

# The Creative Sector in Rural Areas in the Policy of Balanced Regional Development

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## Abstract

*Territorially oriented development policy (place-based approach) is a new model, addressed mainly to the regions NUTS 1 and NUTS 2 in EU countries, including Poland. In building of the competitive advantage, the regions make use of the so-called smart specialization, and creative sector is one of the components. The territorial capital is being built primarily based on existing development potentials of the cities. Building territorial cohesion, based on regional development requires a long-term strategy, because it is a complex process and burdened with a certain risk. The Rural Manifesto, adopted in 2015 by the European Rural Parliament, pointed to the need to redefine the objectives of EU policy on development of regions due to the unbalanced treatment of rural areas compared to cities. The aim of this article is to draw attention to the lack of balancing in regional development both in the assumptions of the program, and operational activities. Exploiting the potential of the creative sector in rural areas is conditioned by the change of awareness of regional decision-makers, undertaking research, the activities aimed at the development, and by the support, also in an international context. Cited cases: the of Puszcza Mariańska Commune and the County Leitrim in the West of Ireland are examples of different approaches to the development of the creative sector in rural areas.*

**Keywords:** regional development, creative industries, creative enterprises

## Introduction

Development policy, understood as interventionism, mainly of the public sector, aims to ensure the competitiveness of the economy through growth and improvement of the quality of its broadly understood potential for development. The result of the activities is to ensure social welfare. The adoption in EU of the Strategy Europe 2020 became an impulse for EU countries to profile their development in line with the three pillars: smart, sustainable and well targeted development, also oriented at social inclusion. Earlier paradigm of regional development policy in the EU, consisting in levelling of differences in the level of development of regions, and in sectoral approach to the measures taken, is now replaced with a new model of territorially oriented policy (place-based approach). This new model is characterized by:

- the use of endogenous development potentials of the territory, together with the absorption of exogenous factors (knowledge from the “outside”);
- defining the territory also through the prism of its functional and not just administrative qualities;
- cooperation, dialogue and partnership as essential elements in the context of the meeting and systematization of the knowledge and preferences of local actors; and
- adapting interventions to specific territorial contexts, to spatial relationships between them, integrated and co-ordinated package of investments taking into account the diversity of social, economic and territorial conditions of individual territories.<sup>1</sup>

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1. See: Strategie ponadregionalne — wymiar terytorialny polityki rozwoju. Ministerstwo Infrastruktury i Rozwoju, Warszawa, marzec 2015, page 5, (accessed: 2106.11.23), [[:]] [https://www.mr.gov.pl/media/3355/20150312\\_strategie\\_ponadreg\\_wymiar\\_teryt.pdf](https://www.mr.gov.pl/media/3355/20150312_strategie_ponadreg_wymiar_teryt.pdf).

Smart specializations, is now one of the pillars of obtaining the effect of the accelerated development of the European Union, based on endogenous development potentials of macro-regions (NUTS 1) and voivodships (NUTS 2), defined both administratively and functionally. This model is based primarily on the development potential of cities. Unfortunately, this concept of EU policy indirectly applies to counties and municipalities in rural areas in the country. Creative sector (creative industry), along with intelligent specializations creates a kind of combination of factors affecting development in the regions. The development potential of the creative sector, however, requires multiple treatments to become really significant in our country. In the assumptions of targeted and synergistic development of macro-regions through effective use of leading potentials of voivodships, the “creative potential” of rural areas is underrated.

The aim of this article is to draw attention to the necessity of balancing regional development, taking into account the creative sector in rural areas. Based on two case studies: the rural Puszcza Mariańska Commune (in Central Poland), and the solutions adopted in County Leitrim (West Ireland), this paper presents the conditions necessary to be considered in the development policy of regions.

## 1 Rural areas in regional and local development

In 2015, five years after the adoption of the Europe 2020 Strategy, the Second European Rural Parliament (ERP) was held in Austria<sup>2</sup> and the result of the meeting was the document “European Rural Manifesto.” ERP campaign was held under the auspices of Mr. Thorbjørn Jagland, Secretary General of the Council of Europe. The ERP leading slogan was: “The whole of Europe will live! Villagers of Europe speak out.” Leaders of rural areas emphasized in this way lack of agreement on the continuation of EU policy, based on non-equivalent rural development compared to urban development. So it can be assumed that the smart specialization in the regions do not have sufficient impact on rural development. ERP campaign will be continued.

