BEYOND MAPPING – UNDERSTANDING CREATIVE INDUSTRIES IN POST COMMAND ECONOMY CITIES: THE CASE OF RIGA

Master Thesis Cultural Economics & Cultural Entrepreneurship

Ieva Rozentale

Student number: 349927

E-mail address: ie.rozentale@gmail.com

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Supervisor: **Dr. Mariangela Lavanga**

Second reader: **Dr. Marilena Vecco**

ERASMUS SCHOOL OF HISTORY, CULTURE AND COMMUNICATION
ERASMUS UNIVERSITY ROTTERDAM

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Author: Ieva Rozentale

Student number: 349927

E-mail address: ie.rozentale@gmail.com

Mobile: +31 (0) 629629649

+371 26517262

Supervisor: Dr. Mariangela Lavanga

Second reader: Dr. Marilena Vecco

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University Rotterdam

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"Only one thing I know, and that is that I know nothing."
/Socrates/

Ieva Rozentale,
Riga, July 19, 2012

Summary

Creative industries are now more and more promoted as an important component of the "new economies", which will drive the future economic growth. The economic development debates have now shifted from discussing countries to most often seeing urban areas as the drivers of countries economies, and a blooming creative economy is frequently named among necessities for fostering this development.

Within the past decade a lot of work has been done in understanding creative industries in Western European cities, while Eastern European cities are still lagging behind. In the same time, the existent research in general often avoids researching the differences within the creative industries. This master thesis hence explores creative industries' characteristics in Riga, Latvia, as a representative of post-command economy cities, and by doing so it aims to tackle a three-fold research gap – firstly, that of the underrepresentation of creative industries research in Eastern European cities, and secondly, that of overgeneralization of different theories to the great variety of economic activities, which fall under the term of creative industries, without empirically testing them and without accounting for the complexity of the sphere. Thirdly, it tests whether the development of a new, more holistic methodological approach of understanding creative industries is possible, allowing revising the potential policy target-dimensions.

By employing an industry-based approach, the author combines the results from a traditional statistical mapping update with those of a survey of the enterprises and self-employed, which correspond to the NACE classifiers included in the scope of creative industries. The online-surveys-based study reveals new information about the employment socio-demographic characteristics, firm analysis, skills required, types of goods, financial sources, inter-industry collaboration patterns and other aspects characterizing creative industries Riga.

Key Words

Creative industries – creative industries characteristics - creative firms – creative industries' employment – Riga

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I. Introduction

1.1. Introduction to Research Problem

During the past two decades there has been an increasing attention both in academic research and policy making towards exploring the role of creative industries (*further in the text – CI*) in local, national and regional economic development. When put in the larger context of knowledge-based industries, these industries are one of the key characteristics of those economies experiencing a post-industrial decline and are taking up an increasing share of the overall economy (Bontje et al., 2011). Moreover, this development debate along with the growing populations of cities and the declining rural ones has shifted from discussing countries as a whole to viewing cities and urban areas as the centers of all economic activity and the ones driving the development of their respective countries or regions. Consequently, since the 1980s academic scholars have been extensively engaged into studying the economic dimensions of the relation between CI and their respective cities. In addition to the economic contributions of CI, mostly as a result of implied value-adding creative and cultural aspects and values, a number of other impact dimensions are studies as well, such as urban regeneration, social cohesion, innovation, urban growth, cultural tourism and many more (Bille & Schultze, 2006; Flew, 2010; Muller et al., 2009).

Even though this idea of CI being the new development guarantors is widely contested by many scholars mostly on the basis of definitional problems and statistical over-calculation (Musterd & Murie, 2010; Kloosterman, 2004, Scott, 2004; Tremblay, 2011), city and national governments in the whole world have been actively engaging into making policies aimed at benefiting from the enlisted development potentials of CI. The process of mapping CI, monitoring their growth and assessing their role relative to the wider economy has been ongoing for the last decade in most part of the highly developed countries and has now also been adopted by the less developed ones. Within the European context, developing CI in cities and countries is recognized as a potential tool of achieving the Lisbon objectives, namely, fostering economic growth and creating jobs. CI are also acknowledged as key drivers of innovation and sustainability (Council of the EU, 2007). In European Commission's green paper on "unlocking the potential of cultural and creative industries", the authors argue that these industries "often contribute to boosting local economies in decline" via new economic activities, new jobs and increased attractiveness of urban areas (European Commission, 2010, p.13).

During the past few years, along with this rise of popularity of "creativity", we can observe a growing number of initiatives from the so-called new member states of EU as well, including those Eastern European countries just having experienced the shift in both political and economical systems now trying to integrate in the "Western world". Every country belonging to EU gathers statistics on CI and has developed some policies related to CI development (KEA, 2006). On the other hand, from a policy and planned development perspective, it could be argued that these post-command countries, which nowadays make part of the EU are often jumping and leaving out some of the essential steps needed for well-grounded policies, such as research and public debate, and are simply adopting best-practices from other countries, lacking local content. Even more so, the adoption of best policy practices has been also criticized in the Western context (Pratt, 2005; Evans, 2009). As for the Eastern European countries, although the initial CI mapping has been done and policies are often present, there is an enormous lack of research in other industry characteristics than the basic economic ones (such as number of firms, share of GDP, industry turnovers and the like) to inform these policies; and even those can be often seen as lacking credibility or data.

Musterd and Murie (2010) discuss CI in relation to urban development in EU and conclude that Eastern European cities differ from the Western ones not only in the lack of representative data and experience, but even more important - in their potential capacity to become creative and knowledge-based economy cities, emphasizing the path-dependent character of urban development. Even though these post-command economy European metropolitan areas do manifest a transition from industrial towards more creative and knowledge-based economical activities (Stryjakiewicz et al., 2010), there are some aspects in their policies, which are often neglected by trying to apply the same one-fits-all urban policy measures. Although not proved by research, the issues neglected potentially concern cultural context, economic development, historical past and the like. Even more so, as these countries are often small in size the urban development debate on *creative cities* could possibly only apply to the capital, serving as a hub, and the rest of creative economy being subjugated to or even detached from that of the capital.

These considerations can be also attributed to the case of Latvia, where there has been done an initial statistical mapping of CIs (Mikelsone et al.,2007; Mikelsone, 2008), and these industries are included in several cultural and economic strategy documents, both on a national and especially city level (MCRL, 2006; Riga City Council, 2008; 2010). The fact that the available statistical data has only two geographical categories – the capital Riga and the rest of the country, underlines the previous argument of the need of rethinking the theoretical application on smaller

countries. Many policies are formed on the same theoretical basis as in other European countries, but in the case of Latvia, we see that the available statistical evidence does not support the assumptions manifested within the policy strategies, such as contributions to export, or the prioritizing certain sub-sectors. Moreover, new policy measures are still being defined and adopted, even though there are no recent updates and monitoring even on the regular mapping data (the previous one dates before the global economical crisis), and no recent research has been done to find out more about what the CI could need and what are their particular features in Riga, or the whole country. To exemplify this problem, in my bachelor thesis I explored the labor patterns of creative graduates (from cultural universities financed by the government) in Riga and found out that most of them are employed in the public sector, while the policies aimed at financing them are based on an assumption that these graduates contribute to creating employment and creative goods with a high-value added by working within private sector of CI (Rozentale, 2011).

All these considerations call for the need of extended research, which could inform all the concerned parties – academia, policy makers, and those involved in the CI themselves. Against this backdrop, the main research purpose of this master thesis is to explore various characteristics and associated problems of CI in Riga. The capital of the country, instead of the whole country, has been chosen as the research focus, due to several reasons – first, its comparability to cities of similar size and importance; second, the fact that most of the countries' economic activity is concentrated in the capital, making thereby the intercity comparisons impossible; and finally, due to feasibility issues with respect to the time frame of developing this master thesis.

1.2. Research Questions

In order to examine the previously stated research problem, this master thesis seeks the answer to the following research question:

What are the specific characteristics of the creative industries in Riga, Latvia?

The following general theoretical sub-questions guiding the literature review are addressed:

- What are the different characteristic-dimensions of CI addressed by scholars and how do they characterize creative industries in line with those?
- What methods are employed in order to research these characteristics?
- What are the previous empirical findings on CI in Riga?

Resulting from the literature the following empirical sub-questions are formulated:

- What are the general economic characteristics of the CI population in Riga?
- What are the firm-level characteristics of CI in Riga?
- How can the link between CI enterprises and Riga's urban environments be described?

- What are the subsector differences along these research dimensions?

In addition, more detailed sub-questions to be answered in this thesis are given in the beginning of each chapter.

1.3. Relevance of the Study

Acknowledging the considerable research gap, the main research objectives of this thesis is to define relevant CI characterizing dimensions and to explore CI in Riga in line with these. The underlying conviction of stating such a research question and objectives is that policies cannot be made without having a solid research basis that inform them, especially with respect to emerging concepts such as creative industries within relatively young free-market economies. Moreover, another motivation behind this study is to try to create and test whether it is possible to develop a relatively holistic empirical framework of researching CI, which could be afterwards further employed in other post-command cities (and of course not only those) in investigating country-, city- and sub-sector- specific characteristics of CI linked to the most common theories on the theme, hence informing in a more successful manner the related policy decisions. Finally, another linked research objective is to find out to what extent do the characteristics of CI in Riga as a representative of Eastern European cities correspond to what has been previously discussed about CI in both theoretical literature and empirical studies. Hence, this thesis addresses a three-fold research gap – the one of the poor creative industry research in Eastern Europe on the on hand, the one dealing with the differences among several activity groups falling under the term of creative industries on the other hand and the one of scattered empirical research in terms of theme coverage in addition.

1.4. Structure of the Thesis

In order to successfully answer the research question each section of this thesis begins with an introduction to main issues and questions addressed serving as guidelines to the further development of the topics. The thesis starts with a literature review on CI, their specificities and relation to cities. First, the theoretical ideas are discussed, reviewing the definitional approaches and general theoretical assumptions about CI to then discuss the previous empirical research done to test these ideas and their implications. The literature review also revises previous studies done on CI in Riga. Further on, the research method is presented, explaining the definitions adopted as well as the hypothesis put forward as a result of reviewing the literature. The third part also contains a justification of the methods used and an insight into how and why the data had been collected and analyzed. In the fourth part of this thesis the empirical results are presented first by reviewing the updated general statistical data obtained from the Latvian Central

Bureau of Statistics for the purposes of this research and second by discussing in detail the results of the survey of CI enterprises in Riga. Finally, in the last part we have drawn the most important conclusions and discerned the main limitations of this research as well as its further employability and importance.

II. Creative Industries and Cities

2.1. Introduction[1]

As already noted in the introduction, the interest about cultural and creative industries has grown tremendously during the past decade, and so has the literature on this theme. While it can be argued that the present general understanding of the term creative industries has grown mainly from expanding Adorno's and Hockenheimer's (1947) term "cultural industries" and adding to it a more positive connotation, there is still not a single common definition of what can be understood by neither cultural, nor creative industries, nor both when regarded together or as the same concept. Notwithstanding, since the end of 1990s, the field of research concerning CI has seen its development and expansion both within and beyond the discipline of economics. This chapter begins by tracing the development of the term "creative industries" as it has grown from that of "cultural industries". It then reviews the different theoretical approaches and their respective empirical methods in attempt to clarify the most suitable theoretical framework to adapt in creating a holistic empirical framework for CI research. Whenever possible some preliminary hypothesis as to what can be expected from the results of the empirical part are noted resulting from the discussed previous literature. However, it is important to mention on beforehand that the volume of CI research and theories has expanded very much especially during the past few years, which is why this literature review only focuses on those dimensions relevant for the synthesizing framework of this thesis, not going too in-depth on each research dimension, since virtually each of them could be a separate subject researched in a thesis.

[1] It has to be noted that the topic of creative industries and its research has been my main interest during the master's program and therefore also the main topic of my essays, particularly for the courses Cultural Economics: Theory (graded 9), Cultural Economics: Applications (graded 8.7) and Creativity & Economy (graded 8.8). This is why some of the literature review will contain extracts from these essays. Due to their high quality, my supervisor, Dr. M. Lavanga, who has also been the lecturer in two of those courses, has agreed with their use. The essays, when used, will be referred to in footnotes.

2.2. Creative Industries: A Theoretical Approach

The first chapter of this part addresses the following sub-questions – how can the term "creative industries" be defined and how can its development be explained? What are the different characteristic-dimensions addressed by theoreticians and how do they characterize creative industries in line with those? What are the theoretical assumptions underlying the discourse of the role of CI in cities and urban development? How are CI discussed in the context of wider economy? And finally, how can urban environment and resources influence the development of CI?

2.2.1. Defining Creative Industries

While the term "cultural industries" exists already for several decades and has been the subject to much research, the one of "creative industries" can be considered as a relatively new one. Although first used in 1994 by Paul Keating's Labour Government in Australian context (White, 2009), Cunningham (2002) explains that the first attempt to point out "the distinct contribution of the creative industries came in the *Creative Industries Task Force Mapping Document* in the UK" in 1998 (p. 55), where CI were defined as s "those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property" (DCMS, 1998). As White (2009) explains, being the first systematic attempt to account for a nation's creative industries, this document was further on and still is used as a template for similar mapping exercises on behalf of other countries. This is also the most common definition that can be found in many countries' policy documents, especially those undergoing some degree of British influence, including the subject of this thesis - Latvia. While the publishing of this document and the related policy implication indeed marked the beginning of the CI discourse, at least in the policy context, one cannot discuss the concept without taking a step back to discuss the term of cultural industries, which in many ways is both the antecedent as well as the main component of what we might study under the scope of CI research.

The term "Cultural Industry" in singular was first introduced by Adorno and Horkheimer in 1947 in order to point out the growing differences between the non-industrialized traditional artisan arts and culture and the industrialized production of cultural goods or forms (Galloway & Dunlop, 2006, p.1). The connotation of the term is often interpreted as negative, as it also marked in a way the divide between what we understand up to now as highbrow arts and lowbrow arts, the mass and non-mass produced culture. O'Connor (2010) concludes that also their future writings on the subject re-affirmed the expressed idea of arts and culture becoming

"thoroughly absorbed by the economy" when subjugated to monopoly capitalism (p. 11). The author explains as well that these ideas were parallel to the emergence of different government bodies dealing with the policy of arts and culture (e.g. ministries, agencies etc.). Therefore, in line with the fast development pace of the time, the further changes in the policy of arts and culture, in technological possibilities, as well as in international trade of cultural goods gave space to a shift in terminology from "Culture Industry" to "cultural industries".

The authors of the report on the creative economy of Europe (KEA European Affairs, 2006) explain that the "term "cultural industries" (in plural) appeared in the seventies, this time with a more positive connotation, in the first research on the economy of culture (and in particular with the researcher Mr. Myerscough)" (p.47). Cultural industries became a subject to cultural policy and as suggested by Hesmondhalgh (2007), this conceptual shift also allowed for a better understanding of the complexity of the production of culture. From this time up to nowadays, the classical cultural industries include those industries engaged in producing reproducible cultural goods that are subject to copyrights, which comprise the sectors of film, recorder music, broadcasting and publishing, and are also the ones towards which traditionally the "cultural exception" in international trade applies. This definition is still widely used, especially in France and within the UNESCO framework and it continually represents the traditional divide between high arts and the mass-produced popular cultural products.

Many on the contrary see the term "creative industries" as having been introduced as a method of re-branding culture, and of bridging the gap between high and low arts in the same tame confusing the realms of publicly supported and commercial culture. The establishing of this term also gave creativity (instead of culture) an important place in the economic agenda and linked cultural production to many "new" discourses of new economy, urban development, information society, globalization, technological convergence and more (Galloway & Dunlop, 2006; White, 2009; Pratt, 2005; Flew & Cunningham, 2010). To put in the context of what has been discussed previously with relation to cultural industries, Cunningham (2002) points out that there is a certain continuity of the terms, however he also suggests, "that creative industries are trying to chart an historical shift from subsidised 'public arts' and broadcast era media, towards new and broader applications of creativity." (p. 6).

The first definition of CI put forward by DCMS in UK presented a list of 13 sectors, which fall under the scope of CI, namely, advertising, architecture, art and antiques market, crafts, design, fashion, film and video, music, performing arts, publishing, software, television and radio, video and computer games (Throsby, 2008b). Towse (2010b) calls the shift towards a broader policy focus on cultural goods and services provided by both for- and non-profits "the creative

industries paradigm." She explains that in essence, this term combines creative and performing arts with cultural industries, which variously include the previously listed activities (Towse, 2011), of course, in varying compositions and often broadened with ICT and related sectors. In the same time, the concept of creative industries is often ambiguous and its definition depends very much on the research or policy context. At times, what was before considered as the cultural industries is now being included in the wider notion of creative industries, or both terms are used interchangeably without accounting for the differences between purely cultural activities and those having creativity as an important input but not directly related to culture. On this matter, Throsby (2008b) provides an overview of six most frequently used models of classifying CI and cultural industries. Some, like the DCMS model, only discern the activity sub-sectors, while others also classify these into groups representing different relationship to the main concept of the model, e.g. core creative arts, wider and related industries (concentric circles model, see Throsby, 2008a), or core, independent and partial copyright industries (the WIPO copyright model). Furthermore, the sectors enlisted within these models differ significantly – while there are some sectors represented in all of the models (publishing and literature, performing arts, music, film, video and photography, broadcasting, visual arts and crafts, advertising, design, museums, galleries and libraries and interactive media) the inclusions of sectors such as "architecture, software, product and reception hardware […], festivals, intangible cultural heritage, and leisure activities, including sport" has not reached consensus (Flew & Cunningham, 2010, p.115). In general, it is possible to conclude that in practice these models depend on the central underlying theoretical focus (e.g. symbolic text creation, reliance on copyrights or arts' focus), the cultural context and the policy goals – cultural or economic. But depending on the model the assessments of the economic importance indicators and any other analysis (as we shall see further) vary immensely, emphasizing the flexible and vague nature of the concept.

To continue, the most important critiques of the concept deal exactly with this ambiguity of the term, both in theory and practice. Not only it is almost impossible to distinguish, which activities are creative and which are not, since such distinction will always be subjective and arbitrary, but also the extensive inclusion of very far-related creative activities (e.g. ICT) in the operational definitions inflates the economic significance, in the same time pushing cultural considerations at the periphery of the discourse. Many scholars consider that both of the believed necessary attributes of CI, namely individual creativity and intellectual property, are far from clarifying, sufficient or inherent to every activity of CI, and can be in the same time attributable to a substantially wider range of activities (Handke, 2004; Flew & Cunningham, 2010).

As a further matter, some alternative or complementary approaches to defining CI have to be evoked as well, in order to illuminate the development of the debate. According to Scott (2000) creative industries are not only traditional cultural services but also the creative productions in the manufacturing industry. Bontje et al. (2011) consider more broadly creative those industries engaged in economic activities that specialize in creating symbolic value, without engaging in enumerative definitions. Likewise, UNCTAD (2008) offers an equally broad combined definition of CI:

- " The cycles of creation, production, and distribution of goods and services that use creativity and intellectual capital as primary inputs;
- A set of knowledge-based activities, focused on but not limited to the arts, potentially generating revenues from trade and intellectual property rights;
- Tangible products and intangible intellectual or artistic services with creative content, economic value, and market objectives;
- At the cross-roads among the artisan, services, an industrial sectors; and
- Comprising a new dynamic sector in world trade." (UNCTAD, 2008, p.13; Flew & Cunningham, 2010; p.115)

As it can be deduced, this latter definition entails all the parts of production and supply chains and puts the emphasis on economic value and the market-orientation of the actors in question. All in all, these definitions appears to be all including and does not provide any guidelines for restriction, instead it gives leave to adjustments to cultural and policy contexts. Similarly, Abadie et al. (2009) introduce the term Creative Content sector and define it as "the collection of activities involving the creation and distribution of goods with an intrinsic cultural, aesthetic or entertainment value which appears linked to their novelty and/or uniqueness" (p.12). The authors then explain that this definition links the goods to their valuation by the consumers and avoids the value judgments of high and low cultural activities (such as in the case of Throsby's concentric circles model). Furthermore, they also suggest that in view of the great differences between the activities in questions, in empirical research sub-groups should be defined according to criteria that match the purpose of the study.

From a cultural economics perspective, some of the definitions might have deviated very far from the initial concept of cultural industries, often including ICT, media, software producers and the like. Besides, all the activities included represent very diverse levels of industrialization and commodification and very diverse and dissimilar value chains (Marcus, 2005). Consequently, the arguments against using CI mainly follow the same logic as presented by Alanen (2007) – that there is more to culture than profit seeking and that focusing on CI in policy making deviates

from the primary goal of cultural policy, namely, the equity and equality of cultural distribution, and also raises the questions of "cultural rights", diversity and protection of culture (Galloway and Dunlop, 2009).

To sum up, what we can see from these considerations is that there are two contrasting understandings of the term creative industries represented by the scholars involved in this theme – the first, in which cultural content is seen as the core and the rest having developed from it, and the second, in which cultural content is seen as subjugated to that of creative industries, deprived from its meaning and importance by over-generalizing the artistic creativity and attributing an economic function to it. What these two "sides" discussed up to now often leave out however, is the possibility of shift to CI being a logical part of the dynamic changes of the modern economies, societies and the cultural change along with them. In the same way, in which cultural industries discourse coincided with the appearance of reproduction technologies and the emergence of cultural policies across Europe, the creative industries term might be a reflection or a consequence of the changes the realms of policy and economy, are experiencing now. This idea will be discussed more in detail later on in this part, nevertheless one initial hypothesis of the results can already be defined from what has been discussed in this sub-chapter – the results of the survey of CI in Riga should differ most between the categories of traditional cultural industries and those belonging only to creative industries, instead of differing along other distinctive variable groups.

2.2.2. Characteristics of Creative Industries

The previous sub-chapter on defining CI already emphasized some of the crucial aspects, which characterize the distinctive nature of CI, such as the reliance on intellectual property, use of creativity as an important production input, various degrees of relation to core cultural sector, mixed relation to market or value chains of goods and services, which communicate meaning. These considerations already point out to the fact that CI are not very docile to the typical criterions applied to other economic sectors. Of course, to a certain extent this argument can be applied to any other industry as none are the same as another, but, as we shall see, the creativity emphasis and inherited or related cultural considerations have induced many academics to write about the distinctive characteristics of CI. On a theoretical level, CI are frequently being connected to some of the arguments commonly associated with the theories dealing with information society. Among the most influential general economic theories we can find those of the new post-Fordist production models and shifts in economy (Pine & Gilmore, 2001; Scott, 2004, 2010; Potts, 2009; Musterd & Murrie, 2010), the theories focusing on the transaction costs explaining the behavior of firms (Caves, 2000, 2003; Handke, 2004; Towse, 2010b), the notions

of human capital theory (Florida, 2002; Glaeser & Saiz, 2003) as well as the Schumpeterian ideas on innovation in entrepreneurship (Flew & Cunningham, 2010). On the other hand, CI are very often discussed also under the discipline of cultural economics due to the particular character of the goods and services provided in these industries and the already discussed linkage to the cultural realm, which is also why the theoreticians tend to conclude mostly that CI do differ from other industries when these general economic theories are applied to them.

Nature of Production and Provision of Goods and Services

To begin, industries are most often defined according to the types of good or services the involved parties are engaged in producing or providing. It is therefore rational to begin the discussion of characteristics of CI by discussing the types of goods and services that are their outputs. Due to the previously evoked development of the term "creative industries", most of the output of CI is associated with those properties attributed to cultural goods, even though the terms "creative goods" and "cultural goods" are mostly used interchangeably without defining the difference between them. There is no one single definition of cultural goods and services available and, as pointed out by Throsby (2001), there is still a debate whether such a distinct class of goods can be defined, as opposed to "ordinary economic goods" (p.5). The author suggests instead the following three characteristics, which can serve in order to delineate cultural activities, and so also distinguishing cultural goods from the rest:

- the activities concerned involve some form of creativity in their production
- they are concerned with the generation and communication of symbolic meaning, and
- their output embodies, at least potentially, some form of intellectual property (Throsby, 2001, p.4)

To extend the second notion of generation and communication of symbolic meanings, the cultural goods and services are also commonly associated with transmitting other values than only the economic or functional use values, such as "aesthetic value, spiritual value, social value, historical value, symbolic value and authenticity value" (Flew, 2012, p. 27), which distinguish them from typical commodities. All these values together can be put under the concept of "expressive value". Although in the beginning of the 2000s this value was evoked in order to tell apart the classic cultural or artistic production from the mass produced media goods, it can now be argued that the expressive value, and all the values the concept includes, can no longer be restricted to traditional arts and can also be found for instance in software products, TV series, design etc. (Throsby, 2001; Work Foundation, 2007; Flew, 2012) From the economic point of

view these values are exactly what increases the economic value of the goods and services provided by CI in the eyes of consumers.

In line with the first Throsby's argument of creativity as a production input, creativity is indeed crucial within CI research. Although likewise seldom clearly defined, it is seen as the main source of ideas needed to foster innovation and creation of these goods and services with high added value. While some models of CI are concerned with discussing the degrees of creativity as manifested by different cultural or creative goods and services (e.g. KEA European Affairs, 2006), these considerations still remain arbitrary, which is why a more broad conceptual framework is often adopted in order to avoid these already mentioned quality judgments. Scott (2010) defines creativity as being "more concerned with thought and action directed to the production of novel insights and perceptions that may or may not eventually have tangible significance", which can further be gained by means of innovation (p. 119). Consequently, creative goods can be described as those having "high knowledge content and novelty", where the production process is usually characterized by the recombination of existing knowledge into a product with a high level of novelty or even an innovation (Cooke & Lazzeretti, 2008, p. 238; Hartley, 2005). This definition, even though broad, overcomes then the value judgments and the unique focus on traditional cultural field. Thus it allows defining creative industries as those engaged in providing creative goods, as denoted above.

Finally, this brings us to the third property discussed by Throsby of creative outputs embodying intellectual property, and hence financially protecting the immaterial novelty embedded in them from unauthorized exploitation. Intellectual property is often viewed as the means by which creative industries generate economic value. There are different types of intellectual property and some are more characteristic to one sector than they are to other, e.g. design rights are more particular to the design sector, while copyrights are more characteristics to music, film, arts etc. They are particularly important when the creative goods are easily reproducible, as in the case of information goods, which can be stored in bits. Nevertheless, as pointed out by Towse (2010b), intellectual property is not characteristic to all the output of CI firms, neither it can be proved that the existence of copyright or other intellectual property serves as the base for CI contributions to economies, therefore the stress on it should not be exaggerated when discussing CI. If we return to the properties of creative activities suggested by Throsby combined with what has been discussed in relation to them, we can conclude that CI can be viewed a set of economic activities, which deal with creative goods and services. The output of these activities evinces some form of novelty or innovation and can be subject to intellectual property rights.

Organizational and Entrepreneurial Aspects of CI

To continue, characterizing industries is not restricted only to the properties of their output. Different industries manifest specific behaviour and aspects of which the agents involved are dependent on and which need to be taken into account. A very influential and fundamental theory of CI is proposed by Caves (2000; 2003), in which he combines the theories of contracts, explaining the agent behavior in markets with high transaction costs, with the particularities of CI. This theory unites considerations that deal both with the nature of goods and services provided, as well as with organizational, managerial aspects, employment and demand particularities of CI. He suggests the following seven economic properties of CI:

1. *Nobody knows* refers to the demand uncertainty of creative goods, namely, the consumer reaction to goods cannot be predicted on beforehand.
2. *Art for art's sake* implies that creative care about the quality and integrity if their work, and will prefer lower paid creative work to a better-paid humdrum job.
3. *Motley crew* entails that the production of creative goods requires a combination of various contrasting skills, where each skill is mandatory and must be at a certain minimum level for the good to be valuable.
4. *Infinite variety* evinces the possibility for artists to choose from an endless amount of possibilities to express themselves.
5. *A list/ B list* refers to the vertical differentiation of creative inputs and skills. Small differences in "ranking" may cause big differences in financial yields.
6. *Time flies:* time is very important for the management and coordination of the production of complex creative goods.
7. *Ars longa* implies that creative goods have specific durability aspects, which allow the financial returns to be collected long after the production, due to copyrights. (Caves, 2000; Rushton, 2002; Towse, 2010b)

Some of these properties have been criticized for not being relevant for all the scope of CI, such as the "idealization" of creative labor's interests for their work, or copyright application. Caves' theory has also been criticized for describing the traditional cultural industries' activities, but not accounting for the new ones, for instance, games or interactive media (Flew, 2002). In spite of that, these economic properties highlight the most important characteristic dimensions discussed in the theories dealing with CI – the already mentioned distinct character of the outputs of CI and their durability aspects, the importance of skills, the employment characteristics, the peculiarities and the complexity of the production process, the economic organization of CI as

well as the variety of what can be seen as both outputs and inputs in these industries in question. All of the issues not yet discussed are crucial to account for here.

From a more organizational perspective the CI activities are carried out by legal entities – individuals, firms, organizations, which differ significantly in many respects. First differences are observed already in terms of their legal status and mission, since there are both for-profit and non-profit firms, as well as free-lance workers included in CI (Sondermann et al., 2009b). Besides, very often also government enterprises, agencies, institutions or other types of public organizations are included, such as museums, theatres or opera houses. With no doubt, the greatest differences are most commonly described and anticipated among the composing sectors of CI. Traditionally the art sectors are expected to be more non-profit oriented and dependent of the government grants and subsidies, while classic cultural industries and the new creative and related sectors are mostly profit-seeking legal entities. (Towse, 2010b) The latter sectors are also believed to have lower reproduction costs, wherefrom they are expected to be more financially successful (HKU, 2010). Due to the difference in legal status and market orientation, also many of the characterizing factors can differ, such as the main sources of the income, access to finance, the stress on particular needs of the organization, as well as its experience with respect to conditions of and changes in the general economic, political and cultural environments. In addition, one could expect these factors to differ also among the groups of other common variables as well, such as the size of organization in terms of employment, the type of goods produced or the importance of creativity in their activity.

