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## CREATIVE INDUSTRIES: DEVELOPMENT PROCESSES UNDER CONTEMPORARY CONDITIONS OF GLOBALIZATION

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**Abstract.** The article deals with the processes of developing creative industries under conditions of a growth in the worldwide economy and globalization, discloses the role of the sector of creative industries and shows its place in the system of the modern global economy. The paper presents a comparative analysis of theories and theoretical approaches intended for the sector of creative industries and its development as well as defines regularities and specificities characteristic of the development of creative industries. Particular attention is shifted on the growth and development of creative industries considering the current challenges of globalization and on the most important specificities of the developing sector in the context of the challenges of economic globalization. The paper examines the trends reflecting the place of the sector of creative industries in the economy of the modern world, including the tendencies indicating changes in the export of the products created in this sector. The article considers the issues of developing creative industries and reveals priorities of future research.

**Keywords:** creative industries, development processes, globalization, developed countries, developing countries, transition economy countries.

**JEL Classification:** F01, F60, O31, Z10.

### 1. Introduction

Under conditions of modern globalization, numerous changes covering mainly all areas of socio-economic life are taking place worldwide. The occurring changes may involve alterations classified as highly significant and aimed at forming new-type economic activity and sectors of cultural and technological progress, at promoting a rapid growth of similar sectors and at causing an increase in consumption volumes and in the role of the products produced in these sectors. In turn, the sector of creative industries can be mentioned as having crucial importance among the sectors of new-type economic activity, culture and technological progress: this sector in particular representatively

characterizes the dynamism of the modern era of globalization and focuses on radical outbursts, tendencies towards innovation and creativity. The sector of creative industries and the processes of its development reflect challenges and innovations inherent in the contemporary public life and become a unique symbol of both new values and aspirations as well as a completely new concept of future prospects.

The sector of creative industries noticeably turns into an enormously important part of a modern economy. Creative industries appear among the most dynamic sectors of modern economies playing an increasing role for economic growth and social welfare. As a sector of economy, creative industries can be accepted as an area marking the traditions of long-term historical development and as a brand new field, the progress of which has recently started.

The traditions of long-term historical development reflect the fact that different creative, industrial and service-providing activities forming the sector of contemporary creative industries and attributed to this particular area have existed and historically developed for a long time. Some of the above introduced activities were known and stimulated by the oldest civilizations: in this case, further emerging, historically formed and multiply experienced long lasting traditions and trends characteristic of creative industries can be properly examined. On the other hand, a modern sector of creative industries can be seen as a completely new evolving area under the living conditions of contemporary society: creative industries, as a new sector of economy, is characterized and becomes unique by the fact that, under the living conditions of contemporary society, this sector combines creative, industrial and service-providing activities that were not connected to a common unified system within the previous practical activity and did not form a uniformly considered phenomenon of socio-economic development as well as cultural, scientific and technological progress. Thus, it is clear that “creative industries can be defined and explored both as certain wholeness characterized by a broad variety of creative, industrial and service-providing activities typical of historically determined long lasting traditions and trends and as a contemporary formed and an extremely rapidly evolving sector of a modern economy” (Melnikas 2016).

In addition, it should also be noted that both, creative industries as a whole and the sector of creative industries as a part of the modern economy, are specific about new and evident integrity and require fairly deep and broad scientific knowledge and testing. An area crucially important for scientific research on creative industries covers progress in creative industries and further development considering the current challenges of globalization: the evident orientation of the growth and development of creative industries to global markets is one of the most important attributes of the industries. As for research on creative industries, the above introduced circumstance determines the need to primarily focus on investigating the impact of globalization factors on creative industries, their growth and development. At the same time, this factor clarifies the purpose of this publication and the contents of the material provided in the paper.

In view of the fact that the sector of creative industries is growing to be a more and more important part of the modern economy, the ability to prepare, propose and implement highly effective and efficient measures for developing and improving this sector is of crucial importance. Sequentially, this requires serious and profound scientific knowledge and research taking into account various fields of the development of creative industries strongly considering challenges for modern globalization and progress in the worldwide economy.

