Exploring the Extent and Impact of the Creative Economy in Europe’s Rural Regions

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The concept of the creative economy first emerged in the mid-1980s in response to a crisis brought about by the decline in manufacturing in many of the world’s most developed economies. The idea suggests a productive convergence between culture, creativity and technology that has the potential to transform the productive relationships held between economy and society. Culture and Creativity are high value growth areas, and a vibrant relationship between these key factors enhances the competitiveness of countries, cities, regions and businesses as well as being increasingly significant aspects of personal and social development.

Research as part of the Creative Edge project has identified four unassailable facts about the contemporary Creative Economy:

- The Creative Economy is growing at an unprecedented rate internationally.
- The Creative Economy is diffuse, it reaches across traditional sectoral boundaries, but at its core are the industries and individuals that exploit creativity for the production of their goods and services.
- The Creative Economy is not the sole preserve of urban areas; rural, indeed peripheral regions show evidence of vibrant creative production.
- The Creative Economy is relatively undervalued and underappreciated from a policy standpoint. Policy makers need to realise the potential that vibrant creative economies offer, not just in terms of economic terms but in social, cultural and psychological terms as well.

Judged in terms of global exports and imports we see that the last decade has seen an average annual rise for Creative Goods of over 10%, while Creative Services have seen a global year on year rise of over 13% for the 10 years up to 2011. These trends reflect an obvious pattern of increased trade, production and demand. Examples of individual industries within the Creative Economy are Fashion and Gaming. In global terms, the fashion industry has a total merchandise export over five times that of 1990 figures, while the gaming industry has doubled its sales over the past 10 years.

The developed world is spending nine times more on culture and recreation than we did in the 1970s. While cultural products have existed since the dawn of humankind, it is only as a result of the recent mix of technological progress, rising living standards and globalisation that Creative Economy has reached its current growth trajectory. The products of the creative economy are much different to those on offer four decades ago, consumption is highly democratised and no longer the pursuit of a rich elite while technological reproduction has blurred the line between producers and consumers as the Internet heralds an era of user generated content.
Owing in part to the proliferation of the work carried out by Richard Florida, there is an assumption that the Creative Economy is an urban beast, the domain of city-based clusters taking advantage of the rich fusion of urban offerings to exploit this new economy. The general perception is that creative economies of peripheral regions are dominated by individual craftsmanship as opposed to collective industry, that creativity in rural areas is solitary pursuit.

The Creative Edge project has set out to dispel these myths by making clear the dynamic variety of creative industries in the project regions. From the map below we can see that the four regions of West Ireland, SEED (Northern Ireland), Kemi-Tornio, and Vasterbotten share a unique geography, one that is dominated by peripherality and remove. Yet they also share robust creative economies and together are home to 5,934 creative industries of varying shapes and sizes.

The Creative Edge research project has offered us the opportunity to further explore what binds these industries across their vast geography. In doing this we have come to understand that what offers creative industries operating out of rural areas a competitive edge is their ability to exploit place and authenticity. These two elements are intimately bound in the creative produce of the 6,000 companies in the Creative Edge region. Place is intricately linked to culture and tradition while authenticity is that which is increasingly demanded by consumers who are weary of mass produced goods. So the high tech software cluster of companies in northern Sweden who refer to their (location) ‘Place’ in Umea as offering competitive advantages from agglomeration economies as well as enjoying a high quality of life are linked with a textile manufacturer in the north west of Ireland offering an ‘Authentic’ product that is culturally embedded in their place. Place, for a whole host of reasons, from spillover effects to landscape inspiration, is fundamental to the production of creative content. Owing to the cultural embeddedness of that content, authenticity is a major factor of production in the Creative Economy.

In an increasingly globalised world, our peripheral regions are increasingly singled out as the most authentic, they are the places of tradition of language and of culture. In an increasingly globalised world, the demand for authentic and place based produce is on the increase.

### Regional Dispersal of Creative Industries

**Distribution**

- **0-10**
- **10-50**
- **50-100**
- **100-250**
- **250-500**
- **500-1000**
- **1000+**
The Creative Economy relies heavily upon the contribution of creative talent for its expansion and growth. One of the crucial ways of addressing the potential growth of the creative economy is through higher education systems. The nurturing of creative talent, that is, embedding skills of creativity, entrepreneurship, and technical ability have become imperative. Equipping graduates with such skills develops the provision of a dynamic creative workforce with internationally recognised qualifications, attracts creative industries to regions, and encourages and supports indigenous creative industries. The Creative Edge research project outlines the provision of higher education in the partner regions that can be geared towards the creative economy, specifically displaying the infrastructure of creative education on the island of Ireland.

