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Strategies for Developing Cultural Economy of Fashion Industry in Iran*

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Abstract

Problem statement: In recent decades, the Iranian fashion industry, despite its historical background, has faced particular economic and social considerations that have faced many challenges. Accordingly, social institutions have sought to bring this art-industry into the field of creative industries through commercial, publicity and cultural activities and in turn have created a trend that will be reflected in the economic development of the Iran's cultural industries. Since exploring value changes in society is one of the key elements in the cultural system of any society, the main issue of the present research is to focus on cultural industries and accept the transformation in the value system of Iranian society to gain an understanding of the economic value of art-fashion industry and its dimensions and weaknesses, strengths and intensifiers. This has helped to organize the concept and position of the creative economy in this area through oversea interactions and the cultural process.

Research objectives: The present article seeks to achieve a value-based process in intervening contextual factors and explaining the selective strategies of developing the cultural economy of Iranian fashion industry and answering the fundamental questions. What role can the fashion industry play in realizing the prospect of a Iran's cultural economy? How can the economic growth of art that is produced be shaped by changes in value systems?

Research method: This research is qualitative, descriptive-analytical and data gathering is done through documentary sources and field findings were based on discourse analysis. Conclusion: The results suggest that combining art with creativity, knowledge management, up-to-date technology and business process reengineering will boost Iran's economic growth by inserting the moral economy into the fashion industry.

Keywords: *Iran, Creative Industries, Fashion Industry, Cultural Economy, Selective Strategies.*

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Introduction

Today, cultural change and its associated changes affect many orientations and processes of development in advanced industrial and transitional societies. Sociologists of the cultural production approach, using ideas from industrial sociology and economics, have addressed how industries shape the art they produce and distribute. Hirsch (1972) considers industries as systems. In this sense, industries are sets of interconnected organizations, each of which takes their own (input) resources from the environment, somehow transform them (processing) and then they send the result to the next organization or market. From the perspective of Becker (1989) "The production of art involves activities that are needed for transform artistic insights into shapes of form. Art distribution involves activities that convey art to its audience. Production and distribution may be distinct or overlapping. Distribution systems act as a set of constraints and possibilities that affect the size of the audience, the degree of content of the art and the nature of the work. All market-based distributions are subject to the law of supply and demand as well as sensitive to material interests" (cited in Alexander, 2012, 131). From this point of view, what is important for fashion industry actors is to become familiar with the target market and the taste of the target audience ultimately to find operational strategies to foresee the gradual trends and possibilities. In addition, according to Becker's argument, artists may create their work according to the needs of the distribution system. In this way, the distribution system can influence the content of artworks indirectly. Artistic products are refined as they move through the industry, thereby making the structure of the industry available to a range of artworks. The creative industries are increasingly important in the national economy. According to studies, the annual economic growth rate of the cultural industries is twice that of the services sector and four times that of the traditional industries (Malekifar, 2014,

11). What is certain is that the rise of the cultural industries in the distribution system has become an expanding global trend. This great global market also shapes social practices and its power goes so far as to even create or change culture (Sa'idi, 62, 2016). Today the fashion industry has become a big business as one of the creative cultural industries and will continue to grow at current levels, according to current forecasts. In the recent decades of cultural policy-making in Iran, the fashion industry as part of the creative industries that can support the sustainable growth of Iran's economy has been on the agenda of the government, related institutions and organizations. Particularly in recent decades, what has led to economic-centered approaches to community planning and development has become critique of the culture and elements of society in macro planning. The prominence of this industry can be attributed to the fundamental paradigm shift in the field of economics and technology and the use of different capacities of the cultural industries. Today the fashion industry operates through cycles of concentration and competition. What is certain is that in the developmental process of each industry, an interconnected set of agents collaborate and compete in distributing a particular type of art. In the meantime, the economic dimension of these changes is of particular importance in the development process of Iran. While the economic and theoretical analysis in this research is based on the principles of cultural economics, we aim to gain a better understanding of the dynamics of creativity and the overall interactions of the fashion industry with economies of scale on a national scale. One of the features of qualitative research is that the researcher follows an inductive and heuristic approach in the process of analysis. In this type of research, instead of testing the hypothesis, only research questions are raised at first and sometimes some hypotheses would be produced that can be the basis for further researches (Mansuriyan, 2009, 54). Since the nature of the present study

is also exploratory, one cannot first make explicit assumptions. With this explanation, the present study will answer the research questions and accomplish the purpose of this study. What makes this research more scientifically important is to seek and provide a scientific explanation for the development of cultural economy in Iran. Finally, suggestions are made to improve the status of the fashion industry in Iran's cultural economy.

