

# The Potential of Creative Cities in Lithuania

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## Abstract

*Evaluation of creative cities by means of indexes helps to evaluate the efficiency of creative sectors, points out the strengths and weaknesses and offers solutions for those cities that seek to become creative cities. Seeking to evaluate the cities of Kaunas, Klaipėda and Vilnius according to the index of creative cities, qualitative research was conducted. The nature of the qualitative research was determined by the fact that the research methods and data measurement means were formed by the authors Hartley, Potts et al. (2012) in the course of the study “CCI-CCI Creative City Index”. To determine the creative city index the authors use the analysis of statistical data. The results of the research revealed that comparing Vilnius, Kaunas and Klaipėda cities, the highest creative index is that of Vilnius; 1.5 times lower index was that of Kaunas, and almost twice as low index was that of Klaipėda. The results were compared with the results of Hartley, Potts et al. (2012), which revealed a tendency that Lithuanian creative city indexes were similar to the aforementioned cities.*

**Keywords:** Creative Cities; Creativity; Creative Industries, Creative City Index; Creative Economy.

## 1. Introduction: Typology of Creative Cities and Creative City Index

In the end of the 20<sup>th</sup> century, the idea of creative cities based on the principles of creative economy was raised together with other new approaches to economy ('knowledge economy', 'creativity'). Landry and Bianchini (1995) were among the first ones to claim that cities could and had to be more creative in order to achieve change. One of the reasons for the rise of the idea of creative cities was the response to global fight and restructuring among cities transferring global trade conditions to Eastern countries due to cheap workforce. Thus, as developed countries lost their competitive aspect, creativity and knowledge-based, high-quality innovation became an important societal factor (Hospers, 2003). It was determined that business subjects whose activities and products are based on individual creativity flourish and have impact on not only the global culture, but also economy. Knowledge and creativity has become the axis for all business activities.

### 1.1. Types of Creative Cities

Summing up the definitions of creative cities provided in scientific literature, the following 3 main positions can be distinguished:

1. in creative cities, creativity is the main means for the development of the city. Creative cities are perceived as those that manage to find creative solutions for arising problems (transport, environmental protection, etc.). The main solutions that increase competitiveness in creative cities are maintenance of creative environment and creative management of the city (Landry, 2000).

2. creative cities include the use of creative industries and creative activities. This conception is closely related to creative industries. Creativity is used here as a means to create cultural products and services. Solutions that increase competitiveness of creative cities include specific territorial changes, political actions that are based on the growth of culture and other creative activities that determine the quality of life as well as vitality and competitiveness of a city (Prratt, 2008, DCMS).

3. creative cities as localities that aim at attracting human capital. Such conception of creative cities is based on the approach that creative cities attract creative classes (qualified and innovative individuals). Therefore, creativity of a creative city is related to the ability to educate, maintain and attract a creative class with individuals that have knowledge and skills to create added value and competitiveness in economy (Florida, 2002).

Creative cities may be oriented towards culture (in this case, their values include art, culture and well-being of the community) or economy (the main aim being the well-being of the city's economy) (Smith, Warfield, 2006), and they may use creativity as the main means for development and creative class attraction or development of creative industries. Creative cities in themselves create an opportunity to develop, refresh and recreate urban spaces in order for them to compete in the global world further. How cities choose to use their creativity determines their different types.

Hospers (2003) distinguishes the following four main types of creative cities:

1. Technologically innovative cities that have a name of a technopoly (e.g., Detroit, San Francisco); these cities are characteristic of the development of new technologies and technological revolutions.

2. Cultural-intellectual cities that include the strongest culture and that attract talented people (Athens, Florence during the Renaissance period, Heidelberg, etc.); in these cities, creativity manifests through visual and performance art;

3. Cultural-technological cities that include strong creative industries (Hollywood with its cinema industry, Paris and its fashion industry, etc.);

4. Technological-organisational cities that are characteristic of creative city problem solutions (e.g., tube railways were launched in London and Paris in the 19<sup>th</sup> century, skyscrapers in New York, etc.). In these cities, business companies communicate and make creative decisions with local government.

