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## ECONOMIC IMPACT OF CULTURAL CENTRE ACTIVITIES ON COMMUNITIES

*Activities carried out by cultural centres crates various impact on communities: cultural, social and economic. Aim of the article is to analyse the economic impact of the activities in cultural centres on communities. It reveals economic efficiency of the activity of various cultural centres: state, municipal and independent. The methods of this work are comparative, descriptive, analysis. Activities carried out by cultural centres not only create intellectual heritage, but also generates economic benefit for a region and country. Development of cultural activities, their effective direction and reception can have a significant impact on the local economy. Researches shows that art activities make affect not only on communities cultural and social life, but also creates an economic impact.*

**Keywords:** cultural centres, economic impact, economic efficiency, community.

## ЕКОНОМІЧНИЙ ВПЛИВ НА ДІЯЛЬНІСТЬ КУЛЬТУРНИХ ЦЕНТРІВ

Юренієнє В., Стоніте А.

*У статті розглядаються питання, що пов'язані з виконанням культурними центрами роботи, що впливають на громади. Це культурні, соціальні і економічні види робіт. На основі аналізу показано економічний вплив на культурні центри та громади. Дана також економічна ефективність діяльності різних культурних центрів: державних, муніципальних та незалежних. У статті використані такі методи аналізу як порівняльний, монографічний.*

**Ключові слова:** культурні центри, економічний вплив, економічна ефективність, співтовариство.

## ЭКОНОМИЧЕСКОЕ ВЛИЯНИЕ НА ДЕЯТЕЛЬНОСТЬ КУЛЬТУРНЫХ ЦЕНТРОВ

Юрениене В., Стоните А.

*В статье рассматриваются вопросы, связанные с выполнением культурными центрами работ, которые оказывают различное влияние на общины. Это культурные, социальные и экономические виды работ. На основе анализа показано экономическое влияние на культурные центры и общины. Дана также экономическая эффективность деятельности различных культурных центров: государственных, муниципальных и независимых. В статье использованы такие методы анализа как сравнительный, монографический.*

*Ключевые слова:* культурные центры, экономическое влияние, экономическая эффективность, сообщество.

**Introduction.** Activities carried out by cultural centres not only create intellectual heritage, but also generates economic benefit for a region and country. Development of cultural activities, their effective direction and reception can have a significant impact on the local economy. Researches shows that art activities make affect not only on communities cultural and social life, but also creates an economic impact. It is considered that art and culture will play an important role of future economic growth. This is due to: cultural resources are replacing natural resources as the primary raw material of economic growth; cultural routes are often the most effective way of achieving economic and social goals; cultural values shape our beliefs, acting as gatekeepers to development initiatives [4].

State and municipal institutions create conditions for the country's residents to use cultural services and participate in the cultural life. Among the most important cultural institutions in the country are cultural centres that comprise a wide network, are situation in small towns and villages as well, and the activities organised by them are accessible to large numbers of people. An elaborate impact of cultural centre activities on the replenishment of human physical and mental powers is designated as effective improvement of a community's life quality.

Undoubtedly, the art activities organised by cultural centres have influence on the local community. McCarthy [5] introduces three areas which are influenced by art activities; the author divides the areas of influence of art activities on communities into economic, cultural and social, and reveals the impact on communities according to the degree of involvement (table 1).

It is important to note that the economic impact of art activities manifests mostly when art organisations and professional artists are included in the art activities organised. Cultural centres are the first ones to offer this in every community. Having a necessary knowledge, experience and other resource base and organising art activities that include more members of a community, cultural centres not only play an important role in improving the cultural or social life of a community, but also have a strong impact on the economic growth. This fact is approved by Žemaitytė, I. and

Urbšienė, R. [7]. The authors maintain that natural resources used for the economic growth are being replaced by cultural resources. Human resources - knowledge, creativity and planning - become the main sources of added value.

