

TITLE

**Creative Industries and Cultural Policies –
Key Issues in Southeastern European (SEE) Context**

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BIOGRAPHY

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ABSTRACT

Cultural transitions are still under way in SEE region which is enmeshed in democratization and globalization processes. On one side foreign creative industries establish themselves as big business, and on the other, question of state-aid to culture is still paramount. The influence of civil society initiatives in this field is also rising. The multidimensionality of the problem asks for its' adequate analysis in order to comprehend the occurring changes.

The article deals with the interconnection of creative industries and cultural policies, as it tries to examine what are the key problems of these interrelations in the context of Southeastern Europe. It concentrates on key issues of the local creative industries that are perceived as just minor players in the context of global creative industries. Author concludes with stressing major problems of interrelations among creative industries, cultural and public policies, in the context of cultural transitions in SEE region.

KEYWORDS

Cultural policies, creative industries, Southeastern Europe (SEE), public policies.

ARTICLE

Introduction

During the last fifteen years, the countries of SEE have encountered a number of changes on several levels – political, economic, as well as on the cultural level. The cultural transitions are still under way in the region, which is enmeshed in the democratization and globalization processes. In SEE one can notice the establishment of foreign creative industries as a big business - one of the examples being the foreign, largely American, film dis-

tribution¹. As another example, (one can add that) although the local book production is rising, one notices that the largest number of book translations is of Anglo-American origin. At the same time, local creative industries are struggling to find their place in the local market, and to position themselves towards local, regional, European and global market. In the SEE context the question of state-aid to cultural production is also important, and the influence of civil society initiatives in this field is rising. This multidimensionality of the problem is one of the reasons why this issue has to be adequately analyzed in detail in order to comprehend the occurring changes.

The article deals with the interconnection of creative industries and cultural policies and its' regulation in the countries of SEE. Article concentrates on key problems of the local creative industries that are perceived as just minor players in the area of the global creative industries (be it European or American-based ones). In this research, the following countries are understood as Southeastern Europe (SEE): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Serbia and Montenegro, Romania, Moldova, and FYROM. The regional perspective on culture is rather neglected², although it is needed as to be able to share how the cultural field formats the knowledge of transition, identity designs, and formulates further changes.

Bearing in mind the difficulties with the definitions of creative/cultural industries, the author of this article opted for the term of creative industries rather than cultural industries, as she agrees with those authors who consider creative industries a broader term than cultural industries³ (having in mind that some authors use it interchangeably). One should note that it is rather difficult to work in the field of creative industries as the research scope is changing with every piece of research (it has to be taken into account that there are differences between academic and policy research as well).⁴ In this article the term of creative industries encompasses several fields of production of symbolic goods: book industry, film industry, multimedia and electronic publishing, design and advertising, architecture, music industry, photography and visual arts⁵.

In some countries the creative industries are already big business, according to the World Bank in 2003 '[C]reative industries are estimated to account for more than seven percent of the world's gross domestic product (GDP) and are forecast to grow on average by ten percent yearly (PriceWaterhouseCoopers, 2003)'. These industries already represent a leading sector in the OECD economies, showing annual growth rates of 5% to 20% (EESC, 2003)' (UNCTAD, 2004:3). One has to note that the sector of creative and culture industries is still entirely not settled in Europe, and it is no wonder that in SEE the situation should be any different⁶. Having in mind the different historical and political contexts, there are several levels of change in transitional countries that have to be taken into account, and it is rather difficult to assess in what amount each of the processes is influencing the changes – democratization, globalization, and not to mention the war and its consequences in some of the countries of SEE (former Yugoslav region), as well as the impact of EU integration processes. As far as the latter is concerned one has to 'question to what extent it is possible and advisable to undertake reforms in order to become compatible with other countries in the wider EU cultural area' (Obuljen, 2005: 1). A special attention to these reforms has to be taken, especially in the area of creative industries sector.

