

## CREATIVE ECONOMY DEVELOPMENT IN THE GLOBAL WORLD

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*Global trends in the development of the creative economy indicate its growing role in forming the world market for goods and services, as well as opportunities for growth in its future. Despite the challenges of the global economy, the creative economy is showing positive trends to increase its part in the formation of world gross domestic product and a significant contribution to the world trade. The author (based on the analysis of the post-industrial society's components) summarizes the main prerequisites for the formation of the creative economy, substantiates its components and factors of formation and development. It is determined that the main drivers of creative economy development are human capital and its creativity, as well as technological, economic and social paradigms of social development, which have formed an environment of favorable opportunities and resources for its development and growth.*

*Key words: creative economy, driving forces, develop, global world, human capital.*

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### STATEMENT OF THE PROBLEM IN GENERAL AND ITS CONNECTION WITH IMPORTANT SCIENTIFIC OR PRACTICAL TASKS

The post-industrial era of the world society has laid the foundations for global transformations of the economy and social sphere, markets and capital, production factors and social resources. It is the era of technological revolution, which led to the "machine" replacement technology with the intellectual one, the usage of electronic technology, the transition to digital methods of processing and storage any information, software production; it is the information revolution, characterized by the dynamic developing of information technology and new industries, which has shifted the emphasis in the role of public resources from labor and capital to knowledge and information.

Modern trends in the development of the world economy - globalization, intellectualization and creativity contributed to the shift of priorities to human, intelligence, creativity, and talents. The creative economy, which is an environment for the development of talents, is actively developing, which increases attention to the issues of forming a new quality of human capital.

### ANALYSIS OF LATEST RESEARCH AND PUBLICATIONS

The topic of the creative economy development is relevant and has been reflected in the scientific research of foreign and Ukrainian scientists: Parris D., Anantrasirichai N., Bull D., Correa-Quezada R., García J., Rama D., Maldonado-Erazo, Graham S., **Grotenhuis F.**, Florida R., Tinagli I., Howkins, J., **Kalenuk I.**, Ushkarenko Iu.V., Chmut A.V., Syniakova K.M., Chorna M.V., Bredikhin V.M. and other. However, this sector of the global economy is gaining new dynamics and will grow further research.

### THE ARTICLE PURPOSES FORMULATION

The purpose of writing the article is to define the role and place of creative economy in the world and main factors of social progress and the transformation of creativity into the driving force of social modifications.

### MAIN MATERIAL PRESENTING

Post-industrial society is primarily characterized as a society of knowledge, high technology and services aimed at meeting a wide range of material and spiritual needs of people that radically change the quality of their lives: working conditions, life and leisure.

The comprehensive penetration of modern information technology into all the spheres of life has accelerated the process of information processing, increasing the role of knowledge, the paces of their growing, exchange and dissemination, which contributed to the improving of educational technologies and changed the basic content of education - to teach people to learn.

Each stage of civilizational development was characterized by the strength of the information influence on the human intellect, and as a result of that new needs arose and various means of their satisfaction were sought (scientific and technological revolutions). Finally, the formation of personal and professional qualities of a man and his professional preferences was happened thanking to information spreading through education (as a means of its dissemination and transmission). The knowledge gained in

this way and the acquisition of professional experience contributed to the development of talent, which determined the uniqueness of an individual.

That's why we can assume that the driving force of the evolution of socio-economic relations, technological models of civilization was information and its global penetration into the nature of human relations. It means that the volume of information flows, time, place, methods of processing and scope have influenced on the change of human needs and their life values.

Scientific-and-technological revolutions, generated by the synergy of knowledge and information, led to the emergence of techno-socio-economic paradigm, where the key role belonged to the human capital as the main resource of economic development. Technological changes, access to information have affected not only the economic but also the social developments of countries. Gradually, the formation of a favourable social environment was happened under the influence of these factors, which, in turn, gave impetus to the dynamic developing of culture as a realization sphere of people's creative individual abilities. Just this integration of culture, information and innovation with individual ingenuity and entrepreneurial talent have formed the basis for the development of a creative economy, the core of which is human capital, which embodies intelligence, creativity and entrepreneurial talent (Fig. № 1).

