

Creative Industries in the Model of Creative Potential

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Abstract: The concept of creative potential characterizes the abilities of socioeconomic system to perceive changes. Creative potential should include three groups of components, in this context. First group characterizes the quality of the human capital and, in particular, intellectual, innovative, social capitals and others. The second block defines indices that immediately describe the creative economy: size of the creative class, the presence and the development level of creative industries, etc. Third component characterizes the network character of the creative potential. Thus, three-component model can provide a set of indices, allowing the creative potential to be used as a complex characteristic of the territory.

Key words: Creative potential • Creative economy • Creative industries • Network approach

INTRODUCTION

Contemporary economic system is characterized by acceleration of all processes flowing inside the system, intensification of the mutual effects of the processes that had recently seemed to be independent and the increasing share of sectors whose roles and places are still not fully understood. Owing to globalization and easy and high-speed transfer of information, the creative industries have now become one of the most dynamically developing areas. As the founder of the theory of creative class Richard Florida estimated, share of the creative sector in GDP in developed countries ranges from 5 (in some European countries) to 20% (in the USA) [1]. At the same time, the Russian practice exhibits neither terminological nor conceptual coherence, leading to difficulties in the analysis of creative sector share and impact, as well as making no comparative analysis possible. Thus, it is necessary to refine definitions for concepts of creative industries, creative class and creative economics and to single out the concept of creative potential as a category, which would characterize the abilities of economic system and would be useful for a comparative analysis.

Creative Industries: Creative industries cannot be defined without refining a broader (than the former) category “creative economy” and the notion “creative class”, important from the methodical point of view.

John Hawkins defined creative economy as “an equivalent for the value of creative products multiplied by the number of transactions” [2]. Hawkins considers a sum of four sectors: the copyright industry, the patent industries, as well as the trade mark industry and designs industries. Hawkins thinks that science is a part of the creative economy, because science output is protected by the patent law. Hawkins’ creative economy includes 15 sectors: advertising, architecture, art, crafts, design, fashion, movies, music, performing arts, publishing, research and development, software, toys and games, TV and radio and computer games. Today this concept of the sector approach through numbering the activities directions is dominant; this method can be used to estimate the contribution of the creative sector to territorial economy and to evaluate an employment in the sector; such a division is convenient for statistics.

American sociologist Richard Florida defines the so-called “creative class” as a basis for creative economy. In his opinion, creative class consists of people who create (or add) economical value due to their creativity [3, 1]. Based on this specific understanding of human capital, Florida rests his concept of the creative class influence upon the economic development, just emphasizing an economical functional of such an interpretation. Florida notes that the creative class positively influences innovations and economic growth. He also defines “super-creative core” (core of the creative

class) – programmers and mathematicians; architects and engineers; specialists engaged in science and education, design and arts, entertainment, sports and media. After analysis of super-creative core influence on economic development, Florida arrives at a number of conclusions that are significant for understanding the creative class nature. Firstly, analysis of the dependence of regional development not only on standard understanding of human capital, but also on creative class, showed that they influence each other; in particular, there is a connection between culture and art and regional development, implying that some new measurement standard of these influences has been formed. Secondly, analysis of factors that influence human capital distribution, showed that universities play the main role in this distribution, as well as in the development of technologies and regional development; hence, they are the central institution for the creative economy. Comfort and tolerance are crucial factors for geographical distribution of talent; in particular, the former is important for creative class and some groups of super-creative core and the latter is critical for art workers, designers and those engaged in entertainment industries.

