

1 Culture, creativity and economic progress

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Introduction

In the last few decades, much has been written about the effect of culture and creativity on economic performance. Before the crisis, some enthusiastic voices predicted that culture and creativity would quickly become the new drivers for economic growth in the post-industrial era.

Although it is true that cultural and creative sectors have shown a greater resilience than the whole of economic activity, the depth of the 2008 financial crisis and the subsequent fiscal consolidation policies struck with force, reducing the size and momentum of these sectors.

Emerging territories such as Brazil² and China have significantly transformed the view of the cultural and creative field in large-scale development processes. In 2010, China's government decided to promote cultural industries as a key economic sector in its 12th five-year strategic plan, offering abundant opportunities for the industry (Jianfei, 2011). Despite this strong and strategic show of support, data indicate that in 2015, the weight of the cultural industry represented no more than 3,5% of the country's GDP, an appreciable number that is nonetheless still far from becoming the driver of the post-industrial growth model. The statements made in *How Creativity Is Changing China* (Wuwei, 2011) are, at least for the time being, more a wish than a reality.

Cultural and creative sectors and the economy

Although the initial expectations have not been realised, there is increasing evidence that the size of our cultural and creative sectors has a greater influence on the capacity to generate growth in the regions (Marco-Serrano and Rausell Köster, 2014), cause significant increases in the productivity of the economic system (Boix Doménech, Soler and Marco, 2014), constitute one of the fastest routes to overcome the crisis (Rausell Köster, 2013) and define one of the most plausible vectors of European specialization in a framework of global competitiveness (Rausell Köster and Abeledo Sanchís, 2013).

Now is the time to admit that the relationships between the cultural ecosystem and the economic model are much more sophisticated than we previously

thought and that they are connected in ways that go way beyond market exchanges.

Summarising the main interactions, we have:

- Cultural and creative activities and heritage density improve territories' attractiveness (Rausell Köster et al., 2012): culture and creativity attract attention and determine the flow of people (beyond tourism), capital and ideas (Florida, Mellander and Stolarick, 2008).
- An approach that has been scarcely studied in the literature is the role of demand. The number of people employed in the cultural and creative sector determines the power of a solvent demand that is very prone to innovation and therefore becomes a promoter of social and political innovation. This is not only due to an income effect, as the "creative class" is also manifested through a particular lifestyle that involves consuming more innovative products and services and creative content.
- Cultural actions and events generate spaces that facilitate serendipity and cross-fertilization, leading to new projects, sparking innovation and highlighting the value of public spaces as spaces for social interaction.
- The human capital described in traditional growth theories interacts with cultural capital at different levels (Sacco et al., 2013), generating a multiplying effect that better explains growth models. The cultural capital accumulated in a community is a relevant factor for growth.
- The cultural and creative sector, defined by a tendency to work on a project-by-project basis, poor standardization of production processes, low entry barriers and a variety of working relationships, is structured in a much more flexible way than most economic activities. These characteristics may have some buffering effect on variations and tensions in the economy and consequently those regions that have a larger cultural and creative sector show higher levels of resilience to shocks in supply or demand.
- Finally, as J. Potts (Potts, 2011) states, cultural and creative sectors are the foundations of innovation in the whole socioeconomic system.

The public policy perspective

As we have seen, the complex framework of causal relationships between regional development and cultural and creative activities is related to factors of demand and supply, depends on exogenous and endogenous dynamics, affects the structural and systemic situational dimensions, in the short and the long term through macro, meso and micro processes and is linked both to global dynamics and processes related to the specific characteristics of the territories.

This complex connection requires special attention, because if we can understand the cause-effect relationships and assess their magnitude, we will be able to transform a reality that can have a significant influence on the living conditions and well-being of millions of Europeans.

From the point of view of policies that truly attempt to transform reality through the relationship between cultural and creative activities and regional

development, it is quite clear that they are far away from traditional cultural policies. However, their goal remains the same: to satisfy citizens' cultural rights and improve their well-being.

The complexity of the relationship between culture and development requires these policies to be formulated using a comprehensive approach that combines innovation, communication, education and industrial and urban policies.

In a scenario of global competitiveness, Europe does not have many more options for specialization. As the green paper "Unlocking the Potential of Cultural and Creative Industries" stated some years ago (COM, 2010):

For Europe and other parts of the world, the rapid roll-out of new technologies and increased globalisation has meant a striking shift away from traditional manufacturing towards services and innovation. Factory floors are progressively being replaced by creative communities whose raw material is their ability to imagine, create and innovate. In this new digital economy, immaterial value increasingly determines material value, as consumers are looking for new and enriching 'experiences'. The ability to create social experiences and networking is now a factor of competitiveness.

Some final considerations

As Cooke and De Propis (Cooke and De Propis, 2011) argue, the EU's economic growth takes little account of the opportunities and potential of creative and cultural industries, favouring hard technologies and services. However, if Europe wants to remain competitive in the changing global environment, it needs to create the right conditions for creativity and innovation to flourish within a new entrepreneurial culture but also within a new policy framework.

If culture is a driver for change, policies oriented towards the cultural and creative sectors become the strategic tool to engineer such transformation. This tool requires high doses of instrumental rationality, knowledge, quality information and research. However, if we are talking about the management of emotions, feelings, senses and meanings, we also need emotional intelligence, intuition, beauty and authenticity.

This is the moment where political practice needs to adapt to the web of economic agents who participate in the cultural and creative ecosystem. What we need to remember is that these agents are intelligent and sensitive, they react to emotions and they have their own values. Their motivations go beyond profitability and their creative and innovative actions can substantially change the lives of millions of people.

Notes

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2 Nowadays, the creative economy is recognized in Brazil as an atypical political and social innovation field. It has been the most original transversal project of the Ibero-American

cultural policy over the past few years, and is one of the transforming axes of the reformation process that this new emerging power is living (Sierra Caballero, 2014).

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