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Geogrpahy of creative industries in Catalonia

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0 Introduction

In the conditions of fast globalization, many countries in the world face the problem and a need of searching qualitatively new competitive advantages. According to many researchers, the ability to generate new – the creativity – can become this new competitive advantage.

Creativity underlie the creative industries – the creation of goods and services. Creative industries - is the production of goods and services based on the author's creativity and talent (Zelentsova and Melvil 2010). To date, the sector of creative industries is one of the fastest growing in the world.

The particular importance is given to creativity in the highly developed countries of the world. While many types of productions and industries are being transferred to the third countries and while the economic power of some states is growing, the countries with a high level of development see the creative industries a way to improve their competitiveness in the world's largest markets. As an unlimited resource, creativity is of considerable interest and stay in focus as an instrument of the economic development today.

The relevance of this work lies in the fact that creative industries today are becoming increasingly important for the global economy. At the same time, it is worth noting that the role of the creative industries in the economy is still poorly understood. There is a considerable lack of the complex geographical research and the studies of the spatial structure of creative industries is in the world. The existing materials and researches usually study one particular theme or concentrate on a certain question. The research of creative industries is still a relatively new trend.

Spain is one of the biggest EU economies and an important centre of creative industries in Europe and in the world as well. The region of Catalonia is one of the leading clusters in cultural and creative industries in Europe. For this reason, the observation of the Catalan creative sector was made with a special focus on the industry of festivals and performance as an important part of Catalan creative and cultural industries. In this paper, the theoretical analysis of the creative industries precedes and creates a "field" for the analysis of the geography of the creative sector in Catalonia.

In addition to the research of the main principles of creative sector and its location the institutional factor was studied. This factor is often underestimated in both creative and other industries. However, it sometimes gets the crucial point and can become a motor or a considerable obstacle for development of creative industries.

The scientific novelty of the work lies in the comprehensive analysis of the factors and the structure of the placement and the creative industries and the relevance of the institutional factor in the location. From the other side the creative sector of Catalonia stays in the focus of this paper. To date there are no comparative studies of the theoretical principles and the reality of the creative sector in Catalonia as well as there are no complex studies dedicated to reveal the importance of the institutional factor for Catalan creative sector.

The object of study in this work are the creative industries. The subject for the study is the territorial organization of the creative industries, especially their location structure in case of the European Union and with a focus on the region of Catalonia. The territorial structure is discussed in the following aspects:

1. The effect of the creative industries on the economic development
2. The differences in the level of development of creative industries in the EU
3. The territorial structure of the creative industries in the EU.
4. The main features and the spatial structure of creative sector in Catalonia as an important centre of creative and cultural industries.

0.1 Main objectives

The main objective of this research is to study the main principles of the location of creative industries and the influence of the institutional factor on the location. One of the main questions of this work was – whether the creative industries form a special spatial structure and what is this structure, what are the structural elements. The other question is whether the institutional factor influence the spatial structure of creative industries and if yes, how it influence.

Another object was to analyse the creative sector in Catalonia as of the most important centres of creative industries in Spain. The aim was to study whether there are some differences in between the Catalonian creative sector and its spatial structure and the general principles of creative industries and what the reasons for these differences are. The other object was to study if the institutional factor affects the creative industries in Catalonia and what is the dimension of this effect.

The main objectives of this work were:

1) Identify the role of the creative industries in the economy
2) Identification of the main principles and regularities of creative industries
3) Identify the principles of the territorial structure of the creative industries
4) Reveal the role of the institutional factor for creative industries

0.2 Research questions

To reach the objectives mentioned above the following research questions were developed:

1) The analysis of the theoretical aspects of the features of the creative industries and the history of the development of these industries

2) Study of the most important factors placing creative industries

3) Identification of differences in the level of development of creative industries in the world in general and in the EU.

4) Development of a typology of countries and the EU in terms of development of creative industries

5) Study of the role of the creative industries in economies

6) Analysis of the structure of placement of creative industries in the EU

8) Study of the role of institutional factors in the placement of creative industries

0.3 Methodology

Selecting the research methods was a crucial element in this research work of this paper. The main feature of creative sector is that unlike other industries and topics it can not be analysed using only one of the methods. Therefore, the variety of these were used. The quantitative analysis shows the crucial points; the main data about the sector presents the first image. However, the statistics about creative sector usually does not demonstrate the real situation. For this reason, the qualitative methods through interviews with creative agents were conducted in order to form case studies. These cases studies were dedicated to demonstrate the real situation and the level of the development of creative sector in a particular region – Catalonia.

The metodological steps included:

- The recollection of theoretical information about creative and cultural sector
- Literature review
- Revealing the main theoretical aspects of creative sector
- Analysis of creative sector in context of main economic models
- Studying the main theoretic location principles
- Analysis of the spatial structure of creative industries in Europe as one of the most important centre of creative and cultural industries in the world
- Revealing the main spatial forms of creative industries
- Analysis of creative sector in Spain
- Research of the spatial structure of creative sector in Catalonia

The methodology of the work contained three main methods – the review of the existing literature, the quantitative analysis of the statistical data, the qualitative methods including the conducting of the surveys:

- Literature review considering the most important theoretical works and cases studies
- Statistical analysis – the official statistics of EU and national statistical data of different EU countries as well as the observations of other sources such as research papers, reports of independent organizations, etc.
- Qualitative analysis of case studies based on observation and interviews

The literature review was dedicated to make and observation of the existing theoretical and practical aspects of the principles and patterns of creative industries. The main sources of data for this study are the reports and researches of geographers and economists around the world devoted to the study of creative industries and cultural sector. Among others are the works of authors such as Richard Florida, Allan Scott, E. Zelentsova, E. Gladkyh, Lazzeretti, Boix,, E. Melville, Power, Nielson, I. Starodubovskaya, J. Kloudova were reviewed. The regional and national studies of creative industries, prepared by the European Commission, the Council on creative industries, the organization of innovative development of the EU - PRO INNO, KEA Organisation and others were studied.

The statistical analysis includes the official data of national and European statistics – Eurostat. Among the other important statistical sources are the data of the world's statistical agencies World Bank, International Monetary Fund, UNCTAD, organizations for the protection of property rights and patent law WIPO, and others.

The mathematic analysis of the presented data was made. The charts of the European countries according to main indices were composed. The correlation quotients between different indexes were calculated.

The preparation of the following paper considered the solid work with the qualitative methods. It felt worth pursuing in order to obtain a better illustration of the real situation in creative industries in Catalonia. This included the reflection of the individual perceptions of different creative agents of the stage and the level of development of creative industries in Catalonia. Qualitative methods also included the field work – the personal observations of the festivals and the work of the studied creative organizations. The main observations were recorded and then studied along with the results of the interviews.

The results of the qualitative analysis became the main source of practical data used in the third chapter of the work and dedicated to creative sector in Catalonia were the results of the interviews with the most important creative agents in the region.

The qualitative methods considered the following steps:

1) Choosing the most important agents to study. These agents were chosen according to their importance for the development of the creative industries in Catalonia. For this purpose were chosen – the Association Medieval de Montblanc, Oficina Tarraco Viva, Canodromo Park
2) Conducting the interviews with the organizers and the responsible staff
3) Collecting and analysing the results of the interviews

- In case of Montblanc the main part of the information was obtained from:

Associacio Medieval de la Llegenda de Sant Jordi – the main organizer of the Medieval Week

Juan Lopez Conisares – President of the Associacio Medieval

Arnau Porta – treasurer of the Associacio Medieval

Núria Parés – journalist, PR manager of the Associacio Medieval

Gaia Asuncion – one of the founders and the first organizers of the festival

- The case of Canodromo Park was done with:

Susana Ezquerro – online marketing manager of Incubio, specialist of Canodromo intercommunication.

- In case of Oficina Tarraco Viva:

Magí Seritjol - cultural manager, director of the Festival Tarraco Viva

Case studies in these research were used to "follow up and to put flesh on the bones" (J. Bell 1997) and to complete the bare statistics with the vivid materials that finally should have worked in a unique combination.

The next stage considered the undertaking the research to form the case studies. The writing up stage was dedicated to make the overall conclusions of the whole research.

0.4 The work structure

The following paper consists of the four parts. The first chapter is dedicated to the study of the theoretical aspects of creative industries. Among other things, different interpretations of the concept of creativity and creative industries concepts are studied. The role of the creative sectors in the economy and various economic theories is analysed. The main factors and regularities inherent in the location of creative industries are observed.

The second chapter provides specific information about the role of creative industries in the world economy and the economy of the EU. The differences in the spatial structure of creative industries in the EU are studies. The importance of creative industries as a tool for regional development in the EU is explored. Particular attention is paid to attempt a quantitative and qualitative assessment of the contribution of creative industries in the economy of the European Union.

In the third chapter of this work is a dedicated to the detailed study of the features of creative industries in Spain in general and particularly in Catalonia. The main features of the location of creative industries in Catalonia region is studied. Particular attention is paid to the role of institutional factors in the development of creative sector and location of creative industries in the region. The policies that have a particular influence upon the creative sector in Catalonia are observed.

The forth part is dedicated to case study observation, revealing of the main similarities and differences and the determination of the institutional factor relevance in different cases.

Chapter 1. Creative industries as an object of social and economic geography. Theoretical aspects

1. From creativity to creative economy

1.1. Concept of creativity and creative industries

Creative industries are not the phenome of the modern time. The creativity existed since the very ancient times. However, the boom of development was noticed at the second middle of the 20th century with the mass production.

In the 1970s, the American sociologist Daniel bell identified three level of civilization: preindustrial (agrarian), industrial and post-industrial. The main driving force of the first level is the manual labour of cultivation, the second is the use of technical means of production, the last level is the informational one as the information and the competence of special knowledge have the greatest. However while openness and accessibility of information is growing it does not play such a significant role anymore. For this reason, nowadays many researchers talk about the transition into the post-informational stage. The special importance of the new post-industrial development was noted by E. Toffler (Toffler 1980). In this way "the ability to generate new becomes the strategic competitive advantage" (D. Bell 1973). This ability is what is called creativity(*Florida* 2002). The world is moving from competition of firms for markets, through the competition of firms for qualified labour force, and to the competition of cities for creative professionals is a basic resource and factor of production in post-industrial era.

Creative industries comprise the production of goods and services, based on the author's creativity and talent"(Zelentsova and Melvil 2010). The definition of creative industries which is used generally was determined by the Department of culture, media and sport the UK Government in 1998: "the Creative industry is an activity which is based on individual creativity, skill and talent and which carries the potential of creating added value and jobs through the production and exploitation of intellectual property" (DCMS 2001).

Richard Florida, one of the most famous researchers of creative industries in his book "The rise of the creative class and how it's transforming work, leisure, community and everyday life" says: "It is considered that we are now living in the" information "economy and "knowledge economy". However, the more significant truth is that the modern economy is driven by human creativity.

Creativity - "the ability to create meaningful new forms", according to Webster Dictionary, - has become a major source of competitive advantage. Accordingly, creativity becomes the most valuable commodity in our economy - without being itself a commodity"(Florida 2002).

Creative industries can also be defined as a sector of the economy, uniting companies and entrepreneurs, whose production has the potential to create added value and jobs through the production and exploitation of intellectual property (Skolkina 2010).

In the definition of UNCTAD, the term of "creative industries" means a cycle of creation, production and distribution of goods and services that use the intellectual capital at the entrance as the main resource. This is a series of actions based on knowledge, on art, but are not limited to, that receives the economic benefits from trade and ownership of intellectual property rights (UNCTAD 2010). Creative industries produce goods or services with creative content, a certain economic value and market objectives. The products of creative industries may be unique or mass-produced, as they are at the intersection between artistic crafts, the service sector and industry.

It must be mentioned that despite the fact that the concept of creative industries was finally defined only in 1998 by the Department of Culture, Media and Sport of the UK creative industries is not a phenomenon of the present time. They existed much earlier.

J. Hartley, the professor of Technology, University of Queensland, singled out the next stages in the process of development of creative industries (Hartley 2009):

1) Age of Enlightenment - modernism. The origin of the creative industries, their basis is art. The added value created by individual artists are the products of individual creativity. The engine of the innovation process were ideas introduced by the Renaissance, the ideas of humanism and ennobling role of art

2) The era of industrialization. Culture takes on an industrial basis. The added value is created at the industrial scale. Creative industries stand at the heart of the innovation process.

3) The era of creative industries, the mid-1990s. The rise of the services. Creative industries become the of market production. Added value is created with information technologies. Creative clusters appear

4) The forecast for the future. Creative industries are a new type of culture. The added value is created by the consumer of the creative industries. Formation of a new type of "creative people", they are at the same time the labour force, consumers and users. Creative class is the engine of the innovations.

According to John Hawkins (Howkins 2001) and other authors (Bitard and Basset 2012)as well as in the report of the UNCTAD 2010 (UNCTAD 2010), creative industries become the basis of a new economic model. This new economy is characterized not by the tons of produced steel and the number of car assembly factories. It is evaluated by the creative potential of the population, that make products the value added of which is based on the creative component. Richard Florida pointed creativity not as a socio-cultural, but as an economic function. Florida says that the traditional secondary and services are no longer sufficient factors of economic development, that at this stage they cannot be competitive on the global and even local markets without the constant innovation that are made by the creative class (Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011)

1.2. Definition of terms: creativity, creative industries and creative economy

So what are the creative industries? According to the British Council, “at the heart of the creative economy are the cultural and creative industries that lie at the crossroads of arts, culture, business and technology”. According to this definition appear the need to define three different ideas: creativity, creative industries and creative economy.

First, there must be defined the idea of creativity itself. According to the “Human Motivation, 3rd ed.”, by Robert E. Franken: “creativity is defined as the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others”[1].

Creativity is an ability of a person to produce something new and somehow valuable. This can include tangible or intangible created items: painting, architecture plan, sculpture or music, dance and programme.

The idea of creativity underlie the creative industries. The definition of creative industries established in 1994 in a mapping document is the following. Creative industries are those industries that are based on individual creativity, skill and talent with the potential to create wealth and jobs through developing intellectual property. There are many debates about classification of creative industries because different ways of understanding the definition produce different classifications. According to the British Council definition, creative industries

[1] Robert E. Franken, “Human Motivation, 3rd ed.”, p. 396, Pacific Grove, Calif. : Brooks/Cole Pub. Co., 1994

include the following sectors: advertising, architecture, the art and antiques market, crafts, design, designer fashion, film, interactive leisure software (i.e. video games), music, the performing arts, publishing, software, and television and radio.

This first definition and classification industries determined by the pioneers of creative industries research - British Council – were further adopted by other countries and organizations. In addition, there appeared some divergence in definition.

In 2008, UNCTAD prepared the report named as "Creative Economy" where another definition was suggested. This definition was more inclusive and determined creative industries as "the interface between creativity, culture, economics and technology as expressed in the ability to create and circulate intellectual capital, with the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development".

There is another definition that shortly determines the core idea of creative industries. "Creative industries is a new analytic definition of the industrial components of the economy in which creativity is an input and content or intellectual property is the output"(Potts and Cunningham n.d.)

Creative sector is the sector of economy consisted of the number of creative activities that produce jobs and value added. Creative economy is the economy based on the development of the creative sector.

1.3. The role of creativity in the modern economy: a review of approaches to the study

Despite the increasing role of creative industries in modern life, a natural question arises, and what kind of contribution they make to the economy and what does it go on?

The importance of creative industries for the economy was mentioned in the document "Mapping the UK creative industries" (DCMS 2001). It was discussed about the direct impact of creativity at the economy and at the appointment of the development of creativity as one of the most important tasks of economic strategy, "improving the quality of life through the development of cultural and sports initiatives support in the acquisition of skills, support for creative industries and leisure".

The share of the creative component in the creation of added value is growing up. The product value added increases due to appearance of a complex of additional products and services around it. The services itself can also become more differentiated and flexible, creating thus added value and jobs. However, this differentiation and the constant "adjustment" to the client (or other rapidly changing external conditions) requires new - creative - approach to create the products and services. The result in the production of the creative sector is the innovation.

The contribution of the creative industries in the economy, according to the researchers Zelentsova E. and Gladkyh, can be divided into the following categories (Zelentsova and Melvil 2010).

The economic contribution of the creative industries, according to the concept Zelentsova and Gladkyh, can be analysed in four aspects:

- Direct economic benefits - is determined by a direct contribution to GDP;
- The economic impact of the second level - is determined not directly, but has a measurable effect, for example, the growth of cultural and creative industries expenses;
- The economic effect of the third level - determined by direct, but not so obviously measurable contribution to the national economy, including arts and culture participation in industrial development, innovation.
- The economic effect of the fourth level - the so-called "immeasurable" effect. This includes the change in the quality of life, the production
- Creative industries is getting pluralistic and tolerant atmosphere in the society.

An important study of communication development level of the territory and creativity is the work of Richard Florida. Florida made t

Nowadays creativity is a new production resource that composes a base of the new economic production model. Creativity has become a major source of competitive advantage (Savina 2008). The world is moving from the competition of firms for markets, through the competition of companies for skilled labour to urban competition for creative professionals - the main resource and factor of production the post-industrial era (Florida 2002). As one of the most important of the productive forces in the modern economy, the creative class, characterized by high mobility, has become the subject of competition between countries and cities.

According to many researchers of the phenomenon of creative industries, creative class is also a new resource of development of the territory. Florida and Landry share this opinion. Charles Landry, in his book "Creative City" says that the main resource of the city are the people: the human mind and creativity. Human capital in the creative industries has played a most significant role. However, as the source of creativity Landry sees not only a certain group of people, but also in the urban environment: the potential to have a history, traditional crafts, construction, landscape, folklore, music, food, etc.

Creative product is made by a special part of the population - the so-called creative class. E. Toffler was one of the first who talked about the appearance of creative class calling it the cognitariate. Subsequently, this idea was developed by the Italian sociologist - Franco Berardi. Among the founders of the concept of the creative class are Daniel Bell, Allen Scott, and Andy Pratt, Alvin Guldner ("The Future of Intellectuals and the ascent of the New Class"). However, the creative component in employment as the main factor in selection of the creative class was first represented in the works of Richard Florida.

R. Florida refers to the creative class of the people who create economically valuable products in the course of his creative activity, whose economic function is to create new ideas, new technology and new creative content.

According to R. Florida's creative class consists of a "core" - people who are involved into the scientific and technical sphere, architecture, design, education, art, music, entertainment, whose function is to create new ideas, new technologies, new creative content. They are scientists, university professors, engineers, poets, writers, artists, actors, designers, architects, experts of analytical centres, editors, reviewers, and others; - people whose opinion influences the public opinion.

In addition to the core, the creative class includes an extensive group of creative professionals who work in the field of business and finance, law, health, and related fields.

The members of creative class earn money by creating and developing innovative product independently, while representatives of the working and service classes mainly perform the work in accordance to the plans and tasks they were given (Savina 2008). Therefore the creative actors are the inventors and the executors of the tasks while the others are only the executers of someone other´s task.

In this paper, the attention is focused on the study of representatives of those jobs that are directly attributable to the previously given definition of creative industries, i.e. those who are employed in the music industry, visual arts, film, performing arts, gallery business, fashion, art crafts, publishing, advertising, design, architecture, Internet and computer technology (DCMS 2001)

1.2.1 Evaluation techniques of the contribution of creative industries to the economy

Creative economy is based on the unlimited potential of its main source - an intellectual capital (Kloudova n.d.). Intellectual and creative abilities of a human is an inexhaustible resource that has a growing influence on economic process through the production of goods and services in creative industries.

Here creative industries are understood as a combined cycle of creation, production and distribution of goods and services, based on creativity and intellectual capital initially (UNCTAD 2010).

1.3 The approaches to the allocation of creative industries in the official statistics

There are different classifications of creative industries. The basic classification is considered the classification of UNCTAD, in which all the creative industries are divided into two big classes - cultural sector and creative sector. In this paper, this classification is used as the most common in national statistics of different countries.

The cultural sector include:

- Non-industrial sectors, creating irreproducible goods and services that are consumed immediately after their "production" (concerts, exhibitions, art fairs). These include the arts (visual arts, including painting, sculpture, crafts, photography, antiques, performing arts, opera, symphonic music, theatre, dance, circus arts, cultural heritage - museums, libraries, archives, architectural heritage).
- Industrial sectors, creating a reproducible cultural product of mass production and consumption. This category includes books, movies, video games, radio, sound recording production, music, books and other printed products.

The creative industries are those industries in which the creative element is introduced into the goods of cultural destinations. They include design (fashion design, interior design, product design), architecture and advertising. In this study, the most frequently used is the classification used.

There is also another classification proposed by the World Organization of Intellectual Property WIPO in 2003. Classification is based on established accounting degree copyright. This model shares the creative industries in the following groups:

- Main industry based on copyright (53.3% in the statistical system). This is the press and literature, music, theatre, opera, film, video, radio and television, photography, software and databases, visual and graphic arts, advertising services and collective copyright management societies.
- Relative industries (22.2%), manufacturing products, consumed with the production of the main branches or providing such consumption. This production, wholesale and retail TVs, radios, the CD-recorders, computers, musical instruments, photographic and cinema equipment, photocopiers, electronic media, and others.
- Partially dependent industries (7.5%), in which only the part of the work is protected by the copyright. This design, architecture, fashion, clothing and footwear, household goods and toys.

1.4. Theories and creative industries

The role and the economic contribution of the cultural and creative sector is still largely ignored. "Indeed, the move to measure the socio-economic performance of the (creative) sector is a relatively recent trend" (Commission Directorate General for Education 2006). At present, the creativity and its value stays more and more in the centre of the interest from the economic point of view. The rate of growth of creative industries is much bigger than of other sectors and creative sector makes a tangible contribution to the economy.

Various economic theories have different interpretations of the value of creative industries. Neoclassical theory does not account for creativity. Here, the price is the main determinant of value, and other factors such as product development process, the role of the enterprise in the market and the dynamism of the market, are ignored.

The followers of the Austrian theory (Friedrich von Weser, Carl Menger, Ludwig Miser, Friedrich von Hayek) talk about the importance of diversity of choice. Consequently, the creativity provides a variety of solutions of the same products with the same parameters of functionality but different regarding to the diversity of taste consumer demands.

The institutional theory (Veblen) states that the goods are bought not only for reasons of their need for survival and the minimum needs but also to demonstrate their welfare. Thus, the acquisition of some products of creative industries serve for confirmation of status is made.

New growth theory (Paul Romer) indicates the importance of ideas, technology and innovation for the product, as well as exclusive rights to this innovation. The successful design solution or an innovative creative idea can act as this innovation, raising the product out of reach for the competition level (Heskett 2009).

It is worth mentioning the value of creativity for the industry and the economy. Two levels of this value can be determined. Contribution of the creativity at the micro level considers the increase of competitiveness of goods and companies; at the macro level it comprises the improvement of living conditions, creating jobs, improving the competitiveness of industry and the economy as a whole.

Many scientists and researchers designed different allocation theories (von Thünen, Lösch, Weber, Launhardt, etc.). These theories were designed to explain the location of productive forces. As creative industries are a part of the modern economy they can also be analysed from the point of view of classical allocation theories.

In this work, a correlation between dislocation of creative industries and the theory of central places was studied. Christaller designed the theory of hexagonal lattice patterns of settlement of different hierarchic levels (Getis and Getis 1966).

Creative industries correlate with the Christaller's theory of central places. The central places of creative industries – are the creative centres – culturally diversified cities that provide creative goods or services to the places of lower size places – smaller cities or towns.

Creative goods and services are high-order and specialized items that are bought less often. Due to the fact that creative goods and services require a large threshold and people do not purchase them regularly, many businesses selling these items are not able to survive in areas where the population is small. For this reason, they are usually dislocated in large cities that can serve a large population in the surrounding hinterland. This creates a network that consists of nodes of different hierarchy that provide different varieties of creative goods and services.

According to the Christaller's theory, there are five sizes of communities within the system of creative places. These are the hamlet, the village, the town, the city and the regional capital. In this work, a new typology of central places has been designed.

As for the creative industries, there can be determined 4 levels of hierarchy. The central places of the highest hierarchy – the regional capitals - concentrate the widest range and the most specialized creative goods and services. These are usually the biggest cities – the international capitals such as London, Paris, New York or Berlin. These places are characterized by the highest cultural diversity and are large international centres of creative industries. The regional capitals possess the maximum number of creative goods and services. The area with which the regional capitals provide their goods and services includes the whole world.

At the second level of the hierarchy, the creative centres of national level of importance are placed. These country capitals do not have such an international importance as the regional capitals. In addition, this group includes the cities of the second size and importance such as Munich, Barcelona, St. Petersburg, Bordeaux, etc. The number of creative goods and services presented in these cities is quite considerable; however, they are more common than those in case of regional capitals are. The cities usually provide creative goods and services to the whole country or to the region where they are situated.

The third level includes the towns – these are usually medium sized settlements that provide the surrounding territories with the basic number of creative goods and services. Their number and variety is usually reduced. These are Tarragona, Lille, Newcastle, etc.

The smallest creative central places are the "villages". These are usually medium or small town where the creative activity is episodic. Usually the only form of creative activity that takes place in the "villages" are the local festivals, fares and other events, usually prepared by the local non-professional force. The examples of these central places are Montblanc (Spain), Berck-Sur-Mer (France), Montepulciano (Italy), Heidelberg (Germany), Crosshaven (Ireland), Lake Wanaka (New Zealand), etc.

Creative industries are recognized as a source of creating added value, job-places and cultural variety that in turn creates a nutrient medium for social development. It is especially important in the terms of economic crisis when the society needs to search new resources and profit ideas.

2. Location of creative industries: theoretical aspects

2.1 Theoretical studies of creative industries dislocation

Geography of creative industries and the particular placement of the sector today is of interest of many experts and researchers. Here can be named such authors as Richard Florida and Tingaly (2004), Boshma and Fritish (2009), Clifton and Cook (2010) (Boix et al. 2010).

It must be said that the research in the field of creative industries is still at the early stage of its development. The current stage includes the developed of the first techniques of research, gathering and the beginning to synthesize the research materials from different countries (Lazzeretti, Propris, Power, Nielson, J. Kloudova etc.).

Beyond the regional studies there can be mentioned a group of works prepared by the specialists and organizations from UK (Creative Britain: New Talents for New Economy; The geography of creativity L. De Propris, C. Chapain, P. Cooke, S. MacNeill and J. Mateos-Garcia and others.) France (Les industries creative; Industries culturelles et créatives et développement économique local), Germany (Culture and Creative Industries in Germany, Bernd Fesel, Michael Söndermann) and others.

Despite the fact that the role of creative industries in the modern economy has been recognized, to date, the number of studies of the geography of creative industries and comparisons of models of development of this sector is still very limited. It depends from country to country but the overall trend is the following – the creative industries research science is still developing. A considerable obstacle for this development is a much reduced statistical data about the sector.

2.2 Dimensions of enterprises of creative industries. The phenomenon of concentration and clustering in creative industries

One of the main characteristics of the creative sector is a high territorial concentration, especially in large cities and metropolitan areas (Boix et al. 2010). The creative companies the concentration of the human capital is crucial. An ability to quickly mobilize staff using their concentration, "becomes a powerful resource for combating competition in the creative economy, where time is critical" (Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011)

Creative industries tend to concentrate all the resources together in networks, clusters, areas and other types of partnerships. There is a number of factors that stimulates creative enterprises for spatial concentration, especially within the central city or within the central area. This happens because the concentration effect has a number of positive consequences of the:

1) Proximity to suppliers of raw materials and semi-finished products. However, if during the period of urbanization, the reason for this was to reduce the transportation costs, today the spatial proximity promotes the creation of a network of enterprises, increases the flexibility and adaptability to new conditions (Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011).

2) Proximity to the consumer. The activities of many companies of the creative industries base on a close cooperation with customers, who are concentrated in the cities, so the cities, attract the enterprises to dislocate in there. In addition, the main part of the human resources are also there.

3) Improving access to information resources

2.2.1 Enterprises in creative industries

The increasing role of creative sector in post-Fordism economy has led to a structural change in the nature and the location of industry. The concept of social space has become particularly important in the European economic geography during the late 1980s (DCMS 2001). The concept of "turning to culture" (*Soja*, 1989) was developed basing on these ideas. The idea was to move away from the unified space of national economy to variability and multi-level approach that takes into account such aspects as the impact of globalization, the mobility of people, finance and knowledge.

Local networks of small and medium-sized enterprises started to grow rapidly. In contrast to large companies the SME rely on not only market relations but also take successfully the advantage of the cluster and network structure. Creative industries are characterized by the type of companies with the so-called "creative (innovative) organization", which is a "new model of flexible organization that allows to use the knowledge, creative and innovative potential of each individual employee to make a profit" (Berezjnov 2008). Creative industries base on small and medium-sized businesses, where an increase of the number of employees does not mean the growth of enterprise efficiency in general.

2.2.2 Creative industries location factors

Richard Florida in his works described the dislocation of creative industries. As the main factor that determines the spatial localization of industries mentioned the individuals but not the business. The main thesis of Florida is that "the place has become a major component of organizing our time, taking over many of the functions previously performed by firms and other organizations." At the same time, creative professionals concentrate in the places where they meet their specific needs. According to Florida, these people choose the place according to the so-called attraction factors - hard and soft. Hard factors - those that can be measured by some objective indicators (for example, economic stability, productivity, employment, infrastructure, etc.). Soft factors are difficult to measure as they are more subjective characteristics of the space (quality of life, culture, flexibility and dynamism, entrepreneurial initiative).

