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Faculty of Economics and Business Administration
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PHD THESIS

**ECONOMICAL DIMENSION OF CULTURAL
PRODUCT WITHIN REGIONAL CONTEXT**

ABSTRACT OF THE PHD THESIS

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ARGUMENT

The cultural product is a new concept in Romania, thus it is difficult to be accepted and defined even by those who perform in the cultural field. Apparently, the product, as well as the market seems to be concepts related to economics. In fact, this is wrong since any product, even cultural, should be stated according to market economy criteria in order to ensure its competitiveness and thus, the financial viability.

Vision: research on economical dimension of regional cultural product by its broad approaching-starting with cultural institutions and followed until the final consumer.

Objective: investigate the economical dimension of cultural product in a environment affected by social dissatisfactions and the current global crisis accents to identify the best solutions that meet professional standards in the field of research and market survey.

Topic research meets the current requirements, based on the fact that, in the period 2009-2013, the European Union, just as the whole planet deals with this “global economical crisis”.

This research will highlight four dimensions:

1. Cultural products from North-East Region of Romania for 2012 and institutional performers who participate directly to their management;
2. Cultural product finance and the stakeholders;
3. Cultural consumption of population from this region;
4. Development of regional creative industries.

Operational objectives of research:

- a) assess the current development state of cultural products of North-East region;
- b) identification of training needs of public and private stakeholders involved in their production and management;
- c) design of establishment and development of a cultural business incubator;
- d) analysis of development degree of regional creative industries;

e) decrease in the number of unemployed people in North-East region;

f) identification and use of the most frequent ways to attract funds for culture;

g) theoretical foundation of the system “Economical dimension of cultural product within regional context”.

According to the practice of research in social and cultural marketing management field regarding the steps and methodological means, the design had been made in three steps:

A. Step I-setting the research target;

B. Step II-build an analysis model;

C. Step III-obtaining data.

A. Step I consisted of:

– Creating the next issue of cultural product: producers – consumers relationship and cultural partnership, exploring level:

- Knowledge of previous research and
- Exploring contacts.

B. Step II meant:

– Definition of several concepts and measuring tools;

– Definition of analysis concepts;

– build some hypotheses (existence of correlations between specific phenomena of cultural product and culture market);

– establishment of an indicators subsystem to allow verification of hypotheses.

C. Step III consisted of:

– collection of data;

– analysis of existing information;

– definition of variables;

– research on variables and causes;

– comparison of income and outcome;

– coming back to Step II of the research and possible restatement of hypotheses.

We have linked the research strategy to certain methodological aspects of the approach. We have opted for a mixed strategy, in which we have used mainly:

- an inductive (based on personal experience, direct observation and use of survey) and deductive approach;
- comparative analysis (between the evolution of Romanian cultural product and other State Members);
- case study;
- qualitative and quantitative approach (how the objectives have been met).

CHAPTER I

DEVELOPMENT POLICIES AND STRATEGIES IN CULTURAL FIELD OF EUROPEAN UNION AND ROMANIA

1.1. LISBON STRATEGY

European strategies are vertical guides to design public national policies. For a number of EU priorities, politically agreed, Member States draw report documents, action plan; there are even optional assessment missions of the European Commission, (i.e. Sustainable Development Strategy) or mandatory (eg Lisbon Strategy). It turned out that for Romania, the convergence with these strategies represent opportunities to achieve structural changes that would otherwise been delayed.

1.2. EUROPEAN AGENDA OF CULTURE IN THE GLOBALISATION ERA

The European Union is unique precisely because it has understood that respecting united history, language and national culture into the large family ensures the design of accepted rules that are the guarantees of wealth, solidarity stability and promoting the unique European cultural patrimony as the vital core of the European project.

1.2.1. The European Union and its contribution in the cultural field

Substantiation of EU actions in the cultural field is highlighted in the EU Treaty, Article 151, which provides:

“(…). The Community and Members States shall foster co-operation with third countries and competent international organizations in the sphere of culture, in particular the Council of Europe. In its actions taken under other provisions of the current Treaty, the Community shall take cultural aspects into account, especially to respect and promote the diversity of its cultures” (Cultura, p. 5).

As such, culture is and will remain primarily a responsibility that lies with the Member States.

1.2.2. EU policies and programs and their role

Through its programs and policies, the EU already contributes in many ways to promote cultural activities in Europe. Thus, the Culture Program 2007-2013 supports thousands of cultural organizations in order to implement and develop cultural and artistic programs which could improve the knowledge on the cultural European heritage and its dissemination, enabling cultural exchange, artistic and literary creations, as well as literary translations.

1.2.3. EU and its external affairs

In the main EU programs and tools, as well as within EU bilateral agreements with third countries, culture plays an important role.

The EU technical and financial assistance for the most developing countries, the large variety of cultural projects and programs have meant an infusion of hope in keeping and promoting the cultural heritage, as well as in rehabilitating the patrimony which has become universal through its unique values.