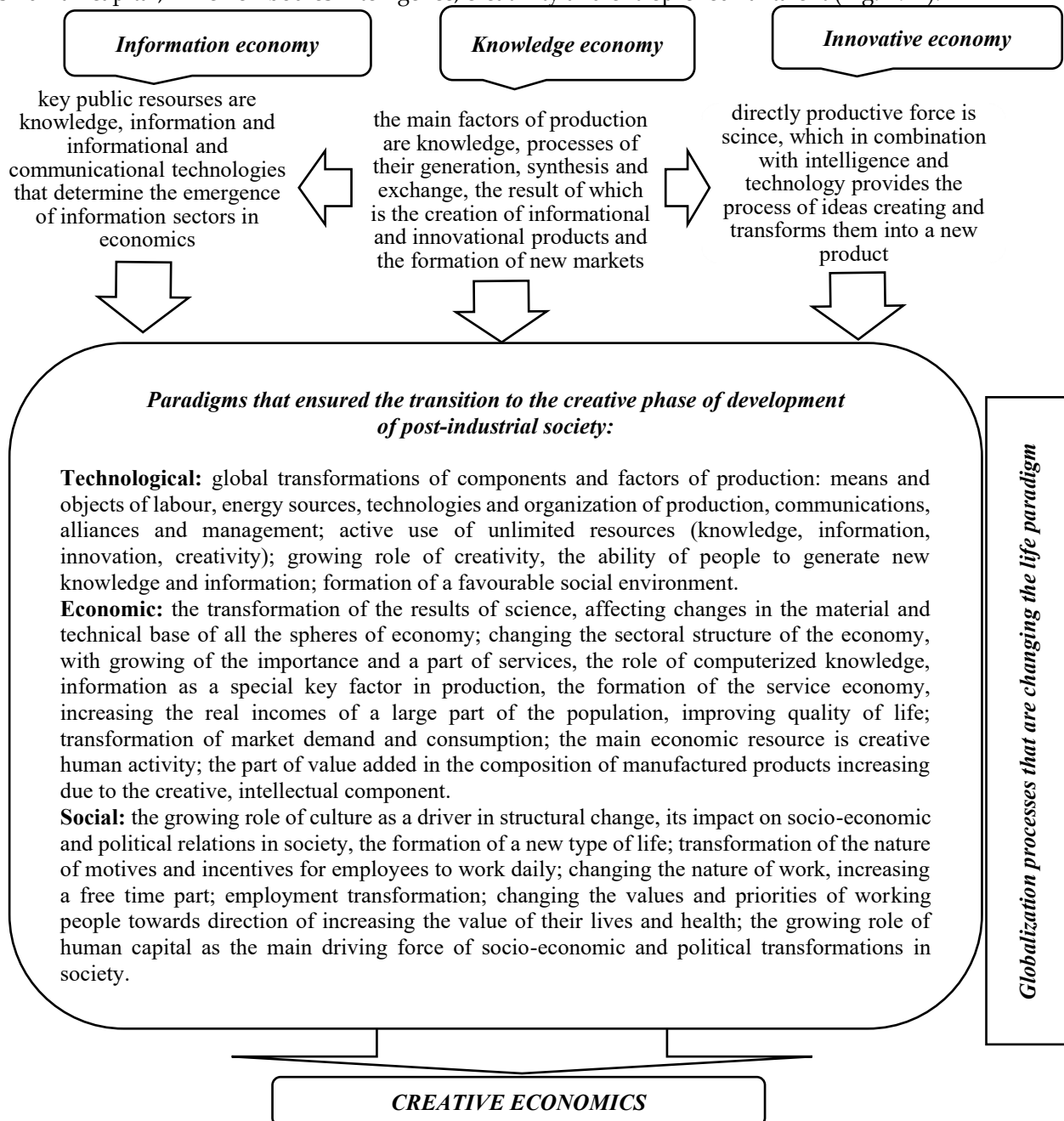


Fig. № 1. Prerequisites for the formation of a creative economy

Source: created by the author

The main factors of social progress and the transformation of creativity into the driving force of social modifications were [1]:

- 1) a sufficient level of satisfaction of the material needs of most people due to the relatively short working hours;
- 2) the growing role of science and knowledge as a direct productive force, the growing dependence of knowledge carriers and their values on the level of education and involvement in intellectual activity;
- 3) radical changes in consumption, where the emphasis is shifted to intangible goods, and human assimilation of information, the ability to generate new knowledge make consumption as an element of production.

