

Creative Industries and European Capital of Culture

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Abstract

The paper highlights the link between the European Capital of Culture designation and the development of creative industries. Although core of the political documents related to ECoC emphasize the role of cultural investments as tool to stimulate business activity in broader creative industries, there are several studies which provided research in this area and reach conclusion about much smaller impacts of ECoC on development of creative industries. One of the key elements in the debate about the benefits of ECoC designation are the expectations, that it will result in an increased level of activity within cultural and creative industries, which can bring economic benefits to the hosting cities. In 2013 the award was held by the Slovak city Košice. The case study of Košice ECoC 2013 analyses the specifications of the creative class as the visitors to cultural events in the city. It shows that the creative class attended more often the ECoC events and are more opened to new forms of culture.

Key words: Cultural and creative industries, European Capital of Culture, creative class

JEL Classification: R 1, R 58, O 18

1 Introduction

Since 1985 the European capitals of culture (ECoC) have formed a group of almost 50 European cities. The concept of the designation has changed from the primary concept of highlighting already existing centres of European cultural heritage (e.g. Florence, Athens) to the designation of new and smaller cultural places in Europe (e.g. Turku, Sibiu). Although ECoC started as a short-term cultural festival, it has developed into a year-long event aimed not only at strengthening the cultural dimension of a city, but also to regenerate the urban space. The practise and evaluation studies show, that the ECoC is much more than a tool of European cultural policy. Some of ECoCs have successfully used the designation as a way to urban regeneration. The most cited examples are the ECoCs from United Kingdom - Glasgow (ECoC 1990) or Liverpool (ECoC 2008), presenting the old industrial cities which have been able to transform and regenerate through cultural activities and also to generate considerable cultural, social and economic benefits. Development of cultural infrastructure and implementation of cultural policies during ECoC year was associated in hosting cities with increasing activity of creative industries. The linkage between culture and creativity seems to be clear and so there is strong assumption about the role of ECoC in promotion and expansion of creative industries. Since 2009, the EU has annually celebrated at least two ECoCs, one from old EU member states and one from the new ones. In 2013, the European Capital of Culture (ECoC) award was held by a city in the Slovakia for the first time. Košice were designated together with the French city Marseilles.

The paper highlights the link between the European Capital of Culture designation and the development of creative industries. The case study of Košice ECoC 2013 analyses the specifications of the creative class as the visitors to cultural events in the city. The primary research data on the city consists of evaluation project in the city before and during the ECoC year conducted by the authors. There are several questions to be answered in the paper: What is the connection between the ECoC activities and development of the creative industries in the city? Are there any differences in the perceptions of the Košice ECoC 2013 by cultural and creative employees (CCE) and other people?

2 Creativity and the European Capital of Culture

There exist several studies which investigate the link between development of creative industries and ECoC designation in local development (e.g. Jones, Wilks-Heeg, 2004; Campbell, 2011; Impact 08, 2009).

Griffiths (2006) compared incentives of the British cities (Liverpool, Cardiff, Bristol), which were bidding for the 2008 ECoC award. The motivations and objectives of ECoC nomination have varied from city to city. In general the main concern of the host cities has been to gain the economic benefits associated with increased numbers of visitors, image enhancement, urban revitalization and expansion of the creative industries. Within these economic motives is the economic importance of the cultural and creative industries that is played up, rather than that of tourism and visitors. (Griffiths 2006, p. 427).

Designated cities used to elaborate their following strategies of cultural policy after ECoC year using frequently the term creative industries. For instance Campbell (2011) argued that Liverpool's 2008 Cultural Strategy has been influenced by the Florida's thinking and indeed have many other cities seeking to get economic value from culture and creativity.

Florida's creative class approach focuses on the occupation and characteristics of people (workers). The creative class consists of people who add economic value through their creativity (Florida, 2004). According Florida (2004) the Creative Class consists of the Super Creative Core and Creative Professionals. The Super Creative Core includes scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, filmmakers, designers and architects, writers, editors, think-tank researchers, analysts and other opinion -makers. Creative Professionals are working in a wide range of knowledge-intensive industries such as high -tech sectors, financial services, the legal and health care professions and business management.