It should be noted that a scientific problem that requires serious attention may occur due to the fact that the present practice of developing creative industries does not extensively consider a number of specific circumstances characteristic of creative industries and their growth, no advantage in using knowledge about the patterns typical of the development of creative industries can be observed and the advanced practical experience of developing creative industries accumulated in different countries is not adequately summarized.

In general, the available scientific knowledge and research intended for creative industries and their development are clearly insufficient and inadequate for up-to-date needs and challenges: this circumstance also reflects the necessity and relevance of research on creative industries and their development.

The publication is aimed at disclosing the main point of creative industries and their development thus highly focusing on the challenges faced under conditions of globalization and on highlighting the role of creative industries in the modern economy. The article presents a detailed research description that mainly focuses on the specificities and regularities of developing the sector of creative industries.

The conducted research concentrates on highlighting, identifying and describing the specificities and regularities of developing creative industries as an exceptionally significant and specific sector of economy, paying particular attention on various circumstances of globalization. Research methodology involves a comparative analysis of different theories and theoretical approaches as well as an economic statistical analysis of the development processes of creative industries.

## **2. Creative industries and their development: main theoretical approaches**

Creative industries and their development, including globalization conditions, is a completely new area of both practical activity and scientific knowledge and research. It is clear that this area can be characterized by a variety of identified and investigated issues as well as by ongoing and upcoming research and practices. An evident point is that the currently existing theoretical approaches to creative industries and their development also preserve diversity and focus on different aspects and priorities of developing creative industries.

A broad variety of scientists and experts working in different fields diversely define creative industries and their development and very differently understand, accept and assess the issues of a growth in creative industries. “Economists, regional development agencies, historians, government policymakers, business strategists, lawyers and educationalists have a different take on the topic, but they all have something to contribute to the analysis. As a result, there are important insights scattered across many domains, using different definitions, conceptual frameworks and methodologies for different instrumental purposes” (Hartley *et al.* 2013). However, as a number of well-known researchers in the field of creative industries claim “creative industries studies now has a robust conceptual toolkit to analyze and solve real problems in cultural life, business strategy, public policy, critical understanding and intellectual advancement alike” (Hartley *et al.* 2013).

Creative industries, as a concept, emerged not a long time ago, in the late 1990s, as a model of post-industrial development linked to rapid urban reproduction in the UK. However, it seems that there is a contradiction in terms *creative industries* for the term *creative* is hardly could be combined with the term *industries*. According to the common definition, being creative means having the skill and ability to produce something new, specially a work of art; showing this ability and involving the use of skill and imagination to produce something new or a work of art. In other words, creativity is a part of human identity, something which most people consider as a part of their nature. Describing the term *industry*, we deal with the concept from a totally different sphere, such as economy. Thus, industry is the production of goods from raw materials, especially in factories as well as the people and activities involved in producing a particular thing. The question is, how do these two dramatically different areas could be combined and whether do achievements in one sphere contribute to another and vice versa? At this point, the saying “creativity is the power to connect the seemingly unconnected” explains a lot. Going back to the formal origins of the concept of creative industries, it is important to mention the Creative Industries Mapping Document, produced by Department of Culture, Media and Sport (DCMS) which was established by British Labor government. The newly elected British Labor government, headed by Tony Blair, was ready to invest in creativity in 1990s because, as Tony Blair claimed “our aim must be to create a nation where the creative talents of all the people are used to build a true enterprise economy for the 21<sup>st</sup> century – where we compete on brains, not on brawn” (Blair 1999). It was the first attempt to identify creative industries, and “as we witness it at present, the term ‘creative industries’ it was a very successful British export” (Flew 2012). Thus, despite the fact that there is, on the one hand, a contradiction in the term ‘creative industries, on the other hand, the concept of creative industries was increasingly important not only for the UK national prosperity but for all economically advanced and developing countries. The concept of creative industries, first of all, “put creativity and culture at the center of British national life in unconventional way, by bringing together arts, media, software and other sectors with more integrated, not

