

Culture & Creativity

EU-Eastern Partnership Programme



INFLUENCE OF CULTURE ON REGIONAL DEVELOPMENT, URBAN DEVELOPMENT

*Creative\cultural industries
as a factor in urban development*



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Introduction

Industrial decline of the late 1970's in Western Europe and North America led not just to the global economical shift, but to rediscovering of the cities. It is now hard to imagine that the 1970's witnessed a fear of decline of the cities with sharp fall down of jobs, emptying the city centres and inhabitants fleeing to suburbs. The city of New York barely avoided bankruptcy in 1975. Transition to the knowledge-based economy, rooted in creativity, knowledge and innovation, **put the cities back into the focus**, relying on its resources in learning, its capacity to help exchange and transactions, its cultural institutions and richer artistic life and vibrancy, its stock of buildings and infrastructure and its transport links. The city was seen as an accelerator of opportunity.

The emergence of the knowledge-based economy gave a strong push to the rise of cultural and creative industries (CCI) as it saw **cultural processes as having a significant impact on all spheres of life, modes and ways of production of goods and services, and a future life-style.**

According to the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the term *creative industries* (which is recently being used as 'cultural and creative industries') "encompasses a broad range of activities which include the cultural industries as well as all cultural or artistic production, whether live or produced as an individual unit. These industries are those in which the product or service contains a substantial element of artistic or creative endeavour and include activities such as architecture and advertising."

The advancement of CCI is often closely connected to the development of **clusters**. Cities with their old industrial infrastructure and a vast array of human resources, rich possibilities for networking and intertwined social connections, were perfect localities for creative clusters, where business, innovations, creativity and art met.

"World-wide several hundred old warehouses, breweries; train, bus or fire stations; cement, coal, textile, tobacco or steel factories; old markets or military barracks or older working class districts were transformed into culture or experience centres, incubators and company breeding grounds and as hubs for wider urban regeneration. The creative professionals, such as musicians, graphic designers, artists or actors in particular were drawn to these places. Their mere presence made them the vanguard of regeneration," — reports Charles Landry in his research *Creativity, Culture & the City: A question of interconnection*.

Nowadays cities and city-regions on every continent are emerging as major **economic and cultural motors**, as reflected by developments in Bangkok, Lagos, Mexico City, Mumbai and Seoul, amongst others. UNESCO Creative Economy report emphasises that "cultural and creative activities emerge organically from communities and places, and cannot be easily "invented" into industries. Assessing the potential of the creative economy in any given place therefore requires careful tracing of what has come before. In other words, **the particularities of geography and history still matter enormously.**"

It is CCI's potential for engagement of various professional communities and social groups that makes it an important vehicle for regeneration and renewal of the cities. Urban reinvention **is not only about physical change and creating new economic sectors**, it is largely about creating a new identity and friendly and inspiring environment for city inhabitants, thus it is in essence a cultural project that requires solidarity and collaboration.



Facts and Figures

- According to **UNESCO Creative Economy Report (2013)**, today, more than half of the world's population lives in cities, and **up to three-quarters of all economic activity** occurs in them.
- The European Parliament recognises the important contribution CCI make to jobs and growth, representing **4.5% of total European GDP** in 2008 and accounting for some **3.8% of the workforce**.
- Beyond CCI's direct contribution to GDP, they **trigger spill-over in other sectors of the economy** such as tourism and fuelling content for ICT (information and communications technology). Thus they become an indispensable part of the urban economy, having a direct impact on cities regeneration processes.
- Culture in general and CCI in particular have **a direct impact on the value of urban real estate**, becoming a key element of culture-led urban regeneration strategies. This impact can come as a result of both large flagship projects, like a creative cluster of an innovative hub, and smaller creative micro-businesses or small scale cultural activist activities.
- CCI based on local traditions, knowledge, skills, and specific know-hows **show the cities how they can reposition and renegotiate** themselves in the global market.
- **Decentralisation** of powers by the national governments that is taking place in most parts of the world, opens a special opportunity for cities and regions to become visible and influential actors through the sustainable economy and distinct cultural character. The emergence of cities as cultural actors is also a consequence of increased citizens' demand for amenities of a cultural nature.
- The UNESCO Creative Cities Network at its tenth annual meeting, has adopted a **Declaration that advocates the importance of culture and creativity as vital and transformative drivers of sustainable development**. Cities will aim to actively cooperate at the international level, support the mobility of artists and cultural professionals, maximise urban-rural connections within the Network, and revitalise cities by underpinning sustainable urban development with culture and creativity.

