

# **Scopes of Creativity. The special cases of Florence and Singapore.**



**AE 1049: Final Project Work**

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## **Introduction**

Currently, organizations are constantly competing in the market as the best. To find out the factors that affect these organizations and which make possible to compete among them, we should study and analyze the environment that surrounds them. The creative factor is a good tool to improve the performance of a company.

The analysis of creativity is important because thanks to this, organizations develop innovative strategies, create new products and manage new ways of working, whereby the performance increases. By this way, and through the above named, companies become more competitive. In addition, creativity can help the different departments of a company to achieve the established objectives.

Another reason why this study is interesting is that creativity is characterized as one of the most helpful competitions that have people, and this allowed to ponder and develop new ideas, or even improve them. The ability to reason something new and better does society and the population in general to progress towards new states.

The structure of this study begins with a general analysis of creativity, in which we are going to analyze its dimensions, through its effect on the business and its ability to transform into competitive advantage, as well as how to measure this term and its relationship with the work of Darwin. Finally we are also going to examine the relationship between creativity and innovation.

The next aspect to analyze are the different concepts existing in companies and their effect on these, also include a specificity such as companies are characterized for being creative, i.e. is analyzed the effect of motivation in employees who are working on creative organizations, leadership that is exerted on companies with creative features, how to act and train human resources in this type of business and culture established in them.

In addition, is also embodied a description of networks between creative businesses, which is an important aspect of face to the future and the development of organizations.

Leaving a bit apart conceptions or basic definitions, the next points to treat will be the creative economy and industries. In the wake of the term creativity, are these concepts, both analyzed in a comprehensive way throughout the work. As explained later, creative

industries use the creativity factor and intellectual capital as main tools to generate, produce and sell goods or provide services, and generate economic value.

On the other hand, the creative economy refers to a more general concept, more global, refers to the sector of activity which is related to the goods and creative services, within which may include cultural and creative industries in addition to more specific concepts such as the creative cities, creative clusters or even creative ecosystems among others.

With regard to the creative economy, in the study are analyzed both, their definition and the notable importance that this topic presents. Whereas with respect to the creative industries the analysis focuses his explanation in the classification of their types, the amount of creative industries in Spain, the importance that they have, relationship with the welfare and spatial concentration or its location.

It is important to highlight the interesting analysis of the city of Florence during the study, Italian famous city which stands out as one of the most creative in the world. In this city appeared, in the 14th century, one of the artistic movements more important, was the Renaissance. For this reason, it is considered one of the world cities where was originated the art and architecture.

The study concludes with an overview of the creative cities and the advantages that they have, in addition to the analysis of clusters and their disadvantages. The conclusion and the bibliography are the latest points exposed on the job.

The creative process with that people goes through is necessary in the development and social welfare. This capability allows us to modify things and find solutions to the different problems or challenges that appear daily, in order to improve everyday life, the environment and even the society.

The relationship between creativity, innovation and networks is important since, a concept linked to the other, i.e., creativity will enable us to devise solutions to the different challenges and innovation helps to put in practice these solutions. These two concepts can be integrated into one broader which is networks of innovation because they are characterized by being in constant study and combining the different capabilities, as well as generate and integrate diverse knowledge and skills in order to invent or improve something.

## **1. THEORETICAL FRAMEWORK: Basic definitions**

### **1.1. Creativity**

Creativity can be defined as an innovative and original thought, a creative imagination, dissenting or imaginative thinking. It can also be described as the creation of ideas and unreleased concepts, capable of generating current solutions for different challenges.

Therefore, creativity covers multiple linked mental processes that could not be decoded by physiology. The original concept is a mental process that appears from imagination. The way that differ mental manoeuvres between traditional thinking and innovative is not known yet, but the creative capacity can be calculated through the conclusion or rather the final result.

#### **1.1.1. Dimensions of creativity**

The concept of dimensions of creativity refers to the stages through which passes the process. Some stages may be differentiated:

- Preparation: this is a first phase in which information is accumulated, structured and is modified by indefinite way.
- Incubation: in this phase the information is managed and processed, In addition the obtained skills start being restructured to create new concepts.
- Illumination: this process begins when finishes the previous stage of incubation. It relates to the precise location of the idea, which was processed by involuntary elements, demonstrating in a conscious way.
- Check: in the final stage, a correction is realized in order to check the final product.

### **1.1.2. Creativity in the business**

First of all, people turn in creative when they construct new ideas, projects, approaches and goals with certain level of personality or particularity. Today, organizations and their respective directors, must be adapted to the environment, desires and customer needs that change over time and fashion, therefore, we must reinvent itself through new strategies to adapt to the market, hence, is necessary to reinvent by new strategies in order to adapt to the market.

When an opposition appears, and a person puts on the table a new and original idea, which transforms or improves the situation, this person is creative. Creativity improves both productivity and efficiency in a business. This occurs in almost all areas, if not all, of the people daily life.

We can find creativity in such obvious aspects as the decoration of a house, the design of a suit or even imagination in a cake. However, getting back to business, the application of this concept differs something due to we assume a higher level of responsibility and seriously, so our level of inspiration is higher too.

Is important to note the existence of strategies that help the development and evolution of the creative process in employee. One of these is to raise any questions or problems and that the selected people look for solutions and situations arising out of the problem.

Several researchers believe assert that creativity does not possess worldwide, since it is a feature with which you are born. On the other hand, organizations can help their employees to develop their creative abilities through tools such as meetings, debates, etc.

As the employee is more creative, also increases their competitiveness.

In another vein, we are also creative when we are discussing about other business opportunities or other existing services.

With regard to business, it is necessary that workers are characterized by a high degree of self-esteem due to by this way the employee thinks that has good and creative ideas which bring positive aspects and originality to the business. The fear of making a mistake not characterizes the creative entrepreneur. Nevertheless, not always the success will be obtained but the chances increase steadily.

When the information or ideas obtained in a calm and appropriate way are analyzed and synthesized, the dynamic explained allows conceptualizing the creativity of workers in a firm.<sup>1</sup>

### **Creativity as a competitive advantage**

Creative people are in all of the parts of a company that wants to increase or creative potential or in a company that is already sufficiently creative.

For this reason, all companies with these characteristics, must manage creativity and implement a system that facilitates the location of these employees as necessary and thus manage talent through quality, improvement processes or any other way available for that qualities like talent not be wasted.

Ideas do not have to come all from individuals located in one area; it can appear from engineer located at any level of the organization.

In addition, to make a creative company, it will have to employ a creative culture of continuous endeavour so that the idea that creativity is a manageable concept is supported, due to this concept must be reasoned and not managed.

Creative techniques are guilty of the decisions have different and original approaches, and thus, it stop being creative techniques and become part of the corporate culture so that they get in the working methodology.

Thanks to these techniques, it is possible to build new and better ideas that will facilitate issues such as company strategy, the organizational way of business or acting on space.

In conclusion, a creative organization does not necessarily have to be the one responsible only for managing the creative factor should be the company that assumes that creativity is a concept that must be present in the corporate culture like so many others. Creativity in the company should be a priority aspect that has to be generated and managed because it's a competitive advantage and not a strategy.<sup>2</sup>

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<sup>1</sup> *Creatividad en la empresa* (w.d.) Consulted on Mars 2, 2015, Recovered from: [http://www.degerencia.com/tema/creatividad\\_empresa](http://www.degerencia.com/tema/creatividad_empresa)

<sup>2</sup> Maria Isabel Jimenz.16 July, 2012. *La creatividad como ventaja competitiva*. Recovered from: <http://www.eoi.es/blogs/mariaisabeljimenez/2012/07/16/la-creatividad-como-ventaja-competitiva/>



### 1.1.3. How to measure creativity

Creativity can be measured by a group of factors or indicators that provide a valuation.

Some of them are:

- Originality: refers to something that is new, unique, real and genuine.
- Productivity: refers to the set of solutions and answers that a subject can give about a situation that is presented.
- Flexibility: it responds to stiffness or inability to transform behaviours and provide new solutions concerning change and new situations.
- Synthesis: capacity to carry out schemes, order information and choose characteristics or features more important.
- Analysis: is the ability to describe a situation that arises in the mind. It often focuses on differentiation of concepts.
- Processing: refers to the process and organization of the information.
- Communication: it had characterized to be the ability to share and broadcast products, information or news with others.
- Sensitivity to problems: is the ability to be empathetic when problems and complicated situations appear. Depending on the person, the solution to the problem will be different.
- Inventive ability: refers to the ability to see the reality of a situation and change completely for another quite different.
- Redefinition: is characterized to be the ability to find different functions, applications, and in general uses that are not used regularly.

- Expression: is essential to establish the degree of creativity. If the ability of expression that is possessed is greater, it will increase the possibility that the individual will have to solve problems and complicated situations.<sup>3</sup>
- The surprise factor: this factor is a tool which not all employees are available in a firm. Moreover the creative person enjoys this factor which helps him in different situations.

#### 1.1.4. Creativity and Darwin's theory

Charles Darwin was an example of exceptional creativity. The creator of "*The origin of species*" was a great contribution to the world of biology. Some of the concepts that appear in the work are very useful tools which are used for other sciences.

The work of Charles Darwin is related to creativity because, 150 years later, many of the ideas that appear in his work, are necessary ideas to the field of biology.

His work contains factors that help to understand the role of development in the evolution of living beings. The highlight of his work was the idea of natural selection. Thanks to these ideas, part of humans who are habiting the earth today, understand how living things have evolved and are related to that.

