

## CREATIVE ECONOMY - EXPLORING THE CONCEPT AND EUROPEAN PERSPECTIVE

*Žarko Đorić\**

*Faculty of Economics, University of Niš, Niš, Republic of Serbia*

**Abstract:** *In recent times, our environment and the way we produce and consume cultural goods and services are changing radically due to the strong influence of globalization, faster communication channels, global connectivity and the implementation of new information and communication technologies. In the conditions of convergence of economic, social, cultural and technological changes, the importance of strengthening creative potentials and capacities to achieve economic and other gains is very much recognized, so new development strategies are needed in this area. In such circumstances, the concept of "creative and cultural economy" is popularized worldwide as the interface between culture, economics and technology. Our world is increasingly dominated by images, sounds, symbols and ideas that create new jobs, wealth and new culture. Because of this, economic development can no longer be considered unilaterally, only through the accumulation of economic capital, but as a three-dimensional space whose dimensions are the size, structure, and the change in the relationship between economic and creative resources. In this paper, the author deals with theoretical and applied aspects of the creative economy development. The obtained results indicate a significant economic potential that the creative economy brings within the European Union, primarily in terms of employment and contribution of enterprises within the creative sector. The research aims to interpret data, describe facts, processes, and objects and empirically confirm their connections and relationships using a descriptive method and a compilation method.*

**Keywords:** *creative industries, creative economy, employment, entrepreneurship, European Union*

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\* e-mail: [zdjoric82@gmail.com](mailto:zdjoric82@gmail.com)

## **KREATIVNA EKONOMIJA - ISTRAŽIVANJE KONCEPTA I EVROPSKA PERSPEKTIVA**

**Sažetak:** *U novije vreme, naše okruženje i način na koji proizvodimo i trošimo kulturna dobra i usluge menjaju se iz korena, usled snažnog uticaja faktora kao što su globalizacija, brži kanali komunikacije, globalna povezanost i primena novih informacionih i komunikacionih tehnologija. U uslovima konvergencije ekonomskih, socijalnih, kulturnih i tehnoloških promena, itekako se prepoznaje značaj jačanja kreativnih potencijala i kapaciteta radi postizanja ekonomskih i drugih dobitaka, zbog čega su u ovoj oblasti potrebne nove razvojne strategije. U takvim okolnostima, koncept „kreativne i kulturne ekonomije“ populariše se širom sveta kao veza između kulture, ekonomije i tehnologije. Našim svetom sve više dominiraju slike, zvukovi, simboli i ideje koji stvaraju nova radna mesta, bogatstvo i novu kulturu. S obzirom na prethodno, ekonomski razvoj se više ne može posmatrati jednostrano, samo kroz akumulaciju ekonomskog kapitala, već kao trodimenzionalni prostor, čije su dimenzije veličina, struktura i promena u odnosima između ekonomskih i kreativnih resursa. Autor se u ovom radu bavi teorijskim i primenjenim aspektima razvoja kreativne ekonomije. Dobijeni rezultati ukazuju na značajan ekonomski potencijal koji kreativna ekonomija nosi sa sobom unutar Evropske unije, prevashodno u smislu zaposlenosti i doprinosa preduzeća u okviru kreativnog sektora. U istraživanju će se koristiti deskriptivna metoda i metoda kompilacije, a sve u cilju tumačenja podataka, te jednostavnog opisivanja činjenica, procesa i predmeta i empirijskog potvrđivanja njihovih veza i odnosa.*

**Ključne reči:** *kreativne industrije, kreativna ekonomija, zaposlenost, preduzetništvo, Evropska unija*

### **1. INTRODUCTION**

We are witnessing a transformation of the paradigm manifested in the transition from the information society of the XX century with reliance on information-driven communication to a more holistic approach to the XXI century's creative economy, where the driving impulse is creativity guided by knowledge and supported by connection. The new holistic approach to economics is based on an integrated economy that implies a balanced connection between the industrial sector and cultural activities. This connection is identified as a creative economy within which new creative ideas and their application are imposed as a key determinant of development performance. The shift from the production of goods to the provision of services in the global economy brought about, among other things, a strong rise in the creative economy.

There has been a growing interest in studying the creative economy-defined by its creative industries, creative occupations, and creative people, which has

emerged as one of the most important topics in research and policy programs. Therefore, the merging of the economy and the creative sector has motivated many researchers to be more engaged in this field, which has resulted in significant theoretical and empirical material (see Howkins, 2001; O'Connor, 2007; Boccellaa & Salerno, 2016; Carr, 2009; DeNatale & Wassall, 2007; Wilson, Gross, Dent, Conor & Comunian, 2020; Gross & Wilson, 2019; McRobbie, 2015; UNESCO & UNDP, 2013; Rantisi, Leslie & Christopherson 2006; McRobbie, 2016; Crociata, 2019). John Howkins (Howkins, 2001), the British media analyst and theorist of creative industries, is credited with introducing the term "creative economy". The mentioned author sees economic growth through the influence of new media, digitalization, globalization, individual creativity and the development of creative cities. He was the first to put forward the theory that ideas, not material values and money, are the basis for the development of competitive economic models and national economies. On the whole, the definition of the creative economy could be summarized as follows (United Nations, 2008, p. 4):

- The creative economy is an evolving concept based on creative assets potentially generating economic growth and development;
- It can foster income generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development;
- It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives;
- It is a set of knowledge-based economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy;
- It is a feasible development option calling for innovative multidisciplinary policy responses and inter-ministerial action;
- At the heart of the creative economy are the creative industries.

In today's modern world of rapid change, the creative economy has taken the place of a powerful transforming force and as such has found itself in the focus of public policy, with the full activation of development potentials yet to come. Creative economy (creative economy sectors include paintings, songs, design, arts and crafts, books, films, festivals, digital animation and video games) can generate multiple benefits in the field of economics, namely: encouraging sustainable and inclusive economic growth/development, increasing export revenues, creating new jobs, stimulating the small and medium enterprises sector, etc.

In this paper, the author deals with theoretical aspects and empirical verification of fundamental trends within the creative economy in the European Union. The analysis of the current position and future perspectives of the creative economy

in the EU is based on comparable statistics provided by EUROSTAT (The Statistical Office of the European Communities).

The paper is divided into three parts. The first part deals with the creative economy's theoretical postulates, while the second part indicates the significance, importance, and basic characteristics of the creative economy. The third part maps European experiences in the field of the creative economy, taking into account current relevant data.

## **2. CREATIVE ECONOMY- THEORETICAL FOUNDATIONS**

The creative economy is a term used to describe the growing role of creative industries, cultural content and the creative class in the global shaping of socio-economic structures. The concept of the creative economy is a holistic concept of the perception of development, which deals with the interaction of culture, economy and technology in a globalized world dominated by symbols, texts, sounds and images. The creative economy is also seen as a process of agglomeration of creative activities and practices and the creation of cultural and creative clusters covering wider territorial areas; or as a system of professional occupations and industries focused on the production and distribution of cultural goods, services and intellectual property rights. Today, there is no consensus on a single definition of "creative economy". One precise definition is offered by UNCTAD, defining the creative economy as "an evolving concept based on creative assets that potentially generates economic growth and development" (UNCTAD, 2010, p.10).