The distinction between creative and cultural industries has explained The Work Foundation (WF, 2007) in the circular model, where in the centre are the core creative fields (traditional art forms, the writing of computer software etc.), next circle out the cultural industries (music or film industries) and next circle out the creative industries (e.g. architecture and fashion). So it is not possible to draw line between cultural and creative, these two areas are described as "highly porous with increasing collaboration and interdependencies". (WF, 2007)

Campbell (2011) stated that "the reason Florida's thesis is of key importance in considering the links between ECoC and creative industries growth is his characterization of every aspect and

every manifestation of creativity as interlinked and inseparable”. From such a point of view the creativity in art and culture is the same process of creation something unique as the process of innovation and technological advance in the business. Inseparability means that an intervention in one “creative area” will lead to action in other creative areas. These are the roots of the standpoint, that investments into cultural activities have potential to stimulate entrepreneurship and business formation in local creative industries. But does it really work?

According results from research study Impact 08 Liverpool’s Creative Industries: understanding the impact of the Liverpool European Capital of Culture on the city regions creative industries (2009) the size of the creative industries sector in Liverpool has grown with the total number of enterprises increasing by 10% and the total employment by 14% in the period between 2006 – 2008. These figures seem to be quite big, but in reality it is increase just around 1000 workers in the creative industries in the year in Liverpool with circa 466 000 inhabitants. According to final report (Impact 08: Creating an impact: Liverpool’s experience as European Capital of Culture, 2010) in 2008 there were 1,683 creative industry enterprises in Liverpool employing 10,987 employees, around 3 to 4 % of the overall workforce. This represents a growth of 8% in the number of enterprises over the 2004-2008 periods. Liverpool and Merseyside have a smaller creative industry base per capita than the UK average. Analysis indicates however that the Liverpool city region has a sustained base of creative industries enterprises and that the area is considered a viable context for new start-up businesses. (Impact 08, 2010)

Campbell (2011) argued critically that the research carried out by Impact 08 found that over period 1998-2008 there has been no significant relative increase in the level of employment in the creative industries in the local economy. He investigated using qualitative research methods (in-depth interviews) if there were another impacts on creative industries for example as observably changes in clients base, local business practise, cultural practise etc. His findings are in coherence with findings conducted in Impact 08 (2009). The people from creative class didn’t stated any specific effect in terms of creative industries. As main impact which the ECoC process may have had on their business was a general improved external image of Liverpool.

According Impact (2008, p.37) “the sector felt that the Liverpool ECoC had improved the ‘local morale’ of the sector in the city region, as well as helping to increase the credibility of Liverpool city region’s creative industries offer. The sector also felt that, particularly around marketing and profile raising activity, the Liverpool ECoC had focussed on the ‘cultural’ and ‘tourism’ offers, but that this did not necessarily extend to creative industries.”

Notwithstanding the reports from Glasgow for example in the study European Cities and Capitals of Culture (Palmer/Rae Associates, 2004, p.167) proclaimed that “over the 1990s, there was a very significant increase in jobs within the cultural and creative industries including music production, film production, book publishing and design trades.” The direct economic effects are linked to the transformed Glasgow’s image with help of ECoC and its increasing attractiveness as a business centre. There were assumed positive ECOC effects on Glasgow’s economic regeneration.

Anyway the research in the field of economic impacts of ECoC title is still less developed. (Palmer/Rae Associates, 2004). There are just assumptions often cited in bidding and strategic documents, which weren’t confirmed in research analyses. There is a lack of particular figures

mapping the economic activities in creative and cultural industries and so the evaluation of the relationship between ECoC and beneficial growth within the creative industries should be more analysed.

3 Creative Industries in Košice

There are several studies about creative industries in Slovakia e.g. Reháč, Šipikal (2012). Blahovec, Hudec (2012) published the employment analyses of the creative class in Slovak the regions in period between 2001 - 2010.

