Creative Economy as a social innovation: lessons from Mangueira favela in Rio de Janeiro.

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Abstract

This article aim to highlight innovation and creative entrepreneurship in respect to commitment to local development, contributing to income generation and empowerment of individuals. From the conceptual and analytical framework produced on the topics of Creative Economy and Social Innovation literature, it will be check the results of the creative entrepreneurship identified in Mangueira community - research conducted in 2014 by LARES-IE/UFRJ (MINC/CNPq), on matters relating to their productive relations, generation, dissemination and use of knowledge (Maimon, Afonso and Carvalho, 2015).

In the last three decades, social innovations have been debated in different sectors of society, including a variety of activities associated with non-profit organizations, social entrepreneurship, social economy and corporate social responsibility practices (SCHACHTER, Matti and ALCANTARA, 2012). Furthermore, as Mulgan, Sanders and Tucker (2007) maintain, there are many lenses through which understand social innovation, as well a variety of approaches related to multiple subject areas.

The work is divided into four parts. The first one analyzes the main approaches of social technology and the creative economy, pointing distinctions between international approach that combines Creative Economy with the latest technology and the Brazilian reality where the focus is on social entrepreneurship in creating income.
In the second part are emphasized methodological issues related to the collection and analysis of data, and later, in the third section, we submit the analysis of the results – analyzing the Creative Economy in the Mangueira favela classifying projects according to Murray innovation stages, Caulier - Grice and Mulgan (2010). These stages are: (1) factors that trigger action (prompts), inspirations and diagnostics; (2) proposals and ideas; (3) prototypes and pilots; (4) support; (5) design and dissemination; (6) systemic change.

Finally, in the last section are outlined the final considerations about the study, limitations and suggestions for future research.

**Keywords:** Creative Economy, Social Innovation, Slums, low-income community.

### 1. Introduction

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2. Theoretical Considerations

2.1 Social Innovation

Innovation is generally understood as a new widespread activity within a given context, and linked to economic gain and profit generation. Studies on the subject run of Schumpeterian conceptions that new combinations allow to obtain extraordinary profits (Bignetti, 2011).

Murray, Caulier-Grice and Mulgan (2010) emphasize that social innovation is distinctive to innovation in business as usual because of its outcomes and relationships - new forms of cooperation and collaboration. The processes, metrics, models and methods used in innovation in the commercial or technological fields, for example, are not always directly transferable to the social economy.

Reflection on social innovation has attracted the interest of researchers and professionals from various fields, however, one realizes there is no consensus on its definition and scope. Schachter, Matti and Alcantara (2012) agree that the research is diverse and fragmented, including interdisciplinary approaches, such as economics, sociology, social entrepreneurship, creativity, political science, urban development and human development.

Bouchard (2012) identifies two major approaches to social innovation. The first is interested in solutions to major social problems, based on business initiatives, with an emphasis on philanthropy, individual responsibility and market. The other approach emphasizes the collective nature of the processes and products of social innovation (BOUCHARD, 2012). Innovations are seen as measures or policies that lead to social change and transform the relations that are at the root of social problems (Levesque, 2007). In this case, innovation cannot be considered as resulting exclusively from a voluntary and rational action. These innovations rely on the participation of various social actors, in order to promote changes associated with living conditions and local development.

In this research, we focus on the collective nature of social innovations, relating to demands and social changes, which involve cooperation between the actors involved. Added to this discussion the understanding Bittencourt (2014, p. 329) by mentioning that "the definition of social innovation reveals practices of cooperation, reciprocity and solidarity, in which the social actor moves at social networking with purpose watch a situation of discomfort or an ideal in common."
Bouchard (2012) points out that social innovation is associated with the intervention of social actors, to meet specific needs in favor of social change. Similarly, Lévesque (2007) points out that social innovation, and propose responses to specific needs, aimed at social change, in that it requires a new vision, a new way to see and define problems and solutions to these problems (Levesque, 2007). These perspectives have been adopted by researchers at the Centre de Recherche sur les Innovations Sociales (CRISIS), which conceptualize social innovation as an intervention initiated by social actors to respond to a human aspiration, meet a need, a solution or seize an opportunity action to change social relations, to transform a frame or propose new cultural orientations to improve the quality and community living conditions (CRISIS, 2012; Klein et al 2009.).

To support public policies, Murray, Caulier-Grice and Mulgan (2010) propose some stages in the development of social innovations, providing a framework for thinking about the different types of support that innovators and innovations need to grow. These stages are: (1) factors that trigger action (prompts), inspirations and diagnostics; (2) proposals and ideas; (3) prototypes and pilots; (4) support; (5) design and dissemination; (6) systemic change.

