

## Creative Industries in Russian Regions: Challenges of Establishment and Conditions for Development

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### Abstract

*The most important pillar in the strategy for modernizing resource-based economies is the transition to a new, creative model of socio-economic development. It is the ability of creative and technologically dynamic countries to develop new ideas using advanced technologies.*

*However, under current circumstances, the creative economy is not the main driving force of the Russia's economic growth. This is largely due to the insufficient degree of creative initiatives in most regions and, in general, their creative underdevelopment. Creative industries in Russia are still not considered as an object of management research; there is no system for regulating the creative sector of the economy at both federal and regional levels. The choice of methodology remains an open-ended question, since there is no single approach to defining the concept and estimating creative industries. The need to fill the methodological, organizational, and managerial gaps in the sphere of the Russian creative economy proves the relevance of the chosen topic and requires its in-depth research.*

*In the article, the researchers present the calculation of the Composite Creativity Index for the regions of the Russian Federation in dynamics for a nine-year period based on the methodology developed by the authors. The purpose of the study is to test the proposed methodology and search for effective organizational and managerial tools for the creative industries development in the Russian regions to establish the programs of territories socio-economic development.*

**Key-words:** Creative Economy, Composite Index of Regional Creativity, Creative Industry Management, Territory Development, Environmental Creativity Index.

## 1. Introduction

The new trend of post-industrial development has been widely spread in recent years and there is a definite reason for that. The global economic crisis and the subsequent collapse of energy prices forced states to recognize the vulnerability of the existing economic order, to realize the need for systemic and structural transformation of the real sector and to recognize human capital as its specific resource and a main driving force. These and other prerequisites contributed to an increased role of human potential, intellectual labor, knowledge, creativity, innovation as the main factors increasing competitiveness of national economies and providing unlimited source of economic growth.

Peter Coy was the first to introduce the term “creative economy”. In 2000 in his article “Which companies will thrive in the coming years? Those that value ideas above all else” Coy described the mentioned phenomenon as “the economy of ideas” with “the contents of the human head” being its main capital [1]. The first profound research that predetermined a wide application of the term in the language of science was carried out by two economists - John Hawkins and Richard Florida. According to the opinion of John Hawkins, presented in the book "The Creative Economy: How People Make Money from Ideas", the creative economy is a new sector of the post-industrial economy, where the main value is represented by creative skills, creativity, human intellectual resources that increase the value of ideas. The creative economy, in accordance with his concept, is formed at the junction of the economy and a creative approach to its development [2]. Richard Florida offers a different interpretation of the concept "creative economy". According to his “labor” or “professional” approach, the creative economy is, to a greater extent, a model of the economy, where a creative class operates - a class that is characterized by the creative function of its members, rather than by standardized work. At the same time, Richard Florida divides the new economic creative class into two components: the super-creative core and creative professionals [3].

Kloudova J. and Chwaszcz O. in their article "The analysis of the creative industry linked in connection with the economic development" investigate the development of the creative industries in the Czech Republic in the period 1990-2010. The authors analyze the impact of creative industries development on key economic indicators such as production, employment, net income and exports. Each analyzed parameter reflects the situation better than the general average indicators and proves the positive influence of creative industries on the economy [4]. Barbara Townley, Nic Beech, Alan McKinlay focus on the study of creative industries in metropolitan cities, which they believe are the hubs of intellectual capital (creative ideas), social capital (networks), and cultural capital (recognized

authority or expertise) [5]. Marco Bontje and Sako Musterd mention that every city and region in the developed capitalist world seeks to obtain the status of “creative city or region”, that results in the loss of their individual features, as they create typical conditions for the creative industries development [6]. Piriya Pholphirul and Veera Bratiasevi focus their attention on the problems of small and medium-sized businesses operating in the creative sector: obstacles in registering intellectual rights for creative products, inability to obtain sufficient funding, especially for those who do not have the required collateral [7].

There are studies, a significant part of which is devoted to the definition of the concept, the essence, the meaning and the role of "cultural" capital. This approach allows us to define a matrix of creative capitals, which could serve as a basis and guide for future research in creative industries [6]. Analysis and assessment of international trade in creative products, as well as their classification draw the interest of the researchers [8].

