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ScienceDirect

Procedia - Social and Behavioral Sciences 141 (2014) 413 – 417

Procedia
Social and Behavioral Sciences

WCLTA 2013

Knowledge-based Economy vs. Creative Economy

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Abstract

Slovakia is not rich in mineral resources, and along with other European countries, it is currently struggling with the financial and economic crisis. One way to get out of the crisis is to stimulate economic growth, for example by supporting the so-called creative economy, which includes all areas of human activity based on original creativity and the value resulting from it. Creative industry, forming the core of the creative economy, consists of industries which have their origin in individual creativity, skills and talent and which have the potential for creating wealth and employment opportunities. Slovakia has great potential for the development of the creative economy, which derives from its cultural, social and geographical context. The aim of this paper is to support the creative industries through education reform. Creative industry in mutual synergy with a knowledge-based economy creates conditions for a strong and sustainable creative economy. It is necessary to remove barriers in science and research, to ensure appropriate protection of intellectual property and to lead towards creativity. Thus, we would like to introduce creative industries into practice through innovative university study programmes designed on the principle of interdisciplinarity and interconnectivity with practice.

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Selection and peer-review under responsibility of the Organizing Committee of WCLTA 2013.

Keywords: Creative Economy, Knowledge-based Economy, Creativity, University Study Programmes;

1. Introduction

The world is currently struggling with a serious financial and economic crisis. Until recently, it was the support of a knowledge-based economy that has been viewed as an efficient tool in the fight against the crisis. However, there is an increasing belief that the crisis cannot be overwhelmed without the support of the so-called creative

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economy. This term was used for the first time in 2001 by John Howkins in his work *The Creative Economy: How People Make Money from Ideas*. He was the first to highlight creativity as a driving force of economic growth. The developed world is aware of the importance of creativity, evidenced by the celebration of August 21 as World Creativity and Innovation Day since 2002. In 2005 this was extended to World Creativity and Innovation Week. The European Union expressed the same awareness when they declared 2009 the European Year of Creativity and Innovation. The Year's main aim was to improve creativity among the entire population through activities covering various fields: education, culture, entrepreneurship, media, research, social and regional policy and rural development. In order to draft policies that would promote creative-industry development in Europe, the European Commission (namely the Directorate-General for Enterprise and Industry) established the European Creative Industries Alliance (ECIA). This platform comprises representatives of European cities, interested parties of several pilot projects and experts selected from the whole of Europe.

In 2008 the Creative Industry Forum (CIF) was established in Bratislava, Slovakia as a professional organization of creative industries. There are two other institutions promoting creative industry – the Centre for Culture and Creativity Support and the Institute for Creative Economy – both established in Košice, the European Capital of Culture for 2013.

In its Report on Unlocking the Potential of Cultural and Creative Industries (CCI) of 13 April 2011, the European Parliament recognised that “as sources of economic and social innovation in many other sectors of the economy, CCI have great synergising power” emphasizing “the need to pass on techniques and know-how and the value of reinforcing learning and setting up professional training programmes focused on the cultural and creative sector.” In terms of CCI development, Europe can draw from its cultural diversity, particularly with respect to its regional languages and cultures. CCI are, at the same time, playing an important role in the support of this cultural and linguistic diversity, but also of pluralism and social and territorial cohesion, and in the promotion of dialogue between cultures across the EU. The European Commission is therefore expected to provide support for the CCI and education that would enable citizens to gain creative and intercultural skills, but also support for innovation in the cultural and creative sector through research and education. Existing study programmes should be innovated to provide multidisciplinary education. Education and knowledge gained about other cultures help our citizens to understand other cultures, and in this way contribute to their social inclusion.

The CCI are also of strategic importance in terms of achieving the objectives of the Europe 2020 strategy. They play a key role primarily at the local and regional levels, where they are formed by entities integrated into the local and regional economic environment, as they stimulate the re-launch of the deteriorating local economy, create new jobs and make towns and regions more attractive. For these reasons the aim of this paper is to present innovative university study programmes designed on the principle of interdisciplinary and interconnectivity with practice.