Furthermore, it is also often argued that even within the same sectors of CI differences along several characteristic dimensions occur due to activities belonging to different parts of the value chain of creative supply. UNESCO (2009) has suggested that CI have a particular production value chain, which they call the "culture cycle". The authors of the report do not view it as traditionally linear and hierarchical, but instead propose to see it as an occurring network. Seven stages of the supply chain are identified, involving: creation; production; dissemination; exhibition/reception; consumption/participation; archiving/preserving; and education/training (UNESCO, 2009). Throsby (2008b) points out that the last two "occur across all of the first four (production) functions" (p.226). Of course these different parts linking the production to consumption are all important, but not necessarily manifesting the same characteristics. It has sometimes been suggested that the further from the creation process the certain economic activity is, the smaller degree of creativity it represents (Throsby, 2008a). From such rationales it is often argued (and carried out) that only the first two cycles should be included in the CI research. On the other hand, the nature of the creative value chains implies that "clear

distinctions between content creation, manufacture and distribution, and final delivery of a product or service, are difficult to make, and are becoming more difficult as new media technologies are increasingly applied at all stages of the value chain" (Flew, 2002, p. 22). Even though not accounting for the dynamic changes and this complex system of creative supply, the value chain analysis can prove useful in order to understand some consideration concerning CI, their particular sector and their product specificities. To exemplify this argument, Towse suggests that the bigger the companies in terms of employment the more vertically integrated they are (taking up a bigger part of the value chain) and the more they are likely to be involved in mass-production (Towse, 2010b).

When discussing the entrepreneurial aspects and related policy implications scholars have suggested that differences between CI and non-CI organizations exist. According to Currid and Williams (2010) CI are less likely to benefit from traditional support to industries' production and are more likely to be included in policies aimed at local or touristic cultural consumption. Fraser (2011) suggests that in line with most economic theories, especially due to the high uncertainty of consumer demand, CI businesses might have more difficulties in accessing finance than non-CI businesses. Similar arguments have also been put forward when discussing the skills and success factors necessary for CI firm growth. Hoellaender et al. (2010) suggest that small and medium sized creative firms often struggle with a lack of legal and financial skills due to their creativity-orientation, when compared to other firms. They also mention this as the reason why creative firms are more reliant on external input, such as specialists-consultants, networks, finance etc.

Creative Industries Employment

Furthermore, seeing the enormous role of individual creativity in the provision of creative goods and services, employment characteristics are a very important dimension to consider. We already saw the ideas of Caves (2003), arguing that CI need a *motley crew,* namely, that due to the frequently complex production of creative goods, various skills and employees having these skills are crucial. The advocates of the occupational approach of creative economy, stress out that CI employment consists not only of the so-called creative workers but also a large share of non-creative ones (Higgs & Cunningham, 2008). Both creative and non-creative workers are needed for the creative output to be created. However it might as well be expected that the lower in the value chain the organization is the smaller the share of creative workers. Moreover, CI employment is also associated with high shares of part-time, freelance and temporary employment than the all-industry average (Freeman, 2009). As for the gender and ethnicity it is commonly believed that CI employ more men and less minorities (Freeman, 2009), however one

can also expect it to differ among countries. In Latvia, for instance according to CBS data, the general cultural employment is dominated by female workers.

Finally, notwithstanding all the mentioned common characteristic dimensions, it cannot be stressed enough that the greatest differences on most of the discussed aspects are found among the different sectors included in CI. Separate sectors within CI deal with different problems, have specific characteristics of their activity and manifest different levels of industrialization (Marcus, 2005), thereby they also are expected to have differing ways of production, firm sizes, market and profit orientations, value chains, economic potential, employment characteristics etc. De Jong et al. (2007) have further theorized this idea, the authors divide CI in four categories and discuss the general particular features to be found within the Dutch context (Table 1).

Table 1: *Features of creative firms in four domains (De Jong et al., 2007, p. 11)*

	Arts	*Media and Entertainment*	*Creative business services*	*Knowledge intensive services*
Dominant ideology	Artistic Autonomous Fundamental creativity Non-commercial	Popular Market focus Joint production and authorship	Customer focus Functionality of products Applied creativity	Customer focus Repertory of services Combination of sources
Share of subsidies in total revenues	Very high	Partially	Small	Small
Main customers	Governments	Private consumers	Large businesses	Large businesses
Production features	Small-scale Labour-intensive Both individual and collective production User does not influence output	Complex, large scale User of IT Capital intensive Open culture, much cooperation	Small-scale Labor-intensive Influence of business cycles Flexible assignments of employees	Small-scale Application of knowledge Labor-intensive Influence of business cycles
Output	Unique products of small series	Standardized	Tailor made	Tailor made within specific knowledge domain
Source of innovation of for non-creative industries	Hardly ever	Occasionally	Frequently	Very often

2.2.3. Creative Industries in Cities

The addressed potential of CI to generate economic value and the expressive values distinguishing these industries from other economic activities has induced scholars to explore the role CI can play in the development of their respective economy and environment. As already mentioned, human capital is central to CI, and since most of the population in developed countries inhabits urban areas instead of rural areas, the focus of development debates has shifted very much towards cities instead of nation states, which is particularly true when it comes to CI. O'Connor explains that "these industries have a strong and self-conscious local character" and that referring to 'national level' usually means "the capital city acting as a global node" (2000, p. 23). Moreover, it has been continuously proved that both creative firms and creative jobs tend to concentrate in geographical proximity, or at least in the same urban metropolitan areas (Lazzaretti et al., 2012). Hence, it can be argued that choosing cities instead of countries as the point of attentions is more appropriate. Before starting to discuss the topic at hand, it has to be noted that particularly the economic theories and considerations rarely are purely urban or purely national, instead the urban focus is being constantly interlinked with the considerations about the wider economy in general.

Creative Industries and Urban Development

Since the work of Florida (2002), introducing the terms "creative cities" and "creative class", many scholars have turned to discussing the role creative workers and occupations in CI can play in urban development. Overall, as previously explained, CI are often at the core of pursuit for new sources of competitive advantage and their rise "has been attributed to the demise of the Fordist mode of production" within the more advanced economies, as put forward by Bontje et al. (2011). This might also be the main reason why most of the existing scholarly debate on the link between CI and cities deals almost entirely with economic impact dimension of urban development. Florida's ideas (2002; Florida et al. 2008) on the so-called creative class are probably the most pro-active ones in promoting creativity as key to economic growth. His theory provides attractive applicable model promoting the idea that creative and knowledge based occupations drive economic growth, and that cities should attract creative people in order to become creative. Although this is a more occupational than industry approach, the theory is developed around the human capital employed in CI. The author suggests that three factors are needed for a place to develop creative economy and thereby induce economic growth – Talent (creative class), Technology (new products created by the concentration of cultural capital) and Tolerance (open to new ideas, diversity). The logic behind this is that various types of amenities

or *creative milieu* attract the creative people, which in their turn then contribute to development of creativity-based economic activities or CI. While his theories are most often discarded by academics both on theoretical and methodological grounds, for lacking evidence to confirm that creative cities perform economically better (Evans, 2009), over-generalizing and using vague terms, and thereby causing possibly false causalities (Comunian, 2010), they deal with the idea that CI are crucial to urban economic development and in response to these Florida's theories more "subtle" ones have been developed.

One of the basic arguments of advocating CI development is the sector's contribution to growth in employment. It can be argued that due to the transition to a bigger share of service based and knowledge based economic activities in the total of economic activities, the employment in these sectors is growing at a higher rate, while it is stagnating or declining in the more industrial sectors. Foord (2009) explains that most of the policies aiming at fostering creative economies are based exactly on the assumption that the number of jobs in CI is growing faster than the economy's average. The author also explains that the second argument used is the exceptional role of CI in fostering innovation.

Another contribution dimension often mentioned is the fact that cultural or creative production has a high export potential, thereof also a high potential of generating wealth (Greffe & Pflieger, 2005). On the other hand, the value added by cultural products is often not dependent on technological advantages, but on creative advantages originating from "unique background ethos", which in some cases can be successfully transmitted to other cultural environments, while in some cases it can be understood only locally (Cowen, 2011, p. 122; Greffe & Pflieger, 2005). Thus, not all CI activities can be expected to bring significant returns and contribute to the urban economic growth.

The export potential, added value, knowledge spillover and innovation arguments are all rather concrete and in policy practice can be addressed with specific support mechanisms. However, there are also some scholars who expand the argument of CI contributing to economic development by their activities directly, as any other industry, to viewing CI as the source of change in the economic structure itself. For instance, Potts (2009) suggests a model in which CI "are part of the evolutionary mechanism itself in their provision of essential evolutionary services." He explains that instead of being just another subject of analysis for researching evolution of economic, CI might turn out to be "a crucial part of the mechanism of economic evolution. Specifically, the CIs address the social aspects of economic evolution in terms of networks of choice, adoption, organization and coordination." (Potts 2009, p.644, 2009).

Besides these mostly economic considerations, a lot of attention has been also paid to creative industries as a tool for urban regeneration by improving the attractiveness of run-down urban areas. These theories are mainly concerned with creative districts and clusters (Evans, 2006; Montgomery, 2003). Moreover, culture at the core of creative industries is also discussed as a tool of social inclusion (Comunian, 2010). These aspects are important to mention, nevertheless they do not constitute a part of this thesis focus, therefore will not be discussed in detail here.

Urban Environments and Creative Industries

To continue, apart form CI having an important role in urban development, it can also be argued that cities with their various assets influence the development in CI in return. Hence this relationship might be more seen as an interaction between the so-called creative economy and its complex urban environment. In general, there are several environment dimensions of cities, such as the economical, legal, political, cultural and physical environments (and the corresponding assets), which can impact the development of CI. Bontje et al. (2011) suggest that there are two ways of understanding the literature on creativity and knowledge based economies in the urban context, namely, that either all cities have the potential to generate conditions favourable for developing the relative industries, or that only a limited number of city-regions already benefiting from these conditions have and will use this potential. They conclude from their own case study that even if cities do have different positions in this respect, positive attributes for success can be still identified in each case.

From the economic point of view, a combination of both global and local benefits and effects on CI allow the expanded city-firms to take part in international competition (the previously evoked export potential). Bontje et al. (2011) mention the idea of "glocalization" referring to Malecki (2000) to illustrate that locally rooted knowledge is now seen as important and explanatory to the ability to foster creative economic activities and to connect to the global level and competition. Since cities are in both "national and international competition for scarce resources" (p. 82), those cities having more assets to compete are in a more beneficial position. Among those, the local uniqueness and the ability to exploit it can be considered as very important factor. Therefore one might expect that those organizations competing outside the local market could be more financially stable.

Due to some previously discussed particularities of creative output and the high demand uncertainty or the *nobody knows*, some of the creative producers, especially those providing services are in need of a well-educated consumer base in their local markets who would be willing to and capable of creating the demand for their services (Comunian, 2010). Thereby those

organizations, which believe that high levels of uncertainty characterized their activity, can be expected to care a lot also about the cultural environment of the city, not only the economical possibilities and stability. Moreover, Comunian (2010) also mentions various advanced networks and the connectivity at an institutional level as important factors for developing creative economies in cities. She argues that the local intermediaries play an important role "in facilitating interactions among local creative industries" (p.8), thereby not only the existing creative economy and the interaction of its agents, but also the legal and political environments are important for CI activities.

All in all, the most important factors for attracting and retaining creative employees and employers in cities can be divided into hard and soft factors, the former ones being the more traditional, e.g. infrastructure, transportation networks, labour supply, tax regulations, real estate prices etc. while the latter refer to the attractiveness of the environment, city image, tolerance, diversity of leisure activities available etc. (Bontje et al., 2011, Musterd & Murie, 2010). Apart from the mentioned ones, a very important hard factor is the local labour pool and the presence of universities providing labour pool with highly skilled human capital believed to be crucial for creative industries and urban development in general (Scott, 2006; Russo et al., 2007). Musterd and Murie (2010) also add private trajectories and networks to the locational and retention factors of CI. While some of these factors are more attraction than retention factors, for the CI already carrying out their activities in a certain place, most of the factors mentioned should appear important according to the theory.

2.3. Understanding Creative Industries: Empirical Approach

We have so far seen the most important theoretical considerations applied to CI and their implications in urban context. This chapter presents a critical review of how these theories have been approached in empirical research. It addresses the following sub-questions: What methods are employed in order to assess the size and contribution of CI to the economy? What are the most common data sources? How have the empirical researches approached characteristics of CI in terms of location, entrepreneurship aspects and employment? How have the ideas of innovation, networks and relation to wider economy been empirically operationalized? And finally, what are the previous empirical findings on CI in Riga? At the end of the chapter general conclusions concerning the main research dimensions adopted in this thesis are explained.

2.3.1. Mapping Creative Industries in Countries and Cities

In line with the theoretical considerations reviewed in the previous chapter, many countries, cities and even small towns have engaged in mapping and researching their creative economies, mainly in order to estimate their contribution to the overall economy. In general, there are two main approaches of empirically assessing the size of creative economy in countries or any other geographical area, namely, the industry and the occupational approaches (DeNatale et al., 2008), where the latter is mostly used for measuring the creative economy in terms of creative occupations, and the former, also the one employed in this thesis, is used for researching the firms engaged in different parts of value chain of producing and distributing creative goods. It could be argued that the occupational approach gives a better insight into individual creativity and the nature of work force of creative economy (Higgs et al., 2008), however when it comes to policy research, especially in the context of EU, the industry focus is more prominent, as it corresponds to the common European industry classification system (NACE) and gives information about the CI within the economy as a whole.

While in theory the judgments on the degrees of creativity, and exclusion or inclusion of certain economic activities within the CI framework are already difficult, as we saw when discussing the theoretical CI models, in practice they are even more difficult, as virtually all enlisting of the respective activities is arbitrary and to a great extent subjective. Even though we might have experienced during the past decade a development towards increasing consensus about what can be defined as creative industries or at least the sectors, which could be included in the framework (Flew & Cunningham, 2010), the situation in estimating the statistical data for these industries is far from being clear, generalizable, comparative and representative of the "real" figures. To illustrate the argument, a HKU study (2010) provides a comparative list of the

4-digit NACE classifiers selected as composing CI within their study as opposed to the KEA study (2006) on creative economy in Europe and a study conducted by Sondermann (2007) on CI in Germany. From the 72 classifiers considered in total, only 11 were included in all three studies. Similarly on the city level, DeNatale et al. (2008) show how depending on the model applied the estimations of Boston metropolitan area's creative economy's share of the whole economy range from 1% to 49%.

As for the empirical methods, the most common CI characterizing quantitative studies (especially those commissioned by governments) include descriptive statistics, analyzing industrial organization, sometimes complemented with value-chain analysis of broad CI sectors or sometimes even separate activities (Throsby, 2008b). This statistical exercise in estimating the indicators of CI is commonly called "mapping". The basic indicators include: gross value added, share of GDP, employment levels, firm size, business concentration, import/ export ratio and indicators of business structure (self-employed, commercial, non-profit) (Unesco Bangkok, 2007; Throsby, 2008b; Fesel & Sondermann, 2007; Deroin, 2008). Moreover, Cunningham (2008) explains that the common macro level way of testing the effects of CI on the rest of the economy is to compare their growth rates to those of the aggregate economy (employment, value added, contribution to GDB). On a micro level, the comparison is similar only on the firm scale, namely, growth of firms proportionally to aggregate growth of number of firms, or comparing CI firm profitability or cumulative annualized growth rate. Other recent studies have advanced very much from these regular mapping documents. For instance, Sommerman et al. (2010) analyze CI in Germany with respect to future development, policy and the feasibility of adapting the current theories in statistical research. Likewise, Kulturdomentation et al. (2004) combine the statistical data, value chain analysis and results from postal surveys to analyze in-depth CI in Vienna. The themes explored mostly concern entrepreneurial, problematic aspects of CI, based on common assumptions about the firms in these industries. Overall, these combined methods tend to quantify results obtained by mostly qualitative data sources and to combine them together with the evoked national (or regional) statistical data. The researchers often use large-scale self-completion survey or telephone- or computer-assisted interview results in order to construct regression models for testing causalities or descriptively understanding relationship between different phenomena, such as: the link between CI, technologies and innovation (e.g. Muller et al., 2009); entrepreneurship and the needs of CI (e.g. HKU, 2010); the relationship between the concentration of creative firms and urban economic performance related measures (Lazzareti et al., 2008) and others. We will look at these more in detail in the coming sub-chapters.

As for gathering data, within the large-scale industry studies on CI the most common data source is the national statistics on economic activity and the CI consist of a list of industry classifications of economic activities. For instance, the one used in European Union is the Statistical Classification of Economic Activities in the European Community (NACE) (Deroin, 2011), which gathers data on enterprises according to the type of their economic activities, which are grouped in 4-digit classifiers. Although EU has a more or less unified system, the gathering of the data is still the responsibility of each country's statistical bureau. Similar data collection methods are used in other countries as well, but based on different classification systems, e.g. ISIC for those countries using copyright industry approach, SIC in UK, ASIC in Australia etc. Other data sources, especially for non-governmental studies include business databases (e.g. Amadeus), data from chambers of commerce, credit rating agency listings, business surveys and so on. Lately there is also a tendency to complement the industry studies with occupational data from census, labor surveys etc. as well as with secondary and qualitative data (e.g. HKU, 2010). They are almost never representative of the same population, but can be rather informative (e.g. KEA, 2006). The data sources for smaller quantitative or in-depth qualitative studies use less reliable and most-often non-probability sampling methods, and target the possible respondents, for instance via Internet or yellow pages (e.g. Chaston, 2008). A common source is also secondary data for testing causalities (see for example, Stam et al., 2008).

2.3.2. Entrepreneurial Aspects of Creative Firms

In view of the particularities of the entrepreneurship and organization of CI discussed in the first chapter, there has been a prominent research line addressing these issues. These studies concentrate on issues such as the management aspects, the responses of these organizations to economic, cultural and legal conditions they are subject to or critical success factors. The studies on entrepreneurial aspects have significantly increased in the past few years, partly as a result of the global economic crisis, but of course also due to the willingness to explore more in-depth the characteristics of the entrepreneurship in the creative sector.

A large study was conducted by HKU (2010) entitled *The Entrepreneurial Dimension of the Cultural and Creative Industries*. The authors of the study conducted interviews and surveys all over Europe, inquiring into subjects such as access to finance, access to education, market barriers, intellectual property, entrepreneurial skills, collaboration, education, training, and innovation. Their study is too broad to discuss all their results, however some have to be mentioned, especially because this study also covers several aspects studied in this thesis. The authors conclude among other things that specific skill sets are crucial for the success of CI and that their absence might explain different problems faced by these organizations, for instance difficulties at

the entry in the market or finding new markets. They also conclude that access to finance is seen as one of the biggest problems, even though self-financing is the most common source of income. Moreover, the importance of factors, such as external knowledge, networking and collaboration, is particularly emphasized.

In a smaller study, Hollaender et al. (2010) investigate the growth and internationalization processes of small and medium size creative firms in Flanders, and the role of external services and social support in them. They find out that these creative firms do indeed rely on external services (such as law or financial consultations) and that they are more prone to internationalize than other firms on average, in other words, international markets are important for them. Their study presents one very interesting outcome – even though they appear to rely on the mentioned external services, they were also reporting that these services do not suit their needs. The authors also conclude that networking is particularly important for CI firms and their success.

In their research, De Jong et al. (2007) cover among other topics those regarding innovative outputs and inputs, strategy and marketing of the organization, as well as human resources' management. They run multivariate analysis to test first whether there are differences between creative and non-creative firms, and then between the delineated sectors or creative firms. The authors come to a conclusion that creative firms use all of the business practices falling under the scope of the topics mentioned more often than firms in other industries. Moreover, the knowledge intensive service businesses, which are usually not part of the CI, tend to score higher on innovation variables than the CI sectors, while the creative business service sector lags behind. Their results also show that organizations in the traditional arts sector are less prone to have management strategies for developing their human resources. This study confirms the theoretical assumption expressed in the previous chapter that creative industries sectors do not form a homogenous group and that each of them has its own particularities.

To conclude, the studies on entrepreneurial aspects could be regarded as very important for the purpose of informing policy-decisions, since they deal directly with the local peculiarities and problems the CI face and offer a rather simple framework for obtaining very useful information. Moreover, it could be argued that due to the global economic crisis, it has to be inquired into how the creative organizations have dealt with the particular bad economic conditions and how these entrepreneurial considerations work during more difficult times.

2.3.3. Employment Characteristics

As a further matter, in view of the enormous role of human capital in developing these industries, it is very important to understand what constitutes the workforce of creative industries, in order to understand better, which points, if at all, should be the policy target. As already explained, a

large share of CI labour is actually non-creative (DeNatale et al., 2008), and those researchers that believe that we should look instead at creative occupations in the economy as a whole, tend to discard the industry approach, which is why a lot of research has been done on creative occupations but not so much on the creative industries workforce. It has to be repeatedly stressed that we keep our focus on the latter. The reason for this focus is that each of these approaches target two separate policy focus, the pure occupational approach being more subject to developing human capital and creativity in general (and therefore oriented in individuals), while analyzing the attributes of human capital within the industry approach serves to understand better the exact needs of concrete industries (which are subject to industry development policies).

To begin, some of the indicators of characterizing workforce overlap with the economic indicators, such as, for instance, firm size (number of employees). But there are more crucial indicators. As already evoked, several national/international studies combine economic activity data with employment. Although it is another method, it gives a rough idea about what the CI employment is, especially within the context of the *creative trident* method, where creative/cultural employment within the CI is a separate sub-category (Higgs & Cunningham, 2008). It gives information about the share of creative and non-creative occupations in CIs, where often the non-creative employment dominates (e.g. Centre for International Economics, 2009; or Freeman, 2009).

To continue, cultural employment statistics, mainly obtained via census or labour surveys, have provided some results on CI demographics, such as age, gender, education breakdown, but it can also been concluded that they still misrepresent the actual structure of workforce, as the data is gathered separately from industry data (KEA, 2006). Therefore the data could be improved by adding sub-sector-specific surveys or qualitative analysis. More on sub-sector division has been done, for instance, in Freeman's report (2009) on London's creative workforce, where he combines annual business survey, labour survey and an independent business data register data in order to asses creative employment in and out of creative industries, also with regards to subsectors, creative jobs and total jobs in industries. He also assesses the amount of self-employed and part-time workers, as well as gender and ethnicity and makes some cross-variable and correlation conclusions, which is not so common in creative employment studies.

An example of a more qualitative study on CIs workforce in South-Eastern European countries was done by Primorac (2006), who investigated (within a larger research context) the work conditions of those employed in CIs, but not exclusively artists or "creatives". The author used semi-structured in-depth interviews to inquire into the different aspects of their working experience, forms of employment and complimented them with desk-research results on some

legal issues (laws on social security etc.) The results helped to understand better the overall attitudes, however the type of method has also some serious limitations. Firstly, as often with qualitative methods, it is not clear at all how the respondents were selected. Moreover, 27 respondents for all the creative industries of 4 south-eastern European countries, without knowing sampling criteria appears somewhat dubious.

To continue, an important part of informing the CIs policy is related to education and skills needed and represented by and for those working in CIs. Although these industries are commonly associated with high levels of education (Centre for International Economics, 2009), we rarely know much more than just the share of people having higher education. There is nothing known about, for example, what type of education have these people pursued, if any, what are the differences between occupational types, age, gender etc. This is an area still to be researched widely.

To conclude this section, a very balanced research on statistics and extended set of characteristics was done for the city of Vienna (Kulturdokumentation et al., 2004) combining several industry and occupational statistical data sources and then carrying out self-completion postal surveys, which gave further insight into many aspects of the CIs workforce, working conditions, motivation and many more dimensions. Although it is not clear again how they sampled the survey respondents, they did test by weighing with respect to the initial industry breakdown to ensure reliability, and it could be used as an example or departure point for improving the regular statistical reports made by other countries, cities or regions.

2.3.4. Geography of Creativity

When it comes to comparison or exploration of the spatial context of CI (seeing the interdependence with their environment), a very much-employed empirical methods are locational analyses, namely the researching the clustering or concentration of firms for mutual economic (but not exclusively) benefits due to network and agglomeration externalities (Throsby, 2008b). There are two principal methods employed. The first one uses regression models to explain different economic performance variables with the concentration of CIs (usually measured with LQ) in general in an urban area/region (e.g. see Power & Nielsen, 2010, where the authors show that the creative and cultural specialization of a region explain 49% if the variance in the GDP per capita, no other factors included, which can be regarded as a strong explanatory factor). The second popular method is less established and is still being elaborated – distinguishing separate/multiple clusters of different or the same industries in the same area. For instance, Boix et al. (2011) use individual firm data from business database Amadeus on postal codes to locate same-industry clusters in Europe by using geo-statistical algorithm. It has to be

noted that clustering can be explored at several geographical levels – international, regional, comparing city concentration indicators, and also on a city scale - discerning the areas of a city where the creative activities are located at a high density. While these studies prove useful for determining the (non-) existence of clusters, they do not say anything about the motivations of clustering, the externalities or sustainability of these clusters. More qualitative and both quantitative in-depth studies exist in the field of exploring clusters and their specific characteristics, nevertheless it is hard to create a common framework of assessing CIs' characteristics within the broader locational analysis context, as it would require a very complex research framework. Moreover, the data problem also prevails here, for often the data is very imprecise and it is difficult to determine whether there is a cluster and if it is a production or consumption cluster.

On the other hand, studies on clustering and urban economic performance are not the only method of exploring the relationship between a place and its creative economy. A lot of attention has also been paid to inquiring into specific factors, which foster the development of a creative economy. More precisely, in line with previously discussed ideas on attracting and retaining creative economic activities and people, scholars engage in empirically assessing the importance of these factors. The most prominent of the research frameworks was initiated by Florida (2002), where he composed several indexes relating to his theory explained in the previous chapter. These indexes measure the performance of cities on the dimensions of creative talent, technology and tolerance and are then being used in order to explain and compare the cities economic performance or growth of creative economy. In order to test the Floridas assumptions against more traditional factors of attracting and retaining creative activity, Musterd and Murie (2010) employ a combined research framework, where several rounds of interviews and surveys with different target groups, such as creative employees, transnational migrants and managers (employers) of firms, are complemented with the statistical data on CI and knowledge-based economic activities. Within this framework they compare then several European cities in order to find out what factors attract and retain the creative economic activities and the respective workforce. They inquire in both hard and soft factors, as presented in the previous chapter, and conclude that in general hard factors are more important for attraction and retention of both workforce and firms. In addition, they also mention that networks and personal trajectories often play an important role, especially in the post-command economy cities. All in all, it can be concluded that the studies following the same reasoning as this one can help to understand better what is valued by the representatives of CI in terms of conditions of the different mentioned

environments of the city, and to discern what are the problematic aspects that could hinder their development.

2.3.5. Networking, Innovation and Contribution to Wider Economy

Partly related to the previously mentioned network externalities in the case of locational analysis, another important part of research deals with understanding the relationship between creative industries and innovation. As previously discussed, due to the knowledge spillovers and intra- and extra-industry networks, these industries are believed to contribute to innovation far beyond the industry itself (Foord, 2009). Research has been done both on innovation and networks, as well as in some more general matters about interaction in CIs and the potential development inducers. All these ideas are not the same, although some conclusions especially about the complexity of CIs do overlap. Moreover, what these studies have in common is the use of qualitative or combined methods for investigating these phenomena. Their major strength is that they yield informative, in-depth results, if compared to combined quantitative methods/use of sources. It has to be noted, that some of the researches would probably not classify under "economic analysis" but the main goal of the ones discussed here are to contribute to understanding about economic development of CIs.

As for the innovation studies, Stam et al. (2008) in their study on The Netherlands rely on data from a business an policy research institute, covering the four-digit classifiers, and look at the innovation in art, media and entertainment, and creative business service domains. They measure the innovation performance of firms in each domain as a combination of nine variables – four innovative output variables ("new product or service introduction, products or services new to the industry, process innovation, innovation in distribution systems") and five innovative input variables ("documented innovation strategy, use of external networks to exchange knowledge, cooperation to develop innovations, employment of specialized innovation workers and recent expenditures on training and education") (p. 125). Miles and Green (2008) study for Nesta combines such results of UK's *Community Innovation Survey* with a qualitative case study of four industries belonging to the creative sector. Both of these studies present results, in which creative sectors score much more higher than the average of all firms on innovation. Stam et al. (2008) study shows that these firms score high on new products but rather low on products new to the industry (in arts 58% as compared to 21%). The breakdown of results invites to question the too arbitrary characteristics of the answers this method presents, namely, weather what is called in other industries as packaging, here is perceived as the main source of innovation. On this matter, Oakley (2009) discusses the dilemma of artistic innovation where at one end there are theories viewing every single artwork or cultural good as innovation but on the other the ones

classifying only break-troughs creating new fields as innovations. It could therefore be expected that when filling in the "traditional" innovation surveys the representatives of many if not all creative sectors would answer affirmatively to the questions of occurrence of new products, and score very high on innovation measures, which also appears to be the case. Since every product theatre play, song, house plan, advertisement etc. is a new product while the extent to which these products are innovative is not measured with these methods. This also draws on the problem accentuated by Jaaniste (2009), namely that of measuring innovation output within the creative sector due to the creation of copyrights instead of patents, which do not say anything about the quantity or quality of the innovation, as the copyrighted product can also have no originality.

In relation to innovation spillovers from CI to the rest of the economy, Bakhshi and McVittie (2009) explore the link between CI and innovation in other sectors from a supply-chain linkage perspective. They look at business-to-business relationships between firms in CI and those in other sectors, use results from *Community Innovation Survey* and combine them with data on both sales and purchase to and from CI in order to see weather these are better predictors of higher level innovation in other businesses than CI than some of the commonly employed variables, such as firm size, location, IP protection methods etc. Their findings confirm a positive linkage on several, but not all of the innovation variables. Similarly, Muller et al. (2009) investigated the upstream and downstream effects of inter-industry innovation support and their determinants. They investigate use of technology as a way of external innovation consumption and several creative inputs along different stages of the innovation process as representative of inputs in innovation in other businesses. Moreover, the authors construct a regression model of different possible determinants of the probability of firms in different creative sectors to contribute to innovation beyond their scope. Variables include, for instance, size of the firm, links to academia, networks, employee education and many others. Again the results can be of course criticized as somewhat arbitrary due to the use of dichotomous variables that are subjectively judged; nevertheless they provide evidence to the inter-industry cooperation and supply-chain linkages with respect to some innovative activities. All in all, their research design is one of the most robust ones that can be found in CI research and as such can serve as a basis for also other dimensions of CI.

More on the particular role of networks in CI, Felton et al. (2010) conducts open-ended interviews on a sample selected based on a previously published industry statistics on the same area in order to investigate the complexity of networks in outer-suburban locations. Comunian and Chapain (2009) apply knowledge pool model as an analysis framework in order to emphasize

the role of networks, availability of the labor pool and their complexity in developing creative economies. Even if the generalizability is to some extent under question, these authors show that some of the characteristics previously-assumed to be true, without having a solid academic "back-up", are actually false and that networking in these industries should be reconsidered.