Solutions

Case 1

In the beginning of 1990s **Užupis** was a depressing district in Vilnius, Lithuania. It was a strange mixture of the knitting factory Vilia, criminal activities and artistic life. The latter squatted one of the buildings, turning it into the art incubator called House on the River. The house together with quite some art studios and a small cafe became a centre for the development of the district. It was there that the idea of the future Independent Republic of Užupis was born. The Republic was declared on the night of April 1, 1997.



In the course of time, the unique social and cultural capital as well as the purposeful activities of the community have turned Užupis into a creative industries centre, and its influence on cultural, economic and social life has extended beyond the limits of Vilnius and even of Lithuania. Over the years Užupis has become a naturally formed platform for the creative industries cluster.

- **Over 300** CCI representatives work in Užupis.
- There are **50 businesses** based on the commercialisation of culture and creativity.
- Annual income from CCI in Užupis amounts to **EUR 6 million**.
- Užupis boasts approximately **10 000 m2 of creative space**.
- The Užupis Art Incubator was **the first art incubator in the eastern Baltic counties**, and is now already adding some 1 200 m2 of new space.

- Vilnius Academy of Art, private art schools, galleries and exhibition spaces are all located in Užupis.

The Užupis CCI cluster, within its own specific territory and with its own social and economic relations, unites art incubators (the Art Incubator of Užupis, Vilnius Academy of Arts "Design Business Incubator" and the Arts Printing House), Academies and schools (Vilnius Academy of Arts, private schools and groups of artists), individual artists and their studios, shops, galleries and companies involved in creative activities (totalling about 350 small and micro companies – advertising, design and architectural companies, publishing-houses, photographic studios, art curators, students of culture and the arts, festivals and so on).



The community of Užupis arranges events that unite its members and support their creativity and the commercialization of their activities on a regular basis. The cultural life of Užupis, regulated by symbolic authorizations and agreements, today impacts social, cultural and even business development in the city considerably.

Case 2

Ghent, Belgium, is one of the largest cities in the country. From a grey post-industrial town in the 1980s, the city turned into a vibrant and lively cultural city **in about ten years time**. The end of the 1980s marked a turning point in terms of cultural policies, when **heavy investments were made in cultural infrastructures and the development of the historical city centre**. Pedestrian zones were developed and many cultural places were renovated.

Since 2015 the municipality is working on a new general urban development plan and **citizens are asked to come forward with new and creative ideas**. By 2020 the city wishes to be an "open, inclusive, smart and childfriendly city". This includes putting specific emphasis on "smart citizens" and initiatives to engage citizens to co-create the future developments of their city. Ghent is now largely benefiting from tourism linked to its rich local cultural heritage and its capacity to modernise. Since 2000 the city and local cultural stakeholders have developed six-year strategic plans for culture. Current **priorities** regarding culture include:

- Developing **the creative industries** and in particular design-based innovation.
- Dealing with **the high diversity of the local population** (different nationalities and origins, with newly arrived migrants), engaging citizens in cultural life and making sure that diversity is reflected in the local cultural programming.
- Fostering **cultural participation** by bringing more culture into the streets and the public space.

The city of Ghent is implementing an "**acupuncture strategy**". This means diffusing culture and creativity throughout the city by spreading it across neighbourhoods.

Tangible projects focusing on urban regeneration are launched in every part of the city, creating a global landscape of innovation and participating in the development of a creative network throughout the city.

De Krook is one of such ambitious urban renewal projects next to the city centre developed by the city of Ghent together with Ghent University and iMinds, a digital technology research institute, and consisting of two important infrastructures projects.

- A wide range of local partners from the cultural and education sector are involved. The area had been neglected and underused for many years and is now coming to life, through multi-focal development combining culture, economics, research, entrepreneurship and recreation, while respecting the cultural heritage and collective memory of the neighbourhood.
- One of the projects is the **new public library**, whose opening is planned for 2016.
- The second is the renovation of a **former historical winter circus**, which was then turned into a car park. The whole structure will be kept and expanded to include an underground concert hall, café and rooftop restaurant.
- Those two buildings are part of a wider urban plan with squares, parks and bridges to connect the area with its surroundings. The ambition for De Krook is **to link the historical centre with the arts quarter** (home to theatres, museums and art schools) and create an architectural hotspot for innovation.

- An important challenge in the future will be the management of the cultural infrastructure, with a view to keeping them open 24/7.
- De Krook **funding** is €125 million (€11.5 million for the acquisition of land, €13.6 million for the surroundings of the building, including a public square and bridges, €64.5 million for the public library and €35.2 million for the winter circus).