2. The Knowledge-based Economy

While in the past knowledge was not considered to be a main source and a driving force of economic growth and the raising of the standard of living, in the 20th century society started to realise its importance, and it has since become an integral part of economic theories and models. The economies of all developed countries are currently based on knowledge and information, and therefore they are referred to as knowledge economies. Their functioning is conditional upon creation, distribution and use of knowledge and related information. Information and knowledge are considered to be the primary and the most productive source of wealth creation (P. F. Drucker, 1993) and have therefore replaced traditional sources used in the recent past, such as capital and energy, or earlier ones like land and labour. The transformation of economies into knowledge-based economies is connected with the emergence of the post-industrial society. In his work *Post-Capitalist Society* (1993), P. F. Drucker defines two main classes – knowledge workers who possess knowledge, use it and manage its use (in this case called “knowledge managers”), and service workers who work on the basis of the developed knowledge. He views schools as socially responsible institutions that should operate as partners of economic entities and he highlights the need for well-educated individuals who permanently retrain themselves through lifelong learning. Therefore investments in education, research and development and IT play a crucial role.

3. Why a Creative Economy?

The current era has witnessed the rise of a new type of economy based on ideas and creativity. It is fully demonstrated mainly in urban agglomerations with a natural concentration of a high-qualified and creative workforce. The term “creative industry” has begun to appear, even in political speeches. Its principal “architect” was Lord Smith of Finsbury, the British Minister of Culture, who was the first, had managed to implement creative industry into his government policies and to highlight the economic importance of creativity.

Creative industry, as a phenomenon of economic development in the post-industrial world, offers an alternative type of growth, even in the economic crisis, thanks to the so-called “creative class”. This class’s emergence has been mentioned by Florida (2002), among others, who assigned it a significant economic function – the creation of new ideas, technologies and creative content. He believes that creativity is “a fundamental source of economic growth” (ibid., p. xi) and “the decisive source of competitive advantage” (ibid., p. 5). Florida takes the view that the creative class has “the power, talent and numbers to play a big role in reshaping our world” (ibid., p. xi) and is comprised by scientists, engineers, architects, educators, writers, artists and entrepreneurs. Florida’s understanding of the creative class has moved from a restrictive interpretation (the creative class as a class formed by the privileged creative workers, i.e. members of the so-called creative core and creative professionals) to an understanding of creativity as both a universal competence belonging to each individual and as a fundamental human right (Murgaš, 2011, p. 132).

In the European Parliament (EP) report of 13 April 2011 on unlocking the potential of cultural and creative industries the term “creative industry” is perceived in connection with the so-called “cultural industry”. It is characterised by “a dual nature, being economic in that they contribute to economic development through employment, economic growth and wealth creation, but also cultural, thanks to activities integrating individuals socially and culturally into society as well as by being involved in promoting values and cultural identities and developing a European cultural heritage”.

The important role of the cultural and creative industries was also highlighted at the UNESCO Convention of 20 October 2005 on the Protection and Promotion of the Diversity of Cultural Expressions. This role mainly encompasses the production and distribution of “cultural goods” and provision of access to a wide range of these cultural goods and services. The CCI to no small extent contribute to international cooperation as well.

A crucial role in creating the conditions for the development of creative industry is played by towns and regions. Activities in the fields of research & development and education are mainly concentrated in the cities, so in the interest of the survival of enterprises and educational institutions in fierce competition, but also with a view to maintaining the employment level and standard of living in towns and regions, it is not surprising that the world’s capitals try to attract talent, industry, technologies and investments. In Western Europe and the U.S. the concept of so-called “creative cities” (Landry, 2000; Howkins, 2001; Florida, 2002) has been developing for several decades. This concept is based on the support of creative industry, insofar as the creative potential of the creative class is urban-oriented.

3.1. Support of the Creative Economy through Education Reform

According to the previously-mentioned EP report, cultural and creative industries account for 5 million jobs and 2.6 % of the EU’s GDP. They create new jobs and serve as an efficient tool in the fight against the current recession. We are convinced that successful allocation of creative industry within the region requires a high-quality base of creative workers (Blahovec, 2012, p. 13). Following the analysis of creative class employment in individual Slovak regions between 2001 and 2008, Blahovec (2012) concluded that the analysed period saw a decline in creative class employment in all of Slovakia’s regions, with the exception of the Bratislava region. In light of the above we take the view that it is necessary to mobilise educational activities aimed at supporting cultural and creative industries in all Slovak regions, but also to develop innovative university study programmes designed on the principle of interdisciplinary, which would increase not only the creative potential of graduates, but also their employability on the labour market. From the position of professionals in the educational sector – university researchers and educators at Matej Bel University in Banská Bystrica (MBU) which represents a centre of the region – we have decided to support creative industry through innovative university study programmes based on the interconnectivity of artistic, economic and legal fields with the study of foreign languages. This combination is itself a result of creativity focused on the development of new study programmes. Moreover, the combination with foreign languages

is justified. In our faculty's (Faculty of Humanities) translation and interpreting programmes, foreign language study is combined with the study of corresponding cultures, and language skills are considered a "must" in business activities. Thus, we fully concur with E. Davignon (2007, p. 3) in his view: "Languages provide the keys to the cultures they represent. Multilingualism fosters openness and tolerance but will also open doors to new markets and new business opportunities."