As for the relation of CI to wider economy, some issues were already discussed in the beginning of this chapter when reviewing the quantitative mapping methods. However there are also more qualitative methods researching this relationship and they are particularly popular among those advocating the complexity of the creative economies. The already discussed method of Felton et al. (2010) proves that CI are not limited to urban areas and are more intricate than commonly perceived. Comunian (2011) draws on interviews conducted with creative workers in North East region of England to argue that the way in which cultural development is managed in an area is a complex system and there is a great role of micro-interactions and networks, in general. The basic ideas of this kind of approaches are that cities and their relation to creative industries are complex, multi-dimensional systems and they need to be analyzed as such. While these studies are more time-consuming and less representative they can offer very interesting results, especially if combined with quantitative analysis.

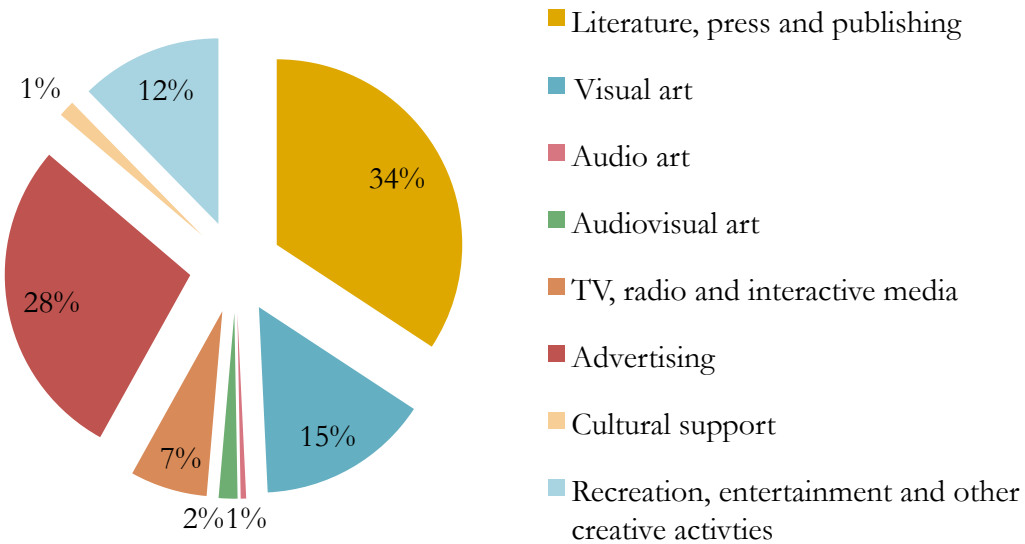
To sum up, of course this is by far not a complete review of all the research themes and methods in CI, however it has looked at the most important dimensions to be explored and used in this thesis.

2.4. Creative Industries in Riga

After having discussed the general literature on CI, the available literature on CI in Riga has to be considered. In general, it can be argued that CI in Latvia are relatively new. As mentioned before there are some studies available mainly commissioned by or made in collaboration with the Ministry of Culture; nevertheless these studies can be regarded as an initial stage of mapping the general characteristics of CI in the whole country and there are almost no specialized research dealing with separate aspects of CI (Sedleniece, 2010). This sub-chapter therefore mainly presents the general statistical data available focused on the city of Riga.

As the capital of Latvia, Riga illustrates the previously mentioned idea of capital serving as a global node. It is the main city of the country in every sense - economic, cultural, and political. According to Paazlow et al. approximately one third of the country's population resides in Riga and it accounts for close to sixty per cent of Latvia's GDP (2010). In respect of CI, according to the most updated statistical data available for the year 2006 (Mikelsone, 2008), 54.8 % of the firms and self-employed within CI carried out their economic activities in Riga, and the number increases to 71.58 % when accounting only for firms. Moreover, 68.02% of the amount of employed in CI were located in the capital and it accounted for 87.55% of the net turnover in these industries. The Figure 1 shows the CI subsector shares of total CI turnover in Riga in 2006. The most turnover was produced in the subsectors of Literature, Press and Publishing (34%), Advertising (28%), Visual art (15%) and Recreation, Entertainment and Other Creative Activities (12%).

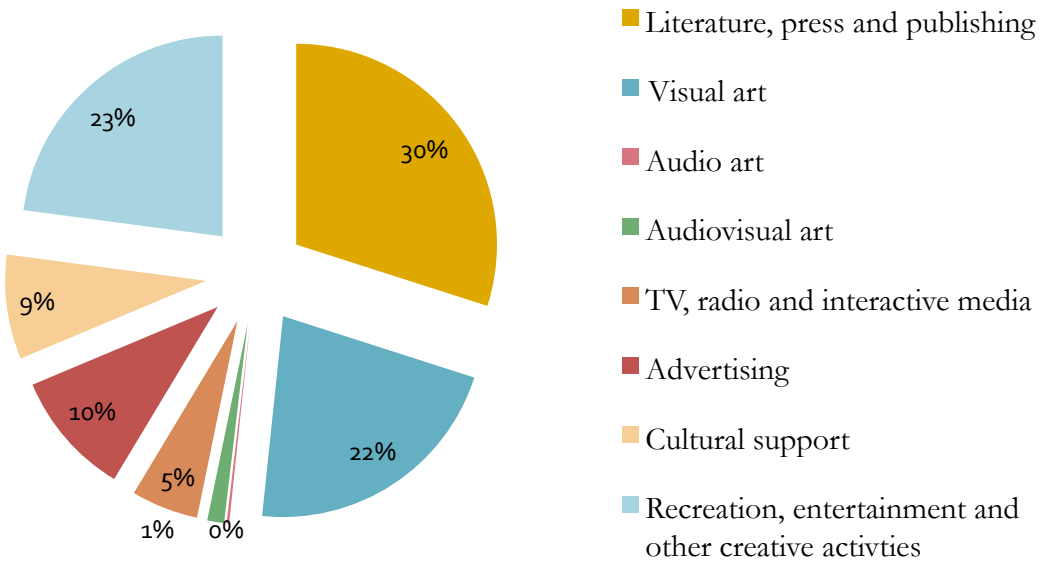
Figure 1: *Share of net turnover in CI by subsectors, Riga, 2006 (Mikelsone et al. 2008).*



The least net turnover is produced within the sectors of Audio Art and Cultural Support (1% each) and Audiovisual Art (2%). TV, radio and interactive media sectors accounted for 7 % of

the net total turnover of CI in Riga.Likewise, the same sectors appear to predominate also in terms of employment (Figure 2). On the other hand, the ratio of turnover by employment does differ among the subsectors. To exemplify, while employing 10 % of all the persons employed in CI in Riga in 2006, the Advertising subsector's share of CI turnover was almost 3 times bigger. The inverse relationship was found within the cultural support sector and the recreation, entertainment and other creative activities sector, the former employing 9 times more and the latter employing almost 2 times more than its net turnover in terms of the share from all the CI in 2006. If we put the data within the national context, in 2006 the persons employed in CI in Riga represented 3.97%[2] of the total amount of the employed in all the country.

Figure 2: *Share of employment in CI by subsectors, Riga, 2006. (Mikelsone et al.)*



All in all, as for the industry growth, the available statistics for the period from 2001 to 2006 show a growth trend in every economic indictor the authors of the report look at. Nevertheless, we should not forget that the data is from the pre-economic crisis period. And since Latvia was one of the EU countries to experience the crisis the worst, we might expect different results for the more recent period. As mentioned by some city representatives in the report of Paalzow et al. (2010), the financial crisis has slowed down the tremendous pre-recession economic growth indicators; on the other hand some of these interviewees also mention that crisis might be as well beneficial to CI more than to any other industries due to the high-added value which renders the firms within these industries more competitive comparing to others (Paalzow et al., 2010). This opinion will be put to test in the methodological part. Besides, even if

[2] Calculation made according to the Central Statistical Bureau's data avaliable on the total number of employed persons in Latvia and the number of employed in CI as presented by Mikelsone (2008, p.40).

the CI in Riga and Latvia were growing during the pre-crisis period, their economic sustainability was questionable already then – for instance, the import of CI's products in Latvia in general exceeded their export 5.2 times in 2006. While it is impossible to determine the share of the export/important balance for Riga as there is no existing data on this matter, it shows the general situation in CI at that time (Mikelsone, 2008; Mikeslone et al., 2007).

2.5. Summary

To sum up, in this part we begun by discussing the term "creative industries", its development from and link to "cultural industries". We came to a conclusion that there is no consensus towards the exact economic activities constituting the concept of creative industries and that it is a context-dependent term still in the process of development. Nevertheless, it was possible to discern the general properties, which could be theoretically applied to all CI, as well as some of the differences we might expect between firms in CI according to theoretical assumptions. Among those we discussed the general characteristics of creative outputs and inputs, some organizational, entrepreneurial and managerial aspects as well as the characteristics of CI employment. Further on the relationship between CI development and their city was described. It was induced that both phenomenon are in an interaction and can contribute to or hinder each other's development. The literature reviewed also allowed concluding that from a firm perspective there are many factors, which are important when discussing this linkage between CI and the city, namely, organizations in CI are expected to express concern towards various dimensions of their respective urban environment. In the mean while, they are likewise expected to contribute significantly to the development of the local economy.

Further on we saw that a lot has been done empirically in order to understand better CI both on a macro and micro level. This literature review presented then the studies, which employ combined methods for reaching the theoretical dimensions discussed in the first sub-chapter. This clarified the aspects to be analyzed in the empirical part. Finally, we synthesized the main points from the available studies concerning CI in Riga and concluded that even though the mapping document shows growth until 2006, the current situation can be expected to be slightly worse. We now turn to presenting the chosen methodology.

III. Research methodology

3.1. Introduction

In previous two chapters we reviewed both theoretical literature and previous empirical studies. As the review showed, the CI research has extended tremendously during the past decade. Even though this review did not look at all the research dimensions concerning CI, unifying even all of the presented aspects in one framework would require several theses. In view of the poor amount of research concerning Riga, choices had to be made in order to combine the most relevant concepts for a successful and meaningful empirical framework of exploring characteristics of CI in Riga. This chapter presents this methodological framework and the steps that were taken to carry out the research.

First, we explain the general methods employed in this study. Further on the approach to statistical mapping and the way CI have been operationalized in this thesis is discussed. We then look at the concepts chosen as relevant to the survey carried out and the way they had been empirically approached. In order to construct this research framework, two criterions were selected as important when deciding what characteristic dimensions to include – firstly, there had to be a relative continuity of the concepts chosen with the few existing studies about Riga so that the results could be discussed in a comparative manner, and secondly, the assumptions to be tested had to be informative enough but could not be too broad, vague or complex, so that they would be suitable for a survey. After presenting the main concepts, we list several hypothesis formulated from what has been written before. Finally, the last two sub-chapters address the processes of data collection and data analysis.

3.2. Research Design

As a result of reviewing the existing literature, the following empirical sub-questions guiding the research part were formulated:

- **What are the general economic characteristics of the CI population in Riga?**
- **What are the firm-level characteristics of CI in Riga?**
    - What are their production and provision particularities?
    - How can their entrepreneurship characteristics be described?
    - What are the CI employment specifics in Riga?
    - What is the nature of inter-industry linkages?
    - To what extent can the characteristics of CI as found in the theoretical literature be attributed to CI firms in Riga?
- **How can the link between CI enterprises and Riga's urban environments be described?**
- **What are the subsector differences along these research dimensions?**

These questions further on informed and guided the development of the research design.

In order to investigate the enlisted characteristic dimensions of the CI in Riga a combined mostly quantitative research method was chosen. Since the research question already implies the willingness to generalize the results about the whole population of CI in Riga, not only the ones directly involved in the study, the quantitative approach was seen as the best one (Bryman, 2008; Walliman, 2006). Since inferential statistics usually require something to be known about the target population on beforehand, the chosen research strategy consisted of two separate methodological parts, where in the first part we inquired into the statistical data with regards to sub-sectors of CI and their relation to the economy in general; and the second part focused on the specific characteristics of firms in CI within different research contexts by gathering data through online surveys. This choice of methods then defined two primary objectives of this study, each empirical part having its own. First, the objective of the statistical mapping was to describe the creative industries population in Riga in a general manner. The statistical mapping was also chosen because there has not been a recent update on the data concerning CI since 2008 (data about 2006) and referring to data accounting for the pre-economic-crisis period would not at all be representative of the real situation. Therefore, not only the first part was expected to yield relevant results itself but it was also used to inform the second part of the research with the information on structural composition of CI in Riga. Second, the objective of the online survey was to inquire into previously non-researched aspects of this population. The two parts of the empirical framework also had two different units of analysis. The statistical update focused on

the specific sub-sectors of CI, while the survey's units of analysis are individual firms, even though they were mostly aggregated at the sector-level. We now look at each of the methodological parts separately.

3.2.1. Statistical Mapping

In a toolkit on mapping creative industries BOP Consulting (2010) argue that the first and most essential step is to define the CI within their context and that this definition has to be compatible with the available data sources. With regards to the data on structural business statistics in Latvia the Central Statistical Bureau of Latvia (*further in the text* – CSBL) is the only institution gathering such data and most of the private databases obtain their information from them. In order to acquire the data, an operational definition of the industries had to be proposed first. Overall, the definition of CI as used within the strategic documents of Riga and Latvia is an adaptation of the definition introduced by DCMS. CI in Latvian context are defined as those industries involving "activities based on individual and collective creativity, skills and talents, which by way of generating and utilizing intellectual property, are able to increase welfare and create jobs. Creative industries generate, develop, produce, utilize, display, disseminate and preserve products of economic, cultural and/or recreational value." (Mikelsone et al., 2007, p.3).

Although there is an official national definition it has not been used in this thesis. While the focus of this thesis is very policy related, the literature research on the methods of researching CI especially within the national statistical frameworks made it clear that the DCMS and thereby also the Latvian definition of CI has limited potential of being operationalized in compliance with the NACE classification system of economic activities. Within the DCMS model some of the sectors do not contain any classifiers correspondent to the economic activity specified, as in the case of craft, while for instance design sector is represented by one classifier, which also includes fashion design activities that are separated as a sub-sector on its own according to the model. While the newest revision of the NACE has solved some of these issues, employing the model is still problematic (Falk et al., 2011). This could also be one of the reasons why even though the policy documents distinguish between the "classic" 13 categories, the only mapping document presents a model of 8 sectors (based of NACE revision 1.1). Moreover, the current statistical updated of CI in Latvia on the homepage of Ministry of Culture of the Republic of Latvia contain information on12 sectors of CI (NACE revision 2). For this reasons another operational division was made, after reviewing the previous studies of other countries.

The main features of the model for this thesis were adopted from the research conducted in Germany (Sondermann et al., 2009b) with some adjustments judged as necessary after reviewing the theoretical considerations. The borderline cases, namely, the activities whose

inclusion in CI is frequently contested, were distinguished as separate categories to avoid confusion and generalization. Four extra sectors were added – design manufacturing, fashion manufacturing, cultural education and trade of creative goods, being judged as important. The first two sectors were included because design activities might also occur and prevail in the firms engaged in these activities, especially if they are small firms in terms of employment. Cultural education was included as another sector due to its inclusion in previous Latvian CI statistics, and the trade of creative goods was distinguished from that of traditional cultural goods in order to avoid exaggerated results, in the mean time allowing accounting for those activities as well. The activities included were divided into 15 subsectors and the final sectoral list was divided into the following two categories and was reviewed as such, when necessary (for a complete list of included NACE classifiers and discerned groups, see Appendix 1):

Creative Industries Sectors:

1. Publishing and printing
2. Film industry
3. Music publishing
4. Broadcasting
5. Cultural economic branches
6. Libraries and museums
7. Architecture
8. Design (specialized)
9. Advertising
10. Software & games
11. Fashion (manufacturing)
12. Design (manufacturing)
13. Cultural education

Trade of creative goods:

14. Trade of traditional cultural goods
15. Trade of other creative goods

As for the operational definition of CI legal entities looked at, the choice was mostly determined by the data available at the statistical bureau. Since the statistical data is only available for those legal entities, which are operating fully in the market sphere, it was not possible to include also non-profit organizations or government agencies, enterprises etc. in the scope of this research. Although at the micro level (firm survey) data was obtained also for those entities outside the market, only the commercial organizations were at the end included in the results of both statistical update and survey.

The literature discussed in the previous part informed the choice of indicators for the mapping part. The obtained information concerned 4 variables of structural statistics over a 4-year period (2007-2010):

- Number of enterprises
- Number of persons employed
- Net turnover, which represents "income from the main activity, sale of the manufactured products and provision of services." (CSBL)

- Value added is an increase of product's market value, which arises in the result of any kind of economic activity. It is calculated by deducting intermediate consumption from production (at basic prices)." (CSBL)

Moreover, particular attention was paid to size categories of enterprises (micro, small, medium and large size enterprises).

3.2.2. Survey framework

The further research framework was made as synthesis of what has been discussed in the literature review. Survey was chosen as the most accessible and reliable source of information as it allows gathering important information from larger populations (Bryman, 2008). The online survey format was chosen due to several reasons. Firstly, the time and geographical limitations of carrying out the research did not allow for face-to-face surveys, while postal surveys were considered as too costly and time consuming for the stated research purpose. Furthermore, the format of the survey permitted the respondents to choose their own time of completion. And finally, the contact information in form e-mail addreses was easier to find and also served as an indicator of whether the enterprises are in active business.

The survey was designed as a combination of questions concerning several of the topics discussed before. All in all, it deals with concepts such as legal status, activity sectors and specifics, target markets and clients, types of good provided, innovation, part of the value chain, inter-industry collaboration and knowledge exchange, relation to IP rights, economic properties of CI, the role of different skills and conditions in their activity, response to crisis, skills needed, sources of income and employment characteristics (for the full list of variables and their explanations see Appendix 3). From a broader perspective, the included survey questions were arranged into following general sections:[3]

1. Overall information, including questions concerning the sector of activity, age of the enterprise, number of employees, main target markets, type of clients and the like.
2. Location and relation to creative districts.
3. Production/provision particularities, dealing with issues such as types of goods, own perception of novelty of what is provided, part of the value chain, relation to other CI sectors, dealing with Intellectual Property, as well as questions of standardized or tailor-made production.

[3] For the full list of survey questions see Appendix 2.

4. Entrepreneurial aspects, involving questions related to theories of Caves (2000; 2003), importance of different aspects and conditions in running the business and types of challenges faced.
5. Employment characteristics, concerning share of creative employees, gender shares, type of employment, education and skills necessary.
6. Financial viability, including questions of income sources, availability of these sources, financial situation in the past two years and turnover categories.

Most of the questions where multiple-choice questions, with single or multiple answers allowed. Due to the relatively large number of topics to be covered, the answers were mainly predefined and did not contain many explanations in order to reduce the completion time and to be able to cover more topics. Many of the questions involved some form of Likert scale in order to facilitate the process of answering. In addition, some open questions where added to gain extra insights into specific topics, for instance the concrete activities of the enterprises or the financial sources.

For the most part the questions were theory-based, however some of the questions were taken from previous surveys carried out among CI enterprises. These turned out particularly useful for themes not yet so widely discussed, such as skills necessary or the responsiveness to the economic crisis (Saffery Champness).

3.2.3. Hypotheses

As already mentioned, the literature review resulted in formulating three general empirical research questions and several sub-questions defining the specific aspects of the thesis to be considered. For each sub-question a number of hypotheses were formulated. The hypotheses try to clarify to what extent can the characteristics of CI as found in the theoretical literature be attributed to CI firms in Riga. In this sub-chapter we present the hypothesis according to the empirical sub-questions they are linked to. They do not however cover the whole scope of the research issues addressed in the empirical part.

Statistical Mapping:

RQ1: What are the general economic characteristics of the CI population in Riga?

1. What are the key economic characteristics of CI in Riga?

H1.1.CI are a significant contributor to the city's employment.

H1.2.CI are a significant contributor to the city's GDP.

H1.3.The CI sector in Riga is primarily dominated by small and medium size enterprises.

H1.4.The small and medium size enterprises account for the biggest share of the CI contributions to GDP.

H1.5.There are sectors in which there is a tendency to have couple of large firms dominating the market and the rest of them small, such as film industry, music publishing or broadcasting.

2. How can the dynamics of the economic performance of CI firms in Riga be described?

H2.1.CI employment in Riga grows at a faster rate than the average economy.

H2.2.CI turnover in Riga grows at a faster rate than the economy's average.

H2.3.CI value added in Riga grows at a faster rate than the economy's average.

H.2.4.CI are more resilient to economic crisis than the rest of the economy.

Survey of Creative Industries:

RQ2: What are the firm-level characteristics of CI in Riga?

3.What are their production and provision particularities?

H3.1.Cultural goods and services are only characteristic of the subsectors belonging to the traditional Cultural Industry.

H3.2.CI provide mostly cultural and creative goods and services.

H3.3.CI model employed accounts for both creative and non-creative enterprises.

H3.4. CI enterprises are more engaged in tailor-made than standardized production.

H3.5. CI enterprises are engaged to a large extent in the provision of novelty.

H3.6.The goods and services provided by CI are all subject to some form of Intellectual Property rights.

4.How can their entrepreneurship characteristics be described?

H4.1.The global markets constitute an important part of the CI enterprises' target markets.

H4.2. Those organizations competing outside the local market are more financially stable.

H4.3. Human capital is crucial for CI enterprises.

H4.4. Creative enterprises collaborate among each other.

H4.5. Creative enterprises collaborate beyond their scope.

H4.6.1. CI enterprises believe their provision processes are characterized by high demand uncertainty.

H4.6.2. CI enterprises are in the business because they care about their activity.

H4.6.3. The production of creative goods requires a combination of various contrasting skills.

5. What are the CI employment specifics in Riga?

H5.1. CI employment is dominated by creative occupations.

H5.2. CI employees have mainly creative educational background.

H5.3. Specific skill sets are crucial for the success of CI and their absence might explain different problems faced by these organizations, for instance difficulties at the entry in the market or finding new markets.

RQ3: How can the link between CI enterprises and Riga's urban environments be described?

6. What are the geographical aspects of CI enterprises in Riga?

H6.1.Creative enterprises cluster.

H6.2.The firms who find creative talent important tend to cluster more than those who find it less important.

H6.3.Creative enterprises are part of creative districts.

7. How do CI enterprises in Riga experience different assets and conditions of the city?

H7.1.Creative firms are concerned about the cultural environment of the city.

H7.2. CI firms find the traditional hard retention factors (infrastructure, economic situation, availability of the local labor pool) less important than the soft retention factors (cultural environment, city's image etc.).

8. How have the CI enterprises experienced the economic condition in Riga resulting from the global economic crisis?

H8.1.CI enterprises deal moderately well with the economic crisis.

In addition, two general hypotheses have been formulated addressing the issues throughout the whole empirical part:

H9.1.Characteristics of creative industries differ among the subsectors.

H9.2.CI in Riga differ most between the categories of traditional cultural industries and those belonging only to creative industries, instead of differing along other distinctive variable groups.

3.2.4. Data collection

It has to be noted that the data collection part was one the most complicated parts of writing this thesis. The first institution contacted for obtaining the statistical data was the Ministry of Culture

of Republic of Latvia, since they already have collaboration with the CSBL for such purposes. While the initial contact was positive, higher-level officials responsible for cooperation of this kind did not even respond to emails concerning the request. Parallel to that the first negotiations with the CSBL were started in January, 2012. The first official request was made officially on behalf of the supervisor of this thesis, explaining the research purposes and the academic nature of the research. It was answered that notwithstanding the research purpose such information is a tailor-made service for charge. Moreover, the first answer was that the most of the data requested is confidential and not available. Another contact with CSBL was made in April, when the author went to the bureau in person inquiring about the possibilities of obtaining such information. This encounter was more positive and another request was made and settled. After a long email correspondence the final data set was sent only on June 19, even if it was supposed to be prepared in 10 days, thereby delaying the thesis time schedule.

As for the information layout, the final data set covers a four-year period (2007-2010) and provides information on the 4 variables listed earlier in this chapter. They numbers are given for the total of selected subsectors and individual activities, as well as for the total of each enterprise size groups (respectively categories of 0-9, 10-49, 50 – 250, more than 250 employees). For some of the categories the information was confidential due to the small amount of units representing it, for instance, when in a certain activity classification group there were only one or few enterprises. Besides the information on the indicators mentioned, initial request included also data on categories such as average income and import/ export volume. However, the data is not gathered in the framework of structural business statistics and therefore is not linked to the industrial classification, which is why it was not possible to obtain it. Finally, the extra data on city's and national general economic performance was obtained from CSBL's public online database.

As a further matter, the data collection via online survey was started earlier than the data from the CSBL was obtained. The survey was available online in May and June, 2012. The survey distribution was made via two different channels. First, a purposive sampling method was employed – a list of email addresses of those legal persons registered under one of the target NACE classifiers, registered in Riga and having provided an email address or homepage was obtained from *Lursoft,* an online database provider cooperating with state and municipal institutions. The initial list of emails consisted of 1376 email addresses while only around 900 were valid (were not rejected and sent back by the mail hosting services). The list was further complemented with more email addresses manually looked up on the Internet according to the available list of all the enterprises and other legal persons, which comply with the target group.

The final email list consisted of 936 units and each of them received 3 emails inviting to fill out the survey.

After the initial results it became clear that the groups of "core arts", as well as self-employed and government bodies were underrepresented, thereby a second sampling method, namely, snowball sampling was used. The respondents were reached via social networks such as *Twitter* and *Facebook*. First, some key institutions were indentified that would appeal to the target groups. They were then contacted and asked to publish the survey link on their public profiles. Due to time limitations, the invitations to complete the surveys were not repeated, therefore the responsiveness was not very notable and this method only added around 30 respondents to the sample. The final number of responses was 172, which equals to an approximate response rate of 18 %.

3.3. Data analysis

The data obtained from CSBL was analyzed in Microsoft Excel due to the need for various calculations. From the initial tables new tables and figures concerning calculations concerning changes of numbers over time, shares of total population, growth dynamics and subsectoral differences were made. When choosing the information to include in the results, the author used previous studies of the same type as the basis (e.g. Sondermann et al., 2009a; Weckerle et al., 2008).

All the data from online survey of creative enterprises was processed through SPSS. The first part of the analysis entailed descriptive statistics, looking at the different characterizing variables. Furthermore, since part of the variables were simple dichotomous (yes/no) variables resulting from questions were more than one answer was possible (see Appendix 3), the differences among subsector and size groups were investigated by cross-tabulations and their generalizability was tested with the corresponding test of statistical significance (Chi-square Test) and the relevant correlation indicators (Cramer's V).

Similarly to the study done by De Jong et al. (2007) the sample gathered was disproportionally stratified – some sectors where underrepresented and some sectors where overrepresented. For this reason a weighing variable was computed in order to ensure a representative stratification. The information obtained from the CSB was used as a basis for calculating the weighing factors. The initial idea was to weigh the sample not only according to sector they belong to, but also according to the firm size. Unfortunately due to the small or non-existent number of certain size-categories of certain sectors in the population itself, this could not be carried out and the sample was weighted only according to the proportion of all legal entities of the delineated sector in the total number of legal entities in CI population. The computed weighing variable was only used upon the analysis were generalizing statements about the population could be made, e.g. testing the significance of the differences among the subsectors of CI and to test whether there are differences once the sample is weighed.

3.4. Summary and limitations

To conclude, the data collection already made apparent some of the issues described in the literature review, particularly the unsuitability and non-correspondence of the currently employed statistical economic activity classification to the reality. Not only it was at times impossible to disintegrate the classification categories to distinguish the creative industries related activities from those, which are not, but also very often the respondents replied to the invitation email that they felt as if their organization did not fit within the targeted group of activities, or on the contrary – that they correspond to several categories and are not able to choose one.

One might argue that due to the fact that only the enterprises having email addresses or access to Internet were contacted, the external validity of the sample is limited (Bryman, 2008). However it is difficult to imagine that enterprises from a rather consumer-oriented industry would not use email in order to run business (especially the Creative Industries sectors, less so the firms engaged in trade), which is why the author believes that the sampling method does not influence very much the representativeness. On the other hand, for such a big population a larger sample would have been useful.

IV. Results

4.1. Introduction

This part presents the results of the empirical part of this thesis. It begins by discussing the data obtained from the structural business statistics of CSBL in order to reveal the main economic characteristics of CI in Riga. The second chapter addresses the results of the survey of creative enterprises in Riga. Since the empirical framework consists of two separate parts, the relevant empirical sub-questions are presented at the beginning of each chapter to avoid confusions and repetition. The first part refers to the whole population of CI in Riga and provides an insight into the general situation, the dynamics and trends of CI development and therefore already gives a certain context to the results of survey. It also already traces some subsectoral differences, which are further explored in the second chapter of this part.

4.2. Creative industries in Riga: Statistical Update

This chapter tackles the following empirical sub-questions: What are the key economic characteristics of CI in Riga? How can the dynamics of the economic performance of CI firms in Riga be described? What are the subsectoral differences?

The first sub-chapter presents the statistics concerning general aggregate groups of "Creative Industries" and "Trade of Creative Goods" as defined in the methodological part. The first group is more discussed in detail, nevertheless all the information concerning trade of creative goods is given alongside. We first look at the key statistic indicators of these groups and reveal the link between CI and the rest of Riga's and in some cases also Latvia 's economy. This focus is particularly relevant because the period in focus is exactly that of economic crisis and this allows discussing the CI docility to economic fluctuations. The indicators are also at times discussed within the context of the information found in previous statistical update (Mikelsone et al., 2008), despite the fact that the two studies do not share the same CI model and the statistical classification has been slightly revised since then. The second sub-chapter focuses on the different subsectors of CI and the differences among them in terms of representation along the main economic characteristic dimensions. As already discussed in the methodology, these indicators include number of enterprises, number of persons employed, gross-value added and net turnover concerning the time period of 2007 to 2010.