## 1.2. Creative City Index

In order to measure competitiveness of creative cities, a large portion of attention in scientific literature is devoted for creative city indexes. Some of them are mostly based on culture and creativity, whereas other indexes measure the global aspect of cities, their technologies and networks (Hartley, Potts et al., 2012). According to scientists Hartley, Potts et al., (2012), a suitable creative city index may help to improve a city's management, promote creativity and innovation in that city, help to evaluate the efficiency of creative sectors and provide solutions for cities that aim at becoming creative cities.

Creativity and culture-based creative city indexes (for instance, Florida's Creative City Index, Euro-Creativity Index, etc.) are based on the idea of a creative class which states that members of this class are attracted to cities by cultural attractions and societal diversity, openness and tolerance (Hartley, Potts et al., 2012, p. 30). Therefore, the main priority of cities must be attraction of talented people rather than mere development of structures and industrial zones. Moreover, it is important for creative cities how creative class resources are used through generation of new ideas, development of new high technologies and local businesses. According to Florida, cities that have high concentration of artists, musicians, professors, scientists, high technology employees, foreigners, homosexuals and bohemia are characteristic of high level of economic development (Florida, 2002, p. 12). Creativity and culture-based indexes also aim at measuring the activity of creative sectors through employment, participation in activities and talents.

Global city, network and technology indexes (Global Power Index, Global City Index, Sustainability Index, etc.) are more focused on knowledge economy, entrepreneurship and trade, aspects of global city technologies rather than creativity. The main difference of this index group from culture and creativity-based creative city indexes is the fact that these indexes focus on city economy, business, technologies and business environment with cultural aspects (through its existence rather than production) (Hartley, Potts et al., 2012, pp. 35-36). Global city, network and technology index group uses the Global Power Cities Index as its basis where six main categories are distinguished (Hirota, Miwa, 2011). Even though this index encompasses many factors important for cities, it excludes creativity, which is important when evaluating creative cities. Therefore, in 2012, in order to create a complete creative city evaluation index, a team of scientists created by the Australian research centre (CCI) (Hartley, Potts et al.) suggested their creative city index (CCI-CCI). This index was used in order to evaluate the creativity of Lithuanian cities. The CCI-CCI index distinguished the following eight dimensions and measuring elements:

1. creative industry scale, diversity and occupation rate (elements of measure: the amount of creative industries in GDP, number of companies, number of creative employees)
2. micro-productivity (elements of measure: video, music profiles, uploaded images, online blogs, number of PCs, number of Internet users, social network users and ratio of residents of a city)
3. entertainment and attendance economy (places of attractions as distinguished by *Lonely Planet*, number of hotels, cinema theatres, theatres, museums, libraries, number of pages in *Lonely Planet* books, number of words in *Wikipedia*, *Google Trend*, number of records in *iTunes*)
4. participation and expenses (number of visitors in galleries, libraries, archives, museums, number of visitors in music concerts, theatre performances, dance performances, plays and operas, expenses for cultural events per one resident)
5. public support (state support for culture and art per one resident)

6. human capital and research (number of individuals who work in the field of research and development, number of students, number of those with higher education and number of educational institutions)
7. global integration (number of international flights, number of international passengers, migration (number of immigrants and emigrants), change of population)
8. openness, tolerance and diversity (number of marriages that end in divorce, freedom/censorship of the press, number of refugees that seek refuge per one resident, number of visas for such people, number of homosexual couples registered in a city/country, number of people without religion on a national and city scale, number of people who were born outside a country, diversity of religions and nationalities, population proportion of 15-24-year-olds, number of voters and level of corruption).

## 2. Research Methodology

In order to evaluate Lithuanian cities (Kaunas, Klaipeda and Vilnius), a quantitative study based on the creative city index was carried out. The nature of the quantitative study was determined by the methods and data measuring means formed by authors Hartley, Potts et al. (2012) in *CCI-CCI Creative City Index*. By determining the creative city index, the authors use statistical data analysis.

The Lithuanian cities were selected based on the following criteria:

- The cities of Kaunas, Vilnius and Klaipeda are large Lithuanian cities; therefore, an assumption is raised that they must include strong social and cultural infrastructure and relatively high concentration of creative employees. The aforementioned factors are important features of creative cities.
- The capital city status of Vilnius allows the city to gain more public funding for cultural activities and obliges the city to be competitive not only among other cities of the country, but also other capitals of other countries.
- Kaunas is characteristic of a high concentration of higher education institutions; during a study in 2011 (S. Ciplyte 'Galerijos Meno Parkas kūrybos klasteris' (En. Creative Cluster of Gallery Art Park)) it was determined that Kaunas city included a creative cluster of galleries. In 2015, Kaunas was included in the UNESCO creative city network as a design city.
- Klaipeda city names itself a creative city, and in 2008 – 2011, Klaipeda initiated project "Creative Industries in Traditional Intercultural Spaces" (CITIES) together with other 9 partners from 6 countries.

