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CREATIVE ECONOMY: A THEORETICAL IMPROVEMENT OF UNDERSTANDING OF THE NATURE OF THE NEW ECONOMIC SYSTEM

The article reveals the concept of «creative economy» through the prism of its basic and essential elements: creativity, creative industries, creative cities and the creative class. The approach to understanding the essence of the creative economy makes it possible to talk about the relationship of these elements that forms a single system, it is much more resistant to political, economic. or social instability. And this system is endowed with qualitatively different properties, which are entitled to recognize the creative economy of the new phenomenon of economic development.

Keywords: economic system, creative economy, creativity, culture, innovation, creative class, creative city, creative environment, creative industry.

Чуль О.М., Вахович І.М. КРЕАТИВНА ЕКОНОМІКА: ТЕОРЕТИЧНЕ УДОСКОНАЛЕННЯ РОЗУМІННЯ СУТНОСТІ НОВОЇ ЕКОНОМІЧНОЇ СИСТЕМИ

Стаття розкриває поняття «креативної економіки» через призму її основних і невід'ємних елементів: креативності, креативних індустрій, креативного міста та креативного класу. Запропонований підхід до розуміння сутності креативної економіки дає змогу говорити про взаємозв'язок цих елементів, який формує єдину систему, набагато стійкішу до політичної, економічної чи соціальної нестабільності. І така система наділена якісно відмінними характеристиками, що дають право визнати креативну економіку новим феноменом економічного розвитку.

Ключові слова: економічна система, креативна економіка, творчість, культура, інновації, креативний клас, креативне місто, творче середовище, творчі індустрії.

Чуль Е.М., Вахович И.М. КРЕАТИВНАЯ ЭКОНОМИКА: ТЕОРЕТИЧЕСКОЕ УСОВЕРШЕНСТВОВАНИЕ ПОНИМАНИЯ СУЩНОСТИ НОВОЙ ЭКОНОМИЧЕСКОЙ СИСТЕМЫ

Статья раскрывает понятие «креативной экономики» через призму ее основных и неотъемлемых элементов: креативности, креативных индустрий, креативного города и креативного класса. Предложенный подход к пониманию сущности креативной экономики позволяет говорить о взаимосвязи этих элементов, которая формирует единую систему, гораздо более устойчивую к политической, экономической или социальной нестабильности. И такая система обладает качественно отличными характеристиками, которые дают право признать креативную экономику новым феноменом экономического развития.

Ключевые слова: экономическая система, креативная экономика, творчество, культура, инновации, креативный класс, креативный город, творческая среда, творческие индустрии.

Introduction. In an era of extraordinary change and globalization, many scientists recognize that creativity and innovation are the driving force of the new economic system. Businesses, organizations and even regions where the concentration of creativity and creative approaches to management are high enough capacity to generate significantly higher revenues, providing stability in the future. Another important point of view that today the most valuable and significant qualities of the population are high educational and professional skills, intellectual and creative potential. So the appropriate conditions for the development of the creative economy are a top priority of the administration strategy.

Problem statement. So the question of culture and creative industries were the basis for the state program of development around the world. In 2005, the Commission of the United Kingdom of Africa focused on the lack of attention to culture in the development of public policy and their possible danger. In 2007, the European Commission announced the decision to adopt the strategy of economic growth, which is based on the role of culture and intercultural dialogue in such growth. The effectiveness of these policies is obvious. Already in 2011, the UNCTAD report on the development of the creative industry indicated that its share in the GDP of the European countries is 3-5%, which can increase not only employment at 2-3%, and also to

achieve sustainable socio- economic and cultural development of the nation.

The study of the role of the creative economy in regional and national development involved Hawkins J., Florida R., Landry C., Newbigin J., Trosbi D., Miloslavsky I., Visokovsky A., Zelentsova O. In Ukraine the creative economy was studied by Brykova I., Chuzhykov V., Antoshkina L.