Officially, the definition of creative industries appeared in late 1990s, after creativity was ascribed to those industries where value is created through the use of some creativity; in Great Britain, this dates to 1998 [4]. Since then, the concept have been refined and altered many times. Australian Centre of creative industries and innovations of Queensland University of Technology provides most significant studies of the nature and structure of creative industries. In their opinion, “creative industries are the set of interrelated economy segments that are concentrated on the extension and use of symbolic cultural products, such as art, movies, interactive games, or offering symbolic or information business-for-business services in such spheres as architecture, advertisement/marketing and design, as well as Internet, multimedia and software design” [5]. Most often, creative industries are meant to be those requiring some imagination and creativity for production and presentation of unique and ordered products, based on incomplete or abstract characterization, either obtained from client or based on personal creator views”[6]. Jason Potts deals with the extension of creative industries concept. He not only summarized all the existing views on creative industries and reduced them to 18 definitions [7], but also considered some other approach to

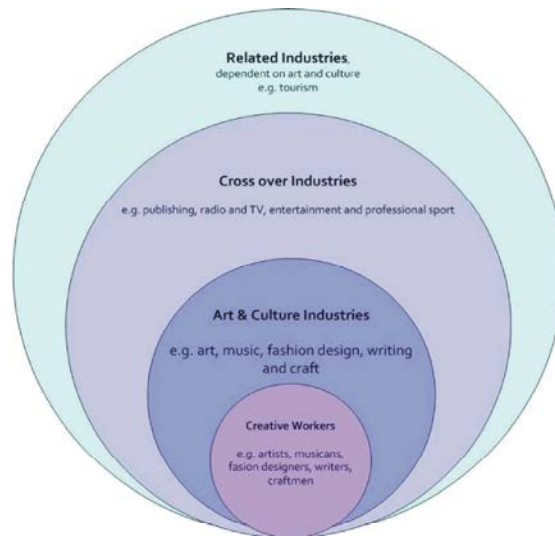


Fig. 1. Typology of creative industries.

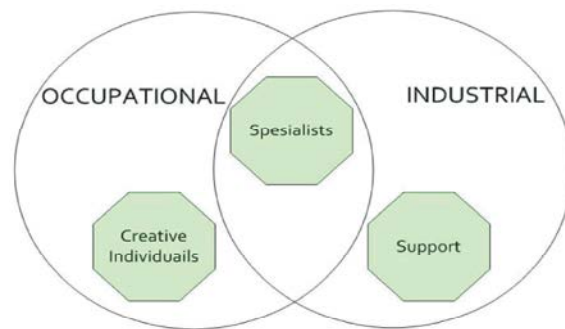


Fig. 2. Trident Model

understanding this structure: from viewpoint of class of markets, which he calls the network social markets. Potts thinks that the concept of creative industries cannot be reduced to just simple collection/listing. In his opinion, “the products of creative industries will be creative not just because it is so defined in essence, but rather because they are new and their value in the creation of new capabilities is not defined yet, the value that is socially defined by complicated networks of individual interactions” [8].

Despite the variety of definitions available, the theory of creative industries had evolved into two core approaches: industrial approach and occupational approach. The former is characterized by listing of sectors pertaining to creative economy; and the later targets toward the classification by R. Florida, i.e. toward the occupational aspect. Composite model illustrates intersection of these approaches. For the first time, such a synthesis was made by Danish researchers in 2010 [9].

The model of creative industries, which reflected both sector and occupational specific features, was called Trident Model. Scientists Stuart Cunningham and Peter Higgs, Queensland University, developed a model consisting of three elements: specialists (experts working in creative industries), support (accompanying professions in creative sectors) and creative experts working in sectors not referred to creative ones.

In our opinion, this model more fully reflects the components of creative industries, which should be both in comparative analysis and in examination of the structure. Thus, creative industries will be considered to incorporate all those working in the sector irrespective of their profession, as well as those whose main sector cannot be referred to creative one, while the professional classification allows for considering them as creative sector (such as corporate publishing staff). Extension of creative sectors up to this listing makes it more difficult to evaluate both the number of employees and turnover in the industry, especially due to the difficulty in accounting for the last category; however, this extension is mandatory because this category is precisely where personnel potential is formed and accumulated immediately for creative sectors.

Creative Potential: In the framework of defining the creative potential, we will consider three related categories, in order to understand the place of the term we study in a sequence of concepts “human capital”, “innovative capital” and “social capital”. For the purposes of this paper, we feel expedient to equalize the concepts “capital” and “potential” and to treat them as identical. Such an assumption is permissible because there is a task of theoretical generalization; and, in order to avoid an additional terminological complication, we can omit this difference, which is the key to analysis of the processes and structure of realization of potential and to its conversion to capital. It should be specified that, for singling out this set of concepts, we also addressed the investing, cultural, symbolic, intellectual and spiritual capitals, all of which, after certain generalization, are reducible to those three listed above.

