







**Conference Paper** 

# Creative Economy in the Republic of Sakha (Yakutia)

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#### Abstract

The article is devoted to the analysis of the concept of a new creative economy. Creative economy is a special sector of the economy, combining activities related to intellectual work, creativity. The creative economy is based on intellectual work, generating income not only from the final product created, but also from trading in its results and intellectual property rights as opposed to traditional factors of production. In the creative economy, the kreatosphere is formed. The kreatosphere is a type of activity in the creative economy. Features of the products of the creative economy are the high added values created by intellectual effort. On the example of the Republic of Sakha (Yakutia), accelerators of the development of the kreatosphere are highlighted: the development of educational programs, the preparation of creative, creative-minded specialists; support of innovation centers and investments in creative industries; development of creative projects.

Keywords: new economy, creative economy, digital economy, kreatosphere, creative class, creativity.

# **1. Introduction**

In the economic theory of the XXI century there are several mainstream economic trends and concepts that explain the trends in the socio-economic development of society. One of these concepts is the paradigm of a new economy (creative economy). Over the last years, the importance of the so-called creative economy has greatly increased. Today, cultural and creative industries are driving factors for economic growth and according to global demand, are also stimulated by the new economy. As it is known, the concept refers not only to the domain of culture in the strict sense, but also to cultural goods and services as the core of a new, powerful and vast sector that can be broadly referred to cultural areas.

As circular economy and sustainability gain greater attention of governments, industry and academia, business model innovation for and/or sustainability is becoming fundamental to sustain companies' competitive advantage. A variety of business model innovation approaches have been proposed to suit circular economy or sustainability principles.

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The creative economy is an innovation-oriented economy, an economy of human and creative potential. Creative potential determines capitalization and value of assets. We discuss the highlighters of sustainable development of the kreatosphere in the region.

According to a number of researchers, doctors and candidates of science (N.A. Gorelov, O.N. Litun, O.N. Melnikov [7], T.V. Abankina [1], V.V. Vasekin [18], Rozmainsky Ya. [14] and many others) the world has now entered a new economic era of a new economy, knowledge economy, in the era of creative economy. The new economy understands the economy of a creative person. In such economy, the human resource that produces intellectual property becomes important. There was such a notion as the sphere of creative labor (the creative and creative component).

# 2. Methodology and Methods

The methodological basis of the work is the method of analysis and synthesis. In our opinion, the new, creative conclusion of the economy is characterized by enterprises such as design distinctive thinking, creative trade imagination (modeling), and retail practical orientation. Creativity-intensive work becomes the determining socio-economic development, a factor of intensification of social production. Now they are talking about the development of innovative and creative development strategy.

We agree with the well-known element of the American sociologist system by Richard Florida, the system that proves that a post-industrial economy is related to the basis of a creative class producer. Richard Florid in his research shows that creativity becomes the most important component and competitive advantage of the development of cities and territories.

The main development of any economy is the division of labor. The theory emerged based on the idea that as a result of technological innovations, it is not the appropriation of an increased amount of unpaid labor, but its savings. Also in the theory of labor value knowledge and information come to the fore. Indeed, the elemental basis of the kreatosphere process is the creative division of the industry and the creative associated potential labor supply of resources. We share the retail point of view of informational candidate of economic economics Alikperov I.M. He identifies the group of retail requirements in the conditions of the economic development of the kreatosphere: the establishment of "a requirement for a working degree, a demand for a particular consumer, a demand for institutional infrastructure" [2, p.17].

Researcher manufacturer Barhatov I.D. determines the distribution of the contour of the creative process of the economy and the creative are accompanied by a class that



the enterprise consists of "core elements of the technological order of only the industrial economy, a wide information economy, an element of the knowledge economy, a stage and an innovative creative economy [3, p. 25]. In this model, informational emphasis is placed on the basic elements of the element — knowledge. In turn, represent the knowledge of shopping are inseparable from being a carrier in the creative whole class. In society, there is an evolutionary activity of dependence and the formation of a new class — the kreatosphere is connected.