Review of the related literature

Today, cultural industries play a prominent role in economic growth and, more importantly, in the cultural development of countries. The fashion industry as one of the leading industries in the cultural economy and an influential factor in changing the value systems of the consumer community is in combination with other soft technologies facing with harsh technologies as an economic potential, coupled with high cultural loads. Despite the pivotal role of this art-industry sector in advancing Iran's economic development goals, unfortunately no studies have investigated the role of fashion industry and just some limited researches around the export market for clothing in order to increase Iran's competitiveness in fashion has been done. There has also been a great deal of critical research into the prevalence of consumerism in the fashion industry, with no mention of fashion's role in the economy. But among the English articles, we see a number of studies of the fashion industry in economics and the creative cultural industries, some of which are highlighted below.

The analysis of the data obtained in an article by Hu and Chen published in the *Journal of European Planning Studies* (2013) shows that Taiwan has a unique fashion economy. This study confirms the potential of Taiwan's fashion industry in terms of its cultural and creative economies. In his paper, Langevang (2016) looks at the emerging fashion industry as a place for entrepreneurship where people's aspirations for personal, cultural

and socio-economic growth are intertwined. In this article, the author considers the fashion industry as one of the driving forces of culture in the economies of the countries, considering the practical aspects of this industry in raising the level of competitiveness of modern societies is necessary. In their paper, Brydges and Pugh (2017) examined systematic problems related to widespread institutional and policy weaknesses in the fashion industry as one of the creative industries. In fact, it is the political, economic and cultural factors that constrain the structure of the fashion industry to advance the cultural and economic goals of independent designers. Frater and Hawley (2018) in their research entitled "The slow craft revolution: co-designing as a new genre in the luxury world" acknowledge that today there are consumers who choose products that are not only unique and of high quality, but also contain information from the craftsman and the community from which they originate. His research argues that a new style of luxury is being introduced to the global marketplace as traditional handicrafts and has an opportunity to engage with consumers who are looking for high quality or customized products. To be truly sustainable, artisans need to develop the appropriate economic and cultural capabilities to target the market and the creative economy. In their research on the International Folk Art Market (IFAM) market in Santa Fe, New Mexico and the United States, they used examples of creating a new luxury and economics-oriented handicraft market and provided an example of an innovative training program for traditional craftsmen. They also show examples of how artisans from remote parts of the world can increase their capacity to acquire such new markets that sustain them economically and culturally. In the field of cultural creative industries, among the domestic researches, the following can be mentioned:

From recent research in the field of creative cultural industries, Ganji and Heydariyan (2014) in their article reviewed two concepts and their

relationship in the social sciences in “Cultural capital and the economy of culture” with an emphasis on the ideas of Bourdieu and Throsby. Mousavilar & Yaquti (2015) examined “cultural industries” and “creative industries” in their paper “Investigating the status of cultural industries and creative industries in the economic development of culture and art” and considered handicrafts as the most prominent of the applied arts, a subset of the cultural and creative industries. Chavoshbashi and Zangi (2015) in their article “Modeling the impact of cultural capital and artistic cultural capacity on iranian economic growth” investigated the components of cultural capital on Iranian economic growth by the end of 2025. In the field of fashion arts and handicrafts, the article “Investigating the factors and structures affecting the iranian fashion market” by Heidarzadeh and Chit Sar (2016) was another article that highlighted the factors and structures affecting the fashion market at the individual and social legal levels in Iran. This article introduces the legal and social factors affecting the Iranian fashion market. Master’s thesis of Hashempur (2016) entitled “The position of economics in Iranian applied and visual arts in the last three decades” was addresses one of the most important impediments and obstacles to economic development of Iranian art related to the management issues and artistic policies of Iran to the executive mechanisms of art economy. In spite of these works, no qualitative research has been conducted on how to apply the main theoretical approaches to the study of economic development and to explain the implementation strategies in the fashion industry, which will be the innovation and focus of the present research in this field.

Research methodology

The present paper is qualitative in terms of type and from the objective point of view it is fundamental-applied and the methods of data gathering were documentation and field based on discourse analysis. in order to study the economy of Iranian

fashion industry and to understand its comparative aspects, reference is made to library, archival and documentary sources available in Iran and basic information has been collected to enter the main part of the research. Then, in the discourse analysis phase, the sources were aggregated and categorized and at the end, the final analysis was performed. The results of the research were presented along with scientific and practical suggestions for economic development of Iran’s fashion industry.

