

Collaborative Practical Wisdom. Challenges and Opportunities in a Dynamic World

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Abstract: Change is the single constant of our world. We have to face challenging, dynamic and turbulent times. The complexity and dynamics of our world requires a paradigmatic holistic vision that needs collaboration. Collaborative economics focus on trust and team building, established based on a complementary set of core competences where creative, talented and gifted people are mostly valued. Online collaborative platforms and digitalization had been widely developed. We consider that, under the broader umbrella of cultural and creative economy, people have to focus more on non-traditional organizational structures that are better functioning on local and regional levels. Cultural and creative cities facilitate constructive dialogue and interactions, stimulating intercultural sensitivity applying practical wisdom such as to better interact and develop professional and personal networking. Collaborative economics focuses on proving people care more about other human beings and thus they develop new organizational structures based on compassion, empathy, emotional intelligence that ask for an important mentality shift from social networking (such as Facebook) based on sharing information, data and knowledge towards more spiritual oriented organizations within which practical wise, creative and innovative solutions that focus on wisdom have to be facilitated. In the last decades human civilization had shifted step by step from an information-based society towards knowledge, creative and innovation based one. It is high time to be wise and to shift to practical wisdom based on ethical, moral and spiritual values.

Keywords: Collaborative Practical Wisdom, Collaborative economics, Cultural and Creative Cities, Interdisciplinary approach

1. Introduction

The main goal of this paper is to share a new approach regarding how practical wisdom might be applied for leadership development, mostly in the case of cultural and creative communities and cities, based on the principles of practical wisdom and collaborative economics. The paper focus on a human-centred leadership who pursues: virtues of wisdom, collaboration, compassion, empathy, emotional intelligence, all stimulating gifted and talented people to be also wise and to prove concern about ethics and moral values. This paper is based on a step by step approach: *Firstly*, it seeks to highlight the role of virtues (in particular of *practical wisdom*) mostly in leadership studies. *Secondly*, it aims to illustrate how we may apply the virtue of practical wisdom in collaborative economics, with a special relevance fir local cultural and creative communities and cities. This paper looks also for extending the list of the key competencies required for a modern successful transformational and innovative leadership including the practical wisdom within this list. One key issue of practical wisdom (PW) is connected with the concept of knowledge management (KM), mostly with the human-centred and conversational leadership vision. We looked to identify how certain variables may influence practical wisdom within organizations and local cultural and creative communities such as to better highlight some of the potential benefits providing sustainable sources for competitive advantage (in terms of smart, sustainable and green development of circular, creative and innovative cities).

We included a brief conceptualization of the concept of wisdom, that we consider might be then applied to implement concretely the vision of human-centred leadership and practical wisdom within different organizations.

We had provided a broader approach of practical wisdom, including special references to responsibility and collaboration that relies on articulating values and establishing emotional connections to place and people/

communities such as to encourage collaborative actions towards a caring end. Practical wisdom applied within specific forms of collaborative economics, such as cultural and creative local communities explains the main drivers of a community oriented behaviour more open up for multidimensional pluralistic, diverse and interdisciplinary interpretations.

The paper is looking to better understand the roles of practical wisdom and human-centred leadership in the context of the creative-innovative and collaborative economics. Practical wisdom is like a prerequisite room for creativity, innovation and collaboration. The complex and diverse effects of the recent crisis might be successfully mitigated by leveraging *collective wisdom and the knowledge of the local communities* (mostly in the case of creative cities) focusing on *a collective human oriented leadership*. We strongly believe that the only way to get out of the complex snow ball interconnected crisis (affecting not only economics, but also the whole society in terms of moral values, education, health and not only) is to join hands for collaborations and collectively to find more and better creative and innovative solutions based on *practical wisdom human-centred people* for solving the issues plaguing humanity today more than ever.

2. Literature review

According to classical Greek philosophy “*The beginning of wisdom is the definition of terms*”. Thus we also start our research by defining the term of wisdom. *Wisdom* is an extremely complex concept. Its various conceptualizations are based on quite different definitions. *The Dictionary of Cambridge*, on its 2022 edition considers that wisdom is the ability to use knowledge and experience in order to take good decisions. Cambridge Dictionary highlights also that wisdom reflects the ability to undertake good judgments based on the knowledge, experience and different levels of understanding that provides this ability.