Thus, according to Florida:

1. The place should have a reach labour market. This is because creative workers prefer to change jobs every 3-5 years, without changing the place of residence.
2. The place should be able to provide with a certain lifestyle. For example, for creative professionals the access to important leisure and entertainment, the existence of different music scenes and sites, active nightlife, the possibilities for doing sports lifestyle is crucial.
3. The place should facilitate communication of people who use social networks, i.e. should have a developed network of clubs, restaurants, and cultural places.
4. The diversity is one of the key characteristics of the place. It implies the openness to people of all cultural, political, religious views, all races and nationalities. This indicator tells creative employees that their innovation in this environment can be taken freely.
5. Creative professionals require the presence of the unique characteristics of the place, authenticity - whether it is well-known musical group or unusual building

Although the creative class is characterized by a high level of mobility, the large manufacturers and distribution companies, at which the creative people are targeted eventually, are usually not so mobile. Therefore, the creative sector tend to dislocate in the places where these distributors are settled down. According to Florida, the creative class is attracted by the areas of concentration of the "3 T": technology, talent and tolerance. Florida says that "economic growth in the region is provided by creative people who prefer the places that are diverse, tolerant and open for the new ideas"(Florida 2002).

Creative industries need a highly qualified labour force that has a big creative potential. Creative class stimulates the development of the local market, which is crucial for creative producers, who follow the latest trends and fashion – the motor of innovation in this sector. Complex local market is a key component of the development of creative industries.

Another factor that determines the location is the place by itself. Creative industries are dislocated in the places that have both a high local identity and openness. Reputation of the place plays an important role as well. The established reputation attracts new entrepreneurs, because the prestige of the location increases the attractiveness of their products for the buyers. The established reputation of a place in a particular specialization can be hardly to move to another location. This explains the peculiar dominance in the placement of creative industries in such places as Hollywood, London and Paris.

In most cases, creative industries tend to dislocate in urbanized areas and around the scientific and cultural centres, such as around the universities (Boix et al. 2010). Therefore, creative industries are usually hard to be found in rural areas. The exceptions are the areas where significant investments have been made by the state or private individuals to develop the creative potential and the place branding. The main source of income and the result of the contribution of the creative industries in such cases becomes the increasing flow of the tourists.

The research «Location, location, location: exploring the complex relationship between creative industries and place» provides the following classification of the factors that determine the location of the creative industries (Comunian, Chapain, and Clifton 2010).

1) Infrastructure. This includes having a highly developed "business space", the prospered local population and tourism, and/or transport infrastructure.
2) Management. This includes the availability of programs and policies, as well as initiatives for the development of creative industries, the interaction between the institutional and non-institutional actors at different levels. Like other economic actors, creative industries can interact with a variety of projects of economic development of the territory and influence them.
3) The "soft infrastructure". In the meaning of the special image of the place, the enterprise network structure that affects favourably upon the location of creative industries in this place.
4) Markets. Creative industries operate in a rapidly changing market. Close contacts between buyer and producer of creative goods also play a significant role. Not only the physical space, but also the virtual space of information should be taken into account.

Besides these primary location factors the secondary factors also affects the location of creative industries. These are the developed transport infrastructure – ports, airports and roads. These infrastructure provides the mobility of create actors and the produced creative goods and services. Another factor that affects the location of creative sector is the industry. The industry is an important consumer of some particular creative services – especially design. Its importance becomes even higher in the era of customisation. Therefore, the existence of industry in the region can aliment the development of creative sector.

2.3 Geographic forms of dislocation of creative industries

The geography of creative industries can be divided on such territorial levels as creative regions (*DCMS* 2000; *Cooke and Schwartz* 2007), creative city (*Florida* 2002; *Landry* 2000; *Cooke and Lazzeretti* 2008), local creative system (*Lazzeretti et al* 2008; *Sunley et al*. . 2008), creative clusters (*Turok* 2003; *Pratt* 2004), creative places (*Landry* 2000) and creative quarters (*Roodhouse* 2006; *Evans* 2009).

The following research details, which one of these levels reflects most accurately the locational forms of creative industries and which ones are usually used in the works devoted to the study of creative industries.

2.3.1 Major forms of accommodation of creative industries (creative city, creative regions, local creative system)

Creative regions – is the most commonly used category. Creative region usually refers to regions within the administrative-territorial division of the country with the most developed sector of the creative industries. (*Power and Nielsen*, 2010). Later in this paper, creative regions are considered from this point of view.

Lazzeretti and Capone (2008) proposed the term of creative local system as a territorial entity, characterized by a high concentration of creative industries, as well as a special set of factors that are favourable for the creative dislocation. The local systems of creative industries are based on the use of the advantage of the concentration of capital and labour that stimulates the production and distribution of creativity. Local creative systems are used to distinguish the areas with a high level of concentration of creative industries and to determine areas that are specialized in one or another creative industry (Boix et al. 2010). This category seems to be the closest to reality of creative industries as these industries surely do not follow the borders of administrative division. The method of Lazzeretti and Capone lets to identify the local concentrations of creative activity and this reflects much better the real geography of creative industries. However, this method has considerable disadvantages, as the data about creative activity is hard to find even in regional level. While the method of Lazzeretti and Capone needs the researcher to have the data about each point of geographic space.

The ideas of the creative economy were also applied in the context of the economy of distant cities, which led to the "creative city" concept. The creative city refers to the urban complex, where all sorts of cultural activities create an integral part of economic and social functioning of the city (Landry and Bianchini 1995). Such cities usually possess a well-developed social and cultural infrastructure, a relatively high concentration of people working in creative sector; they are attractive for foreign investment. Creative city are animated by cultural and social activities such as job creation and economic growth through the development of creative economy.

According to Landry, "creative city is a union of creative powers of individuals and communities to generate economically and socially safe urban environment." Charles Landry points out that: "Today, many cities in the world enter into a transition period. These transitions vary from region to region. In Asia the cities are growing, and in other regions, such as Europe, the old industries disappear, and the added value in these cities is created not so much by commercial production but by implementation of the intellectual capital to the production of products, processes and services " (Landry and Bianchini 1995).

Florida examines the city in the competitive environment, and in this context creative industries, i.e. the ability to create new forms, "has become a major source of competitive advantage"(Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011).

Creative cities use different sources of this "creativity" and use in a different manner their creative potential. Some cities attract consumers of cultural products through the presentation of its cultural heritage or the cultural activities with the performing and/or the fine arts. Some of them, such as the Bayreuth, Salzburg and Edinburgh, arrange festivals, which form the city's identity. However, there is a creativity that is not related to the cultural heritage. In this case, the city looks for a more extensive use of cultural and media industries to provide employment and make a profit by using these industries as a mean of urban and regional growth. The emphasis on the development of creative industries and creative economy is made more and more frequently – creative industries are understood as a platform for economic development of the whole city.

2.3.2 Creative clusters

Michael Porter defined a cluster in his work "The Competitive Advantage of Nations" 1990, as the following: "a cluster is a geographic concentration of related companies, organizations, and institutions in a particular field that can be present in a region, state, or nation. Clusters arise because they raise a company's productivity, which is influenced by local assets and the presence of like firms, institutions, and infrastructure that surround it"(Michael E Porter 1985).

D. Reyfeld identifies three prerequisites of the creation of a new clusters:

• cluster products, whether goods or services should be demanded in the world market - only in this case it can growth sustainably;

• cluster needs the conditions and resources to appear;

• to activate the internal capacity of the cluster it is necessary to coordinate political choice with strategies to diversify the local production enterprises (Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011)

The main characteristic of creative industries is that they are often grouped into creative clusters - "commonwealth of independent creative companies related by common place and relations of mutual cooperation and competition." [10] Creative clusters are a group of creative companies. In clusters costs are reduced by sharing the premises firms, equipment and space. The companies in cluster exchange the experience and cooperate to increase productivity and stimulate the creative process.

Creative clusters of all sizes located in metropolitan areas or small towns are common in the creation of economic profit and change of the status of the environment by revealing the creative abilities of individuals.

Such clusters include also non-profit organizations, cultural institutions, the venue for arts events and free artists. Usually the creative product in creative clusters is produced and consumed simultaneously.

2.4 Creative industries and regional development

Creative industries have an influence on the development of the cultural life of the country. As it was discussed in the previous section, it is made through the series of direct and indirect effects on the economic development, including an increase in employment and regional development.

Moreover, an important role is played by the involvement of the region or city into the global economy that affects creating new jobs (Launay and Martinez 2006). Many businesses today are choosing the territories with a favourable environment, infrastructure and the high level of cultural development of the population to dislocate themselves as these factors increase the economic welfare of the territory. The following mechanisms of action of the creative industries on regional development are discussed widely in scientific literature of the West.

As it was mentioned above, Richard Florida argues that creative industries can be a tool for regional and urban development, expanding the range of products and services, creating new jobs, using the creative potential of the place and its people - the creative class. Charles Landry, in his book on the concept of a creative city, says that the creative factor at one moment begins to exceed on the importance of location, resources and access to the market. Today, the importance of the "human resource" and its creative potential is increasing. This creativity can be used as a tool for development of remising regions and old industrial areas. One of the biggest advantages of this tool is the availability of the necessary resources. Landry points out that "each city has a creative potential, but in many cities it is blocked ... the source of creativity - creative people and organizations have a distinctive feature: coming together in one area, they form a creative environment" (Landry and Bianchini 1995).But the authors' views differ with the methodology of development of creative industries in the cities and regions. If the principle of urban development, according to Florida is to attract and retain creative professionals, according to Landry the main resource is the local community, which solves the problem through internal resources, maintains and develops the potential of the population, regardless of their profession. This divergence is determined by the very simple fact. Richard Florida is an American specialist and Charles Landry is a European one. USA population historically is more mobile and people usually change their place of live several times in life. While the European population is traditionally more inert and leaden in migrations comparing with USA. That is why the core point in Florida theory is the attraction of specialist from above and according to Landry – growing them up from the local resources. Consequently, it is a model Landry that dominates in the regional development of creative industries in Europe, i.e. encouraging the development of local resources and the capacity of its own population.

"The most significant figure in the city is an individual, the citizen." The approach is close to the ideas Landry also implements Kotkin.

As a leading opponent of Florida R., J. Kotkin, however, agrees that today in some cities view the experiencing rapid growth due to the uniqueness of the place and its creative potential (Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011).

Kotkin also notes that in the XXI century this concept can become a basic one for the development of individual cities. However, it is untenable as a general practice of strategic urban development. Kotkin does not deny the importance of creative industries for the economic development of modern cities, however, casts doubt on their independence and autonomy from the secondary and tertiary sectors of the economy. According to the researcher, creative industries can not currently be an independent basis for the economic development of the city. Furthermore, Kotkin argues that the target audience of creative industries is a creative class. However as the creative class is of a very high mobility it cannot create a complete and stable economic base for the development of the city. According to Kotkin, cities need to build strong community residents who are interested in long-term development of the territory. For this reason, the author sees as the main problems of urban development, in addition to the cultural component, the development and attraction of specialized industries and above all the logistics, small business, consolidated local community.

2.5 Particular measures for creative regional development

The European Cluster Observatory prepared the report “Creative industries. Analysis of industry-specific framework conditions relevant for the development of excellent clusters, 2013”. The report contains the recommendations for the future creative policy design. In this thesis was made a try to analyse the offered recommendations of the European Cluster Observatory. Below the analysis and the resume of these recommendations is given in a view of usual regional development measures and the particular features of creative industries.

The recommendations of the European Cluster Observatory are divided according to the four stages of the industry development – precursor, embryonic, nurture and growth (Dervojeva et al. 2013).

The precursor stage is the first one in the lifecycle of creative industries. It is characterised by the appearance of the first interest in the emerging industry in the particular region. Usually the first initiatives of creative activities come to the region from the private sector. However the role of policy makers at this stage can be crucial and should not be underestimated. Creative industries are characterized by a high level of dependence from the institutional factor. Policy makers can stimulate the development of creative industries at the Precursor stage, considering the following points:

1) Management of historical, cultural and artistic heritage. In the most cases, governments have the crucial role by owning and operating the objects of historical and cultural heritage. The ways of this ownership and operation influence considerably the development of creative sector. It can attract the to attract firms and individuals for building to develop the creative sector through tourism promotion, the organisation of festivals and city marketing, forming the identity of the place.

2) Management of the creative education – doing the informational campaigns about creative education and providing the infrastructure for this education.

2) Management of the creative class - the mass of creative and entrepreneurial people in the region providing the connections between the supply of skills and the demands of the labour market. This point also considers the partnerships between art schools or universities and businesses and management of business incubators.

4) Providing creative environment. This includes a necessary infrastructure, improvement of the urban space. It also considers the protection of capital assets from market forces, especially around property.

The next stage is the embryonic stage. It is characterized by a higher role administration and public policy and implies activities aimed to demonstrate the commercial potential of technology and services through the generation of the revenue. At these stage the crucial points for policy makers are:

1) Providing the access to financial resources through direct (like subventions) and indirect instruments (like Public Investment Banks and preferential credits). The crucial point is the availability of seed and venture capital for creative companies (for example - a venture capital fund aimed at the creative sector is the VC Fonds Kreativwirtschaft Berlin).

3) Providing a supply chain. Policy makers can attract the supply chain actors by providing services and facilitate the establishment of SMEs. This can be achieved by reducing the institutional costs - facilitating licenses, speeding up the registration process, reducing the number of steps, avoiding redundancies etc.

4) Providing the customer proximity. One of the ways to achieve this point is to organize and manage the multi-targeted festivals and different events.

5) Providing interdisciplinary cooperation between creative industries and other businesses. This can include the indirect mechanism of support of cooperation. The example can be the promotional policy of business-university cooperation in Germany. The policy acts in such a way that only the companies that cooperate with Universities or scientific centres can get preferential subventions.

6) Support creative start-ups.

The next Nurture stage include the activities aimed to improve the price and performance of applications and achieving the point of sustainability of the business. At the Nurture stage, the role of public policy is fundamentally important and concentrates on:

1) Providing the development of education through the solid base

2) Providing the copyright protection and neighbouring rights as creative industries consider a unique design or idea as a large part of their product or service and the protection of the rights is crucial for this sector.

3) Providing mobility among creative actors by reducing the barriers, liberalizing the trade flows.

4) Supporting internationalisation by growing creative industries of the world-class level and exporting creative goods and services, as well as developing links and relations with other countries.

5) Elaborating strategies, documents and roadmaps for the development of creative industries in the region. Elaboration of the strategy is a crucial point as it permits to plan the development of creative sector, prejudge the obstacles and speed up the opportunities

6) Elaborate and implement dedicated cluster policy. Creative industries tend to concentrate in space and cluster is a common form of this concentration. Cluster policy provides creative industries with a proper special infrastructure and stimulates the cooperation within and outside the sector. The cross-border cooperation let settle down the inter-regional clusters that foments the cross-regional cooperation.

The final Growth stage includes the support of the already established and vivid creative sector:

1) Providing financial support by, for example, establishing a special foundation, grants and prime events. In addition, the support of creative aspects can be done during the regeneration

of city districts and urban spaces. A region can support creative industries through offering different tax benefits or for example lower rent conditions.

2) Providing flexible labour markets. Qualified and talented labour force is one of the most important parts of the creative production process. As creative industries gravitate to the places with creative labour force, providing flexible labour market becomes an important target for the administration.

3) Providing other measures. This can include the activities to motor the whole creative sector such as organizing the creative start-up weekends, conferences on the topic of creative development business support and tax and social security policies with most of the emphasis on the former.

The presented measures are not unique for creative sector but can be found in different strategies for different sectors and regions. The uniqueness of these recommendations is considered in the combination of these particular measures. Creative sector has some particular features mentioned above in this paper – dependence on the creative labour force, fruitful creative environment and the existence of the demand for creative goods and services. This means that the measures for regional, local or national creative development should concentrate on providing these points first of all. Elaboration of the strategy is also an important point for creative development as creative industries are very sensitive for the institutional factor. The recommendations listed above consider these particular features therefore can provide a good basis for some creative strategy or creative policy.

2.6 Creative industries and spatial planning

Creative industries are also recognized in the context of spatial development. Many researchers studied the connection between creative industries and spatial transformation (Helin Liu, Richard Florida, Lazzeretti, Boix, Karima Kourtit, Jan Möhlmann, Peter Nijkamp, Jan Rouwendal etc.). Creative industries have a great potential for the transformation of the space and territorial development. From the point of view of spatial development, creative industries can be analysed from two levels: local and regional.

Creative industries are generally the instrument of the local urban transformation rather than regional one. As creative industries tend to dislocate and centralize themselves in big cities, they usually contribute to the transformation of urban space. Creative professionals search for the lowest price and the biggest space so they tend to dislocate in old industrial zones of the cities. The low rent price and wide spaces attract designers, artists and other creative workers to former fabrics and start to transform the abandoned industrial zones to creative spaces. This is how the creative cluster begins. Further, these reinvented and artistically transformed spaces convert to the points of attraction of other people, companies and tourists. Creative clusters tend to become a new city site-seeing. Some of them transformed to independent tourist attractions.

The most known cases of such transformation are the former mines of Ruhr, the creative cluster of Amsterdam, creative zone of Berlin, 22@ district in Barcelona, Kursky station district in Moscow, etc. There are several examples when the city administration gave to the artists some abandoned spaces and gave them freedom to transform them as they like, for example the new metro stations in Dusseldorf, public art in Dublin and Cologne, etc.

The creative class in these cities has completely transformed the abandoned spaces converting them to new creative points on the city map with considerable development of infrastructure and buildings.

The spatial development at the higher level is not so considerable. Although Robert Boix and Luciana Lazzeretti study the phenome of creative regions, creative industries tend to have more a local effect.

2.7 Creative industries, urban development and city branding

Creative industries have a solid connection with the terms of city branding as cities usually use one or several creative productions to design a unique brand of a place.

City branding is a part case of spatial development. With the development of creative industries and place branding such term as "creative city" appeared.

"The key to creative city development was in the concept of culture. Since the 1990s the attention started to shift toward the commercialization of culture and bolstering creative industries (*Jacobs* 1961, *Zukin* 1995, *Howkins* 2001, *Florida* 2005, *Landry* 2008, *Flew and Cunnigham* 2010)…This development raised the need for evidence of how creative industries or, more broadly understood creative city development gives impetus for local economic growth" (Ari-Veikko Anttiroiko 2014). Oli Mould says that designing creative city was a part of neoliberal urban development paradigm (Mould 2015).

Moreover, in recent years with the forcing process of globalization the cities began to operate more as huge companies on the global market. The cities compete and fight for the economic and human resources as well as the visitors. In this fight a proper image – the brand of the territory – starts to play a critical part. The city image generally is composed of the "metageographies - sets of geographical ideas and spatial structures through which individuals tend to order their knowledge of the world — are fundamental in shaping subjective geographies influencing our actions: places are labelled in order to play an anticipatory function, i.e. to build up expectations about uncertain situations "*(Vanolo* 2008).

To elaborate a unique brand of the place and hold itself as an innovative place many cities have placed the creative city concept at the core of their urban development strategy. Therefore, many cities have started to include the design their territorial brand into their spatial strategy to create the "positive expectations"(*Vanolo,* 2008). To design the brand the cities usually study their creative potential and choose the concrete field of specialization that consists the city's brand.

The prime example of this process is a creation of Creative Cities Network – organized under the UNESCO supervision in 2004. Creative Cities Network is an international network gathering members all over the world. The 116 cities from 54 countries currently make up this network. The Creative Cities Network arose out of the Global Alliance for Cultural Diversity initiative that was created by UNESCO in 2002. The Global Alliance for Cultural Diversity's initiative is a promotion of innovative partnerships responding to the needs of developing countries. The main objective of the network is to gather cities working together "towards a common objective: placing creativity and cultural industries at the heart of their development plans at the local level and cooperating actively at the international level". The UCCN also possesses itself and as a "laboratory of ideas and innovative experiences intended to capitalize on the full potential of culture and creativity for sustainable urban development". To join the network cities must determine their area of specialization. Only one area of seven can be chosen: Crafts & Folk Art, Design, Film, Gastronomy, Literature, Music and Media Arts. Each city holds itself as a branded city of a particular creative industry. Joining the UCCN stimulated many cities all over the world to develop their creative potential and share knowledge and experience in creative development.

However not all the cities can join the Network. The main requirements for city to join the UCCN are:

1. Have a min. population of 100 000 habitants
2. Choose and determine one of the seven creative fields of specialization

3. Elaborate the program of creative development connected with the chosen field
4. Have enough budget to implement the program

At this term, many small cities have to act with their own forces. However, the city branding is a very perspective measure for development in particular for the small towns. For example the towns of Bradford in Great Britain and Clermont-Ferrand in France.

2.8 Event economy as a part of creative industries

One of the most important platforms to implement cultural policies and promote local cultural products are the festivals according to Olsen (2012). Events constitute a considerable part of modern economy. Often these events and performances have a creative part so that they belong to creative industries and also should be studied as a part of this sector.

More and more festivals, fairs and other creative events are considered as effective platforms for the promotion of local development. It enables to take the advantage of the existing cultural heritage as well as support the local artistic projects.

Fairs are short term events in which all related activities take place over a period of from three to eleven days, although some festivals – especially those with artistic content – tend to go on considerably longer (in some special cases up to three months).

They are also usually held at regular intervals – normally once a year, but in the case of some so-called art 'biennales' every two, five or ten years. Thirdly, they are socially bounded in that they bring together a large and diverse number of participants who are closely involved in the production and distribution of the products and services being exhibited – industry manufacturers, distributors, wholesalers, and retailers. End-users tend to be marginal.

Fairs and festivals have a great relevance for the local development and show positive results in city positioning (Prentice and Andersen 2003; O'Grady and Kill 2013). These activities promote local-cultural products, innovative ideas and urban strategies. They provide a more appealing image of a city and let to foster social cohesion, ensure the private investments to culture.

Fairs and festivals bring together a large and diverse group of participants. They can be local or come from abroad. Some of them come to buy or sell the exhibited products; some of them come to obtain financial support for projects or build social relations and networks or engage in some form of reputation-management. Fairs and festivals also attract other kinds of participants who are not closely connected with the particular creative industry and at how they provide a venue for the (re)enactment of institutional arrangements in a particular industry field, as well as for the negotiation and affirmation of different values that underpin them. Tracing the study of such field configuring events back to studies in economic anthropology and sociology, the authors of the paper argue that it is the notion of values that underpins fairs, festivals, awards, auctions and similar events. Going beyond the economist's notion of 'Value' in the singular, the paper posits that, in order to understand the relationship between culture and economy, we need to consider a plurality of material/technical, social, situational, appreciative and functional values when examining how economic Value is derived from creative products (Moeran and Pedersen 2009).

Such cities as for example Enschede in the Netherlands, have already started to implement the festivals (music festival in case of Enschede) into the city marketing strategy.

Fairs, festivals and other events may have different effect on the territory – it can be short time or long-time effect. This effect can also be of different geographic dimension – local or regional. The positive effect of the events is a speed-growth of the local economy.

However, the event economy at the same time has its own disadvantage. Another side of the event economy is that its effect is usually very timely limited. The huge activity takes place during the event however, when it ends everything usually stops. This very high concentration of activity during a short period of time and the absence of creative activity during the other time of the year has a negative effect. As for the spatial development, a constantly existing activity is better than the “cathedrals in the desert” (*Course of cognitive geography, Zamyatina N*., 2012,).

Chapter 2. Economic and geographic characteristics of creative industries in the EU

1 Locational features of creative industries

Creative industries dislocate in the places with specific conditions. The most important factors of the dislocation are: a high level of human capital, the demand for creative goods and a high level of technological development.

The first factor affect the most on the dislocation of creative industries. As it was mentioned in the works of J. Kloudova "Creative economy does not stay in the places where a cheap labour force can be found but in the places with a concentration of the creative heads and rich consumer"(Kloudova n.d.) To develop creative industries need such factors as a high level of education, skills and training for employment in the creative sector, as well as a workspace open for the new ideas.

The second factor is a demand for creative products. It is determined by a level of consumer demand for products of creative industries. Usually the consumers of creative industries have a high level of incomes. Therefore, creative industries gravitate to the areas with a high level of income of the citizens.

Finally, the high level of technological development creates a corresponding production base to develop a wide range of creative industries and meet the demand for creative products, depending on the variety of consumer tastes.

Due to the action of these factors, it is logically that the main preconditions for the development of creative industries took place mainly in developed countries. In these countries, there is a layer of relatively well-off population and a high level of intellectual development of the consumer as well as a high level of economic and technological production and organizational base. There is also a high level of demand for the products of the creative industries in developed countries as people need to satisfy not only the basic necessities of life such as food, shelter and clothing, but also in cultural goods, which is the result of the production of creative industries.

According to the Maslow's hierarchy of needs creative industries can be placed in the highest levels of the hierarchy. It refers to a human need in beauty, art and self-expression (Maslow 1943). Therefore, the need in creative industries production appears only after the basic physical and psychological needs are met. This point determines the geography of creative industries – they dislocate in the places where the basic need are already met – and these are surely richer and wealthier regions and countries.

Creative industries face many challenges in the regions with a low level of economic and social development as the economy of these regions does not meet the necessary conditions for the formation of the creative sector. The economies of these countries are usually in the low technological level that is a considerable obstacle for creative development. There is also a lack of a sufficient number of consumers; there is no funding to support the development of the cultural sector and no subsidies in such regions.

In terms of the development of creative industries, the world countries can be divided into the following groups.

1) The countries with the highest level of development of creative industries. These include the most developed nations of the world, such as USA, Canada, Japan, Singapore, South Korea, the EU's largest country, and others. This includes most of the OECD countries. These countries have entered the stage of "post-Fordism" economy and are characterized by the most developed and diversified sector of creative industries. The share of creative industries in the economy of these countries is literally more than 2%. Many of these countries have a policy of planned development and support of the creative sector.

2) Countries with a medium level of development of creative industries. This includes many countries with economies in transition, such as Hungary, Romania, Latvia, Lithuania, Russia; some newly industrialized countries: India, Argentina, Brazil, South Africa. The share of creative industries in the economy of these countries is about 1 - 2% of the GDP. These countries have great a creative potential, but the level of economic development does not yet allow the creative sector to reach the level of the most developed countries.

3) The countries with the lowest level of development of creative industries. This is the least developed countries, this includes the majority of African countries, some Asian countries. Creative industries are presented here in a very limited extent, often only traditional crafts and primitive production.

However, it must be mentioned that there is no such a strong correlation between the level of development of creative industries and the level of economic welfare of the country. A striking example of this is India - one of the fastest growing markets of the creative industries. GDP per capita in the country is low - up to $ 1581,5 in 2014 according to the data of World Bank (140th place beyond the other countries). However, due to its rich cultural tradition, the presence of large cities with a rapidly developing infrastructure and level of technology India is an important player in the market of creative industries, particularly through such industries as film, media tools and design of the textile industry.

At the same time, there are countries with very high index of income per capita where the level of creative industries is still very low. Among them are the rich oil and gas exporting countries (Kuwait, Qatar, and others.). Here, the creative sector is just beginning to develop. The development of creative industries is one of the ways to diversify their economies (UNCTAD 2010). The development of creative industries gained a particular importance in the UAE – a country that invests considerably into the development of media oriented on the Arab countries market.

1.1 Creative industries in the EU. The contribution of creative industries to the EU economy

The European Union is one of the most important centres of creative industries in the world. The high level of education, advanced technological base, a great internal diversity, close relations between the countries, the rich cultural traditions make the EU one of the most important players on the global creative industries market.

The contribution of the creative industries to the European economy is very high. The share of creative industries to EU-27 economy in 2010 was 4.5% of GDP, the share of employment in the creative sector reached 3.8% of the total employed population (Díaz 2008). Today, creative sector is one of the fastest growing sectors of the EU economy. The total growth rate of the value added of products of creative industries was 19.7% for the period from 1999 to 2003. Moreover, creative sector plays an important role in stimulating the development of innovation, particularly in the field of electronic devices and communication networks. In the context of globalization while many industries are replaced to the countries with lower labour costs and a general decline of the share of industry in the economy is declining, many EU countries consider the creative industries as a new source of wealth and economic development.

Different researches on the contribution of creative industries to the creation of new jobs, creation of added value and the place of this sector in the economy are undertaken. Beyond the others such works of the organization for innovative development PRO INNO Europe, the study of international organization UNCTAD, the European Commission on Culture can be mentioned.

All these studies indicate that the share of the creative sector in the economies of many countries, especially the EU countries, is equal to or exceeds the most important industrial sectors.