According to their results the Bratislava region is the dominant one in the overall performance and also in the increase of the ratio of the super-creative core class in comparison with other seven self-governing regions.

The Košice region performed well due to its provincial status. It is not comparable to capital city. Capital cities are usually the national holders of business activity and movers in field of creativity and innovations (e.g. London, Paris, Roma...). The creativity sector in Košice performed on the second place compared to other six regions. It is valuable that Košice are on the second position in the development of the super-creative core class, too. This position is influenced mainly by the rapid increase of the ICT industry in last years. Since 2005 major international companies have established their branches such as NESS KDC (2005), T-Systems (2006), RWE IT (2004) etc. Another tendency seems to be greater activity of local IT firms, especially young innovative start-ups.

The total employment of the creative class is represented by the ratio of employees of the super-creative core and creative professionals to the overall employment. In 2001 – 2008 the Košice region has reached the similar increase in employment of the super-creative core of 27.83% (2,801 employees) as the Bratislava region. The largest job growth was in the sector of other business activities of 37.33%, and computer and related activities (an increase of 30.9%). (Blahovec, Hudec 2012). The total share of the super-creative core class in Košice region was around 8% of all employments in 2008. Nowadays we assume even greater numbers because of expansion of biggest IT firms in the city (e.g. T-Systems hired around 1000 workers since 2008). From the point of creative and cultural industries (CCI) in total the Košice region performed above-average in the following CCIs: software, computer and video games (3,065 employees) and crafts (3,248 employees). High employment in crafts is due to the high employment in the metalworking industry in creative positions. (Blahovec, Hudec, 2012)

In our research we investigated the participation of the creative class at the ECoC events. We focused on the significant differences in their perception of culture in the city and ECoC project and its impact.

KOŠICE EUROPEAN CAPITAL OF CULTURE 2013

Košice, the second largest city in Slovakia with around 250 thousand inhabitants, was designated for the title ECoC in 2008. The message of the winning project was named “Interface” and was based on the idea of using “the city as an interface” (communication platform) between new forms of culture and its citizens and visitors. (Project Košice Interface 2013)

The encouragement of cultural tourists and local culture providers should ensure the projects based on the regeneration of public spaces. More than 70 million EUR was dedicated to 18 infrastructural projects focused on the reconstruction or development of new cultural infrastructure. The core investments were spent on building new cultural infrastructure in the KulturPark, Kunsthalle and reconstruction of city parks. The biggest investment, more than 20 million EUR, was dedicated to the reconstruction of an old army barracks into a new modern laboratory of living culture program (KulturPark). Another key project was the rebuilding of the old, deteriorating swimming pool into a modern exhibition place "Kunsthalle". Finally, there has been the reconstruction of the three city parks around the city centre. The main idea was to create open air public spaces for culture presentations. The popular project which used an innovative design of public space was the SPOTS (acronym for cultural points in the neighbourhoods) project. The aim of the project was the decentralization of culture from the city centre to suburban areas. It entailed the reconstruction of 5 former heat exchange stations, built in the 60s and 70s, into small local cultural centres in residential areas of the city.

