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CREATIVE ECOSYSTEMS AND THEIR ROLE IN TERRITORIAL COMMUNITIES' DEVELOPMENT IN UKRAINE AND GLOBALLY

Abstract: A difficult economic situation that has been formed in Ukraine in recent years as a result of deep recession and currency devaluation led to the fact that a considerable portion of enterprises was forced to significantly reduce its staff or even suffered elimination. As a result, it caused the release of office space, among both landlords and tenants, whose stoppage, in turn, has forced companies to look for a new business model. And some of them have found it - it was the organization of creative ecosystems that had already gained certain popularity in the West before. In the article we investigated the phenomenon of creative ecosystems and defined the factors of creative ecosystems in Ukraine and globally as well as the analysis of the formation and development of creative ecosystems and general creative industries in Ukraine and in the world. We found the directions to stimulate the development of creative ecosystems and general cultural creative industries in Ukraine and globally by regional and local authorities.

Keywords: creative ecosystems, creative space, creative industry, territorial communities' development, regional policy.

JEL classification: O31, R11

Introduction

Society modernization leads to the change of classical principles of economic activity, forming of new management models and strengthening of individual role in the general system of economic reproduction due to swift technologies development and advanced nature of transformation processes. Therefore, progressive economic development of a region depends to an increasing degree on the quality and creative level of human factor rather than on the capacity of the territory itself, in particular on the efficiency of cooperation between people, their communication productivity, forming of local ecosystems and development of business way of thinking.

Structural transformations of regional labour market, continuous business evolution and growing amount of self-employed persons led to emergence of a qualitatively new platform for forming and development of creative social class, - a space, where a person aspires to develop, work, invest, rest, establish new communications, form the team of like-minded experts and develop own business. Creative space provides companies and certain entrepreneurs with a modern approach to organization of their work and a space, where they can work in a creative, relaxed and initiative way, with comfortable atmosphere of self-organization and internal motivation.

The purpose of the article. The purpose of the article is to substantiate the essence of creative ecosystems and their importance for the socio-economic development of territorial communities in Ukraine and in the world, as well as the elaboration of practical recommendations for the formation of independent creative industries in the community, which will allow territorial communities to become more competitive and create new value added.

Research results

1. General description of creative ecosystems' types and economic and management models in creative economy

Creative ecosystems as a phenomenon refer to the new economy and management forms, which are based on achievements of innovative development and on advanced instruments of human activity. Emergence of similar economic and management models is stipulated by swift transformations of classical economic terms of enterprises' organization. Many authors agree that economic basis of modern society and the society of the nearest future does not correspond to classical understandings and approaches to organization of companies' activity. Instead, it is grounded on new principles – of self-organization, company's transformation role and individual decisive role, further growth of intellectual work impor-

tance and virtualization (Fuchs 2008, p 67.; Stehr 2002, Available from: <http://www.crsi.mq.edu.au/documents/worldknowledge.pdf>).

Creative space is the most widespread type of creative ecosystems. Creative space is the multi-functioning ground for entrepreneur's, organizations and individuals that work distantly and most often with the services consumers from other countries. It is some sort of «mind concentration center» with peculiar culture (Karpyak 2017, p. 136). Moreover, such innovative cultural space also can combine a lot of various projects, for example startup-boxes, co-workings, anti-cafe, creative restaurants, child development centers, creative workshops, eco-parks, etc. In addition to this, creative space is also a platform for different cultural and educational events, conferences and festivals.

Creative spaces are dynamic structures oriented at their residents (Pawillion 2015, Available from: <http://pawillion.com/uk/ekonomika-kreativnih-prostoriv/>), i.e. permanent participants, who aspire to work, study and just spend time in this space. Residents accept all conditions of space use and make prepayment for services for a month, half a year, a year or more. The residents constantly migrate in creative spaces, which fall away and join the space all the time. The community of residents formed in creative space creates the ecosystem of the space for a certain period of time. Therefore, these platforms are very interested in the development of markets for their services.

Co-working is the most common type of creative space, which actively develops in the world nowadays. Co-working (English word meaning to jointly cooperate) – is the model of individuals work organization, most often the freelancers, with different employment type in a single working space. In other words, co-working is some sort of a collective office.

The first co-working center appeared in 2005 in the USA due to the initiative of young software engineer Brad Neuberg. The major impetus for emergence of the center was the Neuberg's desire to combine the advantages of office and distance work.

