Abstract

Richard Florida states that ‘creativity’ – the ability to generate new knowledge or to convert existing knowledge into economically successful applications – is an increasingly important resource for economic development [Florida 2002]. But 20 years after this statement, creative industries were the sector that had the hardest hit by the Covid-19 pandemic [UNESCO 2021], affecting businesses and especially, creative individuals. While forced to stay at home, people also changed their daily routines, places to live and many of them moved out of the big cities to smaller ones or rural areas. In many cases, online tools and resources allowed them to continue their creative practices and businesses or created new opportunities. Several questions arise – how do creative people choose the place to live? What are the factors which influence these choices? Can small cities and rural areas compete with large cities, and what are the preconditions for these small cities to attract creative people?

Theoretical review has been developed, and the goal of this article is to formulate the insight into relation between creative people, creative industries, and creative places in small cities and rural areas.

Keywords: creative people, creative industries, creative places, small cities, rural areas.
Introduction

This paper analyses, how creative people, creative industries and creative places are mutually related. Within a literature review, the author describes these three phenomena:

1) importance of creative people, their contribution in economy, lifestyle preferences and the trend of “jobs follow people” in contrary to previously popular theories of vibrant city life;
2) changes within creative industries, which lead to transformation from traditional industries to intellectual products with added value, not only in the big cities, but also small cities and rural areas;
3) characteristics of creative places, which attract creative people and affect their choices where to work and reside.

Štreimikiene and Kačerauskas mention Florida and other authors, who make the connection between creative activity, creative industries and their subject creative class with economic stability, competitive advantage, and social prosperity inseparable from sustainable livelihoods [Štreimikiene and Kačerauskas 2020]. Also, Sdrali states, economy (creative industries), place (creative spaces), and people (creative talent) are the interlinked variables [Sdrali 2011].

As the model in Figure 1 depicts, creative people influence creative industries, and creative industries in turn affect creative places, which can foster and provide conditions for creative people – this is an ongoing process. Such interaction depends largely on the specific governance systems and institutional arrangements of the territories – governance, and that of their position in the spatial system and urban
hierarchies, and their level of access to information and communication technologies – connectivity [INTELI 2011].

1. Creative people are the driving force of development. They are facilitators of creativity and innovations [d’Orville 2019]. Entrepreneurship is a fruitful avenue for creative individuals to flourish and that creative individuals will be more attracted to this form of employment than others [Batchelor 2012]. Therefore, it is possible to conclude that creative individuals are more likely to create their businesses, work as individual professionals, or get involved in organisations which require creative forces.

2. Creative industries, operating within art, culture, business, and technologies enable to develop products and services with added value and meaningful artistic components [OECD, 2018]. Creative industries are the sector which gathers creative individuals.

3. Creative places include infrastructure, created environment, institutions, and support services, which combine communication and culture of entrepreneurship [INTELI 2011]. These can be municipalities, creative clusters, and institutions.

In the next chapters, all the three elements – creative people, creative industries and creative places, will be analysed.

**Creative people**

Creativity is a special kind of renewable resource and human talent. It involves transforming ideas, imagination, and dreams into reality, often blending tradition and innovation. The creative ability depends on creative thinking, that is the ability to generate or recognize ideas, alternatives, or new possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others [d’Orville 2019]. Creativity provides for inclusive social development and encourages people to take responsibility for their own progress; it also promotes innovations crucial to sustainable development [Brocchi 2008; Soini & Dessein 2016].

Creative people and artists are important, because they develop ideas, metaphors, and messages, which help to foster social networking and experiences. Culture, based on creativity, is fundamental for industries and policy makers to develop and implement strategies, which are more oriented to the people (less “making things”, more “providing services”). Therefore, creativity can help businesses and policy makers to communicate more effectively, rethink existing practices and seek new directions, how to stand out. Creativity contributes to innovations, branding, human resource management and communication [CCI development handbook].