**Figure 1 - The Process of Social Innovation**

For Murray, Caulier-Grice and Mulgan (2010) the first stage refers to the perception of a problem, a lack or an inability of the public or private sector to respond through traditional means action. At this stage its attack the roots of the problem, not just the most visible symptoms. The second stage is associated with the creation of ideas, drawing on the creativity to break new ground in troubleshooting. The third stage involves the development of prototypes and pilots, with the intention of testing the ideas
in practice. Refers to learning by doing where they can be redefined new ways. The fourth stage involves the economic support long-term, including the creation of budgets and resource allocation. The fifth stage (design and dissemination) is associated with the expansion of the action or broadcast to a larger area of coverage and, finally, the sixth stage, refers to systemic change, considered the ultimate goal of social innovation, which implies a permanent and sustainable change.

These steps are not always sequential in the authors' view, with possible feedback and interaction between them. They suggest that the development of social innovation can be driven from these stages, which should impact on sustainable change.

It can be seen therefore that the multiplicity and range of theoretical approaches to social innovations give a complexity that goes beyond its conceptual definitions also permeating the interactions between the actors involved in the promotion of lasting social change.

### 2.2 Creative Economy

A new dynamic sector relating the artistic productions, services and industrial has emerged in world trade. These sectors use creativity and intellectual resources as primary inputs in activities associated with intangibles resources, such as knowledge and culture, showing no limits in use of science and technology to promote innovation and generation of values. These creative and intellectual assets spread and drive the most different sectors of the economy, enabling them to face the new challenges of everyday life.

In the UK, the pioneer in promoting the so-called creative industry, the government defined the sectors of that industry as those whom uses creativity, skills and individual talents as inputs of the production. It can be seen in advertising firms, design, architecture, art, antiques market, crafts, performing arts, fashion, audiovisual, software, games and bibliographic publications.

The English initiative is a reference in promoting the creative economy for three reasons, according to Reis (2008): (1) contextualize the creative industries program in response to a global socio-economic framework in change; (2) privilege the sectors of more competitive advantages for the country reordering public investments priorities; and (3) dissemination of statistics revealing a significant contribution of the creative industries in its Gross Domestic Product (GDP).
Since the understanding of this new economic dynamics around resources and creative work classes was formally observed by the UK government teams, the concepts and categories created were the basis for discussion at the international level.

In Brazil, cultural economy was already a longtime issue on the country's development characteristics. Furtado (Brazil, 2012) have considered the cultural diversity and creativity turned to economic activities reflects the "ability of its members to formulate hypotheses, solve problems, make decisions in the face of uncertainty (...) and the challenges of traditional capitalist model ".

After years of debates about economic and social development policies in Brazil considering the great cultural diversity of the people, in 2010, the Brazilian government published the National Creative Economy Plan - NCEP (Ministry of Culture, 2010) in order to lead discussions and formulate public policies to encourage the creative sector as a strategy for economic and social development of the country.

With the definition which activities represents the creative sector, IBGE\(^1\) surveys (2010) showed that the creative sectors responding to 2.84% of the Brazilian GDP, employing formally 1.96% of workers in activities categorized as "core" or where the creative asset is essential. The multiplier effect of jobs generated in the core of the creative industries in other economic segments calls attention to its power to generate income, according to IPEA (2013). It would be even more if it account the voluntary or unpaid work, occupations that have not been coded, informality and the fact that many creative workers carry more than one job (IPEA, 2013).

Once mapped the number of sectors firms and workers of the creative economy at national level, certain regions have emerged as potential creative poles or creative cities - as called the specialized literature. From the creative cities literature the characteristics that indicate a good place to develop the sector are: (1) local connection and the global; (2) mobility, access to public spaces, social and digital inclusion; (3) research and innovation projects in science, culture and society; (4) professionals in different sectors; (5) patent applications, new products and technological projects; (6) tolerance and openness to cultural diversity, religion, use of new technologies, new

\(^1\)The Brazilian Institute of Geography and Statistics or IBGE (Instituto Brasileiro de Geografia e Estatística), is the agency responsible for statistical, geographic, cartographic, geodetic and environmental information in Brazil. The IBGE performs a national census every ten years, and the questionnaires account for information such as age, household income, literacy, education, occupation and hygiene levels.
ideas and people; (7) convergence of action, joints and connections intra and extra poles; chains and networks of production, circulation, enjoyment and exchange of experience; (8) concentration of initiatives - productive vocation contribute to a sector identity on the spot; and (9) business consolidation and the potential for local development.

