

Different Views on the Definition of the Creative Economy and Creative Industries¹

Rôzne pohľady na definovanie kreatívnej ekonomiky a kreatívnych odvetví

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Abstract

Despite the vagueness in the definition of the concept of creative economy, this concept seems to be seen as a principle of nowadays economy. The aim of the paper is therefore to map and compare different approaches of academics as well as politicians to understand the concept of the creative economy and this way to contribute to current debate on this topic. We can divide these approaches (with some abstraction) into two views. First looks at the creative sector as the rapidly growing sector with the increasing impact on the economic growth and the second one looks more on the need to understand the creativity as the main driver of the whole economy. The area of the classification of cultural and creative industries follows the first view and the paper tries to clarify reasons of nowadays classification of creative sector.

Key words: creative economy, creative industry, cultural industry

Abstrakt

Napriek nejasnosti konceptu kreatívnej ekonomiky sa čoraz viac začína hovoriť o kreativite ako o princípe dnešnej ekonomiky. Cieľom článku je vytvoriť diskusiu akademikov ako aj politikov o rôznych prístupoch k chápaniu konceptu kreatívnej ekonomiky. Existuje množstvo prístupov, ktoré možno s určitým abstrahovaním

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rozdeliť na dva základné prúdy. Jeden vníma kreatívny sektor (odvetvia) ako nosné odvetvie hospodárstva a druhý prúd nazerá na potrebu vnímania kreativity prierezovo v rámci celého hospodárstva ako hybnej sily rozvoja. Na prvý prúd nadväzuje aj problematika klasifikácie kultúrnych a kreatívnych odvetví, v rámci ktorej článok objasňuje dôvody súčasnej klasifikácie kreatívneho sektora (odvetví).

Kľúčové slová: *kreatívna ekonomika, kreatívne odvetvie, kultúrne odvetvie*

Introduction

The creative economy focuses on the importance of the human creativity in nowadays economy. There is an assumption in post-industrial economies that creative activities should supplement the decreasing production of goods to ensure the value production for the future. The position of creative industry in the economy has been developing with coming reports on the increasing economic performance of certain industries using human creativity as the main production factor. Howkins (2007) found out that in 1997 the highest share on the export of the USA consists of copyrights of books, films, television programmes, music and other creative products in the amount of 414 billion dollars. According to reports of UNCTAD (2008, 2010), creative products and services significantly rise and contribute to the overall production, export and employment in the most developed world economies. These and other findings started the boom of the research in the field of creative economy. Except the academia area, the concept is popular even more in political area and the interest in creative economy rise significantly in last two decades. The creative economy starting to be seen as a new principle for new economy.

The aim of the paper is therefore to map different approaches to define what exactly the creative economy is and how it should be researched. That is why paper focus on the presentation of different definitions and it tries to sort them into two streams proposed by Healy (2002). The second part of the paper is oriented on the explanation of understanding the cultural and creative industries.

Different approaches to understand creative economy

If we want to talk about the definition of the creative economy it is useful to highlight the vagueness of the used terminology. Cunningham (2003) documents various definitions of creative sector which are used, such as content industries, entertainment industries, digi-cult, digital cultural industries or the acronym TIMES (telecommunication, information, media, entertainment, software). As he writes, these are rather much broader than creative industries. As the consequence of this terminological unclearness, there cannot be seen the one generally respected definition of the creative economy. This fact is transferred in the diversity of policy strategies as well as in incomparable statistical reports of different countries (Galloway – Dunlop, 2007) and in the more difficult research in this area (Markusen – Schrock, 2008).

The importance of individual creativity rises with the rising of the importance of innovation. If we look at the creativity as the necessary condition in the innovation creation process, there is no doubt that creativity has a significant impact on the development. But the problem comes up with the effort to measure the impact and to explain the creative economy. This creates the space for diverse approaches and wide discussions. We can divide these approaches into those:

- which understand creativity as an essential part of the whole economy and highlight the importance of the *individual creativity* as the driver of the innovation creation,
- which talk about the *creative sector* as a significantly growing sector with increasing impact on the economic performance.