The Manifesto calls upon the EU to take action in 30 key areas, including among others:

- carrying out a serious evaluation of the rural areas in the EU and the contribution that rural areas make now and may bring in the future for the welfare of the EU; the conclusions should be reflected in the resources allocated to rural areas from all European funds and programs
- renewed, equal partnership between citizens and the authorities; participants acknowledge that the duty of the villagers is responsible concern for their well-being, but demand that the governments and the local governments at various levels and the EU institutions take steps to
- make this partnership function effectively; creating legal conditions (a supportive climate)
- recognition of the rights of rural communities to the quality and standard of living comparable to urban dwellers, and to full participation in decision-making processes
- broadband and mobile communication: “Access to high-capacity telecommunications is becoming crucial to the social, cultural and economic life of all Europeans and to the provision of vital services. Because of their distance and sparse population, rural areas have particular needs for effective telecommunications”
- local and sub-regional economies: “The rural regions of Europe embrace thousands of local and sub-regional economies, rich in micro, small and medium-sized enterprises, which form the lifeblood of communities and contribute greatly to the broader economies of European nations . . . of high importance is the provision of versatile advisory, business support and credit services, plus vocational education and training, accurately geared to the existing and potential job opportunities.”<sup>3</sup> The proposals selected from the Manifesto are significantly associated

2. Pan-European networks of NGOs operating throughout the EU and in the countries of the Western Balkans and the Black Sea basin: ERCA (European Rural Community Alliance), PREPARE (Partnership for Rural Europe) and ELARD (European LEADER Association for Rural Development).

3. European Rural Manifesto Adopted at the Conclusion of the Second European Rural Parliament held 4 to 6 November 2015 at Schärding, Austria and attended by 240 delegates from 40 European countries. Paragraphs 17 and 18, [@:] [http://www.forum-synergies.eu/docs/european\\_rural\\_manifesto\\_2015\\_final.pdf](http://www.forum-synergies.eu/docs/european_rural_manifesto_2015_final.pdf).

with the implementation in the rural areas of the creative sector model which is referred to the specific functional region<sup>4</sup>

Poland requires also continuation of the reform of the model of development policy programming. The current stage of organizing this model concerned the central and partially regional levels—i.e., regulation of mutual relations between these levels in the programming process (Sulmicka 2012, 278–279). In this situation, the weakness of the system of programming and implementation of development policy in Poland remains the lack of solution to the issue of mutual relations in this process between the provincial and local levels.<sup>5</sup> Therefore, the introduction of the model of territorial development based on smart specializations and based on stronger urban centers can cause that local governments and their development (representing urban facilities) will be treated objectively and selectively, and that there may not remain any room for grassroots initiative of communities and local governments. Whereas law regulation clearly underlines the fact that the county and municipal governments are equal entities of development policy alongside the Council of Ministers and local governments of voivodships.<sup>6</sup>

Adopted in NSDC 2030 and through integrated strategies, the national development model, based on the factors of polarization and diffusion, in which a major role is played by cities and their network, unfortunately, does not work. The studies led by Heffner show that spatially the diffusion processes weaken with distance from the cities that are centers of this growth (Heffner 2016). Thus the impact of cities is an inadequate factor for the sustainable development of the whole territory of the region and in building of territorial cohesion.

The Ministry of Agriculture is currently preparing “covenant for rural areas.” It assumes a change in the model of development of the country—i.e., the transition from polarization and diffusion system to sustainable system, so as to lead to alignment of quality of life in rural and urban areas within 15 years through greater availability of infrastructure, which EU funds are to serve. In a sense, this is the answer to the question whether the regional authorities have ideas on rural areas, special strategies and original programs aimed at rural development and whether the intelligent specializations are sufficiently strong development factor. By commencing the development pact was concluded that the regional authorities in the absence of instruments to increase the profitability of agricultural production and raising farmers’ incomes can create conditions for improving living standards in rural areas (Widera 2016).