In a broader social context, wisdom is defined like a complex system able to allow an individual to listen to others, to evaluate what they say, and then to offer them good advice (University of Pennsylvania, 2022).

According to SAWS (*Self-Assessed Wisdom Scale*) there are five components of wisdom: openness, emotions, humor, critical life experience, reminiscence and reflectiveness. Wisdom is generally concerned with desirable and moral outcomes, universal values and the common good. Usually the so called *wise people* recognize that their knowledge, judgment and advice and that arising from others is influenced by personal and subjective relative values. Wisdom requires a multidimensional quality approach (figure 1).



Figure 1. A multidimensional quality approach of wisdom

Source: McKenna, Bernard, Ali Intezari, The Nature of Wisdom in Post-graduate students: An Implicit Theory, Conference paper, 2016

Practical Wisdom had also been studied by Paul Baltes and his colleagues at the *Max Planck Institute for Human Development* in Berlin and by Robert Sternberg and his team at the *Yale University*. According to their theory, a wise person seems to know what is mostly important in life and how someone can get it. Wise people hold the ability to the extent that they use their intelligence in order to seek a common good. Professor of psychology, Robert J. Sternberg defines wisdom as the capability to properly use intelligence, creativity, common sense, and knowledge (mediated by a coherent set of positive ethical values) in order to achieve the so-called common good. Common good requires a harmonization between intrapersonal, interpersonal, and extra personal interests, such as to achieve a balance among adaptation to environments, shaping of environments, and selection of new environments. Intrapersonal dimension only touch the individual (Sternberg, 1998) and it may include the desire for self-actualization, prestige, popularity, status, strength, prosperity or self-pleasure.

Interpersonal interests implicate also other people, since they are related to the relationships with others. *Extra personal interests* are those that affect an organization, a local community or, correspondingly a whole country. "A large part of wisdom is in finding a truly common good and in persuading others of its suitability." (Sternberg, 2003, p.9). Common good is closely linked to the collaborative economy. One of the most important principles of the collaborative economy is the sharing of goods and services for the common good of the community.

3. Building harmony based on collaboration in diverse types of societies: insights from practical wisdom

Practical wisdom is arising from an integration of knowledge and skills through awareness, and has to promote peaceful coexistence in diverse types of societies and local regional communities (Sternberg, 2003).

Practical wisdom is a dynamic and key influencing factor in human relations considered to be critical for building and developing social harmony. It involves many dimensions such as: learning how to learn, how to cope and how to be and how to live and behave by interacting with others. Wisdom enables individuals to reliably take good decisions in order to live virtuously and peacefully.

Practical wisdom leads people to use to act in ways that adequately express their religious and ethical commitments. People become wise by developing practical knowledge, by cognitively managing knowledge while being aware of its limitations (Ekmekçi et al., 2014).

When some leaders fail in the pursuit of their duties, it is more likely to be for lack of wisdom than for lack of analytical intelligence. In particular, leaders who experienced failing use to manifest an unrealistic optimism, many times accompanied by egocentrism (even narcissism), false omniscience, false omnipotence, false invulnerability, and ethical disengagement in their thinking and decision making. In other words, they fail not for a lack of conventional intelligence, but rather for a lack of wisdom.

Thus, there may arise more episodes of instability in human relationship, based on misunderstanding of the principles of practical wisdom. These unbalances generate many and different types of dissatisfaction among individuals and social groups. Wise "leaders" exercise their judgment by proving they are open to dialogue and to understand the different points of views and emotions of others, collected through everyday verbal and non-verbal communication, with an emphasis on identifying with others (Nonaka et al., 2014).

To be wise means to be able to manage and to handle in a wise way a situation that is confusing or that is uncertain in ways that allow us to make some kind of judgment, not only about the nature of the experience, but also about how to properly respond to the situation in question. In traditional management sciences but mostly within modern approaches such as *Knowledge Management (KM)* it is very important to judge situations in a variety of ways such as to provide everyone opportunities to manifest and to demonstrate their value. Wise people will not only feel emotions, but will also identify the source of them and then prove to be able to use the power of emotion in order to address injustice with passion and commitment such as to bring greater good to the whole community. Wise people respect others and are willing to apply the spirit of team, partnership and collaboration, being able to shift from sharing to carrying and to action respecting the interests of the whole community, mostly in the case of cultural and creative communities.