The concept of the creative economy reflects a multidisciplinary and multiparadigmatic approach that integrates economics, culture and technology. Many stakeholders are involved in this process: (1) the private sector covering a wide range of commercial operations in all segments of the creative economy (production and distribution); (2) non-governmental organizations (representation agencies, associations of actors and musicians, etc.); (3) non-profit sector (theater and dance companies, festivals, orchestras, which may be recipients of government subsidies) and (4) the public sector, which includes cultural institutions (museums, public service broadcasters, etc.);

At the heart of the creative economy are the creative industries, which are considered a subgroup of the creative economy that includes all employees in the creative industries. The creative industries sector is highly heterogeneous - a sector that includes a range of activities from architecture to video game production (WIPO, 2017). Despite this heterogeneity in activities, it could be said that creative industries have two essential characteristics - their business is extremely risky, while products are treated as semi-public goods. As shown in

Table 1, creative industries can be categorized according to various relevant models.

Table 1

*Classification systems for the creative industries derived from different models*

<b>1. UK DCMS model</b>	<b>2. Symbolic texts model</b>	<b>3. Concentric circles model</b>	<b>4. WIPO copyright model</b>
Advertising Architecture Art and antiques market Crafts Design Fashion Film and video Music Performing arts Publishing Software Television and radio Video and computer games	Core cultural industries Advertising Film Internet Music Publishing Television and radio Video and computer games Peripheral cultural industries Creative arts Borderline cultural industries Consumer electronics Fashion Software Sport	Core creative arts Literature Music Performing arts Visual arts Other core cultural industries Film Museums and libraries Wider cultural industries Heritage services Publishing Sound recording Television and radio Video and computer games Related industries Advertising Architecture Design Fashion	Core copyright industries Advertising Collecting societies Film and video Music Performing arts Publishing Software Television and radio Visual and graphic art Interdependent copyright industries Blank recording material Consumer electronics Musical instruments Paper Photocopiers, photographic equipment Partial copyright industries Architecture Clothing, footwear Design Fashion Household goods Toys

*Note.* United Nations (2008, p. 13)

The key drivers of the creative economy are modern technologies, a steady increase in demand, and tourism development. The creative economy is not monolithic and, as such, includes dimensions such as (United Nations, 2008, p. 23-27):

(1) *Economic aspects* - creative economy promotes economic diversification, income, trade and innovation, helps revitalize declining urban areas, open and

develop remote rural areas and promote the preservation of ecological endowments and cultural heritage of countries;

(2) *Social aspects* - creative economy, as labor-intensive and knowledge-intensive, contributes to employment. Likewise, the creative economy fosters social inclusion as cultural activities can unify social groups in communities, thus reducing social tensions and conflicts. Initiatives such as community arts programs help build social capital by strengthening people's ability and motivation to get involved in community life and honing skills essential in local creative industries. Finally, creative industries are vital for individual health and psychological well-being;

(3) *Cultural aspects* - with the strengthening of the globalization process, the role of cultural diversity (dimension of the creative economy) comes to the fore as never before (especially when it comes to sustainable development and peacekeeping). In addition, the value of cultural identity at the level of the nation, region, city, community is also important;

(4) *Sustainable development* - the creative economy directly participates in sustainable development by creating a synergy of cultural policies to encourage investment in the development and promotion of the cultural industry in a sustainable way in terms of caring for future generations when it comes to tangible and intangible cultural capital. Cultural sustainability implies such a development process that maintains all types of cultural goods, from minority languages, artifacts and inherited buildings to localities.

The foundation of cultural industries, which are a dynamic and highly profitable sector of the global economy, is the realization of creative capital (a synergistic combination of human, cultural, social and institutional capital) at the micro, macro and global levels. Creative sectors are characterized by three very important components: (a) basic resources are people (intellect, skills and imagination), (b) economic value is the result of individual inspiration and reputation that an individual possesses due to his creative talent, (c) the concept of intellectual property rights and the importance of protecting these rights is essential, if the realization of their economic value is implied (Rikalović, 2010, p. 28)

### **3. THE IMPORTANCE AND BASIC CHARACTERISTICS OF CREATIVE ECONOMY**

The creative economy is seen as an important and growing segment of the global economy worldwide. Governments in almost all countries recognize its importance as a generator of business, wealth, and cultural engagement. The economic importance of the creative economy is manifested in the following:

revenue generation, job creation, strengthening export performance, supporting sustainable development and innovative processes, promoting cultural diversity and human development, the proliferation of intangible values that support inclusive social development, constructive dialogue and understanding and tolerance among citizens and, finally, can provide options and initiatives to address some of the most important issues - better known as Sustainable Development Goals (SDGs) - such as poverty eradication and hunger eradication (<https://mc.ai/innovation-in-the-creative-economy/>). Creative industries are recognized as a kind of engine of economic growth and trade development because of the direct economic impact through the sale of goods and services and the so-called multiplier effect that spills over to other sectors by creating new business opportunities and capacity building. Other positive effects of the cultural and creative industries include: capacity building, human resources and training; improving production infrastructure and investment environment; facilitated access to finance; strengthened legal infrastructure; developing the internal and external market and promoting competition and innovation. The creative industries' social benefits stem from their role in strengthening social cohesion and participation, spiritual renewal, self-esteem and identity, fighting crime and delinquency, creating alternatives to ruling thinking and acting in the arts, science, medicine, politics, religion, and their role and creation, new moral and spiritual foundations.

In addition to culture and entrepreneurship policy, the cultural and creative industries sector - CCIs can be linked to many areas of regional and national policy such as innovation, research and development, exports and internationalization, regional development, social cohesion and prosperity, cluster development, economic diversification, education and lifelong learning, tourism development, branding strategy, sustainable development and cultural diversity (European Union, 2012, p. 20). At the macroeconomic level, the direct impact of creative industries can be seen through the direct and indirect economic effects these industries have on economic development at the local, regional and national levels. In the case of indirect effects, it is possible to talk about the impact that creative industries have on: the development of the image of space and cities, which is crucial for attracting investment and concentration of business activities; strengthening identity in local, regional and national frameworks; strengthening social capital; improving the human development strategy; regeneration of deprived urban and rural areas; promoting social integration; improving the competitiveness of the region; adding creative and innovative elements to the concepts of urban development, strengthening endogenous regional potentials (Jovičić & Mikić, 2006, p. 39). The direct economic effects of creative industries can be seen through economic categories such as employment levels, gross domestic product growth rates, technological

progress rates, market size and expansion, number of companies engaged in economic activity in the sectors of creative industries, etc. (Jovičić & Mikić, 2006, p. 39). Significant characteristics of creative industries for the development of modern economic trends include opportunities for the development of new forms of consumption and distribution, the impact of high technologies on changes in the structure of market supply, opportunities for employment growth, potentials for new technical and technological achievements based on digital technology for mass communications, market expansion, non-standard form of employment and a high degree of employment flexibility, a high degree of inclination towards innovation in business ventures and new projects that stimulate economic development, integration of the tangible and intangible production sectors (Jovičić & Mikić, 2006, p. 46).