Rely on true or not in Darwin's theory, the strong impact that had, have and will have his theory, is a clear example of an important creative event. Darwin squeezed their creativity when it comes to devise his theory.<sup>4</sup>

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<sup>3</sup> Manuel Gross 23 August, 2010 at 16:25. *Cómo medir la creatividad e innovación: 14 indicadores clave*. Recovered from: <http://manuelgross.bligoo.com/content/view/957378/Como-medir-la-creatividad-e-innovacion-14-indicadores-clave.html#content-top>

<sup>4</sup> *Charles R. Darwin y el desarrollo de la creatividad* (web). Miranda Garnier, Ximena. Universidad de Costa Rica, 15 December, 2010. Electronic journal published by the Institute for research in education. Recovered from: [http://revista.inie.ucr.ac.cr/uploads/tx\\_magazine/darwin.pdf](http://revista.inie.ucr.ac.cr/uploads/tx_magazine/darwin.pdf)

## **1.2. Creativity and innovation**

There are many more creative people than innovative in the world. The creative person is one that is constantly producing new ideas. On the other hand, innovative profile corresponds to that person capable of creating a new solution and immediately thinks productively in their implementation. An optimum way to obtain innovative people in an organization, is to bring together creative workers with rational people within the same company, by this way is achieved a balance between the creation of ideas and its implementation.

In short, to create or develop new ideas, you have to be creative, but to bring these ideas to practice, you have to be innovative. The process of innovation involves many more factors than the process of creativity. Therefore, the latter is just a part of the innovation process.<sup>5</sup>

## **1.3. Task motivation for creative workers**

The success of a company is determined by several factors, one of them is the ideal environment for the workers who are creative, owing to his ideas and work are the results of the success of the company.

To make this work, it is necessary to know ways in which creative employees, align his preferences and inclinations with the culture of the organization. Some ways to improve the environment of working in a company and thus motivate the creative employees are as follows:

- a) Factors such as creativity and innovation should be the main factors of business. It's important to note that these two aspects must become the priority for employees. Each worker must be motivated and focused on their task. If in the company all the employees take the same direction and take these as priority values, then they construct a major project.
- b) Creative employees must have the appropriate tools for the development of their work. Furthermore the material used by workers must be suitable. This step may involve a cost for the company but safe which is a good acquisition for the business.

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<sup>5</sup> *Creativity vs. Innovation.* Consulted on 7 Mars, 2015, recovered from: <http://www.culturaemedellin.gov.co/sites/CulturaE/Comunidadesvirtuales/ComunidadPMFS/Paginas/CreatividadvsInnovaci%C3%B3n.aspx>

- c) The employee must have freedom to create and think about new ideas. An interesting fact is that part of the ideas that are beneficial for the company, are not generated in the workplace. Consequently, employees must be motivated to look for and generate new ideas related to his passions.
- d) Recognize the talent and the merits of the employees. Motivating workers is important, but also is important to recognize their efforts and achievements, since in this way, they can develop the need of wanting to get more goals and therefore encourage the company to another level.
- e) Supporting ideas for the future. Creative workers not only generate fashion ideas, their creations should last more.<sup>67</sup>

#### **1.4. Creative leadership**

The most competitive organization is one that accomplishes its employees are involved, and want to learn, skills and appropriate values. Therefore, creative leadership manages to improve the effectiveness and efficiency of the workers in such a way that both parties will benefit.

A creative leader must promote the link state for the work. An efficient company, employees want to be involved in the work. In addition, he should also promote favourable and transparent conditions of the environment in order to increase the motivation and desire. The leader must also encourage collaboration between employees. Really efficient job will be which is carried out in teams and altogether.

In any company should be a continuous process of improvement and training. Likewise, the methodology of pay and recognition should not be a problem between operators since problems appear in organizations with a bad method of recognition among peers.

Besides, the creative leader must also develop a method in which errors not attributed to individual workers. Before the failures, not they look for guilty if not solutions. Communication between workers in an organization must be reciprocal and purposes must be common.<sup>8</sup>

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<sup>6</sup> Bill Becker. (4 May, 2015). 6 formas de motivar a tus empleados creativos. Consulted on 8 Mars, 2015, recovered from: SoyEntrepreneur.com <http://www.soyentrepreneur.com/27399-6-formas-de-motivar-a-tus-empleados-creativos.html>

<sup>7</sup> Management Journal (4 April, 2014). 10 estrategias para motivar la creatividad de tu equipo. Recovered from: <http://www.managementjournal.net/top-management/capital-humano/10-estrategias-para-motivar-la-creatividad-de-tu-equipo>

## 1.5. Networks of creative industries

Firstly, the creative industries network stands out as a platform helps organizations belonging to the creative and cultural industries. It also can be defined as a design and empowerment approach for innovative companies as well as an intervention model for companies in expansion situation.

Training of the creative industries network service presents a broad and significant support for the development of enterprises and a system of techniques transmitted by entrepreneurs and professional experts.

Creative and cultural industries form an important network of design, production and marketing of goods and services. To achieve the above in an effective and efficient way, businessmen require an approach to assist them in their expansion and innovation processes.

The creative industries network supports entrepreneurs to have a spirit of innovation in order to improve their performance. To finish, the basic tool of the creative industries is its ability to create and innovate in an area of high renown and strategic value led to the development of production, employment and competitiveness.<sup>9</sup>

## 1.6. Human resource of a creative firm

First and foremost we must appoint phases of recruitment and selection. In a creative business, these are important due to responsible have to recruit the right people to get the company profit in the long term. In a nutshell ,a creative company must establish the skills and bases which the future employees must submit The evaluation criteria also are established at this stage in such a way that clear the abilities, knowledge or skills that should have a possible employee.

Innovative and creative companies use more the external selection because it allows the option of a more extensive range of qualified persons to the requested posts. This training often hinders the process due to there are resorting to more extensive search planes.

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<sup>8</sup> Jordi Cabré. (February 14, 2014). Liderazgo creativo. Consulted on 12 Mars, 2015. Recovered from: <https://jordicabre1.wordpress.com/2014/02/14/liderazgo-creativo/>

<sup>9</sup> *Red de industrias creativas* (2014). Consulted on Mars 2, 2015, recovered from: [http://www.ehu.eus/documents/1393006/1446455/Gestion\\_de\\_los\\_rrhh\\_en\\_empresas\\_innovadoras.pdf](http://www.ehu.eus/documents/1393006/1446455/Gestion_de_los_rrhh_en_empresas_innovadoras.pdf)

As well as having the necessary capabilities for the organization, the latter must ensure that the candidates agree and opt for the culture of the company, with their respective behaviours and values such as team work.

On the other hand, in regards to formation, creative and innovative companies need that their employees are in a constant process of learning and updating of skills.

This type of organizations, develop training specific and prolonged with all members of the company. In addition, training can be characterized as internal or external. The first improves the knowledge within the organization and the second relates to factors outside.

Creative companies much promote the formation since for them it is an important income and not an expense. They also consider this process as an important strategy.

With respect to the payment system, is established by the firm and is one of the most valued tools of motivation. An interesting issue is the establishment of systems more flexible and original on this point, due to it will be an important factor for what creative and overall key employees of the organization are retained and improve the performance-enhancing.

In addition, currently there is a predilection that economic incentives are granted depending on the performance obtained. It is important to achieve the objectives of the organization since so is promoted with this commitment.

In the firms with a creative nature, mistakes are admitted as a critical and fundamental piece within the process of innovation. Therefore it is believed that failures have to be levelled in order to improve. Thus, the method of remuneration must be related to the motivation of employees so that they accept the risks and achieve established goals.

A good solution or method of performing the above said would be that all employees will have a fixed portion of remuneration and, in addition, would be that the company would establish a variable part depending on the achieved result.

Finally, the incentives should not be limited to economic factors, since motivation is an important point in the environment of the employee.

In regards to recognition of the merit system, is the system of remuneration for the business-related. The satisfaction in the way of financial recognition is not all to encourage the generation of efficient and innovative results. However, to promote positive effects on innovation, it is necessary to develop a culture of recognition addressed or focused on

results, the efforts of employees and their ability should also be recognized to assume potential risks.

Regarding the kind of recognition we found two levels, the individual and collective level. Both help to enhance the innovation but the collective recognition has a more positive effect than the individual. Within this level, we can find the recognition results or performance thanks to the team effort, and recognition at the organizational level. So, is recognized the effort of each one of the members of all levels through the achievement of the objectives which the organization established at the global level.

In conclusion, the best form of recognition of the work is that manages to create an equalled balance between existing awards, then is a balance between the collective and individual recognition. In this way, work promotes teamwork without supporting too much individual work. Furthermore this system supports and encourages career goals and team performance.<sup>10</sup>

In relation to the culture in creative firms, the base on which will support all processes is the organizational culture. Companies that are using creative and innovative strategies are characterizing these values as values with great importance, by this way all members of an organization should take these aspects, and should be responsible for adopting the culture.

This must be able to construct an environment that encourages employees to strive permanently to innovate. Some of the values that usually appear on the organizational cultures are orientation towards the customer, commitment, respect and collaboration and participation.

To promote the creative spirit of the workers, the company must create a suitable environment. It is also important to emphasize that the policies that the organization adopts must be consistent among themselves.<sup>111213</sup>

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<sup>10</sup> *Dirección Estratégica de Personas*, Bonache y Cabrera, Madrid: Pearson Educación, pp. 423-450; *Determinantes del éxito de la innovación*. Jiménez y Sanz, Revista de Empresa, January-Mars 2004, nº 7, pp. 24-38.

<sup>11</sup> *Managing human resources for innovation and creativity*, Gupta, A. y Singhal, A. (1993). Research Technology Management, May-June 1993, vol.36, nº 3, pp.41-48.

<sup>12</sup> *Organizaciones en el marco de una cultura social innovadora: propuesta de factores explicativos*. Rodríguez, A.; Hoyos, J.; Izaguirre, J. y Vicente, M.A. (2011). Investigaciones Europeas de Dirección y Economía de la Empresa, January-April 2011, vol. 17, nº 1, pp. 17-35.

## **2. SCOPES OF CREATIVITY**

Once has been able to contemplate the concept of creativity and many of their links and their respective analyses, is important to conceptualize the analysis of the scope of this term. The study of creativity also includes areas of application as economics, industries, clusters or even cities.