4. Connections between Knowledge Management (KM) and wisdom

Starting from the broader definition of wisdom, in terms of desire, active effort and ability to discover and achieve what is mostly valued in life, both for oneself and for others (which brings about flourishing in you as a human being), modern approaches of the Management sciences such as Knowledge Management (KM) involve also the "*Wisdom*" of knowing and understanding, resulting in achieving what is valuable, the ability to see what is valuable, to keep what is valuable, and to experience the capability to reach more value added.

It seems that in actual managerial practices wisdom is one of the least understood issues even we consider it is perhaps one of its mostly important dimensions.

Wisdom offers the potential for a more open and balanced form of leadership; through a cultivated predisposition to act in the best interests of greater good (Nonaka et al., 2014). In traditional managerial practices, being able to prove a good rational judgment, taking good decisions and acting well does not happen automatically. Wisdom is the quality that models action in ways that can bring about good judgment, good decisions and good actions based on more than rationality defined in a traditional sense (Rooney et al., 2010). *Boundary rationality* and modern visions that arise from more complex interdisciplinary approaches such as those from neurosciences asks for more than managing information, data and knowledge. Even though we live in a knowledge-based global economy, having certain knowledge is not enough to work more effectively and efficiently reaching good results in traditional sense. We consider that focusing just on knowledge without wisdom might be a danger to humanity. The recent COVID-19 pandemic global crisis proves this. People had the knowledge to generate different pandemic in laboratories and even to look for different vaccinations alternatives next. Is this really wise? From our team of co-authors point of view no!

Wisdom management (WM) calls for a blend of rationality, judgment, compassion, ethics, imagination and intuition concretely applied in management and mostly human oriented leadership practices. Wisdom can be seen as a strategic key tool necessary for taking complex decisions, applying knowledge and creative-innovative solutions such as to result in actions based on ethics, compassion and collaboration.

Wisdom means the ability to combine knowledge gained from experience and information with an understanding of the relevant issues, acquired through careful listening and deep thought, to find creative-innovative solutions or answers to a problem or life situation (Rowley & Slack, 2009).

Knowledge is a valuable asset that can be leveraged when managed and shared within organizations. On one hand, knowledge management allows organizational actors to learn important lessons from experiences. In particular, learning from experiences helps organizations save money and time through avoiding repeating mistakes and repeating successes. On the other hand, since a large amount of organizational knowledge is undocumented, organizations may lose valuable knowledge because of employees' mobility. Finally, there is a growing call to manage customer knowledge which is an important part of organizational knowledge that helps organizations understand their customers and better satisfy their needs. Therefore, organizations should manage knowledge through collecting it, storing it, and making it accessible to all organizational actors whenever they need it and wherever they are. (Zouari & Dakhli, 2018)

Knowledge is considered a valuable resource, which provides meaning to most enterprises' and different organizations' operations. When experts evaluate the value of the market of a public enterprise, it is considered that usually five to ten times knowledge and intangible assets such as intellectual capital are contributing more than the traditional business assets within the balance sheet.

Knowledge Management (KM) might be easier used to create a more practical methodology for education programs, mostly on the Master level. Education is purposed to create learning; however, it does not indicate the manner in which learning operates. Knowledge management is useful in creating alternative education schemes by providing similar learning opportunities to users. (Schaefer & Makatsaria, 2021)

Ackoff offered an interesting benchmarking where at the top of hierarchy is wisdom, followed by understanding, knowledge, information, and data. Furthermore, he estimated that "*on average about forty percent of the human mind consists of data, thirty percent information, twenty percent knowledge, ten percent understanding, and virtually no wisdom*" (Ackoff, 1989)