However, many economists - Scott A., Evans G., Pratt A.C., Storper. M., Ann Markusen, Gregory H. Wassal [9, 10, 11,12, 13,14] agree on one important issue that the creative industry is one of the most influential economic sources globally. The researchers mention the following problems: the lack of statistics for many countries of the world and the lack of a unified approach to collecting data[8].

## 2. Methods

Table 1 - Structure of the Region’s Composite Creativity Index

Indices	Subindices	Indicators
Creative Economy Index	Economic Performance of Creative Industries Index	Volume of goods and services dispatched (proceeds from the sale of goods and services produced by "creative industries")
	Employment in the Creative Economy Index	Average number of employees in "creative activities", per 10 thousand people
		Personnel engaged in research and development, per 10 thousand people
		Entrepreneurs, per 10 thousand people
	Technology Index	Patent applications per 10 thousand people
		Granted patents per 10 thousand people
Developed advanced technologies per 10 thousand people		
Creative Environment Index	Creative Infrastructure Index	Coworking spaces, "creative residencies"
		Business incubators
		Technology parks
	Society Information Development Index	Organizations with Internet access in the total number of organizations,%
		Households with Internet access in the total number of households, %
	Tolerance Index	Migrants per 10,000 inhabitants of population
	Consumers Creativity Index	Purchasing power of the population (Average monthly accrued wages of employees / cost of a fixed set of consumer goods and services)
		Creative Finance Index
Budget expenditures for "mass media"		
Budget expenditures for innovations		
Talent Index	Employees with higher education in the structure of employed in the regional economy, per 10 thousand population	

The authors calculated the Composite Index of the region's creativity for all regions of the Russian Federation from 2010 to 2018. This index is based on 2 dimensions: the Creative Economy Index and the Creative Environment Index. The constituent parameters of these indices are presented in the Table 1.

The first index of creative economy is a combination of three sub-indices: Employment in the Creative Economy Index, Economic Performance of Creative Industries Index and Technology Index, which reflects the dynamics of advanced technologies development in the region, patent applications and granted patents. Two other sub-indices - the Employment in the Creative Economy Index and the Economic Performance of Creative Industries Index, provide a valuable data about the number of employed in the creative industries of the region, and the volume of products dispatched, work performed and services rendered.

The first sub-index is calculated based on the following four industries considered as creative: design and architecture, media and communications, art and culture, digital technologies. It is worth mentioning that we experienced difficulties collecting statistical data about design and fashion industry, which is one of the main creative industries, as until 2016 only "industrial design" was included into statistics. Therefore, we could not include it into our research and the Creative Economy Index for the regions until 2017 are somewhat underestimated. A similar situation is observed with "crafts and folk crafts" component of the creative economy (data are not available from 2010 to 2018), and therefore the index did not include the population employed in this area and the results of economic agents for this type of activity.

As it could be observed from the Table 1, the number of people employed in the creative economy include the number of actually operating entrepreneurs working without establishing a legal entity. The inclusion of this indicator in the index is due to the fact that, despite the nature of business, entrepreneurs are the most creative, flexible and dynamically developing representatives of the business community.

The second sub-index included in the Composite Creativity Index is the Creative Environment Index. It includes:

1. Tolerance Index, which characterizes the degree of the region's openness to migrants and the degree of cultural openness and transparency;
2. Consumers Creativity Index, which provides information about the purchasing power of the region population, and whether their incomes are sufficient to consume the products of creative industries;

3. Infrastructure Creativity Index, which includes indicators reflecting the availability of institutions that contribute to the transformation of creative ideas into a full-fledged business project (technology parks and incubators), as well as market infrastructure that allows creative professionals to work freely, without limitations of "traditional offices";
4. Creative Finance Index, which accumulates indicators of state support into three areas: science and innovation, culture and cinematography, and mass media;
5. Society Information Development Index, which reflects the development of information and communication infrastructure in the region;
6. Talent Index, which, along with the number of employees in creative industries, allows us to estimate other representatives of the "creative class" - potential creators. This group includes all employees with tertiary education. Ignoring its qualitative component, this indicator is used based on the hypothesis that the level of education largely determines the spiritual and cultural potential of a society.