To refer to the above, creative people contribute to creative industries, and thus help to develop also creative places. We all know at least one example, where people return to their rural hometown after studying in the capital or developing a career
there. They create their own businesses in fields of crafts, design, music or software development, work as freelancers; many of them have part-time work, so they can divide their time between country house and city workplace. Many of them are high level professionals, and they can choose the place where to spend their time and work. Selada and colleagues define this trend as anti-urbanisation phenomenon, which can be characterized as “lifestyle migration” – when decisions to leave the big cities are related not primarily with economical motivation, but with considerations related to liveability [Selada et al. 2011]. Creative people are more tended to start entrepreneurship [Ward 2004], as creative thinking is important element for formulation of the business idea, and is necessary within each aspect of business development.

Creative people are not a homogenous group of individuals, therefore it’s necessary to consider that their preferences, views of life, attitude towards their work and involvement of creativity can be different. In Richard Florida’s theory, the creative class is composed of three different occupational groups:

- highly creative occupations (architects, academicals, scientists and engineers, economists and social scientists, physicians and related occupations);
- bohemians (designers, musicians, photographers, visual and performing artists, writers);
- creative professionals (those in certain highly qualified occupational groups such as technicians, consultants, organizational experts, mediators, and brokers) [Florida 2012].

In this aspect, these groups of creative professionals cannot be evaluated as one single segment of social class and share the same values. It means, their work within creative industries and preferences of creative places, can be different – therefore, the assumptions of creative class concentrating only in large urban areas, excluding small cities and rural areas, can be considered as outdated. Selada and colleagues state that creative people are looking for alternative lifestyles to those prevalent in big cities, giving priority to wellbeing associated with sports, healthy food, preservation of the environment and sustainable practices, and to the sense of community and locality [Selada et al. 2011]. If comparing this statement with Richard Florida’s concept of the creative cities, where the focus is on talent, technology and tolerance [Florida 2004] in bohemian, vibrant and multicultural environment, we see that priorities are different for those creatives, who choose small cities and rural areas.

Unlike the big creative cities, small cities and rural areas provide several features which seem important to creative people:

- capital of territory, nature and culture, rural lifestyle and quality of life [Gülümser et al. 2011];
facets of choices, based on amenities offered by cities, can differ among various segments of creative people; this is influenced by their age, lifestyle, stage of life, personal attitude and circumstances [Trip and Romein 2010, cited in Sdrali 2020]. Various groups of people have different understanding and importance of amenities;

- creative people, while working and living in small cities, can contribute to the creative economy. Štreimikiene and Kačerauskas cite Van Heur, who states, that the small cities can use differentiation strategies, focus on niche markets [Štreimikiene and Kačerauskas 2020].

Thus, it is possible to conclude that creative people are not only oriented to big creative cities, but also to small cities and rural areas, and their choices are based on different reasons than Florida's stated cultural vibrancy, cool neighbourhoods and multicultural society. For example, small cities and rural areas provide more healthy and sustainable lifestyle, cooperation and participation culture, more active involvement in communities. Wedemeier states that the creative class tends to locate (“jobs-follow-people” argument) where the quality of place is high.

**Creative industries**

If the previous chapter was oriented to the creative people, their contribution in economy, diversity and lifestyle preferences, the next chapter describes creative industries and their importance in development of small cities and rural areas.

Beyond their undoubted impact on social, democratic, and cultural wealth, cultural and creative industries are increasingly being acknowledged as industrial and economic assets [Interreg Europe 2019]. The creative economy is knowledge-intensive and based on individual creativity and talent [Štreimikiene and Kačerauskas 2020]. Creativity and its resulting innovation, due to creative employees [Florida 2004], is shown to be linked to the ability of organizations to perform, grow, and, most importantly, survive [Mumford, Hester, & Robledo 2011, cited in Bachelor and Burch 2012].

Creative industries – including advertising, architecture, arts and crafts, design, fashion, film production, video, photography, music, performing arts, publishing, research and development, software and game development, electronic publishing, TV, and radio – are the driving forces of creative economy. Creative industries are those where “the product or service integrates meaningful artistic or creative components” [Greffe 2002] and situates them at the crossroads of the arts, culture, business, and technology [UNCTAD 2018]. As Howkins states, creative economy is based on innovative ideas, whereas innovations stimulate sustainable economic development [Howkins 2011]. Creative economy fosters growth and contributes
in various ways; for example, it fosters innovations, ideas, technologies and transforming changes, encourages people and fosters local development and economy of rural areas, which are rich with uniqueness of culture, and encourages women [UNESCO 2013]. This is important aspect, as it is possible to conclude that creative industries foster growth not only in urban areas, but also in rural areas.

