

Creative Industries Mapping Document in Alytus and Utena Counties

THE SUMMARY OF THE STUDY

Vilnius, 2005

The European Cultural Programme Centre – Lithuanian Cultural Contact Point has not only been interested in the European Union programme “Culture 2000” intended solely for the international projects on cultural cooperation but also in other possibilities of financing the cultural sectors that have opened up for Lithuania after its accession to the EU.

Consecutive conferences have been organised by the European Cultural Programme Centre entitled “EU Structural Funds and Culture” (2002), and “Creative Industries: An European Opportunity” (2003). Further sharing information and experience with Cultural Contact Points operating in all the EU countries, cooperating with the Ministry of Culture of the Republic of Lithuania and the British Council, sponsored by the Open Society Fund – the Culture and Sport Support Foundation of the Republic of Lithuania, we have been extending our knowledge on an impact of culture on regional development.

Although culture as a field is not in the focus of the EU Structural Funds, experience of other countries and first experience of Lithuania shows that whenever this sector is involved in preparing business, educational or social projects, a synergy effect is created. Otherwise regional development cannot be really sustainable and comprehensive without an integrated cultural component.

This publication presents a summary of the research on the creative industries of two Lithuanian regions – Alytus and Utena. A group of representatives from an academic and business society as well as the municipalities, assisted by the British Council, have carried out a work of colossal extent, for which we express our sincere gratitude. The entire text of the survey in Lithuanian is presented on the web-site of the European Cultural Programme Centre: www.durys.org. This is the first attempt to have a consistent and deeper look at one of the aspects of creative industries, to find out its potency in strengthening the regions. We believe this work is a precursor of a future mapping of all creative industries of Lithuania.

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Director of the European Cultural Programme Centre

The project “An European Opportunity: Creative Industries for Regional Development” has been initiated by the Ministry of Culture of the Republic of Lithuania and the European Cultural Programme Centre.

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The most popular method of describing creative industries is Creative Industries Mapping Document (CI map). The word “map” (in geographic-economic-cultural terms) shows that according to a selected scale (e.g. with regard to economic results, perspective, reknown) enterprises and institutions of a defined geographic region developing CI will be named. Usually CI maps present data on activity, achievements, partnership, competence (skills, know-how) and prospects of CI enterprises.

Contents

- 9** Introduction
- 11** Main Concepts and Tendencies in CI Development
- 16** CI in Alytus County
- 18** CI in Utena County
- 20** Analysis of Successful Case Examples of Creative Business
in Alytus and Utena Counties
- 25** Resources and Needs of Creative Skills in Alytus and Utena Counties
- 28** Conclusions, Recommendations

Introduction

RELEVANCE

Creative Industries (hereafter CI) is an advanced, modern market and art development model, applied in many EU countries, and currently attempts are made to adapt it in Lithuania. Since the restoration of Lithuania's independence until the year 2005 the greater part of cultural institutions consisted of state or public enterprises founded by the state or subsidised with abundance thus being regulated by the state.

Only a small part of those institutions became totally independent from the state and joined the free market competition space submitting to the strict laws of supply and demand. On the other hand, plenty of activities, closely related to culture and arts, were as if restricted from the field of culture and arts or ignored by it: architecture, design, advertising, designer fashion, software and computer games. Finally, very little attention was and still is paid to interactive relationship between non-commercial art and professional, industrial art as well as support of this relationship, as if showing that anybody who has any kind of contact with art industries originating from private capital should be separated from "pure" art. In this situation development of CI in Lithuania remains problematic and urgent. The situation looks even more complicated for the fact that many of the directly state-subsidised institutions are afraid of competition in the free market and constantly reminiscing about the non-profitability of culture. On the other hand, by merging business and art, the CI model opens excellent possibilities to significantly stimulate the development of the Lithuanian economy. The fields of cultural policy and cultural economy have also been developed insufficiently in Lithuania: only a few thesis are defended on these topics, no monographs by Lithuanian authors published. However, the development of commercial TV, and the rapid development of the leisure industry make the CI sector more and more influential, having more state significance. Finally, the development of CI is also encouraged by the EU Lisbon Strategy, especially the recent documents of Britain, the Netherlands, Germany and also Lithuania, explaining the contents of this strategy.

With regard to the Lisbon Strategy, EU Community strategic landmarks and Lithuanian National Strategy for 2007–2013, this project assessed the relevancy, possibilities and problems of the CI strategy and worked out a CI mapping document. CI directly ensure the integration of economic and cultural fields, actively promote

development of small and medium-size business as well as general increase of creativity and entrepreneurship, development of knowledge economy and high technologies.

Two similar, but rather alienated from each other, counties have been chosen: Alytus and Utena. Their similarity has been stipulated by plentiful natural resources, emphasis on tourism sector, closeness to state borders, absence of large cities, similar economic problems (high unemployment rates in separate regions and small towns), a lack of satisfied cultural and leisure demands equivalent to big towns.