3.2. Innovative Study Programmes and Their Objectives

As we drafted the framework proposals for our new interdisciplinary study programmes, we tried to match a particular selected field of study with a type of interpreting that would provide "added value" in terms of graduates' employability. At the same time, we aimed to enable a student of interdisciplinary study to use the knowledge and skills gained in one field within the study of another field. However, we have primarily focused on the demands of practice, which have changed in the current economic context and require more broadly educated people able to respond more quickly to the changes on the labour market, including those created by study programmes oriented at creativity. Realisation of these study programmes will require the cooperation of several educational institutions, which will support networking between colleges and universities. In our case it will be cooperation between the Faculty of Humanities of MBU and faculties of the Academy of Arts, as well as cooperation between particular faculties of MBU (the Faculty of Humanities, the Faculty of Economics and the Faculty of Law). All the proposed interdisciplinary study programmes have a common feature – there are currently no study programmes in Slovakia that would provide an integrated and carefully developed education with this kind of orientation.

3.3. Interdisciplinary within Matej Bel University

From a wide range of combinations of programmes, based on the cooperation between faculties that we have proposed in one of our previous papers (Veselá & Klimová, 2013) we choose two examples:

(a) Law branch of study with Interpretation-Translation (I&T) branch of study, with a main emphasis on legal interpreting, which would be developed on the basis of cooperation between the Faculty of Humanities and the Faculty of Pedagogy of MBU. Legal interpreting represents a large field of linguistic and cultural transfer of a specific type. In strict sense it involves inter-language transfer (interpreting and translation) relating to a judicial proceeding (courtroom, lawyer's office, office of the public prosecution, police station, prison) and the need for it has increased significantly over the past decade. During their studies a law student acquires a great deal of knowledge from various fields of law (international law, public and private law, war and humanitarian law, international human rights, law of international organisations, the law and legal system of the EU) including knowledge in the fields of international relations, diplomatic protocol, diplomatic history, conference diplomacy, etc. They will be able to make good use of this knowledge – together with a competence in translating and interpreting they have attained in their chosen language and culture – in various jobs at European institutions, in particular at the European Court of Justice in the Hague, which for the position of interpreter-translator requires, in addition to impeccable knowledge of a foreign language, a complete legal education at the graduate level. There is also an important need for qualified interpreters and translators within the regional context of the Slovak Republic.

(b) Tourism Business branch of study and I&T branch of study, with an emphasis on guide interpreting, thanks to the cooperation between the Faculty of Humanities and the Faculty of Economics of MBU. Guide interpreting is a specific sphere of activities in tourism. An interpreter-guide provides a new type of professional services. Unlike a common guide or interpreter, an interpreter-guide combines both these functions and commands a wider set of competencies (linguistic competence, translation competence, expertise, knowledge of culture, etc.). These graduates would support regional development and the country's effort to increase interest in domestic tourism that could contribute, to a large extent, to a higher GDPs.

3.4. Cooperation between the Academy of Arts and the Faculty of Humanities of Matej Bel University

When planning cooperation between universities, we choose the study programmes in which a combination with

translation-interpretation orientation would contribute to graduates' employability within the media and culture sectors. There is a focus on increasing competencies in the field of media interpreting (Müglová, 2009, p. 198), as well as in the field of multimedia translation, i.e. in various forms of translation for media and new media. These study programmes may be developed in cooperation with individual faculties of the Academy of Arts (the Faculty of Performing, the Faculty of Fine Arts, the Faculty of Dramatic Arts). The graduates of these programmes will be able to operate in regional, private or public media, in cultural institutions and at public administration positions related to social and cultural life.

4. Conclusion

The creative economy, in synergy with a knowledge-based economy, is able to transform towns and regions into economically more active and attractive places for life. We strongly believe that educational institutions should become key partners of local and regional governments in the development and maintenance of creative potential in towns and regions. We hope our draft of innovative and interdisciplinary study programmes will contribute, after their implementation, to the enrichment of the current offer of study programmes in the Banská Bystrica region, attract more talented and creativity-oriented young people to the region and ultimately create the preconditions for the establishment of vital businesses operating in some of the creative industries, thereby enlivening the spectrum of the business sector in this region.

Acknowledgements

We would like to express our sincere gratitude to Daniela Ováriová, Ivona Kompišová and Michael Dove for their enthusiastic help with the translation of the present paper into English and with proofreading.

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