The researchers proceed from the following logical assumption for calculating the indicators included in the indices and sub-indices: at the first stage, all statistical indicators for 2010-2018, presented in different measurement units, were brought into line with each other or to a single scale by the standardization method. At the second stage, indices and sub-indices were calculated for all indicators, which were included in the Composite Creativity Index of Russian regions.

### 3. Results

Table 2 - Rankings of Russian Regions According to the Creative Economy Index of Russian Regions for 2010 and 2018

Regions	2010	Regions	2018
<b>Leading Regions</b>			
Moscow city	0.71	Moscow city	0.723
St. Petersburg	0.42	St. Petersburg	0.526
Ivanovo Region	0.27	Nenets Autonomous District	0.374
Magadan Region	0.24	Moscow Region	0.331
Tomsk Region	0.20	Tomsk Region	0.300
Kaluga Region	0.19	Ivanovo Region	0.260
Chukotka Autonomous District	0.19	Kaluga Region	0.238
Moscow Region	0.18	Nizhny Novgorod Region	0.235
Khanty-Mansiysk Autonomous District	0.18	Novosibirsk Region	0.233
Novosibirsk Region	0.18	Kursk Region	0.218
<b>Lagging Regions</b>			
The Republic of Khakassia	0.07	The Republic of Crimea	0.054
The Republic of Karelia	0.07	Bryansk Region	0.053
Arkhangelsk Region	0.07	Stavropol Region	0.051
Orenburg Region	0.07	The Altai Republic	0.046
Bryansk Region	0.07	Transbaikal Region	0.041
Transbaikal Region	0.06	The Karachay-Cherkess Republic	0.039
The Karachay-Cherkess Republic	0.05	The Tyva Republic	0.036
The Chechen Republic	0.05	The Republic of Dagestan	0.032
Jewish Autonomous Region	0.05	The Republic of Ingushetia	0.023
The Republic of Ingushetia	0.03	The Chechen Republic	0.021

The final results of calculating the Creative Economy Index for 85 regions of the Russian Federation in comparison between 2010 and 2018 are presented in Table 2. Initially we consider the results of the index using 10 leading and 15 lagging regions of Russia.

According to the results, Moscow is a leading region by the degree of creative economy development. This is due to the fact that the capital of Russia has the highest value among regions in terms of employment in the creative industries, the volume of products dispatched in the creative industries and technology. The high level of employment in the creative industries is due to the largest number of employees per 10,000 people in advertising and publishing, in radio and television broadcasting, as well as in research and development. In addition, such indicators as “the number of patent applications” and “the number of patents granted” made a great contribution to the leadership of this region, which, due to the maximum values, provided Moscow a high value in the Technology Index.

St. Petersburg is the second after Moscow in terms of the Creative Economy Index. Its high position in the rating is due to the highest values in terms of employment in "Photography", "Museums", as well as in terms of the volume of dispatched products in the field of "Art", "Museums and the protection of historical sites".

The Nenets Autonomous District is also one of the regions with a fairly high level of creative economy development. This constituent entity of Russia was the third among studied regions in terms of economic development due to a relatively high Employment in Creative Industries Index and Technology Index, due to the high value of developed advanced technologies per 10 thousand people. At the same time, the Nenets Autonomous District ranks first among the studied regions in terms of employment in art, entertainment, databases and information resources jobs. This situation is due to the fact that this region is the most sparsely populated entity of the Russian Federation, and despite the low indicators in absolute terms, it has high indicators per 10 thousand people.

The most lagging region in terms of creative economy is the Chechen Republic. There is a significant lag in terms of dispatched products in creative industries, the Technology Index and Employment in Creative Industries Index.

A similar situation is observed in the Creative Environment Index. The Table 3 presents the results for 15 leading and 15 lagging regions from 2010 and 2018.

