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Creative Clusters in Poland

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Abstract

The article describes the idea of cluster formation with particular emphasis on creative industry clusters. In first part the concept and the basic definitions of creative clusters were presented. The second part of the article is devoted to experiences in establishing creative clusters in Poland, which in reality are not significant (five formed clusters and 13 cluster initiatives countrywide).

Introduction

The creative economy includes different forms of cooperation between cities, such as promoting creative people and intellectual property, encouraging entrepreneurship and forming conditions for the improvement of quality of life. Cooperation between cities may take the form of creative activity clusters, which include an association of public and private institutions, large and small bodies, cultural institutions and their environment, space for manufacturing, and consumption of new technologies. The performance of the group might also be based on urban networks (in particular, in conglomerations with similar models of creativity) on global, continental and national levels. Also, there are other forms of cooperation, such as strategic alliances, outsourcing, subcontracting and franchising. They all might be considered the basis of strategic partnership and a further step in the creation of a network of cities (even the clusters of cities).

The goal of this article is to draw attention to two of the currently observed trends in the geography of cities in the context of networking of cities of similar development profiles and the development of creative industries. The first part of the article describes the idea of cluster-forming with particular emphasis on creative industry clusters. The second is devoted to Polish experience with the participation of Polish cities in international networks of creative cities, with establishing creative clusters in Poland, and with cluster initiatives.

1 The concept of creative clusters

The growing importance of the cluster concept as a sophisticated form of cooperation, considered by some scholars as an (almost) perfect form of cooperation, is connected with the fact that companies' productivity and innovation initiatives are growing. The concept of economic clusters was formed by M. E. Porter in the 1990s. It was modified over the following few years and became a tool for analyzing competitive advantage of cities and regions (Porter 1990). According to Porter's original vision, the cluster is a part of the model of the impact of location on competition. This model includes four components: the factors of production (capital), demand conditions, the context of strategies, competitive companies, supporting-and-similar industries connected in a cluster. Porter collected information on more than 700 different clusters throughout the world. On this basis, he concluded that clusters are formed as the result of market forces (they are market driven) in areas rich in human capital and knowledge-sharing systems, where there is a relatively high level of competition. He found that a period of up to 10 years is an estimated length of time for cluster formation.

There is no single, universally accepted definition of a cluster, at least due to the fact that the definition has changed in the process of evolution. Initially, clusters were primarily bottom-up initiatives. Now, a more important role is attributed to regional authorities and local governments. However, researchers such as Bathelt and Taylor (2002), Gordon and McCann (2000), Rosenfeld (1997), van Dijk and Sverisson (2003), and authors who diagnosed early clusters in the Italian economy (M. Bellandi, R. Camagni, G. Dei Ottati),[1] agree that the cluster process can be described as the concentration of interdependent businesses and other institutions (private and public) generally performing complementary functions (with the exception of the institutional cluster, where they dominate in the structure).[2] A cluster is a network of relationships between manufacturers, their suppliers and customers as well as the institutions of science and technology. In a cluster, they accept joint trajectories of development, organization and innovation. In addition, a cluster is characterized by intense flows of information and knowledge, a high level of competition/cooperation, which can be considered 'coopetition'. Therefore, most definitions of clusters include spatial concentration of subjects, their interactions, the development of a common strategy, and coopetition. The definitions should also include the main object of activity. Sometimes a cluster is restricted to a specific product, such as computer games in Lyon (Lyon Games), but more often a cluster is connected with certain categories of activities, such as cluster-City Telecom telecommunications in the region of Blekinge, Sweden, and sometimes even a few of the activities (e.g., British Cambridge is known for its achievements in biotechnology and information technology).

As a result of cluster-forming, members primarily enjoy a reduction of costs which is connected with the proximity to supply sources and the proximity of a distribution network. They enjoy the effects of the diffusion of knowledge and organizational and technological synergies by focusing the activities of different companies. Some researchers do not accept cluster theories. This group includes such analysts as Martin and Sunley (2003) who argue that the concept of clusters is too general and there is no precise terminology which could be used in order to explain the mechanism of cluster-forming-and-functioning as well as the results of the processes. There are no generally accepted research methods, therefore researchers cannot even agree on the number of existing clusters and they quote different numbers.

Clusters are also found in the creative sector. Bassett and other analysts (Bassett, Griffiths, and Smith 2002) described a cluster of nature filmmakers in Bristol; Harvey and others (Harvey, Hawkins, and Thomas 2012) described a cluster of arts activity in rural Cornwall; Heebels and van Aalst (2010) described creative clusters in Berlin; Norcliffe and Rendace (2003) described publishing clusters in the U.S.; Krätke (2004) described clusters of media industries in Berlin; Lugo et al. (Lugo, Sampson, and Lossada 2002) described the prospect of formation of a computer-games-cluster in Latin America. Moreover, we can find in the literature more comprehensive works in which are presented the entire range of development of creative clusters in a country (for example, in Great Britain — Chapain et al. (2010) or in the European Union — Power (2011)). Creative clusters are primarily formed in various creative environments, including institutions of high culture — museums, concert halls, opera houses — and institutions representing popular culture — theater, cinema, and other entities involved in the wider arts and entertainment activities — as well as private stakeholders in architecture, advertising, publishing and other industries. More and more institutions connected with commercialization of culture are interested in cluster-forming. This group includes such institutions as impresarios, art galleries, agents who organize cultural events, literary and music publishers. Their mission is to promote events/products, distribution or organization. In addition, clusters are formed by institutions interested in commercialization of scientific achievements, technologization of science, commercial education, research-development-and-implementation, the business environment and creative industries, venture capital (in connection with

