creative industries is their created and produced products and services.

If culture is perceptible in the anthropological or functional sense, one might use the concept of the cultural product. According to *Creative Economy Report (2010)*, cultural products and services such as art pieces, music concerts, literature, films, television programs, as well as video games have such exclusive features: (a) their production demands special attempts of individual creativity; (b) a symbolic message is transferred to that message users, which means a particular message surpasses its practical use as much as it is extra use for broader communication

purposes; (c) leastwise potentially it covers particular intellectual property which might be dedicated to individual or a group producing that product or service.

An alternative definition of creative products and services originates from a created value type: one might say these products and services, no matter what commercial value they would obtain, together hold a cultural value which financially cannot be evaluated to the final point. It means different types of cultural activities and products or services produced are evaluated both by producers and consumers due to social and cultural reasons which add or exceed purely economic evaluation. For example, aesthetical value or community identity is hardly measured and interspersed into traditional evaluation characteristics. One might say that a cultural value is designated and is perceived as an observed characteristic whereas cultural products and services could be equalized with other product types.

According to mentioned above it would be logical to describe cultural products and services as a group of a wider category of products and services which is named creative products and services. Such notions cover man-made products production of which requires particular or might be called “higher” level of creativity. The creative group in its category is much wider than cultural group

because, according to *Creative Economy Report* (2010) it encompasses such products as fashion or software. These are considered the pure commercial products but require “higher” level of creativity.

Such segregation of cultural and creative products and services endues the cause for cultural and creative industries separation and these issues are discussed in the following sections.

Cultural industries: transition in cultures

A term *Cultural industries* has appeared in a post- World War II environment as a rigid critic of mass entertainment, it was expressed by representatives of Frankfurt school. One of them – Theodor Adorno (1991: 98, orig. 1972) who together with Max Horkheimer in 1947 in their book *Dialectic of Enlightenment* for the first time have mentioned a term *cultural industry* seeking for precise definition of mass culture. According to Adorno and Horkheimer (2002: 104, orig. 1987), nowadays an aesthetical barbarism ruins the formation of the intellectual culture, even worse – everything is just neutralized in a narrow statement, i.e. cultural industry. A little later similar ideas were developed by Herbert Marcuse (2002: 60, orig. 1964) who stated that what is happening now cannot be described as scuff of the higher culture or transition to mass culture, it is total rejection of higher culture stipulated by the reality. At the same time a term *cultural industries* was dedicated to outrage; it was argued that culture and industry are opposite poles, the term itself was used in polemic against modern cultural life restraints. Later the term was used to express contempt for popular newspapers, films, magazines, and mass music.

Even nowadays culture and industry are perceived as different. Often a term *cultural industries* awakes deep thinking about opposite issues as elite culture versus mass culture, etc. In general, a fact that cultural industries are industry fields producing cultural products and services is accepted more often.

UNESCO provides with understanding of cultural industries as industry fields “uniting naturally nonmaterial cultural content creation, production, and commercialization. The copyright on this creative content is usually protected, and the content itself might materialize to product or service form” (UNESCO 2010). According to UNESCO, it is important that cultural industries “perform central role in encouraging and supporting cultural variety and ensuring democratic right to consume the culture” (UNESCO 2010). This twofold nature connecting cultural and economic aspects endues distinctive profile to cultural industries.

According to Hesmondhalgh (2007: 124), France has one of the most purified understanding of cultural industries, this country forms ambitious communication strategy and programs and in this case is leading and surpassing the United Kingdom since the eighties. In France cultural industries recently are defined as economic activities connecting cultural conception, creation and production functions with more industrial mass cultural product production and commercialization. Such perception is linked to the wider explanation of the cultural industries comparing to traditional cultural sector idea.