fragmental, approaches to cultural policy” (Flew 2012). Next, the Creative Industries Mapping Document (CIMD) produced in 1998, underlined the growing economic importance of creative industries, identified as 13 sectors in terms of the main economic variables, such as value added, employment, national income. Besides this, the CIMD played “a critical formative role in establishing an international policy discourse towards a productive engagement with digital technologies, to develop new possibilities for alignment of creativity and intellectual capital with these new engines of economic growth” (Flew 2012). Therefore, one of the main issues of this article is to draw attention to the contribution of the sector of creative industries to exports and job creation in wider economic context, in the context of globalization. The context of globalization was chosen with intention to take the holistic approach to creative sector. In terms of the modern concept of globalization, we consider this process as the fact that different cultural and economic systems around the world are becoming connected and similar to each other. Joshi defines globalization as “the process of integration and convergence of economic, financial, cultural, and political systems across the world brought about by breakthroughs in information and communication technology (ICT) and means of transport and the breaking down of artificial barriers to the flow of goods and services, capital, knowledge, and (to a lesser extent) people across the borders” (Joshi 2014).

Nowadays, the main role in the process of globalization acts new technology and innovation. As Davis and Sigthorsson claim, “cultural change, aesthetic change, and technological change are not easily separated; they come along all at once, wrapped up in one another” (Davis, Sigthorsson 2013). At this point, we could speak about *synergy*, one of the attributes of globalization processes, which is very positive in the sector of creative industries. However, any change brings uncertainty and risk. “Making something new, commercially, is an inherently risky business (...). It is this inherit risk that puts pressure on business in creative industries” (Davis, Sigthorsson 2013). People, in the era of globalization, especially in the field of creative industries, in order to be needed at work, sometimes have to switch sectors; have to be extremely self-confident in trying new ways of working; have not to be afraid of changing place, environment or adapting new skills, and, of course, they should accept existence of tough competition, along with emerging of new, previously not existing jobs. Thus, on the one hand artistic personalities, being a part of creative industries, have to be spontaneous, creative, open to new ideas and risks, flexible and innovative. On the other hand, creative staff could be limited by time, funds, formal rules and other objective restrictions which are essential to manage and control creative process as a part of business. Therefore, it could be claimed, that the expression of *duality*, as one more important characteristic of globalization, which directly influences the field of creative industries, appears.

The driving force for the creative industries is “the search for new goods and services in the modern market, as well as the formation of the new consumer society” (Lash, Urry 1994). The term creative industries forms a new economical sphere where the commodification of culture, talent, ideas is used for expression and improvement

of communication and socializing, as well as bringing considerable benefits to the area of traditional industries, in terms of implementation innovation and new technologies (Bakhshi, Throsby 2010; Lankauskienė 2016; Lapinskienė *et al.* 2015; Bakhshi, Throsby 2012; Peleckis 2016) The CIMD defined the creative industries as “those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property” (DCMS 1998). Obviously, there was a number of critiques of the DCMS Mapping Document. In the UK, there were released two alternative approaches of creative industries, developed by NESTA (National Endowment for Science, Technology and the Arts) and by The Work Foundation. Both analytical frameworks developed more thorough approach and classification of creative industries. On the other hand, the object of critique was the very idea of encompassing a different set of industries and practices was highly odd for a number of scientists (Pratt 2005; Garnham 2005; Howkins 2001; Warren, Jones 2015; Eisenberg, Gestrich 2012). Researchers in the field of creative industries are still arguing that the definition of DCMS of creative industries is simultaneously too broad and too narrow. After the CIMD was released by the UK government, a number of countries carried out the study on creative industries as well. As a result, there is a variety of definitions of creative industries defined by a number of countries, international agencies and authoritative researches (Hartley *et al.* 2013; Potts 2011; Cunningham 2002; Howkins 2001; Garnham 2005; Florida 2002; Lash, Urry 1994). According to Terry Flew, there are five cases which have to be considered: the EU, North America, East Asia, Australia, New Zealand and strategies proposed by UNESCO and UNCTAD (Flew 2012). However, this article here only lists a series of definitions and models of creative industries which have significant worldwide effect. It is difficult to decide which definition of creative industries is more appropriate or attractive. The attractiveness of each model may be different, depending on the analytical purpose, economic policy discursive views and shifts and the history of the country. However, over the time a number of standardized models and classification systems of creative industries that apply across the whole creative economy were formed. Among the ones there are: Symbolic Texts Model, The Work Foundation Concentric Cycles Model, and UNESCO Institute for Statistics model, UK DCMS Model, UNCTAD Model, WIPO Model, China Model and Americans for the Arts Model. In this paper the authors are going to evaluate four, the most prominent, models of creative industries such as: UK DCMS Model, UNCTAD (United Nations Conference on Trade and Development) model, WIPO (World Intellectual Property Organization) Copyright Model, China Model and Americans for the Arts Model. The reason behind this preference is the following: the other models, Symbolic Texts Model and The Work Foundation Concentric Cycles Model, provide too complicated, multi-layered, internally differentiated approach of creative industries, as an alternative analytical framework for the DCMS. UNESCO Institute for Statistics Model emphasizes and promotes the cultural sector with growing importance attached to the contribution of culture to economic and social progress and refers to creative industries as expanded cultural domains. WIPO Model

