

# Contemporary Analysis of the Influence of Modern Trends in the Development of Post-industrial Society on the Dynamics, Development and Structural Transformation of the Cultural and Creativity Industry\*

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**Abstract**—This article discusses the theoretical Genesis of the concept of innovative economy of culture and creativity, analyzes the main tools to describe and measure its economic activity. The dynamics of the volume of world exports and imports of the culture and creativity industry reached 4.9 trillion dollars in 2016, accounted for the third of the value of commodity exports. In recent decades, about 70 percent of the GDP of developed countries is produced in the services sector, with growth rates of this sector (up to 16 percent per year) much higher than the growth rate of trade (7 percent per year). Trends in the modern development of society-globalization, post-industrialization, transnationalization, softization, information and innovation affect the economy and society, provide a quantitative and qualitative impact on the relationship between their sectors and industries, act as new and significant factors of economic development, and support the competitiveness of countries in the modern economy. The process of deindustrialization and economic growth, which has begun, is mainly focused on the development of the service sector, which has begun to progress faster than industry in all countries. As a result of these processes, the service sector has taken a leading position in economically developed countries. Currently, the underdevelopment of organizational and economic forms and insufficient development of mechanisms to support and strategic development of the cultural industry hinders the development of this sphere, and the structure of sources of investment of socio-cultural projects of the Russian Federation reveals the imbalance between the public and private sectors and the asymmetry between the needs and funding opportunities of these projects.

**Keywords**—*culture and creativity industry; global experience in the development of creative industry; management impact; mechanisms of support and strategic development of the culture*

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*industry*

## I. INTRODUCTION

Based on many years of global development experience, it can be argued that the industry of culture and creativity is one of the Central points of attraction of mass consumers. The cash flow of consumers has a rapid turnover and therefore brings tangible income. In Russia there is a lack of management influence on the creative industry and as its component of the industry of culture and creativity. Its strategic development and tactical improvement with a very high probability can bring up to 30% of state revenue (attraction of foreign consumers and tourists, students, mobility of consumers of cultural services, creativity, etc.).

There is a certain vacuum in the relations between the state, business and culture. The cultural industries must become more attractive for capital investment through the development of the project activity, the organizational-economic mechanisms of support in the form of integrated structures, as well as through the development of mechanisms of financing: multi-channel financing for culture and public-private partnership, which would create the preconditions for the emergence and implementation of new ideas and projects in the sculpture of culture, contributing to its emergence as full-fledged source of income of the state.

It is stereotypically believed that the sphere of culture is traditionally a subsidized branch of the intangible sphere: the cultural industry is considered one of the cost items and is financed by the state budget, but according to the statistics of developed countries it is 5% of GDP and is a sector of large and relatively fast profits. Based on many years of European and, in General, world experience of development, it can be argued that the culture industry, the creative industry are the centers of attraction of mass consumers. The world

mechanism of financial flows management in the cultural industry has not been used in Russian practice and requires adaptation.

## II. THEORETICAL BASIS

### A. *World Experience of Theoretical Substantiation of the Culture Industry*

Creative economy represents a relatively new direction of research and, above all, practical activity, which is focused on the articulated connection of creative innovation and economic activity of the subjects. This article discusses the theoretical Genesis of the concept of innovative economy of culture and creativity, analyzes the main tools to describe and measure economic activity.

Among the many theories of post-industrial society is the concept of creative economy and closely related concepts of the creative class, creative industries, and it is to be analyzed in this theoretical context. The practical significance of the concept of creative economy in fact is much more effective than other concepts of post-industrial economy. This is reflected in the consolidation of the concept of creative economy (creative industries) both in government policy documents (UK), and in the desire to operationalize this concept in urban development policy (including a number of Russian cities).

Creative industries are becoming increasingly important in a knowledge-based economy. Not only are they progressively involved in job creation, they are also the engine of the cultural identity of the national community.

The role of state support in stimulating the development of creative industries at the national level is presented in the experience of the creation and functioning of the culture industry in the UK, Germany, Switzerland and the Netherlands [1] [2] [3]. Mapping of creative industries (map of creative industries) with recommended categories of creative industries is presented on the example of the UK, Germany, Austria, Spain programs [4] [5] [6] [7].