PROJECT OBJECTIVES

- > To assess the possibilities, obstacles and feasibility of CI development in Lithuania;
- > to assess how efficiently CI can assure business and culture interaction, stimulating penetration of knowledge economy and high technologies;
- > to study and approve principles of CI development by carrying out a pilot survey of CI in Utena and Alytus Counties.

PROJECT GOALS

- > To draw up a CI mapping document for Alytus and Utena Counties;
- > to assess the possibilities for CI development in Alytus and Utena Counties;
- > to describe the demand for skills in these counties;
- > to analyse CI successful case examples and preconditions of their success;
- > with regard to results received, to evaluate hypothetically CI strategy possibilities in other counties of Lithuania.

METHODOLOGY

The mapping document of Alytus and Utena Counties was worked out with regard to research carried out by the work group of the Government of Great Britain: "CI Task Forces" (Manager – P. Mendelson) on creative economic activities in this country. "CI Mapping Documents", prepared by this group during 1998–2005, were used as being significant for theoretical and practical classification and discussion of concrete creative economic activities.

In the course of the research the following methods were used: analysis of statistical data, interview and case analysis, survey of economic, administration and arts interaction and cluster analysis of institutions, research and analysis of skills.

Main Concepts and Tendencies in CI Development

Successful performance of CI creates new customers, helps to launch original products to the market, attracts constant streams of tourists, stimulates the development of the service sector, knowledge and skills economy, and the export of creative competency.

CI IS AN ACTIVITY CHARACTERISED BY THE FOLLOWING FEATURES

- > Creativity (spontaneity, non-linearity);
- > entrepreneurship (capability of adapting CI activities to the market);
- > a wide spectrum of artistic skills and talents;
- > copyright and intellectual property;
- > productional repeatability (an important feature of industrialisation);
- > commercial or social demand and the capability of stimulating it.

THE FOLLOWING ACTIVITIES BELONG TO THE CI FIELD

- > Advertising;
- > Architecture;
- > Crafts;
- > Designer fashion;
- > Films and video;
- > Graphic design;
- > Interactive leisure software¹;
- > Live music and recordings (distribution and maintenance of an copyright);
- > Performing arts;
- > Entertainment industry;
- > TV, radio, magazines, newspapers, Internet (author's coverage and pages);
- > Visual arts and antiques;
- > Publishing;
- > Events.

¹ On many of the above named CI one or another type of discussions are going on.

CI IS A BUSINESS THAT

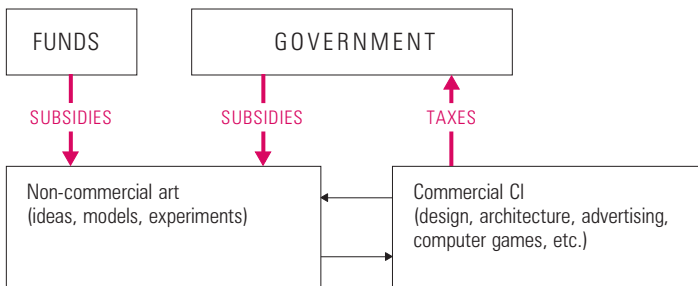
- > Operates effectively in small and medium-size enterprises;
- > submits to the market and creative destruction laws (constant renewal²);
- > is especially receptive (susceptible) towards globalisation and “global village” challenges;
- > satisfies the demand for diversity of modern fragmented subject;
- > is easily ritualised and becomes part of the identity, ideology of festivals and culture.

IN TERMS OF TIME CI CAN BE DIVIDED INTO

- > Acting regularly (design studios, fashion homes, advertising agencies, peoples’ (national) dances ensembles);
- > acting rhythmically (public enterprises, organising events, festivals);
- > acting on a principle of one season (organisational committee of a grand event).

It is of utmost importance to implement an effective interaction of non-commercial art and CI, as only such an interaction can assure a rapid and successful development of CI.

Interaction of non-commercial art and CI



- 2 Creative destruction is a concept that contemporary economists, beginning with J. Shumpetter and A. Groves, apply when describing the development of present-day companies. They say that today’s great competition and restriction of monopolies predetermine that successful performance of a company is possible only by often and regular essential upgrading of all company activities. Under conditions of globalisation, controlling and tracking of all competitors’ activities is impossible. Therefore in case of a failure to upgrade activities in time by eliminating old technologies, labour organisation principles, the enterprise will be inevitably destroyed by competitors. This is particularly typical of CI business, where innovation and originality is an inseparable part of business.

Non-commercial art institutions perform the most important, brave experiments, thus forming a favourable creative environment for the city and its cluster development. Therefore, investments in non-commercial art finally turn into the means of training skills for consumers of commercial CI. The development of CI depends not only on the amount of taxes gathered by the state into the state budget and redistributed, allocating part of the assets to the non-commercial CI (fine arts and performing arts). It is important that the exchange of competency and interests among the state enterprises, non-commercial art institutions and commercial CI will go on continuously and the channels of interactions will remain open.