## 2 Development of the region and the model of the creative sector

In 2013, Cultural and Creative Industries (CCI) worldwide generated revenues of USD 2 250 billion and employed 29 million people. Labor-intensive CCI include a high proportion of non-permanent workers and creators.<sup>7</sup> Europe is the second-largest CCI market, accounting for USD 709 billion of revenues (32% of the global total) and 7,7 million jobs (26% of all CCI jobs).<sup>8</sup> In Europe the UK is very good case how important is creative sector for national economy; Gross Value Added (GVA) of the creative industries was GBP 84,1 billion in 2014 and accounted for 5,2% of the UK economy.<sup>9</sup>

4. ERP was attended by 240 delegates from rural parliaments of 40 European countries, including Albania, Armenia, Belarus, Bosnia and Herzegovina, Macedonia (FYROM), Kosovo, Iceland, Norway, Serbia, Turkey, Ukraine and the USA, as well as representatives of the European Commission, governments and international institutions.

5. Led by the Ministry of Regional Development, the reform of the programming model of development policy in the years 2006–2011.

6. See: Ustawa z dnia 6 grudnia 2006 r. o zasadach prowadzenia polityki rozwoju. Art. 3, DzU z 2006 r. nr 227 poz. 1658 as amended; Ustawa z dnia 19 grudnia 2008 r. o partnerstwie publiczno-prywatnym. DzU z 2009 r. nr 19 poz. 100; Ustawa z dnia 7 listopada 2008 r. o zmianie niektórych ustaw w związku z wdrażaniem funduszy strukturalnych i Funduszu Spójności. DzU z 2008 r. nr 216 poz. 1370; Ustawa z dnia 29 czerwca 2007 r. o zmianie ustawy o zasadach prowadzenia polityki rozwoju oraz ustawy o finansach publicznych. DzU z 2007 r. nr 140 poz. 984.

7. See: Cultural Times. The First Global Map of Cultural and Creative Industries. December 2015, [a:] [http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/\\$FILE/ey-cultural-times-2015.pdf](http://www.ey.com/Publication/vwLUAssets/ey-cultural-times-2015/$FILE/ey-cultural-times-2015.pdf).

8. [In the journal European practice of number notation is followed—for example, 36 333,33 (European style) = 36 333.33 (Canadian style) = 36,333.33 (US and British style).—Ed.]

9. See: Creative Industries Economic Estimates. Department for Culture, Media and Sport Creative Industries Economic Estimates, January 2016, pp. 6–7, [a:] <https://www.gov.uk/government/uploads/system/uploads/attachment>

Creative economy is considered by UNESCO context, the signatories of the “UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions” are considering culture as the nations’ fourth pillar of development.

The last decade in Poland shows that development model based on specialization, which is the creative sector, is considered also in our country as one of the pillars of regional development. The creative sector has not received so far a formal definition and a unified research methodology or comparable statistical databases. This makes it difficult, of course, to assess the potential of this sector and its importance. Attempts are made in the country to terminologically organize the concepts of creative sector and related concepts. In the article, the following proposals were adopted to unify the original terms and their Polish counterparts: creative economy, creative industry, cultural industries and creative industries (Stachowiak 2014, 20).<sup>10</sup> In Poland the creative sector is divided into two groups of activities:

- creative activities including advertising, architecture, art, crafts, design, and fashion design, video, movie, as well as musical, photographic, artistic, entertainment and publishing activities, activity in the field of software, and
- activities of the large use of knowledge, including manufacturing and services in the field of Information and Communication Technologies (ICT), financial services, legal services and other business services (e.g., consulting, market research, research and development — R&D and higher education).<sup>11</sup>