4 Creative Class on the ECoC Events

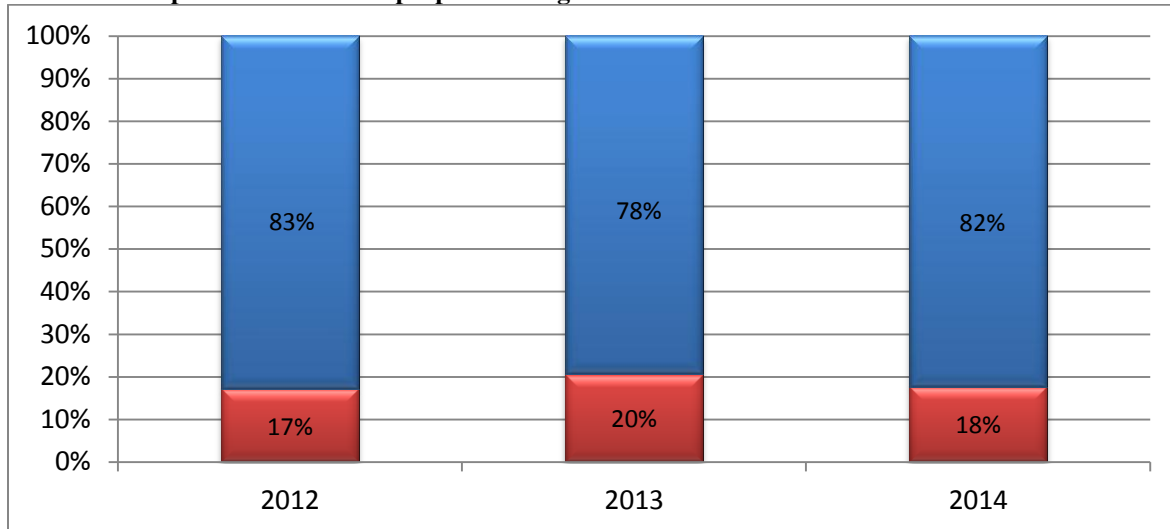
RESEARCH METHODOLOGY

The gathering of primary data was based on the methodology developed by the European policy group for the ECoC projects evaluation. The authors of this paper are directly involved in the evaluating process of the ECoC which started in 2012 (one year before the ECoC year) with data collection for a base line description. The evaluation was going to continue until the end of 2014 (one year after the ECoC year). The main preliminary findings of the evaluation process have been summarized in the report published by Hudec, Džupka, Šebová (2014).

Two types of questionnaires were used in the primary research: event questionnaires and stationary questionnaires. The event questionnaires were collected at selected cultural events organized under the Košice ECoC project during 2012, 2013, 2014. The aim of these questionnaires was to estimate the socio-economic structure of the event audience, to evaluate the visitors' satisfaction and also to collect information about visitors' expenditure to evaluate the economic impact of the event. The stationary questionnaires were collected in 10 different places within the city (including city suburbs) in several time periods (almost every month). Passers-by were asked to fill in the detailed questionnaire about their interests, satisfaction, opinions and expectations related to the ECoC, cultural transformation of the city and city image. In the period 2012 -2014 were collected in total 4607 questionnaires.

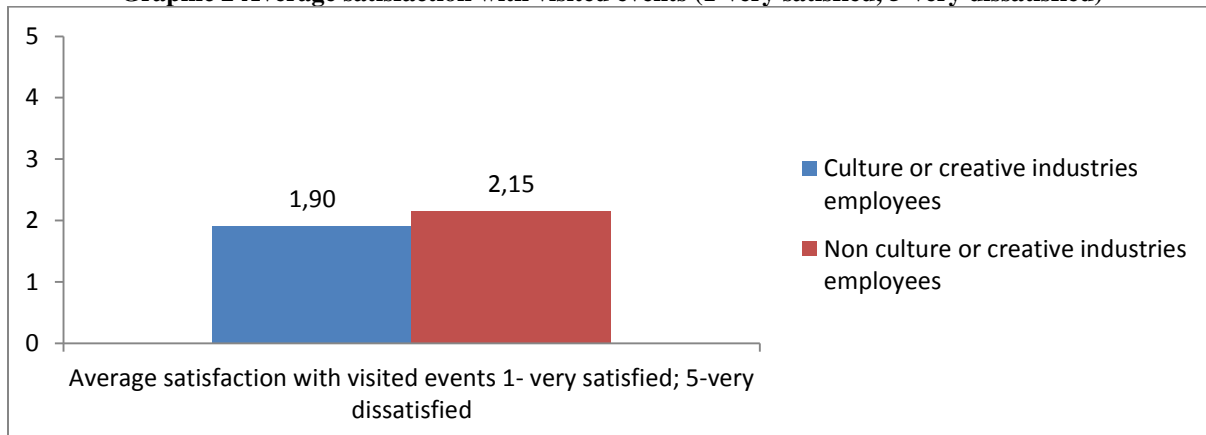
The case study provides the insight into the creative sector's perceptions over time of the impacts and activities of Košice as European Capital of Culture 2013.