Interrelations among creative industries and cultural policies (as well as other public policies) ask for the detailed examination of the field - the influence of other public policies on the field of culture, and the related issue of policy transfer. The interconnectedness of the cultural policies and creative industries might sound like an oxymoron as Pratt (2005) notes, but it might not seem so in countries of SEE, as the impact of state-aid to local cultural production (and thus creative industries) is rather important in the context of its' development. The present situation calls for the social responsibility that cultural policies present, due to the entering of the global creative industries to the SEE market. The domination of the market leads to situations in which cultural policies do not stay on goals they are announcing, but involuntarily come in function of capital. In this context, one has to take into account that certain inaction and continuation of the status quo also presents a policy – with the inaction we also present a certain attitude towards a problem; this is the aspect that makes policy more interesting for academic research as well. In addition, one has to take into account what is being done from what has been

regulated and prescribed. As Colebatch notes: '...the description of process as a phase inside the cycle is convincing due to its precision. What is not clear is whether one speaks about descriptive ('this is how policy looks like') or normative ('this is how policy should look like') approach'⁷ Colebatch (2004: 79).

The 'value of culture' question and also the question of 'high' and 'low' culture is present as in any other discussion regarding creative and culture industries, but it is even more highlighted in the region due to its historical background⁸. Creative and cultural industries as terms are viewed as something of lesser value, not to be mentioned in the context of cultural policy, and therefore not to be the object of it. In this context, discussions occur on whether there is a market of cultural products at all. The situation maybe somewhat similar as the one in Russia that O'Connor (2005: 45) describes in his research; 'In St Petersburg, 'cultural industries' was an imported neologism profoundly disruptive of local understandings of 'culture', and indeed, 'industry'. It represented a shift in policy terrain and caused bemusement and confusion; but it also represented a more visceral shift in the (self-) understanding of Russian culture and identity that often provoked defensives and hostility.'

Also, what should be highlighted is that in the past (and still) the cultural sector is perceived from the view of 'expenditure on the culture', and not from the view of 'production of culture', let alone that cultural or creative field can bring profit.

The first problem is that the concept of creative industries is rather new to the region and is still not well accepted. The knowledge of the field of creative industries is rather scarce in the SEE region, but the research in this area is highly important due to the rapid changes that are under way in the context of the EU enlargement. The difficulties with the (possible) mapping exercises for the creative industries in the region should also be stressed, as the situation with the statistics is rather difficult. 'The existing data is usually not structured, while the existing structured data differs from country to country in its structure, which makes comparison quite difficult' (Primorac, 2004: 63).

In this way, the problem with statistics is the second major issue that one encounters while making research on creative industries in SEE region. Creative industries are not recognized as a special sector, and sometimes the sectors that creative industries are comprised of are also not documented statistically – they are usually put into the category of 'other industries' (for example, PR, design, creative marketing etc, do not exist in statistics as these categories). Moreover, it is difficult to evaluate the production of this sector, and consequently it is hard to evaluate its' impact on national economy. Furthermore, the existing statistics do not recognize all cultural workers, only the traditional definitions (such as sculptors, actors, musicians, etc.), but not culture workers working in small businesses such as cultural managers, designers etc. This situation complicates the assessment of the impact of creative industries in the region, and of its development through cultural policies. One has to note that statistics is necessary for the evidence-based policy-making, but it should be stressed that other research methods (qualitative as well as quantitative) can also be used for the adequate assessment of the creative industries sector.

Another set of problems occur while speaking about the level of production, that is, the position of local creative industries' production in itself and towards the global industries. In SEE one can notice the arrival of foreign creative industries as big business - one of the examples being the foreign, largely American film distribution. Big foreign, creative marketing, designer and PR agencies that entered the region with the foreign capital (connected mainly with the telecommunication agencies) have taken a substantial part of the market, but due to the difficulties with data, it is hard to assess how big this influence is. Thus, local creative industries are struggling to find their place in the local market, and to position themselves towards regional, European and global market. Some of the examples of this predominance can be noted: 'Almost 95% of the foreign movies originate from the USA, whereas the number of movies from European and other countries is significantly low' (Compendium headlines, FYROM). Also, the public televisions are trying to compete with same tools as commercial televisions,

creating reality and contact shows⁹, and in this fashion they are commercializing the public television and thus, homogenizing the media sphere.