Wisdom might be also operationalized based on the integration of cognitive, reflective, and compassionate personality characteristics (Ardelt, 2003). *The cognitive dimension* describes a wise person's desire to know a deeper truth and the ability to thoroughly understand the intrapersonal and interpersonal aspects of life (including an understanding and acceptance of the limits of knowledge, the positive and negative aspects of human nature, and life's unpredictability and uncertainties). *The reflective dimension* refers to a wise person's ability to perceive phenomena and events from multiple perspectives and to avoid subjectivity, which requires self-examination, self-awareness, and self-insight and a reduction in self-centeredness. Diminished self-centeredness, in turn, is likely to result in greater understanding of life in general and other people in particular, leading to greater tolerance and sympathetic and compassionate love for others, which represents the compassionate dimension of wisdom. Although wisdom is defined as the integration of the three dimensions, greater insight into the overall association between age and wisdom might be gained by analyzing the relation between age and the three dimensions separately.

Wisdom, like knowledge, can be conceived not only in personal terms, but also in institutional or social terms: to help us develop wiser ways of living, for example the practice of collaborative economics, to learn wiser social habits and relationships.

We live in an economy defined by diverse terminology such as knowledge-based or even cultural and creative economy.

We consider the recent complex crisis and challenges (such as COVID-19 global pandemic or climate changes) prove humankind is on a turning point and wisdom would have to become a first priority from our point of view. It's high time to be wise ! *Wise-based society* have to look mostly into the future, observing the impact of our actions on the future, on the environment, on other people and finally on humanity as a whole. Applied to Economics, *practical wisdom* involves applying ethical principles, so that the focus is on social, human values, innovations looking also on their consequences, good or not so good. We consider that, in order to shift from a knowledge-based to a *wisdom-based economy and society* we need wise people and mostly wise and human-oriented leaders. Knowledge management (KM) is about achieving more based on rationality, while *wisdom management (WM)* is about connecting mind, heart and intuition. (Jakubik & Muursepp, 2021). Boston College (Boston College, 2022) performed a cross disciplinary research on four countries belonging to four different cultural backgrounds by applying the modern vision of *the three H (Head-Heart-Hands)*.

Information and knowledge are the sources of social practices, managerial actions and practices of individuals as members of communities, specific to an information and knowledge-based society. Wisdom is the guiding principle of human practices and human-oriented leadership, specific to a *wise based society*. KM is about achieving success based on our intellectual capacity, WM is about maintaining harmony and sustainability not only based on rationality, but also taking into account emotions, values, inspirations. (Jakubik & Muursepp, 2021). Flourishing towards wisdom involves looking at people by taking into account also their hearts and souls as those who are able to learn from their mistakes and to correct them one by one, without expecting just efficiency and effectiveness such as in traditional economics profit maximizing models. WM involves the accumulation of knowledge, experience and expertise about how relationships between people are formed and developed based on how we all interact such as to ensure the Common Good and sustainability of human civilization.

5. Time to be wise! Wisdom of local cultural and creative cities as an example of applying practical wisdom

Since the international data basis are not yet including many of the complex dimensions of wisdom (that are not so easy to be estimated and measured) we decided to present just some issues highlighting the issue of cultural and creative communities that requires to realize how important is to be wise also on the local communities level. Some authors belonging to the traditional schools of *Management* and *Economics* tend to consider that, if one concept or vision cannot be measured and quantified precisely yet, it means either it does not exist in reality, either it does not have any relevant importance. Similar, even in other context, to what young generations, mostly the digital one, believe about people that do not yet have yet a Facebook account.

Research on wisdom moves more on the territory and regional studies. Interdisciplinary research on wisdom invites entering the in-between of groups and communities, their local cultures, organizations, institutions, regional realities and societies, natural environment and ecologies.

In order to express how we might apply practical wisdom on the local communities level we took into account *the complex cultural and creative cities performances evaluated by the City Monitor 2019*. Practical wisdom comes in sensitivity to how we relate to what is right or wrong, good or bad (Nonaka et al., 2014). Of course, this aspect will be the subject of many cross disciplinary further research and studies. The complexity of our lives requires more collaboration, and to achieve collaboration people need to have a set of wisdom principles. The Creative and Collaborative Economy, with its core principle of practical wisdom, can be a means of facilitating constructive interactions, cross-cultural awareness and dialogue between people. Practical wisdom helps people, mostly on the local communities level, to become more sensitive to the importance of collaboration (from sharing to caring) (European Cooperation in Science and technology, 2021). The social nature of online collaborative communities provides a framework for collaborative learning. Social networking platforms might better support collaborative structures on the local cultural and creative cities level.