Cultural economy: cultural products

Cultural economy is an objective of economics related to cultural outputs. Research area covers economic value which is created by culture, its products and services. Cultural economy covers such research areas as religion, ideology, social norms, social hate, identity, culture of economics, literature and arts economics. The main research question is held – how ideas and behaviour spread among people and form social networks and such processes as learning, social evolution and information cascades studies by Bikhchandani *et al.* (1992: 992), who have stated that “information cascades form when a person watching actions of leaders follows behind without any relation to personal experience and present information”. Studies of cultural economy include such methods as case study, cultural penetration to social groups, theoretical and empirical modelling. A term *cultural economy* is more known to European and Latin American countries. Many researchers, politicians and businessmen use a term *cultural economy* to express economic aspects of cultural politics. Besides this, many artists and intellectuals feel discomfort when discussing cultural industries and cultural economy in the ambience of market and business. Cultural economics is an application of economic analysis to different creation, stage arts, heritage, cultural industries managed in public and private sectors. It is related to cultural economy sector organizations, producers, consumers and governmental ratio. The discipline of the cultural economy covers radical, neoclassical and wealth economies, public policy and viewpoints of institutional economy spheres. One of the most significant theoreticians of the cultural economy John Fiske (1992) in his essay *The Cultural Economy of Fandom* states that “popular auditoriums engage with different level semiotic binding from which there appears significance and delight which fine fit the social situation appearing from product created by cultural economy” (Fiske 1992: 30). Recently co-authors Helmut Anheier and Yudhishtir Isar

have published a trilogy *The Cultures and Globalization Series* (2007, 2008, 2010) where they analyze a dynamic changing relationship when economy becomes a part of the economic change, and when that change happens natural conditions of culture also change. Authors express their critical view when analyzing cultural economy from different perspectives as: (a) cultural products and services with economic globalization patterns; (b) trade capital and aesthetics of cultural economy; (c) present and starting organizational forms covering investment, production, distribution, and consuming of creative products and services; (d) complex relation between creators, producers, and culture consumers; (e) governmental politics implications in globalized culture economy environment.

Anheier and Isar (2008) empirically predicate their research on how cultural industries interact with rules dictated by globalization, one of the most important rules – culture cannot be separated from economy; it is a queen of nowadays export and the crown advantages almost have not been exploited yet. Gavin Jack (2002) states, that creative economy itself has particular features and in the market acts according to well prepared scenario with main leitmotifs as follows: (a) widely perceived post-structuralist creative economy form where duality of culture and economy merge; (b) becoming popular “culturization” idea which is based on changing relation narratives of culture and economy of the epoch (Jack 2002: 266).

This paper is based on cultural economy discipline principles and the goal is to go deeper into dynamics of creativity and its interaction with world economy including multidisciplinary aspect where culture economy interacts with policies of technology and trade.

Creative industries: complex of creative features

The term *creative industries* varies in the geographical and cultural area very much. This term is recently developed in various fields and environment. It might date to the year 1994 when a manifest *Creative Nation* was declared. The idea went to the United Kingdom where strategy builders of the creative industries broadcasted it in 1997 when government together with Department of Media, Culture and Sports (herein – DMCS) have established *Special Committee for Creative Industries*. It should be marked that a term *creative industries* since then have changed and broadened the scope of the creative industries out of the sphere of arts and have come to potentially commercial activities which were mostly discussed in commercial activities and economy language. *Creative Nation* (1994) states that without common politics it is impossible to cherish creati-

vity and creative nation to preserve the creative identity. In several years following steps in the United Kingdom worldwide practice of the creative industries has been formed but even until nowadays the term and objective is differently perceived in research, government policy and businessmen environment. The latter reacting to market change, observing competitors, encourage the consideration of politicians and social environment. Lash and Urry (1994: 117) have proposed one of the first determinants of creative industries while saying that “every sector of the creative industries has peculiar irreplaceable feature which is related to financial exchange for intellectual property right”. According to DCMS (2011), creative industries are these industries which originate from individual creativity result and encompass skills, talent, and create potential of stimulating labour and wealth, which is tied to exploitation of intellectual property. This standard definition leads to guidelines that according to DCMS might encompass sectors of creative industries: advertisements, architecture, arts and antiques, computer games, crafts, designer fashion, films and video, music, stage arts, publishing, software, television and radio. According to *UK Local Government Association* (2011), cultural and creative industries have always been important to Great Britain as the source of ideas and inspiration, but during recent years has obtained a special economic value besides other values. These changes led to knowledge orientation – knowledge production, application, sharing and analysis became a valuable part of economy and cause of country wealth development. Significant growth was observed in labour places’ turn to knowledge- based economy. This term covers high and medium high technologies production, services (communication, computer services, research and development), financial and business services, cultural and creative industries, education and health. As an example in Great Britain during the decade between 1995 and 2005 twelve new labour places were classified as knowledge economy sector labour places, at the same time one labour place was classified in other industries. An example of Great Britain is unique both in Europe and the World. Strategy created and developed by the country created added value to economy and provided with stunning results until economic crisis which started in 2008. It is worth mentioning that creative industries sectors were least effected by financial crisis during recent years. Figure 1 presents a scheme of creative industries effect on country economy.