The relationship between non-commercial artistic activities and commercial CI is similar to the investments by large companies in fundamental and applied scientific researches which, though being not directly profitable, enable the progress of advanced technologies, without which the further development of the companies is impossible. Therefore big and medium-size companies possessing sufficient resources by investing in scientific or arts institutions in their surrounding locality, can expect original, creative solutions. In other words, investments in science or in arts ensure further successful development of commercial companies and without such active interactions no creative, innovative inventions, nor occurrences can be possible.

CI AND CLUSTER ECONOMY PRINCIPLES

CI activities are related not to sector or branch development economy, but with cluster development. Cluster is an interactive local network of interrelated and cooperating companies and institutions. Cluster is a space and time stipulated network of enterprises, organisations, communities, service suppliers, and associated institutions (universities, standard and commercial associations), the elements of which are cooperating, competing, but the success of their activities directly depends on the success of other elements in the network.

CHARACTERISTICS OF A CLUSTER

- > Many-sided dependency of enterprises, companies upon space and time stipulated, direct or indirect commercial interactions;
- > elements of the network are interacting in an irregular, cyclic or non-linear way, which determines the dynamics of the network;
- > complexity: an effect of an event never depends solely on the intentions of its organisers;
- > cooperation of subjects of different profiles – cultural, education, sports, economic – is inevitable for a cluster;

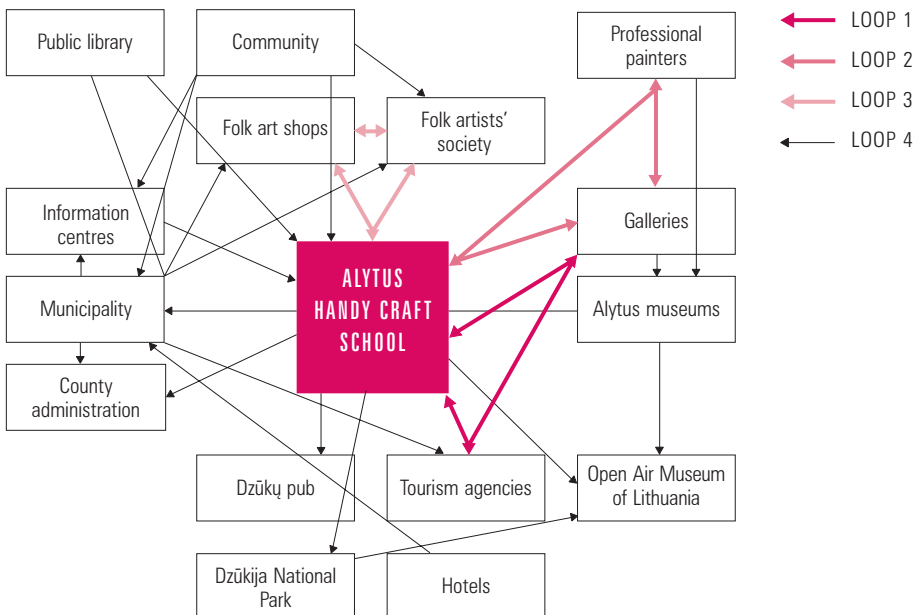
- > interdisciplinary, inter-business competency are characteristic of the personnel of the best performing cluster enterprises; network institutions can better know each other's interests and specifics – the greater skills for cooperation, the more efficient the cluster;
- > mobility – relations of the institutions are not interdependent, therefore the offer of activity trends always exceeds the possibilities of network institutions.

CI CLUSTER SPECIFICS

- > The basis of CI cluster is an enterprise, a group of persons, an institution, the most important activity of which is creativity in one of the creative industry sectors;
- > clusters can be formed from the top to the bottom by initiating special projects, or from the bottom to the top – with regard to already established interactions or typical cases;
- > both cluster organising principles determine the dynamics of separation from involvement in the cluster;
- > the goal of CI cluster foundation is to diminish alienation, antagonism of local enterprises, to increase their creative cooperation; in pursuance of this goal, projects are arranged from top to bottom and through the mediation of a third institution.

Hereby we present a graphic cluster analysis of the Alytus Handy Craft School.

Links of Alytus Handy Craft School with Other Elements of the Cluster



Depending on the importance of interactions marked by the school managers, we can distinguish the following repeatable, emphasised “loops” of interactions:

- > **LOOP 1:** Professional artists – Handy Craft School – galleries. Professional artists and craftsmen have several hours at school working as teachers or instructors. Besides the work at school, their main activity is creating and demonstrating/selling professional pieces of art in local galleries and art shops. These painters have also a very strong relation with the gallery and gradually school students are also involved into its activities.
- > **LOOP 2:** Handy Craft School – town galleries – tourism agencies. The Handy Craft School opens its own gallery. Deep interest in the opening of the new galleries and exposition sites is shown by the tourism agencies. The growing activity of gallery and tourism sectors results in an increasing activity of School and demand for specialities.
- > **LOOP 3:** Handy Craft School – Folk Artists’ Society – shops. The Handy Craft School is interrelated (projects, teaching) with the Folk Artists’ Society and the latter – with the local shops. The Folk Artists’ Society can be an incubator for creative business craftsmen.
- > **LOOP 4:** Handy Craft School – hotels – bars. The Handy Craft School boasts an especially high international activity, its participation in projects results in extra gains for Alytus hotels and catering institutions.