Table 3 - Ranking of Russian Regions According to the Creative Environment Index for 2010 and 2018

Region	2010	Region	2018
<b>Leading Regions</b>			
Chukotka Autonomous District	0.192	Moscow city	0.665
Yamalo-Nenets Autonomous District	0.157	Yamalo-Nenets Autonomous District	0.595
Nenets Autonomous District	0.203	St. Petersburg	0.579
Khanty-Mansi Autonomous District	0.177	Chukotka Autonomous District	0.578
Tyumen Region	0.174	Moscow Region	0.495
Murmansk Region	0.166	Magadan Region	0.430
The Altai Republic	0.131	Khanty-Mansi Autonomous District	0.429
Magadan Region	0.254	Sakhalin Region	0.420
Krasnoyarsk Region	0.161	Nenets Autonomous District	0.418
Moscow Region	0.169	Tyumen Region	<b>0.410</b>
<b>Lagging Regions</b>			
Tambov Region	0.209	The Mari-El Republic	0.200
The Karachay-Cherkess Republic	0.164	Pskov Region	0.198
The Republic of Mordovia	0.199	Tver Region	0.198
Lipetsk Region	0.218	Transbaikal Region	0.186
The Republic of North Ossetia-Alania	0.076	Altai Region	0.180
Volgograd Region	0.199	Jewish Autonomous District	0.174
The Kabardino-Balkar Republic	0.266	The Kabardino-Balkar Republic	0.170
The Republic of Dagestan	0.250	Kurgan Region	0.158
Khabarovsk Region	0.184	The Republic of Dagestan	0.148
The Chechen Republic	0.224	The Chechen Republic	0.130

Again Moscow is the leader of Creative Environment Index, as it has the maximum values in terms of employees with tertiary education, creative infrastructure and society informational development. Having outstripped the other regions of the Russian Federation in terms of the population purchasing power and having high values in society's tolerance and information development, the Yamalo-Nenets Autonomous District took the second place. With a relatively high value of the index, St. Petersburg is in the third place in terms of creative environment development. This is due to the fact that St. Petersburg is characterized by the maximum value of the Creative Financing Index, since it enjoys the largest amount of funding for media, culture, cinematography and innovation per 10 thousand people in comparison with other regions of the Russian Federation.

The Magadan Region takes the 4th place. In this region, as well as in St. Petersburg, there is a high level of creative financing. The Magadan Region is characterized by the largest volume of funding for culture, cinematography and media per capita. According to other indicators, the region

occupies an intermediate position, with the exception of creative infrastructure indicators (technology parks, coworking spaces, business incubators), for which the Magadan Region has extremely low values.

The lowest level of environmental creativity is also observed in the Chechen Republic, which is caused by the minimum number of technology parks, business incubators operating in the region and rather low values for all indicators included in this block. A similar situation is observed in the Republic of Dagestan and the Kurgan Region, the indices and constituent indicators of which only slightly exceed the index and indicators of the Chechen Republic.

If we compare the results of the calculated indices, we can observe a high correlation between the level of creative economy development in the regions of the Russian Federation and the degree of creativity of their territory. The leadership of Moscow, St. Petersburg, the Moscow Region, the Nenets and Yamalo-Nenets Autonomous Districts in terms of creative industries development is justified by the conditions necessary for the establishment of a creative class and an increase in the economic indicators of creative entrepreneurs in these regions of the Russian Federation, which was confirmed by the above analysis. At the same time, most regions are in a square field of 0.3 x 0.2. This suggests that the lack of a developed creative infrastructure, low funding for creative industries, low indicative ability of the population, and a low level of informatization of the population. In these regions, organizations do not allow increasing the scale of development of creative industries relative to other regions of the Russian Federation.

It should be noted that the conclusion about a direct correlation between the creativity of the environment and the level of creative economy development has some exceptions. Thus, the Khanty-Mansiysk Autonomous District, Magadan, Sakhalin and Tyumen regions have rather high values in terms of the level of environment creativity, while the degree of their creative economy development does not exceed 0.2. The Krasnodar Region, in turn, is distinguished by a fairly good level of creative economy development relative to the leaders, although the index of creativity of the environment is relatively low. These facts lead us to the conclusion that there are other factors that affect the level of creative economy development, and they have not been considered by the researchers.