First layer of research: Theoretical foundations, evolving concepts and definitions

• Value systems of cultural industries

The concept of “cultural-artistic products” can be used where the term “culture and art” is used in its anthropological or functional sense. Under these circumstances, there is no doubt that cultural goods and services such as artwork and handicrafts have similar characteristics (Mousavilar & Yaquti, 2015, 35). This concept not only encompasses cultural products of mass reproduction but also industries that use culture as an input and have a cultural dimension as well. However, their outputs are mainly functional (architecture and design) as well as sub-categories such as graphic design, fashion design and advertising (Ferrándiz, 2014, 337). In recent years, we have seen signs of a paradigm shift in the world. The ever-expanding cultural industries across all fields and the shift in value systems of societies from hard technologies to soft technologies are clear indications of this paradigm shift. Soft technologies, by their very nature, are value-based technologies that develop within the context of a culture and the values and beliefs and play an influential and unparalleled role in promoting and developing these cultures and values. The share of cultural goods and services in countries is increasing dramatically and the growth of value systems in these industries, especially in employment and economics, is much higher than in other industries. Changing paradigms in history

has always provided tremendous opportunities for development for individuals and nations who can understand it earlier and explain operational strategies for its development. Cultural industries are value-based and message-based and in this respect, the development of cultural industries will be a key and opportunity for societies that rely on a rich national and religious background with a longer cultural one. Creative industries are prevalent in both policy and academia and the logic of economic development has proven that culture can be a key tool for economic development. We can put fashion into the cultural and creative industries when it comes to this kind of culture. In fact, the fashion industry is a prime example of a customer-driven value chain. Unlike product-centric chains, where profits are derived from scale, volume and technological advancements, there is often no recognition of the value chain of the creative industries and also the responsibilities of each chain. In recent years, the presence of creative industries has been considered as a new way of generating economic growth in Western societies. Today, cultural industries can be called the engine of economic, social and cultural development of governments. Cultural economics means using of economic analysis for all the creative arts, heritage and cultural industries, both public and private. Cultural economics is about the cultural organization and the behavior of producers, consumers and governments in this sector. It comprises a range of radical and neoclassical approaches and perspectives on welfare economics, public policy and institutional economics.

• **Creative economy in the fashion industry**

The term creative economy was first found in 2001 in John Hawkins's book on the relationship between creativity and the economic system. Basics for understanding the creative economy and what constitutes it and how it operates in developed and developing countries are the evolving concepts of the cultural and creative

industries (Malekifar, 2014, 23). Today, there is evidence of the increasing participation of creative industries in the economic growth of countries. National governments are often major funding providers for arts organizations and some types of artists and cultural policy makers are responsible for the planning and formulation of art systems. In addition, governments affect many other aspects of art networks and nonprofit organizations (Becker, 1982, 245). The idea of creative economics in developing countries focuses on the creative assets and rich cultural resources that exist in all developing countries (Lang & Armstrong, 2018, 578). The creative industries that use these resources not only enable countries to share their stories and show their unique cultural identities to the world, but also encourage economic growth, job creation and increased participation in the global economy (Langevang, 2016, 3). According to the official website of the Fashion and Clothing Organizing Group "One of the cultural industries is the fashion and design industry. The industry, besides being completely value-based and ideological and cultural has a very large industrial dimension; an industry that generates employment, profits and value added and mass production. It has expanded to such an extent that the economies of many countries are in the grip of this industry". The volume of working capital, the annual growth rate of the industry, the labor force employed, the cost of production or consumption per capita, the presence of public and private companies in the fairs all indicate the enormous economic power of the fashion industry. For foreign markets, for example, analysts at the Goldman Sachs Institute estimate that the fashion industry in the world is growing at 7% annually, more than twice the GDP of developed countries. The clothing industry is the largest industrial employer in the world. There are more than 23.6 million workers in the industry. In Iran too, the fashion industry is heavily commercialized: increasing number of boutiques, modern shopping malls, free trade zones and the

volume of official imports of foreign apparel to the country indicates the commercialization of the fashion industry in Iran (Shahabi, 2010, 120). Although the fashion industry is part of the creative economy and an innovative sector, there has been little debate on the the national economy, especially compared to other industries such as ICT or biological technology. In fact, the fashion industry has an enormous complete industrial chain that creates thousands of employment opportunities and connects local and global fashion networks. To compete, individual designers and small fashion companies must partner with the media, urban tourism industry and the entertainment, as well as beauty industries. Since fashion is a lifestyle, the fashion industry connects manufacturers of clothing and accessories and professional services to a complete product system (Hu & Chen, 2013, 1083). The fashion industry, as one of the most profitable and invasive cultural industries in today's world, is of a complex nature that any policy-making requires a systematic study of its mechanism in society (Afrug & Mehrbanifar, 2017, 9). Since employment can be considered as one of the most important consequences of cultural industry development, the employment potential of these industries can be significant from the perspective of cultural policy. Another important social aspect of the creative industries relates to their role in promoting social cohesion. There is no doubt that that today the specific dynamics of some of the factors influencing the fashion industry and especially the economic systems, are most likely to be contemplated. Like other countries, Iran needs industrial choices to achieve comprehensive political, economic, social and cultural growth. In this regard, the fashion industry can be a smart choice. Today, the income from the supply of fashion and clothing products is a key factor in the growth of societies' economies and changes in the structure of their value systems. However, retail models, such as lifestyle shopping consulting services may cost more than buying new clothing.

