

# DEVELOPMENT OF PRODUCTIVE POTENTIAL AND REGIONAL ECONOMY

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## CREATIVE INDUSTRY OF CITIES AND REGIONS: MAIN FEATURES

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**Introduction.** The development of creative industries is becoming a subject of research, which is increasingly and in detail studied in many fields of science, including mainly Economics, Business, Public Administration, Geography and urban planning. Efforts to systematically study creative industries are gaining momentum around the world. It underlies this development.

The main reason is the increase in employment and added value in particular, production, in general, it is assumed that it can be used as an effective tool for the enrichment of nations in the relevant sectors to accelerate development.

In this context, various classifications of “creative industries” are inevitable. In addition, many factors also play a role, such as the area of Work, Purpose, country and location of the person or institution that makes the tariff or classification. Frequently used and common in literature

The adopted tariff was set by the UK Department of Culture, Media and Sports (DCMS). Industries "are based on individual creativity, skill and talent; internally they have been described as industries with potential, generating wealth and employment through the development and use of intellectual property “Now the creative sectors are becoming popular.

Although it has become a field of research, the geographical clustering feature (geographic cluster) and creative activities, which are currently observed as one of the main features of creative business lines, contribute to regional development. His contribution; works discussed from the point of view of economic geography are rarely found.

However, the main impression from the studies carried out is that creativity-oriented growth tends to be concentrated in large-scale cities. Difficulties in obtaining the information needed and the relativity of the field its shortcomings are the same for the whole world.

The study will include one of the methods that is often used when studying the geographical aggregation of economic activity: spatial ratio-LQ analysis. In addition, the main statistic results and regression results are discussed. It is necessary to pay attention to the regional dimensions of economic differentiation, despite the fact that it internalizes the influence of space and location on economic indicators.

The ambiguity and complexity of the cluster concept to what extent should companies and Industries be concentrated in order to be considered clusters? How to determine the level of density of bonds, what should be considered on the spatial scale and density?

This makes it even more difficult to identify and standardize the characteristics that enterprises within the business must have, regardless of the level of economic contribution. However, the clusters are quite common.

In modern conditions, the creative sector of the development of the economy is becoming the most important factor in growth and a source of attracting intellectual, creative personnel, as well as a space for filling new meanings and ideas that compete in the global world. The study of the theoretical and methodological foundations of the formation of a creative economy has become widespread over the past few decades and continues to be widely popular as promising scientific developments in the field of searching for progressive drivers of economic development.

**Analysis of recent researches and publications.** Thus, R. Florida described representatives of the creative stratum of society as people who can create new knowledge, technology and make a significant contribution to economic growth and changes in the appearance of the territorial space of the future [1]. K. Oakley and J. According to Bard, the creative economy attracts and retains highly qualified personnel, becomes a source of Innovative Development [2]. At the same time, S. Moreton emphasized in favor of the role of universities, considering them as platforms of intellectual and creative saturation, directly involved in the dissemination in practice of the structures of the ideas of the Creative Economy [3].

Undoubtedly, today creativity is becoming the driving force of economic growth and innovation in the post-industrial economy, especially important for the strategic goals of the non-raw material economic orientation of Russia. Thus, S. Novikova concludes that the creative economy is a modern progressive form of socio – economic development based on the intellectual and creative dominance of Labor and capital [4]. The economy and society are now experiencing an active process of digital transformation, which greatly transforms economic reality, complementing it with the potential of artificial intelligence, robotics, virtual reality, highly developed competencies, technologies of creative thinking [5; 6].

We believe that in modern conditions, research aimed at creating and implementing stimulating conditions and factors of production for the development of creative industries that give a powerful impetus to economic progress is gaining particular relevance. Let us turn to the methodology for studying the main features of creative industries in economics. In a number of scientific publications, creative industries are called "Cognition", which acts as the main influential factor in the development of the knowledge economy. Undoubtedly, the increase in knowledge is the main source of increasing human well-being. J. According to Mokyr, analyzing the history of human creative activity, an increase in the volume of knowledge is the result of people's persistent desire for invention and innovation, even in the absence of institutional incentives [7; 8]. Structural and price changes in factor markets have changed incentives to gain new knowledge about the means of production.

**The main material of the study.** World crises, revolutions, epidemics, etc.it leads to systemic social changes, redistribution of resources and gives impetus to the problems of socio-economic development and the acquisition of new knowledge. So, D. North concludes that ideas are the main driving force behind the human condition [9]. In this context, a special place is given to the search for new development impulses and driving forces that can transform the traditional sphere of economic production in conditions of transformational changes.

