

The Theoretical Foundations and Limitations of the Concept of “Creative Economy”

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The aims of the article are to present the theoretical foundations of the concept of “creative economy” and explore its main limitations. The central argument indicates that the liberal theoretical foundations of creative economy point out that transformations in the capitalist order paved the way for economic activities that considered the growing aesthetic and intellectual needs of individuals and were based on intellectual resources, social networking and knowledge exchange. However, there are limitations in the concept, such as the understanding that creative economy is a result of pre-given formulas of governance replicated with no consideration of local specificities.

Keywords: creative economy, theoretical foundations, liberalism, criticism

Introduction

Creative economy refers to the diversified set of activities based on individual and collective talent or ability. It encompasses a great range of sectors, such as crafts, fashion, the classic cultural industries—audiovisual, music and book industries—and the new software and games sectors (Miguez, 2007). The emergence of “creative industries” is related to social development policies and the diffusion of post-materialistic values, characterized by the attendance of aesthetic and intellectual needs of people (Bendassolli et al., 2009; Jesus & Kamlot, 2017).

In addition to creating collaborative networks and models, new technologies have impacted creative industries processes. They have developed new channels for creative content and brought the possibility of offering services based on digital media. The alternative distribution channels allowed consumers to guide their search for creative goods and services in a more autonomous way (Reis, 2008). The intensive use of information technologies has also reduced the concentration of productive activities (Bendassolli et al., 2009).

As the concept of creative economy became more popular, its limitations also became more visible. Many authors started to see the replication of its pre-given ideas of socioeconomic governance with no consideration of local specificities, which reproduces inequalities. The non-consideration of the multiple definitions of creativity and motivations of actors involved in the generation and maintenance of creative economy created a theoretical gap in understanding how its bases are built in specific societies. Many creative professionals also find it hard to see themselves as members of the same group or class, which perpetuates hierarchies against differences, despite the inclusive discourse associated to creative economy.

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The Theoretical Foundations of the Concept of “Creative Economy”

The concept of “creative economy” is primarily based on a liberal conception of the individual. In this conception, all moral obligations and social arrangements stand in need of justification to the normatively characterized individual. The voluntarism indicates the individual as the locus of moral judgment and choice. He/She supposedly makes his/her choices from an impartial point of view, which abstracts away from his/her attachments and commitments. The bonds among individuals are motivational, not results of intrinsic altruism. The critics of the liberal conception of the individual argue that liberalism fails to recognize the social nature of the individual, who is “embedded in” and “constituted” through social practices (Carse, 1994).

Although the concept of creative economy may be problematic from the start, many authors tried to understand how the transformations which gave birth to this economy in the contemporary liberal capitalist order took place. The focus of modern life is the new, which then quickly becomes old and people look for something else. The notion of “hyper-consumerism” as the need for the new becomes faster in the age of internet and social media, which also breaks down traditional institutions, such as nation and family. Hypermodernity emphasizes technical scientific progress, human reason and individualism (Lipovetsky, 2004).

In the light of these changes, Hartley (2005) points out that creative industries bring the conceptual and practical convergence of individual talent, cultural industries, new media technologies and the knowledge economy. The fundamental resource of production is creativity, the expression of the human potential for generating tangible products and manipulating symbols to create innovations. According to Bendassolli et al. (2009), creativity influences not only the allocation of resources, but the decentralization of economic activities and the mobilization of multiskilled teams. Creative products may have infinite variety and be used for longer periods, which entails the need to manage their benefits by specific copyright rules. Their consumption occurs in new regimes of symbolic distinction through leisure and entertainment (Bourdieu, 1984), and consumers are relevant actors in the generation of economic value in the light of the construction of their identities from goods and services. The consumer seeks creative goods not only for their use value, but for the experience brought from their symbolic and intangible elements (Bendassolli et al., 2009).