During 2012 - 2014 visitors of selected ECoC events were analysed through the questionnaire survey. Among basic respondent identification questions, respondents were also asked to answer question whether they work in cultural or creative industries? (art, fashion, design, advertising,...). Interviewers were trained to explain to the respondents' the details about cultural and creative industries. According to this research 17% of visitors of ECoC events in 2012 worked in culture or creative industry. This share increased in 2013, when 20% of visitors of ECoC events in 2013 stated they are working in cultural or creative industry, in 2014 it was 18%.

Graphic 1 The share of people working in cultural or creative industries 2012-2014

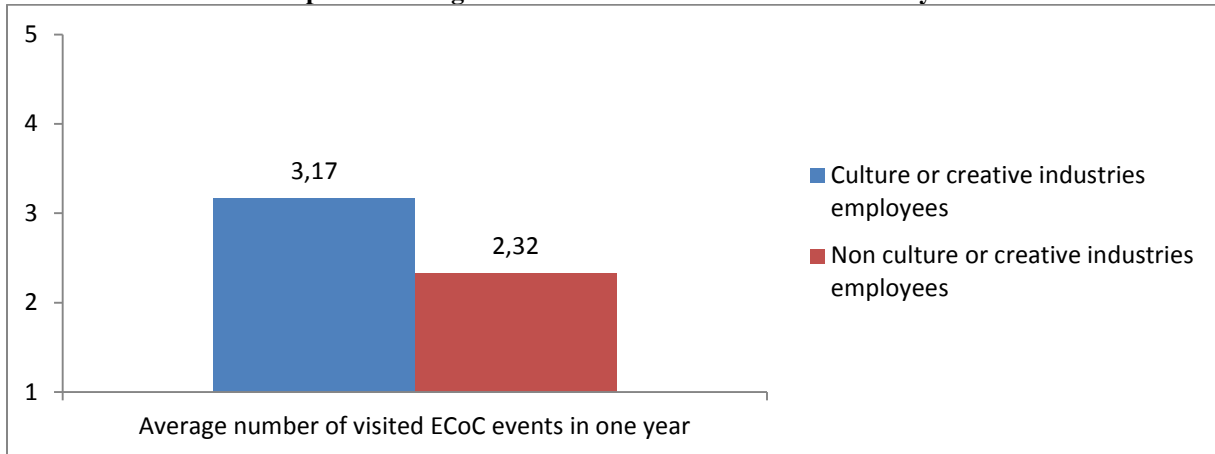
Source: own research

When the differences of answers between respondents working and not working in cultural and creative industries were analysed, some differences were discovered. For example, respondents were asked to evaluate the quality of visited event on scale 1 - very satisfied to 5- very dissatisfied. Based on this evaluation the satisfaction with different types of cultural events was evaluated. As can be seen on following graph cultural and creative employees (CCE) are in general more satisfied with the quality of visited events, than respondents not working in cultural and creative industries. This is interesting, because the CCE have usually higher demand on quality of presented culture or art than others. Next possible explanation of this is that the Košice ECoC program was more focused on more discerning viewer, and misunderstanding of the idea the event could be evaluated by the respondent by worse mark.

Graphic 2 Average satisfaction with visited events (1-very satisfied, 5-very dissatisfied)