We can single out no less than ten definitions for innovative potential which, depending on approach taken, are grouped into three communities, conventionally called “resource approach”, “product approach” and “approach based on the analysis of the presence of components of conditional “concept of innovations”, the structure of

which varies among different authors. As a variant most adequate to our purposes, we will consider the definition of innovative potential in terms of the set of resources, required to perform the innovative activities.

The study of the human capital was initiated by Harry Becker, who was the first to define it as a set of acquired knowledge, skills, abilities, experience, life wisdom, values and norms, the costs spent to acquire which could sooner or later bring a sensible profit both to employee itself and employer. The main indices, used for comparing and analysis of human potential, are the index of human capital per capita, defined as expenses of government, private industry and citizens for education, public health and other sectors of social sphere per capita and index of human potential development, which consists of the indicators of life expectancy, education and GDP per capita. Besides such a widespread understanding of the term “human capital” as a set of accumulated knowledge, abilities, skills, health and other features, thus identifying human capital with labor force.

French sociologist Pierre Bourdieu is the founder of the theory of social capital, who firstly worked out the concept of the cultural capital and then extended it up to the social one. As many experts stressed as early as 1970s, the term “capital” itself in this case is not completely correct and does not reflect the essence of the capital as an economical category. In the Bourdieu’s theory, social capital means “resources, based on family relationships and on relationships in the group of membership” [11]. James Coleman refined the definition by Bourdieu, by describing the social capital as a “potential of mutual confidence and mutual aid, purposefully formed in interpersonal relations: obligations and expectances, information channels and social norms” [1]. “Social capital is the ability of individuals to control limited resources based on their membership in particular social network or a broader social structure” [1]. Third approach to understanding the social capital is due to Putnam, who considers the social capital as a three-factor model, consisting of mutuality, confidence and social networks. Putnam uses great number of indicators, such as intensity and strength of contacts, membership in social communities, electoral activity, relationships satisfaction, abundance of norms of mutuality, sense of safety, confidence to neighbors and others. It is just the social capital that emphasizes the network nature of creative potential as the desired category.

Network Approach: In the frameworks of cultural-historical and ethnographical approaches in economical sociology, authors of this approach describe connections between agents and institutions by “paying attention to network connections and institutional devices, but put them into much broader contexts – of habits, traditions, cultural skills” [12]. An important role is played by the “set of meanings, senses, cultural-normative schemes that help to evaluate and re-evaluate the recourses, action scenario, produced identities bound to concrete communities and temporal contexts. Rationality of acting itself stands out here as a “local cultural form” [13]. The network approach is based on the precondition that the experience of previous interaction has a considerable influence on behaviors of agents. Thus, not only the costs/profits balance affects the decision about transaction, but also the quantity of contractors social capital.

CONCLUSION

Creative potential as a category that characterizes the ability of territory to perceive changes, incorporates three components, two of which - capital constituent part and creative industries – are the basis, while network character is included as a key element of both the former and the latter and also as a basic approach to analysis of components. The term “innovative potential”, as a part of the set of abilities to implement the innovative activities, contains a component responsible for the adaptation of innovations and a component that reflects the education development level, acquired knowledge – these indicators are included in creative potential. From human capital viewpoint, the creative potential should be extended to include the indicators of motivational structure development and general living standard, because the creative economy development can be questioned only starting from a particular development level of social constituent parts – indicators of the general living standard, literacy, etc. The theory of social capital is interesting from the viewpoint of incorporating the network character of creative potential, because the creative economy and the creative industries mainly use network mechanism not only behind the information transfer, but also behind value adding. Creative industries should be included as part of broadened treatment, i.e. in terms of three-component model. Thus, creative potential as a characteristic of the above-mentioned abilities of the territory can serve a basis for the comparative analysis of territories and, possibly, for constructing the dynamical models of development.

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