### **2.1. Creative economy**

The creative process does not have to necessarily bring an economic activity but can do it when the results of the creative process are ideas with economic participation or marketable products.

Creativity is characterized as a representation or fact that is new and innovative. It is also defined as the generation of new ideas and their subsequent implementation in order to create original works of art both in regard to culture, in the scientific field or in the technology.

Therefore, the creative economy refers to aspects holistic with several difficult interactions among culture, technology and economy, currently and in a globalized world subjected to sounds, images and texts among others.<sup>14</sup>

#### **2.1.1. The importance of the creative economy**

First of all, the creative economy is important for several reasons. The first one is because those occupations that are related in a direct way with creativity in the creative process, produce more than 6 per cent of the gross domestic product in the world, in addition to the 3,2 per cent of the trade in goods and services in the world.

Secondly, the creativity is the root of innovation therefore, for this reason our environment is creative in some way. The goal becomes to transform creativity into something valuable, in order to obtain a tool to improve continuous competitiveness and development in general regardless of the alteration of the technology or intervention of former or traditional activities.

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<sup>13</sup> *The importance of Sectoral Differences in the Application of Complementary HRM Practices for Innovation Performance.* Laursen, K. (2002) International Journal of the Economics of Business, vol. 9, nº 1, pp. 139-156.

<sup>14</sup> *Economía creativa y desarrollo urbano en España: una aproximación a sus lógicas espaciales.* EURE vol 38, N° 113, ENERO 2012. pp. 5-32.



A clear example of this is which happens at the Cirque du Soleil (Circo del Sol) because that is different, in a relevant way to the traditional circus.

Finally, the creative economic raise a different social prototype. The most important values change and become on tolerance and diversity. On the other hand, the environment becomes an essential element, although already modifying their utility because we not only should keep it, now we can enjoy it, due to intervenes in a direct way in both economic and social fields.<sup>15</sup>

## **2.2. Creative industries**

The concept of industry is related to the set of operations that are carried out in order to obtain, modify or transport different products. This concept is also used to define the infrastructure that is used for this type of activity and the whole of the facilities or factories of the same type or location.

However, the creative industries can be defined according to three models, the cultural model, the model of the copyright and the creative model.

Regarding the first, the creative industries are those that provide goods and services, and which have great relationship with values of culture, art and entertainment.

Then, the model of copyright refers to those industries whose activities are protected by the copyright laws.

To conclude, the creative model defines creative industries as those industries which have their basis in individual creative aspects, such as for example different skills or talent. In addition also are characterized by the potential for generating employment through the conception and use of intellectual property.

It is also important to note that the creative industry designates the natural evolution of the culture industry, balancing structural transformations because of the introduction of new technologies and new products that affect the world of the entertainment industry.<sup>16</sup>

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<sup>15</sup>Boix and Lazzaretti, 2012: 183. *Las industrias creativas en España: una panorámica*. Investigaciones regionales, ISSN 1695-7253.

<sup>16</sup> Philip Cooke, Dafna Schwartz. (2007). *Creative Regions: Technology, Culture and Knowledge Entrepreneurship*. London and New York: Routledge. Pag. 177-178.

In summary, the term creative industries can be described in various ways, or as industries that have their bases in creativity or to the set of activities that are based on knowledge. In addition, they can also be the sectors in which the activity has as a goal the production, marketing or promotion of goods or services.

These types of industries are characterized by becoming the centre of a creative economy, analyzed previously.<sup>17</sup>

### **Types of creative industries**

The table that follows provides a list of creative industries created by agencies and international technicians. Industries are quite different; as we can see they have fashion, trade in electronics, research, art, graphics, advertising, etc. The list of these industries can be obtained thanks to the proposal of UNCTAD<sup>18</sup> (2008 and 2010) since it is the most conclusive and includes most aspects.

In addition, we can also see the link between the creative industries and the economy of the understanding.

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<sup>17</sup> Boix and Lazzaretti (2012: 182-183) *Las industrias creativas en España: una panorámica*. Investigaciones regionales, ISSN 1695-7253.

<sup>18</sup> UNCTAD (Acronym of the United Nations Conference for trade and development). Organism created in 1964 by the General Assembly as a standing body, based in Geneva.

**Table 1:***Type's o creative industries*

Industry/ Classification	DCMS 2009 (UK)	OECD (2006)	WIPO 2003	Euros-tat LEG (2000)	KEA European affairs 2006	UNCTAD 2008	Spanish economic activity code
	SIC 2003	NACE 1.1	Unidentified codes	Unidentified codes	Unidentified codes	Unidentified codes	CNAE 2009
<b>Advertising and related services</b>	74.40	74.40	X	X	X	X	731
<b>Architecture and engineering</b>	74.20	74.20	X	X	X	X	711
<b>Trade in art and antiques</b>	52.48; 52.50	52.12; 52.48; 52.63; 52.50*	X			X	4779
<b>Artisans</b>	*	Unide ntified codes	X	X	X	X	90*

Source: Boix and Lazzeretti (2012: 188). *Las industrias creativas en España: una panorámica*.<sup>19</sup>

<sup>19</sup> Note: \* Most businesses are too small to collect in surveys of companies.

**Table 1 (2):***Type's o creative industries*

<b>Specialty design services</b>	Unidentified codes	74.87	X	X	X	X	741
<b>Fashion</b>	17.71;17.72;18.10; 18.21;18.22;18.23; 18.24;18.30;19.30; 74.87	17.00,18.00; 19.30	X			X	14;1511;152
<b>The film and video industries</b>	22.32;92.11;92.12; 92.13	22.32*;92.10 ;92.72*;78.8 7	X	X	X	X	591
<b>Music and musical studies</b>	22.14;22.31	22.14;22.31	X	X	X	X	182; 592
<b>Performing arts</b>	92.31;92.32;92.34; 92.72	92.31;92.32; 92.34,92.72	X	X	X	X	90

Source: Boix and Lazzeretti (2012: 188). *Las industrias creativas en España: una panorámica.*

**Table 2:***Type's of creative industries*

<b>Photography</b>	74.81	74.81	X	X	X	X	742
<b>Graphic arts</b>		22.2	X	X	X	X	181
<b>Edition</b>	22.11;22.1 2;22.13;22 .15;92.40	22.11;22.12; 22.13;22.15; 74.87;92.40	X	X	X	X	581
<b>Radio and television</b>	92.20	92.20;92.72	X	X	X	X	601;602
<b>Software, video games and electronic publishing</b>	22.33;72.2 1;72.22	22.33	X	X	X	X	5821;5829;6 201;6202
<b>Heritage and cultural sites</b>		Unidentified codes		X	X	X	91

Source: Boix and Lazzeretti (2012: 189) *Las industrias creativas en España: una panorámica.*

**Table 2 (2):***Type's of creative industries*

<b>Media Interactive</b>	X	X		Included in software
<b>Other Visual Arts</b>	X		X	Included in performing arts
<b>Copyright agencies</b>		X		
<b>Cultural tourism and recreational services</b>		X	X	91+93
<b>Jewellery, instruments, music, toys and games</b>				321;322;324
<b>Research and creative developments</b>			X	721;722

Source: Boix and Lazzeretti (2012: 189) *Las industrias creativas en España: una panorámica*.<sup>20</sup>

This approach has been criticized as that not all companies and workers on the list has to be creative by necessity. An important conclusion is that several specialists have come to the conclusion that there are more creative workers operating out of the creative industries that inside them.

On tables, you can see that various indicators recommended the inclusion of the sector of innovation and development. The explanation may come given by historical inclination to become independent arts and Sciences.

Another important point to analyze in the table of creative industries is the inclusion of activities of clothing and footwear (fashion), since it is difficult to separate the part of the sector, which refers to the design and the part of the sector which simply refers to the production.

On the other hand, we see the industry engineering and architecture which has strong links with the boom of the construction, or the trade in goods with creative features.<sup>21 22</sup>

<sup>20</sup> Note: \* Most businesses are too small to collect in surveys of companies.

### 2.2.1. Creative industries in Spain

In Spain the information about creative industries is scarce due to few studies. Factors or tools more common in the measurement of the size of the creative sector are production and occupation.

As regards the added value, we found a significant amount of data between 2000 and 2008, but about employment there is only information until 2007. In order to create the series, we can start from the satellite account of culture in Spain (located in the Ministry of culture) and which give us data and information on heritage, available files, library, books, newspapers, etc. In conclusion, it provides data of creative industries that we have named before using the table.

It is important to note that the data or statistics about the fashion industry, which includes clothing, furs and shoes, jewellery, tools and toys, are found in the national accounts of Spain (INE)<sup>23</sup>. Finally, information about the architecture and engineering industry is obtained of the services survey (INE).

In relation to the added value, in the year 2008 were generated 57,200 million Euros, similar to the 5.75% of the total added value of Spain. This year, the creative industries with more weight were architecture and engineering, in addition to the publishing industry and the audiovisual, which involves music, film and video.

The increase in the production of the creative industries with respect to the years 2000 and 2008 was a 5.9%. Therefore, it was higher than the annual growth of the industrial sector.

Countries such as Ireland and Luxembourg experienced the same situation because they grew up below the overall economy. This type of growth leads to negative increases.

Finally, all the creative industries excluding fashion, increased in representative terms. An interesting fact is that the most important increases were in industries that had little relevance as they were the industry of innovation and development of heritage, as well as architecture and engineering industries.

In relation to the both previous (I+D and heritage) the increase is linked to the boost from the public sector. Instead of industries of architecture and engineering are linked with the further

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<sup>21</sup>Boix and Lazzaretti (2012: 187-195) *Las industrias creativas en España: una panorámica*. Investigaciones regionales, ISSN 1695-7253.

<sup>23</sup> The National Institute of statistics (INE) is a sovereign entity that occupies of directing attention, address and inspection of technical processes and the organization of the census services of the General Administration of the State.

expansion of the construction sector, the boom phase. Its gains were highlighted. The performing arts also grew above the overall economy.