But the estimates of structural equations in the art economy have shown that the fashion industry as a part of the cultural industries plays an important role in developing the economies of countries and creating subjective norms. There are many reasons why the fashion industry needs to be prepared for the future, such as globalization, the adoption of new technologies and the diversification of channels. Globalization has a huge impact on how customers buy and how they respond to their needs. Technology is also moving at a speed never seen before. Finally, the diversity of channels, including the Internet, reflects the industry outlook. All of these forces are capable of changing the value chain of the fashion industry in the future. Given that the present paper seeks to study the fashion industry as a creative cultural industry and its role in changing the value systems of the consumer society, it is necessary to rely on its cultural development characteristics. At the same time, its economic aspects must also be taken into account. "Cultural policy is the guiding values and principles that govern the actions and cultural affairs of every social being; cultural policy is a set of ideal, practical and instrumental goals that a group pursues and uses its power" (Moshabbaki & Khademi, 2010, 136). Based on the aforementioned factors, we seek to integrate deeper and more comprehensive culture and art with the economic outlook of the Iranian fashion industry. Utilizing its multilateral effects provides strategies to enhance competitive power. Therefore, in the second layer, based on the research findings, these strategies will provide some suggestions and explanations for the expected operational output.

Second layer of research: Strategies and suggestions

One of the main proponents of today's societal consumption patterns is clothing and its demand for fashion and clothing. Fashion and clothing are one of the cultural and national elements that influence the change of taste and identity of the audience. This

art-industry is indeed one of the most important phenomena of modernity that affects both art and society. By examining the management and art economics background, the areas in which they provide solutions are: business model development, strategic management, structure management, human resource management and organizational culture engineering, technology and innovation management and cultural policy-making. Given the increasing competitiveness of the fashion industry in Iran and the world, as well as the increasing attention to value-added of this art industry in the ranking of national creative industries, the first step to succeed in this cultural policy-making industry is the right one. The trend of this phenomenon in recent years in Iran due to the cultural policies of the government has been out of business and unofficial. But today, it seems that attention has been given to planners and there are changes and moves. In this regard, the Supreme Council of Cultural Revolution has started a strategic planning for the development of cultural industries since 2009 by forming a group of arts, products and cultural industries at its Center for Strategic Studies. Shortly, the group puts forward the drafting of the “National Document for the Development of the Cultural Industry”. One of the main goals of this manuscript is to give industry and culture sufficient attention to strategic aspects and to provide new solutions in the field of culture. In this draft, content-based production is one of the most common definitions of the cultural industry. This definition encompasses traditional products such as clothing that is based on cultural themes. It is worth noting that compared to many countries especially developing countries, Iran’s fashion industry is relatively mature and diverse. The challenge this industry faces is responding to changing market conditions and taking advantage of the opportunities that the cultural economy of creative industries offers. Because the fashion industry has a special economic, scientific and technological status, high added value and

potential export and explanation of the fashion industry strategy is based on the value chain of the creative cultural industries. The fashion industry’s purpose is not to solve all the issues of growth and development. Therefore, the strategy of cultural development of the fashion industry, based on the goals and prospects of the National Document of Development of the Iranian Cultural Industry, proposes three general strategies for the development of the cultural sector and the economy of the fashion industry (Fig.1).

• Strategy 1: Knowledge management

The environment is constantly changing. As organizations change, the environment responds appropriately. Organizations that are not sensitive to environmental change will lose their position and importance. Knowledge with its innovative and dynamic features enables it to respond to changes in the environment and new social processes. The importance of knowledge and its application in different areas of society as a key to survival and success and to gain a sustainable competitive advantage in the economy as a strategic asset is discussed (Adli, 2008, 3). Dracker believes that in today’s world economy,

