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## Analysys of Creative Industries Activities in European Union Countries

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### Abstract

The article considers creative industries as an effective means of raising the economy in the period of transition to innovative ways of life. It is shown that creative industries are divided into cultural and intellectual industries. Advantages and peculiarities of development of creative economy on the example of some countries of the European Union are determined. The analysis of the state of creative clusters and dynamics of creative industries in the European Union as a whole (28 countries) on the basis of statistical data is made. The increase in the number of creative enterprises and the number of employees in the creative industries testifies to the growing importance of the creative economy and creative clusters. The analysis shows that creative industries arise due to the development of mass communications and globalism.

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### 1. Definition of creative industries

The modern economy is built on the use of imagination, creative energy and knowledge to create new ideas and values. The success of an enterprise therefore depends on the use of the synthesis of creativity, entrepreneurship and technological innovation.

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The term creative industries was introduced by Adorno and Horkheimer in *Dialectic of Enlightenment* in 1944 [1]. The UNESCO definition of the term is used in those industries that combine the creation, production and commercialization of entities that are intangible and cultural in nature [2]. These entities are usually protected by copyright and may take the form of a good or service. Creative industries are a unique sector of the economy, created by the spread of mass communication and globalism, and are divided into two types: cultural and intellectual industries.

One definition of cultural industries states that it is "an activity based on individual creativity, skill or talent, and which can create added value and jobs by creating and exploiting intellectual property" [3].

Creative industries produce the following economic effects:

- 4.5% of the world's gross domestic product, with a projected growth rate of 10% per year
- Are growing faster than production and service sectors
- Create jobs for 8.3 million European Community citizens and generate a total profit of 558 billion euros
- Contribute significantly to the well-being of individuals and society as a whole
- Provide more young people with a robot than any other sector
- Support startups, entrepreneurship and innovation
- Stimulate investment and tourism.

In the social sphere cultural industries:

- Promote the unification of citizens
- Encourage citizen participation in public life
- Consist of a component of happiness, improve health;
- Build trust and dialogue and define values;
- Ensure the continuity of knowledge transfer from generation to generation;
- Disseminate the idea of cultural diversity and tolerance.

For the cultural industries sector, the historical, ethnic and social specificity of the place where creative forces are concentrated, which actively influence the development of the strategy in the field of cultural projects, becomes especially important.

Cultural entrepreneurship involves turning a creative intellectual resource into a "creative product", such as a video film, a designer's item, etc. It is important for the development of cities to channel the creative potential of entrepreneurs by creating creative cells and environments in cities, often referred to as creative clusters. Creative industries, as far as their operational and organizational characteristics are concerned, tend to be clustered, i.e., three-dimensional clustering. Clustering of creative industries is an environment of wide interaction of creative professionals, which is built on the complementary and opportunistic behavior of its participants.

The creative economy is recognized as a significant sector and a meaningful contributor to national gross domestic product. It has spurred innovation and knowledge transfer across all sectors of the economy and is a critical sector to foster inclusive development.

The creative economy has both commercial and cultural value. Acknowledgement of this dual worth has led governments worldwide to expand and develop their creative economies as part of economic diversification strategies and efforts to stimulate economic growth, prosperity and well-being [4].

The creative industries – which include advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research & development, software, computer games, electronic publishing, and TV/radio – are the lifeblood of the creative economy. They are also considered an important source of commercial and cultural value.

## 2. Development of creative industries in European Union

The creative economy is the sum of all the parts of the creative industries, including trade, labour and production. Today, the creative industries are among the most dynamic sectors in the world economy providing new opportunities for developing countries to leapfrog into emerging high-growth areas of the world economy [5].

The European experience shows different scenarios and the formation of social and financial partnerships for the development of creative industries. UNCTAD's data show that the creative industries in the European Union as a whole include almost one million companies and 1,784 creative clusters. More than 60 per cent of enterprises in the film, video and music, video game, software and design and architecture industries are clustered. Less clustered are the photo industry, R&D, and culture. On average, each industry has 119 creative clusters, and this figure ranges from 10 (cultural sphere) to 358 (design) [8].

Prospects for the future of cities by focusing on the role of culture across development areas including education, inclusiveness, environment and economic growth –to make their cities better and sustainable. As new practices evolve, Creative Cities are emerging as hubs of experimentation that lead to innovative and successful models of sustainable development (Table 1).

