

Chapter 21

Creativity, Entrepreneurship, and Labor Dynamics: The Role of Creative Workers in Portugal

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ABSTRACT

Creativity as source of growth and development has been target of increase interest by several authors. Using a matched employer-employee data set called Quadros de Pessoal, containing information regarding Portuguese private firms and their employees; this paper aims to shed light about the role of creative workers in Portugal. Empirical findings suggest that creative workers have higher educational levels and also higher salaries, and that they are mostly present in smaller, older multinational firms. Moreover, creative workers have a higher propensity to become entrepreneurs compared to non-creative workers, even considering the individual characteristics such as education and firm's characteristics. This paper applies concepts and methodologies used previously in national and international studies and aims to establish a solid foundation, with empirical data for future research related to the themes of creativity, entrepreneurship and work.

INTRODUCTION

Creativity as source of innovation and growth has been studied and target of growing interest for the explanation of economic development and growth of certain regions.

Creativity can be defined as the capacity of creating new knowledge or the ability of using already existing knowledge to innovate. Rosen defines creativity as being a fundamental part of human capital of an individual, his intangible assets such as knowledge, skills, general intelligence, educational attainments, or personality characteristics (Rosen, 1987). Therefore, creativity is identified as an important element of human capital and plays a fundamental role in the development and growth of a certain region or company.

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The importance attributed to creativity in order to achieve economic growth is identified primarily in two key aspects. First, creativity is crucial in innovation and R&D which represent a crucial goal to obtain economic growth (Solow, 1988; Gittleman & Wolff, 1995). Second it is notorious a growing interest in the last decades on the goods and services provided by the so called creative industries (Caves, 2003; Howkins, 2001) as well as the employment growth in these industries (Florida, 2004).

Sternberg and Lubart (1999) suggest that entrepreneurship is a form of creativity in the way that almost all type of new business is in some way original and useful. Richard Florida (2004) studies the relationship between creativity and entrepreneurship and distinguishes creativity in three types: artistic or cultural creativity, technological creativity (innovation) and economic creativity (entrepreneurship) and argues that these types are all related do themselves. In other words, Florida claims that a person's creativity that is involved in an entrepreneurial project not only can be stimulated by his background, experiences and achievements but also in other related fields such as art and technology. Art and culture can be considered as incentives towards an entrepreneurship activity of certain individuals. A highly cultural environment may be a hothouse for the creation of new ideas in a rich creative atmosphere (Sacchetti, Sacchetti, & Sugden, 2009).

This paper tries to define the importance of creativity by analyzing the impact of the creative workers in Portuguese private firms, and therefore defining their importance in the Portuguese economy, aiming to fill a gap in literature since there are only a few studies in Portugal regarding the topic of the creativity.

The paper is organized as follows. After the introduction, section 2 introduces the main theoretical concepts. Next, section 3 presents the data and the methodology. After, section 4 focuses on the descriptive analysis, while section 5 is devoted to the presentation of the empirical results. Finally, the last section concludes and presents avenues for further research.

CREATIVE OCCUPATIONS

Creative workers are those who have creative and innovative professions, therefore these workers can be found in any type of industries, what leads to the necessity of empirical researchers to identify and separate creative workers from those who do not have creative professions (Florida, 2002).

According to Florida, the creative class is separated in three categories: super-creative core, creative professionals and bohemians. The workers represented in the creative core are those

“whose economic function is to create new ideas, new technologies and/or new creative content”

Creative professionals are considered “those who work in business and finance, law, health care and related fields” (Florida, 2004, p. 8), “they engage in complex problem solving that involves a great deal of independent judgment and requires high level of education” (Florida, 2004, p. 8).

Bohemians have cultural and artistic occupations, they are part of the creative class and represent an urban climate of tolerance, therefore they represent an important role in attracting the remain categories of the creative class

All members of the Creative Class (...) share a common creative ethos that values creativity, individuality, difference and merit. For the members of the Creative Class, every aspect and every manifestation of creativity, technological, cultural and economic is interlinked and inseparable (Florida, 2004, p. 8).

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