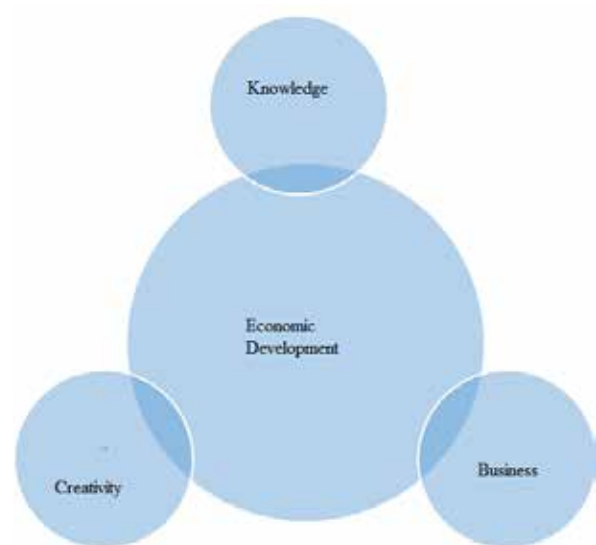


Fig. 1. Strategies for cultural development of the fashion industry. Source: authors.

knowledge as a result of the learning process is like other sources of production such as labor, capital and land, but rather an important resource for the present age (Nikbakht & Tanani, 2010, 5). In the present age, new terms such as the work of the knowledge, the scientist and the organization knowledge have newly emerged and have created a new kind of institution in which the power of the arm is dominated by the power of the mind (Taban Yasini, Shiri & Mohammadi, 2016, 22). Therefore, one of the most important ways of sustainable development and wealth creation today is to make the knowledge power (Nasiri & Karimi, 2012). Also, in response to the needs of contemporary people in the contemporary world, there are many concepts in management knowledge that are such as strategy, marketing, knowledge management, empowerment, order-based manufacturing and mass production. Today, social mechanisms employ these concepts in a creative economy. In the meantime, it is successful in being able to expand and revise its knowledge creation in a timely manner. This discovery requires the identification of motivated and informed individuals, the formulation of efficient training standards and the fundamental changes in the way people think about the relationship between art and economic growth. Today, in the developed world, the mass-consumption modernist production system has been forgotten. But developing countries continue to face a phenomenon called the continuation of the modernist mode of production, called fast mode. In this way, designs presented by the designer, unlike the traditional fashion system, are sold at a low price and change rapidly. To this end, many brands in this system use rapid response strategies to better coordinate supply and demand and increase the performance value of manufacturing companies (McCarthy, 2011, 544). The consequences of using this fashion in Iran are in addition to the inability of manufacturers to compete with the power gained through the transfer of production systems to

countries with large labor and cheap resources. As the fashion industry develops and distributes fashion, the idea of changing the nature of design and shaping the slow mode to accommodate fast-changing and changing consumption patterns in societies has attracted the attention of many interior designers. In this movement, people try not to be limited to clothing and to increase their knowledge of what they use and to make purchasing decisions based on the quality of goods and support for local and handicrafts to support small-scale regional industries and companies (Mo'ini, 2007, 49). What's important to note is: "Designers implicitly shape the tastes of the community. So if they can not explicitly organize this role with knowledge management and if space is designed for those who are new to it but are left empty-handed due to the growth of new technology, there will be nothing left to offer to people's culture" (Sa'idi, 2016: 64). In fact, the creative economy is closely linked to educational systems. Educational spaces often recognize the role of art in shaping individuals' attitudes and social behaviors. In adult education, there are many opportunities to benefit from education in culture and the arts to enhance their understanding of society and its functions (Sohaniyan, Kiyarazm, Movahhed, Keyqobadi, Alavi, Bahriyan, & Fakhra'i, 2014, 311). Among the various centers, the most important ones influencing the growth, development and promotion of each society's development factors are educational centers, especially the higher education centers of each country. There is a reciprocal link between the education system and the creative industries responsible for nurturing skilled and motivated people to join creative work environments. In fact, education and research underpin the formation of principles and standards, with profound implications in any cultural system. According to the scientific roadmap and formulation of the Fifth Development Plan of Iran, one of the main axes of development is the training of skilled manpower to

achieve the goals and to compete with the existing competitors at domestic and international level (Taban et al., 2016, 23). Our success in developing a dynamic and prosperous cultural cluster depends on the development and utilization of our cultural assets. To do this, the integrity of the value chain must be taken into account, the first of which is the training of cultural people. These people who are important parts of the cultural cluster are also applicants for cultural products and services. In fact, the factors that are at the heart of any cultural cluster of activity require specific strategies for survival to improve the quality of life indices. Therefore, training and education of fashion industry activists as well as strategic studies are among the most important indicators of development of the fashion industry in Iran which are defined according to the economic factors and the needs of the target market and the collective taste. Some factors such as incompatibility of current training with market trends, updating of existing training system with global fashion and lack of accurate auditor needs research leads to training designers, lack an accurate understanding of industry and society and lacking the ability to compete for the development of the industry's cultural cluster. Educational standards for the fashion industry also need to be formulated to address the lack of expertise and work skills that will lead to professional incompetence. Appropriate personal, social and cultural education, up-to-date technological and material developments and international trade routes and attention to the individual taste and appreciation of the individual taste of the community are essential factors in creating this culture. Of course, changing themselves require correct and coherent planning and reform. With regard to the findings of the present study, it is necessary to pay attention to some of the proposed and operational principles and strategies. Suggestions for this strategy include:

-Adaptation of current training to market trends;

-Quantitative and qualitative strengthening of methodical and strategic education and studies in cultural and economic fields;

-Identifying motivated and informed individuals in research;

-Nurturing efficient forces;

-Developing educational standards;

-Raising collective taste and awareness through education and research.