The main role in solving this problem is given to creative areas, which we interpret as a special sphere of human activity that meets modern requirements of progressive development with the preservation of the priorities of creating creative ideas, intellectual initiatives, innovative technologies. Creative (creative) industry – a sector of the economy based on the development of ideas, intellectual human activity and technologies. In the book "dialectics of the Enlightenment " M. Horkheimer, T. Adorno [10], having developed critical theory, was the first to use the term "cultural industry "to refer to"art, painting, literature, cinema, etc.it was presented as a whole industrial apparatus for the production of unified, standardized innovations in the fields." Their author's analysis showed that creative industries arise with the development of Mass Communication and globalization.

Modern researchers supporting the ideas of the founders of the Fundamental theory "creative industries are unique sectors of the economy created by Mass Communication and the spread of globalism and divided into two types: cultural and intellectual" [11]. Thus, it can be concluded that the main characteristic of creative industries is the presence of a source of individual creativity, skills and talents with the potential to create jobs and well-being through the production and operation of intellectual property.

The initial list of creative industries, proposed by the UK Department of Culture, media and Sports (DCMS, 1997), includes the following 13 sectors [12]: Advertising, Architecture, Art and antique market, Decorative Arts and crafts, design, fashion, film and video production, multimedia and computer programs

for interactive learning and leisure, music and recording, performing arts, television and radio, publishing and literature, software. Continuing our research, we emphasize that the modern economy is built on the active use of the results of intellectual activity, creative energy and human experience.

The effectiveness of a creative economy is based on the cooperation of creativity, entrepreneurship and technological innovations. Creative industries are the basis of a creative economy that contributes to inclusive development and is able to obtain a unique creative product from an intellectual and creative source. At the same time, the synthesized creative product will have double value (both commercial and cultural).

Creative industries favor the creation of economic, social, cultural, innovative effects and include:

1. Economic impacts:

- GDP growth;
- the leading role of the developed sector of creative industries in the economy is associated with the process of creating additional jobs and reducing the level of poverty;
- make a significant positive contribution to the benefit of people;
- has significant export potential;
- stimulation of investment and business activity;
- promotes the development of digital platforms and ecosystems.

2. Social influences:

- development and improvement of the quality of human capital;
- maintenance of personal and Social Interest in the final result;
- successful social and network interaction;
- opportunities for creative self-realization of creative industries. Creative industries.

3. Cultural influences:

- Creation of objects of cultural heritage and values;
- successful intercultural interaction;
- continuity of the transfer of knowledge to subsequent generations;
- Popularization and promotion of creative products and regional branding.

4. Innovative effects:

- support for small businesses, startups, innovative active companies and entrepreneurial structures;
- stimulation of innovative activity.

Capitalization of intellectual, creative, cultural resources occurs through the development of creative industries, the places of which are certain territories.

Urban agglomerations are becoming Centers for the development of skills and abilities in the field of creativity, technology, intelligence, combining the production of cognitive, analytical, scientific, cultural content. Thus, objective prerequisites for organizing media parks and creative groups are formed. The development of the sector is closely related to urbanization and the phenomenon of "smart cities", which attract highly qualified personnel from the field of Culture and high technologies.

Thus, within the framework of the implementation of the spatial development strategy of the Republic of Azerbaijan, it is planned to adopt the concept of development of creative (creative) industries and mechanisms for the implementation of state support for them in large and large urban agglomerations.

Creative industries will allow regions to strengthen production potential, tourism, small and medium-sized businesses, increase the level of employment, especially among young people, women and people with disabilities [13]. It should be noted that creative industries create value that makes a significant contribution to the development of mankind.

So, for example, this is the use of creative potential and intellectual capital: the more strongly creative industries develop in the region of the country, the more lively the territories.

Creative industries create products for different levels of markets that do not have spatial constraints and barriers in the areas of production and consumption. The advantages of digitalization (artificial intelligence, innovative technologies, virtual and augmented reality) stimulate the development of creative industries. Creative industries have the characteristic of rapid response and response to changing socio-economic situations, which quickly flow into new formats and interactions.

**Conclusions.** In conclusion, the article highlights the pace of development of the creative industry is much higher than in traditional sectors of the economy, and even during the economic downturn, the volume of the global creative sector increased by 14%. The global indicator of the increase in the share of creative

industries in the structure of the economy shows a stable trend: in developed countries, their share in GDP is from 5 to 9% [14].

The development of creative industries provides for the disclosure of the creative, intellectual, innovative potential of national ecosystems, their adaptation in the context of deep and dynamic changes [17]. It can be concluded that the driving force behind the development of various creative industries is new technologies responsible for quick access to the means of creative production.