The creative economy is the driver of urban lifestyles and of investment in the so-called smart cities. It also maintains the link between the formal and informal sectors in the country's economy. The development of the creative economy needs to address common challenges such as infrastructure, access to banks and finance, quality of work, research and development capacities, regulations, and synergies among stakeholders. Although often underestimated in international relations, the creative economy is also an important element as a tool for soft power and connecting people, cultures and nations through diplomacy. Countries that have recognized the strategic importance of creative industries and encouraged investment in this area have valorized their investments in the wider international market. On the other hand, the countries that have neglected this important segment of the economy for political or ideological reasons have faced an invasion of foreign cultural products and services, which seriously undermines their cultural identity and ultimately leads to isolationism and stagnation.

Policymakers in any national economy must take into account five simple factors that form the framework for maximizing the contribution of the creative economy to broader economic growth/development (World Economic Forum, 2016, p. 4-10):

1. *The local strengths* - Many recognizable creative economies are located close to academic, research, technology and cultural centers, allowing them to easily build on local skills and resources.
2. *The technological enablers* - Digital technology has facilitated and enabled creative ventures from any location, and successful creative entrepreneurs have been able to harness technology to their advantage. The latest technology has reduced the cost of starting new ventures and made creative entrepreneurship comprehensive.

3. *The inspiring entrepreneurs* - The catalysts in creative hubs are successful individuals who demonstrate what is possible while inspiring and training other creative entrepreneurs. Evidence has shown that creative entrepreneurs running companies learn less from their colleagues than other employees, primarily due to time pressures and hierarchies. Therefore, having their role models as mentors would be invaluable in terms of providing fresh ideas and visions.
4. *The role of government* - The government should create a stimulating environment for the growth of the creative economy primarily through adequate regulation (this can include intellectual property, copyright, trademarks and geographic indicators) and monetary incentives for creative entrepreneurs (for instance, in the form of tax incentives, vouchers and subsidized working spaces). The active governmental support through the adoption of appropriate regulations and incentives should be reflected in the investment in the national infrastructure as a whole.
5. *The power of place* - Creative economies are in places where people want to live because of location and amenities. The most successful locations have established themselves as international hubs. The creative economy is increasingly located in urban centers, especially since cities are slowly but surely becoming the country's growth engine.

## **4. EMPIRICAL VALIDATION IN THE DOMAIN OF CREATIVE ECONOMY - EUROPEAN EXPERIENCES**

### **4.1. EUROSTAT AS A DATA SOURCE**

The composition of the creative industries varies from place to place, reflecting the different cultural histories and market opportunities that are opening up around the world (WIPO, 2017). When it comes to the European Union, its creative economy is deeply rooted in its historical background: this region enjoys a unique concentration of heritage, cultural expression and artistic institutions. However, at the same time, Europe remains the creator of trends on the global stage (EY, 2015).

Recently, there is a growing awareness of the importance of the cultural and creative sector at the EU level, with a special focus on innovation processes that use culture as an input that influences many economic sectors. The cultural and creative sector fully contributes to the Union's economic development, job generation and growth, and is therefore crucial for Europe's future.<sup>†</sup>

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<sup>†</sup> Proposal for Recommendation of European Parliament and the Council. Retrieved from: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A366%3AFIN>  
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Culture statistics as an online EUROSTAT publication analyzes various aspects of the creative economy in the EU and includes the following areas: (1) Culture-related education; (2) Cultural employment - shows the contribution of culture to total employment and the characteristics of employees and jobs in the cultural field; (3) Cultural enterprises - shows how market-oriented cultural enterprises contribute to the overall economy, where the main variables are the number of enterprises, turnover, value added at factor costs and the birth and survival rates of active enterprises; (4) International trade in cultural goods - statistics on imports and exports of cultural goods provide insight into the contribution of cultural trade to total national trade and its contribution to the EU economy as a whole; (5) Cultural participation - includes activities of citizens as consumers of culture (reading books and newspapers, going to the cinema, theaters, concerts, visiting museums and historical sites, but also as active participants (painting, playing music, dancing or engaging in any activity with an artistic dimension); (6) Use of information and communication technology for cultural purposes; (7) Household expenditure on culture - data on private expenditures are focused on household expenditures on cultural goods and services and (8) Government expenditure on culture - monitoring and evaluation of the economic dimension of culture should cover public spending on culture, which plays an important role in the functioning of numerous cultural activities and institutions.

#### **4.2. EMPLOYMENT, ENTREPRENEURSHIP AND CREATIVE ECONOMY - THEORETICAL ASPECTS**

As significant characteristics of creative industries (the most propulsive part of the creative economy) for the development of modern economic flows, can be singled out (Jovičić & Mikić, 2006, p. 46): (1) opportunities for developing new forms of consumption and distribution, (2) the impact of high technologies on changes in the structure of market supply, (3) opportunities for employment growth, (4) potentials for the application of new technical and technological achievements based on digital technology for mass communication, (5) market expansion, (6) non-standard form of employment and a high degree of employment flexibility, (7) a high degree of inclination towards innovation in business ventures and new projects that stimulate economic development and (8) integration of the tangible and intangible production sector.

In today's time and conditions of cognitive capitalism, the concept of creative economy is emerging as one of the best ways to describe all aspects of production, distribution and consumption of cultural and creative goods and services on a global scale. Employment was until recently neglected in the concept of the creative economy, which is explained by two facts: (1) focusing on mapping cultural /creative industries as generators of rapid economic growth, all to adopt and draft policy documents, and (2) critical analysis of the

area itself and critique of the phenomenon of cultural industrialization (for more about this see Lovink & Rossiter, 2007). Meanwhile, the creative and cultural sectors have emerged as one of the critical pillars of the national agenda and government ambitions in terms of ensuring job growth in the private sector (Cunningham & Higgs, 2009; European Commission, 2016; Nesta, 2018; Finkel et al., 2017; Ashton, 2011; OECD, 2018; Oakley, 2006; Siebert & Wilson, 2013; Hennekam & Bennet, 2017; Manchin & Stumpo, 2014). On the importance and consequences of the creative industry for the creative and cultural workforce, based on a comprehensive review of the literature, three interrelated fields of critical research can be defined, namely (Dent et al., 2020, p. 13-14):

1. *The diversity agenda* - combines literature that deals with unequal representation of the labor force based on criteria of ethnicity, race, gender, disability and sexuality. Not a small number of studies emphasize how the possibilities and benefits of the "creative class" are not distributed evenly among all members of society.
2. *The precarity agenda* - combines the literature that deals with the study of systems and structures of creative work and especially emphasizes the lack of a framework of responsibility and increased subjectivity for labor rights in cultural and creative labor markets.
3. *The spatial agenda* - combines the literature that deals with the observation of the uneven geographical expansion of creative labor markets and the affirmation of the concepts of creative clusters and the concentration of creative firms in given localities.

The key atypical features of the creative economy in terms of employment phenomenon analysis are non-standard work/employment, characterized by post-Fordism, job flexibility and job insecurity, employment of highly qualified professionals, flexibility and mobility of the work process, project work and short-term contracts, diversification time and work schedule, part-time work, volunteer and low-paid activities, pseudo-employment and pseudo-self-employment / freelancing. In his article Pasikowska-Schnass (2019) warns of the continuous growth of professionals in culture and arts. The conditions for their employment are becoming more and more unstable, which spills over to other sectors. Therefore, it is necessary to provide social security, appropriate material benefit, and adequate income and taxation policies. Job insecurity in the domain of the creative industry or the so-called lack of control over working life (characterized as "waiting for the phone to ring") manifests itself, in general, in the following (Van Liemt, 2014): 1. The unpredictability of work offers and consequently variable income, 2. Concurrent projects and contracts, 3. Variable terms and conditions of contracts, 4. Delays in the start of production, e.g., film, television, 5. The need to be available at all hours for

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work offers, 6. Seasonal employment, 7. Short notice of engagements and commissions, 8. Vulnerability to changes in fashion, in broader cultural trends and 'market' preferences, 9.