“Intellectual creativity” view

The second view shows the concepts of Howkins (2005, 2007) or Florida (2002, 2005) that highlight the importance and the impact of the individual creativity on the economic growth. The result of the creative thinking is innovation, technology development. So the creativity is present in all sectors of economy. The creativity is understood as the capacity for innovation and so the source of the competitive advantage applicable in all industries.

New view brought Howkins (2007) with his definition of creative industries. According to Howkins, creative industries are all industries which products are protected by intellectual property rights, such as copyright, patent, trademark or design. Each of these property rights protects different kind of creative product of certain industry. In contrast to DCMS (1998) definition, Howkins' definition includes also research and development as important industry of the creative economy protected by patents. Howkins (2007) states that his purpose is not to create a new sector of the economy but rather to point out the trend of increasing importance of creativity and intellectual property. According to Howkins it is not necessary to classify creative industries as the creativity is applied in all areas of business. In his book *The Creative Economy: How People Make Money From Ideas* (2007) is stated: “*Creativity is not new and neither is economics, but what is new is the nature and extend of the relationship between them, and how they combine to create extraordinary value and wealth.*”

One of the most well-known authors who introduced his own interpretation of processes in creative economy is Richard Florida. His book *The Rise of the Creative Class* (2002) contributed to the popularization of the concept of creative economy, but also provoked discussion and criticism between academics (Glaeser, 2002, Jeppesen, 2004, Boschma – Fritsch, 2007, Hoyman – Faricy, 2009). Instead of the sectoral definition of creative industries, he deals with creative class. According to Florida, society is stratified into 4 groups of employment: agricultural, working, service and creative class. Creative class consists of Super-Creative Core (scientists, architects, designers, artists ...) with its role to create new thoughts, technologies and

other meaningful creative content. Except of this Core, creative class is formed by wider group of specialists in the field of business, financial services, law, healthcare and others who use in their work independent thinking and achieve high degree of formal education. This group is called Creative Professionals (Florida, 2002).

Similarly as Howkins, Florida does not try to define exact boundaries of creative industries. Main attention is oriented on creative people and on conditions of economic development from the point of regions and cities. His theory can be understood as an application of creative economy in regional economy. Key preconditions of the spatial development are identified as 3T – 1) technology considered as the main precondition of the development; 2) talent, where Florida uses the theories of the impact of human capital on economic growth (but human capital is replaced by creative capital); and 3) tolerance seen as the ability of the territory to attract Technologies and talent and that is given by the degree of the society's openness of the city (Florida, 2005).

Florida, unlike DCMS, is not trying to convince that culture and art have significantly high economic potential, he rather gives artists (bohemians) the role in the stimulation of the technology development and in the creation of attractive environment for the rest of creative class. He states that technological, economic and artist creativity are interlinked and support each other. Nonetheless, Florida considers research, development and high-tech industries as drivers of the economy (Florida, 2002, 2005).

This second view has also critics mainly in the field of the unclear data definition (mainly the missing classification of creative capital, creative class of Florida, or industries of Howkins). Despite of the critics, we incline to this second view as it tries to complexly explain the nature of the impact of the intellectual creativity on the real development of the territory and society. In this field, there is still a need to continue in the research to be able to define the real impact of the creativity on the economic growth and factors influencing this growth.

„Creative sector“ view

The first view, developed mainly for policy implication purposes², presents the concept of the creative economy oriented on the typified economic industries which use the creativity as the main input and which outputs significantly contribute to economic growth. For some, creative economy presents art and cultural production, for others ICT or everything together, for some it is just another theory for research and development. Concept of the creative economy tries to describe certain changes in production and consumption of society in last decades, such as the increasing importance of aesthetics and branding of goods – as design or logo, or the increasing consumption of arts and other cultural goods and services that is significantly influenced by the ICT development (internet, digital technologies). On the other hand, modern technologies enable new processes of creation. Because of this interconnection of creative production with technological development, there is a belief that these sectors should be performed as one sector³. On the other side there is a polemic on a linking of such different industries in the terms of their performance and impact on the economy. As Heartfield (2005) explains, different reports on the performance of creative sector in UK were introduced in 1990s which showed remarkably impact of creative industries on the employment and revenues. He also pointed out that these numbers were strongly influenced by the used method of counting (software sector influenced the overall performance). Reports opened the question if such different industries such as architecture, visual art or software should be calculated together. This fact will be described more in the part Connection between cultural and creative industries.

