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THE PHENOMENON OF CREATIVE INNOVATION

Nataliya Kuznetsova*

*Dr. of Economic Sciences, Associate Professor,
Head of Economic, Management and Administration Department
Cherkasy State Business College, Ukraine*

**Corresponding author's e-mail: nataliya.kuznetsova14@gmail.com*



Abstract

The dynamic development of the modern world is constantly accompanied by technological revolutions. The factor of “creative destruction” characterized by the continuity of production and creation of innovations has served as their basis for a long time. Today, the nature of innovation in products, processes, and organizations is quite broad. Until recently, the main focus was on changing their functionality, which is more characteristic of technological innovations. However, with the dynamic development of the creative economy sector, the role and importance of creative innovations are growing. Creative innovations are generated by creativity and transformed into marketable creative products. They are unique in nature, have a significant impact, and participate in shaping the value chains of products and services in other sectors of the economy. The sphere of creative innovations is still underexplored and therefore requires further research.

Key words: *creative economy, intellectualization, creative innovations, creative innovation impact.*

Introduction

Creative destruction as a wave-like and constant process occurs due to the growing level of a person's intellectualization and their work. It is manifested in the destructive power of innovations on markets and industries, the replacement of old methods with new, more progressive ones,

the internal destruction of the economic system and its transition from one state to another [1].

The economic role of innovations is interpreted by scientists as the principle of intellectual self-improvement of the society and is an important condition for maintaining its dynamic balance, the dynamism of innovative development of which is directly accompanied by the accelerated intellectualization of world society on a global scale [2].

Modern trends in the development of the world economy lead to the emergence of new sectors and industries, based on creative activity. Creativity is multifaceted, and its combination with the technological component lays the foundation for the emergence of creative innovations.

Overview

One of the unique economic systems that combines a commercial and cultural component and is characterized by a high capacity for innovation is the creative economy. The high level of cultural interaction of people inherent in the creative economy is a favourable environment for the dissemination of new experience and creative ideas. That is why the creative economy exerts an increased influence on the formation of innovative potential and innovative creativity, and is attractive for the influx of creative talents from abroad. Thanks to innovations, information and communication technologies, talents and skills, the activation of innovative processes in the economy of countries and in the global space is ensured [3].

As a result of the creative economy's unique ability to penetrate into the development environment of other sectors of the economy flexibly, there is a diffusion of knowledge and technologies, which causes a mutual influence on technologies and the innovation ability of business partners – both customers (direct influence effects) and suppliers (feedback effects) of the creative economy. The flexibility and inclusiveness of the creative economy provides it with the role of one of the key drivers of achieving the goals of sustainable development and increasing its importance in the world economy.

A peculiarity of creative and cultural sectors of the economy is their complex influence on the economic development of cities, countries, regions and the world through a system of various connections. However, in practice, a significant part of the subjects of creative industries is concentrated in small and medium-sized businesses that are not engaged in research and development. The non-technological character inherent in creative innovations leads to the problem of identifying the participation of external technological innovations at specific stages of the formation of the value chain of creative products in other industries and sectors of the economy,

where the result of creative activity is used as an intermediate stage of entry into the process of production of goods or services, which by themselves are not creative. This feature of creative innovation was called hidden innovation, the concept of which was developed by L Green, I. Miles and J. Rutter [4]. Perhaps that is why the economic efficiency of creative innovations is often underestimated, since this result of technological and scientific research activity is not taken into account in the results of research.

This problem is also explained by the specificity of innovations of creative economy, which is related to the peculiarity of the services to which this industry belongs, since most of the creative products are services, and those that are technically goods are used in the context of their service:

- most services are relative, which means that the time and place of their production and consumption coincide;
- innovations in the service sector, as an idea or concept, are often quickly copied and easier to copy than complex technological innovations. Such imitation is called endemic in creative industries [4], i.e. inherent and characteristic of the entire creative sector and such that does not inhibit the development of creative innovations, in contrast to technological innovations;
- creative activities are often integrated into technology-intensive products or services. Among them, there are those that are focused on technology (software, engineering design) and that create more psychological and social effects (advertising, clothing design).

Therefore, it can be stated that today, under the influence of the dynamic development of creative economy sector, traditional theories of innovation are undergoing significant changes, being supplemented by new content of innovations produced by creative and cultural industries. The peculiarity of innovations of creative and cultural industries, generated by creativity and transformed into marketable creative products, is that in most cases their innovative content is not considered to be a result of technological and scientific research activities, but rather is considered an act of creativity and joint efforts. This is explained by the fact that today the nature of innovations in products, processes and organizations is quite broad, but the focus is on changing their functionality, which is more characteristic of technological innovations. However, it is important to understand that creative and cultural industries are crucial incentives for innovation and have the potential to generate positive changes in and for society in terms of improving people's well-being. After all, based on their internal value, these sectors have the role of providers of innovations and creative solutions to manage a wide range of social problems; factors promoting employment

and inclusion; means of stimulating innovation in other sectors of the economy; drivers of development of urban and rural areas.

Conclusion

Thus, the phenomenon of creative innovation is its scaling, when an innovation is created to give rise to a new innovation. They are characterized by the spillover effect into other sectors of the economy and their own innovative development of creative and social entrepreneurship, which determines their uniqueness and multi-effectiveness.

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