will be briefly discussed in the following evaluation of the most adapted Models of creative industries.

The UK DCMS model consists of 13 sectors. The classification of creative industries, set in this model, played a critical role in establishing an international policy discourse for what the creative industries are. Despite the fact, that some sectors, which are included in creative industries, are labor- intensive with comparatively low economic performance (art, music, performing arts, crafts) and some are capital-intensive and commercially-oriented, (TV, radio, filming) the main consideration behind the UK DCMS model was that “creative industries drew upon the new concept of convergence to argue that the future of arts and media in Britain lay in transformation of dominant policy discourses towards a productive engagement with digital technologies to develop new possibilities for alignment of British creativity and intellectual capital with these new engines of economic growth” (Flew 2012).

The concept of creative industries in developing countries was promoted by UNESCO and UNCTAD (the United Nations Commission on Trade, Aid and Development).

However, UNESCO has preferred to refer to the cultural industries rather than creative industries. UNESCO has defined the cultural industries as “industries which combine the creation, production and commercialization of creative contents which are intangible and cultural in nature, including printing, multimedia, audiovisual, photographic and cinematographic productions, crafts and design” (UNESCO 2006). The creative industries, according to UNESCO, include the cultural industries, activities such as architecture and advertising and the industries in which the product or service contains an element of artistic or creative endeavor. UNESCO in its released document “Understanding Creative industries: Cultural Statistics for Public Policy making” has argued that exports of cultural goods were rising from 1994 to 2002, at fast growth rates in low-income and middle-income countries, while in high-income countries the growth rates were low. In 2009, UNESCO published another document which was aimed to outline the growing importance of culture to economic and social developments and the impact of globalization and significant growth in international cultural trade (UNESCO 2009).

In 2008, UNCTAD released “Creative Economy Report” in which the following concept of creative industries was framed: the creative industries:

- are the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs;
- constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights;
- comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives;
- are at the cross-road among the artisan, services and industrial sectors and constitute a new dynamic sector in world trade.

The UNCTAD model is based on the distribution of all the activities of the creative industries into four main areas: heritage, the arts, media and functional products and identifies creative industries as a number of interconnected sectors that operate across these four areas. UNCTAD has more explicitly championed the role of creative industries as a new engine of economic growth in developing countries (Flew 2012).

From the WIPO perspective, the creative industries may be divided into four groups according to the degree of use of copyright material. The most important are *core industries*, which are generally regarded as synonymous with copyright industries. The *core industries* are wholly engaged in the creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of protected works. A second group, the *interdependent industries*, comprises those industries that are engaged in the production, manufacture and sale of equipment whose function is to facilitate the creation, production or use of works and other protected subject matter. A further group, the *partial industries*, includes those in which a portion of the activities is related to works and other protected subject matter, such as architecture and design. The last category comprises the *non-dedicated industries*. They include general wholesale and retailing, general transportation, and the Internet (UNCTAD 2008).