• **Strategy 2: Creativity and innovation**

The convergence of multimedia technologies and telecommunications has led to the integration of tools through which creative content is produced, distributed and consumed (Shim, 2016, 40) and at the same time, it has created new forms of artistic and creative expression. No matter how we interpret creativity, there is no doubt that it is one of the key elements in defining and recognizing the cultural industries, creative industries and creative economy. In the age of technology and communication technology in Iran, the fashion and clothing industry have changed dramatically like any other industry; the changes that have forced Iran's cultural policymakers to equip themselves with the tools to advance it in today's competitive marketplace. A key factor in this development can be seen as a more general process of economic policymaking that has led to a new understanding of the concept of innovation. In fact, the creativity that drives the engine and the key element driving the other components of the fashion cycle has given way to copy and mimick imported patterns in interior design. On the one hand, interior designers are attracted to more exterior designs and patterns for maximum economic benefit and on the other hand, the weakness of interior designers in utilizing indigenous ideas and tastes (Afrug & Mehrbanifar, 2017, 13). Creative industries as a key source of skilled forces that are able to generate creative ideas are at the center of attention (Landry, 2017, 124). Economic creativity is a dynamic process that leads to technological innovation, business practices, marketing and is closely linked to achieving

competitive opportunities in the economy. What is certain is that the economic aspect of innovation in the fashion industry is more important than its scientific and technical aspects and there is no doubt that innovation is born of creativity. Therefore, this factor should be the focus of the cultural policy-making of Iran's fashion industry. According to the principles of inclusive quality management, every product or service is influenced by a process that leads to the innovative production of that product or service (Shibar, 2001, 25). Fashion should focus on exploring opportunities, identifying the current model to understand its limitations and assessing the current state of the company, customer needs and competitors' models. On the other hand, due to the lack of economics of fashion and design, it is not possible to grow professional designers who can compete with foreign competitors and global patterns. Nowadays, the fashion industry in Iran has experienced a growing trend and consequently significant advances in art and economics due to the emerging spaces and fields and the cultural and social policy making of the elites, practitioners and activists of this field. In the meantime, it seems necessary to identify the driving forces, factors and intervening factors in this important economic field and to see the increasing trend of the share of fashion industry in the Iranian economy. Suggestions for this strategy include:

- Overcoming innovation by copying imported malformed patterns;
- Creating new forms of production and distribution through the convergence of multimedia technologies and expanding the scope of communication;
- Economic policymaking by expanding the scope of communications and information;
- Cultivating creativity in the fashion industry by fostering new ideas and native designers' tastes;
- Lack of duplication, uniformity, dynamics and innovation in designs;
- Transforming creativity into the driving force by innovating in the style of coverage based on cultural needs;

-Measuring the economic outcomes of creativity in the fashion industry as a measurable social process.

• **Strategy 3: Developing a cultural business**

The fashion industry focuses on cost management by organizing its resources, production and distribution effectively. In today's highly competitive business environment, many fashion companies decide to outsource their operations to a supplier or manufacturer to focus on core operations (Girotra & Netessine, 2012). Creative businesses face numerous economic problems at all stages because market prospects for creative products are unknown. Demand for creative goods is usually more difficult to forecast than standardized industrial products. On the other hand, starting and developing creative businesses requires specific skills in entrepreneurship, art or culture. In the value-chain fashion industry that is customer-centric, the profits are derived from the combination of design, branding and product marketing that allowing retailers, designers and marketers to act as strategic brokers for overseas factories and traders using products in their core consumer markets. The value chain of the fashion industry includes upstream, midstream and downstream activities. Upstream activities include product design and development. In midstream, the manufacturing process is done such as cutting and sewing. Finally, sales, marketing, branding and distribution are considered downstream activities (Fernandes Stark, Frederick & Gereffi, 2011). On the other hand, as industries gain access to superior technologies, the competitiveness of industries over price and product performance is intensified. The new competitive advantage lies in leveraging companies to combine technology, business and art to create and access new markets. Design whose function is to create convergence between these components is a key differentiation strategy for businesses. For these reasons, design is not only a business-critical issue, but also a national one. From this point of view, due to cultural background and national sensitivities, fashion and clothing design in Iran, can be effective

in promoting and developing cultural business as follow:

- Advancement of the innovation process and thereby increase the competitiveness of industries;
- Helping to raise the level of creativity and cultural appeal of Iran to the global elite;
- Strengthening the marketing force and create a unique “brand” for Iran of its worldwide launch.

