

**Cristina Andreea FLOREA**  
The Bucharest University of Economic Studies  
Bucharest, Romania

# CREATIVE AND INNOVATIVE CITIES – A NEW PERSPECTIVE FOR SUSTAINABLE DEVELOPMENT

Case  
Study

---

## Keywords

Regional development  
Creative cities  
Urban sustainability  
Innovation  
Prosperity

---

## JEL Classification

E02; E22; F43; F63; I31; J24; O10; O40; O44; R11

---

## Abstract

*Cities are one of the most important key in regional development. Creative and innovative cities are considered a competitive pole, by stimulating economic activities and inclusive growth. Those cities which understood the implications for sustainable development are prosperous and competitive at a global level, for example Silicon Valley which is well known as the city where Apple Industry started. The purpose of this paper is to analyze the best practice of creative and innovative cities at global level and extract the most important aspects, which could be applied on Romanian cities. In Romania, there are few cities which may be included in this category, as smart cities. In order to improve the existing literature, this paper aims to explain the benefits of stimulating the cities development and elaborate a list of recommendations for Romanian authorities.*

## 1. Introduction

The problem of sustainability and long run development has attracted the attention of public authorities and private sector. Every economic agent understood the importance of environment protection, reduction of CO2 emission, talents attraction and skilled workforce, in order to sustain a smart development.

Starting from this assumption, it is clearly that all efforts should be redirected to create an improved space area, where every inhabitant should feel safe and responsible on environment protection. Moreover, they reflect a better way for companies to grow and labor to enjoy their lives.

Companies are trying to improve significantly their activity according to market necessities and also with respect to environment. They innovate and thus they create new or significantly improved goods and services. This process of improving the quality of products create competitive advantages. Creative and innovative cities aim at stimulating creativity and open mind thinking. These places are more attractive for entrepreneurs and for new business, because they develop a new idea of interaction.

## 2. Brief Literature review

A creative city is a place where innovation, entrepreneurship and skilled workforce coexist as competitive advantages (Suciu, 2009).

According with Steward and Kuska (2007), the countries with regional disparities and inequities are not sustainable. It is important to build a strategy for sustainable urban projection and development.

According to Muster and Brown (2010), police marker must be realistic about cities potential, because it is important to be realistic about city's capacity to attract creative and knowledge industries.

Moreover, through the strategy for a Creative Europe, European Commission (2012) "aims to promote and protect cultural diversity and regional competitiveness. Its objective is to create and support international networks for learning, establish a financial mechanism to sustain Small and Medium Sized Companies, to support new market development and promote creative sectors at international level."

### The new global trend

The new trend is to build smart cities, as an engine to regional development. Smart cities are that cities that accept the changing required by the new trends and adapt to people's new real necessities. These cities renew themselves, and improve their activities, using the support of companies, universities and authorities. In this way they

respond to the citizens' needs to study, to work, to entertain.

The brand dimensions of the city are based on how that reputation is built. There are four important elements in building a strong city reputation, as in Figure 1.

Firstly it is the brand awareness, getting familiar with the brand, with the members such as organizations, universities, clusters, so that the city receives recognition at global level. It is also important how quality is perceived, based on the desired features. This means that the products must be at high quality, starting with the university rename and ending with the companies' services. Third it is an element of associations, what stakeholders feel about the city brand.

The last element is the loyalty that sustains the activity, maintains the flow of knowledge and education, ensures high profits. To build the city brand equity needs to create a strong image and then to promote it in the global market. No matter if it is the logo of a car, a product, a name of a university, all of these contribute to the brand of the city, and it gets easier to recognize the city through these elements. Moreover, the satisfaction of the community is another important element. The citizens must be proud of their culture, architecture, buildings, of the entire city. In other words, the clusters must reward their employees; give special benefits to the local community, in order to increase the contentment of the locals.

### Clusters and Smart Cities in Romania

The Growth Pole is a city remarked through the concentration of human capital, also of economic and multicultural activities, which has an important role in regional development. In Romania eight cities were selected and named as City - Growth Pole: Cluj, Iasi, Brasov, Timisoara, Craiova, Ploiesti, Bucharest. In order to achieve financing program, the Growth Pole should have an Integrated Plan for Development. This plan contains the strategy for development on long term and its goal is to ensure economic growth and new jobs.

Going over, in collaboration with other countries and with the European Commission, Romania build a strategy for developing the Danube Region.. As Hubner European Commissioner said "The Danube needs a specific strategy comparable to the strategy we are developing for the Baltic Sea Region (Danube Strategy). A one-size-fits all approach doesn't work in an EU of 27 Member States and 271 regions. We need a targeted policy for the Danube that meets its ecological, transport and socio-economic needs. Our policies and the investments we are making in the Basin through the EU's cohesion policy in particular have an impact on the livelihoods of 20 million citizens."