Table 1. Types of activity of urban creative clusters.

Cities of	Development Area
Literature	are ensuring freedom of expression and literacy for all, while fostering multilingual environments
Gastronomy	are paving the way towards responsible production and consumption patterns
Film and music	provide spaces for promoting human rights, equality and solidarity
Design	rethink housing, public spaces, access and mobility as well as stimulate social innovation and global citizenship
Crafts and folk arts	rethink housing, public spaces, access and mobility as well as stimulate social innovation and global citizenship
Media arts	promote contemporary urban narratives and space for cultural expression with new technologies

There are currently 180 Creative Cities in 72 countries. While differing geographically, demographically or economically, they are all committed to develop and exchange innovative best practices to promote creative industries, strengthen participation in cultural life, and integrate culture into sustainable urban development policies. The network also supports artistic exchange, partnerships between its members as well as between public and private sectors, and research [6] (See Table 2).

Table 2. An example of a table.

Creative industries	Count of clusters	Count of firms
Movies, videos and musics	90	30 021
Software	313	63 849
Cultural	82	31 421
Project	358	62 593
Videogames	78	12 451
Design	26	5118
Architecture	241	40 211
Arts	87	20 317
Publishing	178	37 596
Advertise	92	20 431
Moda	102	19 781
translation	23	5220
Photos	45	7018
Researches	59	7573
Cultural	10	1089

Creative clusters are a special place, several enterprises, firms, workshops, offices, which are united in a common space and are engaged in cultural entrepreneurship [7]. In such a cluster, a general, specific, open and creative environment for communication and cooperation emerges, new forms of interaction as an alternative to social capital are created. The main feature of creative clusters is the general atmosphere of creativity and business, which is conducive to the production of new products. Often such clusters help to carry out urban regeneration.

The activity of creative clusters becomes a stimulus for increasing the innovation potential of the economy in general and creative economy in particular, which becomes a serious alternative to the raw material and economic development. By making creative industries a priority, EU countries are turning this sector into an important source of income. It leads to an overall result: rent of factories that have been abandoned, landscaping, urban environment, implementation of creative initiatives, the influx of tourists [8].

Creative clusters account for 63% to 71% of those employed in the creative industries. The most clustered industries are film, video and music, software, cultural trade, design, video games, design and architecture, where more than 60% of firms are clustered. Only in the photographic industry, research and development industry, and cultural heritage industry more than 50% of firms are not clustered [8,9].

Creative industries are the sector of the economy that demonstrates the best growth rate and effective creation of jobs in the European Union (Fig.1, Fig.2).

According to Eurostat data, the highest development of creative industries is demonstrated by Great Britain. In the UK, the government has chosen the course of post-industrial development and creative economy, making creative clusters a kind of anti-crisis tool, which positively influenced the image of the country, thus creating conditions for economic growth. In the UK, there are many old factories that once belonged to private companies, the production of which was moved to China. These empty premises are filled with creative enterprises in the form of multifunctional offices, ministries, business incubators and business accelerators [7].

The creative economy is also conducive to economic reintegration. For example, the city of Liverpool provides assistance to more than 200 creative organizations, ranging from the Liverpool Philharmonic Orchestra and the Everyman Theatre ("Theatre for All") to small, local creative enterprises. The Liverpool City Council asked these organizations to support them, but in the future they might not have the resources to provide them with grants; therefore, these organizations had to become more enterprising and find ways to earn real income from their own activities [6]. For a general understanding of the development of creative entrepreneurship, let's consider the dynamics of the number of enterprises in individual industries of the creative sector (Fig. 3).