### 3 Case study. The creative sector in Macro-Region Central Poland and in a rural Puszcza Mariańska Commune

The Puszcza Mariańska Commune is a rural commune in the Mazowieckie Voivodship, on the outskirts of Warsaw Metropolitan Area (MOW). It belongs to the macro-region in Central Poland. The commune includes 44 villages, occupies an area 143 km<sup>2</sup> and has 8 484 inhabitants.<sup>12</sup> It is the only commune in Poland, a rural one a top of that, which has its own map of creative businesses, prepared in 2014 (Mazgajska 2015). At the end of 2014 in the commune were registered 463 entrepreneurs, of which 80 were active entities (approximately 88% of creative entrepreneurs and approximately 17% of all entrepreneurs) (Mazgajska 2015, 69–70). Along with financial services, the number of creative entities is 129 (approximately 28% of the total number of entities). They are mostly micro businesses (self-employment). Many entrepreneurs exist in several categories of creative businesses. The structure of the creative sector in the commune consists of: financial services—52,7%, architecture—26,4%, advertising—17,8%, computer games (software)—17,1%, music and performing arts—10,1% and film, video and photography—10,1%, art, art and antiques market—8,5%, crafts—8,5%, specialist design—5,4%, fashion design and model manufacture—1,6% of the total creative sector entities. Entrepreneurs running creative businesses represent in the commune approximately 1,7% of the population of working age. There is no cluster initiative in the commune. Figure 1 shows the spatial dimension of creative entities in the commune. Two-thirds of these entities are located in 24 villages.

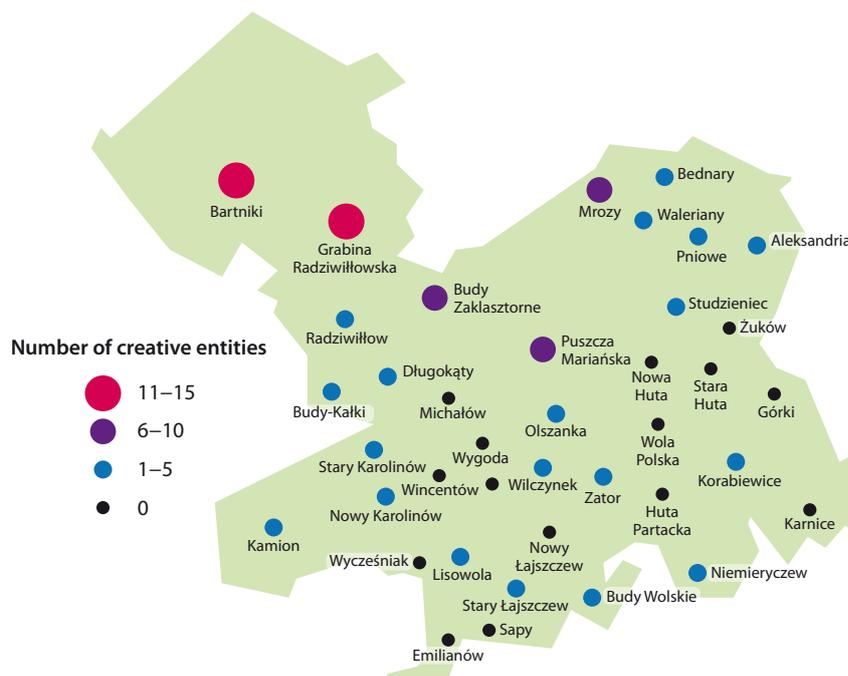
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[\\_data/file/523024/Creative\\_Industries\\_Economic\\_Estimates\\_January\\_2016\\_Updated\\_201605.pdf](#). Creative Industries Economic Estimates are Official Statistics used to measure the direct economic contribution of the Creative Industries to the UK economy.

10. Creative economy = [Polish] gospodarka kreatywna, creative industry = sektor kreatywny (działalności kreatywne/twórcze), cultural industries = sektor kultury (działalności kulturalne/związane z kulturą), and creative industries, as the entire collection of entities of the same industry (e.g., film industry) = branża kreatywna (e.g., architecture, music industry). In the literature on the subject there exists customary translation of the term creative industries as “kreatywne przemysły.”

11. See: Strategia Rozwoju Województwa Łódzkiego 2020. Zarząd Województwa Łódzkiego, Łódź, 2013, page 78, [@:] [http://www.rpo.lodzkie.pl/images/konkurs\\_2.3.1\\_cop\\_28122015/SRWL\\_2020.pdf](http://www.rpo.lodzkie.pl/images/konkurs_2.3.1_cop_28122015/SRWL_2020.pdf).