Collaborative learning is a valuable approach to improve knowledge co-generation, helping crowd members to confront situations, where participants express ideas, voice opinions, and share experiences. People need to demonstrate that they care more about others, that they have the wisdom to build, maintain and develop relationships. Another important point to mention is that in the collaborative economy it is absolutely necessary to have a human-centered leader who, with practical wisdom, manages to perform.

Practical wisdom improves managerial reasoning, decision-making and concomitant action (Jakubik & Muursepp, 2021). A considerable level of wisdom may be necessary for a leader to engage in transformational leadership. Collaborative or shared leadership has frequently been advocated as an alternative to vertical or top-down leadership. These people appreciate that they don't have all the answers and, as a result, actively seek input from others as a means of overcoming their individual limitations.

Simply put, they show acceptance, but also determination: acceptance of personal strengths and limitations, along with a willingness to ask for and use the help of others. (*Bringing humility to leadership: Antecedents and consequences of leader Humility*). The authors of the article "*Wisdom and narcissism as predictors of transformational leadership*" mention that the wise people have extraordinary insight, knowledge and skills regarding the meaning and lead of life and are able to judge and advise on difficult and ambiguous issues of life (Greaves et al., 2014). Practical wisdom requires an awareness of the true means and purposes of human activity that guides leaders to make better decisions based on a better understanding of their values, priorities and goals. Wise people consider different life roles (e.g. family and work) when motivating their followers and giving advice. These qualities should help them act as positive, creative and transformational models for others. We consider that mostly in the case of cultural and creative cities to build social harmony based on compassion, respect, appreciation, trust is an important goal, because of the contemporary challenges such as climate changes, different conflicts, complex crisis. The wise view of reality helps individuals to react wisely in any situation by integrating cognitive, reflective and affective personality traits engaged in strategic awareness through the wise adoption of technology (Huda et al., 2020).

Based on a cross-disciplinary and interdisciplinary conceptualization of practical wisdom, we should make distinctions between data, information, knowledge, and wisdom-based decision making (Küpers & Pauleen, 2013). While data, analytics, information and knowledge can assist decision-makers to better deal with complex and wicked problems, one may argue that data-based systems cannot replace optimized human decision-making capabilities. These capabilities include a range of qualities and characteristics inherent in philosophical, psychological and organizational conceptions of practical wisdom (Kramer & Crespy, 2011). *Practical wisdom* allows for a better equipped and more experiential and reflexive journey and fosters the art of mindful travelling, beyond a reactive, moralizing behaviour.

One reasonable approach is to accept that a deliberative and political conception of practical wisdom in organizations and local communities, with a focus on cultural and creative cities might be seen as part of an all-embracing responsibility. This then in turn calls for a proactive concept of societal involvement embedded in democratic mechanisms of a conversational leadership, communicative discourse, governance transparency and accountability. Furthermore, practical wisdom calls for reinventing or reforming civic institutions like

enterprises, universities, think tanks, research labs and so on, in ways in which these can develop and make informed and inclusive decisions, leading to deliberative action.

People with practical wisdom have the moral will to do the right thing and the moral skill to figure out what the right thing is in any particular situation, although they may be well intentioned rules and incentives that might actually erode wisdom (Schwartz, 2011).

Excessive reliance on rationality and rules deprives people of the opportunity to develop moral skill, and excessive reliance on incentives undermines moral will. Rules and incentives demoralize activities and the people who engage in them. Wisdom is an indicator of personality growth and development, which requires openness to experiences and a questioning attitude toward societal norms rather than conforming and adjusting to the prevailing societal standards. Therefore, a higher level of education facilitates personality growth and development, while a lower education encourages personality adjustment, particularly through work requirements. Hence, a positive association between age and wisdom might be more likely among highly educated individuals than among individuals with a lower education. Yet, those differences and especially nonlinear differences by educational attainment might not be visible in small samples with participants from diverse educational backgrounds (Pridgen, Ardelit, & Nutter-Pridgen, 2018)

6. Methodology

In relation to the main goal of the paper, the authors called for *a multilevel approach*. First of all, it was necessary to identify within the specialised literature the main significant works on the subject. Moreover, the authors applied a non-parametric Spearman correlation in order to identify the most relevant connection between the three dimensions of *the Cultural and Creative Cities Index (C3)* as an example of best practice for applying practical wisdom and wisdom management principles.