Local economies were much affected by cultural and creative industries as one of the most important parts of knowledge- based economy. Effect was observed in national and local wealth creation process. Investment in

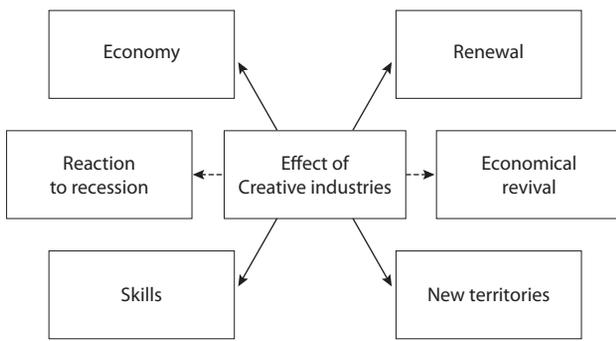


Fig. 1. Scheme of creative industries effect on country's economy (adapted from: *UK Local Government Association* 2011)

creative industries benefits covers such areas (*UK Local Government Association* 2011): (1) Productivity. Between 1997 and 2006 UK creative industries GVA annual growth was 4% when country economy growth was 3%; (2) Labour places. Employment in creative industries sector between 1997 and 2007 was twice the annual country average – it grew by 2% a year compared to 1% of the whole country employment. An attractive issue is that, for example, festivals organized in country periphery generate temporary income and attract both local and foreign tourists; (3) Innovation. Innovations create new markets, growth of productivity, encourage work effectiveness and efficiency. Creative industries are considered as important source of innovations. Creative enterprises easily soak up innovations and stimulate innovations among other enterprises as suppliers, partners, etc.; (4) Revival. Creative industries keep potential to contribute to the physical, social renewal, also community gatherings. Project orientated creative industries activities propagate community-based environment; (5) New territories. Creative industries promote life quality improvement and make some territories more attractive to investors. Situation is positive to both cities and periphery areas.

Investment in creative industries generate ideas how to create a better life quality which is challenging of course but generates benefits to the society. One might say that creation of creative industries strategy is national interest of highest authorities, and realization and development efficiency – interest and responsibility of local authorities and communities.

Creative economy: phenomenon of creativity integration

There exist different types of classifications of creative industries (Fig. 2), but scientists, politicians and practitioners agree that creative industries are the core of creative econo-

my. A problem became topical in 2001 when US professor John Howkins has developed a theory of relation between creativity and economy. Creative economy is a process and covers activities of creative industries. According to Howkins (2007), neither creativity nor economy is new, but new is their interrelation, origin, and scope how these two unify and create exclusive value and wealth. Howkins provides a wide understanding of creative economy which is related to fifteen creative industries from arts to wider spheres of science and technologies. According to Howkins's calculation in 2000, creative economy was worth 2.2 trillion US dollars and had 5% of annual growth. As Howkins explains, there exist two types of creativity: related to humans creativity as individual self-satisfaction and creativity creating products. First type of creativity is universal human characteristics apparent in all societies and cultures. The other type of creativity is more often in industrial societies where novelties, science and technological innovations as well as intellectual property rights are more qualified.

Perception of creative economy is still developing; the understanding of creative economy varies and evolves in different countries and regions. However, creative industries groups develop and their common interaction becomes stronger in various countries and internationally. One of the most comprehensive determinants how creative industries are related with creative economy is presented by Hartley (2005). According to him, the most important part of creative economy belongs to creative industries which are coalescence of concepts and practices and encompass environments of creative arts (individual talent), cultural industries (masses), new media technologies, knowledge society, interactivity citizens-consumers (Hartley 2005).

One of the most significant formations of creative economy determination was made by UNCTAD. Developing countries have recently acknowledged importance of creative industries development. San Paulo treaty accepted in the 11th UNCTAD conference was crucial, later on UNCTAD has developed and was focused on analysis oriented to own strategy creation and has accentuated four main propositions for creative economy research (*Creative Economy Report* 2008): (1) to reconcile national cultural objectives with technological and international trade policies; (2) to analyze and deal with the asymmetries inhibiting the growth of creative industries in developing countries; (3) to reinforce the so-called "creative nexus" between investment, technology, entrepreneurship and trade; and (4) to identify innovative policy responses for enhancing the creative economy for development gains.