Table 2.1. Comparison of the shares of creative sector with some other sectors of the economy, 2006

Share of sector in country GDP, %	Production of food, beverages and tobacco	Textile production	Production of chemicals and synthetic fibers	Manufacture of rubber and plastic	Production of machines and machinery	Real Estate Transactions	Computers and related production	Creative sector
Austria	1,7	0,5	1	0,7	2,2	2,2	1,1	1,8
Belgium	2,1	0,8	4	0,7	0,9	1	1,2	2,6
Bulgaria	2,2	2	1	0,4	1,3	0,4	0,3	1,2
Cyprus	2,7	0,4	1	0,3	0,2	-	0,6	0,8
Czech Republick	2,8	1	1,3	2	2,3	1,4	1,2	2,3
Denmark	-	-	-	-	-	-	-	-
Estonia	-	-	-	-	-	-	-	-
Finland	-	-	-	-	-	-	-	-
France	1,9	0,4	2	0,7	1	1,8	1,3	3,4
Germany	1,6	0,3	2	0,9	2,8	2,6	1,4	2,5
Greece	-	-	-	-	-	-	-	1
Hungary	2,9	-	2	0,9	1,2	1,8	0,8	1,2
Ireland	5,3	0,2	12	0,3	0,5	1,2	1,7	1,7
Italy	1,5	1,3	1	0,7	2,1	1	1,2	2,3
Latvia	3,2	1,2	1	0,3	0,5	2,1	0,7	1,8
Lithuania	2,5	1,6	0	0,5	0,4	1,1	0,3	1,7
Luxembourg	1	0,9	0	2	0,6	-	1,2	0,6
Malta	-	-	-	-	-	-	-	0,2
Netherlands	2,2	0,2	2	0,4	1	2,3	1,4	2,7
Poland	4,7	0,8	1	0,9	1,2	1,3	0,6	1,2
Portugal	1,9	1,9	1	0,5	0,7	0,6	0,5	1,4
Romania	1,9	2,1	1	0,5	1	0,5	0,5	1,4
Slovakia	1,5	0,7	1	0,9	1,5	0,5	0,6	2
Slovenia	2	1,3	3	1,4	2,2	0,4	0,8	2,2
Spain	2,2	0,7	1	0,7	1	3	1	2,3
Sweden	-	-	-	-	-	4	2,2	2,4
United Kingdom	1,9	0,4	1,4	1	1	2,1	2,7	3

Designed according to: *(KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung 2006*)

The table shows the proportion of the share of creative industries and some major industries. It can be observed that the share of the creative sector excess the share of other industries in the largest EU countries - France, Great Britain, Spain, Italy. A particularly high proportion of creative industries is also in the Netherlands and Germany, it is only 0.3% less than the production of machines and equipment.

However, many researchers say that the potential of the creative industries to the EU economy has not been fully evaluated yet. Apart from the evaluation of the direct impact of creative industries on the economy, such as: creation of jobs, creation of value-added and other factors, such factors as the protection of copyrights, investment in industry and knowledge-intensive intangible assets often remain unaccounted.

There is also an intangible contribution of the creative industries, the positive effect of which is difficult to measure. This includes the overall quality of life, increasing the "status" of the territory, creating a special brand of the space, increasing the attractiveness of regions for living and the tourist flow, development of local identity and others.

The European Commission notes that “despite the considerable potential of CCIs (Cultural and creative industries), estimated to be responsible for over 3% of the EU's gross domestic product and jobs, they remain undervalued and unrecognised, especially in terms of their ability to access start-up capital and financing. Support to CCIs has, likewise, evolved rapidly, witnessing core changes in intellectual property law, increased support through state aid, and a greater recognition of their potential contribution to the economy”(European Commission n.d.).

1.2 EU creative policy

Many EU countries, especially the UK, the Scandinavian countries and the Netherlands and Belgium, designed and implemented an active policy of support and assistance to the development of creative industries. Many European countries understood the development of the creative sector an instrument for achieving the objectives of the Lisbon strategy. The aim of this strategy is the transformation of the European Union by 2010 into the most competitive and dynamic in the world's economic zone in the space of an economy based on knowledge, characterized by steady growth (Zubchenko 2007) (Hartley 2009).

The plans of the Lisbon strategy was to make the innovation the main driving force of economic growth. The greatest part of the innovation is developed and integrated thanks to the creative class and the creative industries themselves. The Lisbon is not the one that reclamates the development of creative industries in EU. At the macro-regional level the European Comission took a mission to ensure that the culture sector is able to contribute to employment and growth across Europe in line with the Europe 2020 strategy for growth and jobs. The main document that operated as a roadmap of creative development is "Green Paper. Unlocking the potential of cultural and creative industries", prepared in 2010 in Brussels. The document reveals the main challenges of the European countries and the main targets on the road for their creative and cultural development. Specifically, this involves the provision of direct financial and technical support, whether in the form of grants or the establishment of networks and platforms to support the sector.

Therefore, the creative industries have become the object of more attention from the state, which began to develop programs for the development of creative industries. The public sector makes a significant contribution to the development of creative industries. The direct effect of the State aid expressed in the establishment of public funds, tax benefits, reduced VAT, the investment quota. Immeasurable effect is to increase access to culture and education, strengthening national identity, social cohesion, etc. (KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung 2006).

The pioneer of the development of the state programs for the development of creative industries was the UK. The government of the UK was the first to realize the potential of the creative industries to the economy and to start implementation the programs for its development. In 1998, a document aimed to map the creative industries was created. In this document, a basic definition of creative industries was given and the most important goals in the development of these industries were outlined.

Afterwords, a research program of the role of creative industries in the economy and support for this sector have been developed in Germany, Austria and Portugal.

Significant support is done for the creative sector in the Scandinavian countries. In 2007, the organization «The Nordic Culture Point» was created, uniting Denmark, Sweden, Finland, Norway, Iceland and Faroe, the Aland Islands and Greenland. The aim was to create a base for the complex research and support of creative industries in these countries. The main programs created and carried out by the organization were a program of developing the production of computer games, the program aimed to enhance the creative class mobility and creating the professional networks in creative industries and the program of cooperation of countries in the arts and creative industries.

The regional creative industries programs include a program for creative development in Flanders, Catalonia, the metropolitan area of Vienna and North Rhine-Westphalia. These programs are focused on the development of creative sector within their region only. This development is in the competence of the local organizations that are independent from the power of the central government.

In addition to the programs designed by distant countries, there is also a common European program, mandatory for all member countries. In 2011, the program "Creative Europe" was adopted. Its purpose is the preservation of cultural heritage, increasing use of the creative potential of the population and the development of the creative sector (KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung 2006). For this purpose, the creation of the regulatory frameworks and organizational structures for the assistance and the development of individual and social cooperation was designed. The EU also plans to create clusters, financing tools and foresight of consequences to support the creative sector. Actions of the European Commission are aimed to support creative businesses, especially companies producing audiovisual products, and the development of new markets through the use of digital technologies and developing strategies. More "entrepreneurial" culture will be more resistant to the negative effects of the market and is more susceptible to new trends. In addition, new jobs created in the post-crisis economy that require new skills should be provided by the labour mobility of the population, to provide the satisfactory supply for the demand of creative services.

A particular feature of the European countries is a joint participation of public and private sector in the support and development of creative industries. Many businesses invest in creative sector as they comprise creative industries to be a way to improve competitiveness (Camors and Soulard 2010).

There are two main approaches of the development of creative industries in the EU: the Scandinavian and Anglo-Saxon. The Scandinavian model is focused on increasing of the social welfare, research development and improving education. The main aim in the Scandinavian approach is to create favourable framework conditions for the development of creative industries in general. This model is followed in the development of creative industries in Denmark and Sweden. Similar models are observed in France and Estonia.

The Anglo-Saxon model focuses more on support and development of entrepreneurship and innovation. British policy is targeted more at the entrepreneurial side of creative industries (and most successful industries such as design, film, media etc.) supporting exportations, management of intellectual property rights, and to a lesser extent than in the Scandinavian countries - on the cultural side of the creative industries . This approach is prevalent in the United Kingdom and Germany.

The particular importance of state support for the development of creative industries in the European Union should be noted. This is an important factor that has a significant impact on creative industries. It sometimes even becomes decisive in development and dislocation of creative sector.

The spatial structure of creative industries is a result of the combination of social and economic factors (the presence of highly developed human capital, the demand for creative products and the level of technological development) and public policies to support the creative industries.

This chapter provides a general view of the dislocation of creative industries in the territory of the European Union.

2 Location of creative industries in the EU

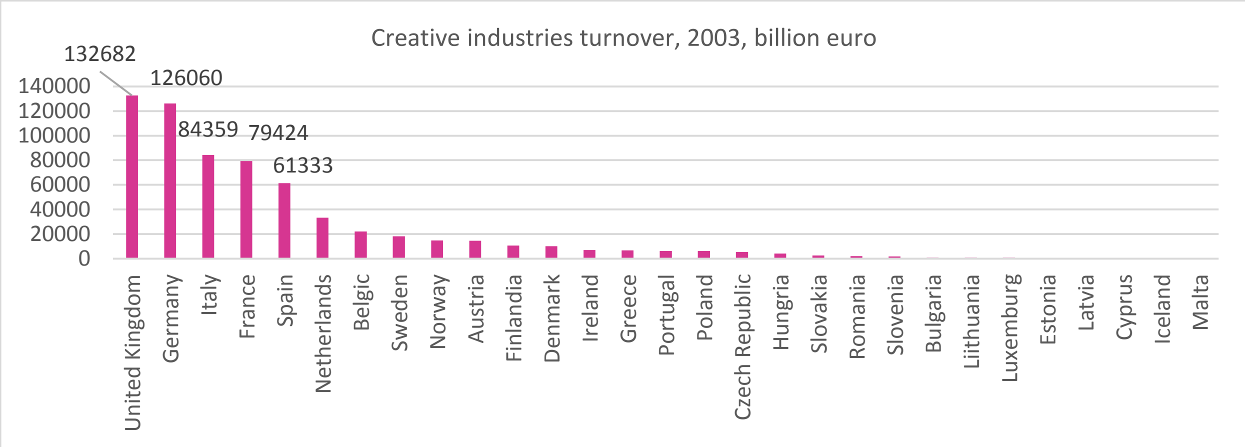
2.1 Creative industries turnover in the EU countries

The annual turnover of creative industries in the EU countries is more than 630 billion euro(KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung 2006). The main part of the turnover of the creative industries is created by the largest countries, such as Britain and Germany. These countries have the most developed sector of the creative industries, but the undisputed leader is the United Kingdom. UK´s creative turnover is more than 130 billion euro.

Behind the leading countries are Italy, France and Spain - countries with a high level of development of creative industries. These top five countries together account for almost ¾ of the EU creative economy (Power and Nielsén 2010b).

Indicators of turnover creative industries stay in correlation with the level of GDP of the EU countries, since these same five countries account around 74% of the total GDP of the European Union (Power and Nielsén 2010b).

Figure2.1. Creative industries turnover, 2003, billion euro



Designed according to the data of UNCTAD report, 2010

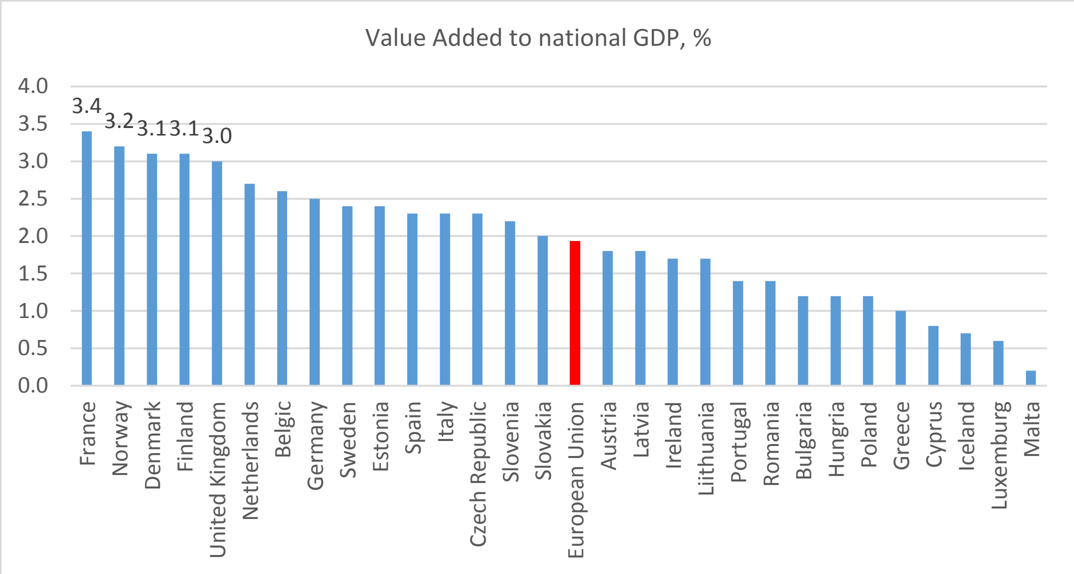
The smaller size of turnover but a high level of development of creative industries is observed in Netherlands, Belgium, Sweden, Austria, Finland and Denmark. Creative industries have traditionally great importance in Scandinavian countries.

The least developed EU countries and the smallest EU economies are characterized by the respectively small size of the creative sector. This includes the countries of Central and Eastern Europe, as well as small countries - Cyprus, Malta, Luxembourg.

1.1 The share of creative industries in the GDP of the EU countries

The largest share of creative industries in GDP is observed in the Nordic countries. According to KEA data, the highest contribution of creative industries to the economy is observed in Denmark and Finland (3.1%) (Power and Nielsén 2010b). However, according to some other sources, including the British Council for the creative industry, the largest share of creative industries make to the UK's GDP. In any case, the UK is among the five leaders in the share of creative industries.

Figure 2.2. Contribution of cultural and creative industries to GDP of European countries, 2003

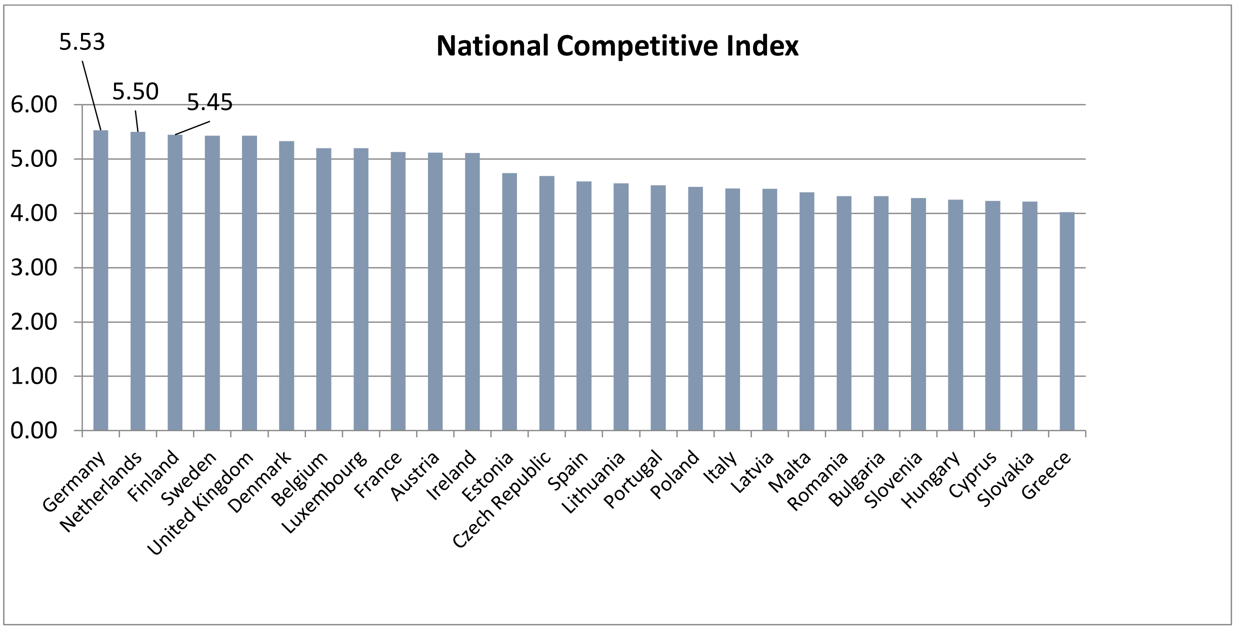


Designed according to the data: (The value of the creative industries & culture Key facts and figures n.d.)

They are followed by countries such as Germany, France, Sweden. The share of creative industries in Italy and Spain, is not so great - only 2.3%.

By decreasing the level of development of countries and reduced the share of creative industries in their GDP. The lowest value of the share of creative industries in the economy observed in Hungary, Poland, Greece and the Small States of Europe.

Figure 2.3. National competitive index, 2015



Designed accrording to data: The Global Competitiveness Report 2015-2016 (Klaus Schwab 2016)

Comparing the share of creative industries in the country's GDP and competitiveness index compiled by an international organization of the World Economic Forum, we can see some relationship between these parameters (correlation coefficient between the indices is 0,629). The World Economic Forum defines competitiveness as the country's national power and its institutions to ensure stable economic growth, which would be stable in the medium term. Countries with high levels of national competitiveness, as a rule, provide a higher level of well-being of its citizens. High-level indicators such as the development of infrastructure, macroeconomic stability, higher education and training, effective labor market goods and services, innovative capacity, etc. described by the index of competitiveness, to a large extent contribute to the development of creative industries.

The largest share of creative sector in GDP in is observed in the countries with the highest index of competitiveness. These are the countries of Northern and Western Europe: Norway, Denmark Finland, Great Britain, Netherlands, Belgic. According to the chart, the biggest part in the GDP has the creative sector of France. This might be explained by a high level of the prices of creative goods and services, traditional specialization of France on luxury sector and mass production and export.

2.2 Employment in the creative industries in the EU

2.2.1 General characteristics of employment in the EU's creative industries

More than 6 million people work in the creative industries in the EU, or about 2.4% of the overall employed population of the EU. There is a positive trend in the number of people employed in the creative industries. Growth for the period from 2002 to 2005 was 1.06%, and today the number of people employed in creative industries increased, and this growth is more significant than the overall growth of employment in the EU. For example, in Germany, an increase in the number of people employed in creative industries was 1.8% for the period from 2008 to 2009. For comparison, the total employment rate in this period fell by 0.2% (Kern, Smits, and Wang 2011).

Employment in the creative industries is also characterized by a high number of independent freelance workers and autoentrepreneurs. The share of these individuals in the EU is 29% of total creative employment, compared with the figure for the world is 14%.

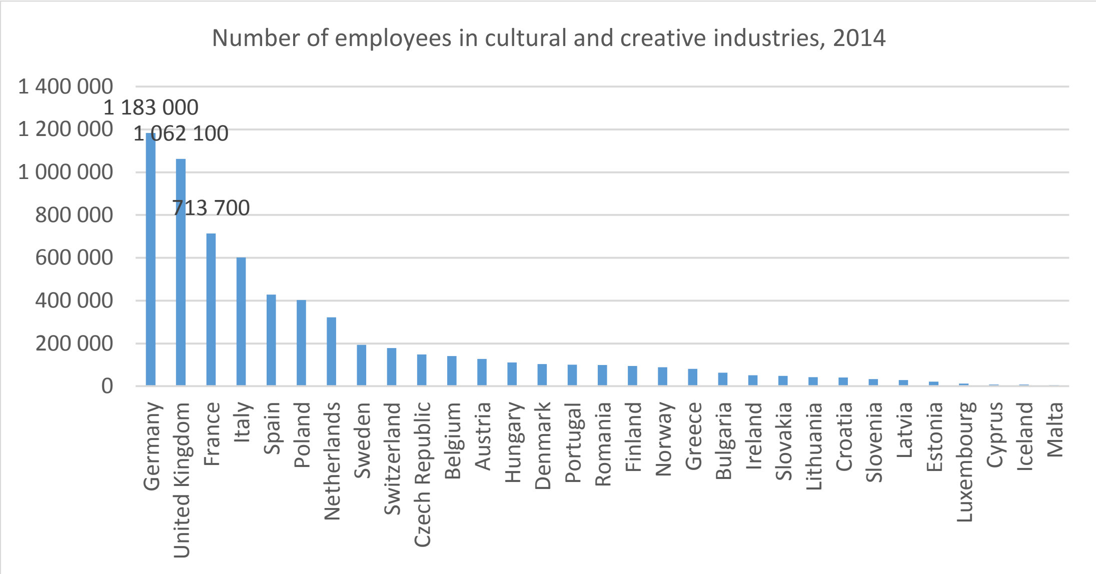
Creative industries in general, and particularly in the EU, are also characterised by a high level of part-time employment. In EU countries, the share of such employment in the creative industries is 25% (17% in other branches of the economy).

The qualified labour force is crucial for creative sector. The employees creative industries usually have a high level of education. The share of employees in creative sector with higher education is 48% (to compare this index is only 25% for the other sectors) (Power and Nielsén 2010b)..

2.2.2 Territorial differences in the level of employment in the creative industries in the EU

The European creative class is a highly educated and mobile workforce, which is concentrated in the most developed EU countries.

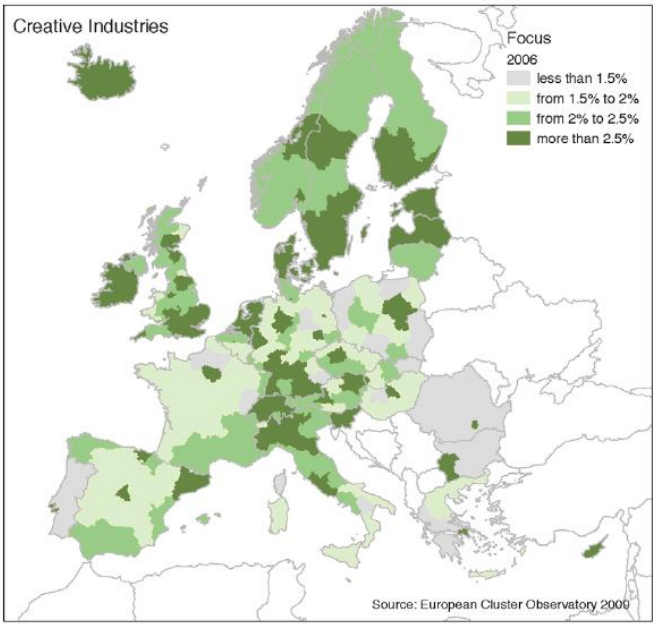
Figure 2.4. Number of employees in cultural and creative industries in Europe, 2014



Designed according to the data of Eurostat

The creative industries employment structure duplicates logically the population structure of the EU. The leader in creative industries employment in absolute figures is Germany with 1,8 million creative employees. The leader in creative industries turnover index – United Kingdom – stays on the second position in this case, employing around 1 million people in 2014. These two leaders are followed by the most populated counties – France, Italy, Spain, Poland.

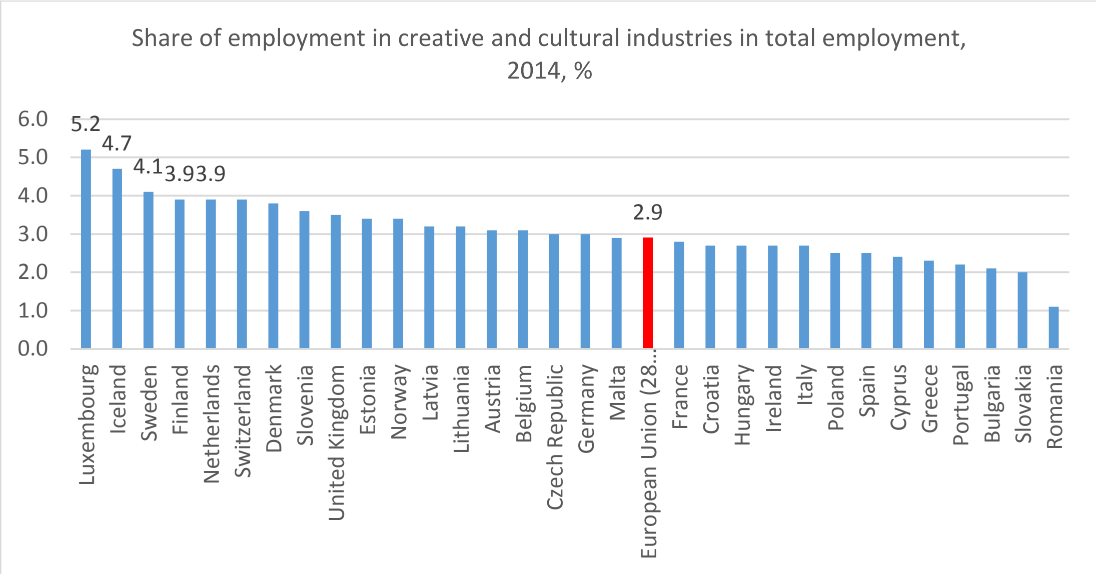
Figure 2.5. Creative and cultural industries share of regional labour force 2006



Source: (Power and Nielsén 2010a)

The map shows the creative industries employment by region. It can be clearly seen that the spatial structure comprises the following forms – the three belts can be distinguished. Looking in more details at the location of employment in creative industries of the EU countries, we can see that the first belt is stretched in the territory of the Nordic countries – Ireland, UK, Sweden, Denmark, Norway, Finland. The second belt occupies the territory of the European south - the southern regions of Germany, France, the west and the north of Italy, including Catalonia in Spain. The third belt occupies the territory of the Blue Banana – the most densed and developed region in Europe. Therefore, the continuity of the creative in the region can be revealed. These areas are characterized by a high proportion of people employed in the creative industries, as well as the highest concentration of the creative class.

Figure 2.6. Share of employment in creative and cultural industries in total employment in Europe, 2014



Designed according to the data of Eurostat

The chart presents the share of creative employees in total employment in EU countries. It can be clearly observed that the situation is distant comparing with the absolute employment numbers. The average percent of creative employment in Europe is 2.9%. This chart shows better the real situation in distribution of creative industries in Europe and the level of the development of creative sector than the turnover and absolute employment index. The most developed - northern European countries and Switzerland tend to have a higher percentage of creative employment. At the same time the previous leaders – UK and Germany occupy respectively the 7th and the 14th position beyond the EU.

The lower share of creative employment in big EU countries such as UK, Germany, France and Spain can be explained by the exploitation of greater economies of scale in creative goods and services in these countries. UK, Germany, France, Spain and Italy specialise on the mass production while the Northern Europe and Switzerland produce more the authentic high quality single-piece goods and services.

As for the distribution within the regions it can be clearly seen that the highest level of the creative industries employment is first in capital regions and second – in most populated, dense and wealth regions. Therefore, the creative employment duplicated the settlement system of the country. There are only two countries where the capital city regions do not concentrate the highest level of creative employment - Germany with the highest share in Hamburg and Munich, and Switzerland where Basel and Zurich are the cities with the highest percentage of creative employment.

Table 2.2. European biggest regions for creative and cultural industries employment

Region	Region´s biggest city	Number of creative employees	Location quotient*
Île de France	Paris	301 895	1,53
Inner London	London	235 327	2,19
Lombardy	Milano	195 848	1,28
West-Nederland	Amsterdam	195 646	1,56
Madrid	Madrid	172 800	1,58
Catalonia	Barcelona	153 202	1,30
Denmark	Copenhagen	124 352	1,28
Lazio	Rome	118 047	1,51
Oberbayern	München	97 050	1,59
Stockholm	Stockholm	86 239	2,16
Kozep-Magyarorszag	Budapest	82 429	1,73
Outer London	London	80 845	1,28
Berks, Bucks and Oxon	Oxford	80 628	1,82
Attiki	Athens	78 920	1,26
Oost-Nederland	Nijmegen	74 064	1,39
Andalucía	Seville	71 843	0,74
Ireland	Dublin	43 101	1,18
Zuid-Nederland	Maastricht	70 543	1,28
Darmstadt	Frankfurt am Main	68 238	1,23
Piedmont	Turin	66 291	1,04
Cologne	Cologne	46 753	1,28
Etelä-Suomi	Helsinki	64 500	1,43
Veneto	Venice	63 024	0,89
Stuttgart	Stuttgart	61 626	1,17
Berlin	Berlin	60 763	1,53

* location quotient is calculated as share of the number of people employed in the creative industries in the region in total employment of the country

Designed according to data: (Power and Nielsén 2010a)

The leaders in the number of people employed in the creative industries is London (Inner[2] and Outer London together) and Ile-de-France, which together account for more than 600 thousand of people employed in the creative sector.

Besides London and Ile-de-France an important centre of concentration of the creative class is situated in the southern regions of the Nordic countries, the entire Danish territory and a large part of the Netherlands. This macro-region is one of the most important centres on creative market. In here, Estonia also should be mentioned, as it is one of the first of the Baltic countries that began an active development and the study of creative industries. In cooperation with the countries of Scandinavia, Estonia has elaborated a policy of active development of its creative sector.

A significant level of employment in the creative industries is also observed at the border of France, Italy, Germany, in regions such as Rhône-Alpes, Bavaria, Baden-Württemberg and Lombardy (this includes all the territory of Switzerland that has a very high level of creative employment). It is a major centre of concentration of the creative class, characterized by a high level of education, skills and mobility.

In addition to these major areas of concentration of the creative industries, there is a large number of spaced-apart regions of countries with a high share of employment in the creative industries. Among others, these are southeast of Britain, Catalonia, Veneto, Darmstadt, Hamburg and the European metropolitan areas.

The major part of the EU countries is characterized by a high level of centralization of the creative industries. These countries are United Kingdom, Poland, Czech Republic, Slovakia, Romania, Greece. The greatest weight in employment in the creative sector have one region such as the Inner London (5.95% of total employment in the creative industries in the country), Prague (5.81%), Bratislava (5.01%), Budapest (4.69%). The high level of centralization of creative industries in these countries is due to the fact that there are no other regions in the country that can compete with the most developed creative cores in a combination of factors that attract and define the location of creative industries. The difference in the role of these centres for the economy of different countries should be mentioned. London has a very high level of employment in creative industries against the backdrop of other regions of the country with the

[2] Inner London - a name combining these following areas of London: Camden, Greenwich, Hackney, Kensington and Chelsea, Islington, Hammersmith, Lambeth, Luis, Tower Hamlets, Westminster. Inner London is surrounded by a ring of Outer London. Inner London together with the Outer London form the Greater London

average values of this indicator. At the same time, the other centres of creative industries are characterized by an average level of employment in the creative industries in the background values of this indicator in other regions of the country. While London is a “cathedral” among the churches, other centres such Prague or Bratislava are “cathedrals in the desert”(Zamyatina 2012).