6.1 Main Data basis used

In 2019, the second edition of *the Cultural and Creative Cities Monitor* was launched.

The Cultural and Creative Cities Index (C3) is a composite aggregate index that measures cultural and creative performance within 190 cities from 30 European countries.

The quantitative information includes 29 indicators, relevant for 9 dimensions that been structured on three main components, connected with practical wisdom, namely: *cultural vibration; creative economy* and *favourable environment*. Table 1 illustrates the three components of *the Cultural and Creative Cities Index (C3)*.

Table 1: Cultural and Creative Cities Index (C3) components

C3 Index – Cultural and Creative Cities Index								
1. Cultural Vibrancy		2. Creative Economy			3. Enabling Environment			
D1.1 Cultural Venues & Facilities	D1.2 Cultural Participation & Attractiveness	D2.1 Creative & Knowledge-based Jobs	D2.2 Intellectual Property & Innovation	D2.3 New Jobs in Creative Sectors	D3.1 Human Capital & Education	D3.2 Openness, Tolerance & Trust	D3.3 Local & International Connections	D3.4 Quality of Governance

Source: designed by authors based on the information from the “*Cultural and Creative Cities Monitor*”, 2019

The structure of C3 and its three dimensions includes key variables we consider to be relevant for practical wisdom and wisdom management and wisdom decision making. The 190 selected cities were divided into clusters, regarding the number of their inhabitants (table 2).

Table 2: Classification of cities according to the number of inhabitants

Cluster name	Population (inhabitants)
Cluster S	50 000 – 100 000
Cluster M	100 000 – 250 000
Cluster L	250 000 – 500 000
Cluster XL	500 000 – 1 000 000
Cluster XXL	> 1 000 000

Source: designed by authors based on the information from the “*Cultural and Creative Cities Monitor*”, 2019

We consider that C3 index is a useful tool for decision makers interested to apply *practical wisdom* principles helping them to design, apply and monitor different cultural strategies and policies (Montalto et. Al., 2019). In order to identify the importance of creative economy within the aggregate C3 *index* we applied a *non – parametric correlation Spearman index* that transforms the original values into ranks using the following formula.

$$\rho = 1 - \frac{6 \times \sum d^2}{n(n^2 - 1)}$$

Where:

d - represents the difference between the ranks of the values measured in a subject

n – represents the number of subjects taken into account.

The *Spearman correlation coefficient* is a correlation coefficient, which might take values between **-1** (which means the existence of a negative connection) and **+1** (which indicates the existence of a positive one).

7. Main results and discussions

There had been identified five clusters based on C3. For this paper we analysed the cities included within the *XXL cluster* (with over 1,000,000 inhabitants). There are included 20 cities most of them European capitals (figure 2).