The role of the creative industry in the development of the urban environment and economic attractiveness of the region, the development of art clusters and art zones, ratings of economic attractiveness of cities and countries, branding of the territory, as well as global and local examples of implementation are studied only in foreign works and on the example, mainly, of the European economy [8] [9] [10] [11] [12] [13].

Modern Russian researchers have proposed a classification of creative abilities of people in the aspect of the economic guide [14]. One of the basic principles of creative economy Melnikov O. N. indicates profit, which is provided through the consumer value (utility) of economic products, in which the main value is their intellectual rather than material component. Creative economy as knowledge economy and network economy are also considered [15].

The study of the peculiarities of the economic nature of the cultural organization, creative entrepreneurs and types of

organizational structures in the creative organization were also developed in the domestic studies of the Dolgin, A. B. [16], Andreeva E. L. [17], Orlova T. S. [18] and others.

The basic principles and methods of measurement of creative industries, as well as the use of mapping of creative industries as a project, analysis and evaluation tools are studied in detail in the works of domestic authors [19] [20] [16] [21].

Marketing in the cultural industry, the formation and development of brands in the creative industries and their impact on the economic component of the functioning, examples of the most successful projects of best-case practices among museums/galleries are also presented in the works of the world level [22] [23] [24]. Fundraising for cultural projects and their types of projects, with studies of donor species and basic laws of functioning are expressed in studies [25] [26]. Intercultural discourse and the role of intercultural communication in business and in the industry of culture and creativity, management impact for their development are presented in the works. [27] [28] [29].

### B. *World Experience in the Functioning of the Industry*

In Russia there is a lack of control influence on the culture industry. Its strategic development and tactical improvement with a very high probability can bring up to 30% of the state income (attraction of foreign tourists, students, mobility of consumers of cultural services, tourism, etc.).

There are no state and political structures and traditions in the Russian Federation that could successfully implement these new systems. There is a certain vacuum in the relations between the state, business and culture.

The world economy already has tried and tested mechanisms and organizational models for supporting the cultural industry, which bring a stable and growing income, depending on the stage of the industry life cycle of a particular subject and its needs.

According to the World Bank, the creative economy accounts for about 7% of global GDP. According to the UN, the annual growth of the creative economy is at least 8.7%. According to the report of the European Commission "Economy of culture in Europe", the economic effect of the cultural industry is manifested in the form of an increase in the number of new jobs, the multiplier effect and the contribution to GDP, which is 5.3%, employment in the cultural sector is 3.4%. In Western countries the cultural sector is regarded as one of the important sectors of the economy and investment in "Table I".

TABLE I. PROJECTIONS, ASSISTANCE AND INCOME INDICES

Année	Projections	Indice (1975 = 100)	
		Assistance	Recettes
2017	405,4431	97,0824	303,7706
2016	409,4	92,8	289,6
2015	410,3	99,8	304,7
2014	400,1	93,8	285,5
2013	408,4	105,2	328,8
2012	401,2	105,2	322,7
2011	400,6	110,7	335,4
2010	408,9	119,1	350,1

<sup>a</sup> Sources: Institut de la statistique du Québec (ISQ).

<sup>b</sup> Updated: August 22, 2018

According to the statistics of UNCTAD [30] in 2016, the growth rate of international trade in cultural services was 3%, a larger increase was observed only in trade in computer and information services (4.5%). All this testifies to the growing importance of the cultural industry's contribution to economic development in modern conditions and the prospects for the development of the cultural industry.

Compared to 2017, according to UNCTAD ("Fig. 8" in the Annex), significant growth was observed in all categories of services, in particular in the transport sector (see "Fig. 1").



Fig. 1. Trade in services in 2017 (UNCTAD).

The total volume of world trade in services increased by 7% according to UNCTAD and WTO — in the first quarter of 2017, the growth was 3%, and at the end of the year already accelerated growth of 11%, the volume of exports of services also increased by more than 2% (see "Fig. 2").



Fig. 2. Trade in services in 2017 4th quarter (UNCTAD).