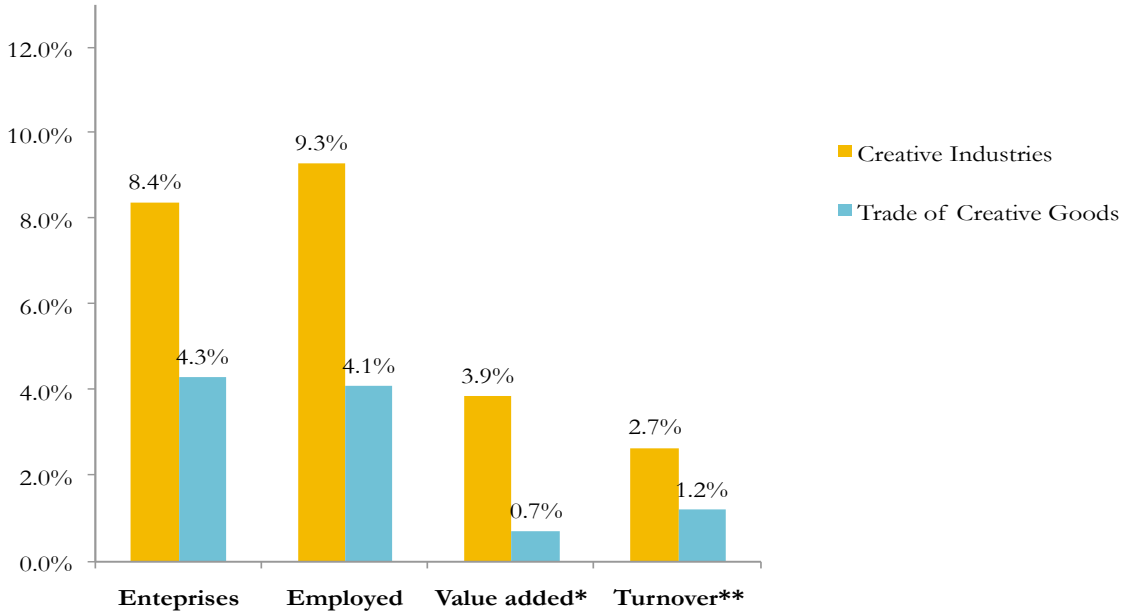
4.2.1. Creative Industries in Riga: General Overview

To begin, according to the statistical data, in the year 2010 there were 4 398 economically active creative industries' enterprises in Riga employing the total of 28 422 persons. Their total turnover amounted up to 747 396 thousand Latvian Lats (approx 1.07 billion EUR) and they contributed 267 345 thousand LVL (approx. 386 006 thousand EUR) to the city's gross value added.[4] As presented in Figure 3, when put in the context of Riga's economy, the enterprises in the subsectors of CI all together employed 9.3 % of the total employed in Riga in 2010 and those enterprises engaged in trade of creative goods employed another 4.1%. On the other hand, while the figures show that CI are significant contributors when it comes to employment and number of enterprises, their contribution to GDP of Riga appears to be proportionally less significant. As for the measures of turnover, due to unavailability of data on statistical regions the contribution of CI is measured against Latvia's total, where CI in Riga account for 2.7% of country's total and CI trade respectively for 1.2 %. According to the previous research of Mikelsone et al. (2008), in 2006 Riga's CI accounted for 87.5 % of the total Latvia's CI turnover, and the numbers where

[4] More detailed information can be found in Appendix 4, Table 1.

similar for 2005, which is why we could expect this percentage of total turnover to be slightly higher, if it would have been measured on the city level. Nevertheless, due to the overall superiority of Riga in every economic aspect when compared to the rest of economy, the number could not be much higher.

***Figure 3**: Proportion of Creative Industries in the Overall Economy of Riga in 2010.*[5]



When comparing the dynamics of economic performance of CI to that of the rest of Riga's economy[6], the results reveal that while the rates of employment follow the general trends, the economic performance of both CI and Trade of Creative Goods (*further in the text TCG*) in terms of value added and net turnover has decline significantly more than the city's (country's in the case of turnover) average in the period between 2007 and 2010. As shown in Figure 4, a particularly harsh decline has been experienced by the CTG sector, which evokes an even higher financial responsiveness to extra-industry economic factors among non-producing economic activities than the producing ones. Nevertheless, also the CI sector's performance is considerably worse than the average. This allows concluding that Riga's creative sector has experienced the economic crisis more heavily than the average of city's economy. It also shows that the traditional argument of CI policies that the sector is growing faster than the average does not apply in the case of Riga. On the other hand, this situation should not be exaggerated – when looking at the change in indicators as the proportion of CI in total Riga's economy, the numbers

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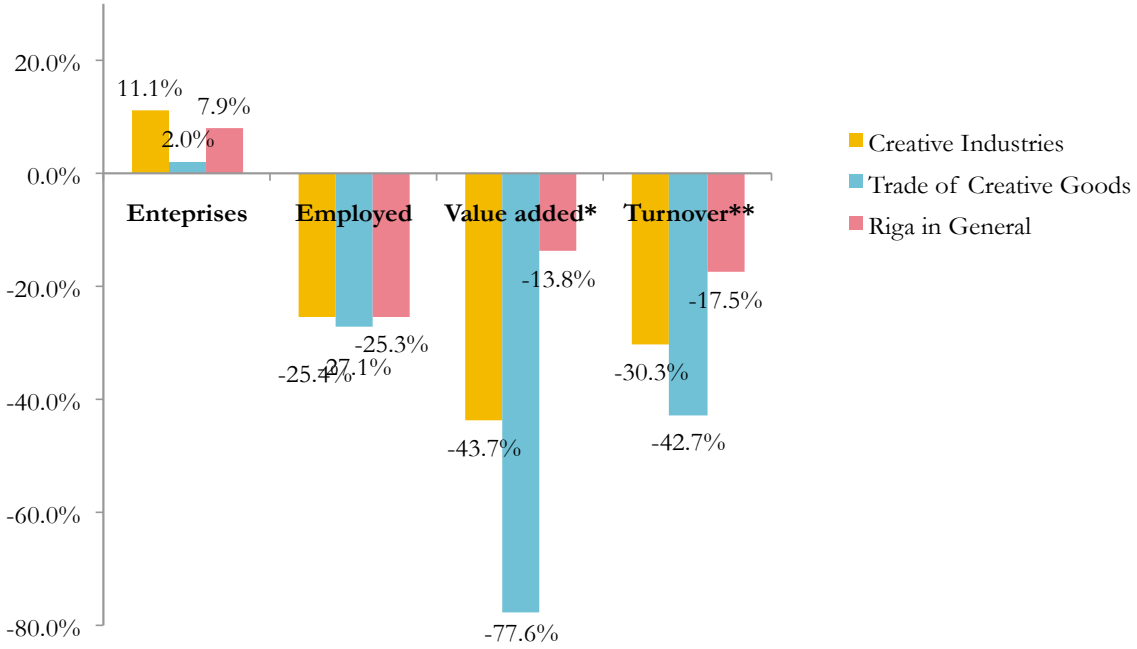
[5] More detailed information can be found in Appendix 4, Table 2.
* Gross value-added calculations based on data for 2009 instead if 2010 due to unavailability of data.
**Turnover calculations measured against country's total instead of city's total due to unavailability of data on the city level.
[6] More detailed information and graphs can be found in Appendix 4, Figures 1-4.

do not show such big differences. This means that proportionally they keep occupying the same part of a shrinking economy. For most part, between 2007 and 2010 the proportions of total economy have fluctuated only within 0.5 %, with the exception of gross added value CI shares of the Riga's total. This share has decrease by 2 % between 2007 and 2009, though since there is no data available on GDP of Riga in 2010, the decrease in share might have changed.

Figure 4: *Changes in Riga's Creative Industries between 2007 and 2010 % compared to city's statistics.* [7]

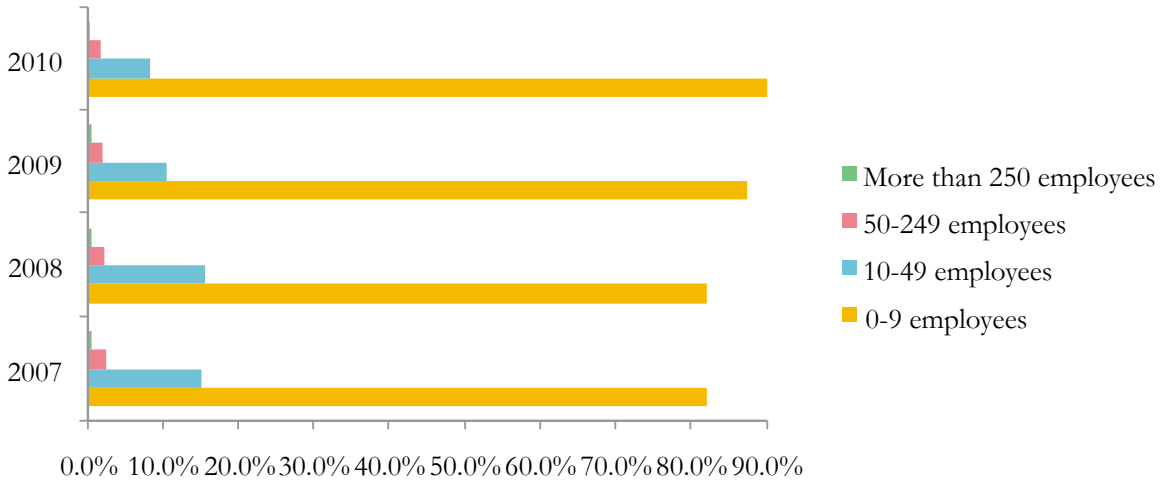


To continue, conversely to the economic performance indicators, the employment statistics are less negative. Even though the CI employment is declining, it does so at almost the same rate as the average employment in Riga. Besides, the share of employed in CI in Riga had not changed between 2007 and 2010 and still represented 9.3 % of all the employed in the capital city. Furthermore, the data on changes in the number of enterprises reports an above –average increase in the CI sector. Likewise, the number of enterprises is also the only indicator in which a positive growth in general is observable. When looking at the growth dynamics in enterprise number according to firm size (Figure 5), we can see a trend towards increased proportion of micro-firms (employing 0-9 persons). This trend can also signalize an increase in individual creative entrepreneurship. The figure shows how the number of micro-enterprises in CI increased, while all the other firm size categories have decreased. The data reports an increase of micro-firm proportion in CI from 81.9% to 89.7 %, while large firms represented only 0.2 % of CI by 2010. The same trend can be observed in the TCG sector. [8] Moreover, the transition to the dominance of microenterprises is likewise confirmed not only with regards to number of

[7] More detailed information can be found in Appendix 4, Table 2.
[8] More detailed information can be found in Appendix 4, Table 4.

enterprises but also when looking at the changes in the number employed according to the size groups (Figure 6). If in 2007 the dominant employing size group was that of small firms (10-49 employees), followed my medium size firms (50-250) and only then micro firms (0-9 employees), then as the figure shows, the proportion of small firms shrank through 2010, while that of micro firms increased. Medium size firms in CI in 2010 were the second largest employer after the micro firms. As for the TCG sector the trends were similar.

***Figure 5**: Changes in number of enterprises by firm size in CI.*[9]



Although here micro firms were the largest size subgroup already in 2007 its proportion increased over the next four years even more than is the case of CI.[10] All in all, we can see that these results confirm the idea often expressed in the literature that a considerable part of CI sector consists of micro and small size enterprises. This is particularly true in the case of number of firms in the sector, however in terms of employment medium size and large companies constituted more than 40 % of CI, therefore the policy focus on small firms should not be too emphasized.

Finally, with regards to the economic indicators, when looking at the data on industry turnover the most important size group of CI generating the most revenue in 2010 was the group of micro enterprises, the rest of groups losing their share as the size decrease. For the TCG sector, the most important contributors to the overall turnover are the medium sized firms. It has to be noted however that contrary to the number of enterprises and employment data, the turnover and value data is not entirely complete for the size groups for none of the two sectors. Data is missing for several categories and when summed up the figure depicts 95% of the turnover of CI and 75% of the TCG total turnover. It also cannot be generalized that the missing

[9] More detailed information can be found in Appendix 4, Table 5.
[10] More detailed information can be found in Appendix 4, Tables 6-7, and Figure 5.

5% and 25% would be for instance attributable to the large firm group for data is missing in the subsectors of the other size groups as well.

Figure 6: *Change in employment by firm size, 2007 – 2010.*

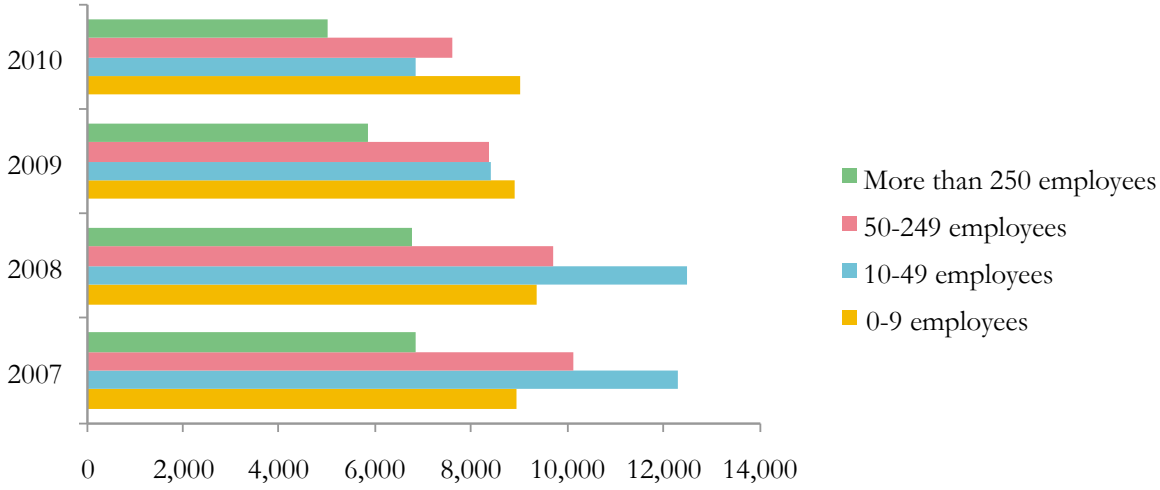
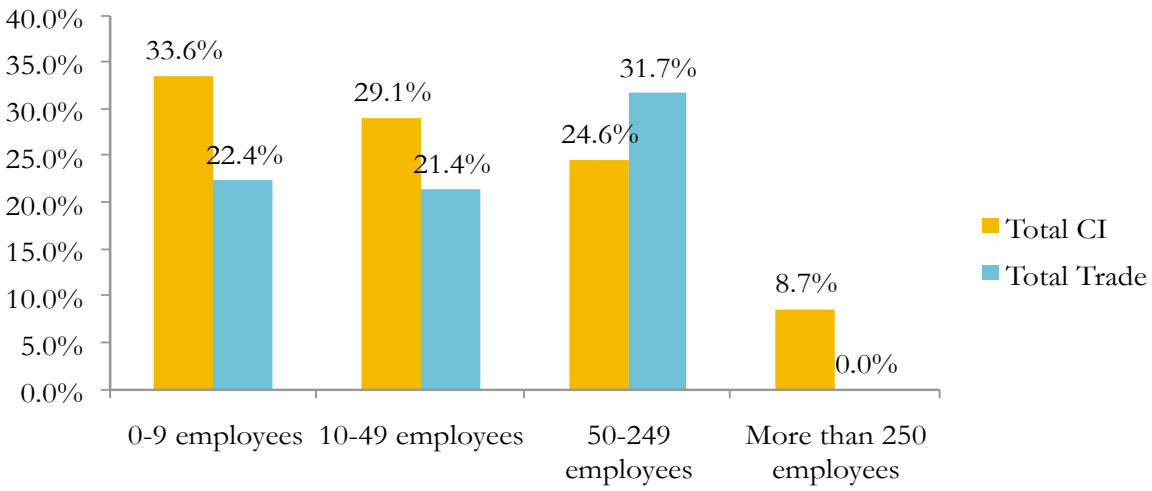
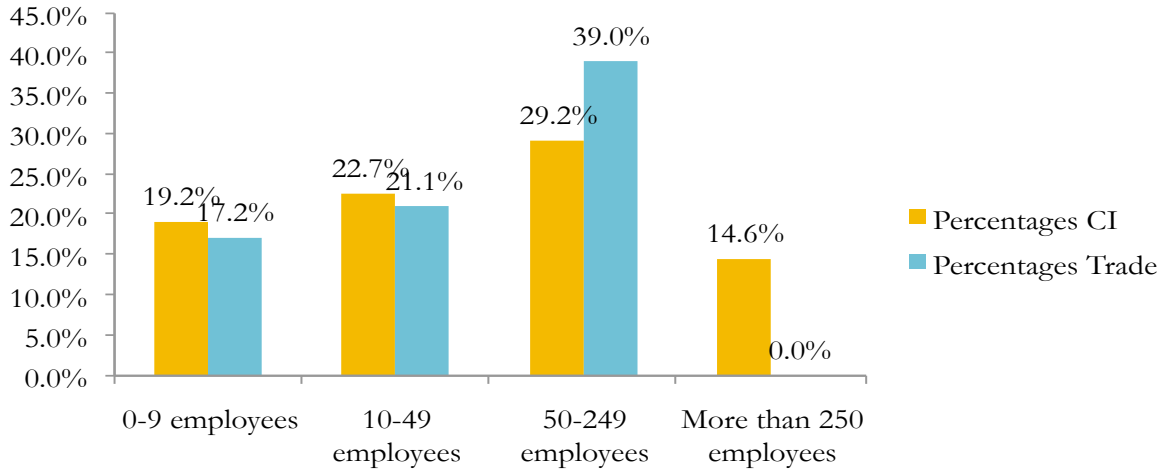


Figure 7: *Share of total turnover by size groups, 2010.*[11]



[11] More detailed information can be found in Appendix 4, Table 8.

Figure 8: *Share of added value by size groups, 2010.*[12]



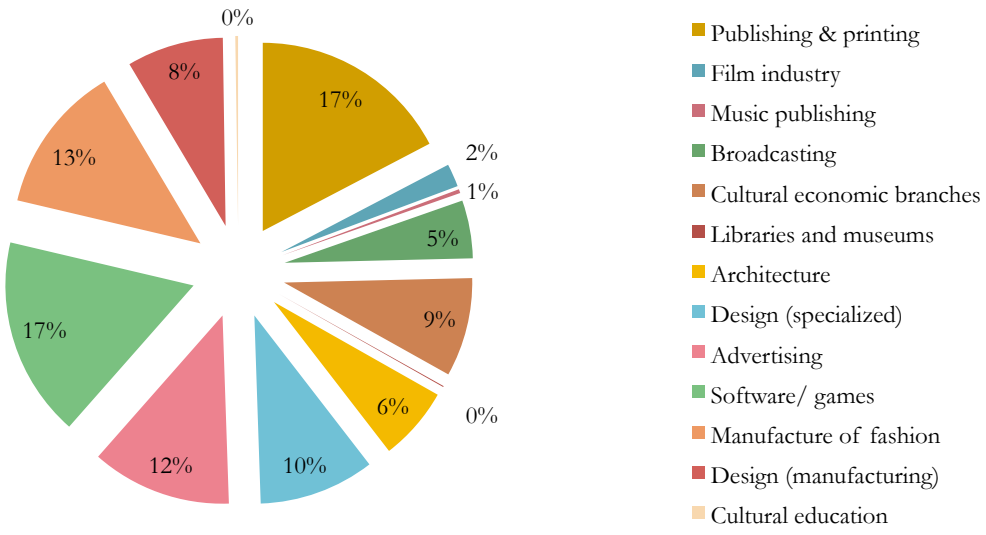
As for the value added a different distribution of percentage can be observed (Figure 8), were the most important size group for both CI and TCG was the medium size enterprises. While it can be argued that value added as an indicator says more about the contribution of the enterprise groups to the overall economy, in this case a number of downsides of generalizing about the available data exist, as already mentioned in the available statistical mapping of CI in Latvia by Mikelsone et al. (2007). Issues such as shadow economy particularly, but also problems of proper statistical accounting and competition issues influence the credibility of data.

4.2.2. Statistics of Creative Industries' Subsectors

Now that we have seen the general economic trends of the aggregate groups of CI and TCG, we turn to discuss the specifics of the subsectors, which constitute these groups. While the data gathered would allow a more extensive analysis, due to the length limitations this part presents only the aspects considered the most important by the author. As presented in Figure 9, the sectors of CI, which employed the most persons in 2010, are the Publishing and the Software and Games sectors, each accounting for 17% of the total CI employment at that time, while the sectors employing the least people are Cultural Education and Libraries and Museums. In terms of number of enterprises, the sectors having the lowest share are the same. But the sector having the biggest number of firms is Advertising (23%), followed again by Publishing and Software and games. The same sectors dominate also for shares in value added and turnover. In terms of value added to Riga's economy in 2010 the Software sector was the most important (30%), followed by Publishing (17%), Advertising (13%) and Design sectors (10%). [13]

[12] More detailed information can be found in Appendix 4, Table 9.
[13] More detailed information can be found in Appendix 4, Table 1, Figures 7-9.

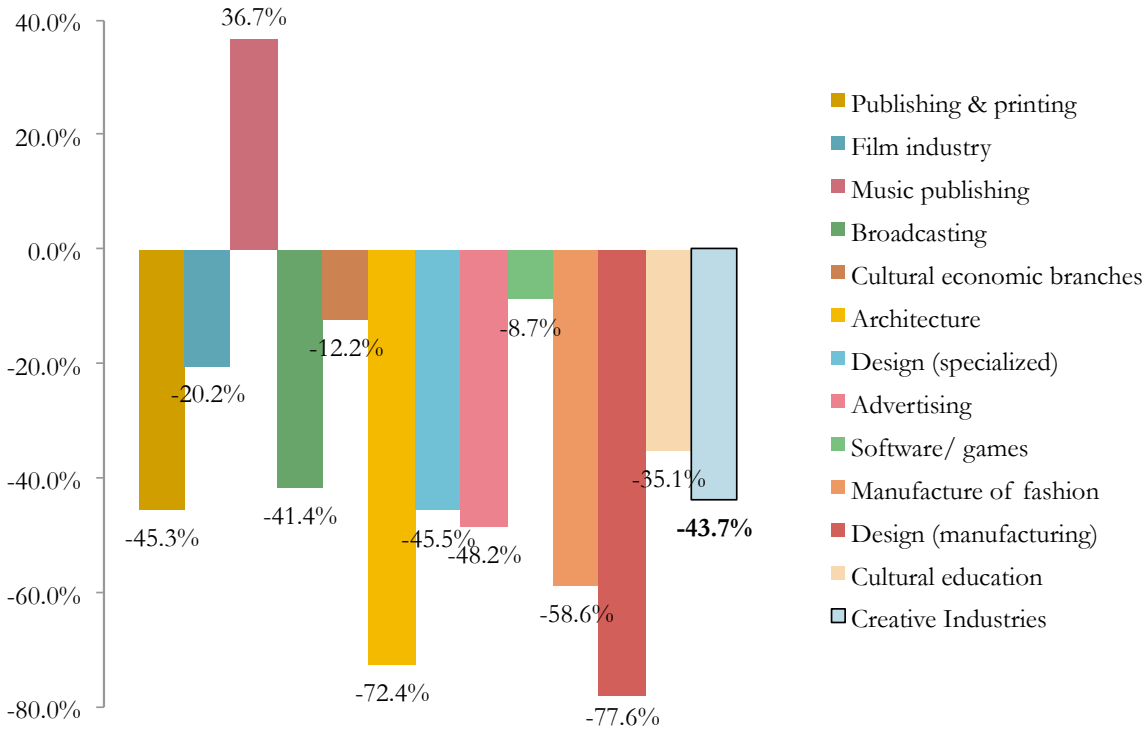
Figure 9: *Share of total CI employment by subsectors, 2010.*[14]



While these static representations of the situation at one point at a time help to understand, which are the most prominent CI sub-sectors, for the purpose of understanding better how these enterprises perform and under what conditions they operate in comparison to each other, it is more interesting to look at the dynamics of the indicators over time. To begin, in terms of number of enterprises the biggest growth between 2007 and 2010[15] could be observed in the Libraries and Museums sector (375%) but the enormous percentage comes from the very low number of units (growth from 2 to 10 units), the same can be applied to the sector of Cultural Education (57%). These are followed by growth in the Software (33%), Advertising (24%), Film Industry (24%(and specialized Design (21%) sectors. Decline in number of commercial units was observed for this time period in the sectors of Fashion and Design manufacturing (-13% and -9%), Cultural Economic Branches as well as Music Publishing industries. Figure 10 presents the changes in employment between 2007 and 2010. It can be observed that contrary to the enterprise number almost all the subsectors experienced a decline in employment. The only subsectors, in which employment growth could be observed, were Cultural Economic Branches and Cultural Education. Let us remind ourselves that the decrease in general employment in Riga for this period was -25 %, hence, as illustrated by the table most part of the creative industries sector had a faster declining employment than the economy's average, except for the sectors of Software, Design, Broadcasting and Advertising, while the Music Publishing sector experienced a decrease in employment of -69.3 %.

[14] More detailed information can be found in Appendix 4, Table 9.
[15] More detailed information can be found in Appendix 4, Figure 10.

Figure 10: *Change in number of employed between 2007 and 2010 according to subsectors.*



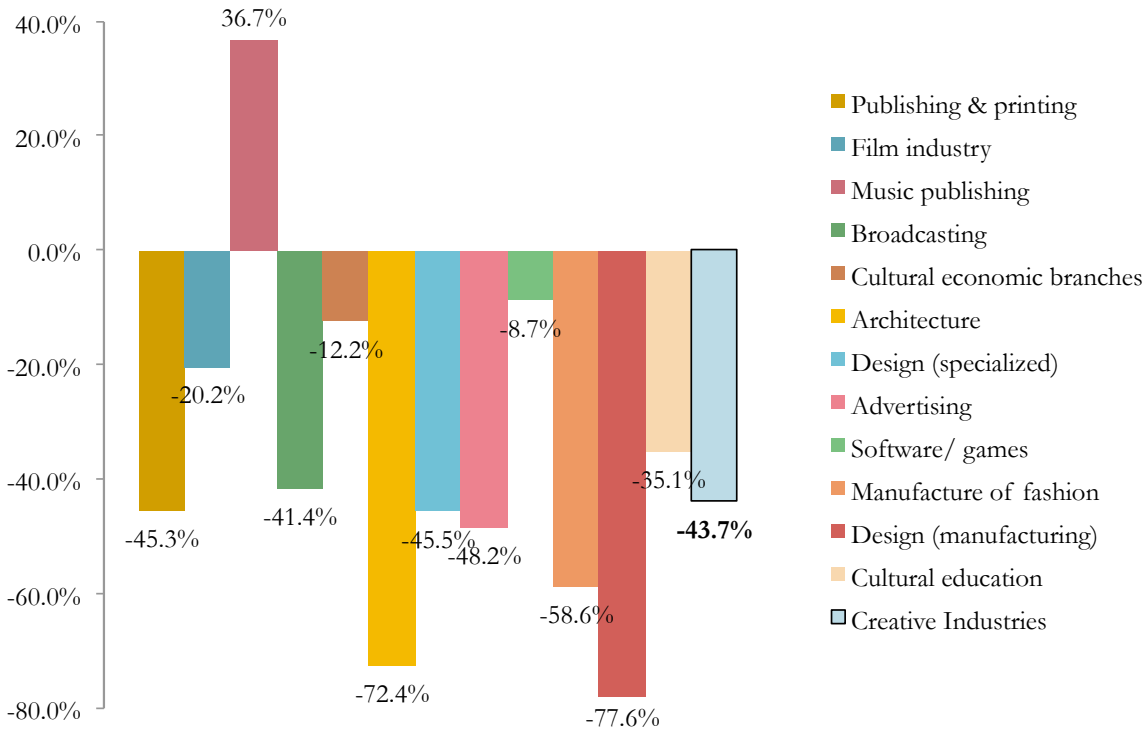
What is even more interesting is that even though the Music Publishing subsector was the one to suffer most from a decline in employment and also experienced a negative growth rate in number of enterprises, it is the only sector whose value added grew between 2007 and 2010 (by 37%); even if it share of the total CI remains small (1.1%). Furthermore, the calculated change rates also show that the subsector of Architecture has experienced the biggest downfall both in terms of value added and net turnover[16] (Figure 11). Similar decline was observed in the subsectors of Broadcasting, Design manufacturing and Fashion Manufacturing, even if most of the CI subsectors in Riga have suffered from the economic recession in the country. Conversely, three sectors, which are most commonly associated not only with CI but also with cultural industries, namely, the Film Industry, the Music Publishing subsector and the Cultural Economic Branches are the only subsectors, in which we can observe a growth in net turnover.

Another important aspect to consider in this context is the division of each indicator value among the size groups of sectors. We already saw that at the aggregate CI level some of the data was confidential and therefore lacked reliability. In the case of the subsector division it is even more so. The only complete information can be given on employment and number of enterprises. The second one is considered as more important, since the policy documents stress out the CI as the potential employment creators. The data shows that in 2010 in most of the CI

[16] More detailed information can be found in Appendix 4, Figure 11.

subsectors the micro or small size enterprises were the main employers, particularly so in the case of Music Publishing, Libraries and Museums, Architecture and Cultural Education. Contrary to the common belief also the employment in Film Industry in Riga is dominated by small and micro enterprises with some medium size firms and no large firms at all. Also contrary to the belief, in the subsector of Cultural Economic Branches, the biggest employers were the large size firms, followed by the medium size ones. A belief that did confirm in the case of Riga in 2010 is that of the Broadcasting sector, where micro firms employ only a very small part of the people, but large and medium size enterprises employ most part.[17]

Figure 11: *Change in gross value added between 2007 and 2010 according to subsectors.*



To conclude, this statistical update suggests among other things that CI and CTG form an important part of Riga's economy, particularly in terms of employment. We also saw that some subsectors are more important and present more sizeable contributions to economy than others. The data revealed as well that growth dynamics differ notably between these subsectors, hence supporting the heterogeneity argument of CI. On the other hand, the mostly below-average economic indicators allow expecting that CI firms feel the consequences of economic crisis heavily. Moreover, it might also be that creative goods and services experience demand problems in the times of crisis, not being considered as the primary goods and services to consume. Nevertheless, this kind of statistical data reveals only the macroeconomic climate of

[17] Appendix 4, Figure 11.

the CI activities; it does not offer an in-depth insight into the CI characteristics at the individual firm level. This is why we now turn to discussing the results of the online survey carried out within the framework of this thesis.

4.3. Creative firms in Riga: Survey Results

This chapter of the empirical part presents the results of the survey of CI and TCG firms in Riga. What are their production and provision particularities? What are the CI employment specifics in Riga? How can their entrepreneurship characteristics be described? What is the nature of inter-industry linkages? How can the link between CI enterprises and Riga's urban environments be described? What are the subsector differences along these research dimensions? Even though due to the length limitations of this thesis this chapter does not contain a report of all the information gathered, it presents the main findings relevant to the empirical framework.