In the countries with a polycentric structure of the dislocation of creative industries, such as the Netherlands, Italy and Spain, the capital regions feel a significant competition from the side of other regions with comparable levels of development. In Spain, the main battle for leadership in creative industries is between Madrid and Catalonia, in Italy - between Lombardy, Piedmont, Emilia-Romagna with the major centres of creative industries Turin and Milan - and the region of Lazio. In the Netherlands, the regions with the largest creative employment level are North Holland with the largest centre of Amsterdam and southern regions - North Brabant (Eindhoven) and Limburg (Maastricht).

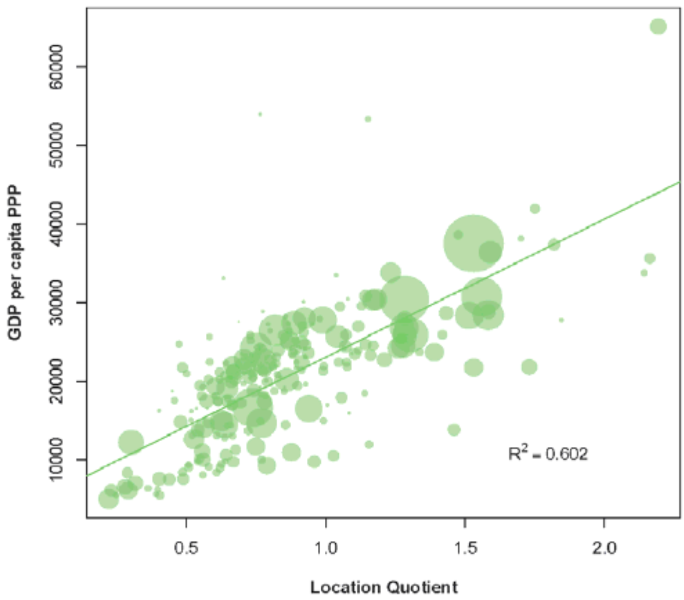
As it can be observed at the map, the creative employment also concentrates in the industrial zones and the areas with the developed infrastructure. The examples are the port of Hannover in Germany, Tourin in Italy, with its Fiat factory, etc.

2.2.3 Comparison of employment in the creative industries with a level of economic development of the region

There is another correlation in location of creative industries. The highest concentration of creative employment is observed in the richest and most favourable for the life of the regions.

The following diagram shows a high correlation between the level of GDP per capita and the localization ratio. The creative class and creative industries companies gravitate to the regions with the highest level of income. At the same time, creative industries make a considerable financial contribution by themselves.

Figure 2.7. Creative and cultural industries concentration and regional prosperity

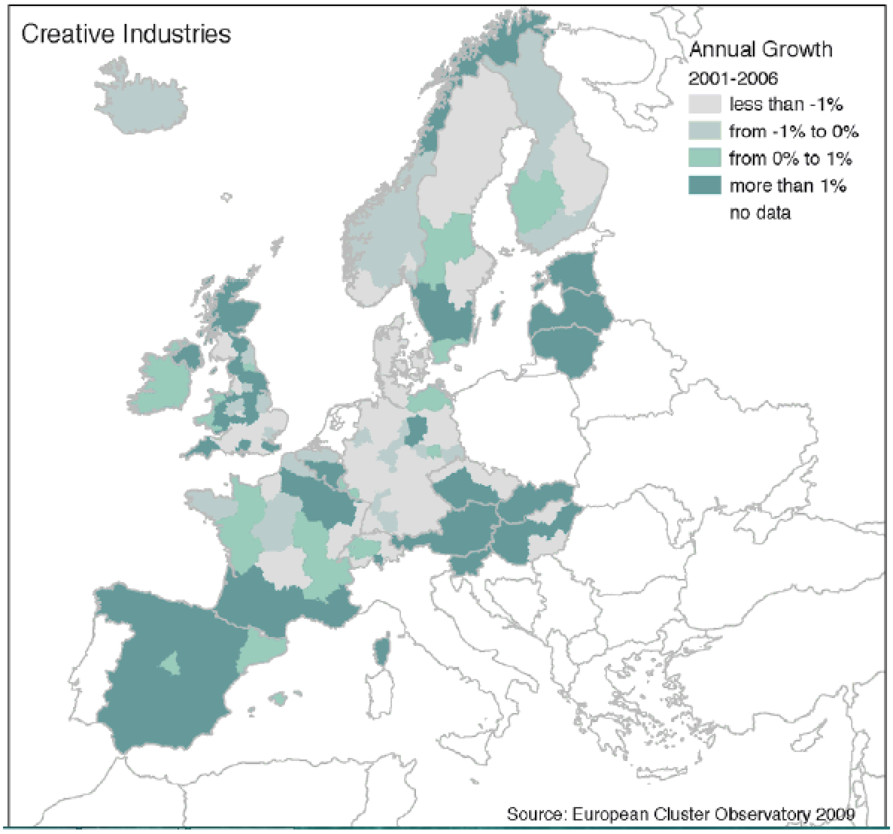


Source: (Power and Nielsén 2010a)

2.3 Spatial tendencies in creative sector

The creative and cultural industries is a growing sector of the European economy. However, this growth is not evenly spread over the territory of Europe the spatial structure of creative industries growth is not equal. At the following map, it can be observed that the growth in creative sector is mainly observed in the countries where creative industries are still developing. The growth is mostly observed in Central Europe and some areas of France, Spain, UK and the Baltic Region. The countries with the most developed creative sector - Germany and Scandinavia – in general do not show the high percentage of growth.

Figure 2.8. Creative and cultural industries average annual growth 2001-2006 in European regions



Source: (*Power and Nielsén* 2010a)

The growth of creative sector is highly regionalised in Europe. The majority of the 25 top regions where the highest cultural and creative growth was observed were small and medium regions. 15 of the top 25 regions that observed the growth of creative sector from 2001 to 2006 were situated in Austria or Spain. These were the regions where the level of the development of the creative sector was not very high. However, at the top 25 there were also the regions with quite a huge labour market - over 1 million people. These were Seville (7.78%), Southampton (7.22%), Valencia (6.25%), Bilbao (6.51%), Galicia (5.45%), and Lithuania (5.79%).

At the UK the growth was observed in the remote regions such as - Cumbria (Carlisle) 8.31%; Hampshire and Isle of Wight (Southampton) 7.22%; Hereford, Worcester and Warwickshire (Hereford) 4.67%.

At the same time the decrease in the creative employment was observed in Inner London -1.29%, Outer London -3.42%; Berkshire, Buckinghamshire and Oxfordshire (Oxford) -1.6%; East and West Surrey (Brighton) -3.17%; Greater Manchester -1.4%; West Midlands (Birmingham) -1.64%.(Power and Nielsén 2010a)

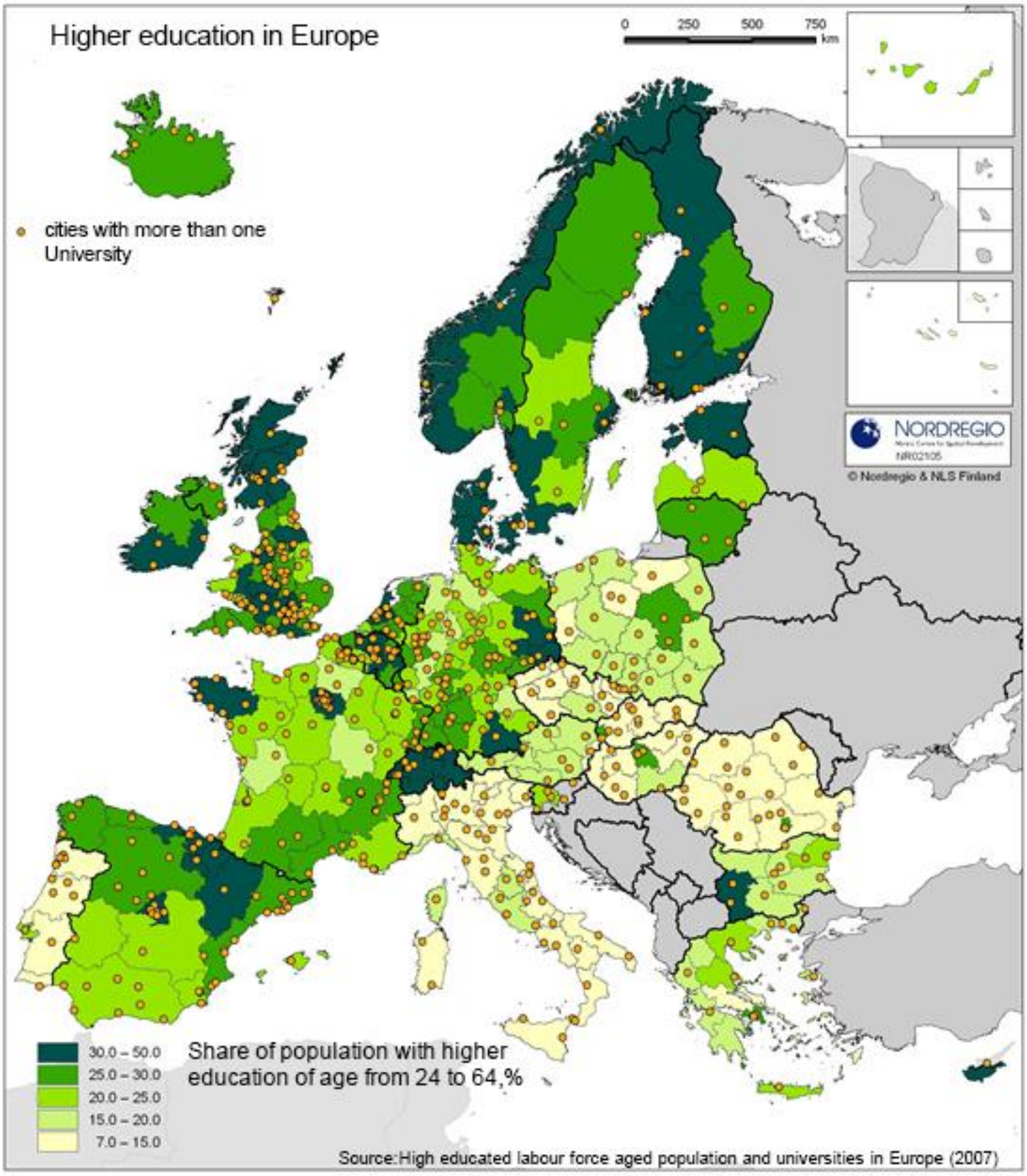
This observation can be resumed in the following conclusion. Using the theory of the diffusion of innovation of E. Hägerstrand and Rogers for the development of the creative sector can be dividid into three steps – appearance, saturation. The European creative sector has reached and passed the first stage of the development. At this stage the main centres of creative industries are formed. These centres are the main European capitals and most developed regions. The map shows that during the period from 2001 to 2006 creative sector in Europe entered a second step in which the formation of new fast-growing centres in remote areas, where innovations spread is observed and starts to entering the condensation stage, when there is an equal distribution of innovations in all areas.

2.4 Creative industries and centres of higher education in Europe

Creative industries also tend to concentrate in areas with a high proportion of the population with higher education and university centres. The territory of the Netherlands, Belgium; southern Germany; the southern and central part of the United Kingdom; Spain's north are the areas with a particularly high level of universities and population with higher education.

At the same time, despite the large number of higher education institutions in the countries of Eastern Europe - Romania, Hungary, Slovakia, Czech Republic, Poland and Italy, the rate of the share of higher education in them is very low (Maresz 2011) (Vaschenko n.d.). This is due to traditionally low percentage of students in these countries, low levels of education in the countries of Eastern Europe, a large outflow of students to more developed EU countries. In Italy the important role plays the absence of large-scale practice of university teaching and great loyalty to the universities against students "According to statistics, only one in five of studying in the Italian university will receive a diploma of higher education "(*Grechko* 2013). It means that the existence of the university and the population with higher education does not mean that creative industries will sure locate in this place. An important resume can be made in here – educational factor is crucial but not sufficient for the location of creative industries.

Figure 2.9. Proportion of population with higher education and most important university centers in Europe, 2007



Source:(Nordic Centre for Spatial Development n.d.)

It is believed that the university centres with a large number of students form an attractive environment for the creative industries due to the following reasons (Florida, Knudsen, and Stolarick 2010).

1) The universities are important centres of creativity of technological innovation. The public and private capital and R&D funding is concentrated in here.

2) At the university centres there is, on the one hand, a high demand for the products of creative industries, on the other hand - highly creative staff (researchers, students, scientists), who are able to create goods and services and consume them. The simultaneous production and consumption of goods and services is typical for major part of creative industries. For this reason, the university centres are considered among the most favourable for the dislocation of creative industries.

3) The university environment is open to ideas and innovation. Involving students and professionals into different cultural values, uniting the various ethnic and cultural groups, an environment characterized by a high internal diversity composed.

Due to the above factors, the regions with significant numbers of prestigious universities are attractive for creative companies dislocation. The spinn-off companies concentrate in here attracted by the rising capital and the presence of an interested buyer with a high level of education (Florida, Knudsen, and Stolarick 2010).

A particular case of the attraction of creative industries to the university centres are Oxford and Cambridge. These university cities are important centres of creative industries in the Southeast region of the UK with a large number of non-profit organizations to support and develop creative industries.

2.5 The largest centres of creative industries in Europe

Creative industries are concentrated at the regional level but at the same time, there is also a concentration at the city level. Creative sector location gravitates to the largest cities and metropolitan areas. According to Alain Scott around 50% of those employed in the sector of creative industries are concentrated in metropolitan areas with a population over 1 million people or more (Zelentsova and Melvil 2010).

A high density of creative industries in urban areas forms creative clusters that can grow to a larger form and make creative hubs. The major creative hubs are London and Paris, followed by ones of the smaller size - Madrid, Milan, Barcelona, Rome. These cities have the so-called "creative impulse" - the ability to attract people, businesses and investment, due to the significant internal diversity, internationalism, well-developed infrastructure (Observatoire partenarial en Economie 2011).

In addition to the largest "creative" agglomerations, creative industries concentrate in medium-sized cities, forming a complex network of location of creative sector across the country. Examples of these cities are Manchester, Liverpool, Lyon, Lille, Stuttgart, Aarhus and others. Cities with the most developed creative sector are called "creative cities." Generally, the larger the size of a city possesses the more diversified set of creative industries (Boix et al. 2010). The high level of development of creative industries in the less populated cities is achieved mostly due to the high specialization in a particular sector of creative industries (eg, Reims - centre of music and sound recordings), city branding, the presence of important educational centres of education (a prime example is Eindhoven, where the largest in the Netherlands University of design - the design Academy Eindhoven is situated).

2.6 Enterprises in the creative industries in the EU

A distinctive feature of the creative industries is a high proportion of small and micro-enterprises, as well as a large number of independent workers, freelancers in the structure of enterprises. At the same time, small firms coexist with a small number of large companies that have a significant weight in the world market, among them are the Bertelsmann Group, Vivendi Universal, the Pathé Group, Mediaset, RAI Cinema, Gucci and many others.

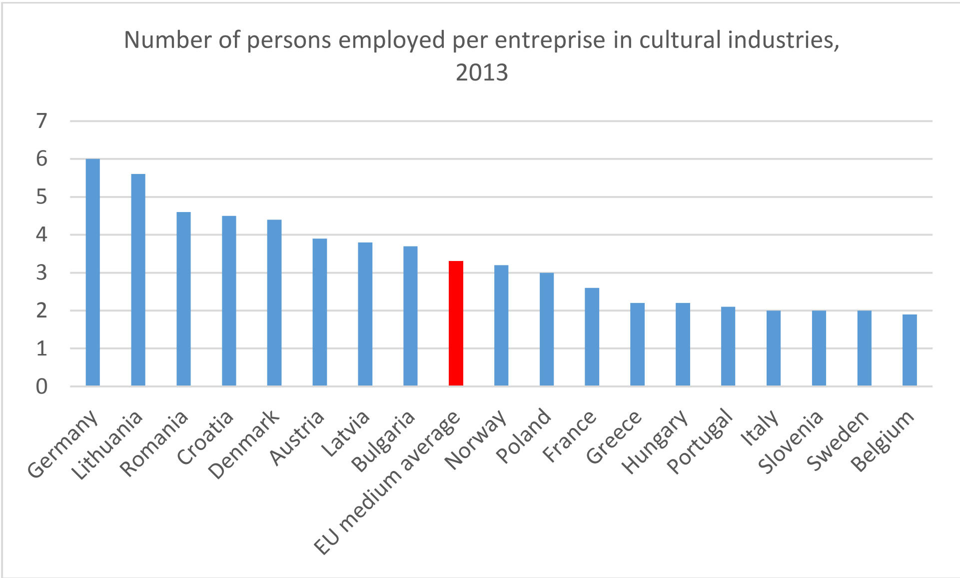
The interaction between large companies and a group of small and medium enterprises is an important part of creative activity, as it provides the discovery of new talent and bringing them up to world level. Frequently large companies recruit staff among the employees of small and medium enterprises recruit (KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung 2006).

Figure 2.10. Overall trend in the size of EU enterprises in cultural industries

Designed according to the data of Eurostat

The chart shows the general trend in average size of creative enterprise in EU. It can be seen that for the period from 2008 to 2010 the average size decreased dramatically from 5.1 employee to 3.6 in 2010 due to the global economic crisis. The average size grew a little in 2011 achieving 3.7 employees per company. However it continued further to fall and achieved the level of 3.3 employee in a company in 2013. The reason for this decrease is not the decrease of the creative sector. Au contraire – it shows the development of creative sector in Europe. As it develops, the companies get more and more specified, they concentrate on a production of particular goods or services. The general world trend of customization in production stimulates this process. The smaller companies are also more dynamic and can manoeuvre in the changing market conditions.

Figure 2.11. Average size of enterprises in cultural industries in European countries



Designed according to data of Eurostat

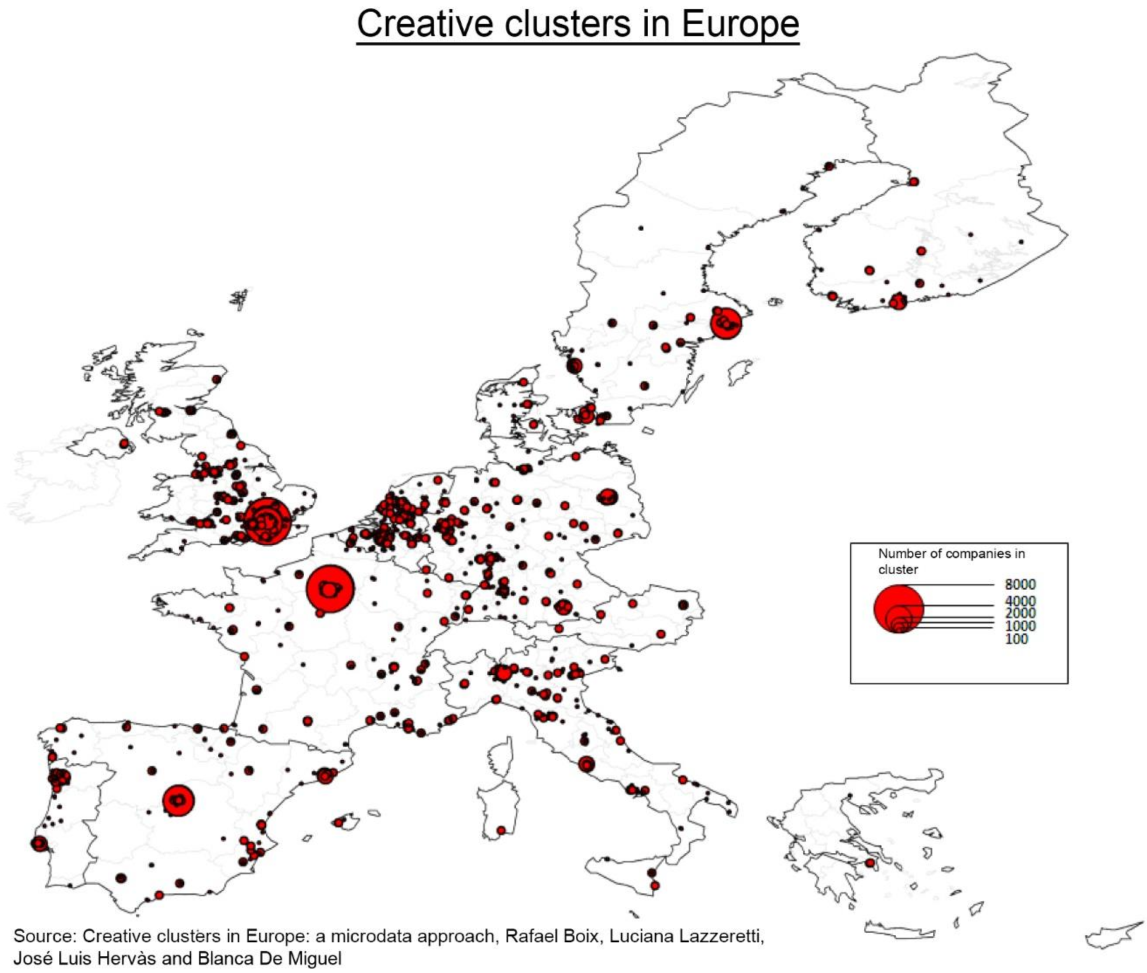
The chart presents the medium size of creative enterprises in different European countries. There is no clear spatial distribution structure in that case. The differences between the countries in creative company sizes are explained by the general tendencies in company sizes. For example, Germany has the highest average creative company size in Europe. However, the large companies dominate in general in German economy. For another hand Italy – its average size of creative enterprise is two employees and Italian economy is also operated by small and medium enterprises.

In the location of creative enterprises, a significant territorial concentration within a limited area is revealed. The Gini coefficient calculated for the creative industries in the EU ranges from 0.5 to 0.88 for 60% of all EU regions (Power and Nielsén 2010b) (Boix et al. 2011). In Italy, Spain, France and the United Kingdom this rate is one of the highest in Europe, ranging from 0,76 to 0,91 (Boix et al. 2011). The most common locations of creative industries are the largest agglomeration.

Creative enterprises tend to cluster as well. In this case, a cluster is defined as "commonwealth of independent companies linked by common areas and a relationship of mutual cooperation and competition (Zelentsova and Melvil 2010)" . Cluster - is a special form of organization of creative industries enterprises.

Creative industries in the EU are characterized by a high level of clustering: in 2009 there were 11784 cluster in 15 different creative industries in EU (Boix et al. 2011). These clusters are located in metropolitan areas, highly urbanized areas, as they seek for the place with the most favourable combination of location factors.

Figure 2.12. Creative clusters in Europe



Source: (*Boix et al.* 2011)

The map shows the widespread location of creative clusters in the European Union. The most dense concentration is observed in the south of the UK, Ile-de-France and in the Benelux region.

To a lesser degree, creative clusters are concentrated in the metropolitan areas of Madrid and Stockholm, in northern Italy, in North Rhine-Westphalia, Rhineland-Palatinate, the region of Skåne and Zealand, and others.

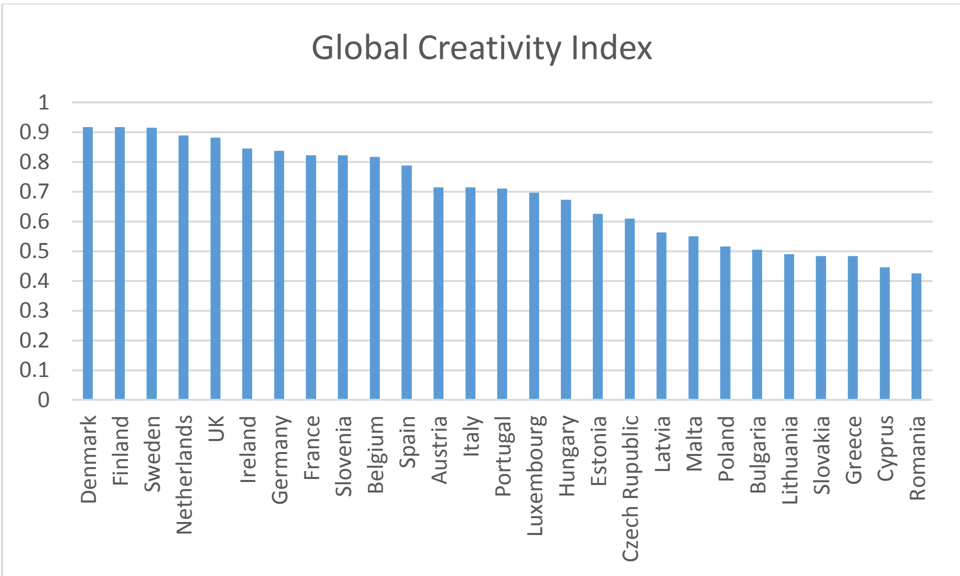
While analysing the size of the clusters, it can be seen that the largest of them are located in the largest cities of Europe. Clusters larger than 1000 enterprises most of all are situated in Paris and London (11 clusters in each city).

In Madrid and Stockholm 5 clusters of this size are located. Berlin, Brussels, Lisbon and Munich have 3 major clusters in each. In Helsinki, Milan, Barcelona and Rome possess two large clusters. Copenhagen and Gothenburg have one big cluster.

2.7 Global Creativity Index

The correlation index between the share of creative industries in GDP and Global Creative Index is 0,709 that is high and demonstrates a strict correlation between these two parameters.

Figure 2.13. Global creativity index for some European countries



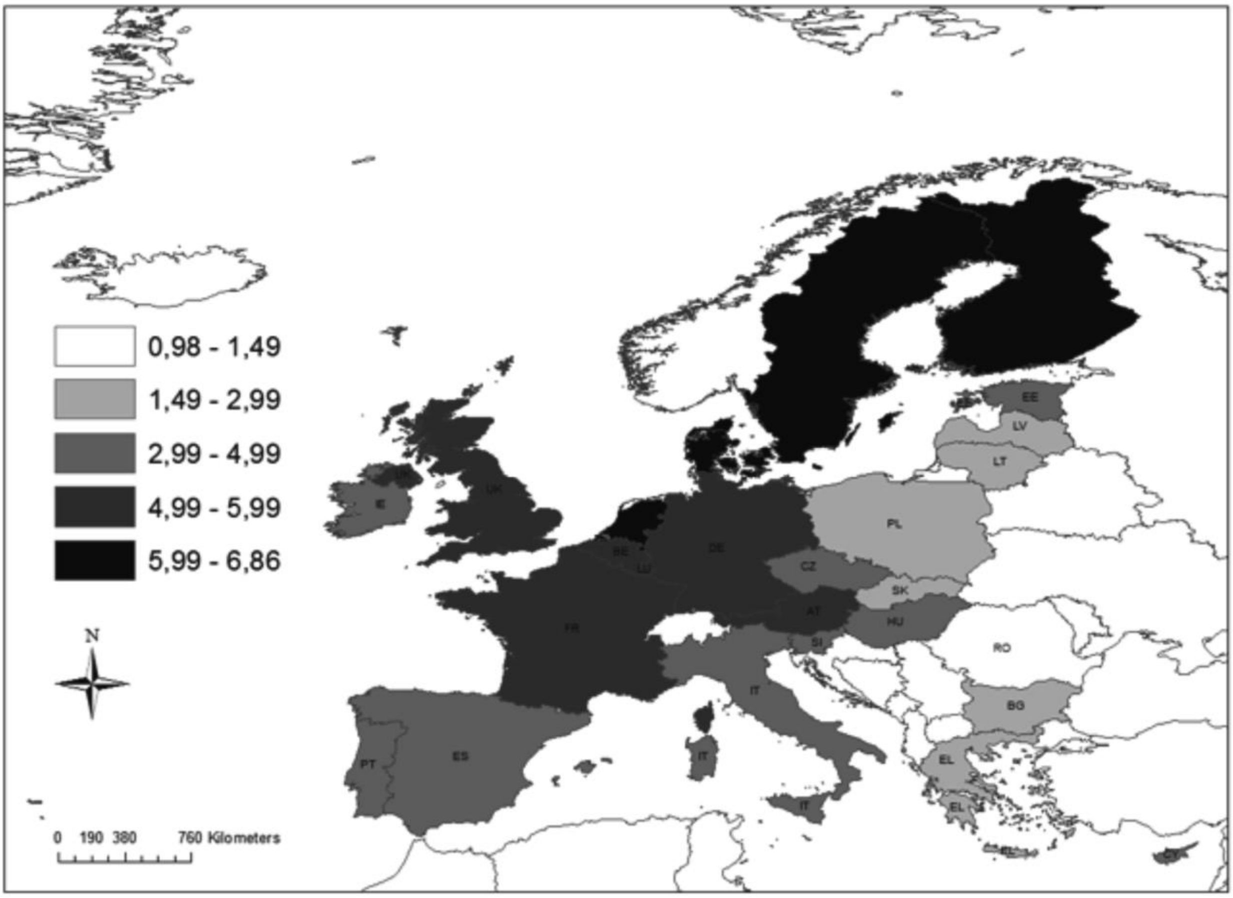
Source: (*Florida, Mellander, and King* 2015)

In 2015, Florida and Melander calculated the Florida´s creative index for the most countries in the world. The chart demonstrates the European countries arrangement according to GCI.