Although the role of the creative economy for ensuring economic and social stability is apparent, and proven by a global research, for Ukraine it is still not disclosed. First of all, it concerns to the proper understanding of the essence of the concept of creative economy, the concept of development, implemented by the Ukrainian policy.

The aim of article. It is, therefore, the aim of article is to analyze the conceptual approaches to defining the essence of the concept of creative economy, to describe its features.

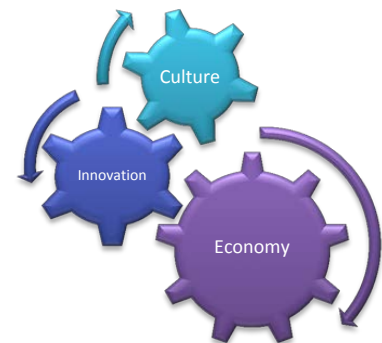


Fig. 1. A new type of relationship in the creative economy

Main results of the research. Analysis of studies on the creative industry has shown that it is unique in that it is based on the potential of unlimited global resource the human creativity, and not to optimize limited resources (as in traditional manufacturing industries). In addition, the creative economy, in contrast to traditional economic systems is determined, particularly close connection of culture, arts, economics, business, society, innovation and science. Because of the close relationship the creative economy is often defined as cultural economy.

To some extent these hypotheses are true, because the foundation of the creative economy are the sectors, that have moved from exclusively social (cultural), and increasingly become the object of sale, taking significant market share.

So, the researchers of the Department of Culture, Media and Sport UK, describes creative economy in view of its three aspects: economic, social and technological. The researchers argue that creative economy exists there, where overlap all aspects.

A significant complication in the interpretation of the concept of the creative economy in the Ukraine is the lack of clear boundaries of this economy. In Ukraine, the situation is complicated by the lack of clear legislative regulation of the industry forming the creative economy.

An important condition for the transition to creative development and a major source of human progress becomes a creative activity as a result of which created a new, unique product that serves as a basis for creating creative class. In this regard, the most valuable and significant qualities of the population are the high educational and professional skills, intellectual and creative potential.

Meanwhile, the transition to innovative and creative phase in the development of society made possible by a number of circumstances. First of all, these processes is associated with the transformation of science into a direct productive force, the source of technological change. Also undergone profound transformation of all components and factors of production such as means and objects of labor, energy, technology and the organization of production, communication and communication management.

In general, if we consider the historical background of the formation of the creative economy, it is advisable to define its characteristic differences from other types of economic systems (Fig. 2).

In this context, the transition from industrialism to the information age can not be considered the equivalent of a historic transition from an agricultural to an industrial economy. Formation of the information age has covered all areas and sectors of the industrial economy, changing its size, dynamic and inner meaning.

As part of a new technological paradigm emerging information architecture (based on biotechnology and genetic engineering), information processing (based on high technologies, innovation and flexibility) and information service industry (based on computer technology and telecommunications) [6].

New information and communication technologies, the introduction of traditional activities and improving their structure, enhances the level of sci-

ence of products in traditional activities, increases the amount of new high-tech products and services and, ultimately, changes the priorities of these industries.

The new knowledge what are generated by science, the preparation of high-quality human capital, creating additional wealth of manufacturing sector and business are an integral component of modern society based on knowledge. In such a society, there is a gradual replacement of traditional industrial means of production by a new, that produce advanced knowledge and which created more wealth.

Therefore, knowledge becomes the subject of an independent economic analysis, its value and importance in the production is increasingly growing. And with this its role is increasing in economic development. Subsequently, the main focus on understanding the processes of modern regional development is increasingly transferred to the role and importance of culture in the formation and the necessary conditions for further development of the society on the path of social progress and order. The role of engine of change is increasingly assigned to culture. Today the beginning of the strengthened understanding that impulses arising in the development of human culture are define ways to further changes and generate an image of the future society. Culture, which affecting people, their ideas, behavior, type of emerging social relations in society, now is the main source of all the changes and the choice of new ways of organizing society, political and economic structure of society.