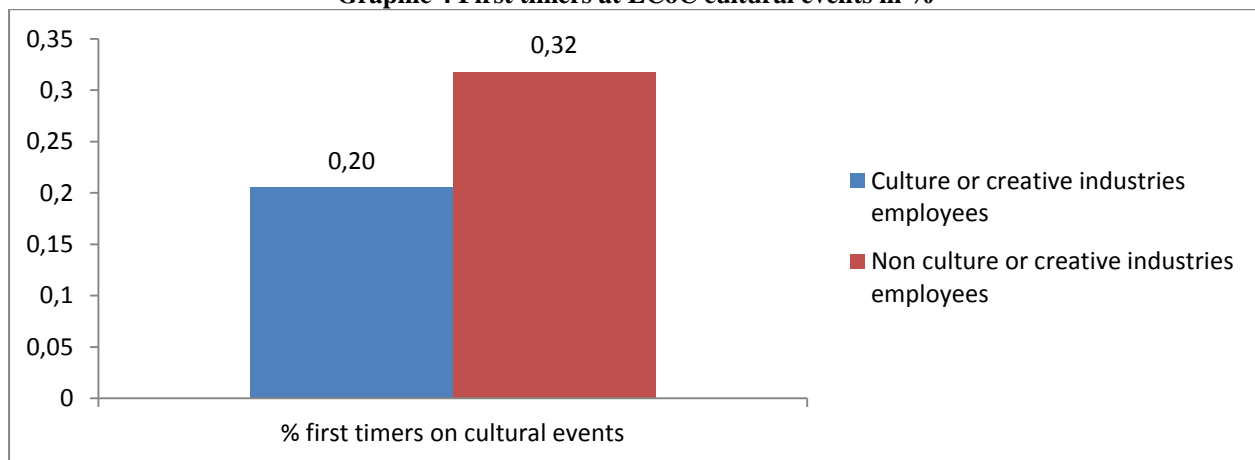
Source: own research

CCE are also more active in participation on cultural events. This can be clearly seen from following graphics. CCE have visited in average nearly than 3,2 ECoC events per year and non CCE only 2.3 events.

Graphic 3 Average number of visited ECoC events in one year

Source: own research

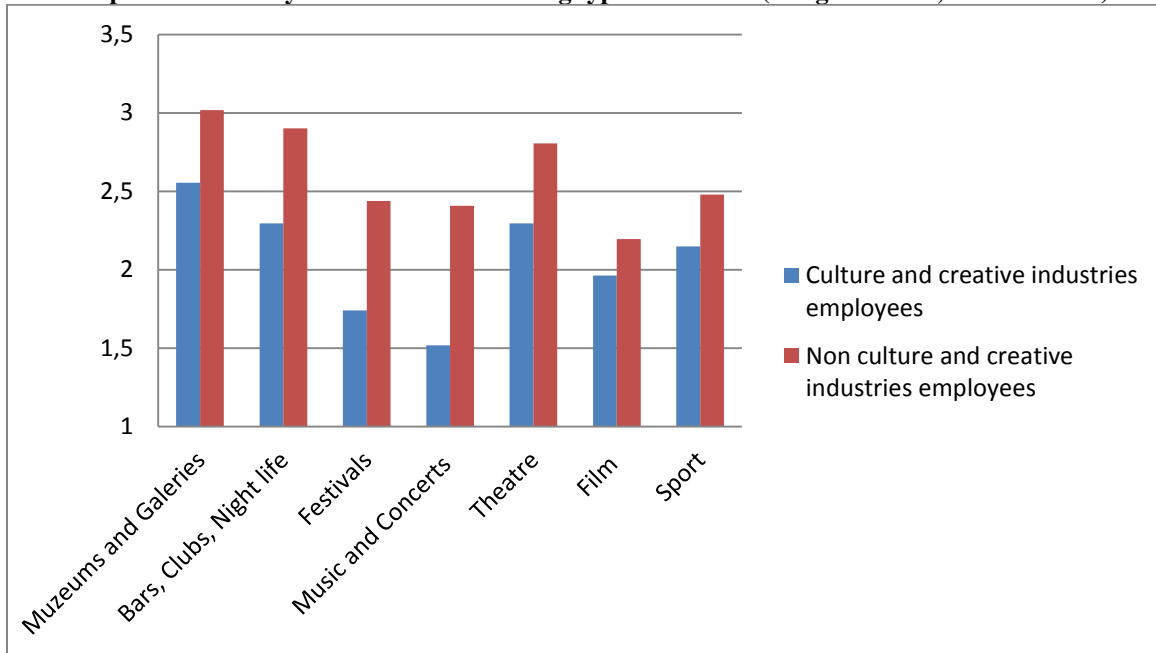
Number of first-timers on ECoC events is lower in CCE group, because these people visited regularly ECoC activities since their beginning. This can be seen on graph 3.