In modern society, not only a material thing can be a commodity, but also knowledge. Later on, knowledge becomes a brand, is stylized and acquires its own characteristics, and territorial competitiveness, as a rule, is determined by their originality and uniqueness.

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10. Mokyr Joel (June, 2007) Knowledge, Enlightenment, and the Industrial Revolution: Reflections on The Gifts of Athena. *History of Science*, vol. 45, no. 2, pp. 185–196. Müasir şəhərlər və regionun mərkəz nöqtələri sosial-iqtisadi inkişafın əsas problemlərin konsentrasiyası kimi.

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The article focuses on the need to develop creative industries of cities and regions as an impetus to increase the economic potential of territories and expand the range of goods and services produced within territories and translate the local identity of territories into the global world. It has been concluded that the main characteristic of creative industries is the presence of a source of individual creativity, skills and talents with the potential to create jobs and well-being through the production and operation of intellectual property. A number of positive effects of the development of creative industries (economic, social, cultural, innovative) were highlighted, which makes it possible to flexibly enter the new economic reality and contributes to the implementation of mechanisms for creating the creative potential of cities and regions. Undoubtedly, today creativity is becoming the driving force of economic growth and innovation in the post-industrial economy, especially important for the strategic goals of the non-raw material economic orientation of Russia. Thus, S. Novikova concludes that the creative economy is a modern progressive form of socio – economic development based on the intellectual and creative dominance of Labor and capital.. The economy and society are now experiencing an active process of digital transformation, which greatly transforms economic reality, complementing it with the potential of artificial intelligence, robotics, virtual reality, highly developed competencies, technologies of creative thinking. We believe that in modern conditions, research aimed at creating and implementing stimulating conditions and factors of production for the development of creative industries that give a powerful impetus to economic progress is gaining particular relevance. Let us turn to the methodology for studying the main features of creative industries in economics. In a number of scientific publications, creative industries are called "Cognition", which acts as the main influential factor in the development of the knowledge economy. Undoubtedly, the increase in knowledge is the main source of increasing human

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**Keywords:** creative industries, intellect, creativity, innovation, regional economy, digital economy.

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У статті акцентується увага на необхідності розвитку креативних індустрій міст і регіонів як стимулу для збільшення економічного потенціалу територій і розширення асортименту товарів і послуг, вироблених на територіях, а також трансляції місцевої ідентичності територій в глобальний світ. Було зроблено висновок, що основною характеристикою креативних індустрій є наявність джерела індивідуальної творчості, навичок і талантів, що володіють потенціалом для створення робочих місць і добробуту за рахунок виробництва та експлуатації інтелектуальної власності. Був виділений ряд позитивних ефектів розвитку креативних індустрій (економічних, соціальних, культурних, інноваційних), що дозволяє гнучко вписуватися в нову економічну реальність і сприяє впровадженню механізмів створення творчого потенціалу міст і регіонів. Безсумнівно, сьогодні креативність стає рушійною силою економічного зростання та інновацій в постіндустріальній економіці, особливо важливою для досягнення стратегічних цілей несировинної орієнтації економіки Росії. Таким чином, С.Новікова приходять до висновку, що креативна економіка – це сучасна прогресивна форма соціально-економічного розвитку, заснована на інтелектуальному і творчому домінуванні праці і капіталу. Економіка і суспільство зараз переживають активний процес цифрової трансформації, який значно трансформує економічну реальність, доповнюючи її потенціалом штучного інтелекту, робототехніки, віртуальної реальності, високорозвиненими компетенціями, технологіями творчого мислення. Ми вважаємо, що в сучасних умовах особливої актуальності набувають дослідження, спрямовані на створення і впровадження стимулюючих умов і факторів виробництва для розвитку креативних індустрій, що надають потужний імпульс економічному прогресу. Звернемося до методології вивчення основних особливостей креативних індустрій в економіці. У ряді наукових публікацій креативні індустрії називаються "когнітивними", які виступають в якості основного впливового чинника в розвитку економіки знань. Безсумнівно, збільшення обсягу знань є основним джерелом підвищення добробуту людини. Дж. За словами Мокіра, який аналізує історію творчої діяльності людини, збільшення обсягу знань є результатом наполегливого прагнення людей до винахідництва та інновацій, навіть за відсутності інституційних стимулів. Структурні та цінові зміни на ринках факторів виробництва змінили стимули до отримання нових знань про засоби виробництва.

**Ключові слова:** креативні індустрії, інтелект, креативність, інновації, Регіональна економіка, цифрова економіка.