



Creative Cluster – Developing Creative Industry

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Conceptual background of clusters

- In the EU, the use of English word CLUSTER / CLUSTERING. Its accepted Hungarian phonetic equivalent is: KLASZTER. “Clusters are geographically close groups of horizontally or vertically interconnected companies and associated institutions in a particular field, linked by common technologies and skills. They normally exist within a geographic area where ease of communication, logistics and personal interaction is possible. Clusters are normally concentrated in regions and sometimes in a single town. Clusters are groups of independent companies and associated institutions that are collaborating and competing; ... connected by growth, long-term business dynamics and innovation.” (Source: OECD-LEED, Enterprise DG, Regional Clusters in Europe)
- “Clusters are geographically close groups of horizontally or vertically interconnected companies and associated institutions in a particular field, linked by common technologies and skills.” (Michael E. Porter, 1998)
- Horizontal (1 industry) , Vertical (connected industries also) and Diagonal (virtue-chain – every single company gives in some virtue) (Braun, 2005)
- Definition by Gonda: “Clusters come into being when a great number of independent business units are given within a certain area, who are competing with each other and/or are doing complementary activities in the frame of a mutually beneficial cooperation, and who are in a special customer, supplier, researcher-development etc. relationship with each other, forming a symbiosis.”

For the formation of a competitive business environment a horizontal development of the economy, for the formation of clusters an aimed development of enterprises is needed

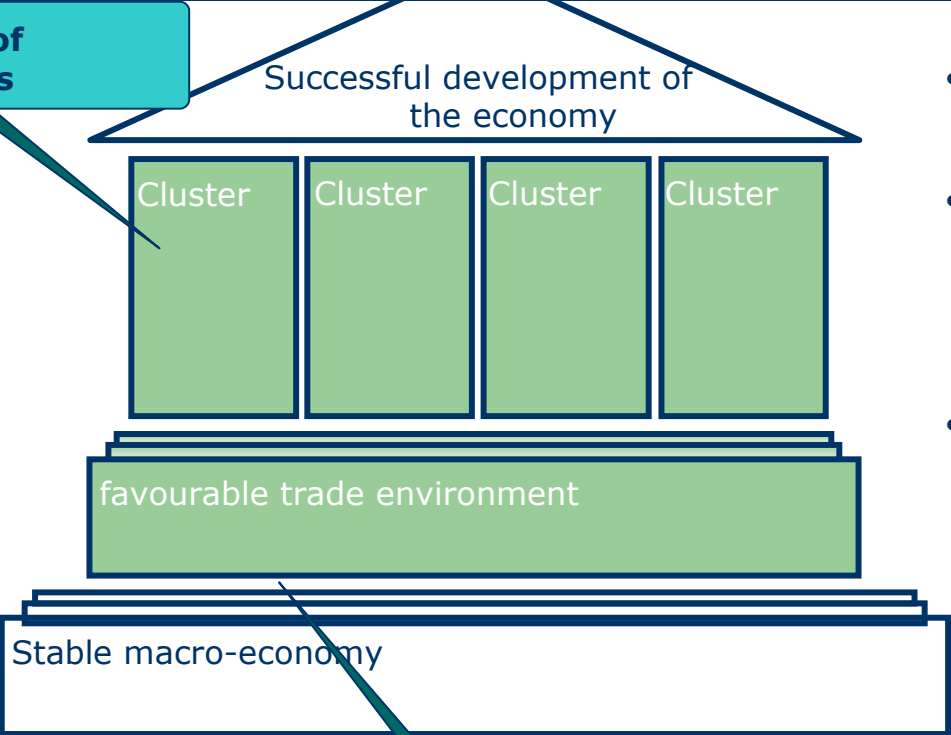
Conception of the programme

■ Focus of the Pole-programme

Situation now

Required outcome

Development of enterprises



- Low level of networking in the regional economy
- Few high quality work added
- Not market-orientated university power

- Internationally competitive clusters
- Specialization to high-quality and innovative added work
- Strong cooperation between companies, universities and local governments in order to maintain long-term competitive power