1.2.4. European agenda for culture. Objectives

In the light of new global realities and consultation process in 2006, the European Commission identified a powerful consensus for a new EU agenda for culture. Three interrelated sets of objectives make these things possible, i.e.:

- promoting cultural diversity and intercultural dialogue;
- promoting the culture as a catalyst of creativity within Lisbon Strategy for development and creating new jobs;

– promoting the culture as a vital element in Union’s international relations.

CHAPTER II

CONTEXTUALIZATION OF CULTURAL PRODUCT

2.1. CULTURE AND CULTURAL SPECIFICITY

Culture is both a system of cultural goods whose values is admitted and the total of institutions and activities involved in its promotion and dissemination, including its activity of cultural creation.

2.2. CULTURAL PRODUCT

The cultural product can be defined as a significant, embedded in a cultural symbolical expression that can be heard, seen, touched or spoken and that tells a story which can be written, sung, recited, sculpted or painted on a wall or body and the cultural goods are nothing but products that incorporate/ integrate artistic work in the process of production, as well as the distribution supports to disseminate them.

2.3. REGIONAL DEVELOPMENT, REGIONALISM, REGIONALIZATION

The region is the ideal channel through which the state can be requested a fairer division of finances allocated to culture. Similarly, the regions are in the position to stimulate the counties to implement the cultural activities. Thus, regions become favored participants in the process of cultural democracy of European regions; they represent the most adequate institutional level to develop cultural policy.

CHAPTER III

CULTURAL MARKET IN THE NORTH-EAST REGION

3.1. MARKET POSITION. A RESEARCH ON THE NORTH-EAST REGION

In terms of research methodology, the study was designed on three dimensions:

1. Cultural products from the North-East region in 2012;
2. Funding cultural product;
3. Cultural consumption of the population.

3.2. INSTITUTIONAL “ACTORS” OF CULTURAL MARKET IN THE NORTH-EAST REGION

This research managed to capture a fair organization of cultural institutions in the North-East region, following their hierarchy, identifying the funding sources of the cultural product and their management as well as the impact of cultural product on different social levels.

3.3. PRODUCT FINANCING AND CULTURAL CONSUMPTION IN THE NORTH-EAST REGION

The representatives of the County Directorates for Culture in the six counties of North-East region have established the degree of public interest for the its significant cultural products and thus the cultural consumption of the population from the region.

CHAPTER IV

CULTURAL PRODUCTION AND OFFER

4.1. PARTICULARISM OF CULTURAL INDUSTRIES

In Romania, the analysis of domestic industrial production shows that there are numerous recording devices for art works, especially professional equipment, but also top quality reproduction equipment for cassettes-video and sound equipment, but all these cannot yet be purchases, but only imported.

The cultural industries sector, at the level of the EU is considered a vital part of European identity, of promoting diversity and intercultural dialogue and a key factor for the European construction.

4.2. PREMISES OF CULTURAL STRATEGY CONSTRUCTION

The premises from which we normally start formulating strategic objectices are:

- cultural industries have a profound influence on human development as they faciliate the exercise of fundamental rights (freedom of expression, access to culture and participation to cultural life);
- cultural industries promote diversity and intercultural dialogue;
- raw material for cultural industries is human creativity etc.

4.3. GENERAL STRATEGIC OBJECTIVES OF CULTURAL INDUSTRIES SECTOR

The developed strategies will favour horizontal (inter sectors) approach for cultural industries sector, given the complex relations among culture, goods and cultural services production, economic development, employment, training and retraining of labour forces both regionally and locally.

4.4. LINES OF ACTION TO ACHIEVE COMMON STRATEGIC OBJECTIVES

In order to achieve general strategic objectives related to cultural industries sector as a whole, we ought to follow the following lines of action: design of main programs to support cultural SME within strategies and of sustainable development programs; approval state aid schemas for cultural goods and services production; modification of public-private partnership law; wide access to European structural and cohesion funds; research-development development; experts' training; protection of creator's and artist's copyright.

4.5. DEVELOPMENT STRATEGY OF CULTURE AT REGIONAL LEVEL

A general concern of cultural agents in the region deals with the preservation of local cultural identity specific to various ethnic and religious communities. This concern polarizes many of the main objectives mentioned in culture sector development mentioned by the specialists included in the sampled Delphi survey.

4.6. FINANCING CULTURE

As it is highlighted in his work *Cultură, culte, cinematografe și protecția dreptului de autor*, we can notice a diversification of financing resources to which they have added recently extra budgetary sources.

However, funding culture from public budget is still the most important source.

4.7. CULTURAL DIPLOMACY

European integrity means, among others, dialogue of cultures. Encounters of cultures, works, artists, cultural industries and markets is therefore extending for consumers and thus international offer for the own market increases.

In this context, cultural diplomacy develops between the two significant poles – the growing opportunities pole and increased competition pole.

CHAPTER V

CULTURAL ENTREPRENEURSHIP

5.1. ENTREPRENEURIAL CULTURAL MANAGEMENT: FIRST STEPS

Our ancestors were aware that most of artistic and cultural production could be created only in an organizational frame. Consequently, they founded and led the first museums, libraries, music bands, theatre groups, art schools, festivals. Cultural entrepreneurship must be seen and treated as a specialized field.