TOURISM AND CI

This topic is particularly relevant for the selected Alytus and Utena Counties that are distinguished by excellent natural resources, plenty of recreation and rehabilitation institutions, camps. Well developed CI is one of the instruments for the attraction of tourism. Neither good hotels, nor better services can be a means of tourism attraction by themselves. Such means of attraction can be pleasant nature and historic monuments but, first of all, services rendered and constantly renovated by CI.

CI in Alytus County

Alytus County is a border region neighbouring with Poland and Byelorussia. This county is famous for its resort zones, specialised healing centres, old and having a high reputation sanatorium business. The region is closely related with craftsmanship, but with a rather poorly developed professional CI.

In total, there are 4818 subjects engaged in economic activity throughout the Alytus Region municipality, 63.33 per cent of which are individual enterprises. The other enterprises that makes 28 per cent are private companies, followed by public companies – 116 units or 2.41 per cent and a considerable number of social organisations – 182 units, or 3.78 per cent. Out of all subjects engaged in economic activities in Alytus County, only 11.29 per cent, i.e. 544 units could be attributed to CI activities.

Economic Activity Indicators (including CI) in Alytus County

MUNICIPALITIES	NO. OF INHABITANTS 2005.01.01	NO. OF ECONOMIC ACTIVITY SUBJECTS	COEFFICIENT OF ENTREPRENEURSHIP*, %	CI SUBJECTS	CI FROM EC. ACTIV. SUBJECTS, %
Alytus Town	69 847	2556	3.66	186	7.28
Alytus Region	32 116	563	1.75	95	16.87
Druskininkai Town	25 075	789	3.15	117	14.83
Varėna Region	31 000	566	1.83	96	16.96
Lazdijai Region	26 490	344	1.30	50	14.53
<i>Total:</i>	184 528	4818	2.61	544	11.29

* Coefficient of entrepreneurship is calculated by dividing the number of economic activity subjects by the number of inhabitants.

The most popular activities of CI in the region are the production and sales of souvenirs and articles of art – as much as 22 per cent of economic subjects are related with these activities and together with jewellery they make 26 per cent of all CI activities. In the second place there are cultural activity centres and clubs making 17 per cent of the total CI. In the third place – entertainment and leisure services – 8 per cent, in the fourth – events, computers and software – 7 per cent each respectively.

CI Distribution among Alytus County Municipalities (Percentage)

Alytus Town	33	
Alytus Region	18	
Druskininkai Town	22	
Lazdijai Region	9	
Varėna Region	18	

CI in Alytus County (Percentage)

Advertising	5	
Architecture and Design	3	
Regional TV and Radio	2	
Regional Film Studios, Photo Studios	4	
Cultural Centres and Clubs	17	
Concerts, Event Organizing	7	
Publishing, Video, Sound Recordings	3	
Art Galleries	3	
Art Schools, Clubs	2	
Museums	6	
Souvenirs, Articles of Art	22	
Performing Arts	6	
Cinemas	0	
Designer Fashion	1	
Jewelry	4	
Stone and its Processing	1	
Entertainment and Leisure Services	8	
Computer and Software	7	

Distribution of Individual CI in Alytus County Municipalities (Units)

	ALYTUS TOWN	ALYTUS REGION	DRUSKININKAI TOWN	VARĖNA REGION	LAZDIJAI REGION
Advertising	16	1	3	3	3
Architecture and Design	13	0	4	1	1
Regional TV and Radio	3	1	3	1	1
Regional Film Studios, Photo Studios	10	0	7	4	3
Cultural Centres and Clubs	11	23	18	31	11
Concerts, Event Organizing	10	15	6	2	4
Publishing, Video, Sound Recordings	7	0	1	5	1
Art Galleries	4	0	10	4	0
Art Schools, Clubs	5	1	2	2	1
Museums	6	1	9	9	8
Souvenirs, Articles of Art	35	23	28	27	4
Performing Arts	8	15	4	0	3
Cinemas	1	0	0	1	0
Designer Fashion	4	0	0	2	–
Jewelry	7	–	14	1	1
Stone and its Processing	0	1	1	1	1
Entertainment and Leisure Services	22	14	0	1	4
Computer and Software	24	0	7	1	4
<i>Total</i>	186	95	117	96	50

CI in Utena County

Utena County situated in the North East of Lithuania encompasses the territories of Anykščiai, Ignalina, Molėtai, Utena, Zarasai Regions and Visaginas Town. Utena County is the fifth largest county in Lithuania by area neighbouring with Latvia and Byelorussia, and with Vilnius and Panevėžys Counties in Lithuania.