Thus, after carrying out the calculations, a Composite Creativity Index for 2010-2018 was composed. To simplify the analysis of the dynamics of indicators changes, the obtained values were ranged (Table 4).



Table 4 - Ranking of Russian Regions According to the Composite Creativity Index for the Period 2010-2018

<b>Region Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Belgorod Region	45	33	28	31	27	36	24	20	30
Bryansk Region	78	65	67	75	72	75	69	73	76
Vladimir Region	40	20	12	21	19	28	22	21	19
Voronezh Region	13	25	29	10	14	6	14	15	15
Ivanovo Region	3	74	71	4	13	16	18	6	6
Kaluga Region	6	17	8	5	3	3	6	7	7
Kostroma Region	38	10	19	42	44	65	35	65	57
Kursk Region	15	35	41	29	34	25	15	13	10
Lipetsk Region	47	51	58	59	68	57	38	72	65
Moscow Region	8	11	10	6	7	7	13	5	4
Oryol Region	28	57	47	32	43	44	66	54	55
Ryazan Region	53	69	61	65	63	48	48	40	29
Smolensk Region	71	43	66	76	74	56	61	55	66
Tambov Region	62	67	59	53	61	61	56	64	53
Tver Region	55	42	35	52	49	35	46	37	35
Tula Region	34	31	34	41	33	31	41	26	32
Yaroslavskaia Region	14	9	6	13	10	10	4	18	14
Moscow	1	1	1	1	1	1	1	1	1
The Republic of Karelia	75	55	50	77	56	63	54	25	39
The Komi Republic	65	34	38	57	59	66	63	52	60
Arkhangelsk Region	76	59	56	55	47	50	51	41	49
Nenets Autonomous District	44	26	80	60	5	5	20	3	3
Vologodskaya Region	73	48	44	71	62	53	43	59	54
Kaliningrad Region	52	29	39	34	42	40	77	47	46
Leningrad Region	64	81	65	64	66	70	62	51	56
Murmansk Region	66	53	49	73	71	74	83	63	59
Novgorod Region	51	45	17	44	28	19	11	12	21
Pskov Region	63	66	62	67	55	49	71	50	69
St. Petersburg	2	2	2	2	2	2	2	2	2
The Republic of Adygea	30	4	4	17	18	22	50	76	78
The Republic of Kalmykia	68	12	31	74	52	46	68	58	13
The Republic of Crimea	84	84	84	84	78	79	67	79	75
Krasnodar Region	27	6	13	20	17	37	23	24	34
Astrakhan Region	29	28	45	33	48	59	44	66	70
Volgograd Region	49	72	64	62	73	71	70	46	47
Rostov Region	20	8	15	19	24	24	19	33	37
Sevastopol	-	-	-	-	41	15	26	38	17
The Republic of Dagestan	32	82	81	47	83	85	85	85	83
The Republic of Ingushetia	83	83	83	83	85	77	59	83	84
The Kabardino-Balkarian Republic	58	38	37	40	69	72	78	75	72
The Karachay-Cherkess Republic	80	73	79	79	76	84	84	84	81
The Republic of North Ossetia	43	77	75	36	38	39	74	45	64