4.3.1. Sample Description

Table 2: Responses by sector of activity

	Frequency	Percent
Publishing & printing	19	15.1
Film industry	9	7.1
Music publishing	3	2.4
Cultural economic branches	2	1.6
Libraries and museums	1	0.8
Architecture	18	14.3
Design (specialized)	13	10.3
Advertising	17	13.5
Software/ games	16	12.7
Manufacture of fashion	2	1.6
Design (manufacturing)	18	14.3
Cultural education	2	1.6
Trade of traditional cultural goods	1	0.8
Trade of other creative goods	5	4
Total	126	100

To begin, the critics of the too broad classification system are also supported by the results of survey. To illustrate, several firms expressed via email the feeling they did not correspond to the term creative industries, while others stated that they are involved in several of the activities delineated. The final sample after discarding the responses, which did not correspond to the activities of CI or do not operate in the market sector, consists of 126 responses. The Table 2 presents the number of cases falling in each subsector category. The sample does not contain any responses from the Broadcasting sector, since the only two respondents falling into this category are non-profit organizations. In the same time sectors such as Architecture and Design Manufacturing are overrepresented, but

Table 3: Number of employed

	Frequency	Percent	Valid Percent
I am the only one	12	9.5	9.6
2 - 9	75	59.5	60.0
10 - 49	31	24.6	24.8
50 - 249	5	4.0	4.0
250 and more	2	1.6	1.6
Total	125	99.2	100.0
Missing	1	.8	
Total	126.00	100.0	

Advertising, Manufacture of Fashion and Cultural Economic Branches slightly underrepresented. Nevertheless, the sectors occupying important part of the CI as discussed in previous chapter are also well represented in the sample.[18]

Furthermore, if we look at the legal status of the respondents, 94.4 % of them are local commercial enterprises, 4.8 % are self-employed and 0.8% or one respondent represents a foreign commercial enterprise.[19] Table 3 illustrates the sample breakdown according to firm size (number of employed). Similar to the target population, most of the respondents represent micro firms (69 % together with one-employee firms) the next categories being respectively less represented the bigger the size of the firm. Because of the small sample size the division of size groups according to subsectors is often not representative of the target population therefore comparisons along these categories are mostly not possible.[20] Before starting the analysis, it has to be mentioned that for the some variables the sample size might be different because not all of the questions were mandatory.

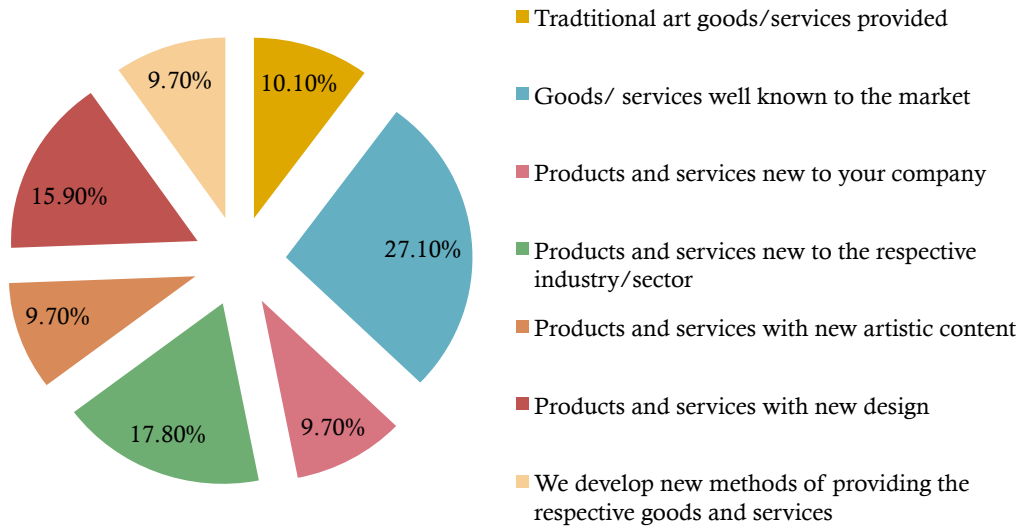
4.3.2. Production and Provision Particularities

In the analysis we first look at the firm representatives' own perception of what the nature of their goods and services is. When asked what types of goods/ services are they engaged in providing, 47.4% (n=114) of the CI firms in our sample answered with creative goods/ services, 38.6% believe they provide normal goods and services, only 7.9% named cultural goods and services and the rest 6.1% believe their goods/ services are luxury. For the TCG sector there were only 4 respondents each representing one of the choices. Interesting enough, the subsectors whose firms report being engaged in provision of cultural goods are Publishing, Architecture and Design (specialized). Conversely Design Manufacturing, Software and Games and Fashion Manufacturing subsectors have the highest share of respondents engaged in provision of normal goods. When testing for the differences among subsectors, a statistically significant relationship between the sub-sectors of CI was found (p-value=0.024), while the TCG sector has too few cases for the differences to be considered. However, when weighing the sample, the significance could not be proved.[21] In another question regarding the types of goods produced, 28.3% of the CI respondents consider being engaged in providing final goods/services directly to the market, 27.9% offer tailor-made services for other businesses, 19.6% - tailor-made service for individuals. All together 17.9% of the respondents reported being engaged in standardized production or

[18] For the table of activity breakdown in the sample see Appendix 5, Table 1.
[19] Appendix 5, Table 2, 3.
[20] For a cross-tab on size groups by subsectors see Appendix 5, Table 4.
[21] Appendix 5, Tables 5-7.

provision for either private customers or other businesses. Only 4.6% said they provided goods, which are further used as inputs in other firms' production. Weighing the sample did not change the results and a statistically significant moderate relationship was found between subsectors of CI in the case of tailor-made services, suggesting that Architecture, Advertising and Design Manufacturing are more likely to provide them. Finally, with respect to the relationship to novelty in the production and provision processes, the results of the survey show that even though almost 30 % of the firms provide goods known to the market, the rest of them are engaged in some form of novelty creation (Figure 12).[22]

Figure 12: *Goods and services with respect to novelty creation.*



In order to investigate the subsector differences a new innovation variable was computed measuring innovation performance from 0 to 5 (a sum of "yes" answers, 5 being the most "yes" answers to dichotomous variables of introducing new goods and services). The results show that within our sample among the subsectors, which do not innovate or score mostly "one" are the traditional cultural industry sectors, namely, Publishing, Film Industry and Music Publishing, as well as the Software and Games subsector, while the ones which score the highest are the Design, Advertising and Architecture sectors. The results were also tested for differences among the size groups of CI. Although the differences were not found statistically significant and therefore not generalizable, the cross-tabs within our sample show that the micro and small size firms tend to score higher on the innovation variables than the larger firms.[23] This having been said, we must acknowledge that the variety of types of innovation practiced does not say anything about the degree or quality of the innovation produced as a result of the CI activities, but can be

[22] Appendix 5, Table 9.
[23] Appendix 5, Table 14.

more viewed as an indicator of the very existence of innovation practice and its scope within the delineated sector.

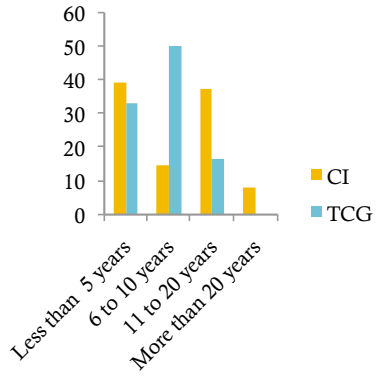
As for being subject to Intellectual Property rights, 75 % of the respondents in CI (n=120) have said their enterprise is dealing with one or more of the IP rights. The most popular category is copyrights (77.8% of the cases), followed by trademarks (40%), industrial design rights (31.1%) and patents (15.6%).[24] In the TCG on the contrary all of the respondents have reported being subject to trademarks.

Overall, these results suggest a tailor-made service orientation in CI of Riga, and also evoke the linkage to the rest of economy with the high percentage of firms focusing on providing for other firms. On the other hand, the emphasis on creative and normal goods produced shows the distance within the market sphere from cultural values described in the literature, even by those subsectors, which would commonly be associated with only cultural goods and services (e.g. cultural economic branches). This supports the argument of transition from traditional cultural values towards expressive value embedded in creative goods and services. Moreover, the results within our sample on innovation and IP rights suggest that in general CI are closely linked to these concepts, but they are more prominent in the "new CI subsectors" such as Software and Games, Architecture and Advertising and not in the more traditional cultural industry subsectors.

4.3.3. Entrepreneurial aspects of creative firms in Riga

We now turn to explore the different factors that characterize the entrepreneurship and organization of CI in Riga. To begin, if we look at the years the enterprises have been carrying out their activities then we can see that there are some differences among the firms of CI and the firms engaged in TCG. Figure 13 shows the distribution of responses according to enterprise age categories – as we can see, the CI firms tend to be either very young or already more established while most of the TCG firms tend to be until 10 years old (83.3%).

Figure 13: *Distribution of years of activity in CI and TCG.*

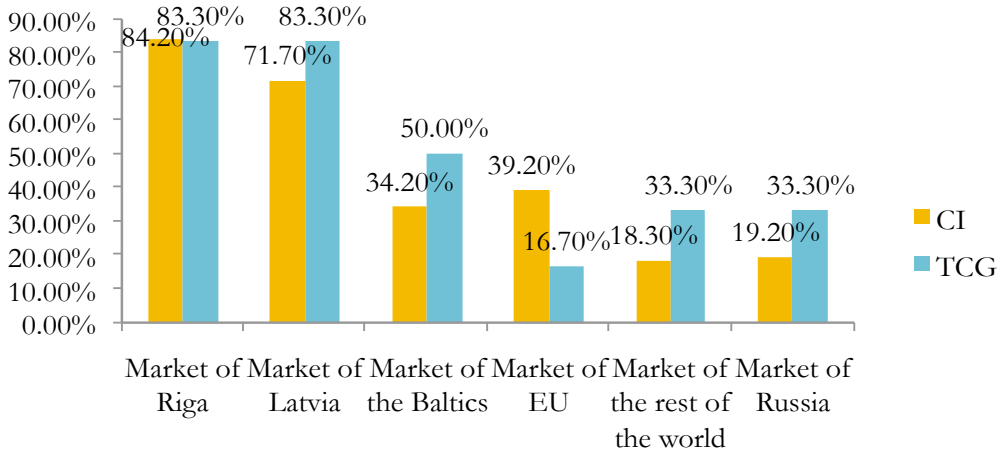


To continue, 89.2% (n=120) of the CI firms reveal working primarily with firms instead of individuals, while TCG have mostly private persons as their clients. Nevertheless, private individuals (64.2%) and government institutions and agencies (48.3%) are also very important clients for Riga's CI, the international organizations (25%) and NGOs (35.8%) being a bit less represented as CI clients. With regards to the target

[24] Appendix 5, Table 10.

markets the CI and TCG enterprises in Riga are operating in, Riga itself is the most important, followed by the market of the country. In the case of CI, EU markets are the third most mentioned in the sample, while for the TCG the geographical proximity appears to influence the target markets more (Figure 14).[25] The low percentage of the CI firms engaged in the global markets invites to question the general perception of the global character of the CI activities within the context of smaller and peripheral cities than the global metropoles. More on this matter, when asked about the difficulties with markets 88.2% of CI firms revealed that they have either often (37.3%) or occasionally (50.9%) problems with finding new markets, and in 86.4% of the cases they feel that the market is too small.

Figure 14: *Distribution of cases according to the geographical market orientation, CI and TCG.*



The survey also included other questions on what problems CI firms believe they have to deal with and what kind of entrepreneurial aspects do they find the most important. New business models are found important (47.3%) or very important (24.5%) by most of the CI respondents. The Figure 15 shows how often Riga's CI firms experience the surveyed types of difficulties. It is made clear that finding skilled employees is the difficulty the respondents have to deal with the most, also shortage of skills, as well as financial problems and access to finance are likewise an occasional issue. The least important difficult aspects encountered by Riga's CI are building up a reputation and IP protection problems. Nevertheless, most of the difficulties, except for the problems of finding skilled employees, occur mostly on an occasional basis rather than being very frequent.[26]

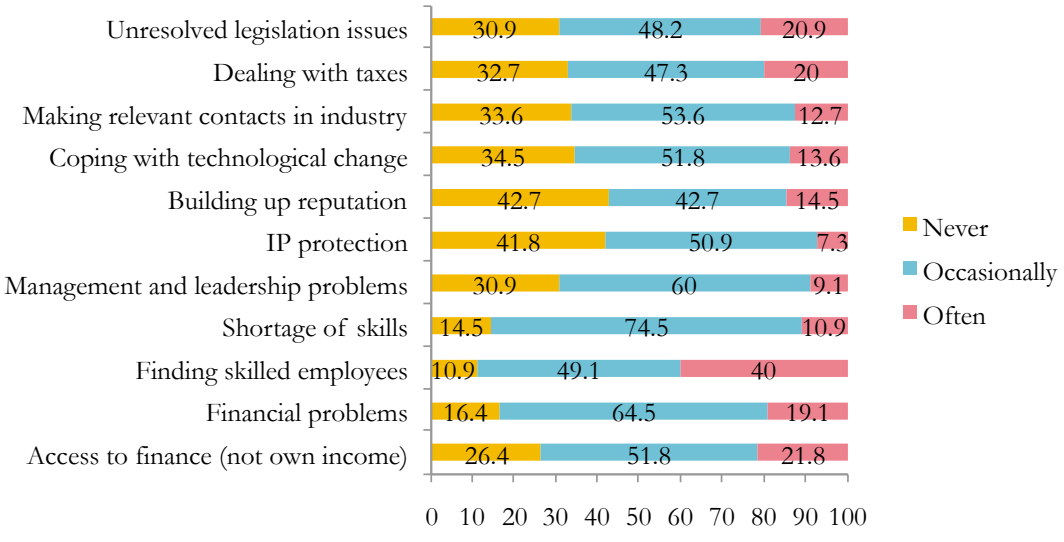
Another very important entrepreneurial dimension explored was the inter-industry linkages, namely, the collaboration patterns among the CI sectors and the purposes of this

[25] Appendix 5, Tables 11 & 12.
[26] Appendix 5, Table 15.

collaboration. According to the results, the sector that the other firms collaborate the most is the Advertising sector (69.9 % of the cases), followed by the Publishing (32.7%) and IT sectors (39.8%). Also the Architecture, Photography and Broadcasting sub-sectors or activities are often mentioned. While, for instance, in the case of collaboration with Architecture and also Advertising subsectors, the most common reasons are either common projects or knowledge exchange, the Advertising, Publishing, Broadcasting and Photography activities are mostly used for buying inputs from them, which could be already expected seeing the nature of these sectors' outputs. Apart from the evident inter-industry linkages, this could suggest that knowledge spillovers would be more likely to occur among the CI subsectors, which do not have direct market relevance for each other and do not depend upon other's outputs.

In line with the economic properties of creative industries enlisted by Caves (2001; 2003), which were discussed in the literature review, the results in the sample of this study report interesting results (n=110). Only 29.1% agree with the "*nobody knows*" property, 42.7 % do not have a specific opinion and 28.2% disagree with the uncertainty of predicting the success of their goods and services. Likewise only 36.6 % believe that their enterprise is in what they are doing for the love of it (*art for art's sake*) and another 39.1% agree concerning the dependence on new technologies in providing their goods/ services. Also the use of craft is reported only by 38.2% of the CI enterprises in our sample. On the last two variables, the analysis showed a statistically significant (p=0.001) moderate relationship between the differences on these variables according to CI subsectors. The use of craft is more likely to occur in the Design (both specialized and manufacturing) and Cultural Economic Branches, while the technology dependence is particularly manifested in the Software/ Games, Advertising, Music Publishing and Film Industry Sectors. In this respect, the results the survey confirm the common assumptions about specificities of CI subsectors.

Figure 15: *Frequency of dealing with problematic aspects, CI.*



The further analysis of the variables defined according to Caves theory show that the economic properties concerning human capital assets are of utter importance to firms in CI in Riga. 90.9% of the CI enterprises surveyed that the skills, talent and knowledge of their employees is their main asset and 87.3% reported that the provision of their goods/services requires a combination of various contrasting skills (n=110), confirming the knowledge intensive nature of CI.[27] In this context, we now proceed to analyzing the specific characteristics of CI enterprise employment in Riga.

4.3.4. Employment characteristics

In order to inquire into the characteristics of the employment in CI in Riga, but avoid making the questions too complicated, most part of the questions involved presenting two contrasting employment characteristics and asking which of them are more represented in the respective enterprise, if it is, or equally. All in all, the sample responses show that the surveyed CI enterprises in Riga have a young workforce - 39.6% of the respondents revealed their enterprises consist mainly of people until 35 or both them and those after 35 are equally represented. Moreover, regardless of the fact that the statistics might include non-creative firms, 50.9% of the respondents report a higher share of creative than non-creative workers. Among the sub-sectors whose firms report more non-creative employees are Publishing, Design Manufacturing, Film Industry, Software and Games and Architecture sectors. On the contrary, the answers related to creative and non-creative educational background of the employees do not have a clear pattern, as around 30 % have responded for both that one of the categories prevail and another 20% that they are equally represented. As for the gender distribution (n=106), there is a slight prevalence of female employment (35.8 %), whilst 20.8 % report having both genders equally employed and 30.2% state that male employees are more than the female ones. A very interesting result appears on the category of the source of education acquired for their employment, where 47.2% of the enterprises reveal that most part of their employees have gained the necessary skills by experience instead of formal education (12.3%). The firms also report in more cases that within their employment the bachelor level formal education is dominant as opposed to master and higher-level education.

In addition, we already saw that skilled employment is regarded as scarce and crucial for the respondents of this survey. When asked about the need of specific skills, the ones mentioned as most important were creative talent, multi-skill, sales and marketing skills, using software packages and management and leadership skills. Among the ones considered less important

[27] Appendix 5, Tables 16 – 21.

within the sample are Internet media, video editing, networking skills and the understanding of IP rights.

4.3.5. CI in Riga and their connection to their urban environments

After having discussed the specific firm-level characteristics of CI in Riga, we now analyze the link of CI to their respective urban environments – the geographical context, the perception of city's assets in relation to the activity of these enterprises in question, and their response to the recent fluctuations in the economic environment of the city.

Firstly, the firms were asked to provide the area of the city in which they carry out their economic activity. While the city comprises 58 areas, 52.5% of the CI firms in this sample are concentrated in the city centre, the rest being scattered among the other areas. Moreover 39% stated that their enterprise is a part of one of Riga's creative districts, partly supporting the clustering theories discussed in the literature review. [28]

To continue, they were also asked to express their opinion on several conditions of the city. Surprisingly, with regards to the economic condition in Riga 44.6% believe they are average, and the tendency of the rest of respondents is more positive than negative with only 9.9% considering the situation poor or very poor. Similar response distribution was also found in the case of satisfaction with the city's cultural environment, there was even a higher share reporting it was good (29.7%). As for the access to public funding, many of the respondents (24.8%) do not even think it concerns them, while there are still 39% that believe it is poor or very poor. Within the context of skills for CI, only 9 % of the respondents consider that the education needed for their activity is either good or very good, 41 % consider it average and the rest – either poor or very poor. [29]

When discussing the general statistics of CI, we already saw that the recent economic situation has had a tremendous impact on slowing the growth in these industries. The empirical framework also addressed the reactions of CI firms to the economic situation in the past two years. Due to the commercial orientation of the firms, it appears that they do not consider alternative sources of finance, since most of the respondents reported that neither sponsorship, donations, nor public funding concern their enterprise. Nevertheless, a considerable part of the CI firms have revealed that decrease in own income and loss of clients has affected them during the past two years. A positive note is that 53.5 % have also stated that they have not been in need of additional bank loans and only 7.9% reported that this problem has impacted on their activity very much during the past two years. On the other hand, only 21.8 % have not been affected by

[28] Appendix 5, Tables 28-29.
[29] Appendix 5, Tables 30-34.

the changes in taxes at all, the rest of the firms having a negative experience to a certain extent. Finally, notwithstanding the previously mentioned problems with finding skilled employees, the CI firm representatives do not feel that key staff members leaving has been a considerable problem to their activity.

4.4. Summary

In this part we described first the general population of CI in Riga in terms of economic performance and in relation to the wider economic context of Riga. We then reviewed the results of the survey, first looking at the production and provision particularities, and then exploring the entrepreneurial and employment characteristics to finally discuss the link between CI in Riga and the different environments of their respective city. The general conclusions of the empirical framework against the backdrop of the research aims are presented in the next part of this thesis. In this concluding subchapter we review whether the hypotheses earlier have been confirmed or rejected.

To begin, we looked at the key economic characteristics of CI population in Riga. Several hypotheses were formulated as a result of the literature review. H1.1. predicting that CI are a significant contributor to the city's employment was confirmed as well as the H1.2.stating that CI are a significant contributor to the city's GDP. Even though the statement of being "significant contributors" is always somewhat relative, we saw that CI accounted or 9.3% of the total employment of Riga in 2010 and for 3.9% of the total value added to the GDP of Riga in 2010. We also saw that the H1.3. stating that the CI sector in Riga is primarily dominated by small and medium size enterprises was true, as well as the H1.4. stating that small and medium size enterprises account for the biggest share of the CI contributions to GDP. The only hypothesis rejected according to the first research sub-question was H1.5. predicting that there are sectors in which there is a tendency to have couple of large firms dominating the market and the rest of them small, such as film industry, music publishing or broadcasting, since this assumption did not turn out to be true in the case of Riga's CI.

With regard to the dynamics of the economic performance of CI firms in Riga neither of the four hypotheses formulated could be confirmed, since CI appeared to be less resilient to the economic crisis than Riga's economy on average, except for the number of enterprises, which was growing at a faster rate than the economy's average.

To continue, the rest of the hypotheses were formulated in line with the sub-questions regarding the CI enterprise survey. In most cases, due to the small representation in the sample of some CI subsectors, the acceptance or rejection of the hypotheses refer only to the sample for it cannot be tested whether the results are statistically representative of the population. When

looking at the firm-level characteristics of CI in Riga, we saw that cultural goods and services within their own perception are not at all exclusive to the industry subsectors commonly referred to as the Cultural Industry. Nevertheless most part of the CI did report being engaged in the provision of either cultural or creative goods and services. Likewise it was also possible to confirm within the sample that the CI enterprises are more engaged in tailor-made than standardized production, that these enterprises to a large extent are engaged in the provision of novelty and that the goods and services provided by CI are mostly subject to some form of Intellectual Property rights. On the other hand, we also saw that the CI model employed accounts for both creative and non-creative enterprises, which means that the CI models used possibly should be reviewed in order to account only for the parts of the economy directly related to creativity.

As for the entrepreneurial aspects of CI in Riga, we concluded that the global markets do not constitute such an important part of the CI enterprises' target markets (rejecting H4.1. within the sample). It was also not possible to confirm the hypothesis H4.2. stating that those organizations competing outside the local market are more financially stable and H4.5 stating that creative enterprises collaborate beyond their scope, because only a small number of firms reported collaborating with other sectors than the given CI ones. On the contrary, the firms did report high levels of inter-industry collaboration (H4.4. confirmed), besides the main purposes were not only input or output acquisition, but also knowledge and human capital exchange or collaboration for common projects. Moreover, 90.9% of enterprises reported that human capital is the main asset of their company (confirmed H4.3.). With respect to the three hypothesis formulated in line with the theory of Caves only one was confirmed within our sample, namely H4.6.3. stating that the production of creative goods requires a combination of various contrasting skills. The other two, predicting that CI enterprises believe their provision processes are characterized by high demand uncertainty (H4.6.1.) and that CI enterprises are in the business because they care about their activity were not confirmed in the case of CI enterprises in Riga.

As far as it concerns the employment characteristics of the CI in Riga, within our sample the H5.1. stating that CI employment is dominated by creative occupations was confirmed while it turned out that the CI employees do not have mainly creative educational background (H5.2. rejected). While skills were reported as crucial by the enterprises of the sample, it was not possible to find a significant correlation between the absence or lack of skills and any of the problematic factors report by these enterprises (rejecting H5.3.).

To continue, we turn to discuss the hypotheses formulated with regards to the research dimension concerning the link between CI enterprises and Riga's urban environments. It was

possible to say that in terms of geographical location the creative enterprises within our sample cluster (confirmed H6.1.), even though the fact that they are located in the same city area does not directly mean that they cluster for the purposes associated with geographical proximity to one another, instead the centre of the city might just be the most convenient location. Moreover there also was no correlation found between the importance of creativity and the geographical location (rejecting H6.2.). As for the H6.3. stating that creative enterprises are part of creative districts, it was partly confirmed with 39% of the firms reporting being part of one of the creative districts of Riga. Furthermore, it was possible to partly confirm within the sample that creative firms are concerned about the cultural environment of the city (H7.1.), while the H7.2. formulated in line with Florida's theory, stating that CI firms find the traditional hard retention factors (infrastructure, economic situation, availability of the local labor pool) less important than the soft retention factors (cultural environment, city's image etc.) was rejecting within our sample, for the CI firms surveyed all in all expressed more concern with the traditional hard location or retention factors.

Finally, it is difficult to say whether the H8.1. stating that CI enterprises deal moderately well with the economic crisis is true or not, for within the statistical update we saw that the CI all together experience the crisis worse than the economy on average. However according to the survey results, even though there were some difficulties associated with the crisis reported, these firms do not express a feeling having suffered very much from the consequences of the economic situation of the past two years.

To conclude, there were another two general hypotheses formulated, namely, H9.1.Characteristics of creative industries differ among the subsectors and H9.2.CI in Riga differ most between the categories of traditional cultural industries and those belonging only to creative industries, instead of differing along other distinctive variable groups. In this case we found significant results, which support the first hypothesis and hence the heterogeneity argument of the CI model, while it was not possible to confirm the second assumption. According to both statistical update and the survey results, the subsectors sharing common characteristics along various research dimensions considered do not follow a concrete pattern that would allow dividing them according to traditional cultural industries or any other grouping aspects.

V. Conclusions

As stated in the introduction this thesis had as objective to tackle a three-fold research gap. Firstly, by revealing and exploring the characteristics of CI in Riga we aimed to contribute to the lacking research of creative industries in Eastern European cities. Secondly, we aimed to explore whether the overgeneralization of different theories to the great variety of economic activities, which fall under the term of creative industries, accounts for the complexity of the sphere and has a valid reason for doing so. Thirdly, with this study we aimed to test whether the development of a new, more holistic methodological approach of understanding creative industries is possible. In this concluding chapter, we discuss the main results to understand whether the goals of the research have been reached.

5.1. General conclusions

First of all, the objective of characterizing CI in Riga in line with the existing theoretical basis was successfully accomplished, and this study gives new and important insights into various aspects of CI in Riga, which can be further utilized by policy-makers, scholars and the representatives of the CI. On the macro level, in the literature review, we saw that many studies and policies are based on an underlying assumption that CI report above-average growth rates (in terms of employment and economic contributions) when compared to the rest of economy (Foord, 2009). While according to the available statistical update for the period until 2006, this was also the case for CI in Riga, this study reveals that in the times of austerity CI enterprises in Riga are doing worse than the city's economy on average, except for the growth in number of enterprises, which could signalize the increasing creative entrepreneurship in the city. On the other hand, the survey results showed that the enterprises themselves are not so negative about their experience of the past two years of activity. It might however as well be that, the CI in general are recovering from the crisis and are doing now slightly better than in 2010, which was the last available year of statistical data.

All in all, some of the ideas expressed in the general literature concerning CI were confirmed by this study, as already discussed in the previous part, while some could not be confirmed. Among the confirmed characteristics in the case of Riga are the fact that the CI are mostly predominated by micro and medium size firms, that they do tend to cluster to a certain extent and that human capital is of great importance. We saw that also in the case of Riga, the CI subsectors manifest heterogeneous characteristics both according to statistical data and survey results. The CI subsectors that can be regarded as the most prominent in Riga's context are

Publishing, Advertising, Architecture and Software and Games, accounting for large shares of employment and value added. Knowing that the latter two are also the sectors, which are often contested with regards to their inclusion in the scope of CI or at least the fact that their NACE classification code also includes non-creative activities, we could argue that they only inflate the statistical data. On the other hand, in the survey the firms from these two sectors also turned out to provide creative outputs, contribute significantly to the innovation in CI and also be an important part of the inter-industry spillover networks. Moreover, the predominance of the "new creative" industry sectors in the for-profit CI part could also be explained by the post-command economy past, where it is still difficult to change the prevailing perceptions that culture has to be provided by government.

Among the most interesting findings of the survey we can name the fact that CI in Riga do not share so much the commonly advocated "glocal" outreach and is not so globally connected, which might be explained by the so-called "cultural" distance argument. They also do not seem to have the same industrial organization as defined in the textbooks of cultural economics, where the traditional cultural industries have several large oligopoly actors controlling the biggest part of the market. The small market and the lack of global outreach might also be the explanation of why the firms do not believe to be so much subject to the demand uncertainty. These issues could be further investigated in the case of similar cities, in order to find out whether this can be attributed to some common characteristics.

The most important findings, in view of the author, are the ones concerning employment characteristics of CI in Riga. From the academic point of view, the finding show that for the creative industries to function there is a need for both creative and non-creative workers and that a crucial part enabling the creative economy is not accounted for when only looking at the creative occupations. From the policy relevance point, it shows that human capital for CI has to be developed and invested in, and in the case of Riga is particularly the stumbling rock, in view of the reported lack of skilled workers, dissatisfaction with the availability of relevant CI education and the need of various contrasting skills.

As for the second objective of overgeneralization of the theories to different sub-sectors, we can conclude that all in all the term of creative industries does account fairly well for the activities that have been included under its scope and there are valid reasons for creating such a term. While the statistical classification would require a more detailed and disintegrated model, the firms in this study from different subsectors had both common characteristics as well as differences and appeared to find themselves well classified under the term of creative industries.

Finally, in view of the third research objective, it can be concluded that this study proves that it is possible to create a holistic research framework, which could inform on the overall characteristics and development trends of CI in various cities. The methodology employed is replicable in other contexts and with some adjustments has the potential to be further developed into a longitudinal, cross-city study. Moreover, the author of this thesis is willing to extend this methodology further on in a doctoral thesis, studying CI in post-command economy cities.

5.2. Limitations of the research

Most part of the research limitation concern methodological considerations. Firstly, generalizing about the target population and accounting for all the subsector and size differences would require a considerably larger sample. Due to the relatively low response rate, the outcomes of this study point out mainly at the general trends and opinions prevailing within CI enterprises in Riga. Moreover, a larger sample would also allow for a wider variety of inferential statistical analysis to be carried out among the defined subgroups, which were not unfortunately possible within the context of this study. Besides, as already pointed out, using the NACE classifiers currently available lead to both overestimation and underestimation of certain activities, for some classes include only non-creative economic activities while some creative activities are not accounted for being included within non-creative classes.