Although these environmental characteristics showed as favorable to the development of EC, there are other aspects that are worth mentioning, according to Reis (2008), related to the "need to forge sustainable models of economic inclusion and solve problems urban, environmental and social violence that afflict us." As we shall see, these aspects will serve to support the analysis of the results of research conducted in a slum in Rio de Janeiro, where initiatives have been identified related to creative activities and characterized their relational and productive aspects.

From the financial point of view, there is no direct relationship between creativity and socio-economic development, except for the analysis of creative activity cycle through the interaction of four types of resource - social, cultural, human and structural or institutional. The cumulative effects of these determinants are the results of creativity.

The various contributions to the study of cultural activities point to the importance of understanding these activities in a systemic perspective. Briefly, with respect to the spatial dimension, the findings of the different currents indicate common features mentioned cultural activities (Pratt, 2000; O'Connor, 1999):

- close coordination between the global level and the local level, and between large and small businesses and independent professionals in complex production networks;
- a predominance of micro and small enterprises, as well as the presence of a large number of autonomous, organized mainly in urban centers, in industrial agglomerations, which operate separately or in coordination to large enterprises and multimedia distribution networks;
- the existence of significant economies of agglomeration, resulting from the use of a common physical infrastructure and communications, the dissemination of tacit knowledge through interaction networks, formal and informal - that foster creativity and innovation - and cooperation in the implementation of productive and creative steps.

These factors contribute to cultural activities are presented heavily concentrated in urban centers, where contains intense relationships of interdependence and
interaction. These characteristics of cultural activities are not exclusive to them. Partnership interactions and productive complementarities in the local environment can be found in various productive sectors. But the contributions analyzed and the evidence they offer suggest that such aspects are much more intense, multifaceted and dynamic in cultural activities.

The literature on EC produced mainly in the United Kingdom and the United States emphasizes that the creative potential is the availability of high human capital (education level) and access to basic urban infrastructure (REIS, 2008). These aspects make it challenging to map the activities of the EC in a slum territory historically occupied in irregular shape with insufficient formal urban infrastructure and low level of education.

The list of "absences" in slums, the territory characterized as low HDI and characterized as socially vulnerable sites, should not also hide the "presence" of local potential with a view to their empowerment. The size of the creative market in slums is little studied, largely due to the informality of the conditions that occur, due to the difficulty of categorizing industry players and activities (IPEA, 2010).

Creating social impact of business directed to the poorest and the consumption of products and services associated with communication and digital media (Datapopular/CUFA, 2013) are some aspects that are worth mentioning for the analysis we intend to do about social and social innovations in technology field of EC.

3. Mapping the Creative Economy as Social Technology in Mangueira, Rio de Janeiro

Mangueira is a favela in Rio de Janeiro known for hosting an important cultural center with great tourist attractiveness: the Samba School Estação Primeira da Mangueira. In Mangueira live 14,589 people (IBGE, 2010), many families living there since previous generations. The territory has gowned irregularly and is recognized as a complex of five communities. The location has a good accessibility for logistics (downtown Rio and other cities around, through roads and railways).

Mangueira has a high density population - 110 inhabitants/ha and the age pyramid highlights the large number of children and youth. The Human Development Index - HDI hose reaches 0.800 - considered as high, is the lowest rates of Rio. The average income per capita is US200 and the population has access to formal education and
public health. The recurring problems are associated with the illegal occupation of space, such as sanitation, electricity, paved street and drug trafficking.

Motivated by the FIFA World Cup Soccer realized in 2014, the Brazilian government implemented urbanization projects of infrastructure (PAC - Growth Acceleration Program) and affordable housing (Minha Casa, Minha Vida), looking for formalize access to housing, sanitation basic, light and paving. The security was implemented by state and local government, through the Pacifying Police Units (UPP). Related directly to the World Cup, some other urbanization projects were implemented as the reform of the highway and subway stations, and the construction of the footbridge connecting the Maracanã Stadium to Quinta da Boa Vista.

Main places in the neighborhood are showed below.

Picture 2- Location of urban infrastructure and regional relevance organizations.

Available in https://mapsengine.google.com/map/edit?mid=zDeWUQS1p5to.kYNn7oSgK-JE, updated in October 2014.

3.1. Methodology

The research "Creative territories and productive inclusion: a case study in the vicinity of Maracanã” (LARES-IE/UFRJ)² aimed to recognize the growth of activities in creative sector and encourage policies related to this, specifically because of the hypothesis of Rio de Janeiro as a creative hub.