Unlike labour, creativity is the highest and the most perfect type of activity; its motivating motive is related to the inner needs of the individual, the desire for self-realization, development and increase of his knowledge and capabilities. As a person's ability to create something original, subjectively or objectively new, creativity has always existed, but as an economic phenomenon, it was not known to either pre-economic or economic society [1].

The key factor in the change of social formations was the evolution of human needs, which according to Abraham Maslow's theory of motivation are primary (by natural origin) such as the need for food, water, warm and acquired (social ones) such as the need for communication, knowledge, self-realization, personal growth and intellectual search. To meet the human needs, their market developed, which was increasingly aimed at meeting not only primary needs but also social ones.

There have been significant transformations in market terms of supply and demand. Due to large-scale automation of production processes, the product was improved and, accordingly, the need for manual labour was reduced, which led to the release of part of the labour force from the industrial sphere. Thus, workers were displaced by industrialization and they were gradually moving into the service sector, in particular in the cultural and creative industries, where a creative product was formed, and which was more attractive in terms of content and quality when lifestyle and their market value was above average.

New industries arose on the basis of the development of new communication technologies, each of which developed due to the need for competencies and ideas. Gradually the processes of commercialization of cultural industries were taken place, in particular the field of entertainment, which became the real players in the market of creative products and increasingly became more and more competitive. As for market demand, it has also undergone significant changes due to the gradual increase in the solvency of customers, increasing the budget of free time and growing interest in recreation interested with elements of entertainment. People began to spend their incomes more on entertainment than on household chores and food [2, P. 8-9].

Thus, it can be stated that the concept of "creative economy" combines the contents of "information economy", "innovation economy", "knowledge economy", and its formation is due to technological, economic and social paradigms of society, which formed the organizational basis, resource and institutional support to transform it into "an evolving concept that is evolving and based on the interaction including human creativity, ideas and intellectual property, knowledge and technology" [3].

Today, the creative economy is one of the most dynamic sectors of the global economy with a powerful force of socio-economic development transformation, and creative change is becoming one of the main social laws of social development, where the main part of the social product is created by intelligence, creativity and new ideas.

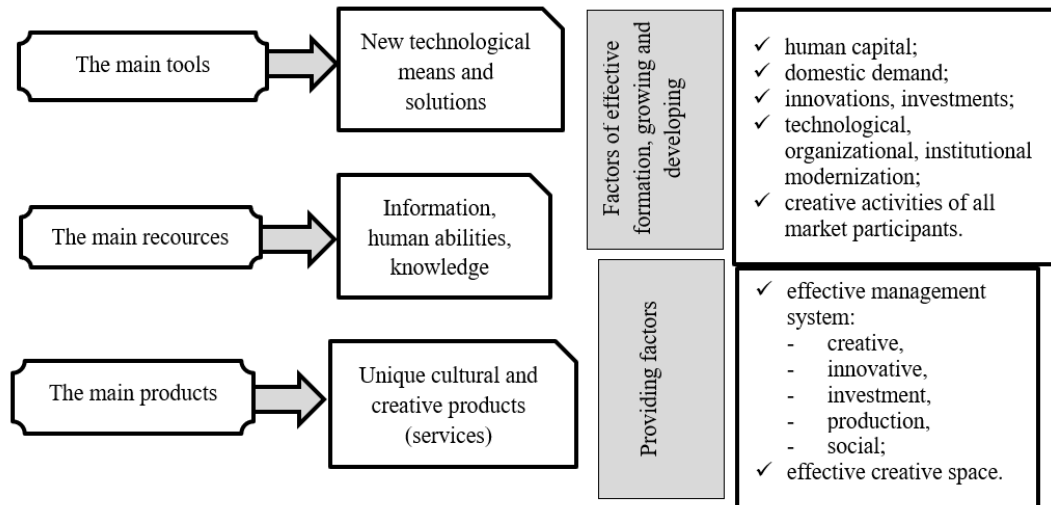
The main factors of effective formation, growth and development of the creative economy are: creative development of human capital, the existence of domestic market demand for creative products, innovation, investment in creative content and talent, technological, organizational and institutional modernization of the creative sector; creative activity of all subjects of the creative products and services market. The system of effective management, including its creative, innovative, investment, production and social components, acts as providing factors and effective "soft infrastructure" (creative space). (Fig. 2).

