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## THE ESSENCE OF CREATIVE ECONOMY

Kotlyk A. V.<sup>1</sup> and Dmitriiev K. I.<sup>2</sup>

<sup>1</sup> Simon Kuznets Kharkiv National University of Economics/Management and Business Department, Kharkiv, Ukraine

<sup>2</sup> Pavlovka Open-Air, Kharkiv, Ukraine

**Abstract** — This paper discloses the essence of creative economy and creative industries. It provides the classification of creative industries with examples for each class.

**Key Terms** — Creative economy, creative industry, creativity.

Event industry is the part of creative economy – one of the most dynamic sectors of the global economy with a powerful transformative force for socioeconomic development. The creative economy deals with the interface between economy, culture, technology, and social aspects. Having creativity as the main driver, the sector is concentrated around products and services bearing creative content, cultural value and market objectives. Creative goods and services are resilient products for they rely on ideas, knowledge, skills and the ability to seize new opportunities.

John Howkins has introduced the term “creative economy” in 2001, applying it to the arts, cultural goods and services, toys and games, and research and development [2]. The most common models of the creative economy share many elements. Howkins’ creativity-based model includes all kinds of creativity, whether expressed in art or innovation. The narrower culture-based models concentrate on arts, design and media and are normally restricted to nominated industries. The term increasingly refers to all economic activity that depends on a person’s individual creativity for its economic value whether the result has a cultural element or not. In this usage, the creative economy occurs wherever individual creativity is the main source of value and the main cause of a transaction.

The term “creative industries” has being appeared about twenty years ago to define a group of activities, employing creativity as the main asset. Some of these activities are amongst the oldest in history while other have being recently appeared with the advent of digital technologies. Many of these activities had strong cultural roots and the term ‘cultural industries’ was already in use to describe theatre, dance, music, film, the visual arts and the heritage sector, although this term was itself controversial as many artists felt it demeaning to think of what they did as being, in any way, an “industry”. “Industries” or not, no one could argue with the fact that these activities – both the narrowly defined cultural industries and the much wider range of new creative industries – were of growing importance to the economy of many countries and gave employment to a large number of people. Creative economy did not constitute an easily identified industrial ‘sector’ in the way that aerospace, pharmaceuticals or automotive are seen as sectors, one thing all these activities had in common was that they depended on the creative talent of individuals and on the generation of intellectual property. In addition, to think of them as a “sector”, however arbitrary the definition, drew attention to the fact that they were part of or contributed to a wide range of industries and professions, from advertising to tourism, and there was evidence that the skills and work styles of the creative sector were beginning to impact on other areas of the economy, especially in the use of digital technologies [3].

As creative industries are the constituent parts of the creative economy, it is important to define them. The examples of creative industries are provided in tab. 1.

Table 1

**Creative industries classification  
(based on [1; 2])**

Area	Domains	Examples
Heritage	Traditional cultural expressions	Art crafts Festivals Celebrations
	Cultural sites	Historical Monuments Museums Libraries Archives
Arts	Visual arts	Painting Sculpture Antique Photography
	Performing arts	Events Live music Festivals Theater Dance Opera Puppetry Circus
Media	Publishing and printed media	Books Newspaper Press Publications
	Audio-visuals	Films Television Radio Broadcasting
	New media	Digitized Content Software Video games Animations
Functional Creations	Design	Interior Graphic Fashion Jewellery Toys
	Creative services	Architecture Advertising Creative R&D Cultural services Digital Services

With expanded human creativity and the development of digital media, boundaries of a modern creative economy continue to evolve. New startups in this area are continuously appearing, joining different creative industries and creating new. New ventures are appearing in fashion, music, films, architecture, design, tourism, museums and so on.

Notable entrepreneurial successes in the creative economy include Etsy, Netflix, Entertainment Arts (EA), Pixar, Adobe, and Flickr. 2014 data show that three of the top venture capital backed companies in terms of ROI belonged to the creative industries: advertising (WhatsApp), culinary (Seamless), and photography (Go-Pro) [4].

Moreover, we agree with J. Howkins who said creative economy is not limited by creative industries: it refers to all cases where value is based on imaginative qualities rather than the traditional resources of land, labor and capital [2].

So creative economy has huge commercial potential, but it is not so easy to employ it as the output of creative industries is unique, difficult to be measured and estimated. This means creative economy requires new managerial approaches.

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**Authors**

**Kotlyk Andrii**, Associate Professor, Simon Kuznets Kharkiv National University of Economics (kotlik\_a@ukr.net).

**Dmitriiev Kostiantyn**, Co-Founder, Pavlovka Open-Air (kostiantyn.dmitriiev@gmail.com).

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