So, raises the question about need to review the existing strategic directions of national and regional economies and the creation of new innovative models of development that would reinforce the importance of the creative component of regional development.

Obviously, the creative economy has certain distinctive features in comparison with traditional economic systems. Therefore, we consider it appropriate to define the «limit» of creativity, its nature and role in the formation of the new characteristics of economic relations and, on this basis, to the improved the socio-economic development.

Actually the concept of «creativity» in English literature usually means everything that has direct involvement in the creation of something new, the actual process of the creation, the product of this process and its subject, the circumstances in which the creative process is; factors that contribute to it, etc., that «creativity» is treated as a synonym concept «cultural»

The market economy	The information economy	The innovative economy	Knowledge Economy	Creative economy
the limited government intervention in economic activity, the diversity of ownership of the means of production, the market pricing, a marketing management system of production, a flexible economic system	computerization and automation of business processes, the growing importance of IT industry to the economy, significant increase in information component in the cost of products and services, the transformation of information products in one of the main products.	the high level of education and science, the high share of innovative enterprises (over than 60-80%) and product innovation, a competition and high demand for innovation, initiation of new markets, principle of diversity of markets.	the high proportion of high-tech sector in the structure of social production, deepening the integration process, the international division of labor, specialization and cooperation, the total intellectualization and informatization of social and economic relations	the prevailing proportion of manufacturing intelligence (spiritual) economic production of material products of economic output, the base of consumer economic value of products is their intellectual component, the main economic resource of society is the creative activity of man, free, effective and purposeful exchange of creative energy among all market participants.

Fig. 2. Comparative characteristics of economic systems*
*developed by the author

Given the fact that modern conditions of development in the center of the economic system put a person's interest, his capabilities and performance, then in this position creativity can be seen as a specific individual's ability to create, innovative thinking and so on.

I. Miloslavskiy calls creative work, which not only puts forward the idea, but also brings them to the concrete practical results [1, p. 21-24]. V. Druzhinin believes that creativity can exist only under favorable environmental conditions. Creativity is formed through the development of personal traits, talents and abilities argued E. Alfeyev and A. Matyushkin. From this position, we draw attention to the fact that the creative economy can be called that, which enables its the central subject the person which can easily use their skills, ideas and which will be used for a specific product with a competitive advantage. Herewith, worth noting the importance of an enabling economic, political and social climate, the role of government in the implementation and promotion of the creative product.

A. Vysokovsky defines creativity as «the ability of the subject to create not only new products but also new algorithms to create these products, as well as schemes and algorithms to generate the most new algorithms» [2]. In addition, he argues that creativity has become an indispensable attribute of any business because it has long come out from a more complex social and technological level. And along with this scientist believes that «breakthrough» of creative activity should be expected at the regional and at the sectoral level. He believes that the creative approach, with industrial components, such as new technologies and the widespread use of entrepreneurial skills for the sale of creative industries goods will be most effective in areas such as education and culture.

For J. Howkins' creativity is not a new concept, but the new is «the nature and extent of the relationship between creativity and economy, the resulting is the creation of extraordinary value and wealth» [3].

J. Howkins' researches built around solving the problem of creating an environment in which can stimulate and strengthen, both individual and group creativity. J. Howkins pays special attention to the state of the relationship between the creative person and the environment in which the person exists. He gives this relationship the following criteria such as diversity, adaptation and learning that will certainly contribute to the formation of human creativity. He focuses on the fact that all kinds of creativity required three conditions as individuality, originality and meaningfulness.

Thus, creativity for J. Howkins put forward certain requirements for the modern person. The study by J. Howkins shows how ideas are formed and developed as they transfer from one sphere of activity to another. He emphasizes on the need to develop a regional intellectual environment in which ideas come to life, become a social and economic dimension. While J. Howkins says that creativity itself, as a characteristic of human activity does not have the added value, so the formation of the latter must be designed and implemented in products.

Therefore, the basis for the formation of the concept of the creative economy should include an understanding of the nature of creativity, which we define as the dynamic characteristics of the process, which is an attribute of any activity and is characterized by flexibility, originality and speed solution of the task in accordance with the terms of development.