Horizontal development of economy

Development of the creative industry

- Formation and development of the creative industry (producing income, employment (USA 30%))
- **Creative industries:** electronic and printed press, commercial- and advertised press, film and video, software-making and developing digital games, architecture, book-printing, music, performing arts, industrial (applied) arts, form and fashion design, art and antique market, handicraft. Cultural industry is even wider: it includes tourism, sport, public educational institutions and protection of national monuments.
- Pécs: 846 public education, 233 KKV, 150 engineers, 35 galleries
- Region: 325 music, 196 dance, 260 fine arts, 100 theatre companies

Creative industry as employer

- 5.8 million employees in the EU
- 3.1% of the population of the EU
- total number of employees in Greece and Ireland

Creative industry on the course of development

- Employment in creative industry is increasing (+1.85%), while in the EU it decreased between 2002 and 2004
- The rate of growing is 12.3% greater than that of the economy between 2002 and 2005

GDP

- 2.6% of all GDP of the EU
- Exceeds the GDP-rate of chemical and plastic industry (2.3%)

Problems identified I.

- It is not easy even in the creative industry to activate the leaders of firms and institutions;
- There is no self-measuring and identification of problems in creative industry. The achievements of the rivals should be followed with attention, and good examples and methods should be identified;
- There is no applied methodology of production and service in creative industry (this is true especially for public educational and art organisations);
- There are no intellectual workshops operating beside the industry – those institutions, which would be able to solve the problems arising in the industry;
- There is a lack of source in the industry – state institutes;
- The perspective of the state and/or local governmental institutions is pessimistic, plans for cut-backs and closing institutions compel them to go for „survival“;
- There is no methodological measurement of demand and precise identification and analysis of target groups;
- Many see the future in the European Capital of Culture programme – though it should not necessarily determine the basis of business;

Problems identified II.

- There are no institutions to facilitate the cooperation between touristic and cultural sphere;
- Strong supply – strong competition;
- There is a lack of willingness to join forces;
- The institutional operation is not coordinated, which is one consequence of the lack of willingness to co-operate;
- There are no proper bases of knowledge. Some leaders of the cultural sector does not have the knowledge of basic management and know-how;
- There is no methodology, nor innovation;
- Actors of the industry does not know the main development programmes (European Capital of Culture and Pole-programme);
- There are no market motivations – almost all forms of institutions see the chance to survive in the endowment by the state;
- Creative teams and enterprises who manage solely from market incomes are missing;
- Almost all organisations feel the economic situation of the region to be on the decline – they see it, but still, the creative industry is not being privatised;
- The co-operation and common activities that would be necessary in the industry are missing.

Possibilities for development I.

- Enterprises can only meet the requirements of the market if they co-operate. A network and co-operation have to be formed between the actors of the industry.
- All innovations appearing in the network needs further innovational development from the other members of the network for success in the market, therefore generating a multiplicant effect in the innovation.
- Touristical programmes (making considerable income) have to be developped and introduced, in connection with the products and services offered by the the actors of creative industry (adventures, cultural visits – cultural sightseeing). The development of the innovative marketing of cultural products and services has to be supported.
- Working out the regulations for industrial operating of the cultural background-activities and creative activities is an important task.
- A qualification system must be worked out, which gives an answer to the problems identified.

Possibilities for development II.

- The system based on state support has to be replaced by one building upon market income.
- Possibilities to access are to be raised, applying the tools of modern technologies (Internet, Web, Digital Media).
- A standard regional image has to be established.
- International relations have to be strengthened.
- Organising creative ideas and supporting innovational processions.
- Dissolving the “oppositions” between high culture and mass culture – building community and group attitudes
- Building market
- Exposing ECC and Pole projects
- **Building cluster systems**

Role of the South-Transdanubian Cultural Industrial Cluster

- Holding the actors of creative industry together
- Measuring creative industry and identifying the facilities
- Development, based on the facilities
- Supporting the sufficiency of the industry in the market
- Developing the ability of the creative industry to raise income
- Regional expansion

Aims of the cluster

- Privatising creative industry, developing the conditions of successful operation
- Coordinating cultural production-supply in the region, proposing marketing-strategy
- Working out the industrial and operational regulations of cultural activities
- Generating innovative expansions: CULTourist, Pécs Cyclopaedia
- Coordinating the industry, networking, creative centre



Thank you for attention!

I'm waiting for your questions!

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**South-Transdanubian Cultural Industrial
Cluster**