Graphic 4 First timers at ECoC cultural events in %

Source: own research

The assumption about higher “cultural ctivity” of CCE is seen also by analysing plans about visiting future ECoC events in Košice. Nearly 60% of respondent from CCE group definitely plans to visit more ECoC events comparing to 43% in rest of the respondents. These preferences of CCE apply more developed social aspects of local milieu. In this point of view and according to Florida’s concept the vibrant cultural life in the city could attract the people from creative industry.

Next difference between CCE and non CCE was observed in the question about preferred type of culture. Respondents were asked to evaluate, how are they interested in different types of culture by using the scale 1 – high interest to 5 – no interest.

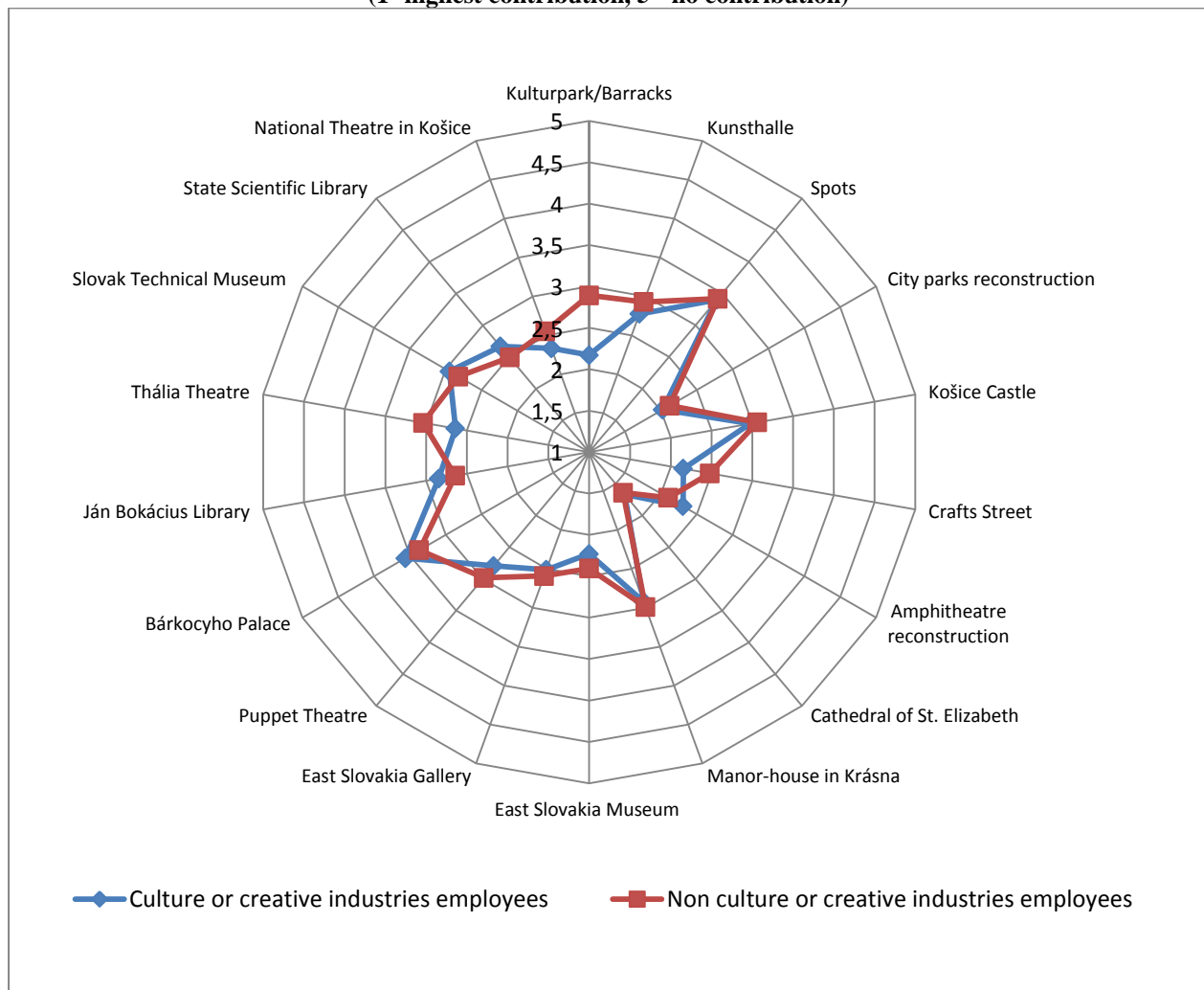
Graphic 5 Indicate your interest in following types of culture (1-high interest; 5- no interest)