The other part of creative industries which are not named also increased, but at a lower level than the overall economy. By this way reduce weight exerted on the country's production. Finally, it is important to note that both the publishing industry and the advertising declined its numbers and therefore lost weight.

Then we can conceptualize some graphics obtained from the Ministry of culture, allowing imagine or deduct such the situation is in the cultural and creative industries in Spain in regard to the customs and preferences of the population when it comes to approaching the cultural aspect.

**Graphic 1:**

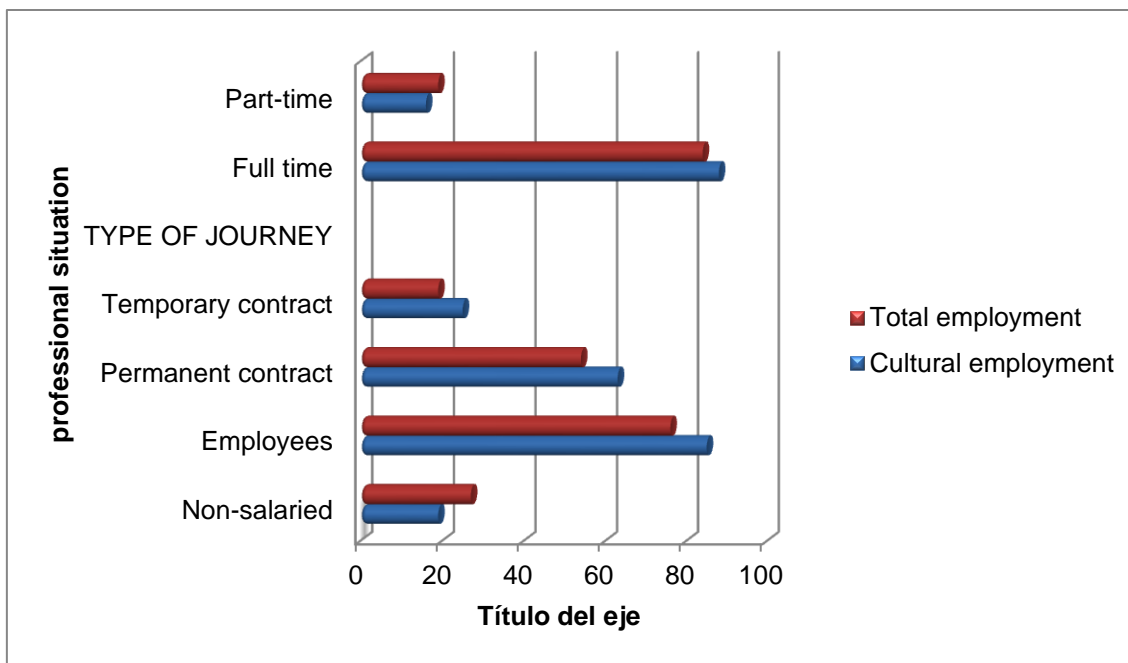
*Evolution of cultural employment in Spain*



Note: *Evolución del empleo cultural (en miles) en España*. Palacios Alonso, J.L. (January, 2014)  
Source: <http://caminantecultural.blogspot.com.es/2014/01/sobre-industrias-creativas-y-culturales>.

**Graphic 2:**

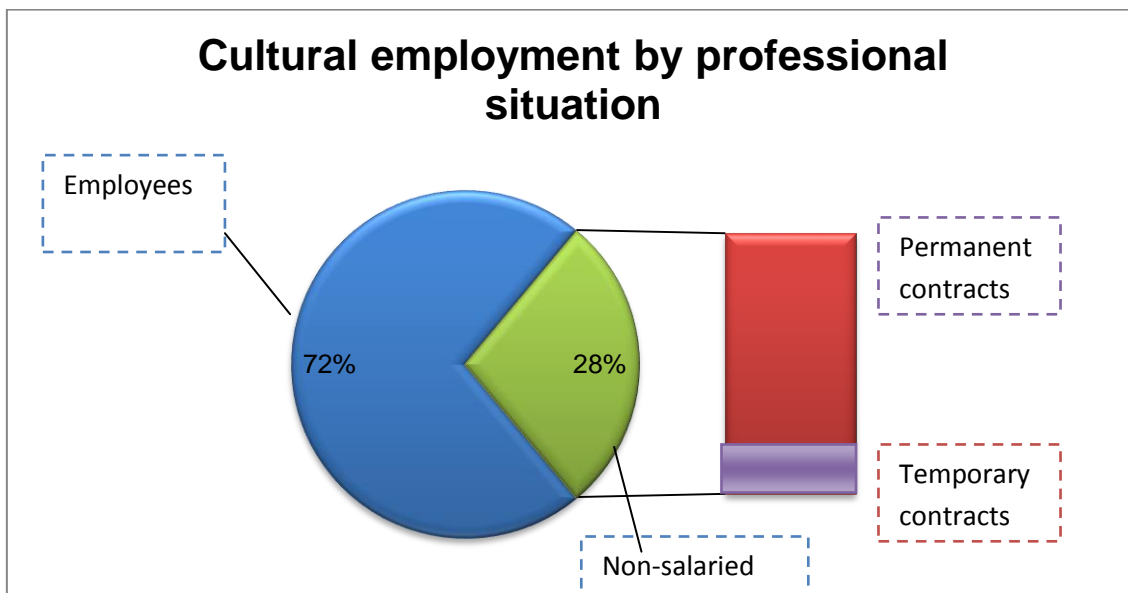
*Cultural employment by occupations of 2012 in Spain*



Note: *Evolución del empleo cultural (en miles) en España*. Palacios Alonso, J.L. (January, 2014)  
 Source: <http://caminantecultural.blogspot.com.es/2014/01/sobre-industrias-creativas-y-culturales.html>

**Graphic 3:**

*Cultural employment by professional situation of 2012 in Spain*



Note: *Evolución del empleo cultural (en miles) en España*. Palacios Alonso, J.L. (January, 2014)  
 Source: <http://caminantecultural.blogspot.com.es/2014/01/sobre-industrias-creativas-y-culturales.html>.

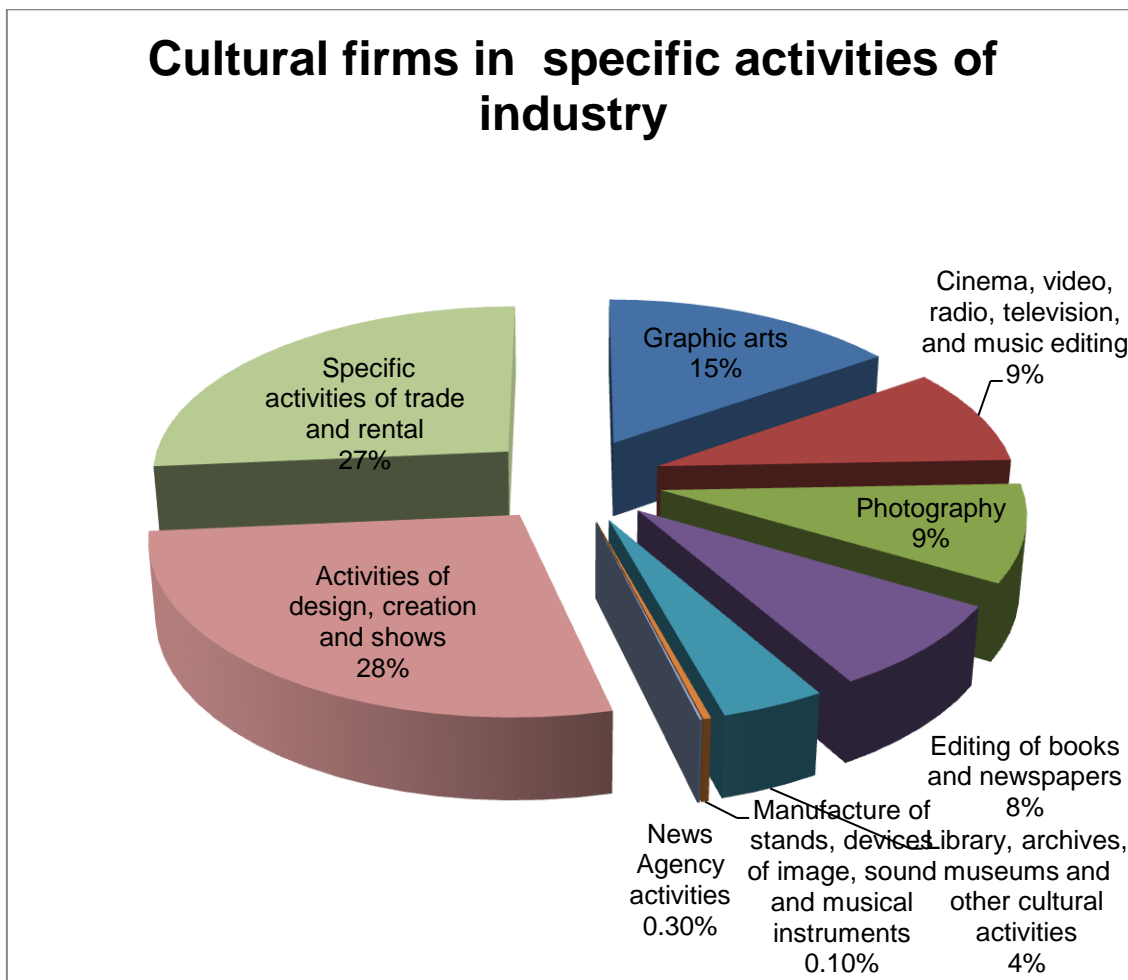
The graph above conceptualizes the cultural routines of the Spaniards. We can observe that in 2012 return to highlight both the reading of books, and film or monuments. In addition we



can also see the employment statistics and the distribution of the different cultural aspects, such as libraries or music. As exceptional information appears the bullfighting sector.