² Ministry of Culture /CNPq resources
Creative initiatives located in Mangueira were recognized in public documents and researches, also in the internet web (facebook, myspace and you tube). A list of possibilities was followed by a visit schedule and interview with the enterprise coordinator.

The survey was prepared by the Social Responsibility Laboratory of the Economics Institute-UFRJ group of research: 2 doctors, 1 Post Graduate and 4 graduate trainees. The field work spent 3-month, between April and July 2014.

The LIMA (2012)’s guide for mapping creative polos, published by Ministry of Culture, was the main reference used for structuring the survey. The fields and creative sectors defined by the Ministry of Culture (2012) used in the survey were: Field of Heritage - Material Heritage, Intangible Heritage, Archives and Museums; Field of Cultural Expressions - Craft, Popular Culture, Indigenous Culture, African-Brazilian Culture and Visual Arts; Field of Entertainment Arts - Dance, Music, Theatre and Circus; Audiovisual field, Book, Reading and Literature - Film and Video, Publications and Printed Media; Field of Functional Creations - Fashion, Design, Architecture, Digital and Management / Cultural Production Art.

Semi-structured interviews based on questions about the project profile, production methods, partnerships, awareness of challenges and growth opportunities were applied. As the territory has mobility difficulties, such as narrow streets, poor lighting and public safety, at the first interviews we asked for recommendation of local creative entrepreneurs. Those that were not connected to the local networks or released in websites were difficult to access or simply not found. The research group also conducted participant observation in events, taking pictures and making notes about place conditions and social relations presented.

The timing of field research and the characteristics of the territory were considered in the measurement of the search results. Some difficulties were find during schedule the interviews with projects coordinators because of World Cup period and vacation in Brazil, between June and August, when many organizations were closed.

The management of creative projects and the dynamics of relationship between the leadership in local networks pointed to the identification of contextual social innovations associated with the characteristics of the territory. Using as reference Murray, Caulier-Grice and Mulgan (2010) were considered aspects of innovation projects: (1) cultural development: understanding as strategies based on the social, collective, human and environmental; (2) network thinking: combine the government's efforts, the private
sector and non-governmental organizations; (3) open system with the collaboration of different actors that add their different expertise and views for troubleshooting; and (4) qualitative indicators: new ways to assess the qualitative growth, which are connected to services, culture, knowledge and entertainment. And from there, we identify their innovation stages as mentioned before in Item 2.

3.3. Main Results

The research mapped 21 initiatives based at Mangueira managing activities in sectors of the creative economy. Of this total, only 17 allowed a full interview, identified location in Google Maps.

**Picture 3 - Saving Initiatives Location Creative identified at Mangueira, Rio de Janeiro.**

Available in [https://mapsengine.google.com/map/edit?mid=zDeWUQSlp5to.kYNn7oSgK-JE](https://mapsengine.google.com/map/edit?mid=zDeWUQSlp5to.kYNn7oSgK-JE), updated in October 2014.

The following chart shows bars containing the absolute number of initiatives interviewed correspondent to creative field; colors shows the activity associated with this field. This number can be seen vertically to the left and is a reference used in the text.
The total sample of initiatives points to a large number of activities related to Arts and performing (6) - with emphasis on music (5) and Functional Creations (4) – emphasis on cultural management (2). Initiatives whose main objective is the Social Assistance (4) use activities related to Music (2), Literature (1) and Visual Arts (1) to accomplish its goals, participating in different stages of creative economy production. Similarly occur to institutions focused on training for technical skills using Visual Arts (2). An institution (Museum) is on heritage field.

Initiatives aimed at social assistance and technical training mapped at Mangueira are geared towards the promotion of citizenship, employment and income generation. In case of social assistance initiatives, the practice of music (2) and literature (1) are actions to promote local identity and civic attitude, as well as the provision of technical knowledge spaces (training) for cultural expressions such as the arts visual (2), favoring the inclusion in active labor market in this sector. It is noteworthy that some of these welfare initiatives were funded by companies. And probably constituted seeds in medium-term social entrepreneurship.
While an organization that works and sells products in the creative sector of music (as main activity but also in dance and fashion), the samba school Mangueira is a local reference around "samba" and has a strong link to small businesses, such as fashion features, gastronomy, photography and visual arts, as well as events with local creative entrepreneurs (Art and Art Vitor Junior) and partnerships (Fabiana Oliveira), many of them work directly with the school.