The creative economy in the world has developed dynamically over the last decade and today a prominent place in a significant sector with the potential of highly developed creative human capital takes place in the economy of many developed countries. According to the UNCTAD report "Creative Economy Outlook. Trends in International trade in creative industries 2002-2015. Country profiles 2005-2014 « the size of world exports of creative goods has expanded significantly and more than doubled: from \$208 billion to \$509 billion with an average annual growth rate of 7% (for the period from 2002 to 2015).

During the same period, world imports of creative goods developed with an average annual growth rate of 5.1%, increasing from \$227 billion to \$454 billion. The available data shows that world

exports more than double from \$208 billion in 2002 to \$510 billion in 2015 while imports nearly double from \$227 billion in 2002 to \$454 billion in 2015 generating a trade surplus of \$55 billion in 2015 [6].

China remains the world's leading exporter of creative goods, with exports four times more than US exports totalling \$168.5 billion in 2015.



**Fig. 2. Components and factors of formation and development of creative economy**

Source: created by the author basing on [4, 5].

Thus, for the period from 2002 till 2015, the turnover of creative goods in China has increased more than five times: from \$32 billion to \$191.4 billion with an average annual growth of 14% [7].

China's cultural and creative sector accounts for 2.45% of GDP or € 50.32 billion in value added, which is 6.4% higher than economic growth as a whole. In Europe, the region's cultural and creative sectors accounts for 2.6% of EU GDP with a turnover of more than € 645 billion (2003), which is significantly more than that generated by the car industry € 271 billion (in 2001) and ICT producers € 541 billion (in 2003) (tabl. 1).

Table 1.

**The role of the creative economy in the economic development of the EU and China**

Economic data	EU	China
Turnover	More than € 654 billion in 2003	€ 47.6 billion in 2006
Value added to GDP	2.6% of EU GDP in 2003	2.45% of GDP in 2006
Employment	In 2004, almost 6 million people were employed = 3.1% of total employed population in EU27	In 2006, 11.32 million employed = 1.48% of total employed population
Trade	The export of cultural services from the EU 27 to China has increased, growing from € 31 million in 2004 to € 49 million (+58%)	China has become the third largest exporter (€ 3.7 billion) and the sixth largest importer (€ 2.2 billion) of cultural goods in the world in 2005
Contribution to growth	12.3% higher than growth of the general economy	6.4% higher than growth of the general economy

Source: [8].

Together the Association of South East Asia Nations (ASEAN) 3 1 and the European Union regional powerhouses dominate the export of creative goods. Among developed regions, Europe (28) 2 is the largest exporter of creative goods. In 2015, exports of creative goods from the European Union stood at \$171 billion compared to \$85 billion in 2002, a doubling in trade. Annual average growth rates for creative goods exports are at 5.5 per cent, for the European Union (for the period 2002-2015). The cultural and creative industries employ nearly 12 million people in the European Union region [6].

**CONCLUSIONS FROM THIS RESEARCH AND PROSPECTS FOR FURTHER EXPLORATION IN THIS DIRECTION**

So, it can be stated that despite the challenges facing the global economy today, the global creative economy positions itself as generally stable and growing, it has a significant impact on the world trade market. The cultural and creative sectors of the creative economy are important drivers of innovation in other fields and sectors of the world economy, and the driving force of the creative economy is its human capital, where combination with modern global communication networks and information technology,

education and science, investment and government support provide its dynamic development, and its great role in economic growth of the world.

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## РОЗВИТОК КРЕАТИВНОЇ ЕКОНОМІКИ У ГЛОБАЛЬНОМУ СВІТІ

Наталія КУЗНЕЦОВА

Черкаський державний бізнес-коледж

*Глобальні тенденції розвитку креативної економіки засвідчують про її зростаючу роль у формуванні ринку світової торгівлі товарами та послугами, а також можливості зростання її обсягів у майбутньому. Незважаючи на виклики глобальної економіки, креативна економіка демонструє позитивні тенденції до зростання її частки у формуванні світового валового продукту та значного внеску у світову торгівлю. Автором на основі аналізу складових постіндустріального суспільства, визначено основні передумови формування креативної економіки, обґрунтовано її складові та фактори становлення і розвитку. Визначено, що головними рушіями розвитку креативної економіки є людський капітал та його креативність, а також технологічна, економічна і соціальна парадигми суспільного розвитку, що сформували середовище сприятливих можливостей та ресурсного забезпечення для її розвитку та зростання.*

*Ключові слова:* креативна економіка, рушійні сили, розвиток, глобальний світ, людський капітал.