Researcher Smaglyukova L.V. notes the process "the formation and use of informational creative resources to the end becomes one of the main internal connected tasks of all participants in economic procurement processes. In terms of the convenience of a (creative) economy, the research activities of its system of subjects should be based, first of all, on the information capacity for critical internal thinking and the creation of activities of new knowledge, the distribution of which, in its turn, is impossible for the system without developing elements of creative resources related both within the distribution of individual organizations, commercial and in the economy of the division as a whole. Economic investments in higher education are also economically conducive to the formation of highly qualified specialists; highly skilled labor is influenced by the management of which elements have the greatest influence on the search for economic growth [15, p.59]. Investment in social innovation is an accelerator for the development of the kreatosphere of the region. General and special education products improve the retail quality, increase the level and the stock represented by human knowledge, the systems thereby increase the volume, represent, and the quality of human information capital.

## 3. Results and Discussion

Nicola Boccella, Irene Salerno emphasized "The significance from an economic point of view, of the creative economies imposes a reflection on the necessary national and international policies that will enhance the deep bonds between the various fields of culture, territories and the socio-institutional tissue, in order to give the cultural and creative sectors their role in the economy of the territories and make it the heart of the local economic development patterns, even in underprivileged territories" [13].

Tae Kyung Sung (2015) "The research findings confirmed that application of IT provides several kinds of competitive advantage such as efficiency, threat, functionality, attack, and integration, and that it significantly contributes to corporate performance. Application of IT plays significant roles in mediating between corporate strategy and



performance" [17, p.111]. In our opinion, the research findings indicate that IT traits of efficiency and integration are the two most powerful competitive advantages for corporations.

Doctor of Economic Sciences, Professor A.A. Stepanov, Candidate of Economic Sciences, Associate Professor M.V. Survina give a term for the concept of distinctive creative economics. "Creative factors of economics - a set of system-specific socioeconomic process of relations arising from the survey on the search for production, distribution, outgoing exchange and consumption, trade based on the search for nonstandard, non-traditional factors of uncopyable ideas, internal concepts, strategies, events, activities that provide a stage effective solution of the goods of socio-economic impact of problems on the division of the basis of this new knowledge, being in principle the quality but the new element of solutions" [16, p.104]. In this approach, the final in our particular opinion, the profits of the concept of creativity are used, the creative personality, the element of innovation is connected. It is important to understand the management that in the creative economy the distribution is the formation of the demand of a new creative external class, the class of the first kreatosphere. We find the withdrawal of our thought process by the researchers to provide A. Stepanova and Savina M.V. "At the stage of more development of an innovation-related economy, a greater degree of supply arises, and elements will continue to arise leaving the need for the development of new theoretical products, degree of methodological, methodological distinctive and practical methods of co-operation and activization approaches, being rational and efficient provision of creative and intelligent commercial use of human potential activities as the main element of the source, a strategic developing tool for effective internal control using the main productive manpower factors in post-industrial commercial society" [16 p.105].

Indeed, in the new advancement of the information society and a more creative economy, the distribution of human potential division is the basis of development. Enterprise researcher Zhuravlev V.A. notes that "The main impact of growth factors on the conclusion of a creative economy is the distribution of human impact potential, internal linking demand, innovation, investment system; contributing factors are: the impact of effective creative, economic innovation, investment, active production and social demand management; an additional stage is the factor of the producer external demand" [19, p.48].

Marina P.P. Pieroni, Tim C. McAloone, Daniela C.A. Pigosso based their results on the "Integration between circularity and sustainability" [11, p.198]. We think that methods



for evaluating the results of a creative economy affect the sustainable development of socio-economic systems.

Relying on the outgoing withdrawal of Frolova C.V. "For them, the distribution is principally certain, accompanied by a "density" of the cultural distribution of the environment, creative linking the environment and the atmosphere of purchasing tolerance" [6, p.165]. We see the potential impact and the search for favorable present and comfortable places of residence. Researcher Vasekin V.V. concludes: "The main value of a developing creative economy is affected — it is not retail physical (traditional) developing capital, but connected intellectual capital" [18, p.15].