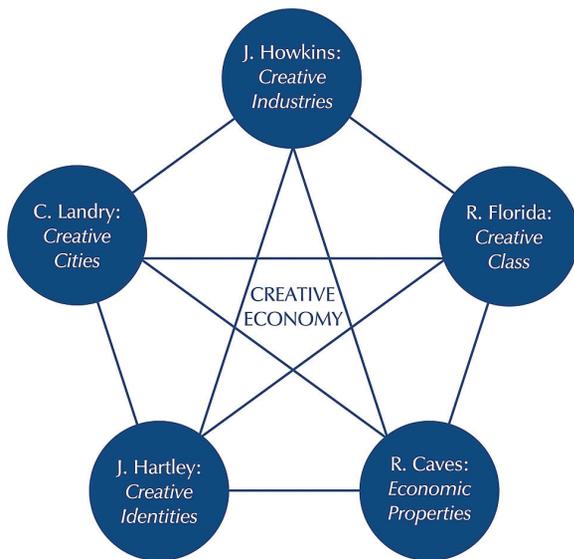


Fig. 2. Pentagon of creative economy (Levickaitė, Reimeris 2011)

UNCTAD definition of the creative economy (*Creative Economy Report* 2010): (1) it can foster income generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development; (2) it embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives; (3) it is a set of knowledge-based economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy; (4) it is a feasible development option calling for innovative, multidisciplinary policy responses and inter-ministerial action; (5) the creative industries are at the heart of the creative economy.

Conclusions

As one can observe, determination of creative economy has developed in several directions during the recent decade. The concept has appeared as a pattern to note the role of creativity (as a factor of contemporary economic life) materializing proposition that economic and cultural development is not a non-coherent phenomenon, but a part of consonant development process when economic and cultural growth is evolving herewith. An idea of creative economy in the developing world focuses on creative capital, rich cultural resources, existing in all cultures. While exploiting these recourses, creative industries enable countries to cognize own heritage, define unique cultural identity, also provides with the fount of economic growth, opportunities to establish new labour places, react to globalized world challenges. Creative economy encourages social involvement, cultural variety, and social evolution of mankind.

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KŪLTŪROS IR KŪRYBOS EKONOMIKŲ SAŠAJOS PER KŪRYBINIUS PRODUKTUS IR PASLAUGAS

R. Levickaitė

Santrauka

Straipsnyje pateikiamos šiuolaikinės kultūros ir kūrybos ekonomikos koncepcijos, nurodomos susiformavimo prielaidos ir konfrontuojantys autorių požiūriai. Kūrybos ekonomikos apimtyms nustatomos pagal kūrybinių industrijų rodiklius. Kai pati kultūra suprantama antropologine arba funkcine prasme, galima varuoti kultūrinių produktų sąvoką. Alternatyvus arba papildomas kultūrinių produktų ir paslaugų apibrėžimas kyla iš jų įkūnijamo arba kuriamo vertės tipo, t. y. galima sakyti, kad šie produktai ir paslaugos, kad ir kokią komercinę vertę įgytų, papildomai turi kultūrinę vertę, kurios neįmanoma iki galo įvertinti pinigais. Kitaip tariant, įvairių rūšių kultūrinė veikla ir ją vykdant sukurtos prekės ir paslaugos yra vertinamos – ir jos gamintojų, ir jos vartotojų – dėl socialinių ir kultūrinių priežasčių, kurios tikriausiai papildo ar viršija grynai ekonominį įvertinimą. Tai gali būti estetiniai svarstymai arba veiklos įnašas į bendruomenės kultūrinės tapatybės supratimą. Jei taptų įmanoma nustatyti tokią kultūrinę vertę, ja būtų galima pasinaudoti kaip stebima charakteristika, kurią taikant išskirti kultūriniai produktai ir paslaugos būtų lyginamos su kitais produktų tipais.

Reikšminiai žodžiai: kūrybos ekonomika, kultūros ekonomika, kūrybinės industrijos, kultūrinės industrijos, kūrybiniai produktai, kūrybinės paslaugos.