1. For example, M. Bellandi (2002), R. Camagni (2002), G. Dei Ottai (2002).

2. In 2006, the Polish Ministry of Economy published a report which specifies that the cluster should include at least 10 business entities operating in one or more neighboring voivodships [voivodship — Polish administration region on the NUTS 2 level — Ed.] where at least half of the entities within the cluster should belong to private companies (see: Rozporządzenie Ministra Gospodarki z dnia 11 grudnia 2006 r., DzU nr 226, poz. 1651 [Regulation of the Minister of Economy — Ed.]).

financing of innovative projects and creative activities). Venture capitals which finance innovative projects and creative activities also belong to a category of medium and high risk. They do not seem discouraged by the fact that art-and-creativity belongs to a medium-and-high-risk category. Clusters include dominant players. Cultural centers and/or universities are often the 'hubs' of creative clusters. In conclusion, a classical cluster-model can be considered a meeting platform for culture and business people who are interested in forming new configurations of entities operating in the same area and who haven't been connected before in the context of the economy.

Geographically, it is worth noting that creative industry clusters are mostly located in central districts or slightly larger areas of downtown neighborhoods ('Old Towns' and adjacent geodetic areas). This is due to the location of the area's leading cultural institutions, local governments and other resources, including infrastructure, which are development factors for creative sectors.

Creativity clusters sometimes reveal a virtual character. Due to the value of the products of creative industries, clusters are based on intellectual contributions with no spatial constraints. For example, using e-mail, an author sends to a publisher a text edited by one of the most popular text editors. Cover design and proofreading is done by someone else who also e-mails the product. There is no need to take into account the cost of transportation of the half-made product because physical transportation is not taking place. Spatial concentration of entities, which is one of the conditions for cluster-forming, is therefore reduced to the very minimum. Ad hoc networks can be formed as virtual clusters when macro cooperation is required in connection with one common project.

As a result of dynamic actions within clusters, local cultural potential can be used for commercial projects. In general, clusters contribute to the following developments:
- enhancement of the capacity of the creative environment
- popularization of products
- entrepreneurship in creative environments
- professional approach to culture as a factor in local/regional prosperity

2 Forming of creative clusters in Poland

Networking by cities interested in the development of creative sectors can also take the form of a cluster. Different analysts quote different numbers of currently existing clusters in Poland. In 2006, Bojar and Bis (2006) listed 44, Hołub-Iwan and Małachowska (2008) — 56, the European Cluster Observatory[3] — 147, and authors of Benchmarking of Clusters in Poland Report (Hołub-Iwan 2012) — 102 clusters and 70 cluster initiatives. In general, the more recent the publication, the greater the number of clusters. Relatively few clusters in Poland can be considered developing-and-effectively-functioning model-clusters and that fact is more important than the numbers (Jankowska 2012). It should be noted that a group of cluster initiatives was intentionally created in order for it to use EU funds.[4] Only in the period from 2007 to 2013, was Poland able to use over 100 million euros to support cluster initiatives in the framework of the PO Innovative Economy (Objective 5.1. Supporting cooperative supra-regional relations). Due to those factors, developmental policy based on clusters becomes more and more popular (cluster-based policy) (*Clustering and City…* 2009). That kind of policy is the key condition for more competitiveness, the improvement of innovation potential, and the development of small and medium-sized enterprises.

Creative clusters are a specific kind of cluster connected with the creative sector. According to both researches (i.e., Throsby 2010; Stryjakiewicz and Stachowiak 2010)) and different institutions/organizations (e.g., The Creative Industries… 2001) the creative sector is characterized by industries based on intellectual property, which are rooted in culture and science. It is divided into two categories: the knowledge intensive sector (including the ICT sector, R&D, financial and legal services) and creative industries, such as those producing film, music, literature, media, or other

3. See information available at http://www.clusterobservatory.eu/.

4. In 2003, the European Commision told Polish authorities that only in Poland development policy based on clusters was neither designed nor implemented, therefore Poland intensively works in order to change this (e.g., Klemens 2012).

artistic activity, or based on cultural heritage. In this work the author decided to focus solely on creative industries. These activities are still not too often described in the literature, in spite of the many problems they are associated with, for example, high risk and lack of trust among investors, weakness of statistical data, opinion on low productivity in this field, weakness of the network connections and absence of the methodology of estimating potential, which could be significant for investors.