The origins of the creative economy concepts are by many authors (Howkins, 2005, Hesmondhalgh – Pratt, 2005 Gibson, 2001, Tomić-Koludrić – Petrić, 2005) recognised in the initiative of Australian Department of Culture and the Arts called *Creative Nation* (1994). This strategy of the cultural policy included also some

² This view was developed by the Department for Culture, Media and Sport in the UK, by KEA European Affairs: „a consultancy that connects public affairs and creativity“, by United Nations Conference on Trade and Development and others

³ This can be seen in reports on the performance of creative sector published by Department for Culture, Media and Sport or by KEA European Affairs

important elements of creative economy such as the understanding of the economic potential of the culture, the use of the marketing and design and the importance in innovation processes (Gibson, 2001). According to Gibson (2001), *Creative Nation* inspired also the British Department for Culture, Media and Sport (DCMS) when it published *The Creative Industries Mapping Document* in 1998. This document is considered by some authors (Cunningham, 2002, Flew, 2002, Potts, et al. 2008) as the basic document explaining the concept of creative economy.

Document defined creative industries as: “*those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property*” (DCMS, 1998). According to this definition, 13 sectors were identified as creative industries: architecture, arts and antique markets, crafts, design, designer fashion, film and video, music, performing arts, publishing, software and computer services, and television and radio. Even though there is a criticism according to mixing industries with different performance (Heartfield, 2005); this concept was adapted by countries all over the world (Cunningham, 2003). Critics of the concept highlight the fact, that the concept of creative economy was adapted sooner in the policies than in the discussion of academics and consider it more as a political-tactical motivated concept and too ambiguous to serve as a general concept of the economy of creativity (Alanen, 2006, Galloway – Dunlop, 2007).

Another effort to define creative industries came from USA. Caves (2000) in his book *Creative Industries: Contracts between Arts and Commerce* characterised creative industries mainly as providers of goods and services connected usually primarily with cultural, artistic or entertainment value. He consider publishing of books and journals, visual art, performing art, recording companies, film industry, fashion, toys and games as creative industries. He focus on description of common features, mainly how these industries are organised and what economic strategies are used to ensure the uncertain economic benefit from creative products.

Different reports on the performance of the creative sector (KEA *The Economy of Culture in Europe*, 2006; UNCTAD Creative Economy Report 2008, 2010; DCMS Creative Industries Economic Estimates 2007 – 2011) shows rapid increase in the employment, revenues, added value and the increasing impact on the GDP and economic growth. These reports were also the main argument for the policy strategies development oriented on the support for creative industries development. This view is criticized by academics mainly because of:

- 1) *the unclearness of the definition* of creative industries. This definition does not show exact borders of what is and what is not a creative industry, as every industry uses creativity as an input. Also, almost all products include certain form of the intellectual property. As Bilton and Leary (2002) point, as there is not a clear definition, the list of creative industries can be anytime supplemented.
- 2) *disparities in the economic performance of industries* – as Heartfield (2005) pointed out, that it is important to look at the calculation method. As the creative sector consists of industries with different performance (software vs. visual art for example), aggregated numbers do not show the performance of each part. Howkins (2005) criticised mainly the measurement of the impact on the overall economic performance.
- 3) *the pure economic looking* at the culture and art instead of the acceptance of specifics of this fields (Galloway – Dunlop, 2007).
- 4) *the adequacy of the purpose* – Tepper (2002) and Healy (2002) see the meaningful aim in the strengthening of the intellectual property rights, not in the creation of common policy for such diverse industries. Howkins (2005) share this opinion, and he states, that strict protection of the intellectual property rights is against the public interest and he supposes cautious processes of the regulation of the intellectual property rights to achieve the equilibrium between the interest of individual and the society.