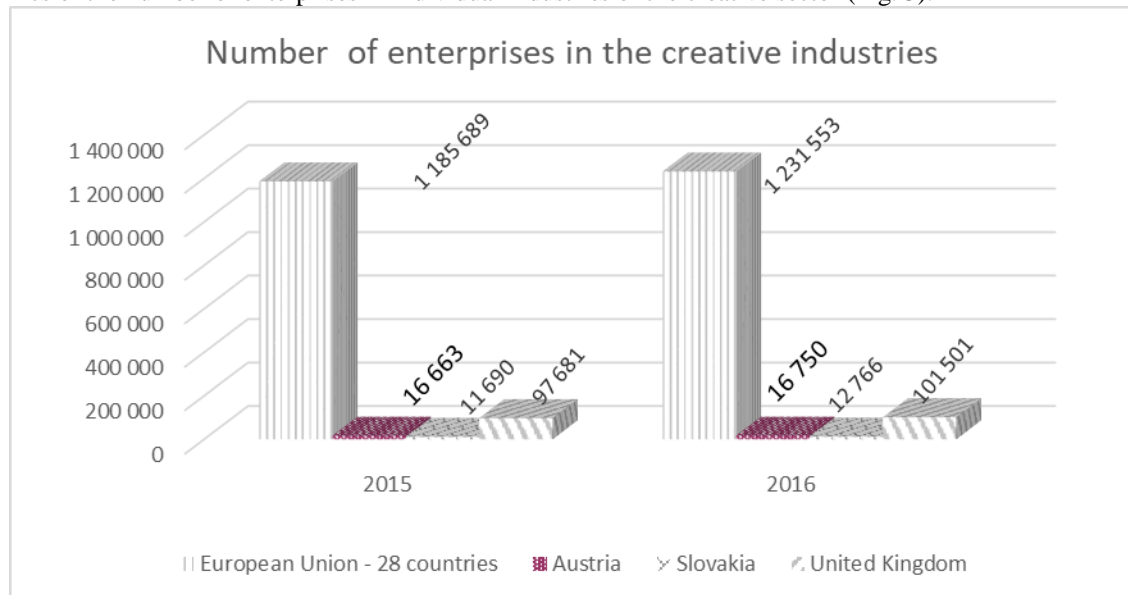


Fig. 1. Comparison numbers of enterprises in creative industries in EU (28 countries), Austria, Slovakia and United Kingdom during 2015-2016 years.(created according data from [10]).

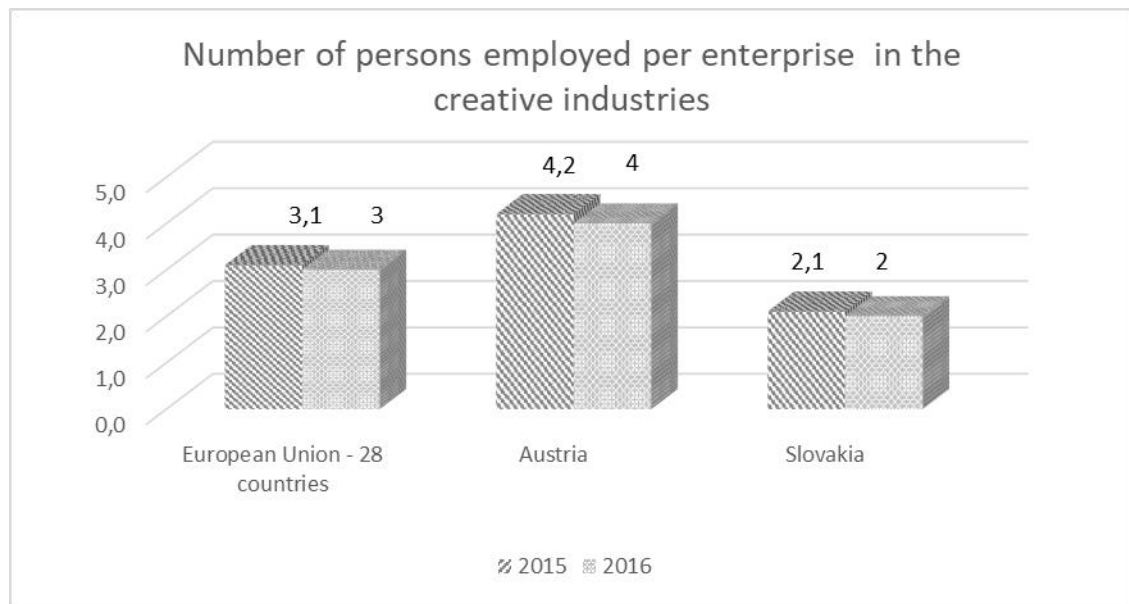


Fig. 2. Comparison number of persons employed per enterprise in creative industries in EU (28 countries), Austria, Slovakia and United Kingdom during 2015-2016 years. .(created according data from [10])

As it can be seen from the data in Fig.3, the average annual growth rate of 307,325 demonstrates such a type of creative industry as architectural activities. Together with the economic benefits, creative economy creates intangible values and ensures constant human-centred development. According to these facts, innovation and creativity are one of the three priority areas for the development of the EU's social and economic development programme "Europe 2020". International experience in this context is quite diverse. Different countries develop different scenarios for the formation of creative industries, based on national and cultural peculiarities.