The liberal foundation of the concept of “creative economy” was reflected in other concepts, such as “creative class”, a set of knowledge professionals who are responsible for economic development in specific territories because they aggregate three “Ts”: talent, technology and tolerance (Florida, 2002; 2005). The presence of a “creative class” in multiple locations has indicated the existence of “creative territories”, in particular “creative cities”, in which imagination, public participation and social innovations for solutions to urban problems are generated (Landry, 2008).

The Limitations of the Concept of “Creative Economy”

Many mainstream authors (Howkins, 2001; Landry, 2008) argue that creative economy recognizes the relevance of human capital in integrating sociocultural and economic goals and opportunities based on creative entrepreneurship. They seem to recognize that the intangibility of creativity may add value with inimitable cultural characteristics to goods and create synergies between the lifestyle and the environment in which it emerges. However, Figueiredo et al. (2019) and Jesus et al. (2019) see that the concentration of creative industries in certain regions of specific countries or cities may exacerbate contrasts within their territory in the light of difficulties regarding financing creative ventures, the difficulty of the investors' valuation of goods and services and their association to high risks. In addition, regulatory frameworks may be inadequate to manage potential conflicts between the creators' financial remuneration rights and the public access to knowledge, besides the gaps related to knowledge and skills because of the crisis of education systems (especially in the developing world), with no effective stimulation of critical thinking and the students' talent.

In many parts of the world, creative economy reproduces and exacerbates socioeconomic inequalities, but under a new look. In the Fourth Industrial Revolution, the great providers are still the owners of intellectual or physical capital, and the gap between their wealth and those whose work they depend on widens. The social costs of creative economy reveal that previous forms of governance have failed to disseminate benefits equally (Schwab, 2016). It is also important to say that transformations in the capitalist system did not often take place homogeneously in time and space, and societies are not "flat tables" in which predefined formulas of governance for creative economy such as those considered by Venturelli (2000) could be replicated with no consideration to local particularities. The particularities of national or local dimensions impose obstacles to their implementation (Mann, 2012). The pre-given and homogenizing formulas also had a place in decision-making and composed reports from international organizations institutions, but they ran into different political, economic and cultural realities from those of North Atlantic states, which served as the basis for many of these formulas (Vlassis & Beukelaer, 2019). Among the aspects of the different realities from the developed world, it is possible to indicate the discontinuity of public policies—often arising from changes in government and financial constraints—, the lack of technical staff, corruption (Bezerra, 2012), ethnic cleavages, religious extremism, and civil wars.

When creative economy is mobilized as the engine for urban development, Closs et al. (2014) argue that the liberal urbanism model has intertwined with economic imperatives of an agenda full of potentially negative redistributive effects. The standardized forms of creative activities may also create damages to investments in social welfare, education, health, or support for other forms of creativity than those valued by local elites. According to Miles (2014), the development of creative cities does not necessarily transform the context of wealth disparities and reinforces gentrification and social exclusion. When the idea of "creative class" is considered, one must remember that the word "class" is typically used in reference to people who have similar social status based on multiple criteria, such as income. Differently from Florida (2002; 2005), it is not possible to say that the mobilization of creativity in the exercise of the profession is a strong criterion for the definition of a creative class in the light of the diversity of sectors that have their own needs and demands, and the differences in wages, working conditions and exercise of creativity among the professionals who work within the same creative industry or among distinct ones. Individual and collective talent and access to technology—two of the Florida's three "Ts"—cannot be developed in societies that face serious educational deficits and the inadequacy of educational programs to the demands of a critical and creative society. The idea of "tolerance" presupposes coexistence and does not necessarily imply the recognition of differences for their

social and cultural richness, nor does it bring about substantive changes in the views individuals have about others.

Conclusion

More recently, authors such as Florida (2017) have recognized that creative economy may accentuate income inequality and sociopolitical polarization. However, to generate an even more critical view on the theoretical foundations of the concept of creative economy and overcome the obstacles these foundations built in the analysis of its dynamics, it is necessary to consider the magnitude of differences in the developing world and the low-income regions in developed countries, where many people—including creative professionals—are subject to multiple ways of socioeconomic exclusion.

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