5.3. Dissemination and policy relevance

All in all, as mentioned, the results of this research could be further employed both in academic research and policy decisions. On the scholarly level, this research can potentially provide a framework for analyzing the characteristics of CI in other post-command economies and other cities in general, as it allows gathering a considerable amount of information concerning CI, in a relatively concise manner, while covering a wide range of topics. From the policy perspective, in view of the huge research gap on CI in Riga, Latvia, these results can inform the local policy-makers and stakeholders and provide a basis for a better-grounded decision-making and elaboration of policy and support mechanisms concerning the CI in Riga and their development. These results highlight both the assets and disadvantages of CI for the urban development, as well as those of the urban environment necessary for fostering creative economy.

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Appendices

Appendix 1: List of CI groups and relevant NACE classifiers[30]

Creative Industries sub-sector	Included NACE 4 digit classifiers
Publishing sector	58.11 Publishing of books
	58.12 Publishing of directories and mailing lists publishing activities
	58.13 Publishing of newspapers (excluding software)
	58.14 Publishing of journals and periodicals
	58.19 Other publishing activities (excluding software)
	*18.11 Printing of newspapers
	*18.12 Other printing
	*18.13 Pre-press and pre-media services
Film industry	59.11 Motion picture, video and television programme production activities
	59.12 Motion picture, video and television programme post-production activities
	59.13 Motion picture, video and television programme distribution activities
	59.14 Motion picture projection activities
Music publishing	59.20 Sound recording and music publishing activities
	18.20 Reproduction of recorded media
Broadcasting	60.10 Radio broadcasting
	60.20 Television programming and broadcasting activities
Cultural economic branches	90.01 Performing arts
	90.02 Support activities to performing arts
	90.03 Artistic creation
	90.04 Operation of arts facilities
	74.20 Photographic activities
Libraries and museums	91.01 Library and archives activities
	91.02 Museums activities
	91.03 Operation of historical sites and buildings and similar visitor attractions
Architecture	71.11 Architectural activities
Design (specialized)	74.10 Specialised design activities
	71.12. Engineering activities for projects in specific technical fields and engineering design
Advertising	73.11 Advertising agencies
	73.12 Media representation
Software/ games	58.21 Publishing of computer games
	58.29 Other software publishing

[30] Classifiers marked with "*" were not included in Sondermann et al. (2009) study. Highlighted classifiers are all part of the Latvian National definition of CI, according to the statistical updates, which can be found on the webpage of Ministry of Culture of Republic of Latvia. Some of the classifiers included in that model are not included in this one.

	62.01 Computer programming activities
Manufacture of fashion	*14.11 Manufacture of leather clothes *14.12 Manufacture of workwear *14.13 Manufacture of other outerwear *14.14 Manufacture of underwear *14.19 Manufacture of other wearing apparel *14.20 Manufacture of articles of fur *14.31 Manufacture of knitted and crocheted hosiery *14.39 Manufacture of other knitted and crocheted apparel *15.11 Tanning and dressing of leather; dressing and dyeing of fur *15.12 Manufacture of luggage, handbags and the like, saddlery and harness *15.20 Manufacture of footwear
Design (extended manufacturing)	*17.24 Manufacture of wallpaper *23.31 Manufacture of ceramic tiles and flags *23.41 Manufacture of ceramic household and ornamental articles *26.52 Manufacture of watches and clocks *31.01 Manufacture of office and shop furniture *31.02 Manufacture of kitchen furniture *31.03 Manufacture of mattresses *31.09 Manufacture of other furniture *32.12 Manufacture of jewellery and related articles *32.13 Manufacture of imitation jewellery and related articles
Cultural education	*85.52 Cultural education
Trade of traditional cultural goods	47.61 Retail sale of books in specialised stores 47.62 Retail sale of newspapers and stationery in specialised stores 47.63 Retail sale of music and video recordings in specialised stores 47.78 Other retail sale of new goods in specialised stores
Trade of other creative goods	47.59 Retail sale of furniture, lighting equipment and other household articles in specialised stores *47.71 Retail sale of clothing in specialised stores *47.72 Retail sale of footwear and leather goods in specialised stores *47.77 Retail sale of watches and jewellery in specialised stores *47.82 Retail sale via stalls and markets of textiles, clothing and footwear

Appendix 2: Enterprise survey

1. Which of the following sectoral classifications suits your company's activity the best?

Activity sector

Specific activity

2. Could you describe more precisely the type of activity (-ies) your company is engaged with?

3. Please indicate the legal status of your organization:

- Self-employed

For-profit organization

- Not-for profit organization
- International not-for-profit organization
- A for-profit organization registered outside Latvia
- Government organization/ agency/ institution

4. Which of the following are your organization's clients (multiple answers possible)?

- Individuals

For-profit organizations

Non-profit organizations

- International organizations
- Government organization/ agency/ institution

5. What is the age of your company?

0 ____ Years

6. **How may employees are there in your company?**

- I am the only one
- 2 - 9
- 10 - 49
- 50 - 249
- 250 and more

7. **In what markets does your organization operate in (multiple answers possible)?**

- Riga
- Latvia

- ☐ Baltic States
- ☐ Russia
- ☐ Europe

☐ Rest of the world

8. **In which of the follwing Riga city area's is your company located?**

[a scroll down list of all the areas of Riga]

9. Please specify your company's postcode (of the actual adress):

10. Are you located in a creative district?

- ○ Yes
- ○ No

11.Please indicate which kind of products/ services is your organization engaged in providing (multiple answers possible):

- ☐ Traditional artistic products and/or services
- ☐ Well established products and services with respect to your market
- ☐ Products and services new to your company
- ☐ Products and services new to the respective industry/sector
- ☐ Products and services with new artistic content
- ☐ Products and services with new design
- ☐ We develop new methods of providing the respective goods and services

12. What types of goods/ services is your company producing? (Multiple answers are possible)

- ☐ Final goods (offered directly at the market)
- ☐ Goods, which are further used as inputs in other firms' production
- ☐ Tailor-made services for customers
- ☐ Tailor-made services for other businesses
- ☐ Standardized services for customers
- ☐ Standardized services for other businesses
- ☐ Other

13. Please indicate if your organization collaborates with other organizations from the follwing sectors and for what purposes:

	Do you collaborate with organizatins from this sector?		For what purposes do you colaborate? (Multiple answes can be possible)					
	Yes	No	We are buying inputs for our activity	We are selling inputs for their activity	Knowledge exchange	Acquiring human resources for our activity	Offering human resources for their activity	Collaboration for common activity
Architecture	○	○	☐	☐	☐	☐	☐	☐
Advertisement	○	○	☐	☐	☐	☐	☐	☐
Publishing	○	○	☐	☐	☐	☐	☐	☐
Cinema, video and TV programme production	○	○	☐	☐	☐	☐	☐	☐
Music and sound recordings' publishing	○	○	☐	☐	☐	☐	☐	☐
Radio and TV	○	○	☐	☐	☐	☐	☐	☐
Artistic creation and cultural institutions	○	○	☐	☐	☐	☐	☐	☐
Photogaphy	○	○	☐	☐	☐	☐	☐	☐
Retail of cultural, design and creative goods	○	○	☐	☐	☐	☐	☐	☐
Wholesale of cultural, design and creative goods	○	○	☐	☐	☐	☐	☐	☐
Specialized design (incl. fashion)	○	○	☐	☐	☐	☐	☐	☐
Manufacturing of design objects, furniture, decorations etc.	○	○	☐	☐	☐	☐	☐	☐
Manufacturing of clothing								

Manufacturing of clothing, footwear and related accessories								
Attraction parks and other recreational facilities								
Manufacturing of textiles								
Sales of textiles								
Software and videogame development								
Cultural education								
Libraries, archives and museums								
Production of paper								
Production of musical instruments								
Agencies related to arts and culture (e.g. employment)								
Production and sales of games and toys								
IT								

14. **Would you define the goods and services of your company as...**

- cultural goods and services?
- creative goods and services?
- normal goods and services?
- luxury goods and services?

15. **Are the goods produced subject to any of the follwoing intellectual property rights? (multiple answers are possible)**

- Copyrights

- ☐ Patent
- ☐ Trademarks
- ☐ Industrial design rights
- ☐ Trade secrets

16. **To what extent do you agree to the following statements?**

	Disagree	Neither Agree nor Disagree	Agree
The success of our goods/services is very difficult to predict before it has reached the target audience	○	○	○
We are in the business because we love what we do, not because of the money	○	○	○
Making our goods/services requires a combination of various contrasting skills	○	○	○
We depend heavily on new technologies in our production/ service provision	○	○	○
Employee skills, talent and knowledge is our main asset	○	○	○
We use craft in our production/ service provision	○	○	○

17. How important are the following factors in your activity/ business?

	Not at all Important	Very Unimportant	Neither Important nor Unimportant	Very Important
IP protection and copyright	○	○	○	○
New business models	○	○	○	○
External markets	○	○	○	○
Transport links	○	○	○	○
Networking	○	○	○	○
Being in close proximity to other creative businesses/ organizations	○	○	○	○
Proximity to suppliers	○	○	○	○
City image	○	○	○	○

	Not at all Important	Very Unimportant	Neither Important nor Unimportant	Very Important
The office/ production space/ facilities	○	○	○	○

18. Which of the follwing challenges and problems does your company has to deal with?

	Not At All	Occasionally	Frequently
Difficulties with access to finance (other than own income)	○	○	○
Financial problems	○	○	○
Finding skilled employees	○	○	○
Shortage of existing skills	○	○	○
Difficulties with management and leadership	○	○	○
IP protection and copyright	○	○	○
Too small market	○	○	○
Fidning new markets	○	○	○
Building up a reputation	○	○	○
Access to adequate office space, production space or facilities	○	○	○
Coping with the quick technological changes	○	○	○
Making relevant contacts in the industry	○	○	○
Dealing with taxes	○	○	○
Unresolved legislation issues	○	○	○

19. What is the number of persons employed in your company? (Can be also approximate numbers)

Full-time ____
Part-time____
Contract/ free-lance ____
Volunteers ____
Total ____

20. In the following pairs of employee types, would you consider that you entreprise has more of the first or the second?

	More of the first type	More of the second type	Equal amount of both	One of the categories non existent
Younger (until 35) vs. Older (above 35) employees	○	○	○	○
Creative vs. non -creative employees	○	○	○	○
With creative educational background vs. with a non-creative educational bacground	○	○	○	○
Femal vs. male employees	○	○	○	○
Education by experience vs. formal education	○	○	○	○
Bachelor vs. Master and higher education	○	○	○	○

21. Would you say that the creative employees tend to be employed more...

	Yes	No	Equally with other employees
full-time	○	○	○
part-time	○	○	○
contract/ freelance	○	○	○
volunteers	○	○	○

22. Skills necessary

	N/A	Needed, but unimportant	Neutral	Very Important	Extremely Important
Creative talent	○	○	○	○	○
Communication skills	○	○	○	○	○
Handling the media	○	○	○	○	○
Social networking	○	○	○	○	○
Video, recording, editing and production	○	○	○	○	○

	N/A	Needed, but unimportant	Neutral	Very Important	Extremely Important
Internet media	○	○	○	○	○
Understanding intellectual property rights	○	○	○	○	○
Leadership and management skills	○	○	○	○	○
Sales and marketing skills	○	○	○	○	○
Business skills	○	○	○	○	○
Skills in using software packages	○	○	○	○	○
Finance skilss	○	○	○	○	○
Technical or digital skills	○	○	○	○	○
Multi-skilling and transferable skills	○	○	○	○	○
Other ☐	○	○	○	○	○

23. Please indicate how important are the follwoing sources of income to your company/ organization! (as proportions from the total income)

	Non-existent	Existent, but of minor importance	Of average importance	Important
Own income	○	○	○	○
Municipal subsidies	○	○	○	○
Government subsidies	○	○	○	○
Grants from VKKF and other public institutions	○	○	○	○
Money from EU/ international projects	○	○	○	○
Sponsors	○	○	○	○
Donations	○	○	○	○
Other ☐	○	○	○	○
Other ☐	○	○	○	○

24. **Please indicate the annual turnover of your company!**

- ○ <10 000 LVL
- ○ 10 000 - 30 000 LVL
- ○ 31 000 - 60 000 LVL
- ○ 61 000 - 100 000 LVL
- ○ 101 000 - 300 000 LVL
- ○ 301 000 - 1 000 000 LVL
- ○ 1 000 000 - 2 000 000 LVL
- > ○ 2 000 000 LVL

25. **Please indicate how favorable are the conditions in Riga in the following categories with respect to your organization's activity and its necessities:**

	N/A	Very Poor	Poor	Average	Good	Very Good
Economic conditions in Riga (for the operation of your organization)	○	○	○	○	○	○
Cultural development and environement	○	○	○	○	○	○
Frequency and quality of the cooperation between the actors of your sector/ industry	○	○	○	○	○	○
Availability of public funding	○	○	○	○	○	○
Support programmes, initiatives and strategies for your respective sector/ industry	○	○	○	○	○	○
Access and quality to education needed for your sector of activity	○	○	○	○	○	○

26. Looking at the previous two years, has your business/ organization been affected by any of the following?

	Does not apply	Not at all	A bit	Moderately	Very much
Reduced own income	○	○	○	○	○
Loss of clients	○	○	○	○	○
Bad debts	○	○	○	○	○

	Does not apply	Not at all	A bit	Moderately	Very much
Key members of staff leaving	○	○	○	○	○
Need of raising the prices	○	○	○	○	○
Negative effects of changes in taxes	○	○	○	○	○
Reduced income from public funding bodies	○	○	○	○	○
Decreased sponsorships	○	○	○	○	○
Decreased donations	○	○	○	○	○
Need of additional bank funding/ loans	○	○	○	○	○

27. What is the name of your company (This information will be kept anonymous and will only be used for finding the right industry code)?

28. If you have any additional comments, please provide them here:

Appendix 3: List of Variables of the Enterprise Survey

Sector of CI
Activity classification
Description of the concrete activity
Legal status
Clients of the entity - Private persons
Clients of the entity - Firms
Clients of the entity - NGOs
Clients of the entity - International organizations
Clients of the entity - Government bodies, agencies, institutions, firms etc.
Years of activity
Number of employed
Market of Riga
Market of Latvia
Market of the Baltics
Market of EU
Market of the rest of the world
Market of Russia
District
District other
Postal code
Part of a creative district
Tradtitional art goods/services provided
Goods/ services well known to the market
Products and services new to your company
Products and services new to the respective industry/sector
Products and services with new artistic content
Products and services with new design
We develop new methods of providing the respective goods and services
Final goods (offered directly at the market)
Goods, which are further used as inputs in other firms' production
Tailor-made services for individual customers
Tailor-made services for other businesses
Standardized services for customers/organizations
Standardized services for other businesses/organizations
Other final product/service
Other final product/service - description
Collaboration with sector - Architecture
Collaboration with sector - Advertising
Collaboration with sector - Publishing
Collaboration with sector - Film, TV & Video Production
Collaboration with sector - Music Publishing
Collaboration with sector - Broadcasting
Collaboration with sector - Artistic Creation and Cultural Facilities
Collaboration with sector - Photography
Collaboration with sector - Retail of Cultural, Creative and Design Goods
Collaboration with sector - Wholesale of Cultural, Creative and Design Goods
Collaboration with sector - Design (specialized)
Collaboration with sector - Design (manufacturing)

Collaboration with sector - Fashion (manufacturing)
Collaboration with sector - Theme Parks and Other Leisure Facilities
Collaboration with sector - Textile Industry
Collaboration with sector - Software and Games
Collaboration with sector - Cultural Education
Collaboration with sector - Libraries, Archives and Museums
Collaboration with sector - Paper Manufacturing
Collaboration with sector - Music Instrument Manufacturing
Collaboration with sector - Arts and Cultural Agencies
Collaboration with sector - Retail of Toys and Games
Collaboration with sector - IT
Collaboration with sector - Other
Collaboration with sector - Other (Description)

Collaboration with sector - Architecture - We buy inputs for our activity
Collaboration with sector - Architecture - We offer inputs for their activity
Collaboration with sector - Architecture - Knowledge exchange
Collaboration with sector - Architecture - We acquire human resources
Collaboration with sector - Architecture - We offer human resources
Collaboration with sector - Architecture - Common projects and activities

Collaboration with sector - Advertising - We buy inputs for our activity
Collaboration with sector - Advertising - We offer inputs for their activity
Collaboration with sector - Advertising - Knowledge exchange
Collaboration with sector - Advertising - We acquire human resources
Collaboration with sector - Advertising - We offer human resources
Collaboration with sector - Advertising - Common projects and activities

Collaboration with sector - Publishing - We buy inputs for our activity
Collaboration with sector - Publishing - We offer inputs for their activity
Collaboration with sector - Publishing - Knowledge exchange
Collaboration with sector - Publishing - We acquire human resources
Collaboration with sector - Publishing - We offer human resources
Collaboration with sector - Publishing - Common projects and activities

Collaboration with sector - Film, TV & Video Production - We buy inputs for our activity
Collaboration with sector - Film, TV & Video Production - We offer inputs for their activity
Collaboration with sector - Film, TV & Video Production - Knowledge exchange
Collaboration with sector - Film, TV & Video Production - We acquire human resources
Collaboration with sector - Film, TV & Video Production - We offer human resources
Collaboration with sector - Film, TV & Video Production - Common projects and activities

Collaboration with sector - Music Publishing - We buy inputs for our activity
Collaboration with sector - Music Publishing - We offer inputs for their activity
Collaboration with sector - Music Publishing - Knowledge exchange
Collaboration with sector - Music Publishing - We acquire human resources
Collaboration with sector - Music Publishing - We offer human resources
Collaboration with sector - Music Publishing - Common projects and activities

Collaboration with sector - Broadcasting - We buy inputs for our activity
Collaboration with sector - Broadcasting - We offer inputs for their activity
Collaboration with sector - Broadcasting - Knowledge exchange
Collaboration with sector - Broadcasting - We acquire human resources
Collaboration with sector - Broadcasting - We offer human resources
Collaboration with sector - Broadcasting - Common projects and activities

Collaboration with sector - Artistic Creation and Cultural Facilities - We buy inputs for our

activity
Collaboration with sector - Artistic Creation and Cultural Facilities - We offer inputs for their activity
Collaboration with sector - Artistic Creation and Cultural Facilities - Knowledge exchange
Collaboration with sector - Artistic Creation and Cultural Facilities - We acquire human resources
Collaboration with sector - Artistic Creation and Cultural Facilities - We offer human resources
Collaboration with sector - Artistic Creation and Cultural Facilities - Common projects and activities
Collaboration with sector - Photography - We buy inputs for our activity
Collaboration with sector - Photography - We offer inputs for their activity
Collaboration with sector - Photography - Knowledge exchange
Collaboration with sector - Photography - We acquire human resources
Collaboration with sector - Photography - We offer human resources
Collaboration with sector - Photography - Common projects and activities
Collaboration with sector - Retail of creative goods - We buy inputs for our activity
Collaboration with sector - Retail of creative goods - We offer inputs for their activity
Collaboration with sector - Retail of creative goods - Knowledge exchange
Collaboration with sector - Retail of creative goods - We acquire human resources
Collaboration with sector - Retail of creative goods - We offer human resources
Collaboration with sector - Retail of creative goods - Common projects and activities
Collaboration with sector - Wholesale of Creative Goods - We buy inputs for our activity
Collaboration with sector - Wholesale of Creative Goods - We offer inputs for their activity
Collaboration with sector - Wholesale of Creative Goods - Knowledge exchange
Collaboration with sector - Wholesale of Creative Goods - We acquire human resources
Collaboration with sector - Wholesale of Creative Goods - We offer human resources
Collaboration with sector - Wholesale of Creative Goods - Common projects and activities
Collaboration with sector - Design (Specialized) - We buy inputs for our activity
Collaboration with sector - Design (Specialized) - We offer inputs for their activity
Collaboration with sector - Design (Specialized) - Knowledge exchange
Collaboration with sector - Design (Specialized) - We acquire human resources
Collaboration with sector - Design (Specialized) - We offer human resources
Collaboration with sector - Design (Specialized) - Common projects and activities
Collaboration with sector - Design Manufacturing - We buy inputs for our activity
Collaboration with sector - Design Manufacturing - We offer inputs for their activity
Collaboration with sector - Design Manufacturing - Knowledge exchange
Collaboration with sector - Design Manufacturing - We acquire human resources
Collaboration with sector - Design Manufacturing - We offer human resources
Collaboration with sector - Design Manufacturing - Common projects and activities
Collaboration with sector - Fashion Manufacturing - We buy inputs for our activity
Collaboration with sector - Fashion Manufacturing - We offer inputs for their activity
Collaboration with sector - Fashion Manufacturing - Knowledge exchange
Collaboration with sector - Fashion Manufacturing - We acquire human resources
Collaboration with sector - Fashion Manufacturing - We offer human resources
Collaboration with sector - Fashion Manufacturing - Common projects and activities
Collaboration with sector - Entertainment and Leisure - We buy inputs for our activity
Collaboration with sector - Entertainment and Leisure - We offer inputs for their activity
Collaboration with sector - Entertainment and Leisure - Knowledge exchange
Collaboration with sector - Entertainment and Leisure - We acquire human resources

Collaboration with sector - Entertainment and Leisure - We offer human resources
Collaboration with sector - Entertainment and Leisure - Common projects and activities

Collaboration with sector - Textile - We buy inputs for our activity
Collaboration with sector - Textile - We offer inputs for their activity
Collaboration with sector - Textile - Knowledge exchange
Collaboration with sector - Textile - We acquire human resources
Collaboration with sector - Textile - We offer human resources
Collaboration with sector - Textile - Common projects and activities

Collaboration with sector - Software and Games - We buy inputs for our activity
Collaboration with sector - Software and Games - We offer inputs for their activity
Collaboration with sector - Software and Games - Knowledge exchange
Collaboration with sector - Software and Games - We acquire human resources
Collaboration with sector - Software and Games - We offer human resources
Collaboration with sector - Software and Games - Common projects and activities

Collaboration with sector - Cultural Education - We buy inputs for our activity
Collaboration with sector - Cultural Education - We offer inputs for their activity
Collaboration with sector - Cultural Education - Knowledge exchange
Collaboration with sector - Cultural Education - We acquire human resources
Collaboration with sector - Cultural Education - We offer human resources
Collaboration with sector - Cultural Education - Common projects and activities

Collaboration with sector - Libraries, Archives and Museums - We buy inputs for our activity
Collaboration with sector - Libraries, Archives and Museums - We offer inputs for their activity
Collaboration with sector - Libraries, Archives and Museums - Knowledge exchange
Collaboration with sector - Libraries, Archives and Museums - We acquire human resources
Collaboration with sector - Libraries, Archives and Museums - We offer human resources
Collaboration with sector - Libraries, Archives and Museums - Common projects and activities

Collaboration with sector - Paper Manufacturing - We buy inputs for our activity
Collaboration with sector - Paper Manufacturing - We offer inputs for their activity
Collaboration with sector - Paper Manufacturing - Knowledge exchange
Collaboration with sector - Paper Manufacturing - We acquire human resources
Collaboration with sector - Paper Manufacturing - We offer human resources
Collaboration with sector - Paper Manufacturing - Common projects and activities

Collaboration with sector - Music Instrument Manufacturing - We buy inputs for our activity
Collaboration with sector - Music Instrument Manufacturing - We offer inputs for their activity
Collaboration with sector - Music Instrument Manufacturing - Knowledge exchange
Collaboration with sector - Music Instrument Manufacturing - We acquire human resources
Collaboration with sector - Music Instrument Manufacturing - We offer human resources
Collaboration with sector - Music Instrument Manufacturing - Common projects and activities

Collaboration with sector - Art and Cultural Agencies - We buy inputs for our activity
Collaboration with sector - Art and Cultural Agencies - We offer inputs for their activity
Collaboration with sector - Art and Cultural Agencies - Knowledge exchange
Collaboration with sector - Art and Cultural Agencies - We acquire human resources
Collaboration with sector - Art and Cultural Agencies - We offer human resources
Collaboration with sector - Art and Cultural Agencies - Common projects and activities

Collaboration with sector - Retail of Toys and Games - We buy inputs for our activity
Collaboration with sector - Retail of Toys and Games - We offer inputs for their activity

Collaboration with sector - Retail of Toys and Games - Knowledge exchange
Collaboration with sector - Retail of Toys and Games - We acquire human resources
Collaboration with sector - Retail of Toys and Games - We offer human resources
Collaboration with sector - Retail of Toys and Games - Common projects and activities

Collaboration with sector - IT - We buy inputs for our activity
Collaboration with sector - IT - We offer inputs for their activity
Collaboration with sector - IT - Knowledge exchange
Collaboration with sector - IT - We acquire human resources
Collaboration with sector - IT - We offer human resources
Collaboration with sector - IT - Common projects and activities

Collaboration with sector - Other - We buy inputs for our activity
Collaboration with sector - Other - We offer inputs for their activity
Collaboration with sector - Other - Knowledge exchange
Collaboration with sector - Other - We acquire human resources
Collaboration with sector - Other - We offer human resources
Collaboration with sector - Other - Common projects and activities
Collaboration with sector - Other - Purpose of collaboration

Definition of goods and services

Goods/ services subject to copyrights
Goods/ services subject to patents
Goods/ services subject to trademarks
Goods/ services subject to industrial design rights
Goods/ services are not subject to IP rights

The success of our goods/services is very difficult to predict before it has reached the target audience
We are in the business because we love what we do, not because of the money
Providing our goods/services requires a combination of various contrasting skills
We depend heavily on new technologies in our production/ service provision
Employee skills, talent and knowledge is our main asset
We use craft in our production/ service provision

Importance of IP protection and copyright
Importance of new business models
Importance of external markets
Importance of transport links
Importance of networking
Importance of being in close proximity to other creative businesses/ organizations
Importance of proximity to suppliers
Importance of location
Importance of city image
Importance of the office/ production space/ facilities

Difficulties with access to finance
Difficulties with financial problems
Difficulties with finding skilled employees
Difficulties with shortage of existing skills
Difficulties with management and leadreship
Difficulties with IP protection
Difficulties with too small market
Difficulties with finding new markets
Difficulties with building up a reputation
Difficulties with access to adequate office space, production space or facilities

Difficulties with coping with the quick technological changes
Difficulties with making relevant contacts in the industry
Difficulties with dealing with taxes
Difficulties with unresolved legislation issues

Number of full-time employees
Number of part-time employees
Number of freelancers
Number of volunteers

Younger (until 35) vs. older (above 35) employees
Creative vs. non -creative employees
With creative educational background vs. with a non-creative educational bacground
Femal vs. male employees
Education by experience vs. formal education
Bachelor vs. Master and higher education

Creatives more full-time
Creative more part-time
Creatives more freelance
Creatives more volunteers

Importance of creative talent
Importance of communication skills
Importance of handling the media
Importance of social networking
Importance of video, recording, editing and production
Importance of internet media
Importance of understanding IP rights
Importance of leadership and management skills
Importance of sales and marketing skills
Importance of business skills
Importance of skills in using software packages
Importance of finance skills
Importance of technical or digital skills
Importance of multi-skilling
Other skills
Other skills description
Own income
Municipal subsidies
Government subsidies
Grants from VKKF and other public institutions
Money from EU/ international projects
Sponsors
Donations
Other sources of income 1
Other sources of income 1 descriptions
Other sources of income 2
Other sources of income 2 descriptions
Annual Turnover

Economic conditions in Riga (for the operation of your organization)
Cultural development and environement
Frequency and quality of the cooperation between the actors of your sector/ industry
Availability of public funding

Support programmes, initiatives and strategies for your respective sector/ industry
Access and quality to education needed for your sector of activity
Reduced own income
Loss of clients
Debts difficult to deal with
Key members of staff leaving
Need of raising the prices
Negative effects of changes in taxes
Reduced income from public funding bodies
Decreased sponsorships
Decreased donations
Need of additional bank funding/ loans

What is the name of your company (anonymous)

If you are engaged in sales, where are the goods provided produced?

If you have any comments, please, provide them here

Appendix 4: Tables and Figures of Statistical Update

Table 1: Sub-sectors of Riga's Creative Industries according to number of enterprises, number of employed, annual net turnover and gross value added in 2010.

	Enterprises	Employed	Turnover (LVL, K)	Value-Added (LVL, K)
Publishing & Printing	**606**	**4,925**	**145,176**	**44,244**
58.11 Publishing of books	81	667	14,861	5,980
58.12 Publishing of directories and mailing lists publishing activities	1	1	.	.
58.13 Publishing of newspapers (excluding software)	15	729	15,418	6,598
58.14 Publishing of journals and periodicals	110	1,325	27,396	8,176
58.19 Other publishing activities (excluding software)	90	300	9,314	2,149
18.11 Printing of newspapers	1	-	.	.
18.12 Other printing	228	1,720	73,857	20,209
18.13 Pre-press and pre-media services	81	184	4,316	1,130
Film industry	**143**	**562**	**21,760**	**6,452**
59.11 Motion picture, video and television programme production activities	107	341	12,795	2,030
59.12 Motion picture, video and television programme post-production activities	16	28	578	142
59.13 Motion picture, video and television programme distribution activities	12	27	1,167	146
59.14 Motion picture projection activities	8	166	7,221	4,134
Music publishing	**61**	**95**	**6,839**	**2,819**
59.20 Sound recording and music publishing activities	39	66	.	.
18.20 Reproduction of recorded media	22	30	.	.
Broadcasting	**63**	**1,417**	**25,102**	**14,741**
60.10 Radio broadcasting	24	380	4,137	4,683
60.20 Television programming and broadcasting activities	39	1,037	20,965	10,058
Cultural economic branches	**278**	**2,414**	**23,841**	**16,725**
90.01 Performing arts	60	1,742	10,216	12,840
90.02 Support activities to performing arts	55	114	7,449	1,281
90.03 Artistic creation	21	35	735	184
90.04 Operation of arts facilities	17	176	1,490	1,390
74.20 Photographic activities	125	346	3,950	1,029
Libraries and museums	**10**	**24**	**235**	**40**
91.01 Library and archives activities	6	17	102	5
91.02 Museums activities	2	6	.	.
91.03 Operation of historical sites and buildings and similar visitor attractions	1	1	.	.