As it can be observed, the European northern countries stay at the top of the chart. The leaders according to Florida and Melander are Denmark, Finland with 0,917 points and Sweden with 0,915. These three countries are in the world top-10 according to GCI. They are followed by Netherlands and UK with 0,889 and 0,881 points. There go the European biggest economies – Germany and France, while Spain occupies only the 11th position.

This chart demonstrates true to facts the real situation of the creative sector in Europe and one more time proves the resumes mentioned above – the highest level of development of creative sector is reached to day in Northern Europe. On the second place stand UK and Ireland followed by Germany and France. The positions of other countries fluctuate according to the chosen index but the general tendency still stays – creative sector development stay in strong correlation with the level of development of the country.

Figure 2.14. Creative Space Index in EU member states



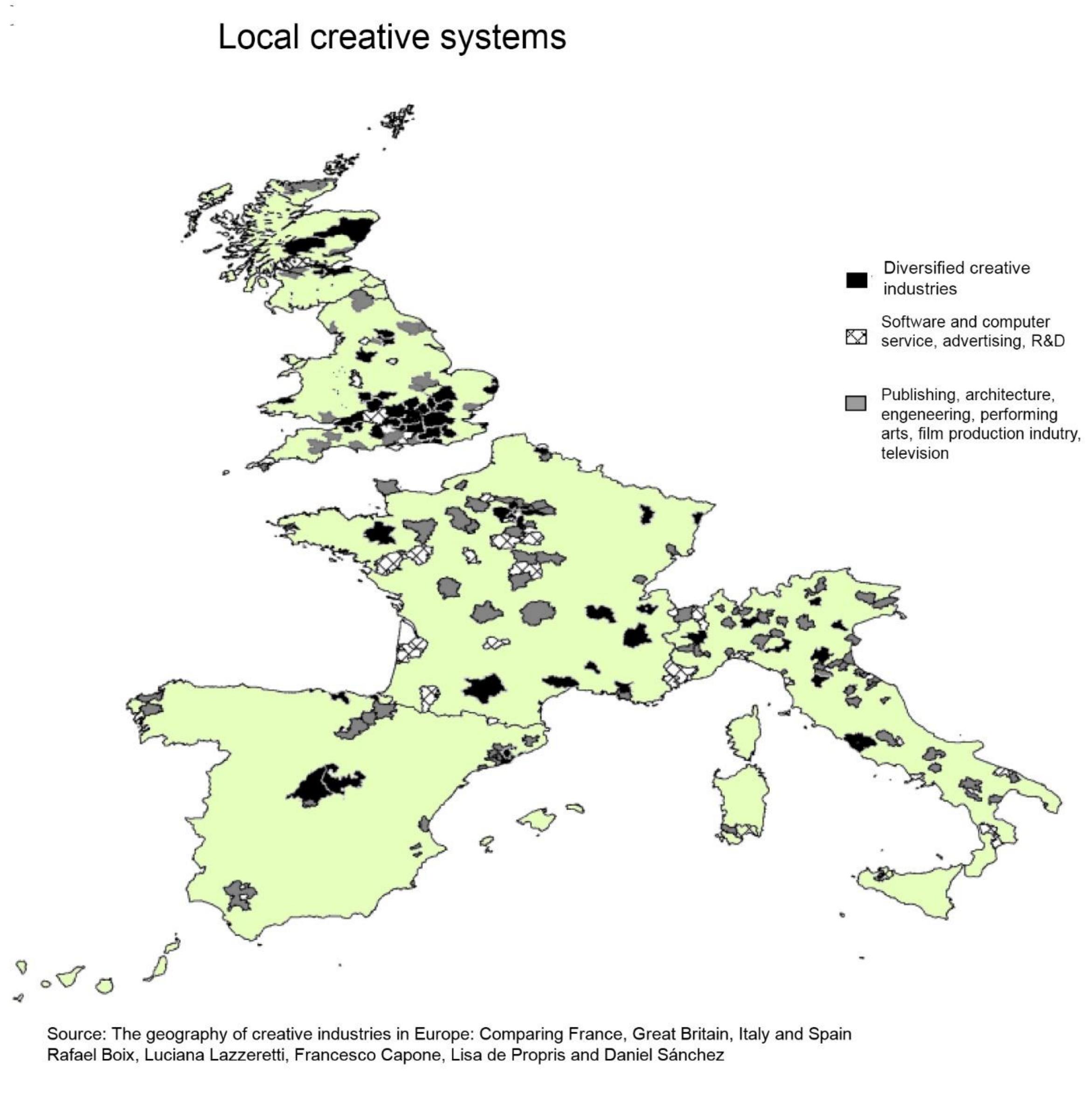
Source: (Correia and Costa 2014)

This is also proved by the following map that represents the distribution of creative space index in EU. This Index was developed by Correia and Costa and evaluates the creative environment in different EU countries. The highest scores are concentration in North and Central Europe, which decrease while moving to the peripheral countries.

Only four European countries score is higher than 6.00. These are Sweden, Denmark, Netherlands, and Finland. They are followed by Germany, Luxembourg, United Kingdom, France, Belgium and Austria. These countries form the European top 10 countries with the most favourable environment for creative industries. The lowest rates are observed in Bulgaria (scores below 2) and Romania (below 1).

At the more detailed level the distribution of so called local creative systems, describe the best the spatial location of creative industries in Europe.

Figure 2.15. Local creative systems in Europe



Source: (Boix et al. 2011)

This map shows the places with a high concentration of creative industries. It can be clearly seen that this map corresponds to the study and conclusion made above. The regions with the higher concentration are London are and Northern UK, central part of France, Madrid and Barcelona area and the area of Milan, although the spatial structure is less consolidated in case of Italy. Although the Northern European countries are not presented on this map they possess a wide number of creative centres making Northern Europe the most important centre of creative industries.

2.8 Regional policy and creative industries

Cultural industries in general are being increasingly used as an instrument of regional policy. EU countries comprise creative industries as an instrument for reformation and development of old industrial or poor regions. This approach appeared in the 80's - early 90's, when many cities in Europe have experienced sharp crises associated with the movement of industrial enterprises to the countries with cheaper labour force as a part of globalization process. Regions that previously specialized in industrial production quickly began to decline. With the rise of interest to creative industries the reshaping the system of the urban and regional economy began. The industrial production started to being replaced by a variety of companies that specialize in a particular sector of the creative industries.

The advantages of this approach is that the main resource - the creative potential of the population - is presented everywhere. The development of this industry does not require the same costs as, for example, R & D development. Creative class is highly mobile and it makes it easier to search for the workforce.

An example of the conversion of an old industrial and decaying region into a highly creative developing area was the Ruhr and the industrial area of the city of Sheffield and Newcastle. Such examples include the new territorial expansion of Barcelona with 22@ transformation project, 10 "creative centres" of London and others.

An interesting example is the city of Manchester. Due to the rapid development of the music industry and recording, creating "the Madchester" city brand and its transformation into a "music capital" of the UK the level of social and economic development of the city was significantly elevated, including:

1) create new jobs (not only in the music industry, but also in the field of design, sound recordings, fashion, retail, entertainment and food);

2) increase the number of students wishing to study in Manchester;

3) Investments were attracted. With the new image «Madchester» came to the attention of investors, not related to the music scene (Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011).

Another example of the use of the creative industries as a development tool is a French city of Lille. The development of culture contributed primarily due to the fact that Lille (thanks to the nearby Villeneuve Dusk) – is a university city. However, the main impetus for the development of culture was the project "Lille - European Capital of Culture in 2004." The initiation of the project has been under an economic basis - to attract tourists and promote the city's name on the European and global market. To implement the project the Municipality of Lille established organization "Lille 2004". The budget for this structure was formed of the municipal budget of Lille and the budgets of other cities of Lille Urban Community (since the city authorities to understand that due to the conduct of the festival city it will receive substantial revenues) and means of sponsors. Sponsors were SNSF (train monopoly), EDF (monopoly "Electricity of France» - EDF) (Carrefour - the largest retail network in France) and Vivendi (Vivendi - media holding). The project consisted in the fact that during 2004 in the metropolis as a whole, especially in Lille held concerts, festivals, dances, exhibitions, film projections on buildings, poetry readings and more. The idea of the festival was implemented, which was moved from town to town. By 2004, the old building (slaughterhouses, factories and other running, but having architectural value of buildings) were reconstructed and equipped as the artistic zone where the themed and exhibitions took place. The celebration took place not only within the boundaries of Lille - it spread to the whole metropolis and even Belgian cities - members of the Eurometropol. In 2004, Lille was visited by 9,000,000 tourists, which is 55 times more than the number of tourists in 1998 (163 thousand. People) (Starodubovskaya, I. Lobodanova, Borisova, and Filushina 2011).

However, these measures did not create any significant economic improvements in the city of a long term.

This is the difference of approaches to the transformation of the territory of Manchester and Lille via the creative industries. If Manchester efforts were aimed for the development of creative industries and the available resources of the city, in Lille stake on the so-called "the economy of events," the effect of which decays with time.

Chapter 3. The study of creative industries in Catalonia

1 Theoretical studies of creative sector and the approach of creative industries in Spain and Catalonia

Spain stays in the leading positions among the other countries in Europe and stays in the fifth position in production of creative goods and services. The country has developed a lot the creative sector and still has a considerable potential for a further growth. Catalonia is an important centre of creative production and is among the European leading regions in creative industries.

Although the creative and cultural sector in Spain has a long history, the researches and studies of Spanish creative sector are not so numerous as for example about the UK – the world´s leader in creative industries studies. However, this theme is attracting more and more interests of scientists each year, mainly the managers of business and culture experts.

The main theoretical works that comprise the information about the of creative industries in Spain include

- the international researches of creative sector worldwide such as UNCTAD reports
- the European studies dedicated to observe the creative sector in Europe such as reports of the European Commission
- the reports prepared by the administrative bodies of Spain
- the papers prepared by the organization from the other countries such as KEA reports
- the researches of the foreign specialists that study Spanish creative sector along with other countries such as the study prepared by made by Luciana Lazzeretti and Rafael Boix.
- the regional studies for Spanish autonomous communities and cities are also scarce, with exceptions of the work of KEA (2008) for the Basque Country, and works for the city of Barcelona of Pareja (2008) and Boix (2011)

As for Catalonia, the creative industries studies are also reduced. The main studies of cultural sector in Spain is represented by annual reports prepared by Department of Culture, Dirección General de Creación y Empresas Culturales, Instituto Catalán de las Empresas Culturales.

The main problem is that the main part of the works and researches in Spain are more related to the traditional creativity – handcrafts and art. At the same time the creative industries by themselves, as they were determined by UNCTAD and British Council, stay unobserved and remain to be unexplored. This provokes the lack of an integrated approach. This point is also noted by Luciana Lazzeretti and Rafael Boix as they say that "the dominant approach (in Spain, France and Italy) is still the "economics of culture" (Boix et al. 2010).

The Ministry of Culture differentiates the cultural industries and the intellectual property intensive industries. According to the classification of the Ministry of Culture, the cultural industries include: heritage, archives, libraries, printing and publishing, performing arts, film and video. The intellectual property intensive industries include the following sections: printing and publishing, performing arts, film and video, software, advertising. Although this official classification exist, it must be mentioned that the approach established in Spain concerns this two sectors as one and usually does not make any separations. Therefore, the Spanish approach includes creative and cultural sectors in one term – cultural industries.

2 Creative industries in Spain

2.1 Overall review of Spanish creative sector

According to data from Cuenta Satélite de la Cultura published by the Ministry of Education, Culture and Sport in 2011, the Spanish creative and cultural sector turnover is around 41,000 million euros (4% of total value added) and creates more than 625 thousands of jobs (3.1% of total employment) in 2009. As it highlights its dynamism in the last decade, creative and cultural industries have become a strategic sector because of its adaptive capacity of economic activity and employment.

The activity of creative and cultural sector in Spain between 2000 and 2009 has increased by 47%, the employment raised 35% and in number of the companies, this rise was around 36%. Beyond their direct contribution to GDP and employment, creative and cultural industries are also important drivers of economic and social innovation in many other sectors such as manufacturing, tourism, education or research. The indirect effects of creative and cultural sector in terms of GDP reaches around 10,000 million euros and generates more than 180000 jobs in activities linked to the sector. The increasing importance of this sector allows it to contribute to other sectors of Spanish economy. The main target is to reach the level of the 5.2% contribution to GDP and 4% of total employment.(Bonilla Arjona, Maroto Illera, and Cabrerizo Sanz 2012). According to Rafael Boix y Luciana Lazzeretti about 22% of the Spanish employees belong to the «creative class» and about 5.7% of the production comes from the creative industries.

Although the creative and cultural sector in Spain did not have enough immunity to stand the crisis of 2008-2009, this sector lost less than other sectors of the Spanish economy. The creative and cultural industry in Spain lost less than 2% of the cultural employees comparing with 4,8% of the other sectors of the economy.

Different creative activities had different behaviour during this period. Thus, the lost in employment were observed in architecture and engineering, graphic arts and printing, publishing, and fashion. At the same time, the other activities practically have not changed at all. These were heritage; film, video and music; writers, performing arts, visual arts and crafts, advertising; and radio and television. They have continued to grow, regardless of the crisis, the activities of design and photography, R & D, and software, video games and electronic publishing.

It must be also mentioned that the cultural consumption began to recover a little in 2015. According to a report by the Department of Culture of the Generalitat, that notified the recuperation of the sector after a few years of decline because of the crisis. The positive change started in the middle of 2014 and continues till now (El consumo cultural se recuperó en Cataluña en 2015 tras frenar la caída en 2014 2016).

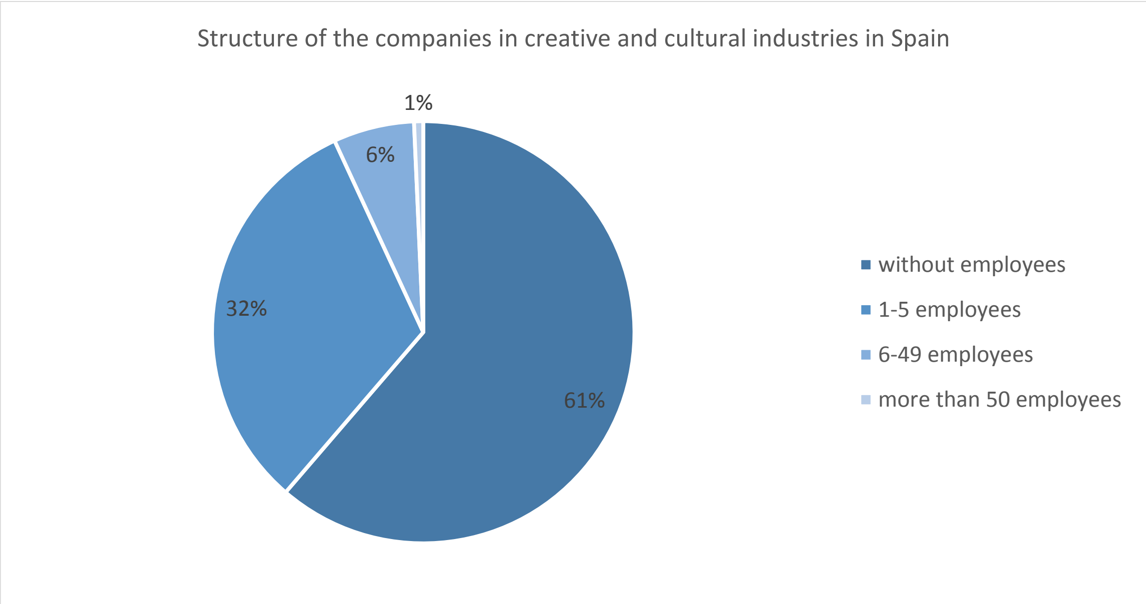
There is an active trade flow of Spanish creative goods and services. The volume of export of creative and cultural industries in 2014 was 688,6 billion euro, while the 813,8 billion euro. Therefore Spain is net-importer of creative goods and services.

The major flows are between the EU and the Latin America. The structure of creative and cultural export in Spain is the following. 51,8% of the Spanish export of creative goods and services go to the European Union, 25,9 % are destinated to Latin America. In reverse Spanish creative godos and services are imported from the European Union - 73% (Dirección general de política e industrias culturales y del libro and Ministerio de educación 2016).

2.2 Companies in creative industries in Spain

The overall number of companies in creative and cultural industries in Spain was around 108500 in 2013 (El Plan de Fomento de las Industrias Culturales 2015 2015). As it was discussed in the previous chapters, creative and cultural sector is characterized by a domination of small companies. Spain is not an exception in this rule.

Figure 3.1. Company sizes in creative and cultural sector in Spain, 2014



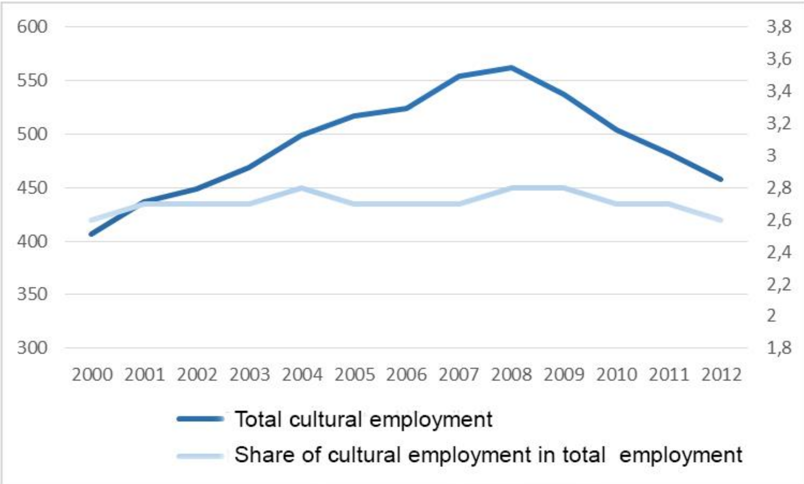
Designed according to data: (Dirección general de política e industrias culturales y del libro and Ministerio de educación 2016).

According to the Ministry of education, culture and sports, 61% of the creative and cultural companies have no employees. This means that the major part of the Spanish creative and cultural sector is based on the work of the freelancers and auto-entrepreneurs. The third part of all the Spanish creative companies are small enterprises as they have 1-5 employees. These agents are usually more mobile and free to manoeuvre in the changing market situation. Only 6% of the companies are medium enterprises and less than 1% are big companies. This replicates the general trend for creative and cultural industries.

2.3 Employment in creative and cultural sector

The following chart represent the evolution of total employees in cultural throughout the period 2000-2012. The two stages can be clearly distinguished. The first period comprises the a sustained growth in the number of cultural employees since the beginning of the decade until 2008. The second phase is characterised and a pronounced and maintained from this year until the end of the period fall. These two phases correspond to the stage of growth of the Spanish economy during the years before the crisis and the deep recession that began in 2008, especially affecting employment in all sectors.

Figure 3.2. Trend in cultural employment in Spain, thousands of persons, 2000-2012



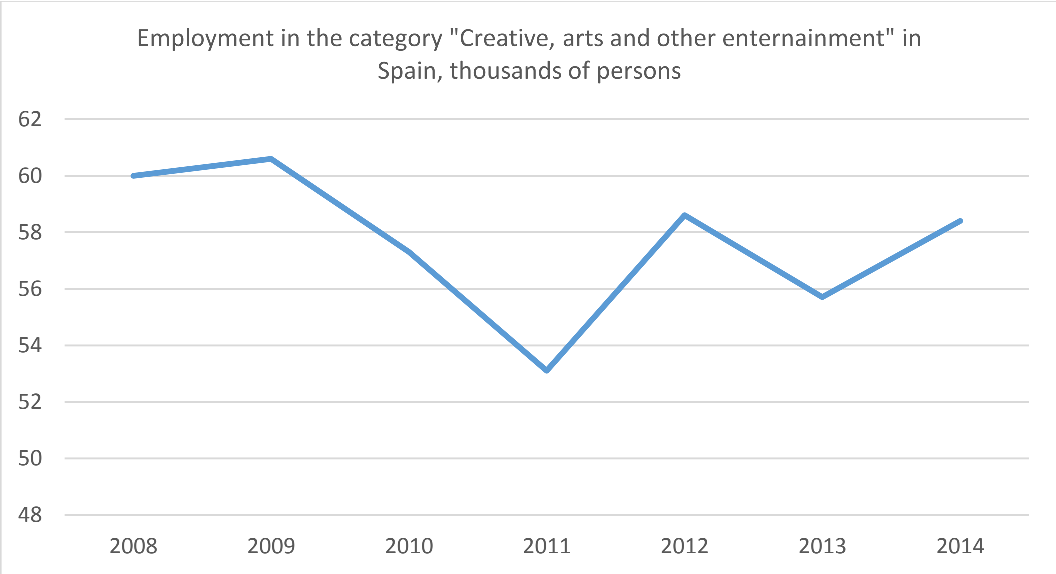
Source: (Losada 2014)

Fairs, festivals, acts and performances constitute a considerable part of the Spanish creative and cultural sector. The performing arts was one of the sectors than did not suffer much from the crisis. The NACE Rev.2 classification distinguished the category of "Creative, arts and other entertainment". This category includes the following subcategories:

- Performing arts
- Support activities to performing arts
- Artistic creation
- Operation of arts facilities

As for the performing activities the situation in Spain in recent years in the following.

Figure 3.3. Employment in performing arts in Spain



Designed according to the data of Eurostat

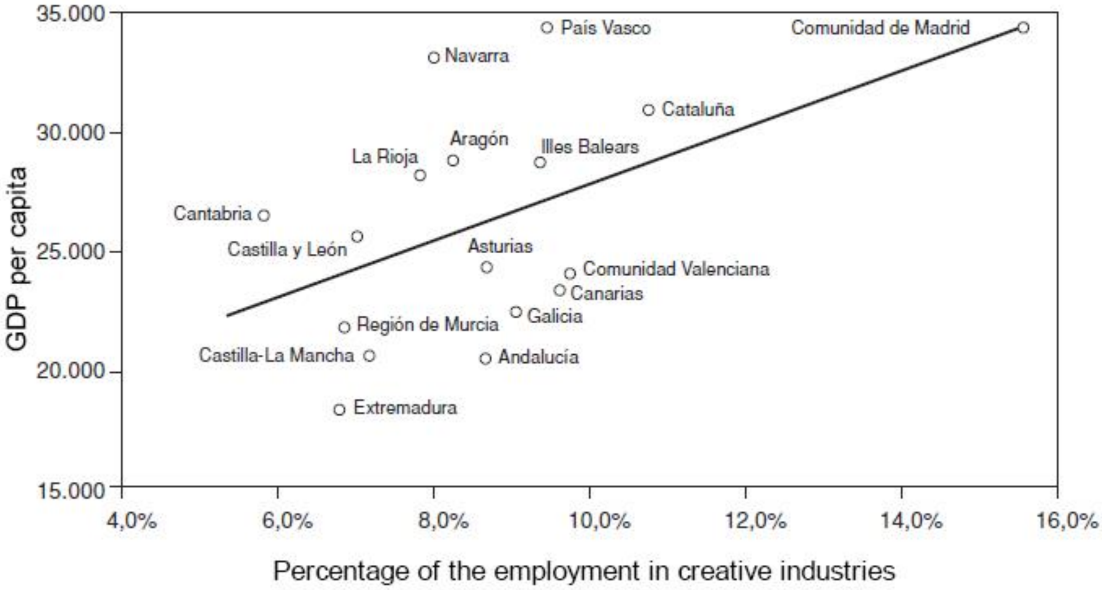
The number of the persons employed in performing arts fluctuated around 55-60 thousands of persons. The significant fall was observed in 2011 when the number of employees in this sector decreased to 53.1 due to the long-term consequences of the economic crisis. However, after this moment the general trend was the increasing number of employees in this sector.

2.4 Distribution of creative industries in Spain

The following map demonstrates the spatial structure of creative and cultural industries in Spain. As it can be seen the location of creative and cultural sector duplicates in general the settlement system of the country, where the main centres of creative and cultural industries are at the same time the main economic centres of the country.

As it was discussed in the previous chapters, creative sector tends to gravitate to the wealthiest regions. The following chart represents the strong correlation between the GDP per capita and the location of creative and cultural industries in Spain. The regions with the highest GDP per capita have the highest percentage of the creative industries employment. These are surely Madrid, Catalonia and the Basque Country.

Figure 3.4. Correlation between GDP per capita and the employment in creative industries



Source: (Boix and Lazzeretti 2012)

Analysing further the spatial structure of creative sector it reveals that the concentration of creative industries is very high in Spain. Around 88.4% of the employment in creative and cultural industries is concentrated in only the 10% of the Local production systems (LPSs)[3]. The Gini index reaches the level of 0.91 (Boix et al. 2010). Lazzeretti (2009) explains the reasons for this hyper-concentration on the basis of the provision of heritage and cultural assets, economies of localization and urbanization, related variety, and the concentration of creative class. The main cause is the intensity with which the urbanization economies (diversity, social capital and urban dimension) operates in Spain reinforced by location economies (specialized suppliers and skilled workers in creative industries) and the creative class. These three factors act as centripetal forces.

[3] The territories where the location quotient is above 1 indicates that the clustering of a creative industry i in a place j is larger than the national average, so that the local labour systems is specialized in creative industries, this is to be said, a creative local production systems (Lazzeretti, Boix, and Capone n.d.)

Figure 3.5. Creative industries in Spain by the local labour market, detailed data of the 25 creative local systems

Source: (Boix and Lazzeretti 2012)

As it can be seen, the distribution of creative industries follow the settlement system of Spain. This proves the postulate mentioned in the previous chapter – creative and cultural industries gravitate to the urbanized areas and metropolitan regions.

The map also shows a very interesting point. As it can be seen the two biggest centres of creative industries in Spain are Madrid and Catalonia region. Creative and cultural industries are mostly concentrated in the central parts of the metropolitan area of Madrid (31% occupancy) and Barcelona (19%) (Boix and Lazzeretti 2012).

However, there is a huge difference between these two centres. Madrid is so-called the “cathedral in a desert”. It can be observed its huge dominating importance and no other big creative centres around. From the other side stay Catalonia. Surely Barcelona has the most significant role in the region. However, it can be seen that Barcelona is a “cathedral among the churches”. Barcelona is surrounded by the huge number of local centres and all together they form a discrete creative spatial network.

3 Creative industries in Catalonia

Catalonia is one of the leading creative and cultural clusters in Europe. Catalonia has a great potential for creative development. It possesses a multicultural environmental, talented professionals and a high demand for creative production.

Catalonia concentrates 20,2% of Spanish creative and cultural sector and occupies the second position after Madrid in creative industries. The turnover of the Catalan creative and cultural sector is 15,039 billion euro. This is 36% of the Spanish creative turnover. The overall number of the companies involved in cultural and creative industries in Catalonia was more than 40300 in 2011. This corresponds to 37% of the creative companies in Spain. (*Ministerio de educación, cultura y deporte, 2014)*. More than 182000 employees work in Catalan creative and cultural sector and create 3% of the Catalan GVA.

Companies in the cultural and creative industries represent 1% of the overall number of companies in Catalonia. This corresponds to the medium average in Spain. With regard to geographic location, almost one in five companies in the sectors of cultural activities in Spain is Catalonia (Cambra Oficial de Comerç 2005).

Catalonia is the fourth autonomous community expenditure in cultural goods and services expenditure per household and per person, second only to Madrid, Cantabria and the Basque Country. The percentage of the budget allocated Catalan families in cultural goods and services is significantly higher than the Spanish average (3.2% vs. 2.8%).

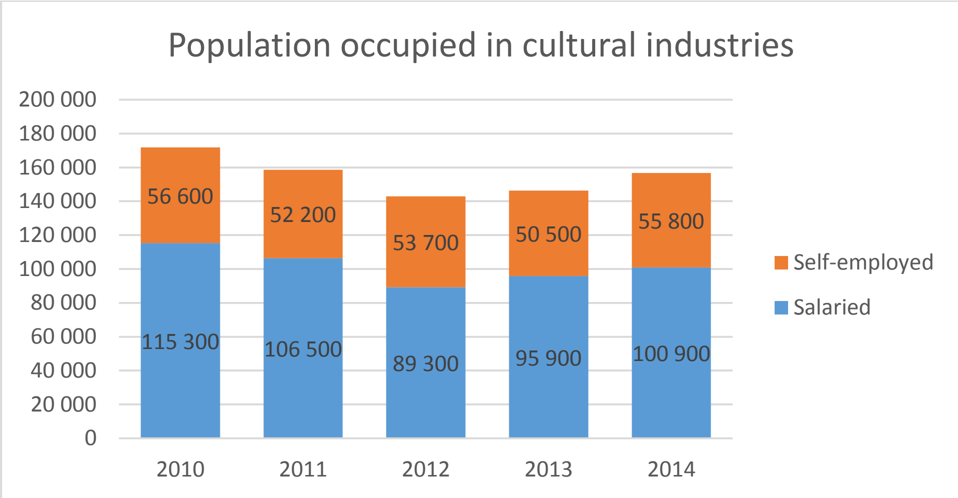
According to the data of European Cluster Observatory “Catalonia is among the 10 leading regions in literary and artistic creation (6), advertising (5), videogames (8), software (8) and radio and TV (5). 8 Universities offer audio-visual communication and sound and image studies and there are around 200 TV and cinema production companies”.

The multimedia and audiovisual sector of Catalonia is innovative, active in creative content, trends such as intelligent content, interactivity, personalisation, technological changes and new business concepts and models. (Dervojeva et al. 2013).