The Chechen Republic	81	75	77	82	84	82	82	82	85
Stavropol Region	37	23	30	43	53	69	65	78	77
The Republic of Bashkortostan	48	49	48	35	36	30	49	22	24
The Mari-El Republic	31	80	74	30	30	41	47	49	38
The Republic of Mordovia	16	68	69	58	64	55	45	28	48
The Republic of Tatarstan	11	18	20	16	12	13	10	11	11
The Udmurt Republic	39	41	52	48	40	34	36	27	36
The Chuvash Republic	35	40	53	45	46	60	57	62	58
Perm Region	17	22	23	23	25	29	21	16	25
Kirov Region	67	60	60	61	60	68	64	57	52
Nizhny Novgorod Region	12	14	16	14	8	12	7	9	8
Orenburg Region	77	62	70	46	77	81	72	60	68
Penza Region	36	47	43	39	23	17	12	34	28
Samara Region	26	58	33	22	32	23	34	19	26
Saratov Region	42	79	73	63	54	52	58	53	51
Ulyanovsk Region	24	56	46	18	15	14	17	30	23
Kurgan Region	57	76	72	54	65	42	73	71	67
Sverdlovsk Region	22	32	25	15	16	20	9	14	12
Tyumen Region	41	61	55	50	58	54	40	35	27
Khanty-Mansi Autonomous District	9	5	5	12	21	76	76	69	62
Yamalo-Nenets Autonomous District	61	71	82	81	80	58	31	23	20
Chelyabinsk Region	18	37	40	26	26	26	30	17	31
The Altai Republic	23	13	32	78	79	78	75	80	79
The Tyva Republic	33	39	57	72	82	62	42	74	82
The Republic of Khakassia	74	27	27	66	50	67	55	67	74
Altai Region	72	70	68	70	75	80	81	68	63
Krasnoyarsk Region	46	36	36	24	22	33	25	29	22
Irkutsk Region	56	54	42	49	31	45	39	42	50
Kemerovo Region	69	78	78	69	67	64	79	70	71
Novosibirsk Region	10	16	11	9	11	11	16	10	9
Omsk Region	25	24	22	28	35	32	32	32	33
Tomsk Region	5	19	18	7	6	4	5	8	5
The Republic of Buryatia	60	44	63	68	70	73	60	77	73
The Republic of Sakha (Yakutia)	19	7	9	25	37	8	28	39	40
Transbaikal Region	79	63	76	80	81	83	80	81	80
Kamchatka Krai	59	21	24	38	45	51	53	61	61
Primorsky Region	70	46	26	37	39	38	29	48	41
Khabarovsk Region	54	52	51	56	51	43	37	36	42
Amur Region	21	64	7	27	29	18	52	43	44
Magadan Region	4	15	21	8	9	9	33	31	18
Sakhalin Region	50	3	3	11	20	27	8	44	43
Jewish Autonomous District	82	50	54	51	57	47	27	56	45
Chukotka Autonomous District	7	30	14	3	4	21	3	4	16

Based on the data obtained, we can conclude that in 2018, 2 regions of the Russian Federation belong to the group of regions with a high level of creativity: Moscow and St. Petersburg (since their CCI (Composite Creativity Index)  $> 0.5$ ). At the same time, the mentioned regions were the leaders throughout the entire study period - from 2010 to 2018. The sources of competitiveness and factors in the development of creativity in such regions include the developed creative infrastructure, rapidly developing creative industries, and, in particular, a strong innovation sector.

13 regions of the Russian Federation (Tomsk, Tyumen, Magadan, Sakhalin, Novosibirsk and Kaluga regions, Sevastopol, Moscow Region, the Republic of Tatarstan, Yamalo-Nenets, Khanty-Mansi, Chukotka and Nenets Autonomous Districts) belong to the group with an average level of creativity (since  $0.25 < CCI < 0.5$ ). The group of regions with a relatively low level of creativity ( $0.2 < CCI < 0.25$ ) includes 19 regions (Primorsky, Khabarovsk, Krasnoyarsk, Kamchatka, Belgorod, Chelyabinsk, Samara, Yaroslavl, Murmansk, Voronezh, Kaliningrad, Sverdlovsk, Leningrad, Kursk, Ivanovsk, Nizhny Novgorod regions, the Republics of Bashkortostan, the Republic of Kalmykia, and the Republic of Sakha (Yakutia)).

The rest 52 regions are characterized by extremely low territory creativity ( $CCI < 0.2$ ). Most of them are underdeveloped regions of Russia, including the regions of the North Caucasus Federal District.

If we consider the data in dynamic perspective, we can note a significant increase in the positions of the Nenets (from 44th place to 3) and Yamalo-Nenets Autonomous Districts (from 63rd to 20th), as well as the Jewish Autonomous District (from 82nd to 45th). A decrease in the Composite Creative Index during the study period occurred in the Khanty-Mansiysk Autonomous District due to a 3-fold decline in the Creative Economy Index, in the Magadan Region due to minor reductions in the Creative Economy Index and Creative Environment Index, as well as at the Altai Republic (from 23rd to 79th place). The Republic of Dagestan is a region with practically the lowest level of territory creativity in 2018, in 2010 it had relatively better indicators and was the 32nd in the list.