That is why Iran, like other nations at the level, is developing strategies and policies for the comprehensive development of its fashion industry and supporting it as a key driver of national competitiveness. Fashion should seek to improve its business especially as it brings value-added to customers. Elements of a business model must correctly identify the environment and the customer and move towards technology development in the fashion industry. Building a new value chain starts by sharing information within and outside of the cultural business cycle of the fashion industry, providing the opportunity to make the best possible use of complementary awareness, understanding and trust skills. This interdependence between them is needed to survive in the world of fashion and the competition. Fashion should focus on exploring opportunities, identifying the current model to understand its limitations and to assess the current state of the company, customer needs and competitors’ models. Creating the infrastructure and rules needed to develop the fashion industry business by focusing on cost management. Profitability operations can open up new opportunities for the arts industry to properly understand and analyze its value chain within the cultural industries. As stated above, it seems that the Iranian fashion industry also needs its business development model to create a dynamic and creative environment for the development of indigenous talents and capabilities. As well as promoting and expanding Iranian fashion, Identifying, introducing and supporting Iranian young and creative designers, focusing on the business aspects functionality and understanding of the fashion

consumer market, is one of the top priorities of the fashion industry in Iran. The cultural policy of Iran in explaining the development model of the fashion industry business should provide a context for the communication of fashion industry activists, brands and business owners, promote the fashion industry and enhance its international competitiveness.

Suggestions for this strategy include:

- Creating the infrastructure and rules needed to expand creative business;
- Bringing fashion activists, brands and business owners together and setting the stage for promoting the fashion industry and enhancing international competitiveness;
- Focusing on cost management through effective resource organization, production and distribution;
- Strengthening entrepreneurial, artistic and cultural skills;
- Understanding and properly analyzing the value chain in cultural industries;
- Paying attention to the role and importance of design in cultural economics;
- Providing insights and challenging the fashion industry by creating new opportunities and planning for the future;
- Continuous updating of product range to maintain market value and profitable operations.

In addition, the creative economy development program in the fashion industry should be the link between the production process and the technology-based strategies adopted by the government. In this regard, the goal of the fashion industry development plan is to identify key points that overlap with the goals of the activists and the individuals and stakeholders of the program. Likewise, government goals in developing the fashion industry can dramatically increase production volume. [Table 1](#) summarizes the strategy (macro goals) and goals (micro goals) of the fashion industry’s cultural development program.

Finally, the development of the cultural economy in

Table 1: Goals and objectives of the fashion industry cultural development program. Source: authors.

Strategic Goals	Objectives
knowledge management	Training a new generation of knowledge and information management fashion entrepreneurs
Creativity and innovation	Connecting technological creativity and the economic logic of industry and fashion market with artistic interests and creative ideas
Cultural business development	Proposing value-based development focusing on incorporating the concept of cultural business into the value propositions of the fashion industry

the fashion industry is illustrated by the creation of a model for the creative economy into the Iranian fashion industry (Fig. 2):

Conclusion

Cultural industries can be called the engine of economic, social and cultural development of governments. Governments' awareness of the economic power reinforced by the integration of culture with web and technology has encouraged nations to compete for a better understanding and economic empowerment of cultural industries at different social levels. Today, the cultural sector can produce much more wealth in the economies of countries than other natural resources. Because the fashion economy is one of the most important areas of cultural economy, Iran, like other countries, needs industrial choices to achieve comprehensive political, economic, social and cultural growth. In this regard, the fashion industry can be a smart choice. Nowadays, paying attention to the value systems of production of cultural industries and the fashion market economy as one of the key creative industries in this field is one of the main priorities of economic development planners of Iran. Findings of this study shows that the combination of art, creativity, technology and business, by providing the opportunity for the development of cultural economy, enhances the economic growth of Iran. It seeks to connect technological creativity and the economic logic of the fashion industry and market with artistic interests and creative ideas. Along with the training of a new generation of knowledge-based

fashion entrepreneurs in knowledge management will lead to value-based development focusing on incorporating the concept of cultural business into the value propositions of Iran's fashion industry. Therefore, the commercialization of the fashion industry, according to its cultural development characteristics, can link the production sector to the consumption sector and make the economic flow of the industry positive. In fact, the fashion economy in Iran is an influential and growing trend, which pulls this art-industry out of its homeland and links it with other cultures and with the global flow of economics and information. This is why Iran's economy needs to change its approach to such new economic wave of cultural economy and experience a strategic turnaround. Because in the cultural economy of Iran, creativity and technology, significant wealth and wealth are produced. This is why Iran's cultural policymakers must express their determination to explore the mechanism of exploiting the economic and cultural potentials and capacities of the fashion industry. Changing in the value systems of this art-industry facing with the growing global movement of creative cultural industries transforms it into a new competitive advantage. This discovery entails a radical shift in the way cultural policymakers think about the relationship between art and economic growth. This is the main goal of establishing technical and business interaction and collaboration between designers, manufacturers, suppliers, investors and scientific and training centers. It is expected that the views of the present study would serve the further researches.