3.1 Creative and cultural employment in Catalonia

Catalonia concentrates a considerable share of Spanish creative class. In the year 2014 the overall number of persons employed in cultural and creative sector was 182200 persons.

Figure 3.6. The employment in cultural industries in Catalonia



Designed according to the: (Estadístiques culturals de Catalunya 2015)

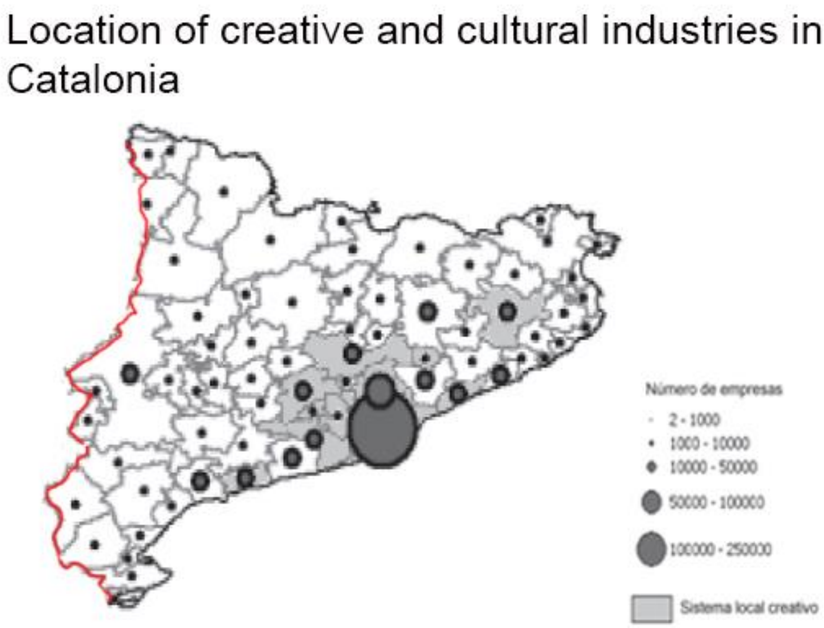
The chart presents the changes in the structure of the employment in the sector. As it can be observed the overall number of the employees in the region was falling from 2010 to 2012 from 171000 to 142000 persons. This trend started to change little by little after 2012 and in 2014 the overall number of the persons employed in creative and cultural industries reached 156000. This index still has not reached the before-crisis level however the positive change is noted.

35% of the employees in creative sector in Catalonia were self-employed in 2014. This proves the general trend of the high level of the individual actors in cultural and creative sector. The other 65% were salaried employees. An interesting trend is observed regarding this chart. The percentage of freelancers of creative employees was 33% during 2010, 2011. The year of 2012 was the year with the highest number of freelancers – 38% of all the employees. The situation changed a bit in 2013 when this percentage decreased to 34%, but changed other time in 2014 increasing to 36%. In the conditions of crisis when a considerable amount of workers lost their jobs creative workers just changed their status to freelancers. This proves the general affirmation about the mobility and flexibility of creative class and the ability to adapt to the changing conditions. This is one of the most powerful ability of creative class that can be used regarding the designing policies in times of the crisis.

3.1.1 Spatial structure of creative industries in Catalonia

The following map represent the location of creative sector in the territory of Catalonia. As it was discussed above, the main centres of creative industries of Catalonia are located in Barcelona and the city metropolitan area.

Figure 3.7. The spatial structure of creative and cultural industries in Catalonia



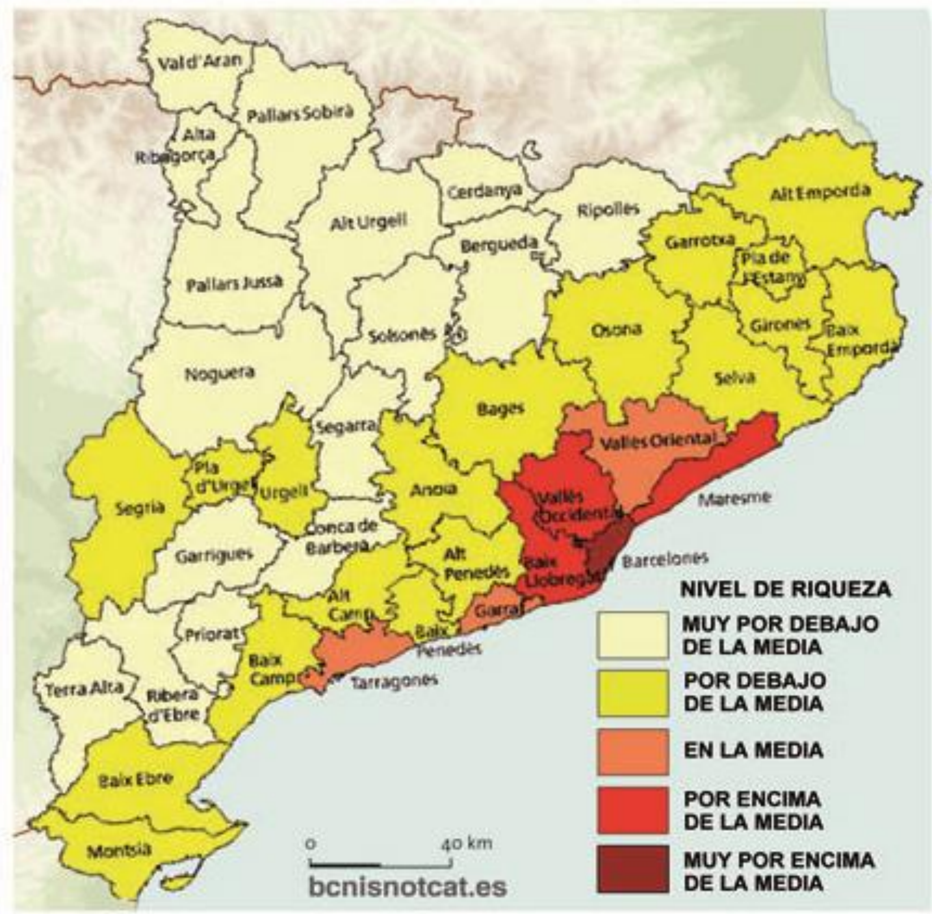
Designed accroding to: (Boix and Lazzeretti 2012)

The biggest centres of creative and cultural industries are Manresa, Sabadell, Igualada, to north from Barcelona. These are the centres of local creative systems determined by Capone and Lazzeretti, as "a socio-territorial entity characterized by the high concentration of creative industries and by specific features and identity that facilitate the generation and diffusion of creativity…. In practice, the operative definition LCS is also used to differentiate those places relatively specialized in creative industries and with a significant number of these industries from simple agglomerations of creative industries" (Boix et al. 2010). Outside the Barcelona metropolitan area there is only one local creative system – the system of Girona.

The coast cities such as El Vendrell, Vilanova I la Geltru, Tarragona form the chain of creative centres extinguished among the sea shore of Mediterranean.

The other centres of creative industries are of a lower dimension and are local regional capitals. Comparing the map of the location of creative industries with the map of the wealth of the regions, the high correlation can be seen. The wealthiest regions form the local creative systems – the areas with the highest concentration of creative industries. The lesser is the wealth of the region, the lesser is the number of creative enterprises. This proves the affirmation that creative and cultural industries gravitate to the richest areas with the high level of capitalization.

Figure 3.8. The wealth of the Catalonian regions



Source: (Barcelona is not Catalonia n.d.)

The territorial structure of creative industries in Catalonia corresponds to the creative case of W. Christaller's network described in the first chapter. There are central places of three dimension.

First of all Barcelona. It occupies the middle position between regional capital and the city in Christaller's based creative places classification presented in the first chapter of this work. The city concentrates a huge number of creative industries and is an international creative centre. However it can not yet beat such cities as London or Paris, so it stays at this middle position.

The creative towns of the second rang are the medium sized towns such as Lleida, Tarragona, Reus and Girona. These are local centres who possess and provide the surrounding territories with the basic range of creative goods and services.

The group of creative “villages” consist of small town that have episodic creative activities during the year. These are for example Montblanc, Tortosa, Esterri d’Aneu, etc.

3.1.2 Barcelona as the most important centre of creative industries in Catalonia

Barcelona is the second largest centre of creative industries in Spain. According to the study of Barcelona Centre of Design (BCD) the creative ecosystem and the dynamism of the city are crucial to provide the competitive social and economic development of Barcelona (María Cecilia Gerlero n.d.).

Barcelona holds a solid position on the international cultural and creativity market. The city's cultural heritage and creative scene promotes Barcelona to be one of the main creative and investment destinations all over the world.

The city’s plan for cultural development promotes Barcelona as a cultural project. The aim of the project is to bring together the civic, creative enterprise and territorial initiatives. Moreover the knowledge economy, communication, professional and design services, are identified by the local authorities as the most important driver of employment growth in Barcelona.

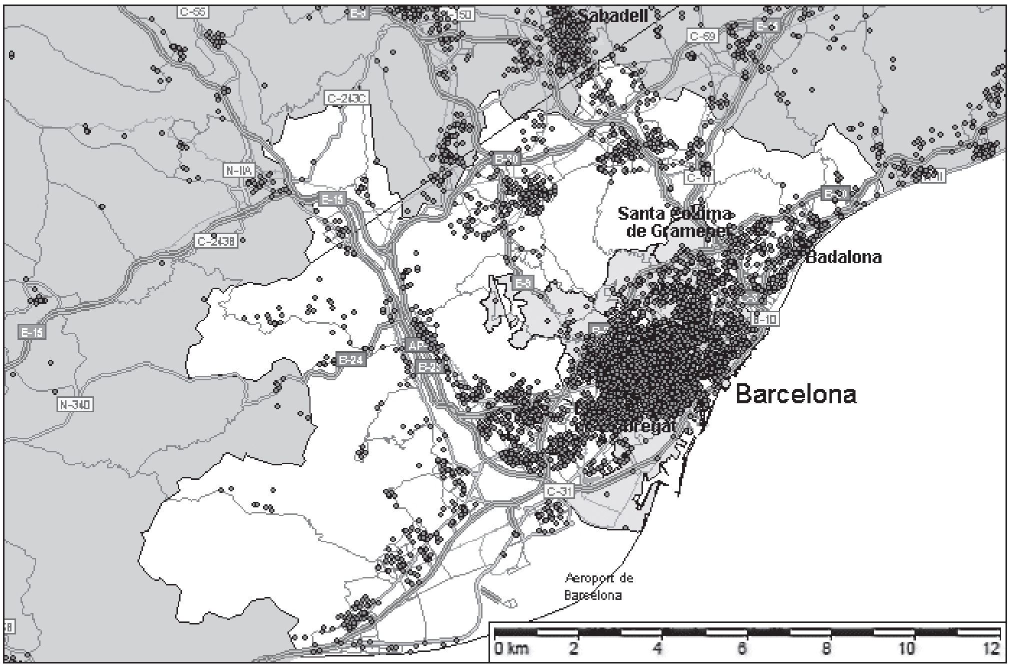
45% of Catalan creative sector is located in Barcelona. The city concentrates a very high share in creative industries employment and relatively high in the number of the companies.

The employment in creative industries in Barcelona in 2013 was around 88.800 workers. This is around 11% of the city workforce and 60,6% of the whole creative employment of Catalonia. The percentage of creative employment in the city has grown for 20% since 2001 and 2,7% from 2007 and is still continuing to increase. This demonstrates and active development of the sector in the city.

As for the creative entrepreneurship, it should be mentioned that 10,5% of Barcelona's enterpises belong to cultural and creative sector. The overall number of creative industries in the city in 2013 was 7.320 companies. This is around 18% of the Catalan creative companies.

The most considerable growth of creative sector is observed in the wider Barcelona Metropolitan Area (BMA). 75% of Catalonia’s ICT, design, arts and entertainment employment is located in the BMA. The dominanting creative sectorss are audio-visual and publishing, with the largest growth observed in film and TV industry and the visual arts.

Figure 3.9. Creative industries localization in Barcelona metropolitan area, 2010



Source: (Boix and Lazzeretti 2012)

The main part of creative industries is concentrated in the districts of El Eixample, Sarrià-Sant Gervasi, and Les Corts. These are the districts with the highest rent prices per capita (20000-30000 euro), highest level of the education (share of person with tertiary education is 30%). The density of creative industries in these districts is so high that it demonstrates the characteristics of what Gordon and McCann (2000) call the «cluster of pure aglomeration» (Boix and Lazzeretti 2012).

To resume the condition of creative and cultural sector in Barcelona it should be mentioned, that although Barcelona has an indiscutible importance for Catalan creative industries, the creative sector of Barcelona is not bigger than in other European cities accounting around 5% of all employment (Barcelona's Creative Industry 2014).

The main problems of creative sector in Barcelona is that it is still not so diversified and is over-concentrated in architecture, art and design. However the most important problem seems to be the absence of the complex multicultural approach or strategy. The absence of the united policy affect the sparsity of measures and initiatives. The transition from a culturally autonomous to a cosmopolitan city performs a political challenge. These methodologies should be integrated across the different levels of the of government,. Lack of statistical data collection and measurement methodologies integrated across the tiers of government, and identified with a measurable creative production chain.

There is also a lack of creative intermediaries with networks that would support the creative enterprise. The city takes a municipal role rather than an enabling one. However the recent initiatives have considered more the need for “arms-length intervention and greater industry-led activity in cluster development” (Barcelona’s Creative Industry 2014).

3.2 Institutional environment of creative sector in Spain and Catalonia

3.2.1 Policies for creative and cultural industries

The institutional environment is an important factor that affects a lot creative and cultural sector. It determines the environment than can be friendly and alimenting or not to develop the creative sector and can be a crucial motor for the development. The institutional environment usually includes the existence of special programs and policies dedicated to creative and cultural development, the favourable environment for business, the infrastructure for development – institutions and business-incubators.

As for the policy, it should be mentioned that currently there is no policy for creative industries at the national level. There are several policies of support that focus on the cultural industries – the more traditional sector of creative industries. There are several programs to support the cultural development of the country such as the program for internationalization of the Spanish culture (editions 2013, 2014, 2015).

There is also a Plan for the Promotion of Cultural Industries. This Plan had different editions in 2011, 2014, 2015 and 2016. The Plan for the Promotion of Cultural Industries presents the incentives for design, architecture, fashion, ICT and digital cultural contents. The Plan has an aim to supports small and medium creative enterprises. It is aimed to develop the internationalization of creative and cultural industries. It designs the creation of new funds and financial instruments to facilitate the access to the credit.

As for the policies of the particular sectors, the printing and publishing industry has a policy of specific support for the publication, translation or dissemination of cultural books and magazines in Spanish language. The policy for Films and video industry focus on the improvement of the access of the production companies to financies and the creation of a protection fund and a reciprocal guarantee organization. It also comprises the reserve of viewing and funding to Spanish and European productions (25/1994 Act). The Policy for the music industry concentrates on the protection of the intellectual property.

There are also some regional initiatives impulse by the local governments and cities. Beyond others are Catalonia that created the Catalan Institute for Creative Industries (20/2000 Act). The Basque Country designed and implemented the II Basque Culture Plan 2009-2012 and initiated the creation of the Basque Institute for Arts and Cultural Industries. The region of Andalucia, the third great centre for creative industries in Spain, created the General Directorate for cultural and Performing Arts Industries. Galicia formed the Galician Agency for Cultural Industries and the region of Asturias designed a "White Paper on Cultural Industries". As for particular cities, Barcelona concentrates the major activity in strategy designing, as the city posess a developed Plan for the Culture Sector (2004) and number of different bodies to foster creative industries.(Boix et al. 2010)

3.2.2 Institutional environment for creative and cultural industries in Catalonia

The institutional measures for the development of creative industries usually are divided to direct and indirect measures. The direct measures include the non-refundable subventions. The indirect measures are more complicated but finally more effective. This category includes the creation of the infrastructure, such as business-incubators, applying the special rules and measures of cooperation and development, refundable financing, etc.

As for the development of creative industries in Catalonia it must be mentioned that the institutional support still considers revision. There are some funding programs comprised by Plan of the fomentation on creative and cultural industries in Catalonia. However these programs in major provide the direct non-refundable support. As for the infrastructure, there is a wide number of different institutions aimed for development of creative sector. However their work is still much theoretical or comprises very particular measures dedicated to certain projects.

The European Cluster Observatory initiated the research dedicated to evaluate the development of clusters in cultural and creative industries. As a part of the research the Observatory measured the institutional environment and evaluated the framework conditions for the emergence of creative industries in regions, with a special focus on the influence of the policy makers on the development of the industry.

The survey shows a high presence of market and industrial framework conditions in Catalonia.

Table 3.1. The framework conditions for development of creative industries in the region

Type of framework condition	Berlin (DE)	Catalonia (ES)	Inner London (UK)	North Holland (NL)
Financial	6.10	5.30	6.20	5.10
Industrial	6.93	8.33	7.87	6.40
Market	7.00	8.80	8.60	6.80
Cultural	8.30	9.30	9.20	8.80
Knowledge	7.80	6.80	6.80	6.90
Regulatory	6.20	6.63	6.73	6.08
Support	6.27	7.53	7.33	7.80

Source: (Dervojeva et al. 2013)

From the point of view of this paper the cultural conditions are the most interesting. According to the European Observatory the cultural framework conditions include:

- Presence of historical, cultural and artistic heritage (e.g., tangible cultural heritage such as buildings, monuments, landscapes, books, works of art, and artifacts; intangible cultural heritage such as folklore, traditions, language, and knowledge; natural heritage including culturally-significant landscapes, and biodiversity)
- Critical mass of creative and entrepreneurial people in the region (e.g., availability of people from different creative industries; availability of people from different complementary industries, e.g., telecom industries etc.)

As it can be observed in the table Catalonia demonstrates the higher presence of the framework conditions than in other regions. The cultural and the market framework conditions were noted most of all by the stakeholders in the region. The market conditions demonstrate the customer proximity (i.e., critical mass of consumers of creative industries which is especially relevant for e.g. artists, fashion designers, photographers). As it can be seen the market and cultural conditions are represented in Catalonia more than in other regions. This means that these factors are the most favourable for the development of creative sector in the region. The most interesting point is that the creative enviroment in Barcelona is responded to be even higher than in Inner London – the most favourable and dense creative region. This demonstrates the high potential of Catalonia in respect of creative development. The proximity to the consumers is also one of the most important factors that determine the location of creative industries. The presence of creative consumers let the creative sector to flourish in the region.

From another side respondents note the low presence of financial framework conditions. This determines the lack of innovative financial instruments and venture capital in the region. It should also be mentioned that the major part of the financial support in Catalonia to creative and cultural sector is performed at the local level and is provided by thee city councils. This level of public administration spends on culture in Catalonia around 60% of total expenditure to the culture.

The regulatory conditions are present to a lesser extent. This means that the presence of the clear copyright instruments and policy measures supporting the development of the sector are represented less in the region although this index for Catalonia stays almost at the same level with other regions of Europe.

The support, regulatory and knowledge framework conditions, show a high overall presence in the region, although their level of presence is not so high as the cultural and market frameworks.

3.2.3 Creative infrastructure in Catalonia

Infrastructure in creative industries considers different forms of organizations, unions that are aimed to support the creative sector and creative actors. The existence of creative infrastructure determines clearly the condition of creative sector and the position and actions of the government on creative industries. This relation is clear as the existing infrastructure determined the developed creative activity of place and an interest of authorities to support creative sector as creative infrastructure is usually done with the assistance of government.

Creative industries have usually the following forms. First of all creative sector is constituted by creative companies – small and medium enterprises and individual actors. Secondly, creative sector often includes institutions and organizations that manage and support the activity of creative enterprises and individual actors. These are consortiums, professional unions, cultural centres and etc.

Another point is the "implantation" of all this structures internally to the space. In here the crucial point is the location of creative industries within the city or the region and the space transformation. Such forms as creative places, creative clusters and creative districts appear.

Catalonia possess variable number of institutions the aim of which is to support the development of creative sector. These institutions can be devided on ones of regional and local importance.

The regional institutions are those whose aim is the development of creative industries in the whole region. These include:

- Consorci de Comerç, Artesania i Moda de Catalunya
- Interarts
- Cluster Audiovisual de Catalunya
- Associació Moda Catalunya i Balears
- Red de industrias creativas
- Federació d'Associacions d'Artesans d'Ofici de Catalunya
- Col·legi d'Arquitectes de Catalunya
- Catalunya Creativa
- Xarxaprod

The General Direction for Creative and Cultural Companies, a part of the Culture ministry of the Catalan government (Generalitat) unite under the same umbrella all the phases of the cultural processes: creation, infrastructures, companies, markets and audiences. One of these cluster organizations is the Catalan Institute for the Cultural Companies, seeking to open up to new enterprises in the creative sector in the Catalonia Area.

The local creative institutions include:

- Roca Umbert Fàbrica de les Arts. The Granollers Town Council transformed a former factory in the town centre to a big cultural centre for artistic production, training, promotion and creation.

- L’Estruch. A living art creation centre formed by Sabadell Town Council in 1995. L’Estruch centre was initiated to support creators, especially in the fields of dance, to support the visual arts in Catalonia, Spain and even worldwide.
- Can Xalant is a centre for the visual arts. The centre was created according to the agreement between Mataró Town Council’s Municipal Institute for Cultural Action and the Catalan Ministry for Culture. It has two main aims. Firs – to provide creators with the space so that they could exhibit their work. The second aim was to involve the public to the creative process.
- Barcelona Art Fabrics. Barcelona City Council’s Culture Institute created the Art Factories programme in 2007 that comprised the reformation of the abandoned industrial fabrics in the city to new creative centres to support cultural creation and production.

Chapter 4
Case study

1 Fairs and event economy and creative industries

Events make a significant part of modern economy. Fairs and events are “the intersection of institutions and individuals, on the one hand, and of economic, social and symbolic activities, on the other” (Moeran and Pedersen 2009). They are also a part of creative industries if the creative part makes the value added. Fairs and events are largely about social relationships, symbolic hierarchies, and cultural capital prized by the institutions and individuals attending them.

The creative component of the exhibition includes creating and commerce of creative goods – usually crafts, performing art – shows and theatre, and all the activities connected with the organization – PR, Media, photo, commercial, etc.

Event marketing and creative activities are directly connected with spatial development. The model is usually the following – it contains two phases. Some creative activity appears spontaneously in some place. This activity is usually initiated and managed by the ambitious citizens.

During the second phase some of these activities get a great success in local and then sometimes – regional level. Therefore, they attract the attention of the authorities, administration and artist who try to copy and adopt this experience and create its artificial version.

As for Catalonia, the performing arts is not the biggest sector beyond the Catalan creative and cultural industries. However, its importance can not be underestimated as it has a great significance for the local development of creative and cultural industries in medium and especially small towns. Support for performing arts is provided through production grants and comprehensive sector based plans (circus, dance and entertainment for all ages), as well as fairs and festivals *(Ministerio de educación, cultura y deporte*, 2014).

There is a wide number of different fairs and festivals in Catalonia. The fairs that are dedicated to present the specific local products affected the economic, touristic and cultural promotion of many cities in Catalonia. This is the Fir tree Fair in Espinelves that takes place in the Rooster in Prat de Llobregat, as well as the Pitcher in Argentona, the Ceramics fair in Verdú, the Wine fair from Priorat in Falset or the Sheep Shearing Fair in Sort.

From the other side there are the medieval markets and fairs that were initiated in many Catalan towns. The fairs include the dressing up with the historic dress, organisation of the equestrian competitions, as well as sword fights. The most considerable activity during these fairs are the filling the streets with handicraft and gastronomic suppliers.

Another, new, phenomena are the fairs of cultural and artistic theme which are addressed at the 'purchasers' of scenic arts. This is the case of the fairs of Tàrrega, Vic, Igualada and Manresa which, over time, have gained prestige and solidity which would have been unimaginable two decades ago. (Generalitat de Catalunya n.d.)

2 Case study

As it was mentioned above creative industries tend to concentrate in the cities where they can find all the location factors – labor force, demand for cultural products and cultural diversity.

At this paper different city dimensions were studied. For this purpose three municipal entities were chosen: the Catalonia capital – Barcelona, Tarragona – the city of the regional importance, and Montblanc – the capital of one the counties of Catalonia.

The main aim was to analyse creative industries in these three cities and reveal different models of creative sector development.

The first case – the city of Barcelona – demonstrates the variety of types of creative industries and a high level of development of creative sector. Design, architecture, visual arts and other creative industries are represented in the city economy as well as a huge number of different fairs and events. Creative sector is discrete and provided by numerous separated actors.

The main particularity of the big city model is that creative events consist an equal part with other creative industries.

The second case – the intermediate model that can be observed in Tarragona. The city possess a variety of creative industries however the creative event economy consist a significant part of creative sector. The discrete character of the creative industries also takes place in here, however there can be observed several large agents that manage the creative sector.

The third model was observed in the town of Montblanc. The main importance for the creative sector has the Medieval festival. Other industries are represented poorly.

2.1 The case of Tarraco Viva

2.1.1 Background geographical features of Tarragona

Tarragona is a port city located in the north-east of Spain on the Mediterranean Sea. It is the capital of the Tarragona province, and part of the Tarragonès region Catalonian. In the north it is bordered by the province of Lleida as well as the province of Barcelona. The city has a population 131200 people (2015).

Tarragona has a developed industrial and service sector. The industrial sector is represented by generally by the chemical and petro-chemical industry. The city possess a vide range of different services where tourism is one of the most important. Tarragona is second area after Barcelona of the economic development in Catalonia. The trend of the recent years is the positioning Tarragona as an international exhibition and conference centre.

The port has historically been one of the mainstays of economic activity. Since the mid-70s, he is always among the five Spanish ports of greater tonnage. It is closely linked to the trafficking of large bulk cargo, especially petroleum and petroleum products, cereals and coal. Container traffic begins to strengthen from the commissioning of a new terminal in 2008. The cruises however, are not yet frequent traffic. The fishing port of Tarragona is the most important in Catalonia, with a total of 8000t in 2004, which corresponds to 30% of catches belonging to that community.

The petrochemical complex of Tarragona is the most important of Spain, and its factories extend the term of Tarragona and Vilaseca neighbors, Morell and La Pobla de Mafumet. In it national or foreign companies like Repsol, as Bayer, BASF, are located etc. Petrochemistry generates about 5000 jobs, plus another 23000 between indirect and induced. In parallel, there is a very diversified industrial activity, with manufacturing activity centered on various transformed plastic or metal, building materials, cardboard boxes and packaging, etc.

The tertiary sector occupies the main part of the workforce. Beyond the activities related to the provincial capital, it stands trade, educational services related to the University and other schools and especially the tourism industry (Tarragona, Catalonia, Spain n.d.).

2.1.2 Historical background of Tarraco Viva festival

The festival appeared with the aim of cultural and social development of the city dedicated to the Romanian patrimony of Tarragona or Tarraco. Tarraco is the ancient name of modern Tarragona. The oldest Roman settlement on the Iberian Peninsula, the city was founded by Scipio Calvus during the Second Punic War. It fastly became the capital of Hispania Citerior and of Hispania Tarraconensis – the Romanian provinces - during the Roman Empire. In 2000, UNESCO declared the archaeological ensemble of Tarraco as a World heritage site.

Therefore appeared the idea to organize the festival dedicated to this historic patrimony. The festival was first organized in 1999 by City Council of Tarragona. The initiator of the festival was Mergi Seritjol, the cultural manager of the Tarragona City Council. Although the first festival took place in 1999 the first ideas appeared in 1995 and it took 4 years to implement it.

The idea was to reveal the historical heritage of Roman Empire and attract the attention to the Roman culture. The object was to represent not only the history of ancient Rome, but to get known with the great civilizations of the classic Mediterranean.

2.1.3 Festival Roadmap

The festival takes place during several weeks. Tarraco Viva offers the option to enjoy 124 activities totaling 436 acts to maintain the interest divulging flag and demanding special interest and sensitivity by the public. There will also be opportunities to enjoy the heritage sites of the city, where many of the acts of the event are made. From the Pretori to the Amphitheatre, the Circus, the Forum Cologne and walls, as well as other towns such as Constantí, Altafulla, Cambrils and Falset or Porrera in Priorat, which this year is also the columbarium sum Vila- Rodona (*Llorens* 2016).

During several days, a large number of exhibitions, workshops and conferences are initiated to represent Tarraco. The events take place at Roman sites - the city walls, the circus, aqueduct, amphitheatre. The acts are performed by different groups of mainly professional actors and historic restorers. The Festival represents the concerts of ancient music, conferences on heritage promotion, archaeological films, different workshops on Roma food and beverage.