According to the Beijing (China) Model, the culture creative industries were divided into nine categories: culture and arts, press and publication, radio, television, film, software, network and computer services, advertising exhibition, art trade, design services, travel and entertainment, other support services (UNCTAD 2008). However, “in Asia city-states such as Singapore and Hong Kong, with their historic affinities with British culture, developed UK DCMS model, whereas countries such as China, Taiwan and South Korea developed different policies” (Flew 2012).

As for Americans for the Arts Model, “it adopted a very narrow approach to define the creative industries and only include those industries which are related to the creation and distribution of the arts” (UNCTAD 2008). In the Americans for the Arts model, such industry-oriented sectors as software and computer games are excluded in order not to overestimate the economic contribution of creative industries. Moreover, they think “although the development of those industries requires creativity, they are not arts-centric and do not meet the U.S. understanding of the creative industries” (UNCTAD 2008).

The following conclusions have to be made: first, different definitions of creative industries have a different understanding on what creative industries are and what content should be included in the sector of creative industries. Second, DCMS Model is industries-based model. The framework of this model is quite broad but it does not include all activities and industries that are related to the sector of creative industries (as it excludes cultural heritage and tourism). As Cunningham critically argues, “the logic of creative industries extends its trajectory outwards to sectors such as sport and entertainment to knowledge-intensive service industries” (Cunningham 2002). Third, the WIPO copyright model is copyright-based model and has the distinct characters



compared with other models. Copyright, according to the WIPO model, is the core of all the content of creative industries. Fourth, the UNCTAD model is a fusion of cultural-based, industries-based and copyright-based model and emphasizes the role of creative industries as a new engine of economic growth in the age of globalization. Fifth, the China creative model looks similar to the DCMS model and also is the industries-based model. Sixth, the Americans for the Arts model is different from the rest of the models because the main reason in this classification system, differently from the DCMS, is not to overestimate the economic contribution of creative industries. For this reason such industry-oriented creative industries sectors as software and others are excluded from this model.

Many authors argue that all models of creative industries could be reduced, enlarged or modified, but the essence of the models, above all, proves a very important idea. The idea is, that creativity eventually was publicly recognized as an economic value and the profound importance of creative industries, as a new engine of economic growth and wealth creation, was proved (Hartley *et al.* 2013; Howkins 2001). Besides this, bringing together different cultural and creative activities in the era of digital technologies allowed to identify new, mutually reinforcing relationships between different sectors of creative industries which transformed production and distribution platforms for totally new ones and provided opportunity for further scientific research and future interferences.

Moreover, a standardized set of definitions and a common classification system of creative industries are important as a basis for the formation of coherent integrated economic policies that include relations between creativity, culture and international trade policies.

In addition, as a number of scientists point out, it should be noted that the development of creative industries, to a large extent, is determined by various factors reflecting innovation processes and synergy manifestations (Vilys *et al.* 2015; Moeran, Christensen 2013; Goldenberg, Mazursky 2002). It is clear that the main idea of creative industries as the development of the economy sector reflects priority orientations towards the generation, dissemination and use of innovations. In turn, the fundamental requirement for innovations and their initiation is the creation of preconditions for synergy: the fact that creative industries cover a wide range of creative activities, including artistic, technical, commercial and other forms of art, shows that this sector is inherently and ingeniously focused on synergy activation and innovation promotion.

Thus, it can be proposed that the specificities and regularities expressing priorities to innovation activity and synergy activation are apparently inherent in creative industries and their development: the latter condition is highly relevant to understanding the importance and viability of the sector of creative industries, including the global environment.

### **3. Creative industries in the context of the contemporary global economic development: main tendencies**

Creative industries act as a fundamental part of the modern economy. Contemporary researchers discuss a number of growth accounting methods and models, for the different high-tech creative industries (Lankauskienė 2016; Tvrdikova 2016; Yih-Chang 2016). However, the most important attribute of creative industries, which proves an increasing role of creative industries for economic growth in general, considering the current challenges of globalization, is the dynamic growth of exports of creative goods and services.

