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From industrial city to the creative city: development policy challenges and Liepaja case

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Abstract

The paper analyses industrial city's economic development during the 19th century and its policy, which still today has influence on the city's processes in politics, economics, social and urban development. Like with other industrial cities, Liepaja's success started in the beginning of the 19th century with the abolition of serfdom in Russian Empire. It allowed free people movement and increased the population of the city. Next wave for the city's rapid development was the railway installation. The railway, the harbour and free access to the human resources provided industrial city's advancement during the second half of the 19th century and it provided a basis for the development of nowadays Liepaja. Liepaja's harbour and industry are still playing an important role in its economic development. However, currently the number of the population is decreasing and Liepaja city has one of the highest unemployment rates in Latvia. The Paper is studying: "Liepaja's economic development policy changes, challenges and issues converting from industrial city to the city whose economic development relies on different aspects not only traditional industry", "Liepaja's creative economy, societal changes from worker class to creative class to rebuild economy ", "Liepaja's creative policy, actions and place making process to develop creative economy, creative industries, creative professions and creative places. The result of the study will be recommendations for creative city economics policy implementation and creative place making process in local municipality."

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1. Introduction

Cities have changed more since the Industrial Revolution than in all the previous centuries of their existence (Cliff,..). Technological innovations provided development for urban territories during the 19th century. Moreover, this is basis for current development of city's economics, politics (incl. administration), technology, social and environmental (incl. city landscape) aspects.

The population growth, innovation intensity and development of urban areas are related to new challenges or elements of development for urban landscape and urban economies. Frey and Zimmer (2001) describe factors, which affect urban places and cities:

- Ecological elements (Size of the population; Density of the population; Space)
- Economic elements (Economic functions; Labor supply and demand; Transportation; Economic organization)
- Social elements (Social organization; Social character)
- Administration.

To analyze Liepaja's industrial development and to compare it with common urban development tendencies, authors will use Frey and Zimmer four-factor method. For researching industrialization and urbanization processes authors have used different source literature – starting from the 20th century beginning and concluding with the latest editions on Liepaja's architecture research. But to provide systematic analysis of creative economy planning and implementation in Liepaja, authors will use Greg Richards and Julie Wilson (2007) framework that offers cultural and creative hardware, software and orgware. Liepaja's development plans and latest economic statistics are used and analyzed to describe city's creative economy potential.

2. Industrial City

Development of the railway (transportation network), the telegraph and the telephone (communication network), cheap resources and the population growth illustrates industrial cities' development both in Europe and North America. Authors Greene and Pick (Greene & Pick, 2011) describe industrial cities' development and innovation waves in United States. The first identified major innovation was the steam engine on water and land transportation. The year 1830 was chosen as the beginning of this period because that date marked the buildup of steamboat tonnage on the Ohio-Mississippi-Missouri River system. The second major innovation was low-cost, mass production steel. The year chosen as the beginning of this phase was 1870, when steel rails were replacing iron on both existing and rail lines. The cost of transportation coal was reduced, and as a result, central Appalachia's bituminous coal was extracted in large quantities and moved to the major port cities. The third major innovation was the introduction of the internal combustion engine in transportation, and the beginning year chosen was 1920, when motor vehicle registration became significant and petroleum production began its steep climb. Such development goes hand in hand with other industrial cities growth.

2.1. Ecological Elements

One of the core aspects for city's economic development is the size and density of the population. The number of inhabitants, its structure and the level of knowledge are important for the city's development. Structure of the population also affects cultural life, demand for education and development of urban landscape.

According to Latvian lawyer, writer and historian Svabe (Svabe et al., 1935), Liepaja's population structure started to change after the abolition of serfdom in 1817. The number of inhabitants in 1800 is 4500, but in 1840 there are already 11 000 citizens. The number of city inhabitants has doubled in 40 years. It continues to grow and in 1881 in Liepaja already lives 29600 inhabitants. In 1914, before First World War, the number of inhabitants in Liepaja city is 94000 (Svabe et al., 1935).

Urbanization process is not something unique during the 19th century, accordingly comparing other cities in the territory of Latvia during the 19th century, in 1800 in cities lived 7,3% of population, but in 1914 already 40,3% (Latvia Central Statistical Bureau, 2013).

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