12. See: Gmina wiejska, Puszcza Mariańska, powiat żyrardowski. Statystyczne Vademecum Samorządowca 2015, Urząd Statystyczny w Warszawie, [@:] [http://warszawa.stat.gov.pl/vademecum/vademecum\\_mazowieckie/portrety\\_gmin/zyrardowski/1438032\\_puszcza\\_marianska.pdf](http://warszawa.stat.gov.pl/vademecum/vademecum_mazowieckie/portrety_gmin/zyrardowski/1438032_puszcza_marianska.pdf).



**Fig. 1.** Number of creative businesses in the Puszca Mariańska Commune places

Source: Own elaboration based on Mazgajska (2015, 38)

The largest number of creative entities occurs in the western and northern parts of the commune; in Bartniki and Grabina Radziwiłłowska (range from 11 to 15 entities). Conducting business favors rail and road infrastructure. Residents of the commune, wanting to improve their quality of life, themselves show initiative, set up companies or seek work outside their place of residence. Local authorities are not active in strengthening the local economy and entrepreneurs. The creative entities in the Puszca Mariańska Commune, reported in the studies on Mazowieckie Voivodship, do not constitute a significant counterweight to entities located in Warsaw and in the area of MOW. Although the activities of Creative Mazowsze Foundation form the climate and conditions for entrepreneurs to enter into clusters, but in most cases this applies to strong entities.<sup>13</sup> For micro entrepreneurs from the discussed commune it is not, however, an offer at a given time. While an opportunity for entrepreneurs, including those from the creative sector, may be the competition for innovation vouchers directed to entities of SMEs, including micro-businesses. An important aspect is the skillful management of the potential of the creative sector.

#### 4 The creative sector in the rural areas of West of Ireland. An example of County Leitrim

Rural development in West Ireland depends on the following sectors: green economy, Agri-food, tourism, knowledge services, caring sector, home-based sole traders&micro across sectors and creative sector. That last sector includes: advertising, architecture, art/antique trade, crafts, design, designer fashion, digital media, publishing, Internet & software, music, visual & performing arts, radio & TV, video, film & photography. Economic impact of creative industries is as follow:

- in Ireland—EUR 4 664 million GVA (2,8% of Irish GDP) and 48 000 direct jobs plus 29 000 indirect/induced jobs,<sup>14</sup>
- in Western Region—4 700 businesses, EUR 270 million GVA, 11 000 directly employed, 39% sole trades plus 49% micro-enterprises.<sup>15</sup>

13. See: Mazowsze 2016. Innowacje. Trendy. Wyzwania. Kreatywne Mazowsze. Warszawa, 2016, [[:] <http://kreatywnemazowsze.pl/wp-content/uploads/2016/02/Mazowsze2016-innowacjetrendywyzwania.pdf>; the purpose of the foundation is to promote Mazowieckie to the family of the most innovative regions of EU by 2020.

14. Data published by The Arts Council of Ireland in 2011.

15. Data published by Western Development Commission in 2008.

County Leitrim covers an area of 1 590 km<sup>2</sup> and has approximately 32 000 residents. It is one of the most agricultural areas of Western Ireland, but it can boast the highest employment in the creative sector — 4,4% of all companies. The local office is located in the village of Leitrim, with a population of approximately 500 inhabitants. Leitrim experience shows that the success in building and developing the cultural and art sector is determined by the adoption of three principles: building „creative space,” building “creative people” capacity, and the “creative support” (tab. 1).

**Tab. 1.** Factors contributing to the development of creative enterprises

Creative Place	Creative People	Creative Support
<ul style="list-style-type: none"> <li>• quality of life, natural environment &amp; creative inspiration: important attractors to rural areas, quieter lifestyle, landscape</li> <li>• connectivity: Lack of sufficient quality broadband in rural areas (in Irish National Broadband Plan the speed proposed for rural areas is 30 Mbps, for towns 70–100 Mbps+); weaknesses in transport access</li> <li>• workspace and infrastructure: lack of low cost and creative workspace; many people have built their own</li> <li>• planning and development: impact of recent developments on sense of place, attractiveness of built environment</li> </ul>	<ul style="list-style-type: none"> <li>• creative talent: pool of creative talent, but can be difficult to access/learn about; skill gaps in creative technology, highly mobile talent</li> <li>• Education and Training: creativity/ creative thinking not adequate in school, culture of creativity, insufficient creative business — higher education links (training, R&amp;D), lack of business skills among creative people/courses — many will need to be self-employed.</li> </ul>	<ul style="list-style-type: none"> <li>• networking and alliances: low networking activity in creative sector with wider economy, isolation for rural creativeness</li> <li>• marketing and promotion: coherent marketing, branding seen as priority, showcasing opportunities</li> <li>• access to funding eligibility criteria for funding, suitability of funding for creative businesses (e.g., risk, intellectual property)</li> <li>• public procurement: weighting good design, creativity in tender decisions, scale requirements</li> </ul>