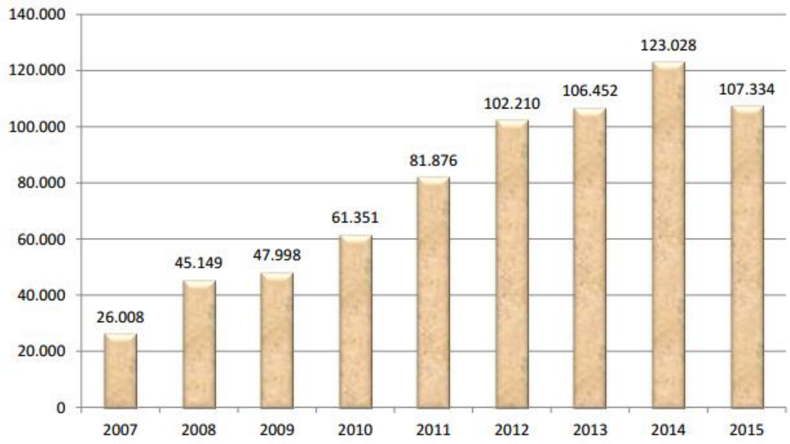
The festival has a strict programme criteria (Tarraco Viva. The Tarragona Roman Festival n.d.):

- The choice of activities depends on the general theme and festival aims
- The fundamental value of the festival is historical diffusion
- The festival acts can only be performed in the monuments or archaeological areas related to Roman times. The commercial places are out of use. Therefore there are also no decorations of the city urban space
- Tarraco Viva is not a performing arts festival. Therefore the didactical value is prioritised more than the scenic value
- The programme promote the invitation of the professional from outside to provide the festival activities at a highly professional level and promotes the local folklore or artistic creations that were inspired by ancient Roman times

As for the visitors of the festival, firstly is was aimed to attract the very citizens of city of Tarragona and partly – from the nearest area. However the festival was rising and its affect was becoming bigger. Currently the visitors can be divided nearly into three parts. The first one are obviously the citizens of Tarragona city. The second part consists of those who live in the nearest area. These people live in relative proximity and do not stay for the night while coming to the festival.

The third group is composed by the citizens of the Barcelona Metropolitan Area. The interesting point is that there are much more people from the Barcelona suburbians at the festival than from the Barcelona city itself. Finally, the least number of the visitors are foreigners, mainly French ones from the south of France according to the geographic proximity.

Figure 4.1. Number of spectatores of Tarraco Viva festival



Source: (*Àrea de Festes Patrimoni i Plans de Mobilitat*, n.d.)

As it can be seen at the chart the number of spectators grew considerably from 2007 to 2015. The biggest amount was observed in 2014 when more than 123 thousand of spectators were noted in the festival. This volume decreased a little in 2015, achieving the level of 107 thousands of spectators.

2.1.4 Financial model

The financial model of the festival is the following. The overall volume of the expenditure for Tarraco Viva fluctuates around 500-600 thousands euros. First of all it must be said that Tarraco Viva is the initiative of the city administration and that determines the finance. 80% of the festival is covered by the city budget. Other 20% are the investments of the private companies. The main sponsors of the festival are: Diputació de Tarragona, Fundació Privada Mútua Catalana, Repsol, El Corte Inglés, Agrupació de càmpings de Tarragona ciutat, Obra Social – Fundació La Caixa, EMATSA and some others.

The financial support of the city council depends from year to year. This support depends on the interest of the authorities in a particular theme of the festival and the current financial situation. It is also affected by the relevance of other aims and objects in from of the administration and the structure of the expenditure.

2.1.5 Contribution of the Tarraco Viva

Table 4.1. The physical and non-physical contribution of Tarraco Viva festival

Physical benefits	**Non-physical benefits**
Attraction of tourists to the city. Dynamisation the cash flow	Contributing to the education of the citizens
Invitation of subventions and investment	Forcing creative activity inside and outside of the city – craft, design, theatre
Forcing production of goods and services: performance, art, food, local products, design, etc.	Creating the cultural activity in the city during different periods of the year
	Creation of new brand of Tarragona as the world centre of Romanian culture
	Contributing to the self-indentification of the Tarragona citizens. “Place-belonging” sensation
	Increaing cohesiveness of the people
	Attracting the scientific interest to the city from the part of archaeologists, historics, cultural researchers, etc.

As it can be seen from the table, the social and cultural, educational contribution is a much more important aim of the festival of Tarraco Viva that the economic effect. One of the most important aims named by M. Seritjol is the rising of the place-belonging feeling and the geographic self-identification. It concerns to not only the Tarragona city but the whole Tarragona metropolitan area as well as the feeling of the belonging to the roman culture.

This point is crucial in the modern world where the processes of globalization are transforming cities to international places. This also affects the self-identification of the people.

“London and Paris are now not so much the English and French places any more. You can find the people all over the world in there. We want to develop the people feeling of their belonging to the place and the cultural heritage” – this is how the organizer identifies this aim of the festival.

2.1.6 Resume in context of creative industries

Tarraco Viva contribute much more for cultural industries than to creative ones. As its main aim is the cultural contribution it affects much more the traditional cultural industries. However, as for cultural industries it comprises the creation of various goods and services – dace, music, theatrical performace, although all this production serve only for the historic demonstration and diffusion.

2.2 Case study of Montblanc. Medieval week festival

2.2.1 Background geographical features of Montblanc

Montblanc is the capital of the Catalan comarca Conca de Barberà, cituated in the Spanish province of Tarragona. The town has a population of 7400 citizens. The economy of the town is based on commerce and tourism. Montblanc has the lowest unemployment level among the comarca's capitals in the province of Tarragona. The rate of unemployment in January 2016 did not reach the 11% according to data of the State Employment Public Service (SEPE). To compare the province capital – the city of Tarragona – has 11,55% of unemployment, the town of Gandesa - 14,25%, Valls- 14,57% and Tortosa - 17,97% (Agnès Llorens 2016).

One of the mainstays of the economic activity of the municipality is the contribution of the local industry, whose bulk is formed by companies that have their headquarters in the municipality and that have withstood the onslaught of the crisis. Some of them - such as Mahle Behr, Grupo Siro, Kadem, or SIMO - grouped templates that add up to about 1,100 workers, according to the town council. A significant number of small businesses underpins also the business framework of Montblanc, that has withstood relatively well the dreaded economic situation. There also exist an approved plan of a construction of a logistics centre to support the industrial sector in the municipality. An industrial sector currently has a strong input in the city. It is performed by the glass with Montblanc construction of a manufacturing plant that large element.

Tourism consists another significant part on the Montblanc economy. This sector has grown significatly in recent years. The main reason for this growth was the impact of the Medieval Week. The Montblanc Medieval Week is a spring festival taking place each year the 22th of April in Montblanc coinciding with the Sant Jordi Day, calling to thousands of people during these days.

The creative sector in Montblanc is kindly reduced. There is no professional theatre, as well as other creative goods and services are very limited or even not presented in the town economy. The only considerable creative activity takes place during two weeks and is dedicated to Sant Jordi medieval festival.

2.2.2 Historic background of the Montblanc Medieval festival

The historic background determined the appearance and development of the festival. After the end of the Franco´s dictatorship the traditions and culture of Catalonia had seen no development and remained silent. From the 80s this situation began to change and the Catalan creativity and culture felt the renaissance. During this period the Medieval Week – the festival dedicated to the legend of Sant Jordi appeared.

The festival started once in 1987 when a group of 10 enthusiastic 25-years old citizens of Montblanc decided to serve to the town's cultural development and organized the first Medieval Week. The idea was to create a new image of Montblanc. As the core idea of the new brand a legend of Sant Jordi killing the dragon and saving the princess was chosen. According to the Catalan writer of national customs and manners - Joan Amades, the town walls of Montblanc were the place of the fight of Saint Jordi and the Dragon. At the beginning it was a complement of the Feast and Fair of Sant Maties, but, due to the great acceptance, it quickly transformed to independent festival. The Medieval Association of Saint George's Legend was created (1988) so as to promote the celebration of cultural and recreational activities related to the Middle Ages and the legend of Saint Jordi.

The first Medieval week was organized only with the volunteer forces of the masterminds and volunteer participators beyond the citizens. At this stage the organizers got no support from the administration and did the festival all by themselves. In here took a place an effect of the small town where the inter-social relations between citizens are really strong and it was easier to get in contact with probable participators. The volunteers did the costumes and organized the first acts by themselves.

However the festival got so popular that the next year it was hold officially with the organizational and what is more important – financial help of Montblanc administration. Currently the festival get subventions from town administration, Catalonia regional government.

The festival organization is in the competence of the Asociación Medieval – local NGO grouped by the first masterminds and their followers.

The Medieval week has become an event of a very high importance for Montblanc. It attracts a huge number of tourists from Catalonia and Spain. However, the Medieval week is still generally an event of local and regional importance. The main part of the tourists are from Catalonia and others are mainly from the closest regions of Spain – Aragon and Valencia. According to the proximity some French tourists also visit the festival, however there are not a lot.

As for the regional importance the Medieval week in Montblanc provoked the appearance of numerous medieval festivals all over the Catalonia that copy the original festival of Montblanc. However these festivals do not communicate with each other. As they usually are held in small town the same size as Montblanc they tend to be hard opponents competing for the visitors.

2.2.3 Festival Roadmap

The main creative activities created by the festival are – performing arts and crafts. During two weeks from 22th of April to 2nd of May the streets, squares, houses and walls of the town are are embellished with the noble flags and standards, artistic requisite and figures. The most important acts are the theatrical performance of legend of Sant Jordi killing the dragon, the medieval market, the medieval supper, the scenes of medieval life and the performance of the Catalan Courts. The festival has also developed gradually during the years increasing the number of participants and activities. 3 years ago it started adding more performances and got more theatrical.

The festival is organized by the NGO group that consists of the animated citizens who want to participate in development of Montblanc. This is the main point of the Montblanc medieval festival model. Being organized and managed by NGO determined the success of this creative initiative.

Till the year 2016 there was no practise to count the statistics about the number of visitors of festival within the years. The year 2016 is the first year when the organizers of the festival started the counting of the visitors. For this purpose the NGO contracted with the outsourcing company that conducted a survey of the festival visitors with the subvention of the administration.

The festival is covered in all of the types of mass media: paper and digital newspapers, web portals, radio and television.

2.2.4 Financial model

Festival has two sources of incomes – the proper revenues during the festival and the subventions from the authorities.

The festival gains mainly from the visitors who by craft products, food and local agricultural products (cheese, wine), and commercial. To measure the economic effect the organizers hire the volunteers who are usually young people working for some small revenue and who conduct a survey during the festival.

There is no financial management in the proper sense of the word. As it was mentioned before, the first festival was held with no financial help from the outside. However, currently the festival gets the financial and infrastructural support from the town administration and the Government of Catalonia. From the other side the festivals earn money by itself selling tickes to shows and some activities.

Although the subvention system that exists is not so effective and creates numerous obstacles for the organizers. First of all the decision about to give or not the subventions is made by the authorities after the festival. Due to that fact every festival is a lottery. The organizers never know whether they are able to cover the costs of the event or not.

Secondly, the subventions are given after the festival and not before. That means a constant budget deficit as the organizers need to pay the constant costs of the current year using and counting on the subventions and revenues from the previous year. It decreases the attractiveness of the festival for the outsourcing companies as they need to wait sometimes for 6-9 month to be paid and there is always a risk that they will not receive the revenues.

Thirdly the subventions vary from year to year so there is no exactitude about the subvention volume. This creates inconfidence in budget planning and makes a festival organization a challenge each year.

Form the other side the town organizations should be mentioned. Their model is distint as they get the money immediately and spend them during the whole year for their purposes. For example, the Montblanc Sport organization makes the taverns – open restaurants copying the way of medieval feasts. This NGO uses the money earned during the festival during the whole year after organizing sport activities for Montblanc citizens.

The overall balance sheet for the festival counted 5982 euro in 2016.

2.2.5 Contribution of the Medieval Week

The benefits that the festival of Montblanc creates can be divided in physical and non-physical.

Table 4.2. The physical and non-physical contribution of the Montblanc Medieval festival

Physical benefits	Non-physical benefits
Attraction of tourists to the city	Forcing economic activity inside and outside of the city
Dynamisation the cash flow	Forcing creative activity inside and outside of the city – craft, design, theatre
Invitation of subventions and investment	Forcing activity in other places around Spain
Forcing production of goods and services: performance, art, food, local products, design, etc.	Creation of new brand of Montblanc
Contribution to other social and cultural activities other time of the year with the outcome earned during the festival	Self-indentification of the Montblanc citizens. “Place-belonging” sensation
	Increaing people cohesiveness

The main benefit to the city is of course the attraction of tourists. Although the Medieval Week is a local event it attracts a lot of tourist all over Catalonia and the nearest regions.

Motblanc Medieval festival contributes to the local economic and spatial development. It stimulates the production of local food and beverage products, contributes to restaurant and touristic services in Montblanc and surrounding towns.

As for spatial development the festival stimulates the urban transformation of the town generally by improving it for tourists. It also has forced the reconstruction of the medieval town walls that had started before the first festival but got a great promotion the past years.

As from the point of view of creative industries the most important is that the festival mobilizes the creative forces. First of all, it forces the numerous activities beyond the citizens. During 9 month before the festival the citizens who participate in festival prepare dances, theatrical performance, sew costumes, design and create attributes for festival. The Medieval Week also activates the production and commerce of different souvenirs and crafts in the city.

However the most important creative contribution is made by the outcoming artists who sell different pieces of craft: jewellery, accessories, costumes, historical attributes (swords, shields, bows, etc.). For two weekends Montblanc becomes a local centre for artists all over Catalonia and Spain.

2.2.6 Resume in context of creative industries

The creative industries of Montblanc are determined by its geographical, social and economic background. As the other small towns it does not possess the diversified creative sector. The main creative activity of the city is represented by a thematic festival and takes very limited time during the year. This model of creative sector can be determined as a “cathedral in a desert” (Zamyatina N., 2013). Nevertheless the festival is more than successful attracting numerous of visitants and forcing different creative activities.

While evaluating the Medieval Week it must be said that it has a local effect for creative development. However, this effect is quietly huge for the whole region of Catalonia.

The effect of the festival was evaluated from two points of view. First of all the festival contributes to local economic development as it attracts tourists and cashflow. The economic contribution is observed on the local level. However from the point of view of creative industries the benefits from the Montblanc festival is observed at the local and regional level at the same time. At the local level the creative activity of the citizens contribute to the creative sector. This is mainly done by theatrical performances and supporting activities. However, the major part of the crafts and design is brought from outside of the town by designers from different parts of Catalonia and the closest regions of Spain such as Valencia and Aragon.

The success of the Montblanc Medieval Festival is determined by its history and organization. The festival was made from the very beginning by the group of inspired citizens and is forced by their inspiration and willing. It also works independently from any administrative bodies or financial organizations. Therefore it is difficult to replicate the festival synthetically as its natural growth determines its uniqueness and its success. However from the point of view of creative spatial development and local support of creative industries the case of Montblanc is really useful to learn. What can be borrowed from the experience of Montblanc Medieval Festival is the organizational and management model as these functions are in the competency of an NGO that consists of the inspired citizens.

However, the Medieval Festival in Montblanc has the same problem as the majority festival-based economies. It takes place in a particular period of time and after it ends the activity stops. As Montblanc is quite a little town it does not possess a huge variety of creative industries.

What about another creative activity in Montblanc it must be said that it is really reduced during the other part of the year. The city of Barcelona situated in 2 hours from Montblanc is a Christaller's "central place" for creative industries concentrates the main part of all the creative activity. Therefore corresponding to Christaller's model Montblanc is a dependent city for part of creative industries.

The future creative development of the town is also quite limited. The Medieval Festival can not grow further. The dimension of the festival of Montblanc is also limited by the resources of the town and these resources are very limited. The majority of the visitors arrive only for one day and do not stay for a night as there isn't enough touristic accommodation in the town. There is also no interest of investors to create infrastructure as the festival goes only for two week-ends and the other part of the year this infrastructure would stay abandoned.

From the other side, as Montblanc is quite a small town there are no expectations of considerable growth of the creative sector. It does not possess the three factors needed for the creative industries development – creative labour force, multicultural environment and demand for creative industries and services.

2.3 Comparison of the festival models

The model of the medieval festival in Montblanc is "bottom-up". It was organized in conditions of lack of creative and cultural activity and is forced by the inspiration of its citizens and their will to contribute to their home town. The organizers have no commercial interest in festival creation. All the people work as voluntaries (except of one half-paid office manager who work 3 month per year) and have a full-time work at the same time. This has its disadvantages as no one who participate in fare can not spend all his or her time for that as they all have a full time work. The second disadvantage is that finally these people get no revenue – from their work so the only motivation is the personal satisfaction. As for the experience the majority do not use it outside Montblanc and do not gain the money from that. The main motivation is cultural and creative development of the town. This is a classical "creative" case – when the activities appear spontaneously.

The spring festival that takes place during 2 weeks in April is the only activity during the year. There are no other acts or performances during the other time of the year. The major part of the acts of the festival take place in the streets of the city.

The model of the festival of Tarraco Viva in Tarragona is “bottom-down”. It was organized top-down by the official bodies. The program stays more or less the same each year. However the actors change and some new acts appear.

The acts and performances of Tarraco Viva never take place in the street. All the acts are organized in the historic places – the Roman archaeological objects and the specially prepared halls.

The particular feature of Tarraco Viva is that it is also planned as a continuous act. This means that the spring festival is not the only activity during the year. The Tarraco Viva presuppose also the restaurations, performances and acts during the other time of the year.

Finally The Tarraco Viva festival´s main object is to educated the citizens and let them get known with the historic patrimony. The Montblanc festival is a feast and the main aim is the entertainment and in a lesser dimension – the education with the Medieval culture.

Another point is that the Montblanc festival in general do not emphasis on the own Montblanc history. It concentrates on the medieval culture in general and the legend and myths of St. Jordi. From the other side Tarraco Viva festival´s main object is first to represent the own Tarragona patrimony and secondly – to perform different historic themes.

Other point is the importance of the economic effect of the festivals for the city. Montblanc is much smaller than Tarragona and surely its industrial and service sector are not so huge. Therefore, the economic component of the festival becomes very important for Montblanc as it serves as a considerable source of the incomes sometimes serving as the only source of income during the year. As for Tarragona there is not such significance as it has a diversified economy and the festival serves mostly for the cultural and social aims.

3 Case study of Canodromo Park

3.1.1 History

The Conodromo Park is a very recent projected started in March 2016. Early in January the Mayor of Barcelona, Xavier Trías, marked the announcement of the renovation and reopening of the old dog track - Canodromo of Meridiana and creation of a creative incubator – the new Creative and Cultural Laboratory that is managed by the company Incubio (Incubio 2016). Canodromo Park was designed to facilitate the production of new creative proposals and the further launch to the market. The Park's main aim is to strengthen cultural activity in the city and put Barcelona forward in world innovative creative development.

Canodromo Park did not appeared on the empty space. It currently occupies the former dog track building. The dog track Canodromo Meridiano was inaugurated in 1963 and worked until 2005 when it was terminated due to the low profitability and strictness of ecological and animal laws . After the suspension of the dog track in 2005 Canodromo was abandoned for some period. It was used temporarily as an area for some events and festivals rented by event companies for short term.

However, the citizens of San Andreu district stood for space transformation. Therefore, the government started designing the measures for Canodromo renovation. For this purpose a call for proposals was started. Beyond several ideas, a contemporary art exhibition complex was chosen. However, this project was not implemented in Canodromo as it was decided to create in another place – the former textile fabric "Fabra i Coats".

Therefore, another public tender was inaugurated and the project of creative incubator was chosen. The Park occupies the territory of the is the former Meridiana dog track (which is called Canódromo Meridiana), an emblematic rationalist building of the sixties, designed by the architect Antonio Bonet Castellan (Wortmann Architects 2015).

The project of Canodromo is in its initial stage. By the moment, it has already supported Barcelona creative entrepreneurship and gave home for several creative enterprises. Canodromo Park also stimulated the transformation of the surrounding spaces and has numerous projects for the future.

3.1.2 Roadmap

The new creative and cultural laboratory bases on 1,300 square meters spread through two floors in a building owned by the City Hall. The Park has different spaces – multi-functional auditoriums that can be easily transformed from co-working, presentation and lecture class to dance studio.

The Incubio company which manages the Canodromo Park was created by Simón Lee and Andrés Manso. Its main aim is a support for young perspective entrepreneurs who work in creative sector, with an especial emphasis on Big Data management. Incubio was "founded in Silicon Valley in 2011 that now operates in Barcelona. We specialize in early stage projects that use Big Data to create projects that offer business processes as a service. We guide entrepreneurs throughout the entire process of creating a business, from the idea stage to building a viable product and accessing finance" – this is how Andrés Manso determines the company (Incubio 2016).

Therefore, the ideology of the company is currently observed within the ideology and mission of Canodromo Park. Its ideology comprises the interconnection and support of creative stratups on innovative segment. The main aim of the Park is a development of the creative and innovative industries in Barcelona. The mission of the project is to make Barcelona a headliner of the creative and innovative development.

One of the most important points about Canodromo Park is that it considers the intercommunication between all of the members as one of the most important tasks. This is a crucial point for creative cluster in its perfect meaning. There are many cases when creative clusters do not comprehend the collaboration between their members. In this case the entrepreneurs and artists work separately and independently from each other and the cluster model do not work. According to Michael Porter cluster is a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field. Clusters are considered to increase the productivity with which companies can compete, nationally and globally (M. E. Porter 1998).

The main object of Canodromo Park is not only the creative development in general as it often happens with the artificially created clusters and but to convert creative potential of the professionals and bring them to the market. Accroding to Business Dictionary business incubator "usually provides affordable space, shared offices and services, hand-on management training, marketing support and, often, access to some form of financing" (Business Dictionary n.d.). Startups based in Canodromo can receive there number of services as well as the aid. Conodromo provides its residents with the space, infrastructure (computers, software, office furniture) with low rent costs (about 180200 euro per month). From the other side Incubio does its incubators mission - it helps the enterpreneurs to develop their business at the first stage, connect them with each other, necessary people and projects. Incubio does not provide its residents with financial support. Its aim is to help the startupers to find investors. For all these survices Incubio gets 25% in startup share in case if the business gets successful.

3.1.3 Financial model

The project entails a cost of around 1.5 million euros. Canodromo Park is done under the supervision of the company manages Canodromo as an NGO. There are no financial aims of Incubio. The company works with its own resources.

However, Incubio do not do the Canodromo project alone. It collaborates closely with Catalonia Government and Barcelona city Council. These bodies provide Canodromo with the infrastructural and information support. The building belongs currently to Barcelona city Council. It lodged the building to Incubio company on a anhydrous basis.

Currently 18 companies are based in Canodromo and 3 more are going to join in June. One of the main particularities about creative industries is that this sector is composed of small and medium enterprises, or independent entrepreneurs. As for Canodromo, the medium size of the companies based in incubator is 4 persons.

Unfortunately, there is no detailed financial data about the Canodromo Park as it is managed by a private company and its financial data is a commercial secret so far.

3.1.4 Contribution of the Canodromo Park

Table 4.3. The physical and non-physical contribution of Canodromo Park

Physical benefits	Non-physical benefits
Rising creative businesses. Putting the creative start-ups forward to the market	Working on Barcelona development as the world's leader in world innovative creative development
Forcing creative economic activity in the city	Composing the creative network covering the whole city of Barcelona
Stimulation of other economic activity inside the district	Creation of new brand of Sant Andreu district
Invitation of subventions and investment to the district	Improvement of the place reputation. Creating new brand of the place – the Canodromo Park
Transformation of the urban space	

The creation and working of the Park has several effects. First of all, creation of Canodromo Park provides creative industries with a necessary infrastructure. The lack of the infrastructure is often one of the biggest problems for appearance and development of small and medium enterprises (SME). As creative industries tend to consist of SME and individual entrepreneurs, the proper infrastructure becomes a crucial point for this sector. Therefore, it forces the appearance and creation of different start-ups and companies dealing with innovative technologies.

Another effect is it stimulates the transformation of the urban territories. First of all, it is, of course, the renovation of Canodromo. Secondly, it is the transformation of the surrounding urban space. There are several plans of reconstruction of the areas around the Park and these plans were inspired and forced by the appearance of Canodromo. Currently the Park is surrounded by a residential area of San Andreu and Sagrega districts. Currently there are several plans designed and implemented by the Barcelona town hall of a reconstruction and improvement of the surrounding area - the reconstruction of the existing tennis courts and creation of the new multifunctional municipal sport centre. There are also the plans for the future of attracting different companies, restaurants, ateliers and other activity to the Canodromo surrounding area. This economic activity might be brought with the growing attractiveness of the place where the main factor becomes the proximity of the creative incubator. This “snow-ball” effect usually accompanies the process of creation and development of creative cluster. The creation of creative cluster leads to the transformation of the place brand. In case of Canodromo, this creative Park can contribute considerably to the transformation of San Andreu and Sagrega districts converting these to new creative city centre.

3.1.5 Resume in context of creative industries

It is still rather difficult to evaluate the case of Canodromo Park as it has started only several month ago. However, it has already contributed considerably to creative development of Barcelona.

First of all, it is the first city incubator for creative enterprises. At the same time, Canodromo combines several characteristics of creative cluster and incubator in one. As creative cluster, it transforms and reopens the abandoned territory by creating a space for creative class. As a business incubator, it gives the support to perspective entrepreneurs and rises new businesses. It works more like incubator for creative start-ups with quite a certain specialization. The main criteria of the companies to enter the creative incubator is a company specialization. It should provide customers with computer or internet technologies. Therefore, Canodromo is not a creative cluster in its classical meaning as there are no artists, designers, painters, musicians and other professionals of “classical” creative industries.

Unlike artificially created clusters, Canodromo Park appeared as a non-commercial business initiative of an independent company. This has determined the strategy of this creative cluster. Canodromo stimulated the young creative specialists to develop their business. Although these business raised by Incubio and Canodromo belong only to the software section they still consist a part of creative industries according to the classification of British Council (British Council. Creative Cities n.d.)).

As for the spatial development, the Canodromo Park has already let to feel its influence and has a great potential in the future. The creation of Canodromo stimulated the transformation of the surrounding district that is a typical residence area where the major part of the citizens are elderly people.

According to its aims, Canodromo is a start-up incubator specialising in creative businesses. Therefore, it provokes a question whether business incubators can be named creative clusters? As for the usual random business incubator, it cannot be the truth. However if the business incubator organises its work according to the creative cluster idea it can be named a creative cluster as it happens in case of Canodromo.

One of the most important notice made about Canodromo is that it recognized by the authorities not as an independent project. According to the city Mayor Xavier Trias, the Mayor of Barcelona, "Canodromo is aiming to create a new cultural centre in Barcelona; the Canodromo will form part of a network consisting of Fabra i Coats – Art Factory, the Barcelona Creation Factory, and Disseny Hub – the reference space for design. Together these institutions will join the international map of renowned organizations focused on creativity and innovation"(Incubio 2016).

The major part of the existing infrastructure supporting creative industries is situated in the city centre as it concentrates three factors of dislocation of creative industries. At this point, it is important to create new point of creativeness outside of this zone. Consequently, Canodromo Park becomes a new benchmark in urban creative development.

Another important point is that all creative bodies should work in collaboration with each other. This would let to improve the city creative development strategy.

However currently there is no so much communication between different bodies, as a result they usually work independently from each other. Therefore creating the creative network covering the whole city of Barcelona will contribute considerably to it cultural development and would enable the mission to put in forward in international creative development trend.

To resume, Canodromo seems to be a very perspective project providing considerable support for creative development in Barcelona. However it concentres on a very strict area and can not operate alone – another infrastructure such as creative clusters, centres and business incubators with wider specialization should be created.

4 Resume of the case study

The analysis of the cases leads to the following conclusions. The two distant festival models and the creative incubator were observed.

As for the festivals, it is noted that the biggest city – Tarragona – has the biggest scale of the festival. The participants are professionals and the subventions of the city council is bigger and the festival has local, national and even international importance. At the same time the festival of Montblanc is much modest. The participant are the enthusiastic citizens who in general are not professional creative actors. The subventions are much lower and the festival has only local importance.

All the studied cases were affected by institutional factor in a lower or bigger dimension. However, the institutional factor acts in different manner in each case. The success of the Montblanc festival is dedicated to the fact that it was created from the very beginning by the enthusiasm of the citizens. There are some similar festivals – the copies of Montblanc festival, however they were not so successful.

Therefore, regarding the development of creative industries in different cities and towns, the following affirmation can be made. There are two possibilities to develop the creative and cultural industries on the local level. In case of the medium and big cities, the model of Tarraco Viva can be implemented. This model implies the dominating role of the local authorities in organization of the festival.

In this case, of the small towns, there are two variants. The first one is a direct measure – the implementation of the Tarraco Viva model but in a miniature. In this case, the city council or another administrative body would be responsible for the organization. However, there is another way – the implementation of the direct measure. The idea is to create the circumstances and the environment to provoke the appearance of the ideas and the initiatives among the citizens. In this case, the probability of the success of the festival or any other creative initiative would be much higher. In this case, this initiative would not be inflicted but would come naturally with the inspiration and a willing to act.

This considers not only the festivals but also the initiative of Canodromo Park. The case of Canodromo proves this affirmation. The local government created the conditions for the creation of the Park however, the initiative was private. It is still early to talk about the overall success in case of Canodromo. However, the organism is developing and have great plans for the future. Therefore, the institutional factor – the support of the city administration and the creation for the favourable conditions – contributed perfectly for the creation of the infrastructure and for the development of creative sector.

Conclusion

Creative industries play an important and growing role in the modern economy. The number of countries where the interest in creative sector rises is increasing. The creative and cultural sector are ones of the most actively developing and fast growing.

Creative industries have a particular importance in the European countries. This is dedicated to the advanced technology base in these countries, a high level of education of the population, a great internal diversity, close ties between the countries, the presence of rich cultural traditions and the need to find a new source of competitive advantage.

EU governments have provided a significant support to the sector of creative industries. The business is increasing the number of investments into creative sector and largely integrate creative approaches into the production process.