In Sweden there are over 50 institutions offering higher education opportunities, 14 public sector universities, and 20 public-sector university colleges. Sweden also has 17 private institutions, some generalist and some of a highly specialist nature. In 2010 there were 321,000 full-time enrolled (FTE) students registered for awards at all levels. Higher education qualifications are categorised in the law as ‘General’, ‘Fine, applied and performing arts’, or ‘Professional: According to the OECD; the employment rate in Sweden in 2012 for people with all levels of education was 81.3%, rising to 83% in 2012. In 2012, some 7.3% of Sweden’s GDP is devoted to spending on education, while the OECD average is 5.8%. 42% of the country’s 25-34 year olds have attained a tertiary education while 34% of 25-64 year olds have attained this level of education.

At a policy level, Sweden launched a National Action Plan for the Cultural and Creative Industries in 2009, which together with the Swedish Council for Cultural and Creative Industries established in 2010, oversee the regional and international development of the cultural and creative industries. In 2010, 151,143 persons or 7.3% of the total workers in Sweden were employed in the creative industries.

Finland has one of the highest levels of educational attainment among OECD countries. Finland’s higher education system consists of two complementary sectors: polytechnics and universities. The 25 polytechnics in Finland train professionals in response to labour market needs and conduct R&D which supports instruction and promotes regional development in particular. Polytechnics are municipal or private institutions, which are authorised by the government. The mission of the 16 universities is to conduct scientific research and provide instruction and postgraduate education based upon it. Finnish universities are independent corporations under public law or foundations under private law (Foundations Act). Tertiary attainment in Finland increased by 6 percentage points since 2000, with 39% of its adult population holding a tertiary qualification by 2011.

At a governmental level, the creative economy is embedded and supported in Finland through various policies and initiatives.

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1 OECD Education at a Glance 2013: Sweden
2 Education at a Glance 2012: OECD Indicators
   Visit: www.oecd.org/edu/dueaag2012
   Country note author: Andreas Schleicher
3 Ibid.
5 OECD Education at a Glance 2013: Finland
Graduates with creative qualifications are 4 times more likely to start their own business while also finding work in traditional industries (e.g. engineering and information services).

Those trained in creative economy pursuits are less likely to be looking for a job after graduation that others qualified with degrees, or the population as a whole as reflected by the unemployment rate.

According to a recent Finnish report, in 2008 the fields of culture and mass media generated €5.1 billion value added; 3.2% of GDP. The employed labour force in the creative industries was 108,000 persons; 4.3% of all employed labour force in the country. There were over 15,500 culture and media companies in 2008 with a turnover of €1.4 billion.

The island of Ireland maintains a diverse tertiary education system with 9 universities, 14 Institutes of Technology (IoT’s) and several specialist colleges. In the academic year 2011-2012 there were 196,187 enrolments in higher education institutions (HEIs) in Ireland and 51,905 enrolled at NI HEIs. Entry to tertiary education is based almost entirely on a competitive system of grades achieved in the Leaving Certificate or A-level exams. There were over 3,000 undergraduate courses offered to students at NFQ level 8 or FHEQ equivalent level 6 on the island of Ireland in 2011/2012. We identified 385 ‘creative’ courses provided by higher education institutions relevant for the creative economy at NFQ level 8 or FHEQ equivalent level 6 in 2011/2012.

Below we see the relative distribution of creative courses on the island of Ireland. Northern Ireland and the East of Ireland fair much better in comparison to the provision of creative courses in the West and South of Ireland. We note the provision of creative courses relative to creative sectors such as creative application, creative expression, and creative technology.

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8 WDC (2011) The Creative Sector in the Western Region: Future Growth Trajectories
Below we see the sectoral breakdown of our rural based creative industries across all four regions. Primary in each is the presence of creative technology companies. This is reflective of the broader global trends in the rising demand for well-designed creative offerings. We have witnessed the established presence of the App economy in our member regions. The Audiovisual sector is also important. Note is also made of the creative makers in each region. Produce varies from clothes to jewellery and craft; this work is in high demand due to the specialised production processes and the aforementioned authentic nature of the produce.
A Cultural Index

A Creative Economy cannot exist without spaces for consumption. Our efforts to create the first database of rural based creative industries is only part of the offerings of the Creative Edge project.

On the back of internationally renowned festivals and practitioners, Culture and the Arts have filtered down to hard economic and social facets in our region. Though far from the original remit of Artistic endeavor, the positive spillovers from cultural pursuits in terms of quality of life and place competitiveness have been evidenced throughout all four regions. The Creative Edge project has set out to ground these influences in a quantifiable form. In so doing we intend to build what we term a Cultural Index of our region.

Culture by its nature is ephemeral and difficult to grasp but this project has devised an innovative set of metrics to help us identify the cultural depth of places. From cultural festivals to infrastructure, from heritage sites to cultural policies, there is a complex ecosystem that exists to support a growing creative economy. These facets are fundamental to the rest of the economy; it acts as the prime attractors of tourists, residents and investors. Beyond the economic it has further reaching ramifications in that it contributes to place making through identity formation and community and social empowerment. Places with a rich cultural ecosystem have a high cultural index, these are sought after places that are economically and socially more resilient.
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