Source: own research

Graphic 5 shows the results. As can be seen, in all analysed types of the culture CCE have indicated higher interest than rest of the respondents. The highest differences were observed in Festivals, Music and Concerts, but significant difference was also in the interest in Museums and Galleries (traditional culture). This results, again, confirms, that CCE are more active in culture consumption.

Last graphic no. 6 describes the average evaluation of all investment projects realized within the ECoC project in Košice.

Graphic 6 Average evaluation of ECoC investment projects contribution for culture development in Košice. (1- highest contribution, 5 - no contribution)



Source: own research

Eighteen investment projects were implemented. Respondents have evaluated reconstruction of the St, Elizabeth Cathedral as the investment project with the highest contribution of culture development in Košice. The results were in general similar in CCE as well as non CCE group. The biggest difference is observing in the evaluation of the Kulturpark/ Barracks. This was the key ECoC investment projects in Košice with budget around of 32% of total investment budget dedicated for physical cultural infrastructure within the ECoC project. The Kulturpark is designed as the new cultural centre in Košice focusing on production and presentation of new cultural forms. As can be seen from Graphic 6, CCE has evaluated this project much more positively than the rest of the group. This again suggests that CCE are more open to new forms of culture.

5 Conclusions

One of the key elements in the debate about the benefits of ECoC designation is the notion that it results often in an increased level of activity within cultural and creative industries, which brought evident increase in economic performance. Mainly bidding strategies and following political strategic documents related to further cultural policy in designated cities argue that there is direct relationship between the staging of cultural festivals and the growth of the broader creative industries. Most of the ECoC cities have prepared after the ECoC year new cultural strategy, which based on the development of the creative and cultural industries in the city. Although core of these strategic documents emphasize the role of cultural investments as tool to stimulate business activity in creative industries there are several studies which provided research in this area and reach conclusion about expectations hyperbole in impacts of EcoC on development of creative industries. Anyway the research in the field of economic impacts of ECoC title is still less developed and there is a lack of appropriate figures mapping the economic activities in creative and cultural industries before and after ECoC year.

In Košice – the economic structure was changed in the period 2001 – 2010 towards more working places in IT sector mainly software development. The main catalyst of these changes is the overall increasing business attractiveness of the city since the accession of the Slovak republic to EU in 2004 and to the European Monetary Union in 2009. The main localisation advantage of the city is the strong base of well-educated people in technical areas due to the local universities. In this point of view the ECoC title had undisputed benefits in massive creation of new cultural infrastructure and cultural activities in the city and had so improved the social dimension of the local milieu.

Despite of yet no proven impact of ECoC on the activity within cultural and creative industries the findings of our research show, that the people working in creative industries attended the ECOOC activities more often and perceive them more positive. What is more important the CCE are not only more active in each field of the culture, but are more opened to new forms of culture. This could be, in case of Košice, good starting point for strengthening creative class within the city. So the ECoC designation could through the development of new modern culture contribute to the growth of cultural and creative industries importance within the city.

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