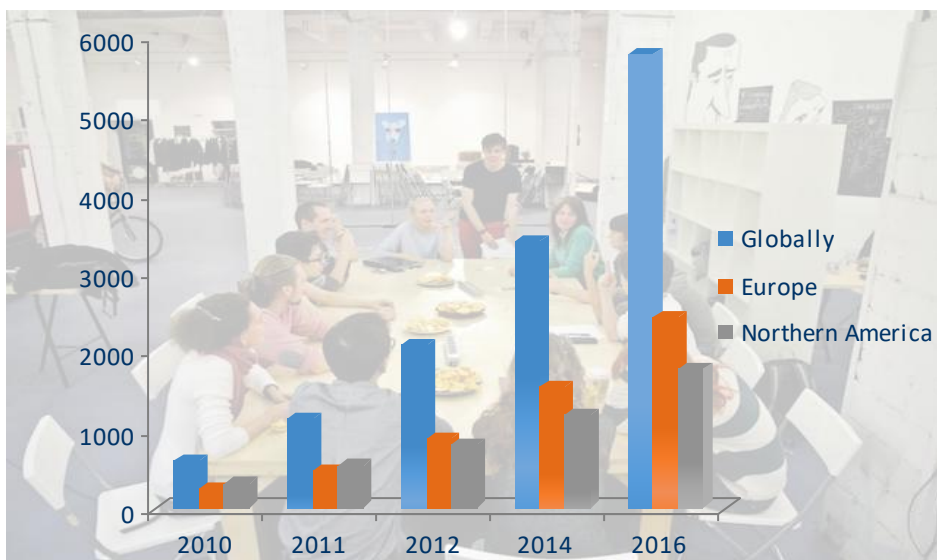


Figure 1. **Global dynamics of the number of co-working spaces**

Source: It is made on the basis of information (Prezi 2015, Available from: <https://prezi.com/epoe0ogs-wzq/coworking-europe/>).

The greatest advantage of co-working model is the complete freedom of choice; however it also has two significant shortcomings – it is restricted in live communication with colleagues and it doesn't provide an opportunity to participate in large projects, which require for consolidated team to work efficiently. Instead, when working in the office, a person can use office equipment, discipline environment and numerous colleagues to discuss work and technical problems. At the same time office work also has the range of flaws, the strict time schedule and high level of administrative responsibility are among them. However, co-working combines advantages of both mentioned models – it provides renting of the workplace in office on the turn-key basis with all the office advantages in the form of restrooms, kitchen, fast Internet, meetings room and the company of like-minded people.

Neuberg initiative stimulated the phenomenon, which spread globally in three years. The number of such spaces started to increase quickly and gain much popularity. Nowadays joint offices are large premises with kitchen and one or two negotiating rooms and they are equipped with the necessary office infrastructure – from Internet to printers and scanners – to meet the needs of all «participants».

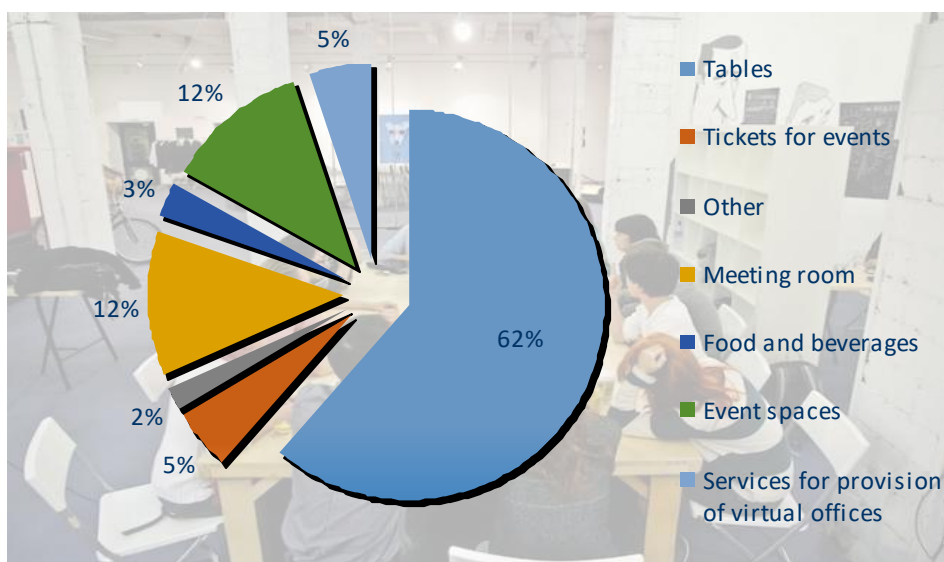


Figure 2. Monthly revenues' sources in co-working spaces in the world per one member, 2016

Source: It is made on the basis of information (Prezi 2015, Available from: <https://prezi.com/epoe0ogs-wzq/coworking-europe/>).