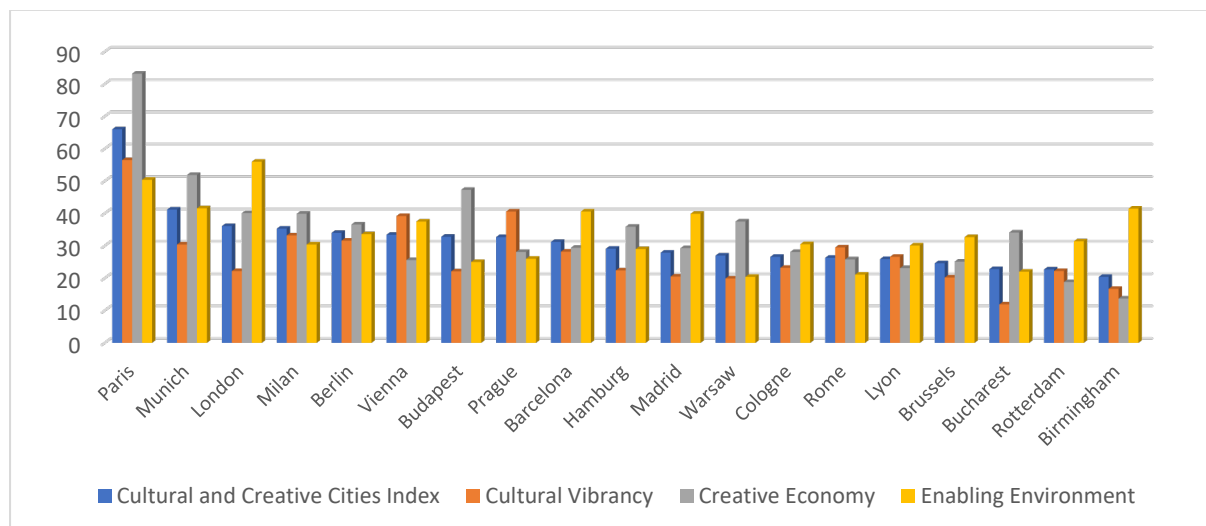


Figure 2: Cities included within the XXL cluster

Source: Designed by authors based on the data from “*Cultural and Creative Cities Monitor*”, 2019

The *first dimension* is **the cultural vibration** measures the cultural intensity of a city in terms of participation in culture and cultural infrastructure.

The *second dimension* is **the creative economy** analyses the contribution of cultural and creative sectors to the city's economy.

The *third dimension* is **the environment** analyses the tangible and intangible elements that contribute to attract creative class, talented people.

The top three cities in XXL cluster are: *Paris* (C3-66), *Munich* (C3-41), and *London* (C3-36). On the bottoming part of C3 are: *Sofia* (C3-20), *Birmingham* (C3-20) and *Rotterdam* (C3 -23). C3 index and its components are important for designing public and local policies. Based on the results highlighted by C3, decision makers benefit on additional tools to design strategies and local policies and to take different actions and to monitor their progress (table 3).

Table 3: The benchmarking of cities included within the XXL cluster, depending on C3 and it's dimensions

No.	City	C3 index ranking	Cultural Vibration Ranking	Creative Economy ranking	Enabling Environment ranking
1	Paris	1	1	1	2
2	Munich	2	6	2	3
3	London	3	5	4	1
4	Milano	4	4	5	12
5	Berlin	5	5	7	8
6	Vienna	6	3	16	7
7	Budapest	7	14	3	16
8	Prague	8	2	13,5	15
9	Barcelona	9	8	11	5
10	Hamburg	10	11	8,5	14
11	Madrid	11	15	12	6
12	Warsaw	12	17	6	19
13	Köln	13	10	13,5	11
14	Roma	14	7	15	18
15	Lyon	15	9	18	13
16	Brussels	16	16	17	9
17	Bucharest	17	19	10	17
18	Rotterdam	18	12	19	10
19	Birmingham	19	18	20	4
20	Sofia	20	20	8,5	20

Source: Designed by authors based on the data from the “*Cultural and Creative Cities Monitor*”, 2019

According to data included within table 3, Paris ranks first in the city benchmarking from the XXL cluster. For Romania Bucharest ranks on the 17th position within the XXL cluster, with a value of 22.8 of the C3 index. Corresponding to the “*cultural vibrancy*” dimension, Bucharest ranks on the 19th position and, according to the sub-indicators “*cultural places & facilities*” it occupies the 20th position. Regarding the “*cultural participation & attractiveness*”, Bucharest occupies the 19th position. With respect to the “*creative economy*” dimension, Bucharest occupies position 10, and for the component sub-indicators, “*creative & knowledge-based jobs*” occupy position 16. For “*intellectual property & innovation*” Bucharest occupies position 19, and for “*new jobs in the creative sectors*” it occupies position 4. Within in the “*enabling environment*” dimension, Bucharest ranks on the 17th position. According to “*human capital & education*” Bucharest ranks on the 18th position. With respect to “*openness, tolerance and trust*” Bucharest ranks on the 10th position. Regarding the “*local & international connections*” Bucharest ranks on the 20th position. With respect to the “*quality of government*”, the city ranks on the 19th position.