Though Utena County cannot boast of fertile soil for the development of processing industry, it is distinguished by exceptional natural resources – lakes and hilly relief. In prospects of regional development this region has only two factors that could determine its possible growth (except Utena and Visaginas, where priority is still given to industrial growth) – natural and human resources. Natural resources in the region are evident – there’s only a lack of infrastructure – that could lead to a successful development of tourism.

Economic Activity Indicators (including CI) in Utena County

MUNICIPALITIES	NO. OF INHABITANTS 2005.01.01	NO. OF ECONOMIC ACTIVITY SUBJECTS	COEFFICIENT OF ENTREPRENEURSHIP*, %	CI SUBJECTS	CI FROM EC. ACTIV. SUBJECTS, %
Anykščiai Region	39 000	481	1.23	61	12.68
Ignalina Region	23 180	258	1.11	69	26.74
Molėtai Region	25 600	377	1.47	64	16.98
Utena Region	49 011	893	1.82	110	12.32
Visaginas Town	29 500	428	1.45	75	17.52
Zarasai Region	21 000	294	1.40	66	22.45
<i>Total:</i>	187 291	2731	1.46	445	16.29

The most popular CI activity in the region is event organising. 29.2 per cent of all registered CI subjects are involved in the latter activity. The second widely spread activity of CI is crafts which accounts for 20.2 per cent of all CI. The third place belongs to the arts market – 8.3 per cent, the fourth – non-traditional museums – 5.6 per cent, followed by organising of tourist routes – 5.4 per cent, architecture and publishing – 4.7 per cent each.

CI Distribution among Utena County Municipalities (Percentage)

Anykščiai Region	14	
Ignalina Region	16	
Molėtai Region	14	
Utena Region	24	
Visaginas Town	17	
Zarasai Region	15	

CI in Utena County (Percentage)

Regional TV and Radio	2
Pop Culture Industry	1
Events	29
Arts in Public Spaces	2
Tourism	5
Non-traditional Museums	6
Advertising	2
Architecture	5
Art and Antiques Market	8
Crafts	20
Design	3
Designer Fashion	2
Interactive Leisure Software	1
Music	4
Software and Computer Services	2
Publishing	5
Performing Arts, Other Cultural Activities	3

Distribution of Individual CI in Utena County Municipalities (Units)

	ANYKŠČIAI REGION	IGNALINA REGION	MOLETAI REGION	UTENA REGION	VISAGINAS TOWN	ZARASAI REGION
Regional TV and Radio	2	1	1	2	2	0
Regional Film Studios	0	0	0	1	0	1
Pop Culture Industry	0	0	1	0	0	4
Events	19	24	20	34	15	18
Arts in Public Spaces	0	2	2	1	0	2
Tourism	2	7	3	2	6	4
Non-traditional Museums	8	2	6	2	3	4
Advertising	0	0	1	5	4	0
Architecture	5	0	3	7	4	2
Art and Antiques Market	3	1	4	11	12	6
Crafts	14	21	16	18	10	11
Design	3	3	1	1	4	2
Designer Fashion	0	3	2	1	2	1
Interactive Leisure Software	0	0	0	1	1	3
Music	1	1	1	5	4	4
Software and Computer Services	0	0	1	4	2	2
Publishing	2	3	1	11	3	1
Performing Arts, Other Cultural Activities	2	1	1	4	3	1
<i>Total</i>	61	69	64	110	75	66

Analysis of Successful Case Examples of Creative Business in Alytus and Utena Counties

GRŪTAS PARK

“Grūtas Park” is a museum of Soviet sculptures under an open sky situated in Grūtas Village near to Druskininkai. “Grūtas Park” is a classic example of CI that constantly develops the museum, sells Soviet symbols and encourages their production, is related with publishing, theatre, expands library services, and organises events.

FINANCIAL INDICATORS

1. Tickets sold to visitors:
 - during 2000 – 59 316
 - during 2001 – 102 828
 - during 2002 – 123 606
 - during 2003 – 124 133
 - during 2004 – 123 437
 - during 8 months of the year 2005 – 95 416
2. Income – turnover (tickets, guide services, events, other services):
 - during 2000 – 175 905 LTL
 - during 2001 – 366 211 LTL
 - during 2002 – 466 966 LTL
 - during 2003 – 470 211 LTL
 - during 2004 – 671 080 LTL
 - during 8 months of the year 2005 – 646 646 LTL

EMPLOYEES (IN TOTAL 18)

1. Administration – 3 persons (director, accountant, cashier)
2. Tourism Department – 8 persons:
 - tourism manager – 1
 - guides – 2
 - watchmen – 4
 - cashier-saleswoman – 1
3. Division of guards – 7 persons (guards)



Photo by R. Paknyš

“Grūtas Park” activities are basically related to the exploitation of an idea/legend and its materialisation (the main stress is on the creative part), a very broad tourism management (part of entrepreneurship) ensuring museum development (part of its cultural activities) and the material maintenance of “Grūtas Park.” This is what can ensure the success of the park.