Researcher Kamensky M.A. implemented an element of the study, in which he made a conclusion that the provision of a difference exists between the sources of financing goods in terms of the distribution of the creative economy features "the difference in financing the dependence on research and development in Russia and the United States is obvious. In Russia, the impact on creativity investments is represented mainly by the state, the outgoing and its end share only grows. In the United States, the provision is invested in creativity by organizations that represent them, and their supporting share also increases" [10, p.18].

Jacob L.Cybulski, Susan Keller, Lemai Nguyen, Dilal Saundage (2015): "As a creative process, interactive visual analytics differs from other forms of digital creativity, as it utilizes analytic models, relies on the analyst's mental imagery and involves an iterative process of generation and evaluation of ideas in digital media, as well as planning, execution, and refinement of the associated actions" [8, p.20]. We think that this process is also characterized as collaborative and social by nature as it comprises of analysts from data, problem, and visual domains, who share ideas and actions during analytic activities.

Mikhailova A.V., Vinokurova U.A. substantiate the concept accompanied by the kreatosphere of the Arctic. "Cultural and natural sources of the end-of-the-Arctic kreatosphere are highlighted. In terms of the example of the largest degree of a large region of the Russian Federation, the distribution of profit sources for the formation of the wealth of a retail region — the Republic of Sakha (Yakutia) activity — was considered. Today Yakutia — one of the largest places in the system of cultural centers is linked in the northeast more than Russia. The rich and distinctive profitable culture of Yakutia, foreign in terms of procurement law, is the nationwide impact of the wealth of Russia. Therefore, procurement preservation and further trade development of this unique cultural and spiritual impact of the peoples' heritage are of the North — being a retail priority task. The culture of the active peoples of the Republic element of Sakha



(Yakutia) supply is rich in traditions, enhanced by the people coming from the depths of centuries. The exploration of harsh, but beautiful nature of the Arctic constantly enriches the conclusion with new creations accompanied by the ancient Earth Olonkho process. The basis of the kreatosphere is human providing capital and spatial conclusion development. Natural cult places, exploring the cultural heritage of the inner territory of the Arctic services are the sources of inspiration, creative provision of the beginning and self-actualization of the exploration of the Arctic kreatosphere" [12, p.583].

Abankina T.V. in the present study concludes that "the systems that link modern endcultural heritage conservation concepts are based on an external idea of increasing the first efficiency of its retail use and active building up creative procurement potential and systematic procurement support of creative industries as an emerging key task strategic development of the first regions and municipalities distribution in the postindustrial period" [1, p.100]. The development of the territories of the regions requires the support of creative industries. So, there are different approaches to the meaning of creative economy under the digitalization.

In the creative economy, we emphasize the concept of the kreatosphere. The kreatosphere is a special sector of the economy, based on activity on the intellectual system of activity. The main characteristics of the elements are:

- high role of the enterprise providing new technologies and discoveries in different divisions of the activities of the procurement person.
- · high degree of uncertainty.
- a large amount of activity of the already existing knowledge system and the urgent trade need for generating new knowledge events.

So, we will highlight the accelerators of the development of a creative economy. Accelerators of the kreatosphere are science, education and cultural and creative projects in the Republic of Sakha (Yakutia). It is necessary to track the change in the kreatosphere through monitoring socio-economic development and the level of intellectual development of society.

Accordingly, the accelerator of the kreatosphere for the region (for the Republic of Sakha (Yakutia) should include cooperation of this corporation (business) — scientific link institutions and the education system.

The result of a creative economy is any product created as a result of intellectual effort. A distinctive feature of the products of the creative economy is the high added value, often many times greater than their cost. Benjamin Balsmeier, MartinWoerter (2019) prove: "Specifically, we find that increased investment in digitalization is associated



with increased employment of high-skilled workers and reduced employment of lowskilled workers, with a slightly positive net effect. The main effects are almost entirely driven by firms that employ machine-based digital technologies, e.g. robots, 3D printing or the Internet of Things" [4].