*Source:* Own study based on Creative Industries’ Role in Rural Development: The case of the West of Ireland. By Pauline White. Euracademy Association 12th Summer Academy 2013 “Culture and Landscape: contributions to sustainable rural development”

For over a dozen years, in Leitrim there have been created places of such creative activities as: The Dock (art gallery, space for performances), Leitrim Design House, Leitrim Sculpture Centre, Studio North West, and thus the village is known as a “creative space” to promote the sector based on the cultural heritage and the arts. The image of the village was primarily determined by: landscape/scenery and also low property prices, in-migration of small number of artists and craftspeople from Dublin, the city with a high cost of living, to Leitrim during the 90s, which resulted in attracting other people to Leitrim and in conducting creative business, cluster formation by the artists on the basis of voluntary cooperation, the quality of built environment in main town, pro-active local authority and the Leader Group in culture sector. In County Leitrim there are registered approximately 100 creative companies; during the year 20 different festivals and cultural events are held there, which use the infrastructure of 33 places. County Leitrim is actively involved in various kinds of programs, including international (e.g., INTERREG IVA program “Harnessing Creativity: New energy for the Region’s Economy” to boost “Creativity Transfer”).

Besides the activity of local authorities an important role in the development of the creative sector in Western Ireland plays Western Development Commission (WDC)<sup>16</sup>. The main activity of

16. WDC — state body under the department of Environment, Community & Local Government (Western Development Commission Act, 1998 [act to establish a body, to be known as the Western Development Commission, to promote economic and social development in the counties of Clare, Donegal, Galway, Leitrim, Mayo, Roscommon and Sligo and to provide for matters connected therewith—Ed.]); see also Creative Industries’ Role in Rural Development: The case of the West of Ireland. By Pauline White. Euracademy Association 12th Summer Academy 2013 “Culture and Landscape: contributions to sustainable rural development”, [[:] <http://www.creative-edge.eu/wp-content/uploads/2013/05/Creative-Industries-Role-in-Rural-DevThe-case-of-the-West-of-Ireland-Euracademy-paper-Pauline-White-09.07.13-rev.pdf>.

WDC is: providing inform policy-making through data analysis (e.g., employment, infrastructure, rural development), supporting sustainable development based on region's resources (e.g., creative, renewable energy), promoting benefits of living, working and doing business in Western Region, providing risk capital and micro-loans through WDC Investment Fund & Micro-Loan Fund: Creative Industries. WDC participates in international programs that contribute to the development of entrepreneurial, creative sector (e.g., Creative Edge Project, Creative Momentum).<sup>17</sup>

## Summary

The development of smaller urban centers and rural areas with lower development potential depends on the degree of functional integration with the main cities of the region as well as the possibilities of using unique internal resources to produce territorial specialization (KPZK 2030, s. 84). How the local and regional authorities are able to take into account the rural areas and their creative resources in development policy, the time will tell. "Creative potential" of rural areas is not currently used either at local or regional level (does not have a critical mass). There is no sustainable development of rural areas compared to urban areas, as pointed out, among others, European Rural Parliament. It becomes necessary to monitor and revise the assumptions of regional development policy, in particular, in the face of still insufficient organization of program documents and their impact on local policy. The presented two different examples of the use of creative sector in rural areas indicate some of the conditions necessary to include the creative sector in the policy of regional development. These conditions are: creative place, creative people and creative support.

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17. Creative Industries' Role in Rural Development... op. cit; see more at <http://www.lookwest.ie/>.