Presented two views do not exclude each other but they significantly differ in the way how they explain and measure the influence of either creative industries or classes. Creativity is apriori positively understood term creating associations

with innovations, dynamism, success and progress (KEA, 2009). Garnham (2005) put a critical thought that term *creativity* or *creative* serve as a slogan that can address wide public as „*almost all are (at least potentially) creative*“ (Florida, 2005). Development of own ideas presents also the significant element of the self-realisation and so the concept became popular as a potential principle of the new economy (Healy, 2002, Hamilton, 2009). Some authors (Alanen, 2006, Healy, 2002) suppose that desist from the use of the term *creative* and giving the name to the concept according to its main aim, e.g. intellectual property economics, can bring more clearness and simplification in the concept.

Cultural industries in the concept of the creative economy

Creative industries are often confused with cultural industries and many authors, even if they talk about one or the second, talks about the same (Thorsby, 2008). In this part of the paper, we will try to enlighten the origins of the term cultural industries, how the interconnection between cultural and creative industries was formed and what is the difference between them. We assume that this explanation contributes to better understanding of the concept of creative economy that has its origin in cultural policy.

Many authors (Cunnigham, 2002, Garnham, 2005, Flew, 2002, Pratt 2005, Hesmondhalgh, 2005) agreed on the fact that the term cultural industry was introduced by the Frankfurt School at the 1930s. Members of the school started to use this term as the expression of their antipathy to the industrial character of mass media production. They deprecated the mass production and distribution of the culture that was according to them just the negation of the real aesthetics and art (Flew, 2002). In this case the cultural industry can be used to express the association with the industry as the mass production. In 1960s and 1970s, creative industry was in the spotlight of discussion about the limits of modern cultural life. French sociologists as Morin, Miége and Huet acquired the term and transformed it into plural “*industries cultures*” to highlight the complexity and internal differentiation of cultural production. They disagreed with the pessimistic view of Frankfurt

school and defended this term by the statement that while industrialisation and modern technologies lead to the transformation of culture into commodities, they also offer new possibilities for the realisation in cultural production and support the innovation creation (Hesmondhalgh, 2007).

In 1980s, the Frankfurt School criticism was up-ended in Australia and later in other countries, as this term was used again to define cultural policy oriented not just on classical art but also on commercial mass media as radio, TV and film industry (Cunningham, 2002). The name cultural industry started to be used for all activities regardless of its connection on mass production, automatization or technology. O'Connor (1999) identifies with this type of policy that does not distinguish between traditional art and newer forms. He defines cultural industries as „*activities which deal primarily in symbolic goods – goods whose primary economic value is derived from their cultural value*” where he includes the *classical cultural industries* as broadcast media, film, publishing, recorded music, design, architecture, new media; and *traditional arts* as visual art, crafts, theatre, music theatre, concerts and performance, literature, museums and galleries.

Hesmondhalgh (2007) considers cultural industries as those which make and circulate products – texts⁴ or symbols with common meaning. In contrast with O'Connor (1999), he highlights the industrial character of the production. He includes TV, radio, film, press, publishing, recording companies, advertising, marketing, internet industry and computer games. Arts as visual or performing arts are by Hesmondhalgh (ibid) considered as „*peripheral*“ cultural industries as they do not use the industrial production methods. He uses the term cultural industries in the primary mean of the industry, as was introduced by Frankfurt School, even though Hesmondhalgh does not use the term in negative meaning.

As we can see from this comparison, even the approach to define cultural industries is not uniform and authors disagree on where are boundaries. Similarly,

⁴ Hesmondhalgh (2007) uses this term as the collective name for cultural works of all kinds, such as programmes, films, records, books, comics, images, magazines, newspapers etc.

as in the case of creative industries, the problem of definition is related to two semantic problems.