5.2. CULTURAL ENTREPRENEURIAL INITIATIVES

The project Cultural Heritage without Borders implemented by Romanian Literature Museum of Iași, through the study *Initial Evaluation of the Level of Information and Understanding of Young Students (Iași – Chișinău) on Cultural Entrepreneurship* intended to identify students' interest on cultural heritage for the development of a cultural business; we have conducted the research part within this project.

There are three conclusions that we could draw from this study.

The first conclusion is that cultural entrepreneurship increases if a study visit or internship is conducted in a country with large experience in this field.

The second conclusion is that the political, legal, social, economic and technological environment does not provide enough opportunities for young people to start up a cultural business (out of 340 interviewed people in Iasi and 280 in Kishniev, 284 support this idea).

The third conclusion that emerges is the need to increase the type of entrepreneurial education in general and a cultural entrepreneurial education in particular, under all these aspects: formal, informal and applied.

5.3. AN OUTCOME OF THE RESEARCH: NECESSITY TO ESTABLISH A EUROREGIONAL INCUBATOR FOR CULTURAL BUSINESS

Within European academic activity, a new philosophy of cultural education has emerged: Cultury Business Incubator, as an extension of teaching activities and scientific research.

This theory is based on solving the following general issues:

1. Why is the academic environment interested in entrepreneurship?
2. Is entrepreneurship a new stage of academic conception?
3. Is the academic entrepreneurship stimulative and does it support business environment and university?

Based on these considerations, we could discuss about the accession of European structural and cohesion funds accession for the project Euroregional Incubator for Cultural Business, whose purpose is to operate within Romanian-Moldavian Interuniversity Centre for Europe (M.R.I.C.E) of Iași.

CHAPTER VI

SUPPORT STRATEGIES OF CULTURAL PRODUCT

6.1. EUROPEAN CULTURAL THEMATIC NETWORKS BETWEEN “UNITY IN DIVERSITY” AND INSTITUTIONAL WEAKNESS

The network – as a model – stands for the functional compromise between market and organization, maximizing positive features and minimizing the negative ones, for both.

6.2. ROMANIAN CULTURAL THEMATIC NETWORKS

Both the case studies of the six cultural thematic European networks and the three Romanian networks have some common elements which are essential for the good function of a body that operates by joining several similar institutions.

6.3. BENEFITS OF EUROPEAN CULTURAL NETWORKS

In terms of cultural management, we could say that networks have contributed to the recognition of the profession of manager, both nationally and internationally, highlighting the importance of continuous training for managers in different fields of activity (network manager, mediator, sponsorship agent etc).

CHAPTER VII RISK FACTORS IN CULTURAL STRATEGIC CONSTRUCTION

7.1. POVERTY AND ITS EFFECTS

Cultural and intellectual underdevelopment is generated by poverty as a underhuman economical, social and moral state. From the cultural and educational perspective, poverty deepens cultural alientation and illiteracy, it reduces the number of people who could enjoy the benefits of culture and knowledge. At the same time, it can lead to the decrease of delequency, crime rate which increases social security.

7.2. IMPACT OF GLOBALIZATION

The trends of contemporary globalization are making the answers to these questions more and more important for every nation. Cultural heritage is becoming especially significant as it reveals the relation between globalization and cultural identity, showing that the faster globalization processes is, the stronger the cultural identity and diversity are.

7.3. SOME TRANSITION FEATURES

The reform programs suggested by recent governments have not demonstrated their valences in terms of wealth increase, on the contrary, they have led to a serious polarization of society into rich and poor, deteriorating unexpectedly the social, economical and moral state of society.

7.4. CULTURAL TRANZITION AND UNDERDEVELOPMENT

The link between culture and development in general and between culture and sustainable development in particular, can be easily demonstrated. Developemnt is now a global organization with multiple

dimensions: economical, social, cultural etc which is continuously interactive.

7.5. CULTURAL RISKS AND VULNERABILITIES

Taking random foreign models in culture, in terms of daily existence, way of thinking, living the free time is a risk that weakens national culture, it makes it more vulnerable, especially when external influences and pressures are beyond a so-called quantum or “critical threshold”.

CONCLUSIONS

SIGNIFICANT OUTCOME OF THE RESEARCH

In relation to the aim and objectives of the research we have conducted, we were able to draw some significant conclusions regarding the economic dimension of the cultural product within regional:

- 1) *The North East region faces serious demographical issues.*
- 2) *There is a significant reduction of staff working within cultural field.*
- 3) *Employment opportunities of able working population in the cultural field are extremely limited.*
- 4) *The population working in cultural activities has a fairly large share of the total working population.*
- 5) *The development of entrepreneurship is in its infancy and it cannot meet the requirements of market economy.*

ORIGINAL CONTRIBUTIONS AND DEVELOPMENTS

- **Approach of economic dimension of cultural product within regional context.**
- **Establishment of regional thematic networks.**
- **Identifying the existence and manifestation of trans border consciousness as specific regional cultural phenomenon.**
- **Importance of cultural entrepreneurship development at regional level.**

- **Cultural project proposal: Euro regional Incubator of Cultural Business.**

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