Under modern globalization conditions, an increasing role of the sector of creative industries is visibly reflected in the scientific articles, reports and programmes (Nogueira, Prutsch 2015; Pruskus 2013; Černevičiūtė, Žilinskaitė 2009; EACEA 2014; EUR-Lex 2012; Kūrybiška Europa 2014; Teisės aktų registras 2015; EU 2014; Europos Sąjunga 2014; LKT 2014; KKB 2007; Lietuvos kino sąjunga 2014; KM 2011; DCMS 2015b; DCMS 2001).

With reference to the data suggested by various international organizations, different statistical tables can be compiled which allow analyzing and comparing the dynamics of the export and import of the sector of creative industries on a global scale or taking into account different regions of the world, different countries or groups of countries (UNCTAD 2015; UNCTAD 2013; UNCTAD 2010; DCMS 2015a; DCMS 2006; LSD 2016). However, appropriate data and comments can be found in the publication by V. Kontrimienė (Kontrimienė 2016).

Particular attention is shifted on the common trend reflecting the fact that in both, developed and developing countries, the growth rates of exports of creative goods and services are higher than the growth rates of total exports. Moreover, the proportion of exports of creative goods to total exports of goods is substantial, especially in developing countries. According to the figures published in Creative Economy Report 2013, developed countries demonstrate considerably small increase in exports of creative products comparing to developing countries and transition economy countries.

Thus, the world exports of creative goods more than doubled between 2002 and 2011 years. Figures on exports of creative goods in developing countries and transition economy countries, between the same years, even tripled. However, developed countries, according to the data, are behind developing and transition economy countries (see Table 1).

The situation could be explained by a number of different reasons, but the most sufficient explanation is that the countries with rapidly growing economy, such as developing and transition economy countries, are more open to modern ideas, technologies and innovations. However, the situation could be also explained by the fact that a large number of firms have set up their manufacturing activities in developing countries and transition economy countries as the most competitive locations. The foreign trade of creative industries is comprised by trade flows of creative goods and creative services.

Table 1. Exports of creative goods by economic group, 2002 and 2011 (\$US million)  
(source: UNCTAD 2013)

Aspects/ Years	World		Developing		Developed		Transition economy	
	2002	2011	2002	2011	2002	2011	2002	2011
Total: All Creative Goods	198 240	454 019	73 890	227 867	123 169	222 597	1 181	3 555
Art Crafts	17 503	34 209	9 201	23 383	8 256	10 653	45	172
Audio Visuals	455	492	35	90	417	400	3	2
Design	114 694	301 262	53 362	172 223	60 970	127 239	362	1 800
New Media	17 506	43 744	4 412	14 607	13 071	28 918	23	219
Performing Arts	2 754	–	250	–	2 478	–	26	–
Publishing	29 908	43 077	3 157	8 106	26 061	33 650	690	1 321
Visual Arts	15 421	31 127	3 474	9 456	11 916	21 631	31	40

According to Creative Economy Report 2013, world exports of creative goods almost two times exceeded exports of creative services in 2011. However, not all statistical data are available on the volume of creative services. On the other hand, having in mind that creative sector is a driving force of many other industries, the true extend of foreign trade of creative industries could hardly be evaluated. Therefore, in the further comparative and structural analysis by developed, developing and transition economies the present research will take in account only flows of exports of creative goods.

In order to conduct structural analysis of exports of creative goods as contribution to total exports, there is a need for data on total exports of goods. Table 2 displays the data on total exports by economic group from 2005 to 2012 years. As it is seen from the data, total world exports of goods in 2012 reached over US\$18 trillion, meanwhile total exports volume of developed economies was over US\$9trillion, developing economies US\$8trillion, transition economies only US\$764 billion.

It is remarkable, that total exports volume of developing economies increasing constantly at a fast pace (Table 2).

The data on exports of creative goods, during the same period, is presented in Table 3. World exports of creative goods in 2012 were US\$473 billion. The analysis of growth rates of creative goods exports shows the following tendency: from year 2008 to 2012, world evolution of creative goods exports was positive and constituted 5.34

percent. Developing countries had on average 13.7 percent of creative goods exports growth rate, which was almost two times higher than the growth rate demonstrated by transition economy countries. However, the lowest growth rate of creative goods exports, which was –2.39 percent, had developed countries (Table 3).