According to the dimensions of the creative city index (CCI-CCI), statistical data analysis was carried out.

## 3. Results

### 3.1. Vilnius, Kaunas and Klaipeda Creative City Index

A comparison and evaluation of three Lithuanian cities – Vilnius, Kaunas and Klaipeda – showed that the highest creative city index was that of Vilnius (92); 1.5 times lower index was that of Kaunas (58.6), and almost twice as low index was that of Klaipeda (50.3) (see the table). In Vilnius city, absolutely strongest dimensions are the creative industry scale, diversity and occupation rate as well as public support. This shows that Vilnius includes not only a large number of creative companies, but also the municipality itself tends to fund culture the most.

Summing up the obtained results it can be stated that **Vilnius** includes the highest number of operating creative industry companies (2699) that generate the highest profit (2595231) and attract creative employees (23165). Also, creative industry companies are characteristic of diversity if evaluated using *Shannon* and *Fragmentation* indexes. This factor is important when evaluating creative cities because the more a city is characteristic of a diversity of creative industries, the more creative it is and attracts more of

creative class. Vilnius municipality allocates the highest amount of funds for culture (347.86 LTL per resident), and the city is characteristic of a high number of places of interest and entertainment as well as attendance economy. Vilnius is globally integral as it includes strong activities of the airport; however, the highest negative change in population (level of emigration) is observed. Furthermore, Vilnius has the biggest opportunities for residents' micro-productivity (it includes the highest number of charity organisations (0.18 per one thousand residents) and festivals (45), and is also characteristic of the highest percentage of people who have Internet access and a computer). Cultural institutions in Vilnius have the highest number of visitors; however, Vilnius residents tend to spend the least amount of money for culture (91 LTL). Vilnius city includes the highest number of people with higher education degree (42%) and students (86077); also, it has the highest number of legal licences. Meanwhile expenses devoted to research and development per one person are lower than in Kaunas (688 LTL). Vilnius city welcomes the highest number of foreigners and foreign students, and voter activity here is higher.

The strongest dimensions in **Kaunas city** are participation and expenses as well as micro-productivity. Kaunas is not characteristic of a large number of creative industry companies (875) or their income (603610 LTL). However, their diversity index is quite high. Opportunities for residents' micro-productivity are similar as those in Klaipeda, and their activity in virtual networks is high. Kaunas is characteristic of a high number of libraries (32), and even though the number of visitors in Kaunas cultural institution (455444) is twice as low that that of Vilnius, residents tend to spend the most on culture (142 LTL). Meanwhile, Kaunas municipality attributes the lowest amount of funds of the budget to culture (100 LTL per resident). The percentage of Kaunas residents who have higher education degree (36%) and students (14.5%) is relatively high. Moreover, the highest number of financial support is attributed per one resident for research and development (885 LTL). The activities of Kaunas airport are not as developed as in Vilnius; however, existence of the airport improves the city's infrastructure and adds to its competitiveness. Kaunas includes the largest number of refugees (88), and the divorce percentage here is high (53.9). Kaunas includes the smallest percentage of foreign residents (6.4) and low religious diversity. Kaunas includes the highest number of residents aged 15-24 (13.7).