R. Florida describes the creative economy from the standpoint of presence in the region the creative class. According to R. Florida «the fundamental difference

between creative and other classes is that how they get their money. Representatives of the working class pay for performance under the plan, while the creative class gets money by designing and creating something new, and does it with a high level of autonomy and flexibility» [4, p. 23].

According to the presented theory, the difference between the members of the creative class is a special motivation in their careers. Money for them is not the main factor in job satisfaction, the most important for them is the content, the ability to test themselves, to achieve their professional assessment of achievements. One of the core values of the creative class are their individualism and freedom.

In their research by R. Florida revealed a number of trends that suggest new geography of creativity. Key findings from the research conducted by R. Florida can be summarized as follows:

1. Creative class leaves from traditional corporate communities, working class.

2. Creative centers tend to be characterized by a high concentration of the creative class, creative economic outcomes in the form of innovation and growth in the technology industry. They also show clear signs of overall regional sustainability, such as increased of employment.

3. The development of the creative centers (cities and regions) depends not only on traditional economic factors such as the availability of natural resources or infrastructure, and on active government policy to promote the creative class. The focus here is on creating an integrated ecosystem, on the close relationship between artistic, cultural, technological and economic aspects.

4. The creative class will be there, where there are open to all resources, where there is the opportunity to realize their creative possibilities.

A unique characteristic of the creative class is that its members engage in innovation activities, formed a new structure, which transferred not only on individual development, but are the foundation of regional economic development. The main difference between the previous generation of innovators and today's «creative class» by R. Florida is the level of education that leads to a higher quality of human capital. A unique characteristic of the creative class is their ability to apply fundamentally new strategies to solve problems.

Based on the theoretical study of the creative class, we define it as part of the population that is within their activity becomes innovator and generator of economic development through the creation of new ideas, new technologies and new creative content.

Important in the creative industry, especially in terms of implementation capacity of the creative class is fostering a creative environment. This theory of creative economy was developed by C. Landry. He emphasizes that for the creative economy is an important urban space is completely different than the traditional economy, and which characterized its openness and concentration of social exchange.

C. Landry's theory of creative city is based on discovering of 3 features contemporary urban space as diversity, identity preservation and use of creativity.

Summarizing the urbanists theory about the creative environment C. Landry gives it the following characteristics [5]:

- the presence of deep knowledge in combination with a set of skills, as well as people who want to communicate with each other;
- the possibility of overcoming the uncertainty of changes in cultural, scientific and technical sphere;

- the opportunities for spontaneous communication that creates a favorable atmosphere for the development of diversity;
- the interdisciplinary and synergy that promotes connections between science and art.

Thus the idea of the creative city is presented as a form of strategic planning aimed at achieving specific goals. And these objectives are to ensure the implementation of the creative class and its creative ideas and on this basis to ensure sustainable socioeconomic and social development of the territory (region).

If it becomes clear, that the basic conditions of formation of the creative economy and its key «element» are the creativity, the creative class and creative environment, but then there is a question about range of industries that form the creative economy, defining its boundaries and peculiarities.

The question about the «use value» of creative industries, combining economic and cultural side was endeavor by D. Trosbi. For creative industries he offers such special features:

- 1) the cultural industry activities involve some form of creativity in their production;
- 2) the cultural industries relate to the generation and transmission of symbolic meaning;
- 3) their production represents at least potentially, some form of intellectual property.

Based on the first two features of the interpretation of the concept of creative industries by D. Trosbi, closely intertwined with the concept of cultural industries. But D. Trosbi extends his analysis of the creative industries, providing them with a certain level of technological and scientific. Therefore, the researcher argues that such industries must concentrate on creating intellectual products, which is formed due to the intellectual, moral behavior of individuals, its beliefs, values, norms, and other manifestations of creativity in society.

According to the Trosby's theory of creative industry, its are those areas where there are a certain percentage of the value of cultural goods. However, the author suggests that cultural value can occur in the production of traditional industries.

