

ECONOMIC CONTRIBUTION OF THE CULTURAL AND CREATIVE INDUSTRIES IN SOFIA: THE EDUCATIONAL, CULTURAL AND POLITICAL SPILLOVER EFFECTS

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For almost a decade, the Observatory of Cultural Economics, supported by the Sofia Municipality, carries out an annual mapping of the arts, cultural and creative industries in Sofia. The results are extremely indicative - economic growth in the sector of 4.5%, employment - 4.1%, and every tenth enterprise in the city is part of the creative economy. We can summarize that the cultural and creative industries are an indisputable motor for the development of the city. Their creative role also has spillover effects that do not end with the economic dimension. Subsequent effects of knowledge are related not only to academic results: the emergence of the Master's program "Productivity and Cultural Industries" UNWE, the introduction of the theme of cultural industries in the educational programs and disciplines of the Department of Media and Public Communications. After a series of more than 20 seminars in the Goethe Institute and a multitude of pre-election public debates on Culture and Politics, the effect of knowledge was particularly strong in the increased public awareness on the topic, which also led to informed policy decisions affecting the field of culture, ie. The effect of knowledge has acquired cultural and political dimensions. Based on the existing audio-visual cluster in the city, Sofia has applied and became a creative city of cinema for UNESCO, and in the month-old strategy for the film industry of the city for the first time appeared alternative financial instruments such as investment fund and bank guarantees, Which Sofia will support its film industry. It is quite natural, in the same document, that education is a leading criterion for progress

The role of the arts, cultural and creative industries for the economy and the revival of many European cities over the last decade is undisputed. The fact is that a political construction, such as the creative industries, has provided an economic basis for new demands in the field of culture and education policies.

This report focuses on an unexpectedly good example in this direction.

Creative industries managed to change the classic financial view of culture and showed not only economic growth in the field of culture but also opportunities for sustainable economic development of the sector. When searching for a suitable model for coverage and valuation of

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cultural activities, mapping tools emerged and developed. The mapping methodology (in most cases with a national coverage tinge) was deemed a step forward in cultural statistics and provided the necessary evidence for economic growth in the sector.

In 2011, a team from the Observatory of Culture Economics conducted the applied study "Methodological and Statistical Framework for Analysis of the Cultural and Creative Industries in Sofia" (Mapping the cultural and creative industries in the capital city). The implementation of this survey - first of its kind in Bulgaria - was commissioned by Sofia Municipality and was carried out with the assistance of the National Statistical Institute. The methodology is already national, a landmark of the team and reflects good European practices in this field.

Nowadays, this research is conducted annually and has created a database of research data and analyses with a time span from 2008 to 2015.

The data outlines Sofia as a national centre of cultural and creative industries (CCI). The main indicators of the economic importance of CCIs - value added, the employed, turnover, the number of enterprises, and direct foreign investment, show a concentration of between 49% and 92% in the city. Every tenth enterprise in the capital is a creative economy enterprise, whereby the period under observation showed an increase in employment in the sphere and dynamics exceeding the average growth of the employed in the capital.

These annual surveys have enabled management decisions made on the basis of real information on available resources and constraints, i.e. to develop "informed policies", not only in the field of culture, but because of the mixed nature of CCIs, we are already talking about common policies between the cultural sector, education, and industry, for example:

- The beginning of a more effective cultural management was established. The results of the first stage of the project became an essential part of Sofia's Cultural Strategy ("Sofia-Creative Capital") and provided the structure of the sector for the National Strategy for the Arts, Cultural and Creative Industries and Cultural Tourism that is being currently prepared. In both documents, CCIs are a focal national priority;
- Provided an institutional opportunity to develop business models based on a partnership between economy and culture. The adopted methodological scope of the CCI was also adopted by the Ministry of Economy in the rendering of the activity "Promotion of cultural and creative industries" in the Operational Programme "Innovation and

Competitiveness" for 2014-2020, Priority Axis 2: Entrepreneurship and Capacity for growth of SMEs.

- The initial steps to introduce new forms of financing, which also reflect the serious turnover generated in the sector were made. In the strategy for the film industry of Sofia, alternative financial instruments such as investment fund and bank guarantees, with which Sofia will support its film industry appeared for the first time.

The impossibility to capture the merits of the CCIs solely through their economic contribution made the theory of the spillover effects particularly popular. The established working definition focused on the CCIs by leading researchers in the field states that the spillover effects is “the process by which activity *in the arts, culture and creative industries* has a subsequent broader impact on places, society or the economy through the overflow of concepts, ideas, skills, knowledge and different types of capital”.

Sofia and the research of the CCI, as well as the theoretically and practically established audiovisual cluster in the city, became part of the European evidence in the Tom Fleming Consulting Group's research on spillover effects. The spillover effects of the type "network spillover effects" were present and recorded - they relate to the impacts and results that flow from the concentration of the cultural and creative industries at a given location (cluster).

Today we can add that we are witnessing a "knowledge effects" spillovers - new ideas, innovations, and processes developed in creative and cultural organisations that "overflow" or have a secondary effect on the economy/society without having the direct rate of return to their creators:

- Public attention and understanding also grew through a series of over 10 seminars jointly organised with the Goethe Institute under the motto "Stimulating the Development of the Cultural and Creative Industries in Bulgaria". The extremely wide range of themes (good practices and ideas from Germany and Europe, the role of CCIs in regional development, the role of education, as well as workshops on the performing arts, film industry, cultural heritage, intellectual property, the media) had laid on the table "unresolved governance and legislative issues in the sector, making them a part of the political agenda.
- The cooperative model for the dissemination of knowledge was also used at round tables organised by the University of National and World Economy (Media and Public

Communications Department) in collaboration with the Centre for Audiovisual Research, the Observatory on Culture Economics, the associations of producers, film directors, and cinematographers).

- The subsequent effects of knowledge are related to direct academic achievements: the emergence of the Master Programme "film production and Cultural Industries" at the UNWE, the introduction of the theme of cultural industries in the educational programmes and subjects of the Department of Media and Public Communications.

We can summarise that research on the economic contribution of the cultural and creative industries in Sofia has become the foundation for a new type of informed urban cultural policy, and, naturally, the subsequent educational and academic activities have built and continue to build bridges for partnerships.