Unsocial hours of work/unpredictable locations of work, 10. Variable length of contracts and commissions and 11. Sequential stop/start patterns of employment. One of the advantages of cultural and creative industries (CCIs) is reflected in their ability to absorb the work potential of young people while at the same time showing a tendency to favor women's participation compared to traditional industries. In addition, CCIs can be considered inclusive as they provide a chance to people regardless of age and origin, which is another of their essential features (UNESCO, CISAC, 2015). When it comes to the future of employment in the field of the creative economy, as significant trends that will determine it stand out and especially emphasize (UK Commission for Employment and Skills, 2015, p. 105): 1. further strong growth in demand for technology services and expertise from most sectors of the economy; 2. the increasing importance of cyber security; 3. the convergence of content across multiple platforms; 4. mobile and cloud computing; 5. big data and analytics; 6. the automation of routine tasks; 7. new applications of social media and 8. new business models and collaborative platforms. An adequate response requires a wide range of initiatives and sectoral action in terms (UK Commission for Employment and Skills, 2015, p. 107): 1. efforts to engage with young people of school age to encourage the development of digital and creative skills and promote careers in the sector; 2. engagement with educational institutions and training providers to better align the content of courses with business needs; 3. the brokering of work placements and internships; 4. designing new apprenticeship standards; 5. workforce training and 6. forming industrial partnerships to foster growth and competitiveness through skills.

Indeed, the creative economy can be considered an essential precondition for the development of business and entrepreneurial ventures in the coming period. On the other hand, entrepreneurship and self-employment can be considered key levers in the fight against mass unemployment. In recent times, as key drivers of cultural and economic development of society, creative entrepreneurs are emerging as carriers of the creative economy that bridge the gap between artists and consumers (Newbiggin, 2010; Wagner, 2011; Maryunani & Mirzanti, 2015; Rae, 2004; Vickery, Lavanga & Loots, 2019; HKU (2010); Hausmann & Heinze (2016); Taghi Toghraee & Monjezi, 2017). Table 2 shows an interesting classification of the research on entrepreneurship in the context of the creative industry. There are four types of research which are distinguished by two axes being-having and agency-structure.

Table 2

*Types of entrepreneurship research in the context of creative industries*

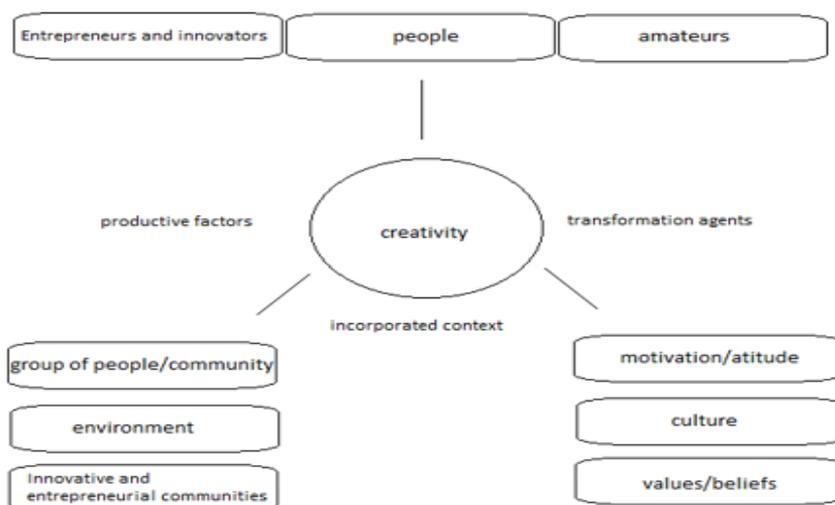
<b>ORIENTATION</b>		
<b>PERSPECTIVE</b>	<p style="text-align: center;"><b>HAVING AGENCY</b></p> <p>Focus on agency is illustrated by the capacity of entrepreneurs – considered in the publications as musicians, painters, film, union or festival directors – as active agents in the creation of new ideas or concepts in terms of distribution, trading, marketing or value systems.</p> <p>Focus on the orientation is based on purposes of economic independence, economic impact, commoditization of reputation, monetary rewards, profit maximization, cost minimization, the number of consumers, reduction of financial risk and obtaining funding</p>	<p style="text-align: center;"><b>BEING AGENCY</b></p> <p>This type of research is distinct from the previous group for its orientation by a being mode. Like the previous group of publications, the current group constructs its research around the idea that entrepreneurs create new value for cultural life by challenging prevailing social assumptions. The main sectors studied include music performance, theater, media, fashion organizations and museums. The being mode appears in this research in the form of orientations based on personal values, artistic motivation, political and historical elements, learning experiences and ethics and loyalty to the values of a community or culture</p>
	<p style="text-align: center;"><b>HAVING STRUCTURE</b></p> <p>One group of publications on entrepreneurship within creative industries, either having or being oriented, adopts a structure-based perspective. This perspective appears as specific contextual dimensions and transformations that drive and guide entrepreneurship activity. The structure is thus understood as rules, norms and changes in technology, firm capital, strategic alliances, personal networks, location distribution systems, industry deregulation, national and local government regulation and access to the audience, sponsors and government</p>	<p style="text-align: center;"><b>BEING STRUCTURE</b></p> <p>This group of publications is significantly less numerous than the others. Like the group of publications in the previous section, this group constructs research assuming that entrepreneurs are subject to structural forces. The distinction from the previous category concerns the being mode orientation, as it reveals non-instrumental rather than instrumental values. However, unlike in the preceding section on agency-based perspective of being mode, these values are contextual rather than individual. Thus, non-instrumental orientation in these studies appears more in the public than in the private sphere, demonstrating how contextual forces shape entrepreneurial activity towards political and cultural forms of expression, knowledge, social responsibility, passion, societal values, the democratization of culture, socio-cultural equity, national heritage, and interacting civic and aesthetic values</p>

*Note.* Davel, E., & Fachin, F. (2010). *Research on Entrepreneurship within the Creative Industries: Debates and Trends*, ENEO - VI Encontro de Estudos Organizacionais da ANPAD, p. 5-9

In the analysis of new dimensions of the creative economy, the triple helix approach, well known in entrepreneurial practice, and the construction of differentiated models for the development of business incubators and science and technology parks, is particularly interesting. Based on the mentioned approach, the critical elements for the interpretation of the tissue of creativity and creative entrepreneurship are 1. People (innovators, entrepreneurs and amateurs) who appear as agents of transformation; 2. A culture that raises people's motivation and influences the establishment of a value system (so-

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called built-in context) and 3. An environment in which innovation and entrepreneurial attitudes act as productive factors in encouraging higher and higher levels of creativity (see Figure 1).



*Figure 1. Triple helix for creative entrepreneurship*

*Note.* De Miranda, P.C., Aranha, José Alberto S., Zardo, J. (2009). Creativity: people, environment and culture, the key elements in its understanding and interpretation. *Science and Public Policy*, 36(7), 523–535.