If applied to small cities and rural areas, as the EU indicated in its Green Paper “Unlocking the potential of cultural and creative industries” [2010], factory floors are progressively being replaced by creative communities whose raw material is their ability to imagine, create and innovate. In the breakthrough of the post-industrial transition, culture is also increasingly regarded as a fully-fledged economic sector, having impacts on employment and wealth creation as well as on innovation and local competitiveness [Currid 2010]. It means, creative industries, with emphasis on creativity, facilitate the transformation of traditional industries and the development of newly emerging industries through soft power industries, such as culture and leisure [Liu, Chiu 2017]. Creative industries supply goods and services that we broadly associate with cultural, artistic, or simply entertainment value [Caves 2000]. Creativity and intellectual capital are the primary outputs [UNCTAD 2010]. Thus, the previously dominating traditional manufacturing industries can be supplemented with growth of creative industries, ensuring usage of creativity and intellectual capital.

Within aspect of small cities and rural areas, Krätke states that regional concentration of scientifically and technologically creative occupational groups has a significant positive impact on regional economic development [Krätke 2010]. Developed and functioning creative economy can be driving force of structural transformation of economics, socially economic progress, creation of workplaces and innovations, and at the same time ensuring social inclusion and sustainable human development [UNDP 2019]. Creativity can be part of a strategy for economic adaptation in response to the contraction of previously dominant industries such as agriculture, forestry, mining or fishing [Woods 2012]. Furthermore, creative industries provide innovative inputs for other areas of activity in local economies, such as agriculture, handicrafts, furniture, textiles, tourism and gastronomy, promoting their development and prosperity. The effects of knowledge spillovers derived from geographical proximity, induce the transfer of information, technologies, innovative business models and organization forms, to the overall economy [Selada et al. 2011]. Also, Štreimikiene and Kačerauskas complement Selada’s statement, defining that creative sectors drive innovation and act as a catalyst for innovations that are taking place in other sectors, such as industries, energy, transport, agriculture, commerce [Štreimikiienė and Kačerauskas 2020]. By offering creative goods and services, these industries not only stimulate other sectors of economy but also promote other sectors
CREATIVE PEOPLE, INDUSTRIES AND PLACES IN SMALL CITIES AND RURAL AREAS

as a result of being innovative [Cooke and Propris 2011; Bakhshi et al. 2008; cited in Montalto et al. 2019].

The arts and creative industries are positioned as strategic economic sectors in rural communities, as significant contributors to regional and rural economies, as stimulants to broader economic revitalization, and as tourism-based opportunities [Duxbury and Campbell 2011]. Arts development is widely supported for encouraging participation, well-being, growing ‘sense of place’ and creating a context for interaction among diverse actors, giving each a voice in solutions to local challenges, thereby empowering communities [McHenry 2011, cited in Roberts and Townsend 2015].

It is important to emphasise that creative industries in small cities and rural areas are not only related with heritage, crafts, tourism, and leisure. As Duxbury and Campbell states, the Internet enables creatives to connect with peers, markets, audiences, sources of inspiration, trends, and tools for self-promotion [Duxbury and Campbell 2011]. Therefore, good quality Internet connection helps workers of creative industries to have their jobs without geographical limitations.

The attraction of creative individuals and enterprises to rural areas enhances their attractiveness to other knowledge workers, entrepreneurs and inward investment [White 2014].

Thus, it is possible to conclude that creative industries are important in development of small cities and rural areas, as they foster growth and contribute in various ways – lead innovations, ideas, transform changes, encourage people, foster local development and economy, also, creative industries facilitate the transformation of traditional industries and stimulate other sectors of economy. Technology and Internet are the main forces which help workers of creative industries and break down geographical limitations.

Creative places

As stated in the previous chapter, the creative industries foster growth not only in urban areas, but also in small cities and rural areas. Creative economy is knowledge-intensive and based on individual creativity and talent. Therefore, the next chapter analyzes the characteristics of creative places, which attract creative people and affect their choices where to work and reside.