When looking at other industries, the action of media houses 'book with newspapers' disrupted the fragile book industry in some countries in the region. This was a blow to the unregulated book market highly dependent on the state subsidies. One has to highlight how successful book publishers operate in the market way: they 'cherish commercial programs such as practical manuals like gardening, cookery books, psychological help, and Anglo-Saxon fiction known as best-sellers' (Breznik, 2005: 48). What is important to stress is that state subsidies are needed, especially for the noncommercial endeavors, but it is absurd when cultural policy instruments are in the end helping the commercial editions¹⁰. How much of the 'opening of the market' outlook can help the cultural sector and not diminish the positive effects of other cultural policy instruments already in place? As Breznik also stresses 'We can thus conclude that the two goals of cultural policies – first, the elimination of the 'hostile' attitude towards culture through a policy of 'democratization', and second, the liberalization of culture by means of the 'cultural industry' that is supposed to be the 'backbone of all cultural events' – are hypocritical at best because they work towards producing conflicting effects' (Breznik, 2004: 52). Both processes are done in the name of 'democratization' of countries in question, but one should take a look at whether it makes sense to create cultural policies that help commercialization and homogenization of the cultural sphere while at the same time promoting cultural pluralism and cultural diversity.

The field of creative industries and the field of cultural industries are rarely present in the cultural policies of the SEE countries – three models occur; those that are not recognizing it as a distinct sector, but have instruments in sectors that are usually considered as the fields of creative, that is, cultural industries (Albania, Croatia, Moldova, Romania); and those that already have (or intend to have) instruments of cultural policy for this sector – Serbia and Montenegro (Working group on the culture industries development)¹¹; or those who receive foreign assistance for projects in this sector (FRYOM, Bulgaria). This inaction in the field of cultural policy towards creative industries can also show a distinct policy – it is not a priority, or perhaps it is not considered a pressing issue to develop a special 'creative industries policy' as other cultural policy instruments are supposed to cover the field adequately.

What often occurs is the question whether there is a market for cultural products in the region at all, or is the situation of small languages and small markets too much of an issue in a deregulated cultural sector of the SEE countries? Some countries, e.g. as the former Yugoslav ones, see the opening of the common market as a solution, and many collaborations and cross-border projects occur, for example, some successful film collaborations¹². The question of small markets and the language issue is also a problem in other countries in Europe, but they, unlike SEE region, have markets that are more or less regulated.

When discussing the issue of cultural market what often occurs is the question whether there is a market only for state subsidies? The question of decentralization is the pressing issue of all cultural policies in the region. The question is – what type of decentralization? And for some ministries the question would be 'why?' – as Mucica stresses: 'public money spending/allocation is both an extremely important tool for shaping policies and implementing strategies, as well as being a very efficient instrument of administrative and political control' Mucica (2005:1).

What is important in the region is the emergence of groups that are willing and able to buy artistic products (and to enjoy in various cultural products) as well as there are people organized around grass-roots initiatives in the field of culture, and their own (cultural) management. What is significant is the role of civil society initiatives – grass roots of cultural activists working on various cultural strategies. These are some of the changes that are occurring in the region and changing the situation and the perspective of the cultural sector¹³.

Conclusion

Creative industries in Southeastern Europe are an emerging but rather unrecognized sector. Cultural and other public policies are hardly dealing with it in countries of SEE. The concept is new to the region - its' more narrow counterpart 'cultural industries' is more present in cultural policies, but instruments around them are connected to specific sectors that cultural industries usually consist of, and it is used mainly as an umbrella term. It is hard to evaluate whether there is an increase of creative industries in the region since the statistical indicators are inadequate – both for the evaluation of production as well as position of cultural workers. Further mapping exercises shall show the amount of influence they have, and of their economic impact in the countries of their origin. The future creative industries policies or current cultural industries policies have to be based on the evaluated situation. In this context, the already mentioned 'inaction' towards creative or cultural industries as a policy method also comes into question. In the meanwhile, until we come from 'inaction' to 'action' towards the issue, new technologies are helping some of the actors of creative industries in the region to develop outside of the borders of the region, where their skills are recognized and promoted. Other creative industries' actors are shuffling though combining public, direct and their own investment, and sponsorship deals, and all this in a highly unregulated market.