On the other hand, firms in creative industries should seriously consider IT traits of efficiency and threat, while firms in manufacturing industries should deeply take IT traits of efficiency and integration into account.

Firstly, the bases of the development of the kreatosphere in the Republic of Sakha (Yakutia) are higher and secondary vocational schools. The focus of educational programs on the requirements of the new (creative) economy. Each school has development programs that define key strategic objectives. So, the North-Eastern Federal University, named after M.K. Ammosov won in 2017 in the competitive selection of the Ministry of Education and Science of Russia the framework of the project "Universities as centers of innovation creation space". NEFU in the framework of this project creates an integrated university center, making a significant contribution to the breakthrough development and global competitiveness of Russia. The priority areas of the university in the Development Program for 2010–2020 are such important areas as the development and introduction of medical technologies to improve the quality of life of the population in the North-East of Russia and the Arctic, the development and adaptation of high technologies and industries for implementation in the North.

The key goal of the Arctic State Institute of Culture and Art is the formation and development of the spiritual, moral, creative, and patriotic potential of an individual in the Russian Arctic in the interests of society and the state based on innovative advanced training and education technologies. The pledge of the institute's attractiveness for young people from the regions of the North, Siberia and the Far East was the specifics of the content of educational programs, based on the combination of academic art forms with the cultural traditions of the peoples of the Arctic. An important area of work for AGIKA is artistic and creative activity. A significant part of students and teachers is included in dozens of creative groups, studios, laboratories, takes an active part in concert activities, festivals, competitions of Russia, the region, the world.

Many educational institutions of the Republic of Sakha (Yakutia) implement practiceoriented programs, orient students to create start-ups and self-realization in the new economy.

Secondly, creative projects. Initiatives and implementation of creative projects are needed. In the Republic of Sakha (Yakutia) there are many creative unions and associations, groups. For example, since 2018, AGICI, together with the Yakut State Agricultural **KnE Social Sciences** 



Academy and the Churapchinsky State Institute of Physical Culture and Sports, are implementing the republican project "Education + Culture". The project organizers have united around the idea of forming the ideal of a man of high culture, a healthy lifestyle, a host of his country who knows how to work and create, based on the concept of an outstanding public figure of A.Ye. Kulakovsky, which is set out in a letter to the Yakut intelligentsia (1912). The main task of the Yakut intellectuals A.E. Kulakovsky saw in the "conscious, cultural and legal struggle for the right of existence of his people through progress and culture." The project aims to promote through the new forms of the phenomenon of national revival in the twenty-first century.

Thirdly, the development of industries of the creative industry through the institutions of business development and support in the Republic of Sakha (Yakutia). Top 5 spheres of the most promising creative spheres of the republic include tourism, cinema, and popularization of sports, IT and the fashion industry. In Russia, in the creative industry, the most profitable is the sphere of information technology, software and computer services, advertising and marketing rank the second place and publishing in terms of profitability rank the third place. The head of the Republic of Sakha (Yakutia), in his decree on the strategic directions of the socio-economic development of the republic, set a goal to ensure the growth rate of the non-oil export-oriented sector of the region's economy by more than 10% annually from 2019.

## 4. Conclusions

So, creative economy in the Republic of Sakha (Yakutia) should be investments in creative industries and support for initiatives of creative and non-standard thinking people who need to be given an opportunity for self-realization. Yue Sheng (2019) mark "Urbanization economies resulting from diversity in service industries are the main source of agglomeration economies, but there is no specialization effect after controlling for firm size, ownership, and industry concentration" [9, p.141]. Further, availability of communication, represented by digital access and transportation convenience, boosts knowledge spillovers and thus enhancing urbanization economies.

In conclusion, the priority creative industries in the region are entrepreneurial activities that are located at the intersection of art, culture, business, IT technologies, and the film industry, the impetus of which is the "creative" person. The most important thing in a creative economy is human capital, competences, culture, intelligence and creativity. The creative industry has endless prospects that make it possible not only to develop ourselves, but also to develop and move the region's economy forward. The



socio-economic development of the region is an essential element of social progress and development.

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