Architecture 71.11	**431**	**1,799**	**35,817**	**12,216**
Design (specialized)	**539**	**2,823**	**72,168**	**26,508**
74.10 Specialised design activities	171	416	9,147	2,050
71.12. Engineering activities for projects in specific technical fields and engineering design	368	2,407	63,021	24,458
Advertising	**988**	**3,421**	**186,317**	**33,934**
73.11 Advertising agencies	840	3,063	177,666	33,207
73.12 Media representation	148	358	8,651	727
Software/ games	**552**	**4,883**	**141,614**	**80,609**
58.21 Publishing of computer games	1	-	.	.
58.29 Other software publishing	28	73	.	.
62.01 Computer programming activities	523	4,810	138,590	79,672
Manufacture of fashion	**365**	**3,633**	**45,930**	**17,956**
14.11 Manufacture of leather clothes	6	18	178	55
14.12 Manufacture of workwear	30	514	10,339	3,210
14.13 Manufacture of other outerwear	167	1,294	11,450	5,025
14.14 Manufacture of underwear	21	958	15,505	6,171
14.19 Manufacture of other wearing apparel	60	131	1,089	229
14.20 Manufacture of articles of fur	4	11	.	.
14.31 Manufacture of knitted and crocheted hosiery	10	232	3,110	1,322
14.39 Manufacture of other knitted and crocheted apparel	25	189	2,037	637
15.11 Tanning and dressing of leather; dressing and dyeing of fur	2	12	.	.
15.12 Manufacture of luggage, handbags and the like, saddlery and harness	31	145	1,071	412
15.20 Manufacture of footwear	8	130	1,088	869
Design (manufacturing)	**332**	**2,360**	**42,010**	**10,948**
17.24 Manufacture of wallpaper	1	1	.	.
23.31 Manufacture of ceramic tiles and flags	-	-	-	-
23.41 Manufacture of ceramic household and ornamental articles	12	38	327	90
26.52 Manufacture of watches and clocks	1	2	.	.
31.01 Manufacture of office and shop furniture	40	332	5,571	1,402
31.02 Manufacture of kitchen furniture	37	151	2,970	617
31.03 Manufacture of mattresses	3	46	983	64
31.09 Manufacture of other furniture	172	1,628	31,092	8,366
32.12 Manufacture of jewellery and related articles	58	146	960	360
32.13 Manufacture of imitation jewellery and related articles	8	15	79	37
Cultural education 85.52	**30**	**67**	**587**	**152**
Creative Industries TOTAL	**4,398**	**28,422**	**747,396**	**267,345**

Trade of traditional cultural goods	**391**	**3,047**	**96,707**	**14,879**
47.61 Retail sale of books in specialised stores	32	399	11,677	2,199
47.62 Retail sale of newspapers and stationery in specialised stores	72	1,020	53,051	5,423
47.63 Retail sale of music and video recordings in specialised stores	9	54	873	113
47.78 Other retail sale of new goods in specialised stores	277	1,574	31,105	7,143
Trade of other creative goods	**1,843**	**9,542**	**243,400**	**39,027**
47.59 Retail sale of furniture, lighting equipment and other household articles in specialised stores	235	1,409	52,022	5,330
47.71 Retail sale of clothing in specialised stores	565	4,124	119,018	21,831
47.72 Retail sale of footwear and leather goods in specialised stores	131	1,142	35,299	4,843
47.77 Retail sale of watches and jewellery in specialised stores	85	926	22,754	5,265
47.82 Retail sale via stalls and markets of textiles, clothing and footwear	471	1,229	8,239	1,195
47.89 Retail sale via stalls and markets of other goods	356	712	6,068	563
Trade of Creative Goods TOTAL	**2,234**	**12,589**	**340,107**	**53,905**
CI and Trade TOTAL	**6,632**	**41,010**	**1,087,503**	**321,250**

Table 2: Key indicators of creative industries in Riga, comparison between 2007 and 2010.[31]

	Creative Industries 2007	Creative Industries 2010	3-year change in % 2010/2007	Trade of Creative Goods 2007	Trade of Creative Goods 2010	3-year change in % 2010/2007
Enteprises	3959	4,398	11.1%	2191	2234	2.0%
Riga Total	48569	52412	7.9%	48569	52412	7.9%
% of Riga Total	**8.2%**	**8.4%**	**-**	**4.5%**	**4.3%**	**-**
Employed	38097	28,422	-25.4%	17280	12589	-27.1%
Riga Total	409800	306000	-25.3%	409800	306000	-25.3%
% of Riga Total	**9.3%**	**9.3%**	**-**	**4.2%**	**4.1%**	**-**
Value added (in LVL, thousand)*	474,558	267,345	-43.7%	240924	45661	-77.6%
Riga Total GDP	8036228	6928266	-13.8%	8036228	6928266	-13.8%
% of Riga Total GDP	**5.9%**	**3.9%**	**-**	**3.0%**	**0.7%**	**-**
Turnover (in LVL, thousand)	1,072,528	747,396	-30.3%	593365	340107	-42.7%
Latvias Total**	34066700	28108200	-17.5%	34066700	28108200	-17.5%
% of Latvia's Total	**3.1%**	**2.7%**	**-**	**1.7%**	**1.2%**	**-**

[31] * Gross value-added calculations based on data for 2009 instead if 2010 due to unavailability of data.
**Turnover calculations measured against country's total instead of city's total due to unavailability of data.
Source: CSB Latvia, Structural Business Data base, own calculations.

Table 3: Number of enterprises according to firm size and subsector in 2010, in Riga.

	Enterprises according to size, 2010			
	0-9 employees	10-49 employees	50-249 employees	More than 250 employees
Publishing & printing	533	52	19	2
Film industry	132	10	1	0
Music publishing	60	1	0	0
Broadcasting	52	5	4	2
Cultural economic branches	254	15	7	2
Libraries and museums	10	0	0	0
Architecture	397	33	1	0
Design (specialized)	496	35	8	0
Advertising	914	69	5	0
Software/ games	472	60	15	4
Manufacture of fashion	310	37	15	3
Design (manufacturing)	287	39	4	2
Cultural education	29	1	0	0
Trade of traditional cultural goods	339	44	79	15
Trade of other creative goods	1,682	133	35	11
Total Trade	**2021**	**177**	**114**	**26**
Total CI	**3946**	**358**	**79**	**15**
Percentages Trade	86.4%	7.6%	4.9%	1.1%
Percentages CI	89.7%	8.1%	1.8%	0.3%

Figure 1: Dynamics of Growth in Number of Firms, Compared to the Overall Economy of Riga between 2007 and 2010 (2007 taken as 100%).

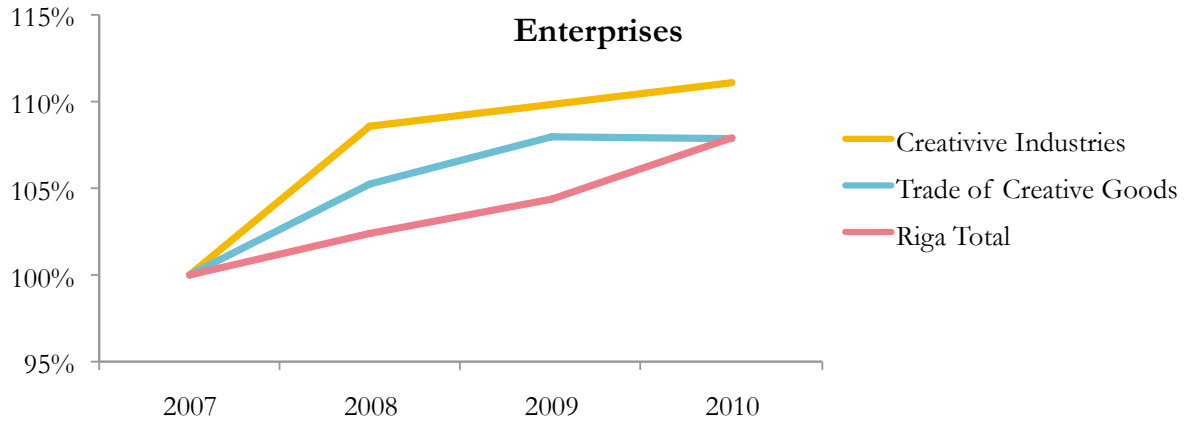


Figure 2: Dynamics of Growth in Number of Employed, Compared to the Overall Economy of Riga between 2007 and 2010 (2007 taken as 100%).

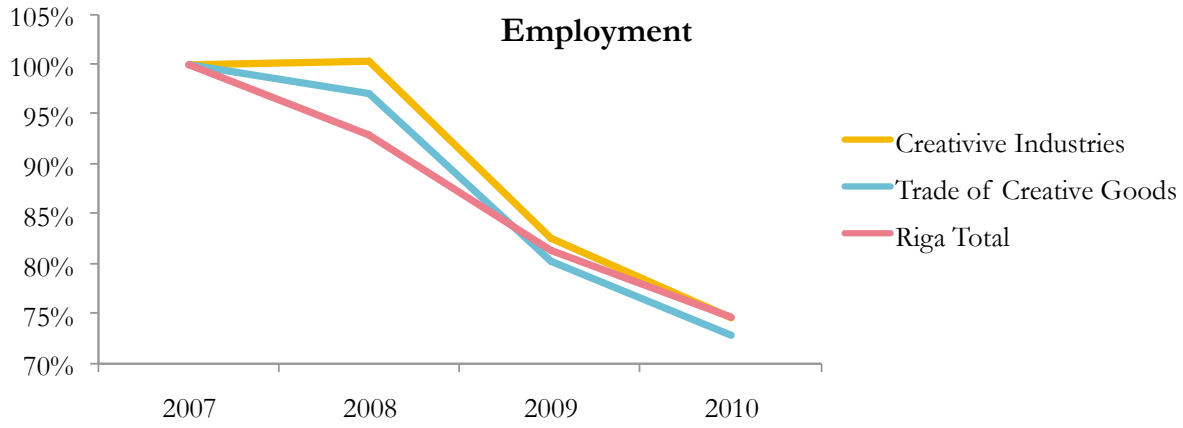


Figure 3: Dynamics of Growth in Turnover in Creative Industries of Riga, Compared to the Overall Economy of Latvia between 2007 and 2010 (2007 taken as 100%).

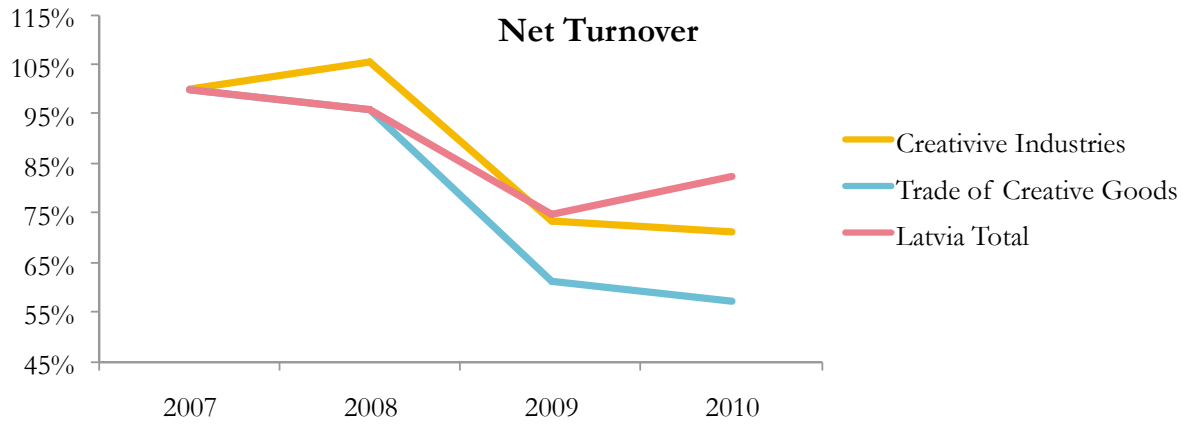


Figure 4: Dynamics of Growth in Value Added in Creative Industries of Riga, Compared to the Overall Economy of Riga between 2007 and 2010 (2007 taken as 100%).

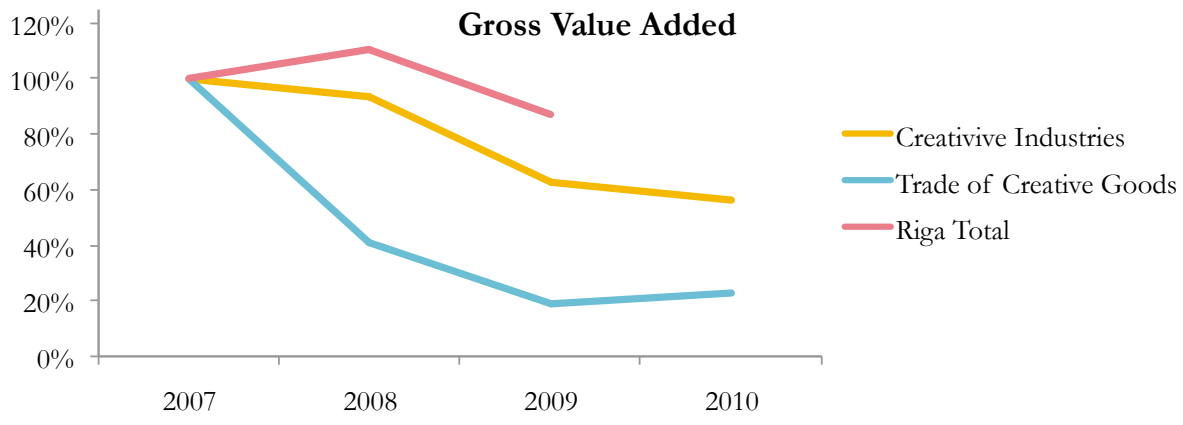


Table 4: Number of enterprises according to size and subsector in 2010, in Riga.

	Enterprises according to size, 2010			
	0-9 employees	10-49 employees	50-249 employees	More than 250 employees
Publishing & printing	533	52	19	2
Film industry	132	10	1	0
Music publishing	60	1	0	0
Broadcasting	52	5	4	2
Cultural economic branches	254	15	7	2
Libraries and museums	10	0	0	0
Architecture	397	33	1	0
Design (specialized)	496	35	8	0
Advertising	914	69	5	0
Software/ games	472	60	15	4
Manufacture of fashion	310	37	15	3
Design (manufacturing)	287	39	4	2
Cultural education	29	1	0	0
Trade of traditional cultural goods	339	44	79	15
Trade of other creative goods	1,682	133	35	11
Total Trade	**2021**	**177**	**114**	**26**
Total CI	**3946**	**358**	**79**	**15**
Percentages Trade	86.4%	7.6%	4.9%	1.1%
Percentages CI	89.7%	8.1%	1.8%	0.3%

Table 5: Proportion of number of enterprises by firm size categories in CI, 2007 – 2010.

	Number of firms by firm size			
	0-9 employees	**10-49 employees**	**50-249 employees**	**More than 250 employees**
2007	81.9%	15.1%	2.5%	0.5%
2008	81.9%	15.5%	2.2%	0.4%
2009	87.2%	10.5%	2.0%	0.4%
2010	89.7%	8.1%	1.8%	0.3%

Table 6: Employment by firm size in CI, 2007 – 2010.

	Employment by firm size, CI			
	0-9 employees	**10-49 employees**	**50-249 employees**	**More than 250 employees**
2007	8,916	12,266	10,090	6,825
2008	9,338	12,480	9,674	6,737
2009	8,868	8,392	8,348	5,834
2010	9,010	6,834	7,601	4,977

Table 7: Employment by firm size in TCG, 2007 – 2010.

	Employment by firm size, TCG			
	0-9 employees	**10-49 employees**	**50-249 employees**	**More than 250 employees**
2007	5,705	5,162	4,490	1,923
2008	5,545	4,608	4,908	1,731
2009	5,533	3,334	4,082	913
2010	5,530	3,256	3,349	454

Figure 6: Employment by firm size in TCG, 2007 – 2010.

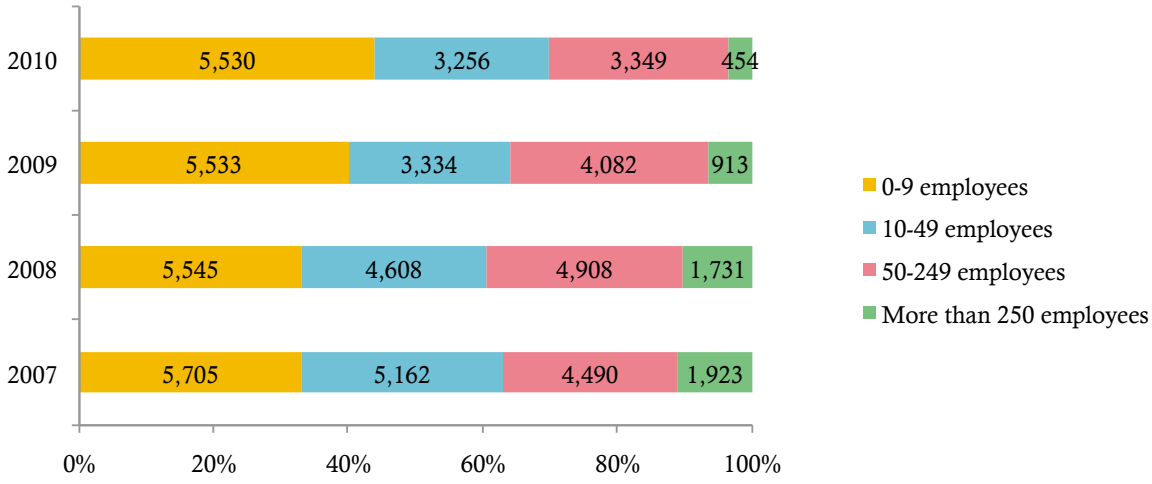


Figure 7: Number of enterprises, share of CI by subsectors, 2010.

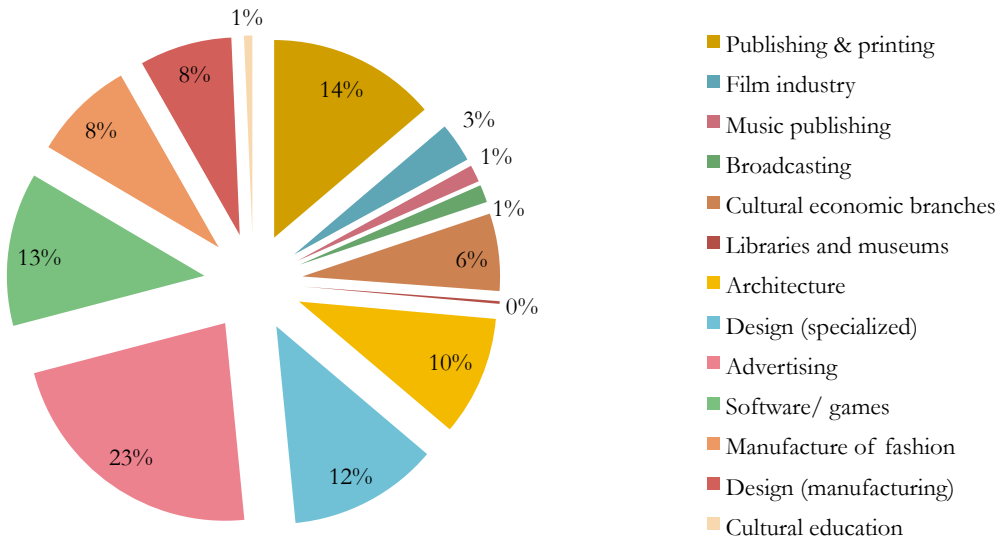


Table 8: Turnover according to firm size by subsector, 2010.

	Turnover according to firm size, 2010				Total Turnover
	0-9 employees	10-49 employees	50-249 employees	More than 250 employees	in LVL thousand
Publishing & printing	22.2%	20.4%	50.0%	7.4%	145176
Film industry	55.4%	.	.	0.0%	21760
Music publishing	.	.	0.0%	0.0%	6839
Broadcasting	6.9%	.	41.2%	.	25102
Cultural economic branches	51.9%	188.7%	.	.	23841
Libraries and museums	100.0%	0.0%	0.0%	0.0%	235
Architecture	62.4%	.	.	0.0%	35817
Design (specialized)	41.0%	23.9%	35.2%	0.0%	72168
Advertising	56.1%	36.7%	7.3%	0.0%	186317
Software/ games	20.8%	27.4%	22.5%	29.4%	141614
Manufacture of fashion	13.3%	20.6%	39.1%	27.0%	45930
Design (manufacturing)	.	22.1%	29.4%	.	42010
Cultural education	90.8%	.	0.0%	0.0%	587
Trade of traditional cultural goods	18.3%	1.9%	.	.	96707
Trade of other creative goods	24.0%	29.2%	44.3%	0.0%	243400
Total Trade	22.4%	21.4%	31.7%	0.0%	**340107**
Total CI	33.6%	29.1%	24.6%	8.7%	**747396**
Data on Trade accounts for					75.5%
Data on CI accounts for					96.0%

Table 9: Value added according to firm size by sector, 2010.

	Value added according to firm size, 2010			
	0-9 employees	10-49 employees	50-249 employees	More than 250 employees
Publishing & printing	7,921	7661	24595	4068
Film industry	1,617	.	.	-
Music publishing	.	.	-	-
Broadcasting	665	.	7042	.
Cultural economic branches	1,837	2159	.	.
Libraries and museums	40	-	-	-
Architecture	6,968	.	.	-
Design (specialized)	7,476	7384	11648	-
Advertising	14,383	16439	3112	-
Software/ games	8,684	20095	22120	29709
Manufacture of fashion	1,491	4584	6676	5204
Design (manufacturing)	.	2428	2837	.
Cultural education	123	.	-	-
Trade of traditional cultural goods	2,816	405	.	.
Trade of other creative goods	6,462	10956	21044	.
Total Trade	**9279**	**11362**	**21044**	**0**
Total CI	**51205**	**60751**	**78031**	**38981**
Percentages Trade	17.2%	21.1%	39.0%	0.0%
Percentages CI	19.2%	22.7%	29.2%	14.6%
Data Trade accounts for				77.3%
Data on CI accounts for				85.6%

Table 10: Key indicators by subgroup, 2010 and % change since 2007.

	Enterprises			Employed			Turnover			Value-Added		
	Number, 2010	Share of total, %	3-year change in %	Number, 2010	Share of total, %	3-year change in %	in LVL thousand	Share of total, %	3-year change in %	in LVL thousand	Share of total, %	3-year change in %
Publishing & printing	606	13.8%	-0.1%	4,925	17.3%	-38.5%	145,176	19.4%	-34.1%	44,244	16.5%	-45.3%
Film industry	143	3.2%	24.0%	562	2.0%	-27.7%	21,760	2.9%	12.6%	6,452	2.4%	-20.2%
Music publishing	61	1.4%	-1.3%	95	0.3%	-69.3%	6,839	0.9%	9.2%	2,819	1.1%	36.7%
Broadcasting	63	1.4%	13.0%	1,417	5.0%	-23.8%	25,102	3.4%	-48.1%	14,741	5.5%	-41.4%
Cultural economic branches	278	6.3%	-4.3%	2,414	8.5%	6.7%	23,841	3.2%	-20.3%	16,725	6.3%	-12.2%
Libraries and museums	10	0.2%	375.0%	24	0.1%	370.0%	235	0.0%	.	40	0.0%	.
Architecture	431	9.8%	16.4%	1,799	6.3%	-33.6%	35,817	4.8%	-57.6%	12,216	4.6%	-72.4%
Design (specialized)	539	12.3%	20.9%	2,823	9.9%	-20.1%	72,168	9.7%	-15.3%	26,508	9.9%	-45.5%
Advertising	988	22.5%	24.3%	3,421	12.0%	-16.1%	186,317	24.9%	-32.7%	33,934	12.7%	-48.2%
Software/ games	552	12.5%	33.3%	4,883	17.2%	-0.3%	141,614	18.9%	-4.0%	80,609	30.2%	-8.7%
Manufacture of fashion	365	8.3%	-12.7%	3,633	12.8%	-36.3%	45,930	6.1%	-36.9%	17,956	6.7%	-58.6%
Design (manufacturing)	332	7.6%	-8.7%	2,360	8.3%	-39.4%	42,010	5.6%	-48.3%	10,948	4.1%	-77.6%
Cultural education	30	0.7%	57.4%	67	0.2%	6.3%	587	0.1%	19.5%	152	0.1%	-35.1%
CREATIVE INDUSTRIES	**4,398**	**100.0%**	11.1%	**28,422**	**100.0%**	-25.4%	**747,396**	**100.0%**	-30.3%	**267,345**	**100.0%**	-43.7%
Trade of traditional cultural goods	391	17.5%	23.6%	3,047	24.2%	-22.5%	96,707	28.4%	-33.0%	14,879	38.1%	-67.6%
Trade of other creative goods	1,843	82.5%	-1.7%	9,542	75.8%	-28.5%	243,400	71.6%	-45.8%	39,027	100.0%	-80.0%
TRADE OF CREATIVE GOODS	**2,234**	**100.0%**	1.9%	**12,589**	**100.0%**	-27.1%	**340,107**	**100.0%**	-42.7%	**53,905**	**138.1%**	-77.6%

Figure 8: Turnover, share of CI by subsectors, 2010.

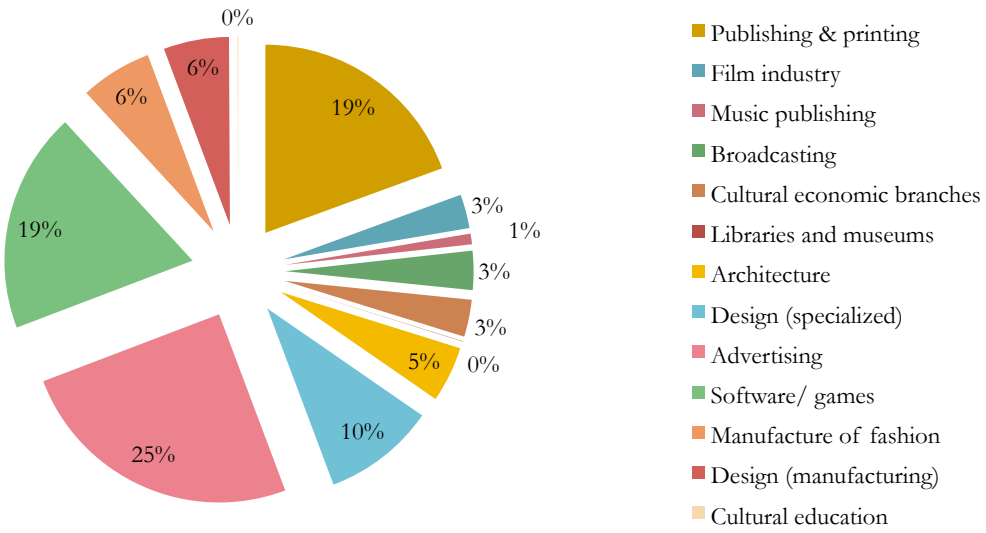


Figure 9: Value added, share of CI by subsectors, 2010.

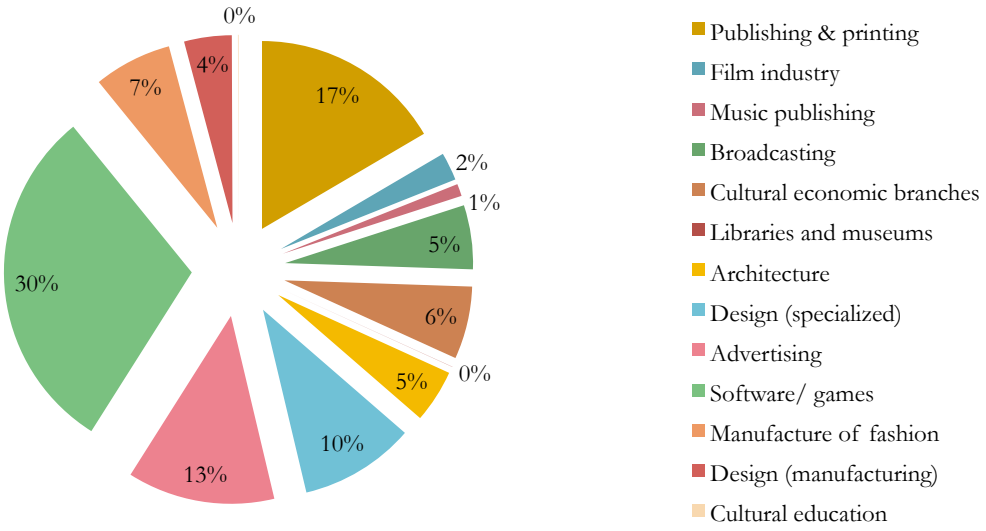


Figure 10: Change in number of firms between 2007 and 2010 according to subsectors. [32]

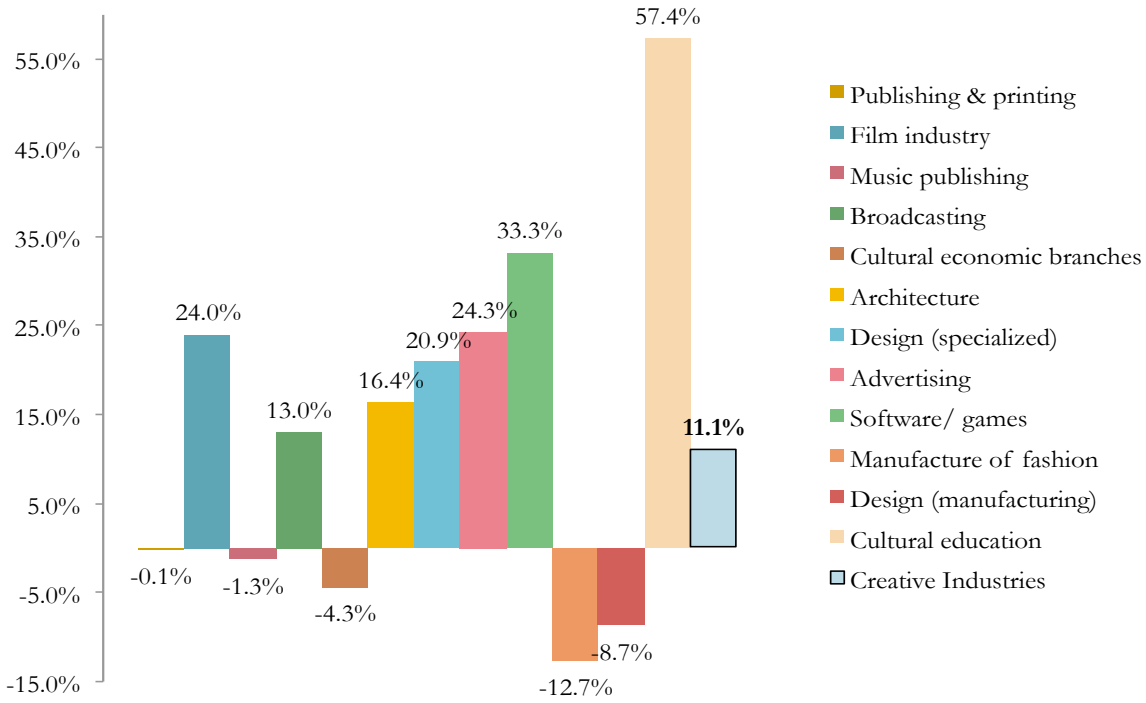
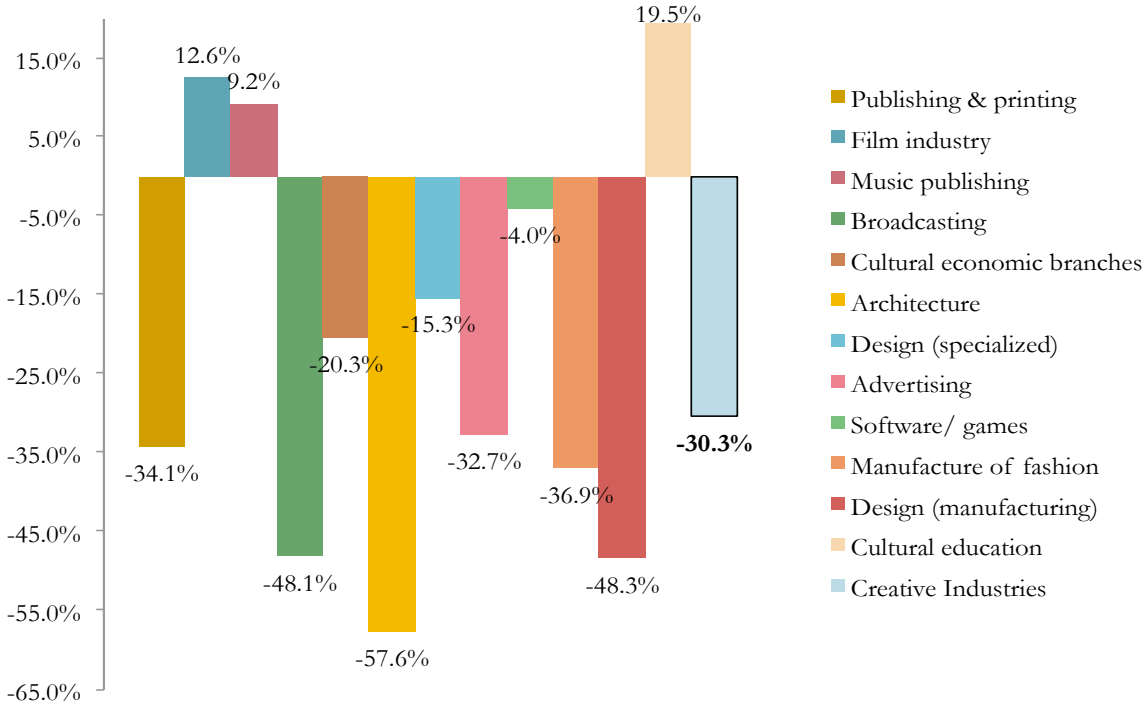


Figure 11: Change in turnover between 2007 and 2010 according to subsectors.