Notes

¹ Of course, the USA film industry was present in the region before, but not in this intensity.

² 'And yet, paradoxically culture is not even mentioned in the Stability Pact for SEE!' (Klaic, 2005:20)

³ '...cultural industries make up a subset of the creative industries...' (UNCTAD, 2004:4).

⁴ Due to the influence of the 1999 Essen declaration 'Ten Axioms for the Culture Industries in Europe', and the tradition of the importance of 'culture' '(...)one can also note that the tendency to research and map *cultural* rather than creative industries is still more present in continental Europe' (Primorac, 2005). This definition is also present in, for example, The Working Document, as well as, The Report on Cultural Industries by The European Parliament, Committee on Culture, Youth, Education, the Media and Sport, from March and July 2003, respectively. In this line Compendium of Cultural Policies (www.culturalpolicies.net) uses the categorization of 'cultural industries' when making cultural policy evaluations. As I have used mainly Compendium as a source of information on cultural policies, it is evident why this formulation shall be widely discussed throughout the paper.

⁵ One should note that the definition of creative or cultural industries shifts from country to country. Sometimes it is not stressed what is meant by cultural industries, or it is taken for granted/used as an umbrella term.

⁶ United Kingdom is a big propagator of this concept, as it spreads its initiative on the region with its UK South East European (UK SEE) Creative Industries Strand during 2005-2006, whose attempt is to stress the importance of the creative industries for city development. Several cities in the region are included in this project: Iași, Romania; Plovdiv, Bulgaria; Priština, (Kosovo), Podgorica and Belgrade, Serbia and Montenegro; Split, Croatia; and Tuzla, Bosnia and Herzegovina (check at: <http://www.uksee.net/index.php>).

⁷ 'Opisivanje procesa kao faza unutar ciklusa uvjerljivo je zbog svoje urednosti. Ono što nije jasno jest je li riječ o deskriptivnom ('ovako izgleda policy') ili normativnom ('ovako bi policy trebao izgledati') pristupu.' Translation from Croatian to English is mine. I apologize for not being able to provide the original quotation in English.

⁸ As Ràsky notes: 'But even before 1989 there were striking differences among the 'real socialist' states, both as far as their conception of culture or openness was concerned, as well as in relation to the respective cultural administrating system' Ràsky in: Ratzenböck (1997:21).

⁹ Recent debates in Croatia when public television launched a young talent show *Coca Cola Music Stars* in the same time as the commercial televisions launched theirs *Croatian Idol* (RTL), and *Story SuperNova* (Nova TV).

¹⁰ 'The government assesses the efficiency of libraries by the number of borrowings they achieve. As a consequence, libraries have been stimulated to put into circulation as any books as possible no matter what quality they are. It is in the interest of librarian to buy books of easy genres that would be borrowed as many times as possible. In this way the government stimulated the commercialization of reading in public libraries (Breznik, 2005:54)'.

¹¹ Similar action was announced by the present Croatian Minister of Culture, but until now, no 'support for cultural industries through a special scheme of loans' (Compendium, Croatia, 2005) has been developed.

¹² The team of the latest film release and Berlinale winner from Bosnia and Herzegovina 'Grbavica', director Jasmila Žbanić, included team members from several former Yugoslav republic, plus foreign partners.

¹³ As Mucica notes, 'At the same time, cultural private entities appeared, at once diversifying the supply of cultural goods and services, competing with the established public institutions for audiences and claiming their right to equal access to public financial resources devoted to supporting cultural programmes and projects and to facilitating public participation'(Mucica, 2005:1-2).

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