First is related to the term “*industry*”. In English, the term is used both for the meaning of the secondary sector oriented on the production as well as for the meaning of the economic sector in general. O’Connor (1999) sees the wider meaning of the word “*industry*” in British English. Its exclusive continuity with factories has been lost and nowadays it is used to express the sum of any kind of economic activities with similar products. So O’Connor (ibid) use the term as the expression for the economic sector and he identifies cultural industries within the whole cultural sector, including classical art. Hesmondhalgh (2007), on the other hand priorities the first meaning expressing the industrial form of production and he considers it as the characteristic feature of cultural industry that differs this sector from others. From theoretical point of view, the definition of Hesmondhalgh (ibid) is more precise (Markusen, 2008), even though Pratt (2005) considers it as oxymoron. As in Slovak there exists two terms when talking about “*industry*”, it would be useful to unify the use of the term “*kultúrne odvetvia*” (so the understanding of the term according to O’Connor – as a sector).

Second semantic problem is related to the term *culture* that can be considered in narrower and wider meaning. Flew (2002) documents that culture is more and more understood in the anthropological meaning related to expression of any kind of human activity. This phenomenon is connected also with the “aestheticization” of everyday life and with building of the individual identity according to the consumption preferences. As Lash and Urry (1998) noted, “*ordinary manufacturing industry is becoming more and more like the production of culture*” (In: Bilton – Leary, 2002). This view of the term culture is by many authors (Flew, 2002, Hesmondhalgh – Pratt, 2005, Galloway – Dunlop, 2007) seen as counterproductive. Martin (2004) states that almost all products have its cultural dimension but it does not mean that we should consider them as a culture. He understood cultural products as those which primary function is to mediate certain symbolic content.

Connection between cultural and creative industries

The DCMS introduced the strange exchange of cultural and creative industries in 1998 in the *Creative Industries Mapping Document*. Some authors as O'Connor (1999), Pratt (2005), Alanen (2006) or Bilton – Leary (2002) described this exchange as just the change of name and in smaller extent the change of the content. Pratt (2005) sees the reason of this linguistic change in the endeavour of the Labour party to differentiate the policy from the previous party activities in culture connected with cultural industries. Healy (2002) together with Flew (2002) pointed out also other incentive; that is new possibilities of funding for cultural policy. *“By emphasizing the contribution of the creative sector to the economy as a whole, the problems of cultural policy are effectively the same as the problems of economic policy, insofar as it relates to growth, productivity and competitiveness. This is much more interesting territory than the old battlefields over state funding for the arts. A question is whether this new vocabulary reflects real changes in the economy, or whether it is simply a convenient cloak in which to wrap traditional goals.”* (Healy, 2002) DCMS did not publish any official explanation of the change; neither had it defined the difference between creative industries and industries previously known as cultural (O'Connor, 1999). Thorsby (2008) states that even though the new definition of creative industries was formulated, the list of creative industries does not differ significantly from cultural industries.

Garnham (2005) points that there can be a visible difference, mainly due to the inclusion of software to cultural industries that forms untrue image about a cultural sector as the key economic sector with the fastest economic growth. As Heartfield (2005) explains, the growth of creative industries was significantly influenced by the inclusion of software that was in those times (times of the dot-com bubble) the biggest employer with the highest revenues in UK economy. Interpretation of statistical indicators representing and measuring cultural sector as economically powerful sector were not unbiased. What Garnham (2005) and Heartfield (2005) pointed out, was proved by evaluation reports (Creative Industries Economic Estimates 2007 – 2011). The classification of creative industries was revised with the significant reduction of the influence of software and ICT on the

assessment of the performance of creative industries. These revisions brought more realistic assessment of the impact on the added value of UK.