**Table 1. Art activity impact areas**

	<i>On the community</i>		
	<i>Economic</i>	<i>Cultural</i>	<i>Social</i>
<i>Direct involvement</i>	Salaries for employees	Increases the sense of collective identity and efficiency	Creates social capital involving participants by connecting organisations for shared works and providing individuals with experience in organising and working together with local government and non-profit organisations
<i>Observed participation</i>	People (especially tourists and visitors) spend money while participating in art activities and local business institutions. Later on, this develops multiple impact on local economy.	Develops communal identity and a sense of pride. Motivates positive norms such as those of diversity (difference), tolerance and free self-expression.	People who would not usually communicate in presence of different circumstances are gathered together.
<i>Involvement of artists and art organisations or institutions</i>	Increases the tendency of the community to participate in art activities;  Promotes tourist, attracts businesses, people (qualified workers) and investments.  Cultivates the creative means, which has a significant amount of impact on the economic growth of creative industries;  Expands the opportunity to recreate/become a 'viable' settlement.	Improves the image and status of the community.	Encourages cultural diversity within the community;  Decreases general and youth crime rates in communities.

Source: [5].

In its turn, the European cultural and development focus group (1997) introduces the following division of the impact of art and culture on economy (table 2).

**Table 2. Division of the impact of art and culture on economy**

<p>Direct economic impact</p>	<p>Arts and culture act as the main content and source of resources for cultural industries, mass media, and generates added value services for the telecommunications industry.</p> <p>They create work places and significantly add to the gross domestic product.</p> <p>Cultural institutions, events and cultural activities have a significant amount of impact on the local economy.</p> <p>Art cultural and cultural products independently create added value within certain markets (gallery sales, art auctions) which are treated as a good variant of investments.</p>
<p>Indirect economic impact</p>	<p>Arts are ‘socially profitable’ as they attract cultural credits and respected people or institutions (investors, sponsors, collectors, spectators).</p> <p>Works of arts along with cultural products create a national and international reserve and images of ideas, which can be made use of by cultural industries (advertising, cultural tourism).</p> <p>Works of art can create or add value to the local environment (changing design of structures and cityscape).</p>

Source: [6].

It is important to note that arts and art activities have a two-fold impact on the society, i.e. directly and indirectly. Direct economic impact is received by creating work places in the cultural and arts sector, whereas indirect economic impact manifests itself through tourism (export), investments and by attracting new residents or businesses.

➤ Art attracts visitors (art as an ‘export’ industry).

Tourists come to a community in order to visit an art or cultural event (even those who arrive with a different goal can decide to extend their stay to visit an event). The economic profit from these tourists is received in a dual way. First of all, they directly spend money to visit an event; also, they may go shopping, eat out or spend a night in a local hotel and use local services. Money received by the community or its separate members directly or indirectly during an event will later be spent on other good or services. This develops multiple impacts on local economy.

➤ Art attracts new residents and businesses.

A large number of art and cultural organisations and events in a community may have impact on the attraction of new residents and businesses this increasing the well-being of a community and making its image stronger. This is especially relevant in order to attract qualified residents who earn more and who, in their turn, shall create stronger economic impact than less qualified employees. This is also relevant when attracting companies, and especially the ones that employ qualified mobile employees or choosing a place for the establishment or transfer of business [3]. Existence of

art activities (stronger image of a locality) attracts new businesses into the locality, which in its turn plays a role in collecting higher local taxes [2].

High concentration of artists and/or qualified employees in a locality may invoke the effect of conurbation during which companies (especially rapidly growing and attributable to creative industries) are attracted to the locality because of the opportunity to work with employees who have creative talent or high qualifications, and vice versa.

➤ Art attracts investments.

With a stronger image, a community becomes attractive to investors. People are more inclined to invest in this kind of locality because they believe in their success. For instance, people are more inclined to buy real estate in a promising locality because it involves developing arts. Banks are more inclined to grant a loan for a business which is located in a locality which is seen as safer and stable.

J. Azmier claims that there is a sufficient number of studies that show that arts and culture in communities can be employed as the main strategy to attract visitors and improve urban life quality [1]. Moreover, there are 4 areas where culture plays an important role thus contributing to the economic profit. Art programmes help a country or local government, and act as a significant component for highly influential economic development programmes by:

➤ Directing human capital and cultural resources.

➤ Recreating and refreshing communities and emphasising cultural recreation.

➤ Creating viable public spaces and integrating them into the natural environment of a locality. This improves urban life quality, develops business and the tax base, creates a positive image of a region and a community.

➤ Contributing to regional introduction of innovations thus improving regional life quality, making it much more attractive to employable, educated employees and providing permits for promotion of producing new, knowledge-requiring products

**Conclusion.** The activities carried out by cultural centres develops intellectual heritage, aims at preserving and spreading local culture; it both promotes nationality and creates economic benefit for a region and a country. Development, effective direction and perception of cultural activities may have significant impact for a local economy.

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