Romania understood the importance of creating competitive regions, and in this respect it focuses on creating smart cities and competitive poles. The first creative city is Bucharest, secondly Cluj and thirdly Iasi. The changing is taking place gradually, with the help of the four leave clover – universities, authorities, companies and catalysts.

#### **Study Case – Bucharest**

Talking in numbers, in Bucharest there are about 7 clusters in different and relevant domains, such as microbiology, IT, physics, engineering, textile, agro food. The reputation effects of the cluster's members are best aligned with new venture when new industries and/or new markets are being pursued.

In Bucharest there are about 30% of the national universities and it attracts more students than any other city. This major element influences the knowledge management and stimulates the creativity and innovations. The business incubators are facilitating the start-ups and attract the investors to develop the entrepreneur's ideas.

The newest project launched by European Commission with the Romanian Government (2013), ELI-NP will create a new European laboratory to consistently investigate a very broad range of science domains, from new fields of fundamental physics, new nuclear physics and astrophysics topics, to applications in material science, life sciences and nuclear materials management.

Because of its unique properties, this multidisciplinary facility will provide magnificent new opportunities to study the fundamental processes unfolded during light-matter interaction. ELI will create a platform, where Extreme Light applications for the benefit of society will be dynamically promoted.

This project is co-financed by the European Regional Development Fund, in association with Romanian institutes and international collaborations from Poland, Germany, Russia, Hungary and Czech Republic

#### **Study Case – Cluj**

Cluj is the second Romanian smart city. According to public authorities Cluj-Napoca Metropolitan Area will become Cluj Innovation City, a city where universities, companies and public institutions could cooperate, as Figure 2.

In Cluj there are 2 clusters, concerning on technological activities, CLUJ IT Cluster and POLARIS Cluster, but one of these two is more important – Cluj IT Cluster. Cluj IT Cluster started the activity in 2012 with a small group of firms. Now it became a cluster of 27 members, 2 universities and 7 public authorities. It focuses on serving new customers in new ways to make the reputation of existing competitors irrelevant. It is

now connected to the global network of IT&C. The strategic plan for Cluj Innovation City has been made by Cluj IT Cluster.

Through the Integrated Development Plan for Cluj-Napoca Growth Pole, the city assumed the mission to transform Cluj-Napoca Metropolitan Area, into a magnetic pole that attracts RDI services and ITC. This area will be a proper environment for entrepreneurs, scientists and youth. The strategy aims to: (i) develop urban area, increase mobility and ensure sustainable development; (ii) increase economic competitiveness; (iii) enhance social service.

#### **Study Case – Iasi**

Iasi is the new Future Hub for east region. It has a platform that creates linkages and stimulates collaboration between different fields such as ITC, medicine, pharmaceutical and health, media, transport and logistic. The actors involved in this project, establish for 2014 a project for implementing a new system for transport, financed by Ministry of Development and European Commissions through the plan for Romania's Polycentric Development.

The strategic objectives for Iasi development are oriented on six directions. Firstly it is the competitiveness issues. The economic competitiveness could be increased, using a new structure for businesses supporting, technological transfer, new and creative industry, which should be promoting. Secondly, it is the development of territorial connectivity. This aspect could be improved by ensuring the accessibility and mobility towards growth pole and making easier the urban transport inside it. Thirdly, it is the enhance of social services, by using a new and modern infrastructure. This it will amend the standard of citizens' life. On fourth place, it is the cultural and historical patrimony, which has a high importance because of tourists attracting. The next objective refers to protect the environment and to increase the standard of life. The last one is to promote regional cooperation and to create a partnership between public and private entities.

The missions assumed by this Plan for Iasi Development is to transform this city into a metropolitan community developed polycentric through a new regional pole for knowledge and competitiveness. Till 2013 Iasi Metropolitan Area beneficiaries from outstanding over 100 Mil. Euro, as Growth Pole. The funds were used for 4 large investments as: Roads Network Development in cultural, historical and touristic area, development the East-West Transport Axe, increasing the accessibility in economic and commercial areas of Iasi Growth Pole, Regional Technologic Center for Iasi.

In Iasi there are clusters in domains such as media, high-tech, agro food, pharmacy. The founder of

ICONIC Cluster from Iasi, an IT cluster, accedes to the Business Roaming Agreement, an international network of clusters with members on 5 continents. This cluster is achieving to the MINC Malmo Incubator and to the IDEON Scientific Park from Lund, Sweden.