“Grūtas Park” has been created and developed as a complex industry aimed at satisfying a great variety of demands, connected with the Soviet past. The founder of “Grūtas Park” is Mr. Viliūmas Malinauskas. The basis of the idea was his creative imagination and entrepreneurship skills as the founder. After the restoration of Lithuania’s independence, during 1989–1991 a lot of ideological monuments from the Soviet times were dismantled and, with the absence of any storage procedure, piled in storehouses and backyards, most frequently on the premises of utility companies. Thanks to such “preservation,” many monuments started to decay – some of them were damaged during dismantling while others caught the eye of metal traders. In 1998 the tender called by the Ministry of Culture for the establishment of an exposition of dismantled monumental sculptures from the Soviet period was won by the public enterprise “Hesonos Klubas,” located in Grūtas near to Druskininkai. A strong argument for choosing this undertaking was that its manager, Viliūmas Malinauskas, was planning to establish the exposition using private funds raised from his family’s farming, bee-keeping as well as mushroom and berry business without asking for financial support from the state (during the season the enterprise hires up to 600 employees, and its production is exported).

The draft project submitted for the tender emphasised the importance of the new tourist site for the development of this region in Southern Lithuania and the possibility of exploiting the Soviet sculptures as a tourist attraction. The official opening day of “Grūtas Park” was 1 April, 2001.

Having developed an original, attractive for tourism CI, the enterprise constantly replenishes activities of the park with additional historic, art and entertainment attributes. Today the park not only exhibits Soviet sculptures and imitates Gulag elements, but also develops the museum of other Soviet relicts, a library, an archive, Soviet art gallery, and expands the entertainment industry (a restaurant, “Luna Park,” and a zoo).

The complexity guarantees the success of this CI. At present about 150 thousand tourists visit the park every year. They are attracted by regularly performed plays, festivals, different campaigns and other events, that revive the “show” life of Soviet symbolic figures.

The successful activity of the park soon popularised its commercial name and logo thus, enabling it to start developing a publishing activity. It’s worth mentioning a collection of Soviet poetry “Lyrics of Grūtas Park”³ which gave even greater strength to the already effective legend of the park. This CI also publishes occasional newspapers (e.g. “Grūtas Park Truth”), advertising material, promotes film production, etc. “Grūtas Park” also cooperates with theatres and museums and has established a tourism centre. The success of the park depends also on the attractiveness of the entire region for tourism. For example, many tourism agencies include the following routes in their offers: “Druskininkai Mineral Water Sources,” a complex route “Echo of Woods,” museum of Soviet sculptures “Grūtas Park,” Merkinė and Punia mounds.

UTENOS INDRA

The publishing house UAB “Utenos Indra” started its activities in 1990 in Utena. The enterprise started with a staff of 3 persons while today UAB “Utenos Indra” employs 67 people on open-ended working contracts, 6 of which are from the field of arts: designers, layout operators, article writers. The enterprise has 46 sales representatives, a considerable part of its workforce. Besides full-time employees, the publishing house “Utenos Indra” constantly employs representatives of the creative professions. Today there are 20 employees at UAB “Utenos Indra” who work under copyright contract. These are photographers, painters, writers, poets, radio broadcasters, etc.

3 *Lyrics of Grūtas Park*, Vilnius: Gairės (Guidelines), 2000.



Photo by "Utenos Indra"

Projected Income Structure of UAB "Utenos Indra" for 2005 (Percentage)

Publishing	75	
Newspaper	5	
Radio*	1	
Sales	19	

* Meanwhile it is non-profitable for the company, but the director is certain of the radio profitability in the future.

The Dynamics of UAB "Utenos Indra" Income in 2000–2005 (Thousands LTL)

	2000	2001	2002	2003	2004	2005*
Company Income	200	250	260	300	310	360

* Forecast

Already since the beginning of its activity UAB "Utenos Indra" has been engaged in authentic publishing at its own initiative – calendars, photo albums, booklets of local poets, books of recipes – that were sold successfully later. Already 5 years in turn UAB "Utenos Indra" participates in the annual book fair (LITEXPO) where it presents its publications.

Independent publishing today is the greatest of goals for the company, which has no doubts about its success. It's worth mentioning that the Manager of UAB "Utenos Indra" is a great admirer and patron of local arts and, therefore, prime attention is always paid to local authors. The company managers are glad being able to present the local artists on a country scale. Thus, today "Utenos Indra" designs, produces, prints books with hard and soft covers, brochures, accounting documentation forms, invoices, branded (company) forms, envelopes with company logo, table, wall and

pocket calendars, newspapers, and also produces seals. The company offers its services to customers not only within Utena County, but throughout the country, intensively establishing affiliates of the publishing house and shops in all Lithuania.

In 2005 "Utenos Indra" established the Utena radio station "For You and for Your Town" (101.5 FM).