Table 2. Total exports of goods, \$US million  
(source: UNCTAD 2015)

Year	World	Developed economies	Developing economies	Transition economies
2005	10502488	6340660	3807957	353871
2006	12127771	7130196	4552887	444688
2007	14020775	8179913	5302110	538751
2008	16148864	9121710	6302658	724496
2009	12555778	7082819	5006161	466798
2010	15302138	8254560	6438434	609145
2011	18338967	9628860	7899470	810637
2012	18497485	9445839	8228992	822654
2013	18949351	9707259	8434017	808075
2014	18996581	9754594	8477574	764413

Table 3. Exports of creative goods, \$US million  
(source: UNCTAD 2015)

Year	World	Developed economies	Developing economies	Transition economies
2005	287517	164209	121217	2091
2006	313108	178294	132521	2293
2007	364423	225954	136407	2061
2008	417285	242012	172296	2977
2009	375306	196216	176692	2398
2010	416323	206485	207536	2302
2011	489814	231821	254525	3468
2012	473791	197264	272763	3764
2008–2012 growth rates	5.34	–2.39	13.7	8.74

As the structural analysis of creative goods exports by economic group shows, the value of exports of creative goods was ranging from 0.46 percent to 3.31 per cent of total exports of goods in 2012. The highest contribution of creative goods exports to total goods exports show developing countries, 3.31 percent. The lowest contribution of creative goods exports to total goods exports, which is only 0.46 percent, show transition economies (see Table 4).

Table 4. Creative goods % of total goods (exports)  
(source: created by authors)

Aspects/Year	2005	2006	2007	2008	2009	2010	2011	2012
World	2.74	2.58	2.60	2.58	2.99	2.72	2.67	2.56
Developed economies	2.59	2.50	2.76	2.65	2.77	2.50	2.41	2.09
Developing economies	3.18	2.91	2.57	2.73	3.53	3.22	3.22	3.31
Transition economies	0.59	0.52	0.38	0.41	0.51	0.38	0.43	0.46

More information provides Table 5, which shows the size of the share of creative goods exports by economic group to total world exports of creative goods. Creative goods exports of developing countries constitute more than half of the total creative goods exports. Developed countries tried to save their leading position on the market, but as it is seen from the data, in 2011, developing countries significantly outran developed countries with 51.96% of total exports volume. The reason of the difference in the size of the share of the exports of creative goods by economic group lies in their different structure: developed countries have mostly production of higher-value-added creative goods which are produced in comparatively small volumes comparing with low-value-added goods manufactured in huge volume in developing countries.

Table 5. Creative goods % of total world creative goods (exports)  
(source: created by authors)

Aspects/Year	2005	2006	2007	2008	2009	2010	2011	2012
World	100	100	100	100	100	100	100	100
Developed economies	57.11	56.94	62.00	58.00	52.28	49.60	47.33	41.64
Developing economies	42.16	42.32	37.43	41.29	47.08	49.85	51.96	57.57
Transition economies	0.73	0.73	0.57	0.71	0.64	0.55	0.71	0.79

To sum up, during the analysis of flows of exports of creative goods, the following interferences have to be made: first, total exports of all goods worldwide, from 2005 to 2012 years, more than doubled and accounted for over US\$18 trillion in 2014. Exports of creative goods worldwide doubled as well, and accounted for US\$473 billion in 2012, accounting for 2.74 percent of total exports of goods. Second, growth rate of the world exports of creative goods was positive during the same period, with an average growth rate of 5.34 percent. Third, the situation was very different in different economies. The

developed countries demonstrated negative average growth rate of  $-2.39$  percent during the same period, while exports of creative goods in developing countries grew by  $13.7$  percent during the same period. Transition economies, respectively, showed rather high average growth rate of  $8.74$  per cent. Fourth, developing countries accounted for more than half of total exports of creative goods,  $57.57$  percent, while developed countries accounted for  $41.64$  per cent of total exports of creative goods in 2012. Developing countries outran developed countries and occupied the leading position in the creative goods exports. This situation suggests that nowadays developing countries play a dominant role in creative industries worldwide. Moreover, according to Flew, it is anticipated that “international trade in creative goods and services will continue to grow over the coming years, both as a proportion of total world trade and relative to the growth in creative industries production and consumption overall” (Flew 2012). As a number of reasons for this statement, Flew proposes globalization, as a stimulus to growing consumption of cultural and creative goods and new media, as “the Internet makes it easier to access an intangible format through digital downloads” (Flew 2012).