Entrepreneurship can be considered a key lever for cultural and creative industries for two reasons: (1) similarities in terms of innate curiosity of both artists and entrepreneurs, their self-motivation (recognition, status, self-actualization, lifestyle and material rewards), unusual degree of perseverance and high level of risk tolerance, as well as their aspirations to innovate in conditions of extreme uncertainty in terms of value conjunctions and (2) in the industrial structure of cultural and creative industries in terms of share dominated by micro and small and medium enterprises (SMEs), with 0 to 2 employees, which dominantly determine the vitality of this sector (Bujor & Avasilcai, 2014, p. 153). The contribution of the creative economy in encouraging social entrepreneurship as a chance for employment primarily of young and socially vulnerable categories was also recognized (Stošić Mihajlović & Nikolić, 2017). The backbone of the creative economy consists of small and medium-sized enterprises (SMEs) and micro-enterprises, whose prevalence in the cultural-creative sector emphasizes the need for decision-makers and policymakers to focus on the constraints this sector encounters in its work. The most common constraints to address are: (1) access to finance for

creative development projects due to the high cost of technological inputs or other professional services for these industries, which are inherently capital intensive when it comes to transforming creative ideas into goods or services and (2) lack of business skills in the field of marketing and financial management (see: UNITED NATIONS, 2010). Small entrepreneurial firms that act as “gazelle” firms, that is, as firms that achieve exponential growth in a short period of time, are typically both creative and innovative. Creativity and innovation depend on a key resource in the company: on people but also on the entrepreneurial culture in the organization. In order to promote entrepreneurship in the cultural and creative sector, six specific areas for intervention are important, namely (UNIDO, 2013, p. 10-13):

1. *Access to markets* - starting from the fact that customer loyalty is difficult to design and build; it imposes as a necessity, significant investment in marketing, distribution and brand building. Lifestyle marketing or niche marketing is also important, considering the fact that it exists within cultural and creative industries the so-called product differentiation based on certain market segments or a certain genre, which, in the final instance, achieves the breaking of oligopolistic tendencies in the market of creative goods, as well as the so-called ironing out the asymmetry of information between buyers and sellers, thus bridging the gap between supply and demand.
2. *Access to finance and investment* - this refers primarily to investment in innovation and research and development, as well as human and creative capital. In terms of access to finance, its facilitation is crucial for start-ups, especially export-oriented ones, where measures such as financing participation in large fairs, grants for market development, and new instruments for financing intangible assets (savings schemes, loan incentives, private capital or so-called venture capital), etc. would be welcome.
3. *Promotion and protection of intellectual property rights* - it is important to install a political and legal system for cultural - inclusive development due to the lack of copyright protection, cultural and creative industries would face smuggling, piracy, counterfeiting and other forms of infringement, such as unlicensed broadcasting.
4. *Access to knowledge and training* - it is of great importance to reward human potential in creative administration, as well as invest in infrastructure for educational facilities that deal with art. To build global competitiveness, creative industry firms need to attract adequate financial resources: to cover the cost of (artistic) production; to cover the fees of industry facilitators such as entertainment lawyers, designers, agents, promoters and technical services; to bear the relevant

risks in marketing and promotion; to bundle intellectual property rights and protect them; and to be able to gain from ancillary markets such as merchandising.

5. *Networking and affirmation of clusters* - the goal is to achieve economies of scale, accelerate the process of forming a common identity of creative industries, and to overcome the problem of high levels of fragmentation of entrepreneurs who see themselves as individuals for themselves, but not as members of larger groups, sectors or even networks. The non-inclusion of creative firms in dynamic networks and cluster units results in isolationism and impaired business performance. At the same time, the formation of organizations with special interests would make creative entrepreneurs more visible to the public, potential clients, audiences and policymakers. It is also important to establish business incubator centers and science and technology parks that encourage entrepreneurial skills among key actors in the cultural and creative sector, as well as experimenting with new ideas, media and innovative techniques, which ultimately leads to deepening market penetration and promoting export potential of creative firms. In addition, young entrepreneurs can overcome their creative or intellectual isolation through an expanded network while participating in residencies or internships. They can also benefit from mentorship, new support services and peer-to-peer-coaching as creative entrepreneurs often do not easily accept authorities and traditional institutions.
6. *Management in the field of innovation and technology.*

#### **4.2.1. Analysis of employment in the cultural and creative sector**

As shown in Table 3, which shows employment in culture in 2014 and 2019, one can clearly identify the growth (albeit a small one) in employment in the creative sector. The figures grew by 8%, from 6.8 million in 2014 to 7.4 million people in 2019. However, it is also helpful to note that employment in the creative sector increased somewhat faster than the share of total employment (in relative terms, employment in culture represented 3.6% of total employment in 2014 and 3.7% in 2019). In most EU Member States, the share of cultural employment in total employment increased between 2014 and 2019, while the largest relative increase was recorded in Malta and Estonia, from 4.5% to 5.2% and from 4.6% to 5.1%, respectively. Employment in the cultural and creative sector in the EU frequently involves part-time jobs and seasonal employment, short-term contracts, two or more parallel jobs for people with a university degree, and this employment situation qualifies as insecure and unsatisfactory.

Table 3

*Cultural employment, 2014 and 2019, European countries*

	Number (1000 persons)		Share of total employment (%)	
	2014	2019	2014	2019
EU-27	6.812	7.358	3,6	3,7
Belgium <sup>(1)</sup>	184	205	4,0	4,2
Bulgaria <sup>(1)</sup>	79	89	2,7	2,7
Czechia	191	193	3,8	3,6
Denmark <sup>(1)</sup>	123	125	4,6	4,4
Germany	1.642	1.677	4,1	4,0
Estonia	29	34	4,6	5,1
Ireland <sup>(1)</sup>	76	76	3,8	3,3
Greece	117	129	3,3	3,3
Spain	594	714	3,4	3,6
France <sup>(1)</sup>	885	963	3,4	3,5
Croatia	59	60	3,8	3,6
Italy <sup>(1)</sup>	789	835	3,5	3,6
Cyprus <sup>(1)</sup>	11	14	3,1	3,4
Latvia	36	32	4,0	3,5
Lithuania	53	54	4,0	3,9
Luxembourg <sup>(1)</sup>	15	15	6,0	5,1
Hungary	150	164	3,7	3,6
Malta	9	13	4,5	5,2
Netherlands	381	430	4,6	4,8
Austria	164	181	4,0	4,2
Poland	508	549	3,2	3,3
Portugal	139	167	3,1	3,4
Romania	131	136	1,5	1,6
Slovenia	43	49	4,7	4,9
Slovakia	62	74	2,6	2,9
Finland	119	132	4,8	5,1
Sweden	225	249	4,7	4,9
United Kingdom	1.381	1.513	4,5	4,6
Iceland	11	11	5,9	5,5
Norway	106	105	4,0	3,9
Switzerland	237	253	5,3	5,4
Montenegro	9	8	4,1	3,3
North Macedon.	22	25	3,2	3,2
Serbia <sup>(1)</sup>	92	91	3,6	3,1
Turkey <sup>(1)</sup>	595	669	2,3	2,4

Note. EUROSTAT.