The expected impact of the acupuncture strategy is to further profile Ghent as a creative spot where creative people want to live and work. The strategy is an important pillar of a rich local creative ecosystem. The 512 local creative companies provide more than 4% of the city's job, while 20% of the total added value of the creative industries in Flanders is created in Ghent and around 18% of the local self-employed are active in this sector.

Ghent has become a biotope for culture. The city holds 29% of all music organisations, 33% of all community arts initiatives and 21% of all theatre companies in Flanders. With 343 annual cultural events per 10,000 residents, Ghent has the biggest cultural offer of the region.



Results and Impacts

- City regeneration can be driven by different factors. The model, which is based on democratic planning, citizens engagement, and attention to the public space proves to be most sustainable in the long run. It develops a city not just as effective economic entity, but as **an innovative and people friendly creative milieu**.
- CCI provide the city with the impetus for change, creating a space for a wide range of experiences, professional engagement, interactions between the people, who might have not encounter each other otherwise. Thus CCI are **incubators for urban social capital** as well as hubs for different forms of collaborations between businesses, non-profit activities, public-private partnerships.
- CCI **foster the rise of local labour markets** that are marked by a wide palette of skills and sensibilities. Both highly skilled and relatively unskilled workers may be employed in these clusters, and will tend to be involved in mainly project oriented forms of work, much of it part-time, temporary and freelance.
- CCI often rise out of partially illegal activities like squatting. It is a challenge for local governments **to recognise their creative potential** and to develop respective supporting policies together with civil society groups and neighbourhood communities.
- CCI **often become place-specific** since they are marked by particular traditions, sensibilities and norms that constitute the local "atmosphere", which in turn becomes a source of **comparative advantage**. Connection between local heritage sites and creative clusters benefits all and helps cities to become strong economic players.
- Unrealistic expectations should not be placed on CCI. **They cannot solve issues of poverty or uneven urban development single-handedly**. Yet, development of a creative economy can form an integral part of any attempt to redress inequality, provided that the process also brings about broader structural changes to ensure that creative workers are themselves not disadvantaged in relation to other workers.



Recommendations

- Creative and cultural industries can become a key factor in urban regeneration for post-soviet cities, when **firm and consequent cultural policies are in place**. Clear political vision and relevant policies ensure sustainable development and reaching necessary long-term goals. The best cultural policies combine a focus on enlightenment, empowerment, entertainment and creating economic impact.
- Creative economy is mostly locally rooted. Combined with general turn towards decentralisation and empowering the regions it provides cities and regions with comparative advantage. Successful policies should emerge from **synergies between the national and local levels of government**, as well as from their interaction and cooperation with the private sector and civil society.
- Local actors, communities and companies are key partners for developing a viable and effective long-term strategy. **Building strong partnerships** has numerous benefits for all parties. Mutual understanding and trust, using local knowledge and experience to its best, having a direct influence on policy making, new forms of non-financial support, lessening a space for conflicts in the future, emotional and cultural ownership of the development plans by all the actors — are among some of the benefits.
- Urban regeneration through CCI often leads to gentrification, when the prices for real estate in regenerated and revived areas skyrocket, pushing creative people out. Careful and **economically sustainable protection mechanisms** should be involved from the government side. These can include protection for certain property, negotiated deals with service providers (energy companies etc) for lower costs, etc.
- CCI can be an invaluable **factor of regeneration for the outer and abandoned districts**. They need to be seen not as additional attractions to the city centres, although their symbiosis with heritage sites and institution is important. CCI are proven to have a high potential to produce change far outside city centres, creating jobs, providing education and cultural activities, and fostering community consolidation. Their role as communication and developmental hubs need to be recognised and supported.

Additional Resources

UNESCO Creative Economy Report, 2013

<http://www.unesco.org/culture/pdf/creative-economy-report-2013.pdf>

The Cultural and Creative Industries: a literature review, by Justin O'Connor, 2007

<http://www.creativitycultureeducation.org/research-impact/literature-reviews/>

Why do creative industries cluster?

An analysis of the determinants of clustering of creative industries, 2009

<https://ideas.repec.org/p/esg/wpierm/0902.html>

Creativity, Culture & the City: A question of interconnection, by Charles Landry, 2010

https://www.forum-avignon.org/sites/default/files/editeur/ECCE_report.pdf

Culture for Cities and Regions

<http://www.cultureforcitiesandregions.eu>

Creative Estonia

<http://www.looveesti.ee/good-practices-3/>