To assess the scale of creative economy development in the regions of the Russian Federation, it is important to assess the volume of dispatched products in the creative industries in the volume of the gross regional product (GRP), as well as the correlation between the number of people employed in the creative industries and the total number of people employed in the economy of the regions of the Russian Federation. These indicators allow us to assess what contribution the creative economy makes to the socio-economic development of the region. Analysis of the data allows us to conclude that the creative sector of the economy is the most important for the development of Moscow and St. Petersburg. The shares of creative industries in the gross regional product of these cities are 8.8%

(Moscow) and 8.0% (St. Petersburg). At the same time, the shares of those employed in the creative economy account for 5.5% and 4.8%.

The greatest contribution to the employment of the population is made by the creative industries of the Nenets Autonomous District. In this region, the share of people employed in the creative sector of the economy is 7.9%, which is the maximum value among all the regions of the Russian Federation. A fairly high share of those employed in the creative economy - 5.3%, is characteristic of the Yamalo-Nenets Autonomous District. Among regions with a relatively high contribution to employment are the Republic of Sakha (Yakutia) (3.7%) and the Tyumen Region (3.5%).

The Republic of Bashkortostan, with a low share of employment in the creative industries - 2.2%, is distinguished by a high contribution of the creative sector to the gross regional product. The indicator of this region is 5.7%, which is only lower than the indicators of Moscow and St. Petersburg. The Novosibirsk Region (5.0%), the Orenburg Region (4.2%) and the Transbaikal Region (4.2%) are the regions where the creative sector makes a significant contribution to the gross regional product.

#### **4. Discussion**

Under current circumstances, since there are a lot debates over the essence of the creative economy and over a need for a special policy in this area, the issue of establishing a management system for the creative economy is not even discussed in Russia. However, the practical analysis demonstrates that creative industries have a fairly large potential for the development in the Russian regions. This suggests that the creative sector should nevertheless become an object of managerial research to support and develop it, which in turn presupposes an effective management structure in the country.

Seeking to fill the existing gap in Russia, we have developed an author's model for it. According to our model, the main role in the implementation of the creative industries development policy should belong to the Sector for Development of Creative Industries of the Russian Federation established within the Department for Development of Economic Sectors of the Ministry of Economic Development of the Russian Federation. At the same time, an important role within the framework of the system is assigned to the Government Commission for the Development of Entrepreneurship and Creative Industries, the main objective of which is legal regulation and development of the strategy for the growth of creative industries. In our opinion, the Commission

should include not only government officials, but also representatives of associations and unions in the field of creative industries, representatives of public associations of entrepreneurs, as well as successful and well-known organizations in the field of creative economy. The key point in the mechanism for managing the creative economy in the Russian Federation requires an appropriate legal framework that will include the concepts of “creative economy” and “creative industries”.

## 5. Conclusion

The most common practice of developing a creative economy in foreign countries is the establishments of creative clusters, that is, a certain community or a space that brings together representatives of creative professions (designers, journalists, musicians, directors, artists) and entrepreneurs from the field of culture and art. The synergetic effect of creative spaces is evident from the creation of a favorable environment for the development of related businesses (for example, cultural and entertainment establishments) and conditions for attracting human capital from other parts of the world.

Our analysis revealed that Germany, Great Britain and the United States far exceed the leading Russian regions (Moscow, St. Petersburg) in terms of the existing conditions for the creative sector development, although certain conditions for the creative industries development have been created in Russia as well. Notably Russian regions see the development of creative spaces and clusters, conditions for higher education in the field of creative industries, and implementation of support measures to stimulate certain creative industries. Nevertheless, the existing setting for the creative economy development still do not seem to be favorable. It is important to actively develop the following areas to support the creative industries: creative mapping, development of strategies and programs in the field of the creative economy, as well as introductions of all types of support: mentoring, tax preferences, marketing, export and guarantees.

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