<sup>(1)</sup> Break in time series.

While the conditions under which professionals are employed in the creative sector are becoming increasingly unstable, their number is constantly growing. This situation spills over into other sectors and should be addressed in terms of social security and benefits, revenues and taxes.

EUROSTAT also provides information on a number of socio-economic characteristics that can be used for a more detailed analysis of employment in culture, with a special focus on two specific areas, namely, self-employment and working time (full-time). Table 4 shows that while the share of self-employment in total employment at the EU-27 level is only 14%, self-employment in cultural employment in 2019 is more than twice as high and amounts to 32 %. The creative sector at the EU level has a relatively high share of self-employment, reflecting the independent and specialized nature of many occupations in the creative sector - authors, performers, musicians, painters, sculptors, or artisans. Almost half of all employees in the creative sector are self-employed in the Netherlands and Italy, 47 and 46% respectively. In 2019, the level of self-employment in cultural employment was higher than the average level of self-employment in the entire economy in 26 out of 27 member states. According to this criterion, only Romania stands out, where the average for the entire economy was 17%, while self-employment in culture was 14%.

As shown in Table 5, in 2019, 3/4 (75%) of the cultural workforce in the EU-27 was employed full-time while the share of full-time people in total employment was higher - 81 %. The pattern where the share of full-time workers in cultural employment is lower than the average for the economy as a whole is noticeable in almost all Member States, except Romania (98% vs. 93%) and Belgium (77% vs. 75%), while in the Netherlands the proportions of the shares are identical (49%). This pattern can be partly attributed to the fact that a large number of creative jobs are characterized by self-employment/fees and job flexibility, resulting in job insecurity and significant variations in income levels over time.

Table 4

*Share of the self-employed in cultural employment and in total employment, 2019 (%)*

	<b>Cultural employment</b>	<b>Total employment</b>
EU-27	32	14
Germany	33	9
Netherlands	47	16
Austria	31	11
Denmark	21	8
France	30	12
Sweden	25	10
Cyprus	32	13
Ireland	34	14
Czech Republic	37	16
Spain	34	15
Belgium	29	13
Slovenia	26	12
Finland	28	13
Luxembourg	17	8
Italy	46	22
Hungary	23	11
Slovakia	29	15
Lithuania	21	11
Portugal	32	17
Latvia	20	11
Estonia	19	11
Malta	27	16
Bulgaria	16	10
Croatia <sup>(1)</sup>	17	11
Greece	38	29
Poland	23	18
Romania	14	17
United Kingdom	38	15
Iceland	32	12
Switzerland	30	13
Norway	23	6
Turkey	34	21
Serbia	27	23
Montenegro <sup>(1)</sup>	17	18
North Macedonia	11	16

*Note.* EUROSTAT.

<sup>(1)</sup> Cultural employment: low reliability.

Table 5

*Share of people working on a full-time basis in cultural employment and in total employment, 2019 (%)*

	<b>Cultural employment</b>	<b>Total employment</b>
EU-27	75	81
Romania	98	93
Bulgaria	95	98
Slovakia	92	95
Hungary	91	95
Croatia	89	94
Poland	86	93
Portugal	86	90
Slovenia	86	91
Lithuania	85	93
Greece	84	91
Czech Republic	83	92
Spain	82	85
Luxembourg	82	83
Latvia	81	91
Estonia	80	87
Italy	80	81
Belgium	77	75
Ireland	77	80
France	76	82
Finland	72	83
Sweden	72	76
Danmark	71	75
Malta	71	86
Cyprus	69	89
Germany	66	71
Austria	66	72
Netherlands	49	49
United Kingdom	76	74
Norway	75	73
Iceland	69	78
Switzerland	45	60
North Macedonia	96	96
Montenegro	95	95
Serbia	83	88
Turkey	79	90

*Note.* EUROSTAT.

#### 4.2.2. Analysis of company contributions within the cultural and creative sector

Table 6 shows the relative importance of the cultural sector measured through its share in the non-financial business economy.

Table 6

*Main indicators for cultural enterprises, 2017*

	Number of enterprises		Value-added at factor cost		Turnover	
	Number	%	Million EUR	%	Million EUR	%
EU-27	<i>1.142.268</i>	<i>5,1</i>	<i>145.275</i>	<i>2,3</i>	<i>375.255</i>	<i>1,5</i>
Belgium	40.818	6,5	4.460	2,0	15.330	1,4
Bulgaria	<i>10.595</i>	<i>3,1</i>	466	1,7	<i>1.337</i>	<i>1,0</i>
Czech Republic	51.384	5,0	1.743	1,7	5.650	1,1
Denmark	13.548	6,1	3.436	2,3	7.990	1,5
Germany	136.786	5,5	43.443	2,5	97.394	1,5
Estonia	3.605	4,8	253	2,0	719	1,2
Ireland	14.007	5,3	:	:	:	:
Greece	29.492	4,1	986	2,0	3.187	1,3
Spain	124.095	4,7	11.700	2,3	30.076	1,5
France	<i>152.532</i>	<i>5,5</i>	<i>27.902</i>	<i>2,8</i>	<i>72.500</i>	<i>1,9</i>
Croatia	6.731	4,5	600	2,6	1.582	1,8
Italy	181.442	4,9	16.341	2,2	46.892	1,6
Cyprus	<i>2.421</i>	<i>4,6</i>	<i>380</i>	<i>4,3</i>	<i>1.066</i>	<i>3,5</i>
Latvia	5.007	4,4	218	1,9	605	1,1
Lithuania	11.653	5,8	298	1,6	834	1,0
Luxembourg	1.601	4,7	:	:	:	:
Hungary	29.732	5,2	1.075	1,7	4.335	1,4
Malta	1.531	5,4	171	2,6	403	1,8
Netherlands	92.756	8,0	7.642	2,1	19.842	1,3
Austria	17.222	5,2	:	:	:	:
Poland	77.148	4,4	<i>4.782</i>	<i>2,2</i>	<i>14.198</i>	<i>1,4</i>
Portugal	33.657	3,9	1.750	2,1	5.021	1,4
Romania	18.059	3,7	863	<i>1,3</i>	2.732	0,9
Slovenia	9.360	6,6	449	2,0	<i>1.309</i>	<i>1,4</i>
Slovakia	13.615	2,9	500	1,3	1.697	0,9
Finland	10.292	4,5	2.307	2,3	5.810	1,5
Sweden	53.179	7,5	<i>6.470</i>	<i>2,8</i>	<i>16.858</i>	<i>1,9</i>
United Kingdom	102.001	4,8	48.477	3,9	109.220	2,7
Iceland	2.551	8,9	291	2,6	604	1,9
Norway	17.516	5,9	3.535	1,9	8.316	1,5
North Macedonia	2.097	3,8	79	1,9	206	1,1
Bosnia-Herzegovina <sup>(1)</sup>	2.185	3,2	164	2,1	366	1,1

Note. EUROSTAT.