Another Cluster in Iasi is IMAGO-MOL, a Molecular and Structural Imaging project, with the cooperation of other countries such as Sweden, Italy, Hungary and Germany. It reunites about 20 organizations from the previous countries. This cluster aims to be a part of the global network of AMI-4Europe, aiming at building a network of regional clusters and development strategies for an advanced interdisciplinary and integrated medical imaging at European level. The project includes disciplines such as Nano-medicine, Biotechnology, and Telemedicine. This project is financed by European Commission through the 7th Framework Programme on Research and Development.

The last Iasi Cluster is Euronest IT&C, founded in May 2013, which has become an IT&C Hub for the regional market. This cluster includes as participants' members 13 companies, 4 universities and 8 public institutions.

### Conclusion

To built creative and smart city is a complex and long term process. Regional development is a process based on multiple, dynamic and interconnected activities. When businesses, arts, technology, cultural and creative fields interact, they generate innovation.

Those companies which invest in intellectual capital, knowledge accumulation of their employees, stimulating the creative side of the workforce, are having more innovative products . Observing the ascension of companies, countries all over the world are doing efforts to increase the quality of education, to create cultural and recreative spaces for citizens, to build green houses and protect the environment, in order to “promote their economic potential and non-coercive power” (OECD, 2011)..

Moreover, European Commission “intends to support experience changes among public administration, in order to allow policy maker to compare their weaknesses and strengths, about best practices and culture influences on economic and social cities revitalization”.

The newest opportunities for Romania are Danube Strategy and ELI-NP Project for Bucharest-Ilfov development. These two directions could enhance regional development and also contribute to Romania Identity in Global Economy.

### 3. Acknowledgments

This work was co-financed from the European Social Fund through Sectorial Operational Program Human Resources Development 2007-2013,

project POSDRU number 159/1.5/S/138907 “Excellence in scientific, interdisciplinary, doctoral and postdoctoral research in economic, social and medical fields – EXCELIS”.

### 4. References

- [1] Danube Strategy Retrieved from [www.danube-region.eu](http://www.danube-region.eu)
- [2] European Commission Report, “Promoting the cultural and creative sectors for economic growth”, No. 0537, September 2012, Bruxelles
- [3] European Creative Neighborhoods, Retrieved from <http://ec.europa.eu/enterprise/newsroom/infocentre/detail.cfm?id=5782&lang=en>
- [4] Extreme Light Infrastructure, available online at [www.extreme+light+infrastructure.eu](http://www.extreme+light+infrastructure.eu)
- [5] Government of Romania (2013), “The National Convergence Program 2013-2016”, Retrieved from [www.ec.europa.eu](http://www.ec.europa.eu)
- [6] Muster, S., Brown, J., (2010), “Making Creative-Knowledge Cities”, Amsterdam Institute for Social Science Research (AISSR), University of Amsterdam, within the Sixth Framework Programme of the European Union
- [7] OECD (2011), Regions and Innovation Policy, OECD Publishing
- [8] Steward, C. W. and Kuska, S. B. (2007). A design, planning and urban administration strategy for sustainability. Paper presented at the Passive and Low Energy Architecture Conference, Singapore.
- [9] Suci, M. C., (2009). Creative economy and creative cities. Romanian Journal of Regional Science, Volume2, No. 1, pp. 82-91.
- [10] [www.clusterobservatory.eu](http://www.clusterobservatory.eu)
- [11] [www.insse.ro](http://www.insse.ro)
- [12] <http://www.capital.ro/detalii-articole/stiri/188894.html>

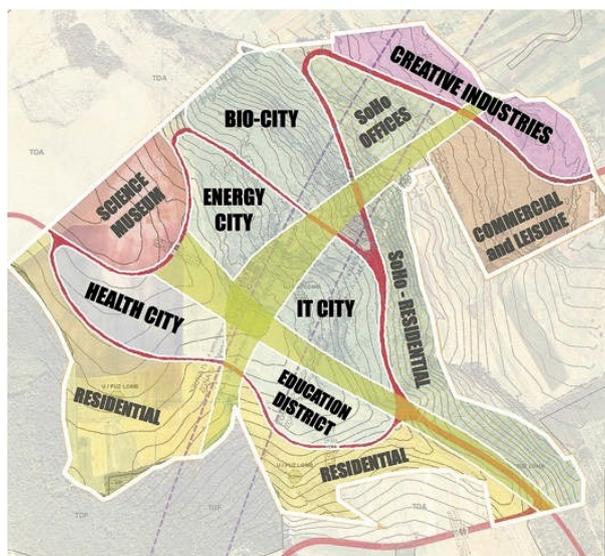
*Appendices*

*Appendix A*

Figure No 1  
*Brand dimensions*



Figure No. 2  
*Cluj Innovation City*



Source: <http://www.capital.ro/detalii-articole/stiri/188894.html>