**Graphic 4:**

*Cultural companies in different activities of industry, Spain, 2012*



Note: *Evolución del empleo cultural (en miles) en España*. Palacios Alonso, J.L. (January, 2014)  
 Source: <http://caminantecultural.blogspot.com.es/2014/01/sobre-industrias-creativas-y-culturales>.<sup>24</sup>

<sup>24</sup> *Evolución del empleo cultural (en miles) en España*. Palacios Alonso, J.L. (January, 2014)  
 Recovered from: <http://caminantecultural.blogspot.com.es/2014/01/sobre-industrias-creativas-y-culturales>.

## 2.2.2. Creative industries and welfare

First of all, it is important to define the importance of the provision of creative industries that can be found in a production structure, it is important to define whether the endowment has to be elevated or may be small.

Various studies have examined the relationship between creative industries and the level of welfare. One of these studies be made of econometric way on 22 countries and 250 regions of Europe with significant and conclusive results. An increase of 1% in the number of creative industries on the existing occupation corresponds to a GDP<sup>25</sup> increase of 0.45%, i.e. a gratification of 1,400 Euros.

Another study shows the separation of the manufactures of creative services, so the result is that creative services are guilty for the positive differences in per capita income.

## 2.2.3. Spatial concentration of creative industries

The creative industries have an important feature as is its inclination to the concentration. Several studies about models of location in Spain in relation with creative industries have been compared with models of United Kingdom, Italy and France.

The resolution is that the Spanish creative industries are quite more clumped than the other countries. We can check this deduction thanks to the concentration index of Gini that indicates a value of 0.91% on 1%, which indicates the level of concentration.

If we look at the location of these industries in Spain, we can see that most are concentrated on the central part of the metropolitan area of Madrid with 31% of the total activity. The area of Barcelona also shows a significant level of concentration with respect to other areas, in particular a level of 19%. In addition, if we analyze in depth the location of industries within these zones, can see that the trend is to be situated in the central areas, for example in Madrid the distribution is characterized by carried out from North to South following the centrepiece of this city, while in Barcelona, a great part is concentrated in the *Eixample* district, *les Corts* and *Sarrià*.

These areas are defined as areas, in both cities, with the highest level of income per capita, with higher levels of education, and with a high degree of specialization in advanced tertiary.

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<sup>25</sup> Gross domestic product (GDP) is defined as a measure of production equal to the sum of gross values added of all resident, institutional units engaged in the production (in addition to any taxes and less any subsidies on products not listed in the value of its outputs).

In reference to the above named of comparative studies, we can see their similar dynamics in large European cities. In these cities, such as Paris or London, the clusters of creative industries are found both in the central part of the city and the rest of the metropolitan area.

Some reasons for this massive grouping may be the economic location and urbanization, biodiversity, the grouping of the creative class or important assignment of heritage and cultural possessions.

Finally, another important explicative factor of this concentration is the power with which work in Spain the economic development strengthened by the economic location or location, and the above named, creative class.<sup>26</sup>

#### **2.2.4. Importance of creative industries**

Creative industries show an international dimension, and therefore are the element that determines the future in regard to cultural diversity, economic and social development. Progress, shows the important value of these industries. The notable differences between the population and the places of the North against the South are seen through the world map of cultural industries. Thanks to this we can contemplate the differential gap between these two regions.

Thus, the objective to reduce these differences, will be the strengthening local capabilities and entering markets of the world's countries through new partnerships, the support of experts, training and preparation and consolidation of international solidarity at all of its levels.

Then we will see two tables showing the clear example of the economic weight of the creative industries in the EU and the economic weight of the creative industries in the main European markets, both referred to the period in 2008.

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<sup>26</sup> Boix and Lazzaretti (2012: 197-198) *Las industrias creativas en España: una panorámica*. Investigaciones regionales, ISSN 1695-7253.

**Table 3:**

*Economic weight of the creative industries in the European Union in 2008.*

Creative industries	Added value		Employment	
	VA 2008 (millions of euros)	% of VA from UE	Jobs (million)	% employment in the EU
<b>Primary</b>	558,000	4.5%	8.5%	3.8%
<b>Interdependent</b>	213,000	1.7%	4.2%	1.9%
<b>Non-exclusive</b>	90,000	0.7%	1.7%	0.8%
<b>Total creative industries</b>	<b>862,000</b>	<b>6.9%</b>	<b>14.4%</b>	<b>6.5%</b>

Source: Boix and Lazzeretti (2012: 198-199) *Las industrias creativas en España: una panorámica*.

**Table 4:**

*Economic weight of the creative industries in the main European markets in 2008.<sup>27</sup>*

Creative industries	Added value		Employment	
	Direct	Total	Direct	Total
<b>Total EU 27</b>	<b>558,000</b>	<b>862,000</b>	<b>8.5</b>	<b>14.4</b>
<b>United Kingdom</b>	113,000	175,000	1.6	2.7
<b>France</b>	90,000	142,000	1.0	1.6
<b>Germany</b>	105,000	162,000	1.6	2.7
<b>Italy</b>	60,000	93,000	0.8	1.4
<b>Spain</b>	40,000	62,000	0.7	1.2

Source: Boix and Lazzeretti (2012: 198-199) *Las industrias creativas en España: una panorámica*.

<sup>27</sup> Boix and Lazzeretti (2012: 198-199) *Las industrias creativas en España: una panorámica*. Investigaciones regionales, ISSN 1695-7253.

### 2.2.5. Organizational innovation and restructuring

New forms of organizational innovation were introduced in order to improve the benefits, in addition to reducing labour costs and increasing the share of the market with regard to competitive companies. Some elements of the restructuring were the following:

- The fall of the large corporation and the growth of the integrated connection.
- The strategic agreements of enterprises. An interesting and ascending pattern has been the establishment of strategic partnerships between organizations. This is important for companies with important technological level where research and development costs are high.
- New methods of management and organizational restructuring. Many reflections on organizational innovation talk about the concern about forms of production developed in Japan with regard to the production of cars, often known as "Taylorism". In addition, much of the ideas and reflections are summarized in the reduction of inventories through the use of the "just in time" and improve it quality control. One of the key theories is to involve the workers through the reduction of hierarchies and the improving of its autonomy within the organization.

These changes are very interesting in today's environment because cultural industries have had this form of network and action in most of the complex professional era.

- Change in working models. We can highlight the increase in the breakdown of forces of labour, with substantial increases in temporary, part-time, or own employment. This really can improve the options of privileged worker, although also worsens the situation of the less privileged and those with less education and few skills.<sup>28</sup>

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<sup>28</sup> David Hesmondhalgh (2007). *The Cultural Industries*. London EC1Y : SAGE Publications Ltd. California: SAGE Publications Inc. India: SAGE Publications India Ptv Ltd. Singapore: SAGE Publications Asia-Pacific Pte Ltd. Pag. 94-97.

### **2.2.6. Organization and creative autonomy**

To understand better the change of how cultural work is organized and rewarded in cultural industries with respect to industries that are not, we can consider how work was organized and directed in the complex professional era.

In the professional era of market, grade creative to make cultural products was generally used individually, however, in the complex professional era of cultural production, almost always is done collectively and teamwork.

Within these teams, many people acted according to the listed functions. We can see this using example related to cultural books, films, magazines or television industries.

- Primary creative staff, such as musicians, writers or directors, journalists and other authors. In addition, this group also includes technicians who are recognized for their creative role such as mixers or sound producers and increasingly are more important in the music industry.

- Technical workers. This class of workers are oriented and related to more efficient tasks. Some examples of this group of employees are sound technicians, cameramen, editors, heads of group, the composers and designers of page. Many of these tasks are considered as tasks of artisans since they require special skills, in addition, the workers who operate in these sectors are identified as a collective with other groups in terms of their work.

Creativity is present here, not as a set of ideas that form the base of the final theory, but resembles the reasoned exhibition which aims to designate some workers as technicians rather than as a creative. The fact to be qualified as a creative gives a higher degree of prestige.

- Creative managers, act as intermediaries between the interests of owners and executives, who have the first interest in obtaining benefits, and also between the creative staff who want to achieve success and increase its prestige through works and original productions.

- Marketing staff. The objective of this staff of creative industries, along with the creative directors, is to match or unify the primary creative staff work to the public. Often, this group creates symbols to be advertised and to promote cultural work.

- Owners and executives, characterized by having the power and the opportunity to hire and fire staff, in addition to giving a general direction to the

company's policy. Although it is important to note that they also have roles limited in the context of development and conceptualization of particular texts, except occasionally specific and strange as it may be in the film industry because the executive producers can be accredited.

- Workers with mid-level experience and less qualified. A significant number of semiskilled workers are also involved in the creation, production and dissemination of products. It could be said that they form an Assembly of workers engaged in the support line of machines that they generate the enormous amount of DVDs which are sold every year. In general, this work is little known and poorly rewarded.<sup>29</sup>

### **2.3. International illustrative example. Florence**

Creativity has progressively become in a source of competitive advantage, not only for companies but also for local systems. In addition, is becoming a very important element for the development of policies. In this perspective, a city can be classified as a United territory where economic, social and political aspects are working together to develop the conditions that stimulate and encourage creativity.

The urban concentration of companies improves productivity because of two reasons, the first one is that it is a source of competitiveness, and the other reason is that it strengthens creativity and innovation thanks to the flow of knowledge and ideas. A town may contain significant concentrations of creative industries, which in turn produce significant economic benefits.

We can conceptualize the foregoing study done about the city of Florence, a city that until it was not found that had from a high level cultural, artistic, human and with a significant number of resources in its environment, do not consider as a creative city.