The total volume of trade in cultural and creative goods (creative products) amounted to \$ 510 billion (See "Fig. 3"). According to UNCTAD and WTO, the main participants of the international market of culture and creativity industry are: China — 169 billion dollars, USA — 41 billion dollars, France — 34 billion dollars.



in the economies of developing countries – Africa from 51% to 55%, Asia and Oceania from 48% to 54% for the period from 2011 to 2016 (see "Fig. 4").

Fig. 3. International trade in creative goods 2015 (UNCTAD).

Changes in the service industry in the developed world economies according to UNCTAD and WTO grew from 74% to 76%, in the economy of America from 63% to 66%,

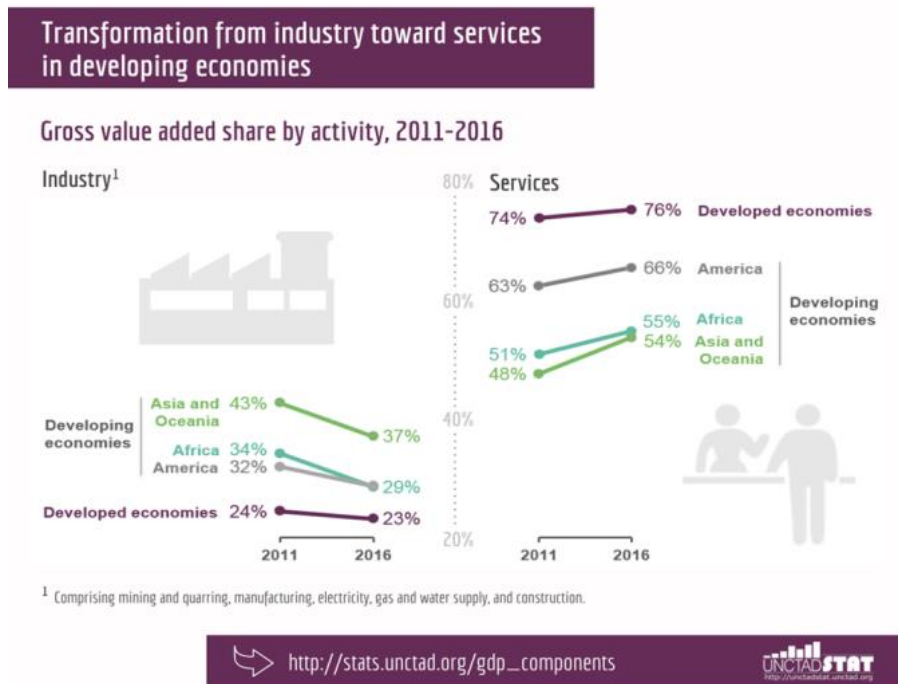


Fig. 4. Changes in the service industry in the global economy (based on UNCTAD data).

For the first time in 1999, the UK has developed the concept of "culture and creativity" (creative industries). Today, they make up 5.4% of the UK economy, and the profit of the culture and creativity industry amounted to 6.2% of GDP. They are part of the £2,250 billion global market and one of the fastest growing sectors in the world, comprising 13 sectors of cultural and economic activity. In the UK, for example, the Department of culture, media and

sports has adopted the definition of the culture and creativity industry as "an activity based on individual creativity, skill or talent that leads to the creation of tangible and intangible values, as well as new jobs through the production and exploitation of intellectual property" [4]. The following components are presented as elements of the structure of the culture and creativity industry: advertising (including marketing and public relations), architecture, art and



Antiques (including auctions), crafts and crafts, design and fashion, film and video industry (film production, distribution and display), interactive entertainment programs (video- and computer games, educational and reference programs), music (including the publication of musical works, performing arts, publishing, software and computer services (creation, production and offer of software tools and applications), television and radio broadcasting (state, commercial, cable and satellite television and radio broadcasting, and production and broadcasting of programs).

The dynamics of the volume of world exports and imports of the culture and creativity industry reached 4.9 trillion dollars in 2016, a third of the value of commodity exports. The dynamics of world trade in services remained stagnant for two years from 2015 to 2017, after a period of sustained growth from 2009 to 2014.