The strongest dimensions in **Klaipeda city** are public support, micro-productivity and openness, tolerance and diversity. The results show that Klaipeda is characteristic of the proportion of marriages and divorces (58.8), which, according to Hartley, Potts et al. (2012), helps to evaluate female freedom. Also, Klaipeda includes the highest number of people who do not attribute themselves to any religion (9.13%). In Klaipeda, there is the largest religious diversity but the lowest youth population (12.8%) and voter activity (33.55). Klaipeda city is characteristic of the lowest negative emigration, i. e., the lowest rate of emigration is observed in Klaipeda. The decrease of global integration and competitiveness due to the absence of an airport is determined by the presence of a sea port and Palanga airport nearby. Klaipeda city includes the lowest percentage of people with a higher education degree (30%) and students (9.6%). Even though research and development are attributed the least amount of financial support (211.1 LTL), the percentage of people working in this sector is the highest in Klaipeda (3.05%). The number of visitors of archives, libraries, museums, national theatres, concert institutions and cinema theatres in Klaipeda is lower than that of Vilnius and Kaunas. However, the amount of money one resident spends on culture is higher than in Vilnius (111.7 LTL). The weakest spot of Klaipeda (excluding global integration) is entertainment and attendance economy. Klaipeda city has the lowest number of various cultural institutions; also, the lowest degree of 'observation' in the virtual space is observed, i. e. lowest attendance economy (number of IMDB films, number of Wikipedia entries, number of books, music records sold, etc.). Micro-productivity of Klaipeda city residents is insignificantly lower than that of other cities (65.8). Klaipeda residents show the highest level of activity in 'spreading' visual arts production – films, photos. However, the lowest level of

activity shows in writing blogs and participation in professional social networks. Moreover, Klaipeda includes the lowest number of charity organisations (0.09 per 1 000 residents) and festivals (21). Klaipeda city is characteristic of the lowest concentration of creative companies and the income they bring.

### Creative City Index Results: Case Studies of Kaunas, Vilnius, Klaipeda

Dimension	Vilnius	Kaunas	Klaipeda
Creative industry scale, diversity and occupation rate	100	49.5	44.3
Micro-productivity	79.7	69.7	65.8
Entertainment and attendance economy	98.7	48.1	29.1
Participation and incurred expenses	85.7	71.5	43.8
Public support	100	51.5	71
Human capital and research	94.2	63	46.5
Global integration	90.5	53.1	36
Openness, tolerance and diversity	87.3	62.7	65.6
<b>Creative city index</b>	<b>92</b>	<b>58.6</b>	<b>50.3</b>

Source: created by the authors

### 3.2 Lithuanian city creative indexes in the context of the cities studies by Hartley, Potts et al. (2012)

Scientists Hartley, Potts et al. carried out an empirical study in 2012 in order to evaluate creativity of such cities as Melbourne (Australia), Brisbane (Australia), London (Great Britain), Cardiff (Great Britain), Berlin (Germany), Bremen (Germany). The results of the study revealed that the most creative out of the aforementioned cities followed by Berlin and Melbourne. London is characteristic of significantly stronger micro-productivity, better developed creative industries, attractions, high level of participation in cultural events and incurred expenses in comparison with other studied cities. Moreover, all other dimensions were highly evaluated, which determined the highest evaluation of creativity. London's creative industries are characteristic of not only high number of companies per one resident (4323 companies), but also the diversity of industries, which is also important for creativity of a city. The results of the study showed that Berlin who had 2 million less residents than Melbourne was characteristic of higher creativity and micro-productivity (this was influenced by its status as a capital and a more convenient geographical location – Berlin is situated in the centre of Europe and is thus more easily accessible to tourists than Melbourne which is along the edge of Australia). London also gets the largest amount of public support (after Bristol) (Hartley, Potts et al., 2012). Comparison of the results of Kaunas, Klaipeda and Vilnius with the results obtained by Hartley, Potts et al. (2012) revealed a tendency that Lithuanian creative city indexes were similar to the aforementioned cities. Evaluation of **creative industry scale, diversity and occupation** rate showed that the index of the number of Vilnius city creative industries per one thousand residents (5.16) was close to that of Bristol (5.25) and Melbourne (6.37), and exceeds that of Berlin (5.08), Bremen (3.29) and Cardiff (5.04). The level of diversity of the studied Lithuanian cities was similar to the cities studied by Hartley, Potts et al. (2012). Micro-productivity in Vilnius was similar to Bristol and Melbourne, and the number of uploaded photos per one resident in Kaunas and Klaipeda exceeded all 6 cities by over 20%. The number of charity organisations in Lithuania varied from 0.18 to 0.09 per one thousand residents, whereas in the cities studies by Hartley, Potts et al. (2012) – from 0.01 to 0.10. The number of festivals in the Lithuanian cities was significantly lower (London – 200, Bristol – 75, Melbourne – 100, Berlin – 122) and