Florence lies seventh in the post of creative provinces, with a 22.8 per cent of creative talents, sixth in the technology index and third in the tolerance. Studies indicate that this city is very well positioned in terms of creativity in comparison with Italy altogether. The situation 10 years ago gives evidence of the positive trend of generation of creative activities that has occurred. Then we can see a classification of the most creative Italian cities:

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<sup>29</sup> David Hesmondhalgh (2007). *The Cultural Industries*. London EC1Y : SAGE Publications Ltd. California: SAGE Publications Inc. India: SAGE Publications India Ptv Ltd. Singapore: SAGE Publications Asia-Pacific Pte Ltd. Pag. 64-70

**Table 5:***Ranking of Italian creative cities (2004)*

Rank	Index of creativity in Italy	High symbolic index	Location quotient of creative local systems
1	Rome	Rome	Ivrea
2	Milan	Milan	Rome
3	Bologna	Catanzaro	Milan
4	Trieste	Palermo	Turin
5	Florence	Naples, Bologna	Città di Castello
6	Genova	Florence	Pisa
7	Turin	Bari	Verona
8	Parma	Genova	Padua
9	Rimini	Potenza	Tolentino
10	Perugia	Cagliari	Bologna
11	Modena	Campobasso	Florence

Source: Cooke and Schwartz (2007: 183). *Creative Regions, technology, Culture and Knowledge Entrepreneurship*.

### **Benchmarking between creative industries in the providence of Florence**

There are very important sectors in cities like Florence, where tourism is strongly established. Some of their percentages are as follows: hotels and restaurants 4.3%, transport and communication 4%, financial intermediation 2.4%, creative industries 8.1%, business activities 13.6%, construction 14%, manufacturing 19.5% and trade 28.9%.

We can also observe using the following table, that not all companies were creative in Florence during the year 2004, because they are just 4,024 of 89,360:



**Table 6:***Creative firms, province and municipality of Florence*

	Creative Firms (A)	Total Firms (B)	Percentage (A/B)	Location quotient
<b>Province of Florence</b>	4,024	89,360	4.5%	1
<b>Municipality of Florence</b>	2,319	35,853	6.47%	1.43

Source: Cooke and Schwartz (2007: 184). *Creative Regions, technology, Culture and Knowledge Entrepreneurship*.

**Table 7:***Employees in creative firms, province and municipality of Florence*

	Creative Employees (A)	Total Employees (B)	Percentage (A/B)	Location quotient
<b>Province of Florence</b>	9,113	181,008	5.03%	1
<b>Municipality of Florence</b>	3,768	70,006	5.38%	1.07

Source: Cooke and Schwartz (2007: 184). *Creative Regions, technology, Culture and Knowledge Entrepreneurship*.

**Table 8:**

*Percentage of firms per economic activities, province of Florence, 2002.*

<b>Economic Activities</b>	<b>Percentage of firms</b>
Agriculture	8.14%
Manufacturing	19.45%
Construction	14.03%
Wholesale and retail trade	28.85%
Hotels and restaurants	4.29%
Transport and communication	4.03%
Financial intermediation	2.36%
Real estate, renting and business activities	13.61%
Public services	4.17%
Creative industries	4.58%
Other sectors	1.03%

Source: Cooke and Schwartz (2007: 185). *Creative Regions, technology, Culture and Knowledge Entrepreneurship*.

In the city of Florence, you can find more than 50% of the creative companies present in the entire province. Florence remains third in the ranking of the provinces, but on the other hand, the capital of Tuscany is the main centre of creative development since it houses the 57% of creative companies in the province.

### **Traditional and non-traditional creative industries in Florence**

The types of creative companies that are part of Florence will be investigated next. As we know, Florence is a city with traditional cultural vocation, so the percentage of traditional cultural activities of the total amount of the creative industry is 72 per cent, due to corresponds to 1,660 out of 2,319 companies. On the other hand, the not traditional sector account with a 28 per cent, i.e. 659 of 2,319 companies.

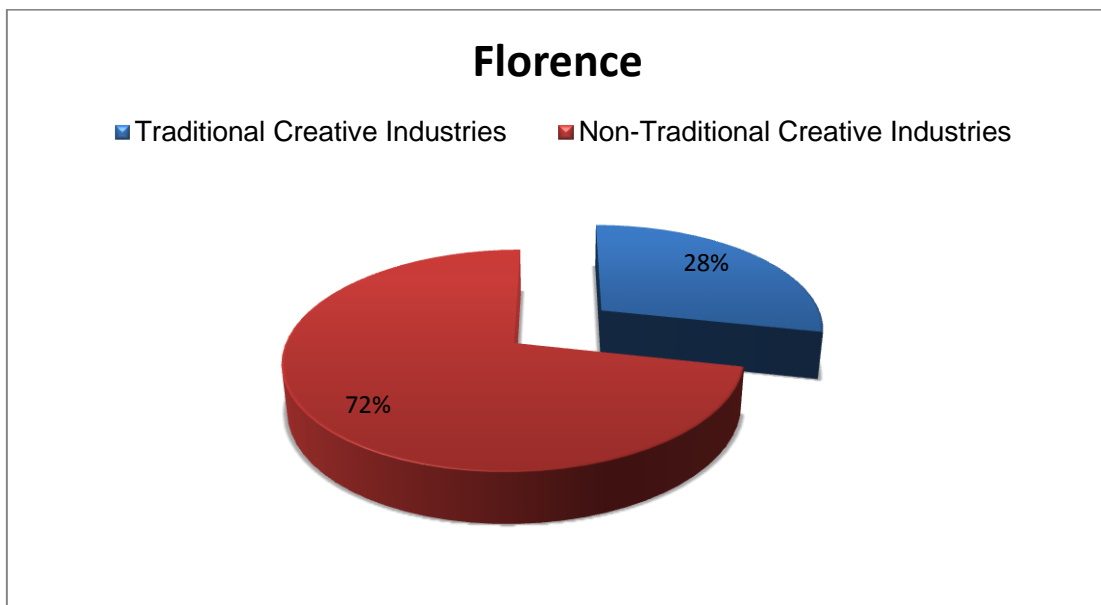
The group with the rate higher is the Visual Arts, art in general and market of antiques with a 54.1% per cent, making reference to some 1,252 organizations. These results are not strange for a city such as Florence because these sectors first poll in terms of local artistic production.

The most advanced non-traditional sector of all areas is the advertising sector due to it has a rate of 13.3%, it has a total of 308 companies.

Then we can see the graphics more detailed:

**Graphic 5:**

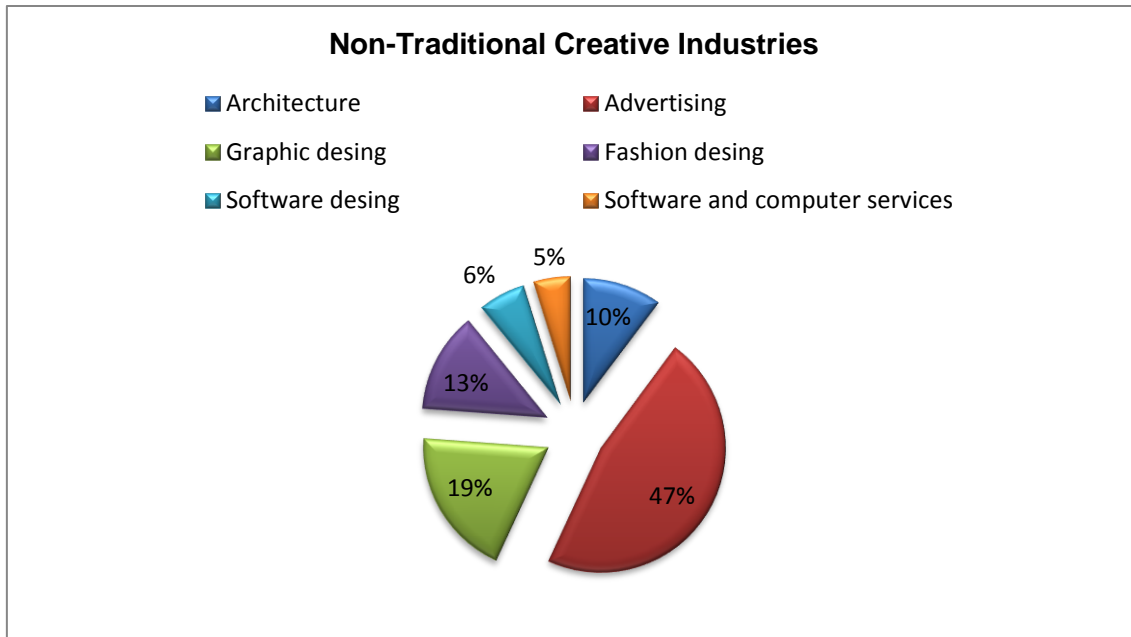
*Traditional and non traditional cultural creative industries (2004)*



Source: Cooke and Schwartz (2007: 188). *Creative Regions, technology, Culture and Knowledge Entrepreneurship*.