Some other initiatives use creative activities in order to achieve their training goals – case of Mangueira do Amanhã, Dançando pra não dançar, EAT FAETEC, FAETEC Digital, Batuque Favela - and social assistance - Associação Meninas e Mulheres do Morro, Arte de Educar and Associação de Moradores do Buraco Quente.

- Vitor Art was a young participant of Mangueira do Amanhã social project, where he developed his musical ability (also related to family tradition linked to music and samba, specifically) and currently has his own musical group and works as conductor of Samba school drums/percussion.
- Giraia is the Art Junior manager and he also becomes from the same social project, as well as other members of his music group.

Both Vitor Art and Giraia/Art Junior participate in events at the School's headquarters as well as in other local state.

- Fabiana Oliveira is a dance teacher, formed in the same project, and experienced at School (devoted as Drums Queen – a relevant title in carnival universe and a prestige in the School. Fabiana currently offers dance lessons to the next generation of School dancers and organizes concerts in partnership with the School (keeping label right to School).
- The dancing project “Dançando pra não dançar” and governmental technical school FAETEC Digital are models replicated in Mangueira that use area of the samba school as a workplace.
- Fashion activities are also associated with the carnival - producing costumes and there is a governmental project – Ecomoda, hosted in Mangueira, that teaches how to reuse materials disposal by Samba School after carnivals or by textile factories. Another way to do business on fashion is to design and seamstress costumes tailored to community dancers and beyond.
The cultural identity of "samba" as a heritage originated in Mangueira promotes the Cartola Cultural Centre where it takes place activities as audiovisual, dance, gastronomy and big events.

Regarding the links of creative sectors with community providers and surrounding it is noteworthy that the suppliers of products and services initiatives in Mangueira are mostly based in the city center, or in other cities in the state of Rio de Janeiro, as Duque de Caxias. Although it is an important productive arm of Samba School, the shed where it is produced most of the carnival floats is situated in the neighborhood of Gamboa, in the center of the city, not at Mangueira. On that site is employed labor coming from various parts of the city and the state (including neighboring municipalities).

The limited interaction between the School and the 5 communities present in Mangueira is explained by the ban on mobility imposed by drug traffic. In this context, although Mangueira has a creative industry, despite its visibility in Brazil and abroad we cannot conclude that it expresses a creative pole, as defined in the literature.

Graphic 2 - Type of initiative and source of income

Source: Author's elaboration (MinC/CNPq Researchers)
The above scheme allows us to understand the sources of income of the initiatives, although most of them comes from selling its own products (5), followed by the public sponsorship (5), private sponsorship (4) and both public and private source of income (3).

Analysing the way the coordinators are doing business and the stage of innovation, the results shows large majority in support phase (41 %), followed by 29% of proposals and ideas and 24% in the diffusion phase. 6% are in the initial phase of innovation, which is the inspiration. There are initiatives in systemic change phase.

**Graphic 3 - Initiatives and stage of innovation**

Source: Author's elaboration

<table>
<thead>
<tr>
<th>Stage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspiration</td>
<td>6%</td>
</tr>
<tr>
<td>Proposals/Ideas</td>
<td>24%</td>
</tr>
<tr>
<td>Support</td>
<td>29%</td>
</tr>
<tr>
<td>Diffusion</td>
<td>41%</td>
</tr>
</tbody>
</table>

4. Conclusion

Survey responses led to reflections on (1) the understanding of creative economy as a social innovation in the slums contexts; (2) the use of the creative sector activities to promote citizenship and generation of employment and income; (3) small entrepreneurship NGOs linked to larger structured organization; and (4) the connection of productive-creative activities with the local cultural tradition.

The literature on creative economy in low-income community is scarce in Brazil, from the production point of view. The research project conducted by LARES (CNPq/MINC /SEC) in Mangueira, Rio de Janeiro, identified new theoretical and conceptual aspects of the creative economy in vulnerable social contexts. The number of informal settlements hides the volume of initiatives, the quality and the dynamism of them. And what draws attention to the potential consumer market, offers clues that there resident
population, although it has informal sources of funds, are spending and entering the
market, using technology, access to networks, communication, etc. (Maimon et al, 2014)

The strong partnership between productive-creative activities in Mangueira is motivated
for the local cultural tradition through music, events such as the carnival and tourism.
Traditional culture and leisure activities associated with the tradition of samba
headquarters in Mangueira - Brazilian are recognized as intangible cultural heritage
(IPHAN, 2007) and originating (in its characteristics) an economic and creative asset
neighborhood.
Another connection is made through the welfare and training practices in these
activities, indicating some sort of educational value and promoting citizenship through
arts and cultural expressions.

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