The creative economy is strongly related to the concept of ‘place’ and has been applied to several spatial scales, ranging from ‘creative cities’ and ‘creative ‘districts’ to ‘creative-oriented facilities’ [INTELI 2011]. Small cities and rural areas might not have as developed infrastructure and facilities for creative industries and creative people as in the big cities, but still, small cities and rural areas have their qualities which are attractive. Selada and colleagues criticise academic literature and
public policy documents centred on the relation between creativity and territorial development have been essentially oriented to the reality of big cities and metropolis, marginalizing small territorial areas [Selada et al. 2011]. Recent research has started to criticise the assumptions that creativity is boosted more within the creative city model, documenting that creative and arts-based initiatives have been generating new development opportunities in rural and regional settings as well [Conticelli et al. 2020]. During the Covid-19 pandemic, even the new term – Zoom Towns – emerged, describing places near large cities as places that can take the best of the central business district and create new experiences for residents and businesses [Shapiro 2022]. Shapiro also states that the creative economy – particularly the parts of it where intellectual rights are created and monetised, can happen anywhere [ibid.].

Based on various sources of literature, the author concludes five important factors of analysis of creative places and their relation to creative industries and creative people – governance, quality of life, social and symbolic capital, economic activities and cultural facilities, and connectivity.

**Governance** is a transversal dimension and central in the promotion of a creative economy in small urban communities. It is related with leadership and place management, but also with the coordination of actors, public participation, and territorial cooperation [Selada et al. 2011]. Local public policies and creating favourable conditions for local residents, as well as newcomers and visitors, are important. These factors include not only basic services, education and leisure facilities, but also specific activities to encourage the creative businesses. Within challenges, there is also need to attract and maintain existing, and also potential creative talents [Scott 2004]. Bottom-up, community-engaged cultural and creative tourism, for example, provides a flexible and transversal platform for linking cultural, tourism, gastronomy, social innovation, and local development interests [Duxbury et al. 2019; Goncalves et al. 2020]. Collaboration of various actors in rural areas offers several positive impacts on rural communities [Rosyadi et al. 2020].

**Quality of life** together with nature and creative heritage of the region are important factors, defined as amenities, which include natural, cultural, symbolic and built assets [INTELI 2011]. As Sdrali states, these specific amenities of many small communities are considered as magnets for the creative class [Sdrali 2020]. These territorial amenities can be classified into the following categories:

- natural amenities: warm climate, distinctive and picturesque countryside with topographical diversity such as valleys, rivers, lakes, mountains and forests, etc.;
- cultural amenities: architectonic and archaeological heritage, such as castles, churches, aqueducts and bridges, etc., and intangible heritage, like memories, testimonies and legends, and traditions, etc.;
– symbolic amenities: community engagement, trust in relationships, culture of participation, neighbourliness and sociability, social capital, presence of civic associations, etc.;
– built amenities: health and social services, quality schools, hotels, restaurants, bars, meeting places, small studios, live-work houses, etc. [INTELI 2011].

Also, creative people are more likely to have a low-impact lifestyle, more sustainable choices of commuting, more affordable houses and education as an internal source of creativity. Lewis and Donald state that instead of talent, tolerance and technology as the starting points for economic health and growth, there is a useful alternative for smaller cities – ecological footprint, commuting distance, public transit and other sustainable commuting modes, housing conditions and affordability and education [Lewis and Donald 2009, cited in Selada et al. 2011].

**The social and symbolic capital** is strongly linked with the community and its social interactions. It is related to the immaterial component and social atmosphere of the place – the ‘genius loci’, as well as to the intangible heritage, such as memories and local identities and local image [Selada et al. 2011]. The ultimate value of rural creativity can be deeply social, by helping rural communities reflecting on and responding to social and economic changing, bringing people together and enabling local strengths and resources to be identified [Conticelli et al. 2020]. Moreover, in small cities, non-economic dimensions of everyday life are privileged, such as community engagement, a culture of collaboration and participation, and social proximity [Selada et al. 2011]. In small communities, the noneconomic aspects of life are more visible where a strong sense of identity and community spirit prevails [Sdrali 2020].