Overall, international experience interpretation of the essence of creative industries makes it possible to identify a number of values which are its qualitative characteristics and differences from the traditional areas of production. Thus, the researchers say that the creative industries are endowed with the following values: aesthetic (display of harmony and beauty), spiritual (filled with spiritual content), social (networking opportunity in society), historical (are the object of a particular historical epoch, thus provides a sense of the past with the present).

Obviously that the main features of creative industries are:

- 1) the cultural diversity;
- 2) an innovation;
- 3) the high science production;
- 4) the intellectual capital as «initial deposit»;
- 5) the protection of intellectual property;
- 6) the enhance the role of human capital;
- 7) the flexibility in decisions made;
- 8) the expression of creative ideas;
- 9) an individual approach to creating creative products;
- 10) a part of creative goods in international trade;
- 11) a close relationship of art and business.

Analyzing the global experience of forming industries of creative economy, we believe it appropriate to

consider them in a somewhat broader sense, which will comprehensively assess the nature of the creative economy and its impact on regional development. This is because the system of creative industries, in our opinion, is not only based on the scope of the cultural traditions and heritage, but also on the high-tech industry, development of which is conditioned by the rapid spread of innovation and communications technology.

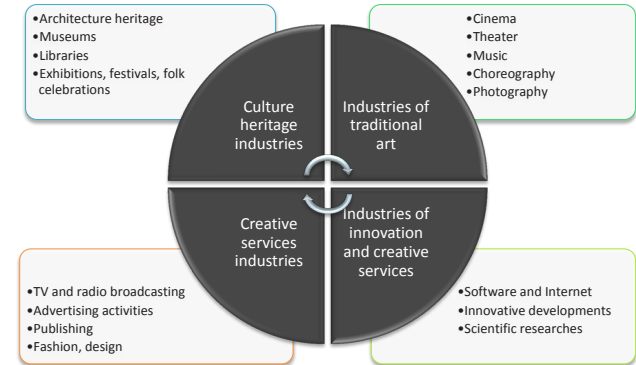


Fig. 3. The system of creative industries*

*developed by the author

However, the clear distinction between each of groups of creative industries do not exist, due to the fact that creativity as a key feature of it penetrates into all spheres of social and economic activities, thereby erasing the barriers of traditional manufacturing and converting them to the creative group. Culture and creativity, innovativeness and innovation, ensuring the formation of a one creative product promotes to the other, so their relationship is enhanced and formed a system that is more resistant to political, economic, or social instability.

Therefore, the creative industry is defined as areas in which closely linked art, culture, innovation and business, and is based on the use of human creativity, and enhanced development of new information and communication technologies.

The analysis makes it possible to talk about the lack of a common understanding of the nature of the creative economy as a new phenomenon of economic theory. However, it is evident that the creative economy considers the culture and innovation as the main source of technological breakthroughs and regional development.

We believe that the best nature of the creative economy can reveal through its basic categories as creativity, the creative class, the creative industries, the creative environment (creative cities). If all components are available and with active government support for their formation, we can speak of the creative economy. So the creative economy, we identify as the part of the national economy, which characterized by a close relationship and the integration of art, culture, entrepreneurship, innovation, based on the intellectual property and the creative potential of people and aims to achieve social and economic outcomes (Fig. 4).

Conclusions. The creative economy, on the one hand, provides mobility, access to global mar-

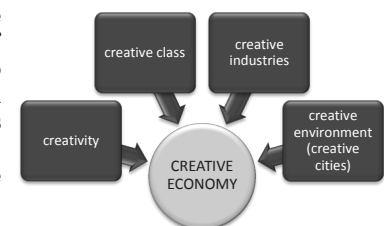


Fig. 4. Author's approach to the category «Creative Economy»

kets, forms a design thinking, using a wide variety of resources contributes to the development of the human personality and trust in society, and on the other develops and preserves the culture, history and traditions, urban regeneration and formation of urban space.

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