exceeded on the number of festivals in Cardiff (6). To sum up, it can be concluded that micro-productivity in the Lithuanian cities is competitive in respect of the studies cities. The Lithuanian cities and the cities studied by Hartley, Potts et al. (2012) cannot be compared in terms of **entertainment and attendance economy** because these Lithuanian cities are significantly smaller, and the amount of entertainment per one resident was not evaluated. Evaluation of **participation and incurred expenses** dimension showed that on average max. one participant spends money on culture monthly in Kaunas city, and this comprises 15.9% of the household expenses; the second is Klaipeda's residents (12.5%), and the last – Vilnius' residents (10.2%). In the cities studied by Hartley, Potts et al. (2012), residents do not spend more than 9.45% of the household expenses on culture (Australian residents spend the least – 3.98% each, and German residents the most – 7.40% and 9.45%). The authors evaluate such distribution of expenses as normal because events in Germany are significantly cheaper than in Australia and Great Britain; moreover, living costs are also lower, which is why residents can spend more on culture. In Vilnius, living costs are also the highest, which is why it is possible that the amount of money spent on culture is the lowest. The results of **public support** showed that Vilnius city municipality had the largest amount of funds for culture in the 2013 budget. In the cities studied by Hartley, Potts et al. (2012), budget per one person varied from 163 dollars to 236 dollars (the largest amount is evident in capitals, i. e. Melbourne and London). The total amount of the Lithuanian cities per resident varies from 509 LTL in Vilnius to 262 LTL in Kaunas. The data of the human capital and research dimension shows that the percentage of employees in the research and development sector is the highest in Klaipeda (3.05%); however, research and development costs per one resident are 87% lower than in Kaunas (in Klaipeda – 211.1 LTL, in Kaunas – 885.7 LTL). In the cities studies by Hartley, Potts et al. (2012), expenses on research and development per one resident are significantly higher than in Lithuania. Australian cities Bristol and Melbourne attribute the largest amount for research (1691 and 1382 dollars). Comparing the obtained data of **global integration** with the cities studied by Hartley, Potts et al. (2012) it can be seen that London's airport is the most active, whereas Berlin's and Melbourne's airports are twice less active. The number of flights of Vilnius airport is mostly similar to Bristol airport (27 thousand flights and over 4 million passengers). Another factor of evaluation is the flow of residents. City migration data shows negative population change. The lowest emigration of residents can be seen in Klaipeda. Meanwhile in the cities studied by Hartley, Potts et al. (2012), positive population change is recorded (lowest – in Bremen, highest – in Melbourne). Data of **openness, tolerance and diversity** revealed that openness and tolerance in the Lithuanian cities and the cities studied by Hartley, Potts et al. (2012) could not be compared due to the difference in sizes of these cities. However, religious and national diversities using the *Shannon* and *Fragmentation* indexes were similar to the aforementioned cities (from 0.6 to 1.31 in the cities studied by Hartley, Potts et al., and from 0.29 to 1 in the Lithuanian cities). Citizen's activity in election was the highest in Vilnius (44%), and the lowest – in Klaipeda (33.55%). According to Hartley, Potts et al. (2012), this shows citizen's interest, and the higher the level of interest in the society, the more open and tolerant it is, and also the more inclined it is to use social networks and display interactions with one another. In Melbourne, Brisbane, London, Cardiff, Berlin and Bremen, citizen's activity was significantly higher (from 63% to 91%).

#### 4. Conclusions:

Comparison of evaluation of the three Lithuanian cities – Vilnius, Kaunas and Klaipeda – revealed that the highest creative city index is that of Vilnius; that of Kaunas is 1.5 times lower, and that of Klaipeda – almost twice as low. In Vilnius city, absolutely strongest dimensions are the creative industry scale, diversity and occupation rate as well as public support. This shows that Vilnius includes not only a large number of creative companies, but also the municipality itself tends to fund culture the most. The strongest dimensions

in Kaunas city are participation and expenses as well as micro-productivity. This shows that Kaunas residents are active participants in cultural events and contribute the largest part of their household finances to culture. An important factor for creative cities are creative residents, and their high micro-productivity reveals not only creative products developed, but also sharing them as well as the ability to use information technologies. The strongest dimensions in Klaipeda city are public support, micro-productivity and openness, tolerance and diversity. This city contributes much finances to culture, its residents are active in sharing created quality products, and it is a tolerant and diverse city. Klaipeda is characteristic of the largest proportion of marriages and divorce, which helps to evaluate female freedom. Moreover, Klaipeda includes the highest percentage of people who do not attribute themselves to any religion.

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