**Economic activities and cultural facilities** are associated with the business climate, entrepreneurship level, local economic activities and knowledge, cultural and creative infrastructures (hotels, restaurants, bars, museums, art galleries, events, etc.) [Selada et al. 2011]. As mentioned before in the article, economic base of the small cities is diverse; importance of agriculture and other “traditional” sectors is declining, but other sectors are growing, for example, services and leisure [OECD 2006]. Therefore, as rural communities re-envision and reposition themselves, they are seeking to revitalize, diversify their economic base, enhance their quality of life, and reinvent themselves for new functions and roles [Duxbury and Campbell 2011]. In this context, the phenomenon of “jobs follow people” must be considered – the location choices of individuals are made principally in response to features of the urban environment, shifting the focus from the creative industries to the human factor and its creative habitat [Selada et al. 2011].
The Connectivity dimension is a critical driver for the success of creative urban and rural contexts since it fosters cooperation between creative workers, activities, resources and territories. It encompasses both virtual (digital communications) and physical accessibilities [Selada et al. 2011]. Small cities and rural areas, their ability to attract creative people or creative activities depend also from socially economical potential, and also from physical and virtual accessibility [White 2010]. An important context for rural and remote cultural activities and enterprises has been the availability and capabilities of broadband Internet, which is a key enabler of the move from urban to rural areas [Duxbury 2020]. Digital services and solutions are the latest innovations that benefit citizens, businesses and civil society [d’Orville 2019].

Conclusion

Creative people are the driving force of development. They are more tended to start entrepreneurship, and their skills of creativity and innovation are irreplaceable in this process. A counter-urbanisation phenomenon is reviewed in theoretical literature, which defines “lifestyle migration” – when choices of working and living are not related to economical aspects, but liveability and quality of life. Various groups of creative people have different preferences towards choices of living and working. Also, creative people are more oriented towards healthy and sustainable lifestyles.

Creative industries, operating within art, culture, business, and technologies enable to develop products and services with added value and meaningful artistic components. Creativity can be part of a strategy for economic adaptation in response to the contraction of previously dominant industries such as agriculture, forestry, mining or fishing. Furthermore, creative industries provide innovative inputs for other areas of activity in local economies, promoting their development and prosperity. The arts and creative industries are positioned as strategic economic sectors in rural communities, as significant contributors to regional and rural economies. Good quality Internet connection helps workers of creative industries to have their jobs without geographical limitations.

Creative places include infrastructure, created environment, institutions and support services, which combine communication and culture of entrepreneurship. Small cities and rural areas have qualities and traits which differ from big cities, and this is their strong advantage. There are five aspects of creative places and their relation to creative industries and creative people that have been analysed – governance, natural and built environment, social and symbolic capital, economic activities and connectivity. Quality of life, nature and creative heritage of the region are important factors which attract creative people.
After reviewing the theoretical sources of literature, the question arises – which one is the first? Creative people or creative place? The answer is somewhere in the middle, as relation between creative people, creative industries and creative places is an ongoing process – one element influences another; positive changes in creative places attract creative people, who, in turn, are more motivated to develop companies and products of creative industries in these places. Creative people choose places where they enjoy and have access to the economic, social and environmental mix, while small cities and rural areas are able to develop in a creative direction if they have citizens who are able to encourage such changes. A targeted promotion of creative industries creates a unique regional identity, which is becoming a competitive advantage for local creative industries and related creative entrepreneurs. Moreover, the strategy for the development of creative industries does not in any way contradict other economic strategies, they can complement each other.

**Sources**


White, P. (2010). Creative industries in a rural region: Creative West: The creative sector in the Western Region of Ireland. *Creative Industries Journal*, 3(1), pp. 79–88. Available: [https://doi.org/10.1386/cij.3.1.79_1](https://doi.org/10.1386/cij.3.1.79_1)


This Research paper was developed within the programme “Development of academic staff – approbation of doctoral grant approach at the Latvian Academy of Culture, No. 8.2.2.0/20/I/002”, funded by European Social Fund.