**Graphic 6:**

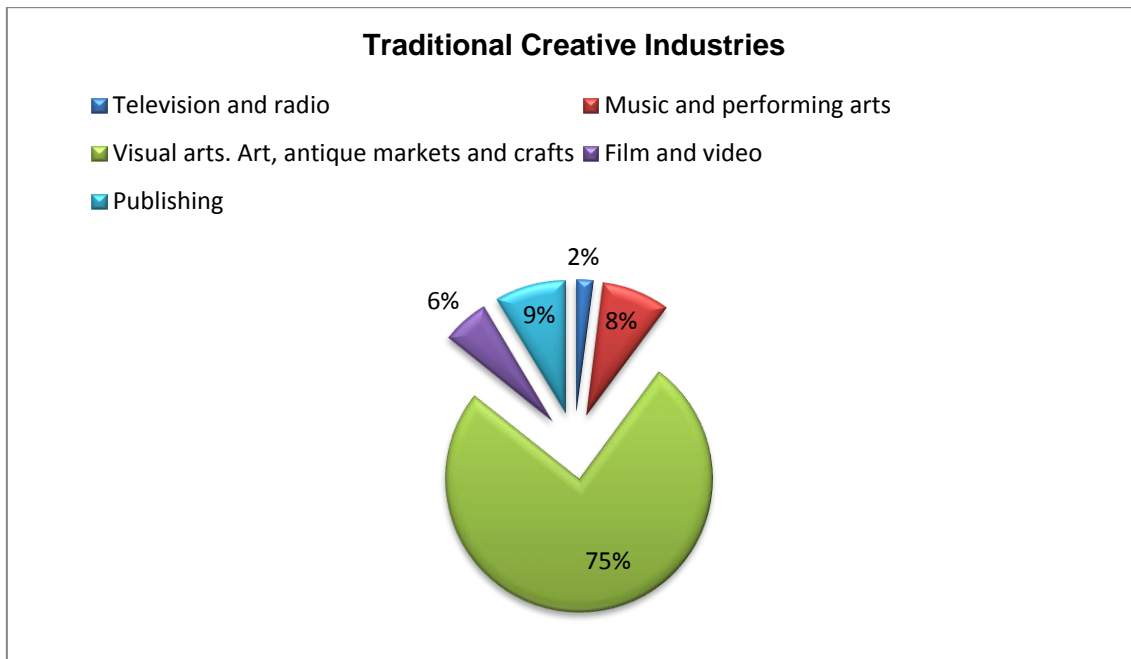
*Traditional and non traditional cultural creative industries.(2004)*



Source: Cooke, P. and Schwartz (2007: 188).*Creative Regions, technology, Culture and Knowledge Entrepreneurship.*

**Graphic 7:**

*Traditional and non traditional cultural creative industries (2004)*



Source: Cooke, P. and Schwartz (2007: 188).*Creative Regions, technology, Culture and Knowledge Entrepreneurship.*

These results demonstrate that Florence is a city that is created as a result of the art with a strong impact and a long artistic and cultural heritage.

Firstly, progress may be contained by the increase of traditional industries, if Florence abided to an exploitation of culture and art, and fails to look at them as key factors of more extensive increase.

On the other hand, if the city fails to supply the new creativity and a misuse of revenues thanks to the historical heritage, the risk will be shown and the exploitation of the potential of creativity will have been null. Currently, seems to be a reflection of Florence case, or at least of its industry, which is deficient in terms of companies with important technological level or companies belonging to technically-specialized sectors. However, recent studies show the strong trend of development which have shown against traditional the non-traditional creative industries.

In the last ten years in Florence, the corresponding employment to the traditional creative industries increased by 30 per cent, also the corresponding to the creative serving non-traditional employment rate increased up to 100%.

The figures seem to show that within a few years, the non-traditional industry will surpass in all aspects to the traditional.

In conclusion, can be Florence classified as a creative city? Florence has a high coefficient of creativity which has been studied and evaluated in comparison with the rest of the Italian situation. This city is defined as complex as well as having many facets. The creative industries are very important and are placed mainly in the sectors more traditional rather than new sectors characterized by being driven by the new economy. Florence creativity does not stop at the tradition, but can be found within the process of developing more mature sectors.<sup>30</sup>

Finally, and based on the results of the study, is clear that culture has an important economic effect on the city and its role is justified in the economy as a whole.

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<sup>30</sup> Cooke, P. and Schwartz, D. (2007). *Creative Regions: Technology, Culture and Knowledge Entrepreneurship*. London and New York: Routledge. Pp. 182-189.

## **2.4. Creative cities**

A creative city is defined by a productive socio-economic society that enhances its creative factor including cultural industries and creative employees

A creative city is created in the places where the new economy is mature and where there is stability between cultural environment and production system. Industries belonging to these clusters are characterized by being industries of a creative nature.

On the other hand, a city is not considered as creative unless some social and economic aspects are met. There are various examples of cities included in the classification of technological innovation, which generated new products or new ways to devise products. Some of these cities used as examples are Glasgow, Manchester, Berlin or Detroit.<sup>31</sup>

### **2.4.1. Typology of cities**

If we take the concept of creativity to the cities we can conceptualize three different models of cities:

- The model of seated or traditional towns, such as New York or Paris. These cities belong to the first model because they are carriers of the term innovation success for many years. The cultural infrastructure of these cities are exceptional, as well as the infrastructure referred to leisure and media. This aspect allows these metropolises have advantages as the location against other cities.
- The model of subnelt cities. It corresponds to the cities that are characterized by being interesting to visit and that could relate to the places where the creativity factor is important and is often developed. In addition in these places we can find very recognized universities and they have substantial natural resources. It is also important to note that despite the foregoing, these cities cannot be compared with New York, Madrid or London.
- The following type is formed by the Renaissance cities. Two examples of these are Newcastle or Manchester. In Spanish territory there is a renaissance city as Bilbao. These types of cities are restructuring in order to compete with other models of cities and by this way can cope with novel de-industrialization that is being produced. An important factor that classifies these cities as Renaissance is the high number of museums, universities and

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<sup>31</sup> Josep Miquel Piqué. (15 November, 2010). "Clusters urbanos". Consulted on 8 Mars, 2015, source: <http://2010.ciudadescreativas.org/tag/clusters-urbanos/>

galleries that are located in them and that date back centuries. These places have become cities that are visited by tourists, who are fascinated by the story.

The cities are sold, but behind the image which offer these cities is the reality, because there is a large separation between the city centre and areas are residences, where digital does not come to the most small. In addition, they belong to the urban tourism, which is characterized by a cultural consumption which is based on a specific model.

There are many examples of places in these cities as it is the Emscher Park in Germany. This place was created to promote new activities based on knowledge. Here the urban tourism is also present; we can conceptualize it in visits to the coal mine.

Another place of the same type located in the region is the known Dortmund Technology Parks, which is characterized as a developer of technology parks with renowned industrial city. At this place, the engineering have high quality, therefore the visits that this place receives are numerous and is also important the uptake of innovative investments in renovated engineering industries.

#### **2.4.2. Advantage of the creative industrial cities**

The concentration of technology, art and economy is interpreted as a competitive advantage capable of captivating creative workers. These types of workers are demanding goods and cultural and recreational services, all of them generated by the creative industries. By this way, the workers of creative cities become consumers as well as producers of these creative products.

Creative cities offer a great variety of cultural services such as auditoriums, museums or art galleries.

Creative industries seduce to creative people and these attract other creative and productive people. For this reason, in the wake of the attraction of people of different cultures and different countries, appear cosmopolitan cities. Moreover, cultural diversity is the culprit of the invigoration of the most ancient sectors.<sup>32</sup>

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<sup>32</sup> Peter Hall. (2009). El contexto social, espacial y cultural de la innovación. Entornos, *clusters* y ciudades creativas. Consulted on 11 Mars, 2015, source: <http://telos.fundaciontelefonica.com/telos/articulocuaderno.asp?idarticulo=9&rev=77.htm>

## **2.5. Evolving Singapore: the creative city**

Until 1960, Singapore has been one of the most important industrial models of the world, in addition to being an effective and efficient model, moreover, this city was chosen as the city with more popularity in Asia.

It also was chosen because of its strong political pattern and to its social environment among other factors, also granted a position as an economic based on knowledge with excellent services and an interesting culture.

The problem or doubts are given because it is not clear if the city state may achieve a successful transition towards a greater degree of knowledge and a bright economic culture. The process of globalization has underestimated the states, treating them as simple victims rather than perpetrators and causing factors. In addition, the dependence of capital on the state is rarely recognized.

Specific study of the economic development of the city of Singapore can be used to demonstrate the creative state forces, due to it influences the mobilization of the population and the reform of the economy. It is important to note that participants contribute with their creativity and knowledge, their work is within the capitalist work process.

In order to provide or comply with important international demands, strong states as the case of Singapore have been characterized by choosing a strong role in the mobilization of their different work forces.

Since time ago, Singapore has pursued a process of industrialization that relied on multinational companies and the disciplinary regime of work linked to "Taylorism", in order to supply the demands of the modern capitalist economies. That is why, since 1970, this city presented four decades of full employment and a level of remarkable continued growth. In recognition of the foregoing and the efficiency of the state, the Institute for management development awarded Singapore with the high ranking from 1-3 in the years 2001 to 2005.

Singapore strategies related to the development included programs to export jobs, efficient infrastructure to support including telecommunications and systems of transport in addition to international connections.

The transformation of the old economy of Singapore in the new, took with it a set of changes, new skills, attitudes and beliefs. Thanks to its good preparation and development of skills, infrastructure and culture, the transformation could be carried out.



The Government focused its policy throughout 1990 in promoting the adoption of technology in order to support both the diffusion and innovation of this. In 2003, Singapore had total exports of high-tech 59 per cent, and was compared with Taiwan with a 43 per cent. Korea got the eighth place while that Hong Kong post number was 34 with just 13% of the exports of high-tech. The swift growth in the technological aspect of Singapore was contrasted by its higher levels of infrastructure and efficiency, which granted the city competitive advantage over other States.

**Table 9:**

*Labour force education*

Education level	1970	1980	2000	2005
Pre-primary	72.4%	53.3%	42.6%	38.4%
Secondary	16.3%	28.5%	39.5%	36.5%
Post-secondary/diploma	7.7%	12.2%	6.2%	8.2%
Tertiary	3.6%	6.0%	11.7%	17.0%

Source: Cooke and Lazzaretti (2008: 332). *Cultural clusters and Local economic Development*.

In the table above we can see the different levels of education and their respective percentages since 1970 until 2005.

### **Wage Reform in Singapore**

Until the Asian economic crisis appeared Singapore employees had enjoyed 40 years of annual wage increases, more specifically since 1972. Then, Singapore managed a massive campaign aiming to implement a wage amendment by fear to become a non-competitive city. Despite everything this was not enough since they needed workers were not wage incentives.