In order to analyse the connection between the aggregate index C3 and its second dimension (creative economy sub-index) authors applied Spearman correlation index obtaining a value of 0.70 that illustrates a strong connection between the C3 aggregate index and the creative economy. The value obtained is statistically significant being higher than the significance threshold of 10% (0.380), the significance threshold of 5% (0.447), the significance threshold of 2% (0.520) and the significance threshold of 1% (0.570). According to the value obtained and the fact that this value is statistically representative, the authors manage to highlight that creative economy has a strong influence on the C3 aggregate index (figure 3).

As illustrated in figure 3 this strong connection highlights the importance of creative economy and implicitly of applying practical wisdom on creative cities level for the local socio-cultural and economic development, at least in the case of the cities included within XXL cluster.

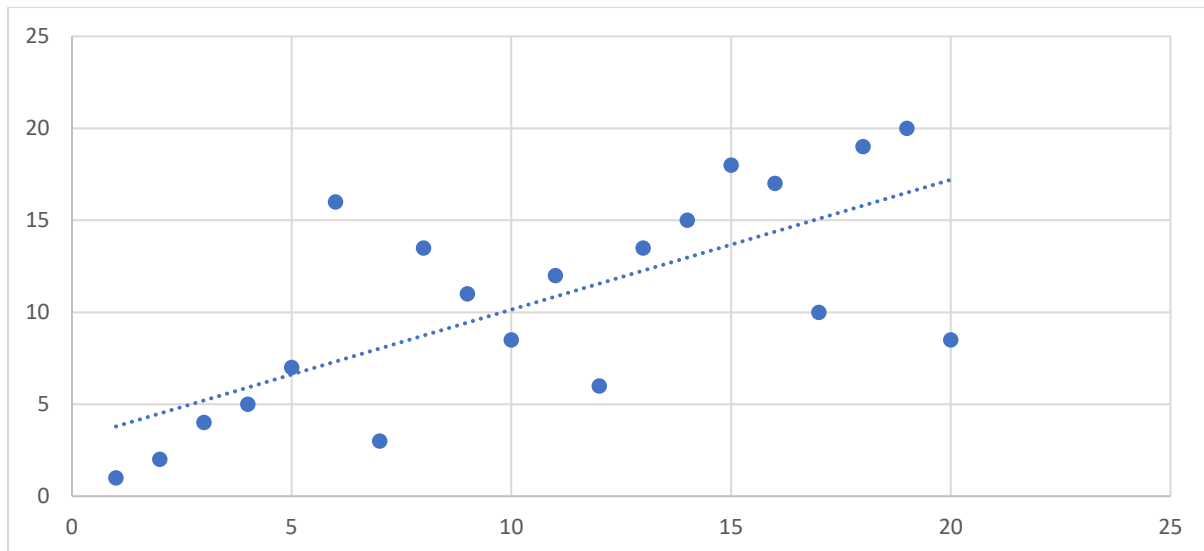


Figure 3: The relationship between the C3 aggregate index and the “creative economy” dimension

Source: Designed by authors based on the data from “Cultural and Creative Cities Monitor”, 2019

8. Main Conclusions

For a genuine transformation towards practical wisdom in organization and leadership to take place, a radical re-orientation of meanings, values and practices have to occur at the micro, mezzo and macroeconomics levels.

Theoretical developments of wisdom research continue to emerge and empirical studies are required and request a wider variety of wisdom. We consider further research has to focus more into practical wisdom that needs to be further developed and empirically studied in order not only for offering a more comprehensive understanding but also to be applied in practice (Schwartz, 2011)

The world is constantly evolving. In the last decades the role of creative and cultural economy for local development is essential (ADAGP. 2021).

Cultural and creative cities are making the difference for local development as highlighted within our paper by the high value of the Spearman coefficient. This paper suggests also the importance of applying practical wisdom in the cases of the local decision makers.

The main limitation of our research is that the data are from 2019. We did not manage to identify recent data, which could capture the evolution of cities during the last years connected also with multi dimensions crisis due to global COVID pandemic 19.

Our team intends to continue this research by extending the research to all the clusters and correspondingly to its connection with the other two dimensions, namely: the cultural vibration and the favourable environment, as parts of the C3 index.

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