Values shown in *italics* are estimates or provisional data, <sup>(1)</sup> Break in series, (%) share of total in non-financial business economy,

When looking at the number of companies, the largest share is recorded in the following countries: the Netherlands, Sweden, Slovenia, Belgium, with 8%, 7.5%, 6.6% and 6.5% respectively. On the other hand, 14 EU member states record a share of less than 5% among companies in non-financial business economies, where Slovakia has the lowest share of 2.9%. According to the value-added indicator by cost factors, Cyprus stands out for the relative importance of cultural enterprises with a share in the total non-financial business economy of 4.3%, which is almost twice as much as the EU average (2.3%). A higher share for the same indicator compared to the EU-27 was also recorded in France, Sweden, Croatia, Malta and Germany, with 2.8%, 2.8%, 2.6%, 2.6% and 2.5 % respectively. At the other end of the spectrum are Slovakia and Romania, where cultural enterprises contributed less than 1.5% to total value added in non-financial business economies, both with 1.3%. According to the turnover indicator in 2017, the EU-27 recorded a value of 1.5% of the total share in the non-financial business economy, with a higher share recorded in only 6 Member States, namely Cyprus, France, Sweden, Croatia, Malta and Italy, 3.5%, 1.9%, 1.9%, 1.8%, 1.8%, 1.6%, respectively.

As shown in Table 7, the share of architecture, design and photography in the total number of enterprises in culture dominates in the EU member states.

As shown in Table 8, in 9 of the 20 EU member states, the largest share of value-added among cultural activities was recorded in "cultural production activities (printing and reproduction of recorded media; production of musical instruments and jewelry) (in Slovenia, this share is as high as 35.7%). The largest share of value-added in the cultural sector was recorded in architecture, design and photography in 5 EU member states; programming and broadcasting and activities of news agencies in 4 Member States (Romania (33.2%), Greece (32.3%), Poland (27.5%) and France (22.9%); for publishing books, magazines, newspapers and periodicals, as well as computer games in 2 member countries - Cyprus (61.8%) and Finland (36.7%).

Table 7

*Number of cultural enterprises, by broad heading, 2017 (%)*

	I	II	III	IV	V	VI	VII	VIII
EU-27 <sup>(1)</sup>	53,4	11,9	11,7	8,3	8,7	4,6	1,4	
Belgium	61,2	12,3	9,8	7,9	6,0	1,8	1,0	
Bulgaria	38,5	12,1	10,8	17,6	11,6	6,8	2,7	
Czech <sup>(1)</sup>	42,9	18,4	7,5	3,9	21,5	5,6	0,3	
Denmark	53,9	7,7	21,5	1,8	7,7	5,9	1,6	
Germany	60,4	10,3	9,1	8,1	7,2	3,9	1,1	
Estonia	45,7	12,1	19,1	1,7	12,3	8,3	0,6	
Ireland <sup>(1)</sup> ( <sup>2</sup> )	52,9	:	20,2	5,0	4,4	:	:	17,5
Greece	51,9	13,6	7,3	13,3	4,8	6,1	3,0	
Spain	53,2	12,1	7,1	13,8	7,4	5,0	1,4	
France <sup>(1)</sup>	50,0	12,4	15,6	5,9	9,2	5,6	1,3	
Croatia	43,3	22,6	9,7	3,1	8,6	9,3	3,5	
Italy	60,6	12,0	4,4	15,3	4,4	2,2	1,1	
Cyprus <sup>(1)</sup>	53,0	16,3	6,1	7,5	11,0	3,7	2,3	
Latvia	41,4	11,6	10,8	3,6	24,2	5,6	2,8	
Lithuania	46,3	9,6	12,3	1,4	25,2	4,3	0,9	
Luxembourg	58,7	5,4	11,2	7,1	9,4	5,2	3,0	
Hungary	37,2	12,4	19,7	6,0	11,3	6,5	6,8	
Netherlands	58,1	6,1	19,6	1,8	9,2	3,7	1,5	
Austria	56,7	8,4	16,6	5,2	7,1	5,0	0,8	
Poland	52,7	14,8	10,9	5,5	9,9	5,1	1,0	
Portugal	52,5	9,3	8,8	14,6	10,1	3,5	1,2	
Rumania	46,5	13,5	13,6	7,6	7,2	8,9	2,6	
Slovenia	45,7	14,6	14,0	2,2	14,9	4,6	4,0	
Slovakia <sup>(1)</sup>	42,8	17,0	17,0	2,5	16,4	3,9	0,4	
Finland	46,4	12,5	17,2	3,0	13,0	6,8	1,0	
Sweden	48,8	8,0	24,2	1,9	8,3	7,9	0,8	
United Kingdom	46,9	13,1	25,9	4,6	1,6	5,5	2,5	
Iceland	38,7	8,4	29,7	0,9	9,4	9,7	3,1	
Norway	57,1	6,9	20,4	1,3	6,3	6,8	1,2	
North Macedonia <sup>(1)</sup>	25,9	30,7	11,5	12,9	6,0	6,6	6,3	
Bosnia and Herzegovina <sup>(3)</sup>	29,8	35,7	4,5	15,6	2,0	5,5	6,8	

*Note.* EUROSTAT

<sup>(1)</sup> Estimates; <sup>(2)</sup> Printing and reproduction of recorded media; manufacture of musical instruments and jewelry and programming and broadcasting; news agency activities: low reliability; the sum of both shares is shown under other; <sup>(3)</sup> Provisional.

I-Architecture, design, photography; II-Printing and reproduction of recorded media; production of musical instruments and jewelry; III-Films and television, music; rental of video cassettes and discs; IV-Retail sale in specialized stores; V-Translation and interpretation; VI-Publishing (books; newspapers; magazines and periodicals; computer games); VII-Programming and broadcasting; news agency activities; VIII-Other / unknown.

Table 8

*Value added at factor cost for the culture sector, by broad heading, 2017 (%)*

	I	II	III	IV	V	VI	VII	VIII
EU-27 <sup>(1)</sup>	23,6	19,4	14,8	3,7	1,8	20,6	16,0	
Belgium	24,2	24,3	14,5	5,8	2,4	22,7	6,1	
Bulgaria <sup>(1)</sup>	15,6	30,4	15,6	6,0	3,5	8,9	20,1	
Denmark	31,9	12,2	16,9	1,7	3,4	24,1	9,7	
Germany	27,1	17,8	12,2	2,9	1,6	22,3	16,1	
Greece	11,3	23,7	14,0	2,5	2,3	13,7	32,3	
Spain	21,7	19,5	17,1	4,3	2,6	16,5	18,2	
France <sup>(1)</sup>	18,1	11,6	21,0	3,8	1,1	21,5	22,9	
Croatia <sup>(1)</sup>	13,3	30,8	10,5	1,8	2,1	16,0	25,5	
Italy	24,7	30,4	12,3	4,8	1,8	14,6	11,5	
Cyprus <sup>(1)</sup>	11,9	9,4	6,6	2,3	1,3	61,8	6,7	
Latvia <sup>(1)</sup>	22,8	33,8	7,3	5,0	7,8	12,9	10,3	
Lithuania <sup>(1)</sup>	25,7	28,6	9,0	7,2	4,4	15,6	9,6	
Hungary	16,3	26,1	14,3	7,4	3,6	19,0	13,3	
Poland <sup>(1)</sup>	15,7	23,9	9,8	3,7	2,2	17,3	27,5	
Portugal	19,8	26,3	11,9	7,8	2,4	11,6	20,3	
Rumania <sup>(1)</sup>	25,6	0,4	18,1	6,7	3,3	12,8	33,2	
Slovenia <sup>(1)</sup>	24,2	35,7	13,0	1,7	6,7	16,5	2,3	
Slovakia <sup>(1)</sup>	28,2	22,4	16,1	8,0	4,8	11,2	9,3	
Finland	19,6	18,3	12,9	2,2	4,7	36,7	5,6	
Sweedden <sup>(1)</sup>	29,7	12,0	13,8	2,3	4,1	28,2	9,9	
United Kingdom	23,6	12,3	27,0	2,6	0,7	23,2	10,6	
Iceland	26,2	20,0	17,1	2,9	2,4	10,5	20,9	
Norway	28,0	11,4	10,5	3,5	2,0	27,2	17,5	
North Macedonia	18,0	28,6	13,5	9,0	2,3	15,7	13,0	
Bosnia and Herzegovina <sup>(1)(2)</sup>	15,4	28,4	3,2	4,0	0,9	10,0	38,1	

*Note.* EUROSTAT

<sup>(1)</sup> Estimates; <sup>(2)</sup> Break in series.