In conclusion, today Singapore fight melee with the problems of cultivating a creative knowledge-based economy. Successful progress towards a high level of technology is a step or phase of the transformation process. In addition, part of this success must be attributed to the adoption of various methods, the adoption of supply chain with its strong dependence on

precision and efficiency. Singapore has succeeded in creating a safe and clean environment, good schools, also health facilities and other enrichment facilities have helped his decision to accept the relocation of work to Singapore.<sup>33</sup>

## **2.6. Creative Clusters**

Clusters are defined as a manifestation of different and varied initiatives of cultural nature with the sufficient ability to create different links, due to its spatial proximity and create interdependencies among them because of their complementarities.

Examples of cultural conglomerates have been studied in the European Union. One conclusion is that most of these studies or projects, as well as the integration of factors of entertainment and leisure activities to the strategic, are linked with culture and art. An example of this in Spain is the case of the Barcelona's Forum, which stands out as a clear model of urban regeneration, which has been and continues the biggest urban change city.

The creative factor as an engine of social and economic progress is explained by political and business groups. Cultural diversity creates new and innovative clusters, in addition also helps to invigorate the sectors more traditional. If the clusters of high cultural level are altered and they become creative, it cause that the culture itself becomes a new source of innovation, leaving only a factor of production.

In addition, the environment has the ability to start or return to generate a significant diversity of new innovation clusters and to captive professionals characterized by their professionalism. In conclusion, when the latter are captivated by the creative industries, they reinforce the cycles of innovation which, in turn, captivate new creative employees and thus creates the creative city.

### **2.6.1. Disadvantages of the creative clusters**

One of the main concerns of those who do not support the movement of clusters are the urban regeneration or transformations that cause. It is important to highlight the invasive

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<sup>33</sup> Philip Cooke, Luciana Lazzarotti. (2008). Creative Cities, Cultural Clusters and Local Economic Development. UK and US: Edward Elgar Publishing Limited. Pp. 313-316.

character due to of grow rental houses, increase prices in addition to the entertainment establishments such as bars. There is an abandonment of the indigenous population.

A clear initiative referred to this model is that shown in Barcelona in el Born, because its modification has been important in the past 15 years. This modification has been authorized by the public authorities. What has happened in this area is that users of traditional dwellings was pressed them in such a way that they had to leave their homes since they did not have the class needed to live in a neighborhood like this, should be more modern people that inhabit this place.

Act followed, the environment is in favour of individuality as a key idea of human and social development. However, innovative initiatives tend to be misconduct by restrictive devices belonging to the own culture and used in both academic and business or political levels.<sup>34</sup>

## **2.6.2. Localization and urbanization**

In the past were believed the clusters to be geographical agglomerations of enterprises which enjoy positive economies in the same place. However, this renewed interest in the geographical agglomerations of enterprises, did not cause a similar sense of dedication to the study of the different types of formation of clusters. In the next table, we can see the different dynamics that will continue to generate clusters according to the localization and urbanization economies.

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<sup>34</sup> Word Press. (February 6, 2011). ¿Cluster creativo?. Consulted on March 12, 2015. Recovered from <https://clustercreativo.wordpress.com/>

**Table 10:***Localization and urbanization economies*

	<b>Localization economies: externalities from specialization</b>	<b>Urbanization economies: externalities from diversity</b>
<b>Of industry</b>	Product flexibility and variety Incremental innovation Efficiency	Product novelty Radical innovation Start-ups and expansions
<b>Of labour market</b>	Quality	Spread of ideas. Entrepreneurship
<b>Of institutions and infrastructures</b>	Deepening of knowledge and skills Low transaction costs and short delivery times Efficient communication	Deepening and broadening of knowledge and skills Global knowledge and ideas Attraction of global talent

Source: Cooke and Lazzaretti (2008: 157). *Cultural clusters and Local economic Development*

The term location indicates clustering linked to any economic activity which is related to a range of products or knowledge base, while the term location economic related companies who enjoy positive externalities thanks to its co-location. Moreover, these economies tend to be associated with the specialization of regions, and include several positive externalities between companies as well as positive externalities of the labour market and of institutional specialization.

On the other hand, the term urbanization speaks of urban location while economic urbanization shows the amount of positive externalities which enjoy companies that are located in a city.

The difference with the economies of location, where co-location is more important than the location somewhere specific, is that urbanization economies depend on a range of ideographic and location-specific factors that are unchanged.

A positive externality of the industrial diversity in a city is that the co-location of a firm allows the existence of different products and have no related knowledge bases.

In conclusion, it should be noted that the category of urbanization economies, belongs to the diversity of work, because in cities with large number and variability of clusters, we find wealth in skills, knowledge, and ideas that lead to innovation.<sup>35</sup>

### **3. CONCLUSIONS**

More and more, the economic environment becomes more competitive and at the same time, organizations must adapt to new environments and be more flexible to different situations. In addition, companies have to offer something different to their customers, due to they are the factor more important. To improve the competitiveness of a company, should begin to improve the creativity and innovation of the same, by this way will get to create something different and more value than your competition.

This study, began by defining the concept of creativity, such as a novel or original thought, a creative imagination, dissenting or imaginative reasoning in general. Also it can be described as the creation of ideas or new concepts, capable of generating current solutions. Later, we have explained the different elements or applications of creativity such as its dimensions, creativity applied to the business world, the measurement of creativity and its relation with the theory of Darwin as a major creative event.

In addition we have also seen a comparison between creativity and innovation which we understood that to create or develop new ideas, you have to be creative, but to bring these ideas to practice, you have to be innovative. The process of innovation, involves many more factors than the process of creativity, therefore, the latter is just a part of the first.

Following work we also we saw some ways to motivate creative employees, in addition to the creative leadership due to the leaders are one of the factors most important to carry out the creative process. We studied a little also the networking between creative industries and human resources in creative businesses and its respective culture.

These basic definitions has been analyzed and studied in general in order to understand the importance of creativity and a little bit where it comes.

Workers are inclined to make more creative work when they notice support by their managers. The context in which an employee works is perhaps the more special influence when we must decide the degree of creativity of an employee.

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<sup>35</sup> Philip Cooke, Luciana Lazzeretti. (2008). Creative Cities, Cultural Clusters and Local Economic Development. UK and US: Edward Elgar Publishing Limited. PP. 156-160.

Then we have studied some areas of the application of creativity, areas such as application like economics, industries, clusters or even cities. We have started talking about the creative economy and its definition because it alludes to aspects holistic with several difficult interactions among culture, technology and economy, currently and in a globalized world, and we continue talking about its importance. Then we have analyzed about the creative industries that we described as industries which have their bases in creativity or to the set of activities that are based on knowledge, in addition we also speak about their types and their situation in Spain. We have also been able to conceptualize the relationship of creative industries with the welfare, spatial concentration, or rather how are and their importance. Finally, we have seen its organization and restructuring to understand better how cultural work is organized and rewarded in the world of creative industries.

Then there is need to stop along the way due to the next item studied at work is one of the most important. This item is the study of Florence, city in which until not found that it had a high cultural, artistic, human level and with a significant number of resources in your environment, investigators do not consider this as a creative city. Here we have been able to study its situation as a creative city as well as benchmarking between the creative industries in Florence. We can also see the most realized activities in this province and the general analysis of the patrimony and heritage, as well as the separation specified between the creative industries which are not in the own province.

Aside from the creative industries, we have studied the creative cities with their respective type and the benefits of being a creative city. In addition we should make special mention to the study of Singapore since it is another of the strong points of the study, thanks to which we could see his evolution as a creative city as well as the transformation of the old economy in the new and wage reform suffered by this city because of the discontent of the workers.

It is also important to highlight the theory of Enrique Bustamante, a University Professor of Audiovisual Communication and advertising at the Universidad Complutense de Madrid (Spain) since 1992, that although no mention was made during the analysis, I find interesting at the time of be supported because he manifests itself in his different studies his discontent with the confusion of technological advances and the culture.

Bustamante said that the phenomenon of technological progress is conceptualized from the amazed vision and has great effect as the entertainment industry. In addition, he criticized the vision of the society since he says that they are happy just with simple advancement of these technologies and the market in such a way that there are a generalized thought and is

that culture is currently generated by the machines and networks that are already not characterized by authors or societies.<sup>36</sup>

Returning to the study, is very interesting to a large extent thanks to the analysis of these two cities, which are a clear example for the rest of the world's cities, as in the case of Florence, We've talked about a city with a high coefficient of creativity which does not stop at the tradition, but can be found within the process of development of the more mature sectors. On the other hand, the merit of Singapore is important and many cities should take it as an example since their successful progress towards a high level of technology is the result of the transformation process. This process has been achieved through the adoption of various methods and the adoption of supply chain. Singapore has managed to provide a clean and secure environment as well as good schools and infrastructure.

### **Limitations of the study**

To finish I would like to explain some limitations and aspects that could be improved, and also say that the conclusions which I have reached have achieved them through available material. In order to get more perspectives or viewpoints could have performed the following:

- Make different questionnaires about creative aspects aimed at innovative companies.
- Study in depth some similar cities that are analyzed in order to obtain benefits and disadvantages against each other.
- Study of more specific way the effect of innovation on the consumers and their relationship with consumption.
- To realize a deep analysis of a clear example of cluster.

In spite of the different limitations, thanks to this study I have been able to conceptualize in greater depth the advantages of being an innovative and creative company and know the importance of creativity when it comes to differentiate from other companies. I have also always State was interested in Singapore as a city but had never heard of its transformation and I think that is interesting. I also found the study of Florence interesting; however I knew its artistic and cultural creativity. If I could continue with this analysis could get much

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<sup>36</sup> Bustamante, E. (2009). De las industrias culturales al entretenimiento. Consulted on 12 April,2015.Recoveredfrom: <http://www.cinelatinoamericano.org/assets/78BustamanteEnrique.pdf>

information about these two cities and its creativity, its effects on economic terms and its areas of application in a more spacious way.



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