Different view is offered by Cunningham (2003) who appreciates the interlink between commercial and non-commercial activities which mirror the typical entrepreneurial dynamics within new economy. Similarly as Florida (2005), he sees the parallel in the development of art, economics and technology. Potts and Cunningham (2008) further state that even though the aim of the mapping document of DCMS was to estimate the economic value of creative sector, time showed that the economic value of creative industries can exceed the visible value of production and employment. Because of their dynamic parameters and interconnection with other sectors of the economy, the importance of creative industries can be seen mainly as the driving force of the whole economy – *“it may even be the case that the ‘dynamic significance’ of the creative industries is greater than their static significance.”* (Potts – Cunningham, 2008). This change in the approach can be interpreted as the shift from the ‘creative industries’ view to ‘intellectual creativity’ view. According to results of Creative Industries Economic Estimates (2011), 40,11 % of creative workers are employed outside of creative industries as many job positions outside of creative sector are creative (promotion department of food company, design department in the furniture factory etc.). That is why some academics (Potts et al, 2008, Hartley, 2005, Howkins 2005) state that creative industries are present across the whole economy and that creative industries should not be define as a specific sector.

Another penetrance of cultural and creative industries’ concepts was showed in the definition of Caves (2000) where his definition of creative industries (as producer of products with art, cultural or entertainment value) is easily applicable on cultural industries. His list of creative industries is very similar to the list of O’Connor’s cultural industries (O’Connor, 1999). Bilton and Leary (2002) propose the alternative definition of creative industries based on the symbolic value creation. They state: *“Creative industries produce “symbolic goods” (ideas, experiences, images) where value is primarily dependent upon the play of symbolic meanings.*

Their value is dependent upon the end user (viewer, audience, reader, consumer) decoding and finding value within these meanings; the value of “symbolic goods” is therefore dependent on the user’s perceptions as much as on the creation of original content, and that value may or may not translate into a financial return.“ But they also clarify the difference between cultural and creative products. Similarly as Martin (2004), Bilton and Leary (2002) claim that for products of cultural industries, such as visual art, film, performing art or literature, is primarily the mediation of thoughts while for other industries creating products with symbolic value, such as design, architecture or advertisement, the functionality is at the first place. And so these industries are not a part of cultural industries but a part of creative industries.

The example of relatively confused definition of these two concepts is introduced by UNESCO (2006). On the one site is declared that cultural and creative industries are not the same. On the other site, design and crafts are included in cultural industries, while creative industries are characterised as “*cultural industries plus all cultural or artistic production and other activities with a substantial element of artistic or creative endeavour and include activities such as architecture and advertising*”. Why UNESCO considers design as a cultural industry while architecture as a creative industry is not very clear.

From the theoretical point of view, the most coherent seems to be the approach of KEA European Affairs (2006). In the study prepared for European Commission *The Economy of Culture in Europe*, where the classification of cultural and creative sector is proposed as within 4 circles. Each circle is defined by sub-sectors and its characteristics. First two circles are devoted to the cultural sector:

- *Core art fields* – defined as non-industrial activities, where outputs are either prototypes or “potentially copyright works”⁵. This circle includes visual art, performing art and heritage; and
- *Cultural industries* – defined as industrial activities aimed at massive reproduction of products based on copyrights. Film and radio, video games,

⁵ i.e. these works have a high density of creation that would be eligible to copyright but they are however not systematically copyrighted, as it is the case for most craft works, some performing arts productions and visual arts, etc (KEA European Affairs, 2006)

music and books and press are part of this circle.

Other two circles are parts of the creative sector:

- *Creative industries* – where activities are not necessarily industrial, and may be prototypes and where outputs can be based also on other intellectual property inputs. Creativity is essential for the performances of these industries, such as design, architecture and advertising; and
- *Related industries* – which involve other economic sectors dependent on previous circles, but cannot be clearly defined. KEA European Affairs (2006) includes industries such as ICT production (like PC manufactures, mobile industries etc.).

This classification effectively avoids the criticism of creative industries for the mixing of art with mass media, design, architecture or ICT (Healy, 2002, Flew, 2002, Heartfield, 2005,) and evaluates each part separately. Also the controversial software is excluded from this classification as it could form untrue picture about the economic value of this sector. On the other site, as Howkins (2005) criticises, this classification do not cover the research and development as the main sector of innovation and of patented creative products.