Basic nature of co-working model lies in territorial combining and community organization for improvement of labour productivity of its participants as well as maintenance of constant income through rental payments of its users.

In co-working the participants do not need to spend money on furniture and office equipment, because the clients are provided with specially equipped job places and also with adjacent and additional services. Special attention is paid to:

- office interior (stylish and businesslike),
- availability of air climate control system,
- reliable internal security service,
- regular providing with communication services.

Moreover, a possibility to exchange orders and experience, and not less important – a job place distant from home, are also the advantages for the work of freelancers in this space. Co-working also helps to swiftly form freelance-teams for large projects.

Payment for a job place in co-working is established according to a range of factors, in particular:

- amount of working hours
- amount of working days spent in co-working
- agreement tenure for a month or more.

Payment for co-working services may be: per hour, per day or per month.

Payment amount may depend on:

- time spent at the workplace (long-term agreement stipulates reduced prices)
- availability of fixed work place (it is either fixed workplace or the free place at the moment of entering the co-working)
- work in a separate office (respectively, this service is more expensive than workplace in the common room next to other users).

The system of trial access (free first day of working), discount system based on advanced payments and other marketing models of monetization of services granted for improvement of participants' labour productivity are popular in co-working.

As any other model, co-working has a range of benefits and disadvantages.

Co-working model is mainly based on the concept of open office, in classical understanding meaning the organization of office space in a way that a significant amount of free space for low and middle ranking employees is located in the center. Large offices of managers are located along the perimeter. There are also specially equipped rooms for negotiations and a closed relax zone. Work places of low and middle ranking employees are divided with middle-height partition walls creating in its turn an illusion of separated office. The walls of managers' offices, negotiation rooms and other rooms are made of transparent glass creating a sense of open space and absence of obstacles to any productive activity. The culture of open offices is different and has been actively used in business environment for more than 100 years.

The co-workings specialized in certain sectors and uniting the employees in one branch have recently gained impetus. In particular, in Milan such cooperation form is so popular that the number of these structures increases greatly and local authorities compensate the value of one co-working place for the interested ones.

Such management mechanisms as crowdsourcing and crowdfunding are another types of creative ecosystems worth special attention in the context of territorial communities' development.

Crowdsourcing is based on prediction of consumers' desire to share their ideas for free or for small reward for solely purpose of seeing this ideas become the reality. Main idea of crowdsourcing for organization or territory in general – is to decrease their expenses, as well as to receive new interesting ideas (Pasternak 2014, p. 216).

Table 1. Co-working benefits and disadvantages

Benefits	Disadvantages
Access to workplace (for residents) 24x7;	Limited hours of working for non-residents, absence of personal office and fixed work place
Improvement of personal social status, personal positioning in society and growth of labour productivity	A lot of time spent for travel to work place, which could have been spent on implementation of own projects, rising transport and food expenditures
Communication, avoidance of «professional isolation» for freelancers	Public place, low opportunities to focus due to noise and surrounding events
Providing with security services and certain personal space	Exposure to fraudsters, necessity to constantly control personal things
Easy to find useful links, the ability to dial a team for a new project;	Complicated search for highly-qualified specialists, because the majority of co-working participants are start-uppers freelancers-beginners
Possibility to exchange knowledge, ideas and experience, cooperativeness	Competitiveness and influence of human factor (problem of information protection and reserved copying of necessary data due to unpredictable behaviour of certain colleagues and a new team at a whole)
Creation of a community of interested people leading to a greater desire to go to work.	Partial solution of unemployment problem, nurturing of entrepreneurship culture in the society

Source: Compiled by the authors.

The instrument allows: attraction of common people and encouragement of «microlocal» activity; access to different useful data from real life; creation of the community of caring people; activation of young people; activate those who didn't know what to do with violation of their rights before or didn't know their rights at all.

The project Rally Saint Louis (Pasternak 2014, p. 216) is the example of efficient introduction of the abovementioned instruments – the first of its kind platform of crowdsourcing and crowdfunding that generates the use of the ideas of region's residents and their funding and then uses the ideas for promotion of the region Saint Louis. This is the unique en-

deavor, fundamentally different from anything that has been done before not only in Rally Saint Louis, but in the USA as well.

2. Methodical and practical recommendations on activation of territorial communities' creative capacity activation

Analysis of the abovementioned projects is the basis for conclusions that economic and management mechanisms of cooperation in creative economy are the perspective development instruments for territorial communities, especially under the conditions of limited financial resources

As for the formation and development of this phenomenon in Ukraine, it should be noted that the designs of creative spaces began to appear in Ukraine in 2008, however their boom could be seen during 2014-2015. If in 2014 there were 60 of them in Ukraine, then at the beginning of 2016 there were approximately a hundred (Tyzhden 2016, p. Available from: www.tyzhden.ua/Society/158758). Today their number is continuously growing and, according to the market participants and experts, this is only the beginning. Today, almost every regional centre has a coworking or a hub. In addition, a network of IT- coworking branded as iHUB is currently developing in Ukraine.