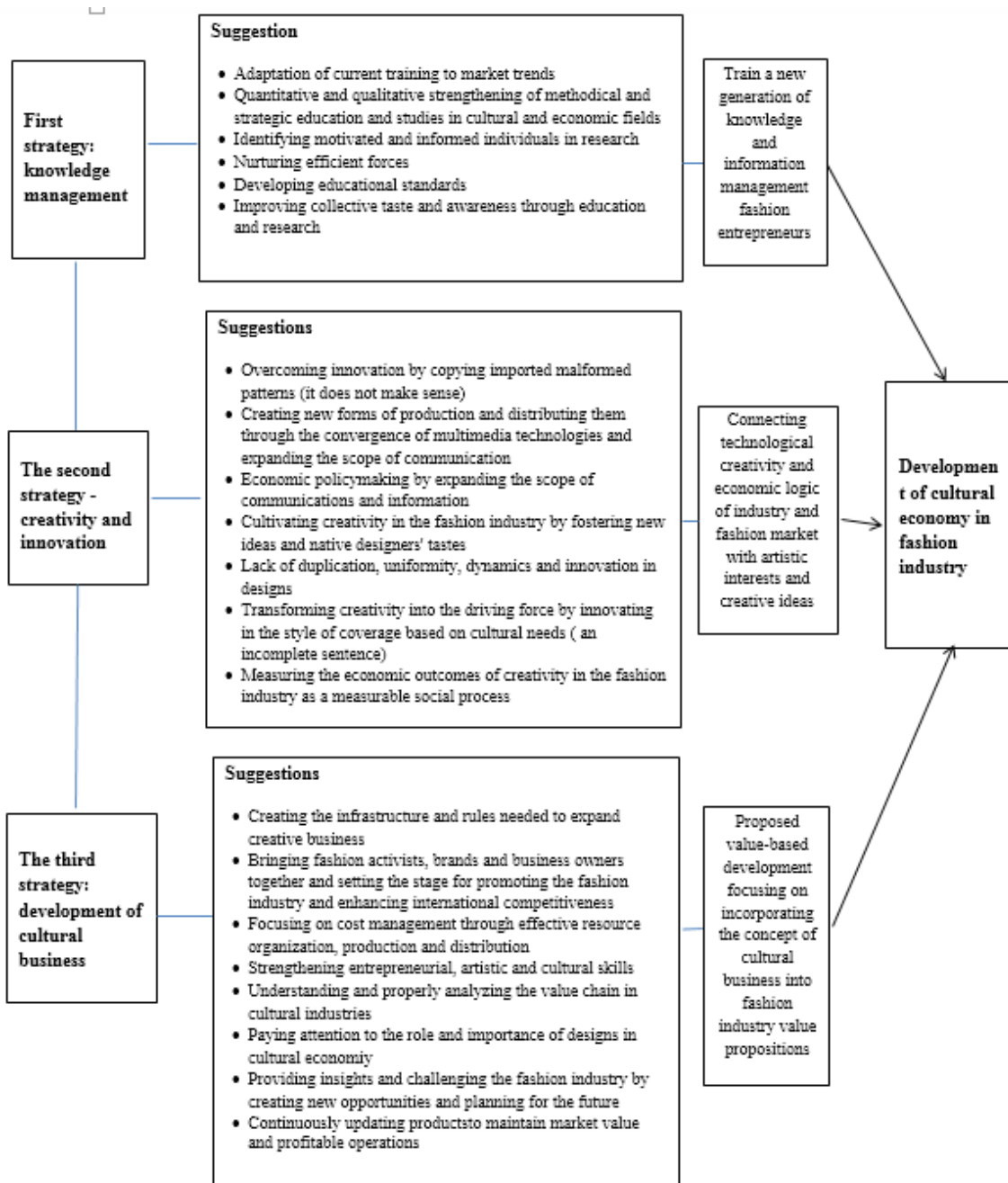


Fig. 2: Application a model for presenting the creative economy in Iranian fashion industry. Source: authors.

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