Economic performance of creative industries

Bilton and Leary (2002) point out that however the discussion about economic importance of culture has widened, it is not very rational to highlight the potential of cultural activities to create wealth and employment. The economic value of “symbolic products” are dependent on the original content as well as on the consumption preferences and so the result is unpredictable and the cultural value does not have to be identical with commercial one (Bilton – Leary, 2002). Caves (2000) states similarly that cultural products have to be original to get a value and neither producer nor consumer can predict what is the value.

KEA European Affairs (2009) for example documents that 9 from 10 movies are not successful on the market and there is more such examples. Thorsby (2001) claims that despite the arguments on the capacity of cultural and creative

industries to be profitable, most of artists live in poverty. Menger (1999) confirms that with his results that Labour market for artists is characterised by the long-term surfeit and by the poverty above the average. Comunian, Faggian and Li (2010) in their empirical study *Unrewarded careers in the creative class: The strange case of bohemian graduates* conclude that absolvents of artist schools as well as other creative workers in the UK have lower incomes and worse carrier expectations in comparison to other employed with the same level of the education. One of the reasons can be the carrier development of the artist according to Bowness (1990). He identifies four levels that successful artist should overcome to become famous: interest of colleagues, critics, traders and collectors and the interest of the public at the end. This development is more time intensive in comparison to other job positions and many artists do not overcome all these levels, irrespective of their trying and quality (Comunian – Faggian – Li, 2010).

According to cultural industries, Hesmondhalgh (2007) points that even if in comparison with other industries they produce with higher risk, they can achieve high revenues, but it is more and more difficult for individual companies. Cultural industries are forced to use risk-reducing strategies as diverse products and services offers, using of stars and others. He shows the using of stars on example of 126 top movies of 1990s with the highest profits, where just 7 actors played in the main role. Hesmondhalgh (ibid) also claims that for cultural industries, distribution and marketing is even more essential and that is why creative managers (producers, editors etc.) are more valued as symbol creators of creative content.

As opposed to cultural industries, creative industries consist of small, medium or micro- entrepreneurs. KEA European Affairs (2010) states that creative industries are highly sensible on economic fluctuation and have a problems to finance its growth and diversification as they are almost exclusively financed from their own resources. Local Government Association (LGA, 2009) confirms that because of financial crisis, the employment and expenditures in creative industries have fallen. Heartfield (2005) presents results of the study on the importance of design for economic performance: “*While rapidly growing firms did think design had helped make new and better products and services, and nearly half thought*

it had improved productivity, only a third thought it had increased their bottom line. Even fewer praised it for reducing their costs.” What the study found out was also that when things are going well for companies, employers invest more in design than to other factors, but in the time of recessions, design costs are first to be cut. These results do not mean that creative, cultural and artist activities cannot be successful and profitable. But they show limits which cannot be overlooked when evaluating the importance of creative sector. Even though, the creativity is glorified; those who work with creativity as their main input are often not awarded. In the same time, return on investment in this sector is even less predictable than in other sectors that raise the business risk in this field.

Conclusion

The concept of the creative economy has with no doubts important position between nowadays economic theories and has the importance for post-industrial economies as it points out new possibilities for future development. The paper tried to map approaches to this concepts with its positives as well as its deficiencies, misunderstandings and limitations. The interlink between two views is visible. With the development of the concept of creative economy, we can see the shift from the ‘creative industries’ view more to the ‘intellectual creativity’ view and linking of these two views to ensure better understanding of the importance of creative economy. In the second part of the paper, we tried to point at the relations between cultural and creative industries and to compare different views to show different aspects that could influence nowadays characteristics and classification of creative industries, such as forming the untrue picture by adding software sector to cultural industries, or the problem of unclear definition of the differences between cultural and creative industries. At the end of the paper, some peculiarities specific for cultural and creative entrepreneurship were described to bring the view from the micro-economical point of view.

The research in this area will follow to bring more insights into the concept and on the real impact of the creative economy on the economy.

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