[32] Libraries and museums were taken out because of the too big change (375%) in percentage due to low number of enterprises in the subsector (growth from 2 to 10).

Figure 12: Employment share within firm size subgroups by subsectors, 2010.

Appendix 5: Tables and Figure from Online Survey Results

Table 1: Respondents by type of activity.

	Frequency	Percent	Valid Percent	Cumulative Percent
58.11 Publishing of books	8	6.3	6.3	6.3
58.14 Publishing of journals and periodicals	7	5.6	5.6	11.9
58.19 Other publishing activities (excluding software)	2	1.6	1.6	13.5
18.12 Other printing	2	1.6	1.6	15.1
59.11 Motion picture, video and television programme production activities	6	4.8	4.8	19.8
59.12 Motion picture, video and television programme post-production activities	1	0.8	0.8	20.6
59.14 Motion picture projection activities	2	1.6	1.6	22.2
59.20 Sound recording and music publishing activities	3	2.4	2.4	24.6
90.02 Support activities to performing arts	1	0.8	0.8	25.4
90.03 Artistic creation	1	0.8	0.8	26.2
91.02 Museums activities	1	0.8	0.8	27
71.11 Architecture	18	14.3	14.3	41.3
74.10 Specialised design activities	12	9.5	9.5	50.8
71.12. Engineering activities for projects in specific technical fields and engineering design	1	0.8	0.8	51.6
73.11 Advertising agencies	14	11.1	11.1	62.7
73.12 Media representation	3	2.4	2.4	65.1
58.21 Publishing of computer games	16	12.7	12.7	77.8
14.19 Manufacture of other wearing apparel	1	0.8	0.8	78.6
15.12 Manufacture of luggage, handbags and the like, saddlery and harness	1	0.8	0.8	79.4
23.31 Manufacture of ceramic tiles and flags	2	1.6	1.6	81
23.41 Manufacture of ceramic household and ornamental articles	3	2.4	2.4	83.3
31.01 Manufacture of office and shop furniture	5	4	4	87.3
31.09 Manufacture of other furniture	7	5.6	5.6	92.9
32.12 Manufacture of jewellery and related articles	1	0.8	0.8	93.7
85.52 Cultural education	2	1.6	1.6	95.2
47.61 Retail sale of books in specialised stores	1	0.8	0.8	96
47.59 Retail sale of furniture, lighting equipment and other household articles in specialised stores	4	3.2	3.2	99.2
47.71 Retail sale of clothing in specialised stores	1	0.8	0.8	100
Total	126	100	100	

Table 2: Responses by legal status.

	Frequency	Percent
Self-employed	6	4.8
Enterprise	119	94.4
Foreign enterpr	1	0.8
Total	126	100

Table 3: Responses by legal status according to subsector division.

	Self-employed	Enterprise	Foreign enterprise	Total
Publishing & printing	0	19	0	19
Film industry	1	8	0	9
Music publishing	0	3	0	3
Cultural economic branches	0	2	0	2
Libraries and museums	0	1	0	1
Architecture	1	17	0	18
Design (specialized)	1	11	1	13
Advertising	1	16	0	17
Software/ games	0	16	0	16
Manufacture of fashion	0	2	0	2
Design (manufacturing)	1	17	0	18
Cultural education	1	1	0	2
Trade of traditional cultural goods	0	1	0	1
Trade of other creative goods	0	5	0	5
Total	6	119	1	126

Table 4: Responses by firm size according to subsector division.

	Missing	I am the only one	2 - 9	10 - 49	50 - 249	250 and more	Total
Publishing & printing	0	1	14	3	1	0	19
Film industry	0	0	4	3	2	0	9
Music publishing	0	1	2	0	0	0	3
Cultural economic branches	0	0	1	1	0	0	2
Libraries and museums	0	1	0	0	0	0	1
Architecture	0	3	9	5	1	0	18
Design (specialized)	0	1	9	2	0	1	13
Advertising	0	2	9	6	0	0	17
Software/ games	0	2	10	3	0	1	16
Manufacture of fashion	0	0	2	0	0	0	2
Design (manufacturing)	1	0	10	6	1	0	18
Cultural education	0	1	1	0	0	0	2
Trade of traditional cultural goods	0	0	1	0	0	0	1
Trade of other creative goods	0	0	3	2	0	0	5
Total	1	12	75	31	5	2	126

Table 5: Type of goods/services in CI

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cultural goods and services	9	7.5	7.9	7.9
	Creative goods and services	54	45	47.4	55.3
	Normal goods and services	44	36.7	38.6	93.9
	Luxury goods and services	7	5.8	6.1	100
	Total	114	95	100	
Missing	System	6	5		
Total		120	100		

Table 6: Type of goods/services in TCG

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cultural goods and services	1	16.7	25	25
	Creative goods and services	1	16.7	25	50
	Normal goods and services	1	16.7	25	75
	Luxury goods and services	1	16.7	25	100
	Total	4	66.7	100	
Missing	System	2	33.3		
Total		6	100		

Table 7: Definition of goods and services by sector of CI.

		Publishing & printing	Film industry	Music publishing	Cultural economic branches	Libraries and museums	Architecture	Design (specialized)	Advertising	Software/ games	Manufacture of fashion	Design (manufacturing)	Cultural education	Total
Cultural goods and services	Count	5	1	0	0	0	2	1	0	0	0	0	0	9
	% within Sector of CI	27.80%	11.10%	0.00%	0.00%	0.00%	12.50%	7.70%	0.00%	0.00%	0.00%	0.00%	0.00%	7.90%
Creative goods and services	Count	6	7	2	1	1	9	9	8	6	0	3	2	54
	% within Sector of CI	33.30%	77.80%	100.00%	50.00%	100.00%	56.30%	69.20%	47.10%	40.00%	0.00%	17.60%	100.00%	47.40%
Normal goods and services	Count	7	1	0	1	0	5	2	7	9	1	11	0	44
	% within Sector of CI	38.90%	11.10%	0.00%	50.00%	0.00%	31.30%	15.40%	41.20%	60.00%	50.00%	64.70%	0.00%	38.60%
Luxury goods and services	Count	0	0	0	0	0	0	1	2	0	1	3	0	7
	% within Sector of CI	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.70%	11.80%	0.00%	50.00%	17.60%	0.00%	6.10%
Total	Count	18	9	2	2	1	16	13	17	15	2	17	2	114
	% within Sector of CI	100.00%	100.00%	100.00%	100.00%	100.00%	####	100.00%	100.00%	####	100.00%	100.00%	100.00%	100.00%

Table 8: Frequencies, types of goods provided CI and TCG (n=118).

	Responses	Percent	Percent of Cases
Final goods (offered directly at the market)	68	28.30%	59.60%
Goods, which are further used as inputs in other firms' production	11	4.60%	9.60%
Tailor-made services for individual customers	47	19.60%	41.20%
Tailor-made services for other businesses	67	27.90%	58.80%
Standardized services for customers/organizations	14	5.80%	12.30%
Standardized services for other businesses/organizations	29	12.10%	25.40%
Other final product/service	4	1.70%	3.50%
Total	240	100.00%	210.50%
Final goods (offered directly at the market)	4	40.00%	100.00%
Goods, which are further used as inputs in other firms' production	1	10.00%	25.00%
Tailor-made services for individual customers	1	10.00%	25.00%
Tailor-made services for other businesses	2	20.00%	50.00%
Standardized services for customers/organizations	1	10.00%	25.00%
Standardized services for other businesses/organizations	1	10.00%	25.00%
Total	10	100.00%	250.00%

Table 9: Frequencies, novelty creation in CI.

	Responses	Percent	Percent of Cases
Tradtitional art goods/services provided	26	10.10%	22.80%
Goods/ services well known to the market	70	27.10%	61.40%
Products and services new to your company	25	9.70%	21.90%
Products and services new to the respective industry/sector	46	17.80%	40.40%
Products and services with new artistic content	25	9.70%	21.90%
Products and services with new design	41	15.90%	36.00%
We develop new methods of providing the respective goods and services	25	9.70%	21.90%
Total CI			
Tradtitional art goods/services provided	258	100.00%	226.30%
Goods/ services well known to the market	1	11.10%	25.00%
Products and services new to your company	2	22.20%	50.00%
Products and services new to the respective industry/sector	2	22.20%	50.00%
Products and services with new artistic content	1	11.10%	25.00%
Products and services with new design	2	22.20%	50.00%
We develop new methods of providing the respective goods and services	1	11.10%	25.00%
Total TCG	9	100.00%	225.00%

a. Dichotomy group tabulated at value 1.

Table 10: Frequencies, subject to Intellectual Property rights.

	Responses	Percent	Percent of Cases
Goods/ services subject to copyrights	70	47.30%	77.80%
Goods/ services subject to patents	14	9.50%	15.60%
Goods/ services subject to trademarks	36	24.30%	40.00%
Goods/ services subject to industrial desi	28	18.90%	31.10%
Total CI	148	100.00%	164.40%
Goods/ services subject to copyrights	1	12.50%	25.00%
Goods/ services subject to patents	2	25.00%	50.00%
Goods/ services subject to trademarks	4	50.00%	100.00%
Goods/ services subject to industrial desi	1	12.50%	25.00%
Total TCG	8	100.00%	200.00%

a. Dichotomy group tabulated at value 1.

Table 11: Years of activity by sector of activity.

			Publishing & printing	Film industry	Music publishing	Cultural economic branches	Libraries and museums	Architecture	Design (specialized)	Advertising	Software / games	Manufacture of fashion	Design (manufacturing)	Cultural education	Trade of traditional cultural goods	Trade of other creative goods	Total
Creative Industries	1 Less than 5 years	Count	6	2	3	1	0	2	8	3	11	1	8	2			47
		% within Sector of CI	31.60%	22.20%	100.00%	50.00%	0.00%	11.10%	61.50%	17.60%	68.80%	50.00%	44.40%	100.00%			39.20%
	2 6 to 10 years	Count	2	0	0	1	1	4	1	6	1	0	2	0			18
		% within Sector of CI	10.50%	0.00%	0.00%	50.00%	100.00%	22.20%	7.70%	35.30%	6.30%	0.00%	11.10%	0.00%			15.00%
	3 11 to 20 years	Count	8	6	0	0	0	9	3	7	3	1	8	0			45
		% within Sector of CI	42.10%	66.70%	0.00%	0.00%	0.00%	50.00%	23.10%	41.20%	18.80%	50.00%	44.40%	0.00%			37.50%
	4 More than 20 years	Count	3	1	0	0	0	3	1	1	1	0	0	0			10
		% within Sector of CI	15.80%	11.10%	0.00%	0.00%	0.00%	16.70%	7.70%	5.90%	6.30%	0.00%	0.00%	0.00%			8.30%
	Total	Count	19	9	3	2	1	18	13	17	16	2	18	2			120
		% within Sector of CI	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	####	100.00%	100.00%	####	100.00%			100.00%
Trade of Creative Goods	1 Less than 5 years	Count													1	1	2
		% within Sector of CI													100.00%	20.00%	33.30%
	2 6 to 10 years	Count													0	3	3
		% within Sector of CI													0.00%	60.00%	50.00%
	3 11 to 20 years	Count													0	1	1
		% within Sector of CI													0.00%	20.00%	16.70%
	Total	Count													1	5	6
															100.00%	100.00%	100.00%

Table 12: Frequencies, target markets.

	Responses	Percent	Percent of Cases
Market of Riga	101	31.60%	84.20%
Market of Latvia	86	26.90%	71.70%
Market of the Baltics	41	12.80%	34.20%
Market of EU	47	14.70%	39.20%
Market of the rest of the world	22	6.90%	18.30%
Market of Russia	23	7.20%	19.20%
Total CI	320	100.00%	266.70%
Market of Riga	5	27.80%	83.30%
Market of Latvia	5	27.80%	83.30%
Market of the Baltics	3	16.70%	50.00%
Market of EU	1	5.60%	16.70%
Market of the rest of the world	2	11.10%	33.30%
Market of Russia	2	11.10%	33.30%
Total TCG	18	100.00%	300.00%

a. Dichotomy group tabulated at value 1.

Table 13: Frequencies, clients of the enterprise.

	Responses	Percent	Percent of Cases
Clients of the entity - Private persons	77	24.40%	64.20%
Clients of the entity - Firms	107	34.00%	89.20%
Clients of the entity - NGOs	43	13.70%	35.80%
Clients of the entity - International organizations	30	9.50%	25.00%
Clients of the entity - Government bodies, agencies	58	18.40%	48.30%
Total CI	315	100.00%	262.50%
Clients of the entity - Private persons	5	50.00%	83.30%
Clients of the entity - Firms	3	30.00%	50.00%
Clients of the entity - NGOs	1	10.00%	16.70%
Clients of the entity - Government bodies, agencies	1	10.00%	16.70%
Total TCG	10	100.00%	166.70%

a. Dichotomy group tabulated at value 1.

Table 14: Cross-tabulation, innovation by firm size.

			I am the only one	2 - 9	10-49	50 - 249	250 and more	Total
Innovation	0	Count	3	17	10	2	0	32
		% within Innovation	9.40%	53.10%	31.30%	6.30%	0.00%	100.00%
		% within Number of employed	30.00%	24.60%	37.00%	40.00%	0.00%	28.30%
	1	Count	1	29	9	0	1	40
		% within Innovation	2.50%	72.50%	22.50%	0.00%	2.50%	100.00%
		% within Number of employed	10.00%	42.00%	33.30%	0.00%	50.00%	35.40%
	2	Count	3	10	4	2	1	20
		% within Innovation	15.00%	50.00%	20.00%	10.00%	5.00%	100.00%
		% within Number of employed	30.00%	14.50%	14.80%	40.00%	50.00%	17.70%
	3	Count	0	7	2	0	0	9
		% within Innovation	0.00%	77.80%	22.20%	0.00%	0.00%	100.00%
		% within Number of employed	0.00%	10.10%	7.40%	0.00%	0.00%	8.00%
	4	Count	1	4	1	0	0	6
		% within Innovation	16.70%	66.70%	16.70%	0.00%	0.00%	100.00%
		% within Number of employed	10.00%	5.80%	3.70%	0.00%	0.00%	5.30%
	5	Count	2	2	1	1	0	6
		% within Innovation	33.30%	33.30%	16.70%	16.70%	0.00%	100.00%
		% within Number of employed	20.00%	2.90%	3.70%	20.00%	0.00%	5.30%
Total		Count	10	69	27	5	2	113
		% within Innovation	8.80%	61.10%	23.90%	4.40%	1.80%	100.00%
		% within Number of employed	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 15: Frequency of experiencing difficulties with certain entrepreneurial aspects, CI.

	Never	**Occasionally**	**Often**
Access to finance (not own income)	26.4	51.8	21.8
Financial problems	16.4	64.5	19.1
Finding skilled employees	10.9	49.1	40
Shortage of skills	14.5	74.5	10.9
Management and leadership problems	30.9	60	9.1
IP protection	41.8	50.9	7.3
Building up reputation	42.7	42.7	14.5
Coping with technological change	34.5	51.8	13.6
Making relevant contacts in industry	33.6	53.6	12.7
Dealing with taxes	32.7	47.3	20
Unresolved legislation issues	30.9	48.2	20.9

Tables 16 – 21: The extent to which the respondents agree with the formulated statements.

16. Success of our goods/services is difficult to predict before it has reached the audienc

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do not agree	31	25.8	28.2	28.2
	Neither agree, nor disagree	47	39.2	42.7	70.9
	Agree	32	26.7	29.1	100
	Total	110	91.7	100	
Missing	System	10	8.3		
Total CI		120	100		
Valid	Do not agree	1	16.7	25	25
	Neither agree, nor disagree	1	16.7	25	50
	Agree	2	33.3	50	100
	Total	4	66.7	100	
Missing	System	2	33.3		
Total TCG		6	100		

17. We are in the business because we love what we do, not because of the money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do not agree	22	18.3	20	20
	Neither agree, nor disagree	48	40	43.6	63.6
	Agree	40	33.3	36.4	100
	Total	110	91.7	100	
Missing	System	10	8.3		
Total CI		120	100		
Valid	Neither agree, nor disagree	2	33.3	50	50
	Agree	2	33.3	50	100
	Total	4	66.7	100	
Missing	System	2	33.3		
Total TCG		6	100		

18. Providing our goods/services requires a combination of various contrasting skills

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do not agree	4	3.3	3.6	3.6
	Neither agree, nor disagree	10	8.3	9.1	12.7
	Agree	96	80	87.3	100
	Total	110	91.7	100	
Missing	System	10	8.3		
Total CI		120	100		
Valid	Neither agree, nor disagree	1	16.7	25	25
	Agree	3	50	75	100
	Total	4	66.7	100	
Missing	System	2	33.3		
Total TCG		6	100		

19. We depend heavily on new technologies in our production/ service provision

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do not agree	19	15.8	17.3	17.3
	Neither agree, nor disagree	48	40	43.6	60.9
	Agree	43	35.8	39.1	100
	Total	110	91.7	100	
Missing	System	10	8.3		
Total CI		120	100		
Valid	Do not agree	2	33.3	50	50
	Neither agree, nor disagree	1	16.7	25	75
	Agree	1	16.7	25	100
	Total	4	66.7	100	
Missing	System	2	33.3		
Total TCG		6	100		

20. Employee skills, talent and knowledge is our main asset

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do not agree	3	2.5	2.7	2.7
	Neither agree, nor disagree	7	5.8	6.4	9.1
	Agree	100	83.3	90.9	100
	Total	110	91.7	100	
Missing	System	10	8.3		
Total CI		120	100		
Valid	Neither agree, nor disagree	2	33.3	50	50
	Agree	2	33.3	50	100
	Total	4	66.7	100	
Missing	System	2	33.3		
Total TCG		6	100		

21. We depend heavily on new technologies in our production/ service provision

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do not agree	48.0	40.0	43.6	43.6
	Neither agree, nor disagree	20.0	16.7	18.2	61.8
	Agree	42.0	35.0	38.2	100.0
	Total	110.0	91.7	100.0	
Missing	System	10.0	8.3		
Total CI		120.0	100.0		
Valid	Neither agree, nor disagree	2.0	33.3	50.0	50.0
	Agree	2.0	33.3	50.0	100.0
	Total	4.0	66.7	100.0	
Missing	System	6.0	100.0		
Total TCG		6.0	100.0		

Tables 22 – 27: Types of employment.

22. Younger (until 35) vs. older (above 35) employees

		Frequency	Percent	Valid Perce	Cumulative Percent
Valid	-99	3	2.5	2.8	2.8
	More of the first category	42	35	39.6	42.5
	More of the second category	26	21.7	24.5	67
	Both cateories are equally represented	30	25	28.3	95.3
	On of the categories non existent	5	4.2	4.7	100
	Total	106	88.3	100	
Missing	System	14	11.7		
Total CI		120	100		
Valid	More of the first category	2	33.3	66.7	66.7
	More of the second category	1	16.7	33.3	100
	Total	3	50	100	
Missing	System	3	50		
Total TCG		6	100		

23. Creative vs. non -creative employees

		Frequency	Percent	Valid Perce	Cumulative Percent
Valid	-99	4	3.3	3.8	3.8
	More of the first category	54	45	50.9	54.7
	More of the second category	15	12.5	14.2	68.9
	Both cateories are equally represented	25	20.8	23.6	92.5
	On of the categories non existent	8	6.7	7.5	100
	Total	106	88.3	100	
Missing	System	14	11.7		
Total CI		120	100		
Valid	Both cateories are equally represented	3	50	100	100
Missing	System	3	50		
Total TCG		6	100		

24. With creative educational background vs. with a non-creative educational bacground

		Frequency	Percent	Valid Perce	Cumulative Percent
Valid	-99	5	4.2	4.7	4.7
	More of the first category	30	25	28.3	33
	More of the second category	33	27.5	31.1	64.2
	Both cateories are equally represented	22	18.3	20.8	84.9
	On of the categories non existent	16	13.3	15.1	100
	Total	106	88.3	100	
Missing	System	14	11.7		
Total CI		120	100		
Valid	-99	1	16.7	33.3	33.3
	More of the second category	1	16.7	33.3	66.7
	Both cateories are equally represented	1	16.7	33.3	100
	Total	3	50	100	
Missing	System	3	50		
Total TCG		6	100		

25. Femal vs. male employees

		Frequency	Percent	Valid Perce	Cumulative Percent
Valid	-99	5	4.2	4.7	4.7
	More of the first category	38	31.7	35.8	40.6
	More of the second category	25	20.8	23.6	64.2
	Both cateories are equally represented	32	26.7	30.2	94.3
	On of the categories non existent	6	5	5.7	100
	Total	106	88.3	100	
Missing	System	14	11.7		
Total CI		120	100		
Valid	More of the first category	2	33.3	66.7	66.7
	More of the second category	1	16.7	33.3	100
	Total	3	50	100	
Missing	System	3	50		
Total TCG		6	100		

26. Education by experience vs. formal education

		Frequency	Percent	Valid Perce	Cumulative Percent
Valid	-99	4	3.3	3.8	3.8
	More of the first category	50	41.7	47.2	50.9
	More of the second category	13	10.8	12.3	63.2
	Both cateories are equally represented	32	26.7	30.2	93.4
	On of the categories non existent	7	5.8	6.6	100
	Total	106	88.3	100	
Missing	System	14	11.7		
Total CI		120	100		
Valid	Both cateories are equally represented	2	33.3	66.7	66.7
	On of the categories non existent	1	16.7	33.3	100
	Total	3	50	100	
Missing	System	3	50		
Total TCG		6	100		

27. Bachelor vs. Master and higher education

		Frequency	Percent	Valid Perce	Cumulative Percent
Valid	-99	3	2.5	2.8	2.8
	More of the first category	37	30.8	34.9	37.7
	More of the second category	16	13.3	15.1	52.8
	Both cateories are equally represented	36	30	34	86.8
	On of the categories non existent	14	11.7	13.2	100
	Total	106	88.3	100	
Missing	System	14	11.7		
Total CI		120	100		
Valid	-99	1	16.7	33.3	33.3
	More of the first category	1	16.7	33.3	66.7
	Both cateories are equally represented	1	16.7	33.3	100
	Total	3	50	100	
Missing	System	3	50		
Total TCG		6	100		

Table 28: City's district in which located.

		Frequency	Percent	Valid Percent
Creative Industries	-99	4	3.3	3.3
	Agenskalns	4	3.3	3.3
	Bergi	1	0.8	0.8
	Bierini	1	0.8	0.8
	Centrs	63	52.5	52.5
	Ciekurkalns	3	2.5	2.5
	Dzirciems	2	1.7	1.7
	Grizinkalns	2	1.7	1.7
	Ilguciems	3	2.5	2.5
	Imanta	1	0.8	0.8
	Jugla	3	2.5	2.5
	Kengarags	1	0.8	0.8
	Maskavas forstate	1	0.8	0.8
	Mezciems	4	3.3	3.3
	Mukupurvs	1	0.8	0.8
	Plavnieki	2	1.7	1.7
	Purvciems	4	3.3	3.3
	Sarkandaugava	2	1.7	1.7
	Skanste	1	0.8	0.8
	Teika	3	2.5	2.5
	Tornakalns	4	3.3	3.3
	Vecmilgravis	1	0.8	0.8
	Vecriga	2	1.7	1.7
	Zolitude	1	0.8	0.8
	Cits	6	5	5
	Total	120	100	100
Trade of Creative Goods	-99	1	16.7	16.7
	Centrs	3	50	50
	Cits	2	33.3	33.3
	Total	6	100	100

Table 29: Part of a creative district.

			Frequency	Percent	Valid Percent
Creative Industries	Valid	Yes	46	38.3	39
		No	72	60	61
		Total	118	98.3	100
	Missing	System	2	1.7	
	Total		120	100	
Trade of Creative Goods	Valid	Yes	2	33.3	33.3
		No	4	66.7	66.7
		Total	6	100	100

Table 30: Economic conditions in Riga (for the operation of your organization)

			Frequency	Percent	Valid Percent	Cumulative Percent
Creative Industries	Valid	-99	2	1.7	2	2
		Does not apply/ Not important	3	2.5	3	5
		Very poor	2	1.7	2	6.9
		Poor	10	8.3	9.9	16.8
		Average	45	37.5	44.6	61.4
		Good	27	22.5	26.7	88.1
		Very Good	12	10	11.9	100
		Total	101	84.2	100	
	Missing	System	19	15.8		
	Total		120	100		
Trade of Creative Goods	Valid	Does not apply/ Not important	1	16.7	33.3	33.3
		Average	2	33.3	66.7	100
		Total	3	50	100	
	Missing	System	3	50		
	Total		6	100		

Table 31: Cultural development and environement.

			Frequency	Percent	Valid Percent	Cumulative Percent
Creative Industries	Valid	-99	4	3.3	4	4
		Does not apply/ Not important	13	10.8	12.9	16.8
		Very poor	2	1.7	2	18.8
		Poor	5	4.2	5	23.8
		Average	42	35	41.6	65.3
		Good	30	25	29.7	95
		Very Good	5	4.2	5	100
		Total	101	84.2	100	
	Missing	System	19	15.8		
	Total		120	100		
Trade of Creative Goods	Valid	Does not apply/ Not important	1	16.7	33.3	33.3
		Poor	1	16.7	33.3	66.7
		Very Good	1	16.7	33.3	100
		Total	3	50	100	
	Missing	System	3	50		
	Total		6	100		

Table 32: Frequency and quality of the cooperation between the actors of your industry.

			Frequency	Percent	Valid Percent	Cumulative Percent
Creative Industries	Valid	-99	3	2.5	3	3
		Does not apply/ Not important	7	5.8	6.9	9.9
		Very poor	1	0.8	1	10.9
		Poor	14	11.7	13.9	24.8
		Average	38	31.7	37.6	62.4
		Good	35	29.2	34.7	97
		Very Good	3	2.5	3	100
		Total	101	84.2	100	
	Missing	System	19	15.8		
	Total		120	100		
Trade of Creative Goods	Valid	Does not apply/ Not important	1	16.7	33.3	33.3
		Average	1	16.7	33.3	66.7
		Good	1	16.7	33.3	100
		Total	3	50	100	
	Missing	System	3	50		
	Total		6	100		

Table 33: Support programmes, initiatives and strategies for your respective sector/ industry.

			Frequency	Percent	Valid Percent	Cumulative Percent
Creative Industries	Valid	-99	3	2.5	3	3
		Does not apply/ Not important	21	17.5	20.8	23.8
		Very poor	12	10	11.9	35.6
		Poor	27	22.5	26.7	62.4
		Average	22	18.3	21.8	84.2
		Good	12	10	11.9	96
		Very Good	4	3.3	4	100
		Total	101	84.2	100	
	Missing	System	19	15.8		
	Total		120	100		
Trade of Creative Goods	Valid	Does not apply/ Not important	2	33.3	66.7	66.7
		Poor	1	16.7	33.3	100
		Total	3	50	100	
	Missing	System	3	50		
	Total		6	100		

Table 34: Access and quality to education needed for your sector of activity.

			Frequency	Percent	Valid Percent	Cumulative Percent
Creative Industries	Valid	-99	3	2.5	3	3
		Does not apply/ Not important	13	10.8	12.9	15.8
		Very poor	13	10.8	12.9	28.7
		Poor	21	17.5	20.8	49.5
		Average	42	35	41.6	91.1
		Good	8	6.7	7.9	99
		Very Good	1	0.8	1	100
		Total	101	84.2	100	
	Missing	System	19	15.8		
	Total		120	100		
Trade of Creative Goods	Valid	Does not apply/ Not important	1	16.7	33.3	33.3
		Very poor	1	16.7	33.3	66.7
		Average	1	16.7	33.3	100
		Total	3	50	100	
	Missing	System	3	50		
	Total		6	100		