According to the experts research, coworkings opened almost every month in the regions of Ukraine and Kyiv during 2015. Today, some of the most active coworking spaces in Kyiv even do not make large-scale advertising, but the occupancy in working areas is about 70% (Korrespondent 2015, Available from: korrespondent.net/business/economics/3542964). There are also instances when some offices move into coworking, an average of 10 people. In addition, mainly in the evening they are conducting courses which are in such demand that all the groups are filled.

Creative space offers companies and individual entrepreneurs a new approach to their work - a space where they can work creatively, proactively and with ease, in a comfortable atmosphere of self-organization and inner motivation. In addition, such spaces are equipped with special lecture rooms, which are convenient to conduct classes and lectures for various audiences. In turn, international companies have an office in the region where they can present their developments.

Creative spaces are currently actively developing both in the world and in the regions of Ukraine. They create unique platform for forming of creative social class, which in its turn becomes the engine of economic, technological, innovative and cultural progress. At the same time it is worth mentioning that creative class takes dominating place in society. There is not any state program that can be prepared without its expert initiatives and consultations, regardless of a type of activity – economy,

legislation, IT, education, science, culture, transport, construction, and social sphere. Numerous research of productive capacities in Europe show that cultural and creative spaces have a significant economic capacity and they produce more added value than real estate business, chemical industry, services sphere or other traditionally profitable sectors. Moreover, they provide job places to 8,3 millions EU citizens and have an aggregate income amounting to 558 billion Euro (National library of Ukraine Yaroslav the wise 2015, Available from: www.nplu.org/storage/files/Infocentr/Tematik_oglyadi/2015/creative.pdf). Therefore, development of global creative industries allows residents to earn more money and, thus, to pay more taxes. In its turn, international companies receive their representation in a relevant region, where they can show their developments.

Returning to the Ukrainian context it should be noted that the scope of creative industries now is fulfilled only at the expense of private investors. However, they become more interested when it comes to commercial profit or to the improvement of their image. Unfortunately, the city program of the development of creative industries still does not exist even in Kyiv, not to mention other regions of the state, although the creative sector, which has a high added value, is one of the factors of the city development.

So what steps should be done by regional and local authorities to encourage the development of creative spaces and general cultural creative industries in Ukraine and globally.

The most important and yet the most difficult thing to do in the first phase is to convey to all representatives of regional and local authorities what the creative sector of economy constitutes, its role in society and in the economic processes of the region, its place in the priorities of regional development, and the actual benefit from it.

For example, the founder of "Arts Factory" (Fabryka Sztuki) in the Polish city of Lodz spent a lot of time and effort explaining it to the local authorities (Karpyak 2017, p. 138). It was very important for him to find someone who would support the project in the city administration. And when such man appeared, the implementation of this project has become much easier. That is, the first problem the organizers had was to convince the local authorities that a creative industry hub in the city is necessary.

The importance of the support of local authorities in the implementation of projects of creative spaces is difficult to overemphasize. However, it is not so much the financial support (although transparent grant funding can help a lot at the beginning of certain projects) as facilitating the access of activists, artists and cultural managers in spaces where you can develop creative economy. Here we mean the region infrastructure (buildings, open areas) that is not used and simply destroyed.

Currently, the only truly successful example of such cooperation between the authorities (not city but state) and cultural entrepreneurship includes National Complex Expocentre Ukraine (Davymuka, Fedulova 2017, p. 321). Several creative workshops have been opened here in a few months in which designers can make furniture and elements of street infrastructure, and now a new set of lights with solar panels. However, most initiatives encounter bureaucratic resistance that they can not overcome.

Conclusions

Today the regions of Ukraine have a huge amount of creative talents, most of which are not still implemented and it becomes possible to develop hundreds of small businesses into a strong force and have a significant income from this. It is important to understand that Ukraine already has creative industries, even if this term is not used to designate them. To achieve truly impressive results, it is necessary to change the very way of thinking for innovation, combining creative passion with business thinking.

Considering all the above, we can conclude that without upgrading the entire sphere of social and cultural relations as well as current economic practices of business regions of Ukraine it will be extremely difficult to reach a new level of business activity and thus achieve significant results. The advanced world is already moving in a new direction, and this is the latest development paradigm, which we must understand and adapt now.

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