Creative industries include enterprises that link the creation, production, distribution and brokering of creative and cultural goods (services). New values are created in creative and creative industries when technical innovation, creativity and business entrepreneurship are combined in some way to create and disseminate new cultural products. According to Eurostat data, the highest development of creative industries is demonstrated by Great Britain. In the UK, the government has chosen the course of post-industrial development and creative economy, making creative clusters a kind of anti-crisis tool, which positively influenced the image of the country, thus creating conditions for economic growth. In the UK, there are many old factories that once belonged to private companies, the production of which was moved to China. These empty premises are filled with creative enterprises in the form of multifunctional offices, ministries, business incubators and business accelerators [7].

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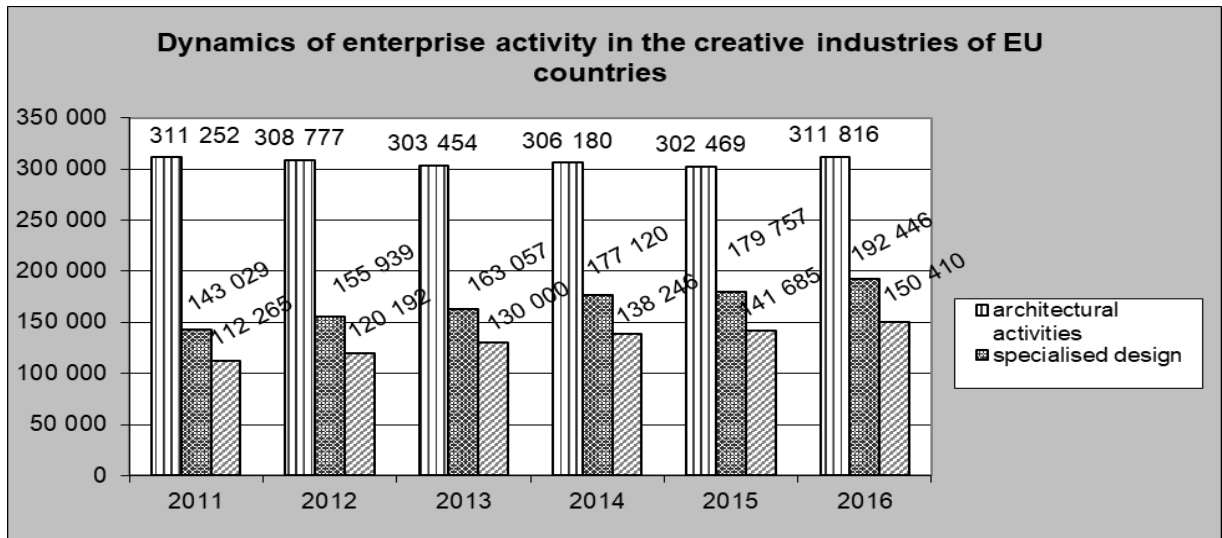


Fig. 3. Dynamic of enterprises numbers in EU creative industries during 2011-2016. .(created according data from [10])

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### 3. Conclusion

Creative economy is a transition point to new high-tech and highly intellectual ways of life. Cultural industries, which become its material basis, become a dynamic and very profitable sector of the global economy. Their foundation is the realization of creative capital (the synergetic combination of human, cultural, social and institutional capital) on micro, macro and global levels. The scale and dynamics of the global creative sector, which has significant potential for growth and is less sensitive to financial and economic crises than the traditional sector.

Cultural industry clusters include non-profit enterprises, cultural institutions, theatres and individual performers near the science park and media centre. Creative clusters are places to live, places for robots and places where cultural products are not only produced but also consumed. The analysis shows that the EU countries that have placed more emphasis on the creative industries will eventually benefit both materially and intellectually.

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