I-Architecture, design, photography; II-Printing and reproduction of recorded media; production of musical instruments and jewelry; III-Films and television, music; rental of video cassettes and discs; IV-Retail sale in specialized stores; V-Translation and interpretation; VI-Publishing (books; newspapers; magazines and periodicals; computer games); VII-Programming and broadcasting; news agency activities; VIII-Other / unknown.

European CCS is recognizable on a global level and records outstanding performance, which is indicated by the following findings (DELOITTE, 2019, p. 19):

- European CCS activities achieve a significant market share: TV program, Animation, Film, Music, Publishing, Art market, Fashion (international and local market);
- European CCS companies count among the leading world brands, e.g. Universal, Bertelsmann, Pearson, LVMH, Gucci, Sotheby's, Rovio, Pathé, Nordisk, Spotify, KING, Supercell and many more;

- Europe is renowned for excellence in Arts management and Live Events, e.g. Museums/Festivals/Events;
- Europe hosts a thriving, agile and highly creative independent sector, e.g., film, music, publishing, games;
- European Art and Design schools rank among the best in the world, e.g., Royal College of Art (UK), Aalto (FI), Politecnico di Milano (IT);
- European festivals and international trade fairs are amongst the largest in the world, e.g., Frankfurt Book Fair, Cologne "Gamescom", "Sonar" Barcelona, Cannes (Midem/MIPTV/Film Market), "Art" Basel, Salone Mobile/ Milano, Sziget;
- Europe is home to many heritage and gastronomic sites/tourism sites (most visited sites) – 50% of UNESCO sites.

## 5. CONCLUSION

Creativity and creative industries underlie all thinking about development in the 21st century. Therefore, creativity has acquired the status of a basic determinant of the competitive advantages of entrepreneurs, companies and national economies in a turbulent global market. Hence, an economy in which creativity contributes to competitive advantage in the market is a key factor in modern business.

When it comes to the EU, the creative economy offers significant development opportunities to generate income, create new jobs, and secure export earnings. Nevertheless, the challenges it faces should not be underestimated, especially since its potential has yet to be valorized. Based on the tabular presentation in the paper, the conclusion is that cultural and creative industries in the EU are a recognizable sector, and their economic contribution to the European economy is measurable. Nevertheless, there is significant room for sector expansion and dynamization of activities (and thus to an increase in employment). It can also be seen that despite the perception that this sector is dependent on public funding, the entrepreneurial and managerial potential of creative professionals who are the bearers of activities in the sector should not be underestimated. Finally, data on company activities speak of the recognized economic potential of this sector among the entrepreneurial population.

At the heart of Europe is a huge creative and cultural potential to support economic and social growth models: a strong education system, creative entrepreneurship, a dynamic and culturally rich society, a good level of digital literacy, strong public institutions and a democratic system of government, a wealth of ideas, artists and creative talents. European brands are among the best in the world in technology, fashion, tourism, media publishing, television, music, design and architecture. European cultural and creative sectors have

shown that they are more resilient in times of economic crisis than other sectors and can contribute to the economy, employment, innovation and entrepreneurship, affirmation of territorial image and attractiveness, social cohesion, skills development, and urban recovery. In addition, they can have a positive impact on other sectors such as tourism and information and communication technologies. Over 70 EU regions have selected cultural and creative industries as a priority for their smart specialization strategies, recognizing these industries as drivers of regional growth and local jobs. Although culture and creativity are at the core of the European project, there are significant challenges related primarily to difficult funding and linguistic and cultural differences that lead to market fragmentation. The cultural sector is still very fragmented due to European linguistic diversity, which is at the same time a source and an obstacle to the circulation of cultural content. The key competitive challenges of the cultural and creative sector in the EU have already been identified: 1. Hollywood's dominance in cinema and audiovisual production; 2. Weak export potential of European films and music within Europe (except the English-speaking world), in the USA, as well as in the rest of the world; 3. competitive social and regulatory/fiscal regimes to attract European industries and production (for example, Canada); 4. an outflow of talent in favor of North American industries and 5. the growing importance of Asia as a center for the visual arts and multimedia.

When it comes to the EU, the direct and indirect socio-economic impact of the creative and cultural sectors on economic growth, competitiveness, job creation, innovation, and sustainable development should be considered. The creative economy promotes European integration, creates a sense of belonging and spreads democratic and social values. Specifically, at the EU level, more decisive action is needed in the coming period in the next five areas within the cultural and creative sector (European Creative Industries Summit, ECIS report, Brussels 2015, European Creative Business Network, p. 7-8).

First, skills: the mix of skills for creative entrepreneurship is constantly changing, so a stronger partnership is needed between the cultural and creative industries on the one hand and education and training systems on the other, both through initial training and through continuous professional development.

Second, access to finance: enterprises and the cultural and creative sectors find it difficult to obtain external financing due to their small size, uncertainty about the demand for their products, the complexity of their business plans and the lack of tangible assets. Therefore, it is crucial to help the cultural and creative industries obtain bank loans more easily in the coming period and help bankers gain the expertise necessary to analyze the specific risks associated with the creative sector. Finally, alternative funding sources, such as crowd-funding, need to be further explored.

Third, access to markets: thanks to new digital tools, there are ways to give consumers access to a wider range of products and open up the creative process to greater participation. It is believed that a true, open and accessible Digital Single Market can be the trigger for an explosion of creativity. It is necessary to balance protecting the rights holders and providing access for users.

Fourth, internationalization: creative entrepreneurs need smart internationalization and promotion of export policies, which will open space for them to operate on the global stage and reach new audiences and markets.

Fifth, promoting intersections with other sectors: cultural and creative entrepreneurs must learn to function in multidisciplinary environments where they can meet with entrepreneurs from other industries. This further means that policymakers need to test and develop better business support for spill-overs. This catalytic potential is also a resource for social innovation, health care, and social challenges, such as environmental sustainability issues. To facilitate cross-sectoral fertilization and to promote clusters in which different actors can work together we need to break silos and foster cooperation between different policy areas(see: Farinha, 2018).

One of the most important preconditions for creating a competitive and sustainable creative economy within the EU is certainly a higher level of public investment, strengthening innovative performance and investing in intellectual capital as the most valuable "asset" for the creative and cultural sector.

Recognizing culture and creativity as a source of new growth contributes to the revitalization of the European economic and political project for the benefit of present and future generations.

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