Data on creative clusters in Poland are quite scarce. According to the European Cluster Observatory there is a total of 28 clusters in the creative sector, which represents 19% of the total number of identified clusters in Poland. For comparison, the highest participation of creative clusters in the EU countries is recorded in the Netherlands and the UK (over 50%). The majority of the creative clusters in Poland (as well as throughout the European Union) represents the knowledge intensive sector, especially in financial services — 16, and education — 9. In their report, they listed only two clusters of creative activity — one in the field of crafts and one in the printing and publishing sector. That is definitely not a full report (probably due to the adopted criteria)[5]. No mention is made here of clusters in furniture design/production or media. Art and entertainment have 7% participation in the EU, but they are not listed in the report.

The Polish Agency for Enterprise Development[6] (Hołub-Iwan 2012) also analyzed the clusters.[7] They listed 14 creative clusters which is two times less than the clusters listed by the European Cluster Observatory. This database is also not perfect. Firstly, because some clusters are not geographically defined, which raises the presumption that, in fact, their work based on the principles of clustering is rather limited, and secondly, the impact of the cluster is not measured in any way. In this group, only four clusters belong to the group of creative activity, including the one whose creativity is considered as a business profile (Media Cluster of Łódź):

- The Cluster of Multimedia and Information Systems „MultiKlaster" established in 2006 integrates the sector of small and medium-size enterprises operating in media and information systems. This cluster brings together entities located primarily in the voivodships of Podkarpackie and Małopolskie.
- The Media Cluster of Łódź established in 2007 concentrates on increasing the efficiency and competitiveness of the local media industry, networking with investors, media supra-regional and international levels, the development of modern infrastructure and facilities to carry out the production of film, television and multimedia and creating the image of Łódź as an investment-friendly media center.
- The Printing and Advertising Cluster in Leszno established in 2008 concentrates on strengthening economic ties in printing and advertising industries and cooperation between the business sector and the environment, research and development, education and administration sectors.
- The Mazowiecki Printing and Advertising Cluster „Colorful Basin" established in 2008 offers services and products in the fields of graphic arts, printing and advertising.
- In different research papers, (e.g., Rogoda 2010) analysts write about the Cluster of Culture and Leisure Industries 'INRET' established in 2009 and based on the agreement between 23 entities, including museums, arts and cultural centers, foundations, culture-research centers (i.e., public and private institutions).

As we can see, the list is not too long. It includes only five 'young' clusters, none of which were established before 2006, these are mostly integrating micro-companies. Four out of five (with the exception of the cluster in Leszno) cooperate according to the current trend in R&D. Report Benchmarking of Clusters in Poland (Hołub-Iwan 2012) suggests the existence of yet four more clusters,

5. The European Cluster Observatory in its statement includes only those clusters that have won at least one point in three of the possible following categories: a) cluster size — the size of employment in the cluster exceeds the number corresponding to 10% of the average number of employees in all clusters centered around the industry on an EU scale, b) the degree of specialization — at least two times higher employment in the trade cluster in a particular region, compared with the average employment in the industry which is the core of the cluster in the EU, c) Employees — participation of employees involved in the cluster in relation to the number of employees in the entire region; this point is attainted by 10% of the clusters with the highest indicators.

6. [Polska Agencja Rozwoju Przedsiębiorczości (PARP) — Ed.]

7. See also information presented at http://www.pi.gov.pl/PARP/data/klastry/(Mapa Klastrów w Polsce).

Fig. 1. Location of creative clusters and cluster initiatives in Poland in 2012.

Source: based on Benchmarking of Clusters in Poland Report, websites of clusters/cluster initiatives, and information from representatives of the above mentioned clusters/cluster initiatives

but based on the data from the websites and on discussions with their representatives, the analysts decided to include them in the group of cluster initiatives rather than clusters. As a result of that analysis, the cluster initiative group representing creative activity increased in number to 13 (fig. 1).

Considering the majority of images included in this cartogram which show economic indicators by region, distribution of creative clusters in Poland is unusual because it shows greater activity in eastern than in western regions. Clusters/initiatives connected with the furniture sector (8 of 17) and new media (4) dominate that kind of activity. There are only a few representatives in the areas of advertising (2), architecture (1), fashion (1) and culture (1).

The above data illustrate the fact that the number of creative clusters in Poland is inadequate in relation to the potential of the Polish economy. Also, the data show that businesses are still in the growth phase and/or only in an embryonic stage. Only a few clusters are strictly connected with creativity. Knowledge dominates in the majority of these clusters.

Conclusion

Poland has no significant experience in forming creative clusters. Five young clusters, none of which was formed before 2006, and 13 cluster initiatives countrywide, is a low number. There are complicated reasons for this situation. First of all, there are psychological obstacles — the lack of trust in others, unwillingness to cooperate, the fear of takeover by competition interested in innovative solutions. Secondly, there are legal and administrative barriers connected, for example, with the Public Financing Act, which prohibits public institutions in the R&D sector to invest in venture business. Thirdly, there is insufficient research on clusters in Poland. As a result, the quality of existing clusters is not properly evaluated and analysts are unable to show the real benefits of coopetition. Creative industries cannot develop because of the above mentioned factors. This sector in Poland is in fact deprived of normal and mature forms of clustering.

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