#### **4. Conclusions**

The full-scale recognition and development of creative industries are extremely important for both, the global economy and the economic growth worldwide. However, in order to understand the effects creative sector has on the global economy, there is a need for centralized and standardised creative industries approach. In this context, it is important to be focused on the following issues: (1) to clarify the structure of the creative sector, (2) to emphasize the effects creative industries have on working class and its structure, (3) to present precise data on the size of creative sector and its cumulative impact on global economy, (4) to analyse a number of consequences which creative industries have on town and region planning and new economic policy. Additionally, it is important to identify the set the most important attributes of creative sector. This article identifies some of these attributes as the following: first, creative industries can be defined and explored both as a broad variety of creative activities of historically determined long lasting traditions and as a contemporary formed sector of a modern economy. Second, there is no agreement on one common definition of creative industries: different definitions of creative industries have a different understanding on what creative industries are and what content should be included in the sector of creative industries. Third, the era of digital technologies identified new, mutually reinforcing relationships between different sectors of creative industries which transformed production and distribution platforms for totally new ones and allowed to recognize an economic value of creative industries as an engine of economic growth and wealth creation. Fourth, as the empiric study shows, the increase of exports of creative goods and services is significant but insufficient condition for the creative industries growth and development. There is a need for the formation of coherent international trade policy and further scientific research in the field of creative sector.

All statistical data, which are available nowadays, have to be taken with a certain caution. Often, it is not full and reliable, especially in the service sector. However, as it was argued above, the service sector nowadays is of special interest and dominates the overall economy. Moreover, as the comparative and structural analysis of the present research revealed, in order to increase the effectiveness and competitive advantage of developed countries in the area of creative industries, it is very important to initiate practical measures to foster creativity through education, as well as to attract creative class to the service industries.

The progress in creative industries and the further development of the sector of creative industries influence the current challenges of globalization. Under globalization conditions, the development of creative industries is characterized by a number of specificities and regularities among which particularly distinctive features and patterns reflect, first of all, priorities of creative activity and creativity; second, the complexity of creative activity and creativity expressed through the inclinations and strengths of artistic, scientific, technical, commercial, etc. creativity in different areas; third, the continuous stimulation of different types of synergies and initiation of innovations take place; fourth, plenty of new opportunities for making the self-fulfillment process of creative people more activate are offered; fifth, new opportunities for economic growth and international cooperation are opened up. In this context, it's important to highlight that the process of globalization acts as a strong stimulus to growing consumption of cultural and creative goods and new media.

Besides this, creative industries role needs to be seen as a driving force of new job generation. Here, the statistics suggest that for the EU the creative sector accounts for up to 4.5 percent of GDP and nearly 6 percent of total employment. However, this is a case when a substantial contribution of creative industries to total employment show developed countries, whereas developing countries, such as China, account only for 2 per cent of total employment. The situation could be explained by the different structure of cultural creative sector in different economies. Developed countries have mostly production of higher-value-added creative goods and services, which is highly labor-intensive. Developing countries, on the contrary, produce vast of mass, low-value-added manufactured goods, such as toys or cheap imitation jewelry.

As authors have suggested, the nature of creative industries gives them their particular character. Creative industries embody aspects of different industries, cultures, regions, customs, believes and ethics in particular ways. However, at the same time, creative sector has a significant part to play in new business models, consumption and politics.

Despite the fact that a wide range of research and theoretical studies were conducted on the subject of creative industries development, further exploration of this sector, as a leading sector in generating international trade, economic growth, employment and social welfare worldwide, is needed due to the limited opportunities to assess its progress. Therefore, the sector of creative industries is a niche field for further scientific studies being central to debates about development of the 21<sup>st</sup> century economy, culture and policy.

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