One should note that the publishing company does not have an exceptional legend of its own, does not try to make itself famous by the series of books it has published, etc. All the symbolic capital accumulated by the company (publishing house, printing house, newspaper, radio) is actually of local significance (only in Utena County). Elsewhere it is known only as one of many service renderers.

Resources and Needs of Creative Skills in Alytus and Utena Counties

Utena and Alytus Counties were selected for the preparation of CI mapping document in order to compare the development and possibilities of adapting the CI methods in these two border regions, famous for paying most attention to tourism. A pilot research was carried out on the opinion of representatives of CI enterprises about the needed and missing skills for creative businesses. The research was carried out following the experience of preparing cultural and creative industries in the North East Labour Market and Skills Information Mapping⁴.

THE OBJECTIVE OF THE RESEARCH

To determine what specific skills are missing in the opinion of those who are working in CI enterprises, what skills are important for the successful development of business and to present recommendations for employees of CI, the administration of the county as well as educational institutions about the necessary means, ensuring the training of necessary skills and their usage for a successful CI development in Alytus and Utena Counties.

GOALS OF THE RESEARCH

To determine the opinion of representatives of creative enterprises in Utena and Alytus Counties on what skills are considered the most important and what skills are missing in their activity; what the most important skills in their opinion are necessary for the successful development of Lithuanian CI, what skills are missing for managers and employees of Lithuanian CI enterprises.

THE SCOPE OF THE RESEARCH

44 enterprises (or 8.09 per cent) were selected out of the total number of enterprises (544) meeting the requirements of CI in Alytus county. 40 enterprises (or 8.99 per cent) were selected out of the total number of enterprises (445) meeting the requirements of CI in Utena County.

⁴ *Cultural and Creative Industrines in the North East Labour Market and Skills Information Mapping*. Culture North East 2005.

CONCLUSIONS

The research on the skills of Alytus and Utena Counties proved that the representatives of creative enterprises attach significance only to some special artistic skills (taking into consideration the types of arts represented by the enterprise); however, a large number of respondents think that they have a sufficient number of special artistic skills.

Respondents of both counties rather unanimously regard skills of “social capital” as one of the most essential ones: a skill to organise and maintain a network of partners, search for sponsors, skills of human resources management, an ability to attract disabled persons, form unions of volunteers, etc. These results denied an established opinion that general management skills are essential for the successful development of a business – skills to organise personnel training, projects, supervise copyrights, ensure occupational health and safety care were named as more important among the general management skills.

The skill to communicate was recognised as the most important skill which, similar to creativity, could be attributed to innate human skills or talent. Prominence given to communication skills indirectly points to activities carried out in social networks. Social capital is defined as social relations among participants and a possibility to use resources of the group’s network. Studies carried out by the World Bank confirm that social cohesion or social capital make a positive impact on the development of economy.⁵

In changing and developing markets like Lithuania’s, social networks facilitate the dissemination of information, reduce the risk of performed activity, raise confidence, and provide business with useful information on the possibilities of capital usage. Members without qualifications are made use of in an unofficial social network (volunteers, school students, disabled persons); assumptions for the occurrence of creative nuclei (clusters) are being established.

Insufficient inclusion of members of the local community prevents regions from acquiring the benefits provided by culture and art: the enhancement of the identity of the community, social cohesion, encouragement of the initiative of local business, promotion of information on local history and cultural inheritance. These reasons hamper the performance of an effective search for finances and sponsors. The representatives of local businesses do not see a wider impact of CI for the community and, thus, they are not eager to finance CI activities: the problem most often mentioned by the CI representatives of Alytus and Utena Counties is the lack of finances.

5 See www1.worldbank.org/prem/poverty/scapital/index.htm.

RECOMMENDATIONS

It is necessary to ensure a wider integration of members of the local community into the activities of CI: to develop favourable consumer environment for CI products, integrate community values and the way of life into CI activities transforming them in a creative way.

Self-consciousness of culture sectors of the regions and closer cooperation with those who pass political decisions should be encouraged: to establish associations of the representatives of the culture sector of the region stimulating creative activities and joint initiatives as well as providing services to the sub-sectors of the culture sector (in particular, services of an informative nature).

The representatives of CI enterprises of the counties must look for new original and organisational approaches towards the problems of the community: teachers can employ practitioners of art to teach young people artistic skills, local administration together with CI enterprises can organise summer artistic camps for young people, etc.

Public and non-profit institutions must not perform the same activities as private enterprises but encourage their participation in community activities, initiate the performance of a voluntary practice in CI, maintain local aesthetic priorities and cultural heritage, assist in focusing on identifiable community subjects in order to justify the financing of culture budget and assist in consolidating provisions on the usage of local residents, as the main resource of the region, in the strategy of the region's revival.

Study programmes of different level educational institutions must be adjusted to the development of creative and entrepreneurship skills: colleges granting vocational education should have a course on the development of special artistic skills relating it with the skills of entrepreneurship, project organisation and social capital. University studies should develop an analytical, critical approach towards the culture market, processes of globalisation, culture, politics, and should develop skills of flexible reaction towards changes. The specific task of universities is to organise fundamental and applied studies on the culture market and CI development.