In accordance with the transformation of the economic structure of the society, the world Re-Shaping Cultural Policies, a new UNESCO global report on cultural policies features a range of data and analysis produced by the UNESCO Institute for Statistics (UIS).

Entitled Re-Shaping Cultural Policies, the report is designed to monitor the implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and how it helps to achieve the 2030 Sustainable Development Agenda.

The flow of cultural goods is a key issue addressed by the report, with the UIS providing a range of data, analysis and chapter on cultural trade and employment as well as the cinema sector. According to UIS data, global exports of cultural goods were worth US\$ 253 billion in 2014. UIS data also show that nearly half of the people working in the cultural and creative industries are women, opening up new opportunities to address gender inequalities.

Key findings from the UIS include: all developing countries (including China and India) represented an increasing portion of the flow of cultural goods, and accounted for 45% of global trade of cultural goods in 2014, compared to 25% in 2005; trade barriers, scarcity of preferential treatment measures and limited human and financial capacity continue to hamper the penetration by developing countries of cultural good markets in the global North.

Digital distribution platforms, exchange networks, and export strategies, mostly in the audiovisual sector, are helping global South countries enter the international market of cultural goods and services.

Domestic quotas are an effective measure to increase national audiovisual production, eventually leading to an increase in exports.

The new digital environment urgently requires improved data collection on cultural trade services, in order to support evidence-based policies and trade negotiations [31].

It is necessary to develop financial, guarantee schemes and financial and credit mechanisms, production, market,

educational, managerial and political — mechanisms to support the culture and creativity industry [32].

### III. RESULTS

Since the 70-ies of XX century in the economy began to occur structural changes and shifts, radically transformed the relationship between the sectors of the economy. Trends in the modern development of society-globalization, post-industrialization, transnationalization, softization, information and innovation — affect the economy and society, providing a quantitative and qualitative impact on the relationship between their sectors and industries, act as new and significant factors of economic development, supporting the competitiveness of countries in the modern economy. The process of deindustrialization and economic growth, focused mainly on the development of the service sector, has begun to progress faster than industry in all countries. As a result of these processes, the service sector has taken a leading position in economically developed countries. In recent decades, about 70 percent of the GDP of developed countries is produced in the services sector, with growth rates of this sector (up to 16 percent per year) much higher than the growth rate of trade (7 percent per year).

In a number of countries, the development of the creative industry has led to an increase in gross regional product by 5-15%, becoming drivers and examples of world experience in increasing competitive advantages of the economy and social situation of a particular region (for example, in Berlin, 22% of the city budget income is provided by the creative segment of the economy).

By analysis on the functioning of cultural industry in developed countries, it is found that 60-70% of employees in this field have higher education and high qualifications, which confirms the high human resources potential of the industry. Combined with the introduction of modern digital technologies in the cultural industry, they are a global source of innovation and economic growth [33].

The UN report "Creative economy" cites data on Russia: the production of services in the field of culture employs 7.3% of the population, the contribution of the cultural sector to Russia's GDP was 6 % (equivalent to a third of collected taxes on production and import and comparable to the contribution of industries such as production and distribution of electricity, gas and water (3.9%), health and social services (4.5%), public administration and military security (4.9%), agriculture, hunting and forestry (5.1%). A significant part of the state subsidies directed to the sphere of culture is directly or indirectly returned to the state.

If we assess the situation with the financing of culture in Russia in the context of international comparisons, then in terms of per capita spending on culture, Russia closes the list of 25 countries, ahead of only Greece and Bulgaria.

### IV. CONCLUSION

Further global integration of society, culture and business requires new mechanisms to ensure the development of cultural industries in the Russian Federation, taking into

account the international experience of development, maximizing the use of resource potential and the adoption of verified organizational and economic management mechanisms for the development of the cultural industry.

Currently, the underdevelopment of organizational and economic forms and insufficient development of mechanisms to support and strategic development of the cultural industry hinders the development of this sphere, and the structure of sources of investment of socio-cultural projects of the Russian Federation reveals the imbalance between the public and private sectors and the asymmetry between the needs and funding opportunities of these projects.

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