The spatial structure of creative industries is closely connected with the population number and the level of welfare. Creative industries tend to concentrate in the most densely populated areas with a high levels of income. The availability of a highly qualified workforce is also very important for creative sector, therefore, creative industries gravitate to the areas with the high level of the concentration of major educational centres.

The location of creative industries in the EU is characterized by a high level of heterogeneity. The biggest creative sector is represented in the largest EU countries - the UK, Germany, Scandinavia and France. These countries are characterized by high rates of turnover, employment, business development, human development level etc. The less developed European countries today can not compete with these countries on the creative market due to technological backwardness, less skilled labour, lack of support for creative industries from the state, etc.

On closer inspection, the highest concentration of creative industries is observed in the largest agglomerations. The leaders are the most densely populated European agglomeration - London, Paris, Milan, Madrid, Barcelona, Rome. In general, the spatial structure of creative industries largely reflects the spatial structure of the country – the location of the population on the territory of the country and the enterprise engaged in the industry. Both are mainly concentrated in the largest cities. As the city's population decreases and the proportion of creative industries decreases too.

However, the institutional factor often introduces the significant changes into these regularities. The institutional factor contributes to the development of old industrial regions and backward regions leading them to the higher positions in the development level.

Spain and Catalonia are important centres of creative and cultural industries in Europe. However, it should be mentioned, that the lack of the information creates considerable obstacles for research of creative industries in Spain and Catalonia. The absence of the established tradition and instrument for evaluation of creative industries in Spain as well as Catalonia also demonstrates the level of the development of creative sector in the country. Such countries as UK have a great practice for recollection of statistical data and preparation of the reports and informs. There is a considerable lack of statistical data collection in Spain and measurement methodologies that would be able to evaluate the creative production chain in different stages. This works as a lackmus paper identifying the level of the development of creative sector in the country as the still developing one.

Spain is the fifth largest European producer in creative industries, but the weight of creative sector in the Spanish economy is lower than the European average. It refers that creative and cultural industries are not a sector of specialization in Spanish economy. However, the metropolitan areas of Madrid and Barcelona are among the largest and most specialized European agglomerations in creative industries.

The weight of the creative industries on the whole of the Spanish economy grew during the 90s, but reduced in the next decade. However, the weight loss was dedicated to the fact that the creative industries have more stable guidelines than other parts of the Spanish economy, such as construction and non-knowledge-intensive services. Currently the creative sector in Spain sees the gradual growth.

Catalonia is second most important creative centre in Spain. The spatial structure of creative industries in Catalonia is relatively centralized with Barcelona occupying more than 60% of the creative employment in the region. The creative sector in Catalonia is highly concentrated and specialized in three segments: broadcasting (34% of GVA sectors), newspapers (28%) and books (31%). The other three sectors, phonograms, performing arts and visual arts, weigh much smaller in relative terms together account for 7% of GVA in the cultural sector (*Ministerio de educación, cultura y deporte* 2014). Transformation of territory with the help of creative industries can be observed in Catalonia.

The urban transformation under the influence of creative industries takes place in Barcelona with the reformation of the former industrial district and creation of a new creative space – 22@

district. Another example of the city transformation is the creative incubator – Canodromo Park, that transformed the former dog track to a new home for creative entrepreneurs.

The local creative spatial transformation can be observed in some distant towns with the influence of creative events and festivals. However the dimension is not as big as in case of Barcelona.

“All countries big or small need a foundation of cultural and media institutions and it can be assumed that all need an indigenous basic provision: something that cannot be imported from outside” (Power and Nielsén 2010). Spain in general and Catalonia in particular possess this variety of these authentic cultural resources. This creates a solid base for the development of Spanish and Catalan creative sector. However, the level of the development of creative and cultural industries is not so high in both country and region in comparison with the most developed European countries.

In general, Spain still has not reached the level of the development of the creative sector of the most developed creative European countries such as Finland, Denmark or Netherlands. Creative sector is still not a sector of specialisation of Spanish economy as it is net-importer of the creative and cultural goods and services.

The other thing is Catalonia. It has already proved its importance in the world creative market and has considerable ambitions for the future growth but still suffers from some weaknesses. Catalonia has a great potential for the placement and development of creative and cultural sector. It has an alimenting creative environment, wealthy historical and cultural heritage and it possess a pool of creative producers and creative consumers. These are the most important factors that determine the location of creative industries. However, the Catalan creative sector is still not at the same level of development as in Northern European countries – the creative leaders of Europe. The main reason for this is the absence of creative industries outside the big creative centres – Madrid, Barcelona, Valencia, Bilbao, etc. This very high concentration proves this affirmation. However there is a very high concentration of creative activity in a shortened number of sectors such as artistic creation, advertising, videogames and radio and TV. These sectors are manily represented in the big cities – the creative centres of the region.

In Barcelona, the creative sector development occurs naturally, without the need of some additional initiatives, thanks to the concentration of capital, ideas and creative class.

The medium and small towns in Catalonia do not have a wide number of creative industries presented in their economy. The main creative activity existing in these towns are different festivals and fairs. However, this activity has a temporal feature and can not provide a considerable and stable pool of creative industries. The creative approach determined by British Council does not include fairs and festivals as part of creative industries. However, this sector has a underestimated importance for creative sector in Catalonia. Performing arts are not the biggest sector of the Catalan creative industries but it demonstrates one of the highest growth rates.

The development of creative industries in small towns is dedicated to local initiatives. This can be the initiative of the citizens but in most cases this is the initiative of the city council. The rising of local fairs, festivals and other creative events in these cities represented a good, revulsive dynamism, that was also observed in the case of the towns that conserve quite a little heritage and resources.

The institutional environment is a very important factor for creative and cultural sector as it is able both force and inhibit this sector of the economy. As for the institutional environment it still needs some reformation and development. To date it is a considerable bottleneck for the development of creative industries in Spain and Catalonia. There is a considerable lack for general creative strategies, especially at the national level. This refers especially to the lack not only of the cultural but the creative industries development strategies.

Analysis of the existing creative infrastructure and case study demonstrates the following. First, of all it must be said that the part of the government and administration is still considerable in Catalan cultural sector.

The studied institutions and cases revealed a significant part of administrative management. That means that the organizations that are responsible for Catalan creative development depend a lot to the government. Despite the dominating role of the government the local initiatives apire to be more independent in question decision. The local creative agents aspire to receive the financial and infrastructural support but keep being independent in the decision of the direction of development, choosing the particular themes, organization, etc.

As for the institutional factor in Catalonia it should be mentioned that it works both as a motor and an obstacle for creative development in the region. As a motor institutional factor supports the initiatives of the citizens and stimulates the renovation of the abandoned spaces as well as affect the appearance of the new creative activity. The major part of the support for the development of creative and cultural industries is provided by the local authorities – usually the city councils. For example, the institutional factor – the administrative initiative – provoked the creation and the maintance of the Tarraco Viva festival. In case of Montblanc and Canodromo the institutional factor affected the maintain of both projects.

At the same time the institutional factor is a considerable obstacle for the development of creative industries in Catalonia. The absence of the general policy and the highly favourable institutional environment becomes the considerable obstacle for the development of creatice and cultural industries in the region.

Therefore, there is currently no discrete developed creative network in the region. Catalonia still have not reached the level of the development of the creative sector of the leading European countries and regions that have a more discrete system of location of creative and cultural industries.

Catalonia possess the three main factors for location of creative industries – the Florida´s “three T” of the creative development: creative environment, talents and tolerancy. Therefore, the reason for the lag of Catalonia is considered to be the institutional environment that still is not so favourable for the development of the sector. The lack of the indirect and innovative supporting measures and the lack of the effectiveness of work of the existing measures becomes a considerable bottleneck for the sector development.

The institutional factor already affects considerably on the development of creative industries in European countries and regions in general and particularly in Catalonia. However, the consideration of the importance of this factor and its possibilities can contribute considerably to the further development. It should be considered that the institutional factor can both work as a motor and obstacle for the development of creative sector. The direct measures often do not have such a considerable effect as it was planned. In this case the indirect measures are the most perspective as they contribute significantly forming a fertile soil for development of creative and cultural sector.

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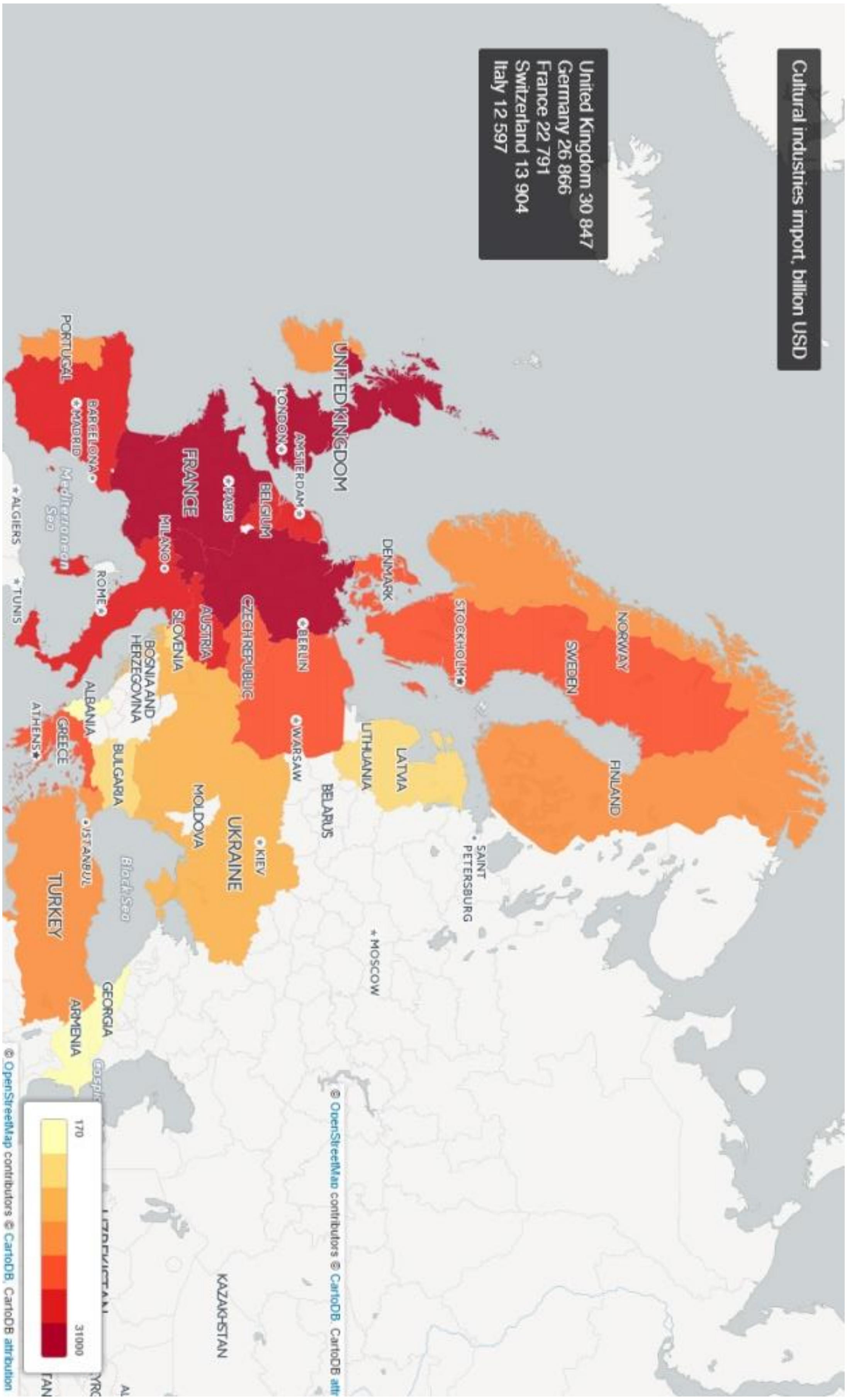
Annex

Table 1. Main statistical data about creative sector in European countries

	Employment in creative sector, number of persons	Share of creative employment, %	Creative industries turnover, billion euro	Export of cultural goods and services, billion euro	Import of cultural goods and services, billion euro	Trade balance, billion euro	Share of creative industries in GDP, %
Austria	131 015	2.1	14 603	4918	5556	-638	1.8
Belgium	101 646	2.1	22 174	7182	6724	458	2.6
Bulgaria	65 587	1.5	884	294	589	-295	1.2
Cyprus	10 794	2.3	318	-	-	-	0.8
Czech Republic	156 272	1.9	5 577	3811	2962	849	2.3
Denmark	124 352	3	10 111	3365	3216	148	3.1
Estonia	23 695	3.2	612	298	301	-4	2.4
Finland	95 511	3.2	10 677	867	1494	-627	3.1
France	634 251	2	79 424	13454	17754	-4300	2.4
Germany	956 668	2.7	126 060	26804	20929	5875	2.5
Greece	128 421	2.2	6 875	735	2773	-2038	1
Hungary	134 921	2.1	4 066	854	1265	-411	1.2
Ireland	70 602	2.5	6 922	1708	1986	-278	-
Italy	767 521	2.1	84 359	21650	9813	11837	2.3
Latvia	31 720	2.9	508	203	363	-160	1.8
Lithuania	26 102	2	759	597	377	220	1.7
Luxembourg	5 273	1.9	673	102	136	-33	0.6
Malta	5 765	2.1	-	8201	9412	-1211	0.2
Netherlands	377 903	3.6	33 372	347	2702	-2354	2.7
Poland	162 408	1.7	6 235	4090	2989	1101	1.2
Portugal	96 741	1.5	6 358	972	1683	-711	1.4
Romania	126 637	0.8	-	1146	1395	-249	1.4
Slovakia	61 777	1.3	2 498	985	1006	-21	2
Slovenia	29 151	3	1 771	761	554	207	2.2
Spain	665 042	2.1	61 333	4898	8172	-3275	2.3
Sweden	205 831	3.1	18 155	3815	3473	342	2.4
United Kingdom	1 131 697	3.2	132 682	15501	24030	-8529	3

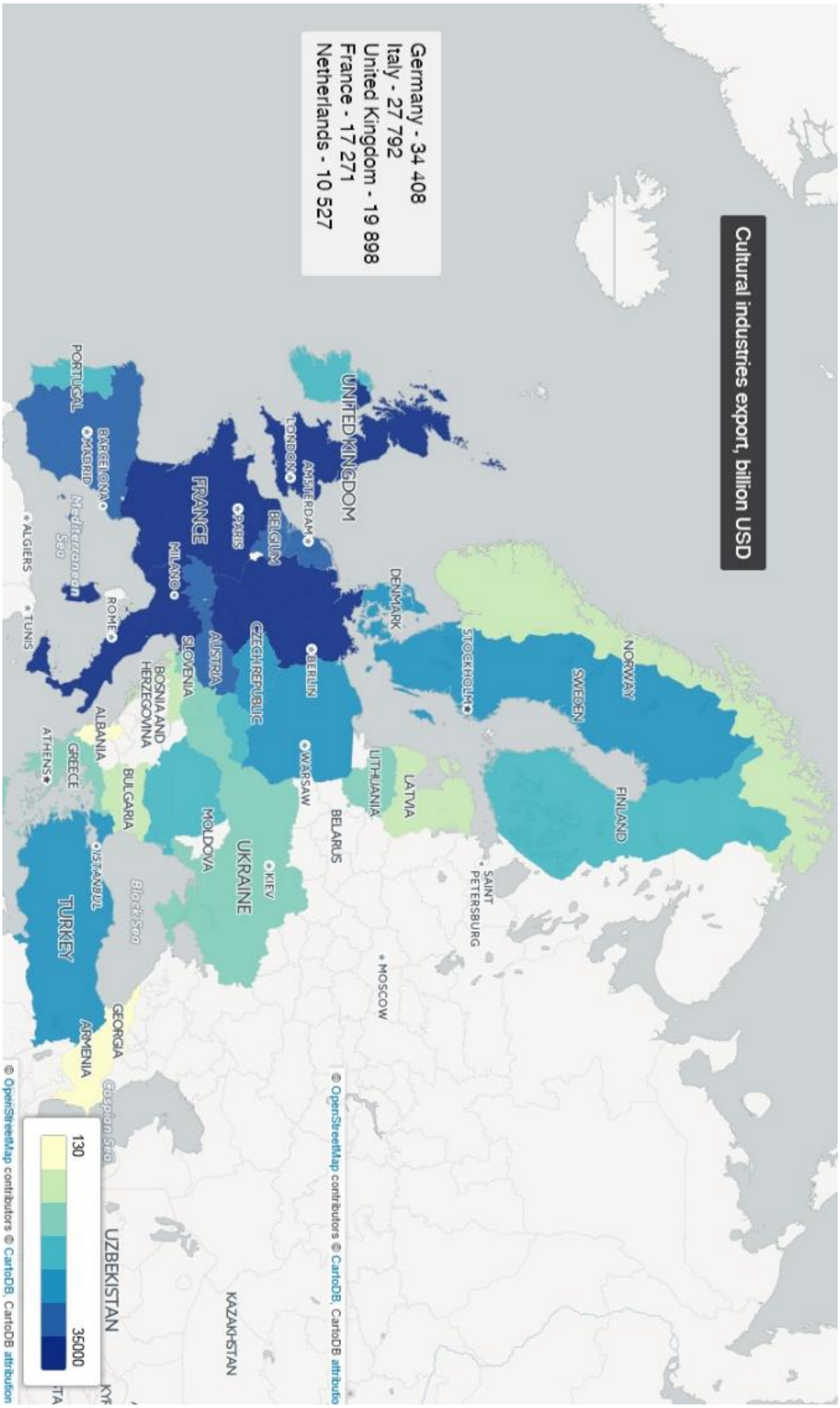
Source:(KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung 2006), (UNCTAD 2010)

Figure 1. Import of goods and services of cultural industries, 2008



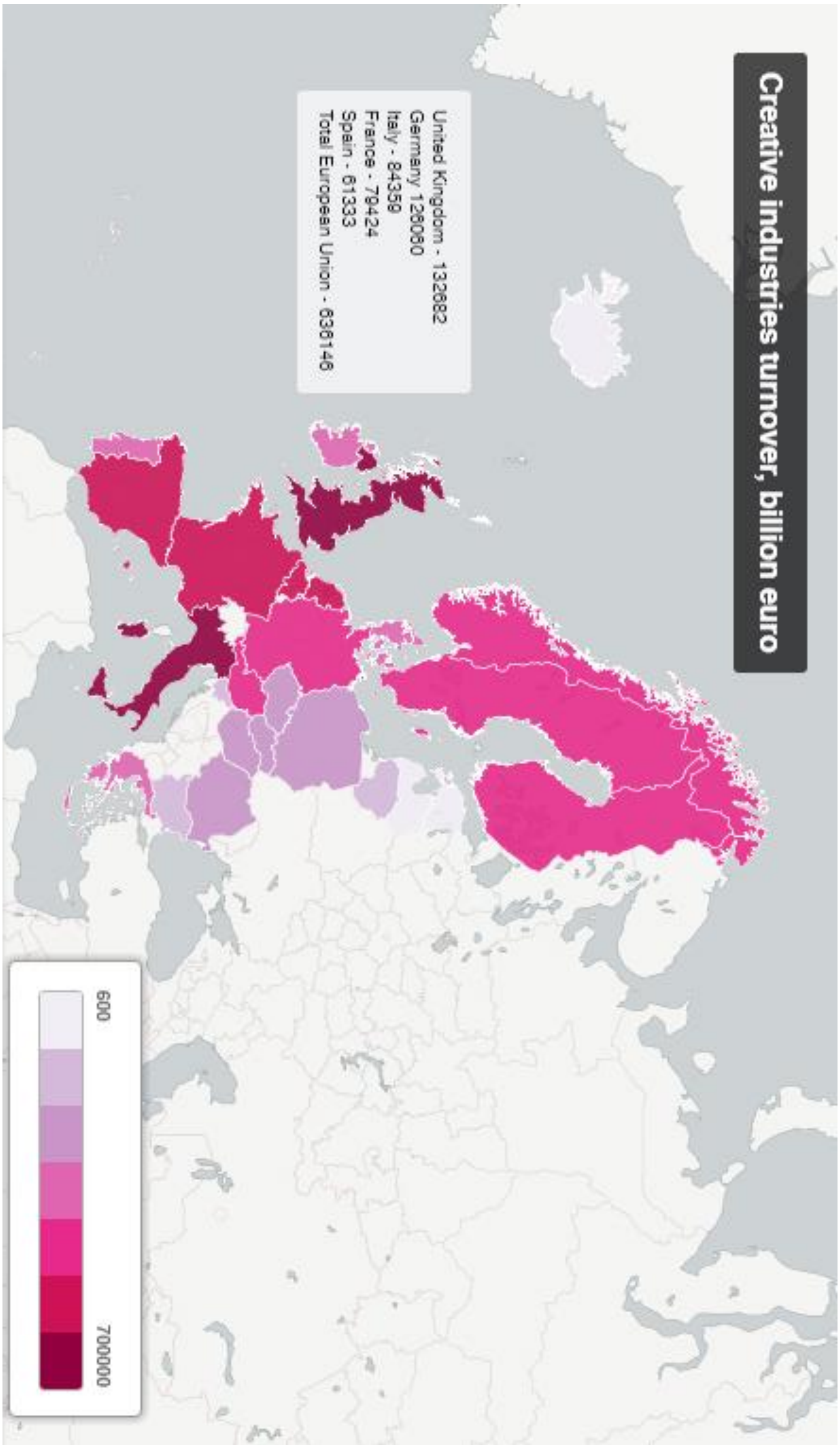
Designed according to the data: (UNCTAD 2010)

Figure 2. Export of goods and services of cultural industries, 2008



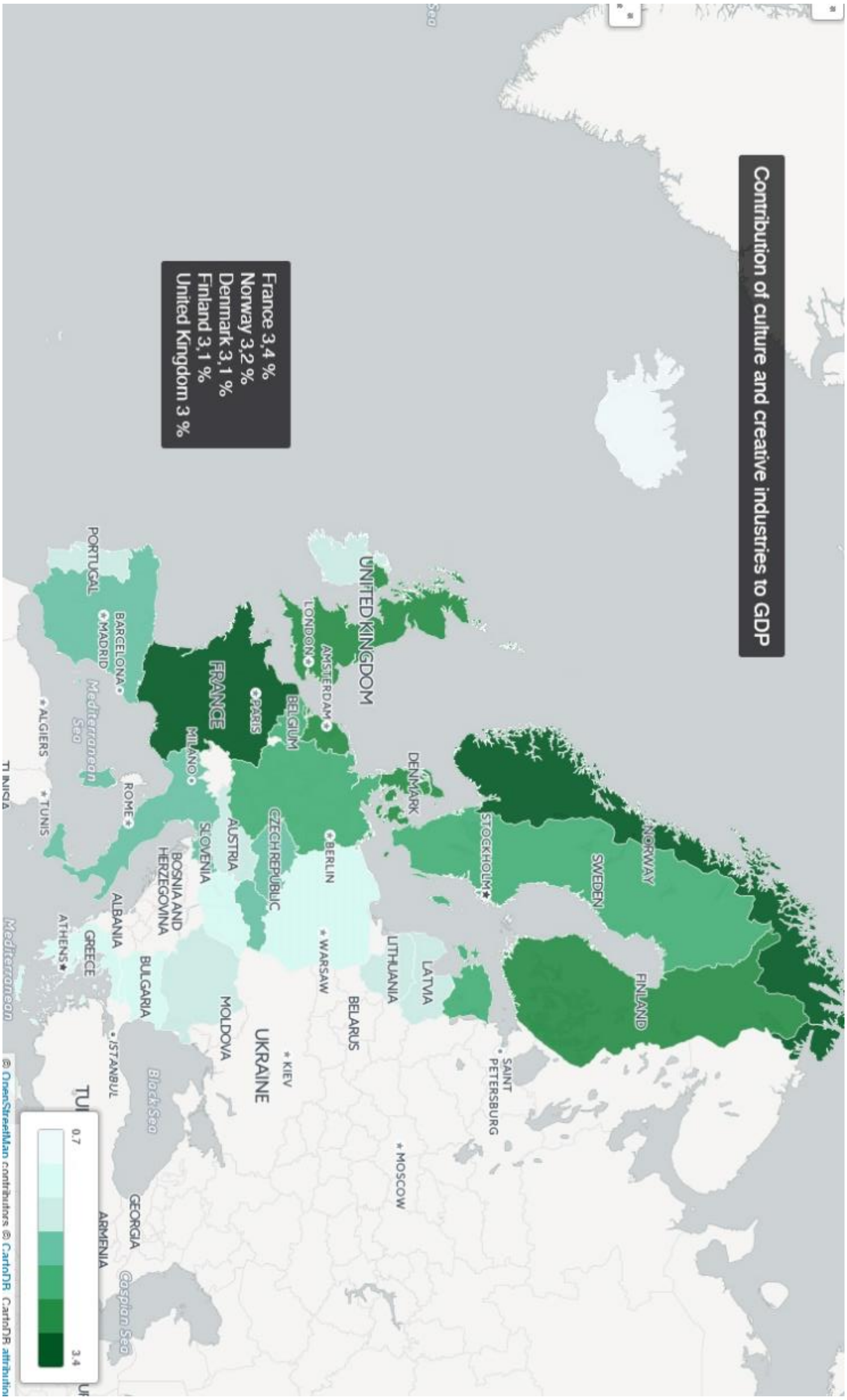
Designed according to the data: (UNCTAD 2010)

Figure 3. Creative industries turnover, 2003



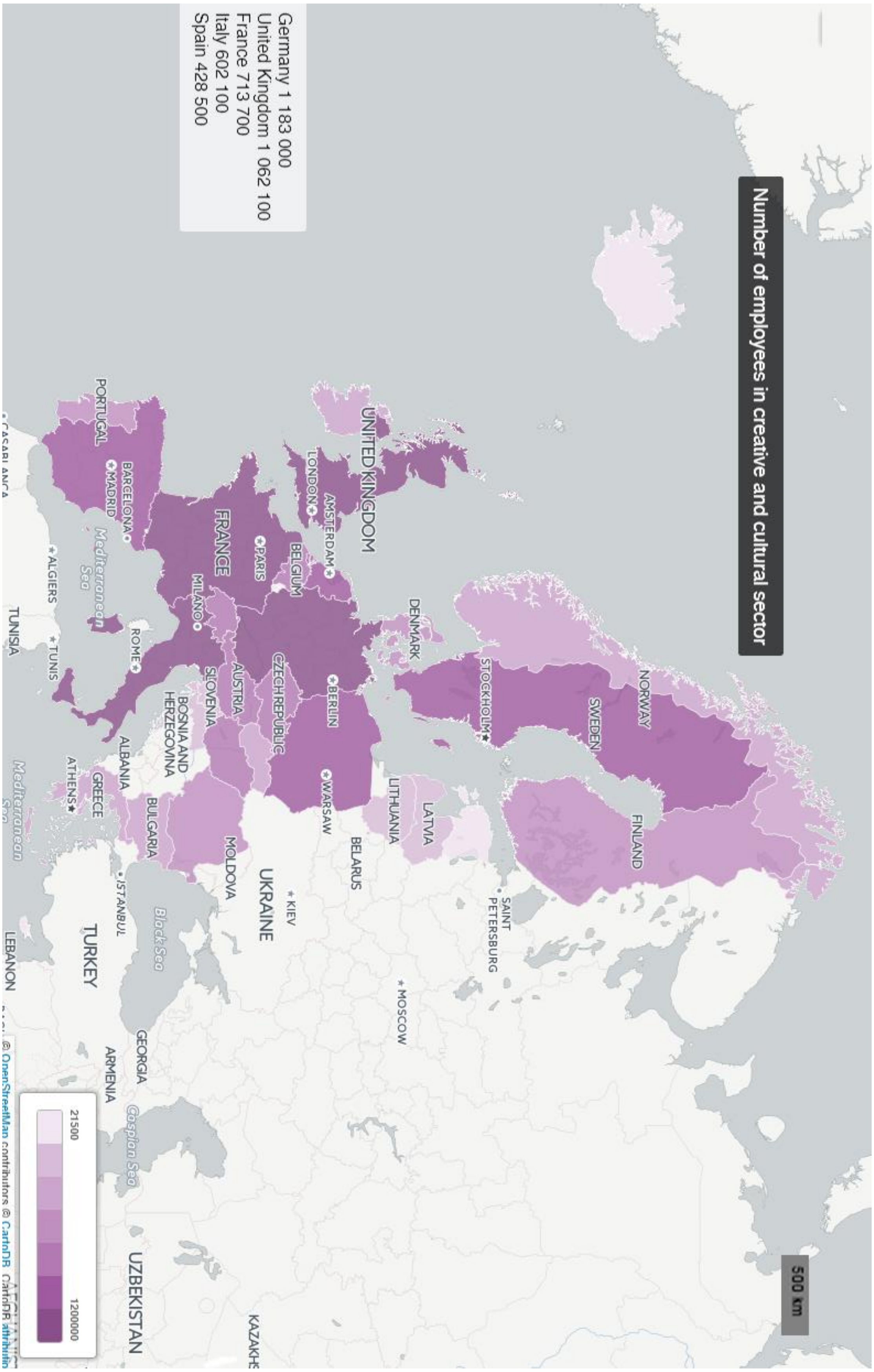
Designed according to the data of: *(KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung*, 2006)

Figure 4. Contribution of culture and creative industries to European economy, 2003



Designed according to the data: *(KEA European Affairs and Turun Kauppakorkeakoulu and MKW Wirtschaftsforschung*, 2006)

Figure 5. Employment in creative industries in Europe



Designed according to data of Eurostat