Conclusions, Recommendations

CONCLUSIONS

While preparing and carrying out the project of a CI mapping document in Alytus and Utena Counties, hypotheses were formulated in order to confirm or deny them.

First, it was considered that CI best suits the regions with a poorly developed industry. Such a presumption was induced by an example of Britain's CI since, namely in those regions of Britain where the decline of traditional industry was witnessed, CI strategy was working especially well, stimulating small and medium-size businesses. However, in the beginning the authors of the project in Lithuania almost did not take into consideration the fact that in such regions a sufficient number of persons with creative skills should already be accumulated, and that only good entrepreneurship could enable growth of industry in them. There is a sufficiently large number of regions in Utena and Alytus Counties (Varėna, Zarasai, etc.) with quite a small density of inhabitants and huge natural resources: forests, lakes.

Natural resources enable those barely surviving inhabitants to direct their activities to a forest processing industry, to the gathering and processing of mushrooms and berries, and to agriculture. Finally the tourism industry in these regions is oriented rather towards sports or health tourism than towards culture. Such processes are supported also by an abundance of sanatoriums (in Druskininkai, Anykščiai, etc.). Nevertheless, the development of Alytus and Visaginas Towns, partially Utena, has a greater potential for development of CI strategy.

Second, at the beginning of the project, it was considered that the deep-rooted policy of subsidies in Lithuania, poor adaptation of the field of culture to the market would be the main opposing source for the development of CI. This hypothesis turned out to be true. For many cultural institutions CI caused interest, but not real enthusiasm.

Third, the hypothesis about a great alienation between artists and businessmen also proved to be true. It is only possible to point out that preparation of different joint European projects should become the main precondition for the development of a closer relationship between them.

OTHER CONCLUSIONS

1. Authors of CI in Utena and Alytus Regions attempt to or are forced to take into consideration and orient themselves towards the ideological state machinery, policy of subsidies, a heavy distortion of free market conditions.
2. Authors of CI projects reason in categories of ideas rather than in categories of skills and standpoints. This is not bad, however it is the lack of human resources with the necessary qualifications that is the main reason causing the slowness in the implementation of the idea.
3. Authors of many projects do not pay great attention to the industrial fostering of their legend thinking that the product presented is more important than the legend (story) behind it. This shows that the regularities of society – performance – have not become part of the reasoning of business people.
4. CI, as well as art in general, is a very important part of publicity. Moreover, publicity of CI is determined by their openness to the market and the fact that art presents significant things to publicity. Therefore the principle of creative destruction (or constant essential renewal) inevitably affects both social and cultural publicity. This aspect of CI has been considered too little both in Lithuanian and Western literature, therefore all the mentioned CI lack a broader understanding of public relations.

RECOMMENDATIONS

CI development is a very prospective trend of cultural and economic expansion since:

- a. **CI is a part of knowledge economy.** The basis of CI is knowledge and skills. CI uses all the achievements of information and science and this is the basis of their competitiveness;
- b. **it requires high technologies (e.g. programming, design, architecture).** Therefore, the application of CI is an integral part of the Lisbon Strategy: to make the EU economy the most competitive in the world;
- c. **it is receptive to human resources** – artistic and entrepreneurship skills. Human resources are the main sources of Lithuanian economic growth. Artistic, creative skills are a very important, integral part of human resources, insufficient usage of which shows drawbacks of country economic development and a certain irrationality;
- d. **it changes the standpoints of people from the fields of culture and business:** encourages open-mindedness towards other, different skills and leadership. Artists pay more

and more attention towards categories of business and acknowledge entrepreneurship as an important quality of a person and, to the contrary, business people start considering artistic qualities as an integral part of possible projects.

With regard to all that was mentioned above, we propose:

1. To publish and announce publicly the material of this and other projects on CI and their development;
2. to encourage the Ministry of Education and Science and Lithuanian higher schools to include CI subjects in training programmes for artists, businessmen and managers;
3. to apply to the representatives of the Seimas and the Government of Lithuania with a request to pay greater attention to CI strategy as one of the most prospective and modern fields of economy and culture;
4. to ask the Ministries of Culture and Economy to include the development of CI in Lithuania in their prospective plans as one of the priorities which are in line with the tendencies of EU development and the Lisbon Strategy;
5. to encourage Lithuanian universities, colleges, arts and crafts schools to pay a greater attention to CI intended for the training of necessary creative skills and their application in the market;
6. to explain to the leaders of Alytus, Utena and other Lithuanian counties and towns the possibilities of CI in those regions, pointing out the business possibilities for separate parks, events, publishing houses, theatres, cinemas and advertising;
7. to help cultural institutions of counties situated near state borders in preparing Interest Projects and other projects of a similar profile which could ensure the effective usage or attraction of CI skills, thus increasing the attractiveness of these regions.

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