

Modern University as a driver for the development of creative industries in the Arctic

T. Belevskikh
Murmansk Arctic State University
 MASU
 Murmansk, Russia
 belevskihtv@mail.ru

M. Ignatenko
Murmansk Arctic State University
 MASU
 Murmansk, Russia

E. Statsenko
Murmansk Arctic State University
 MASU
 Murmansk, Russia

T. Ashutova
Murmansk Arctic State University
 MASU
 Murmansk, Russia

Abstract—This article observes the potential role and prospects of the modern university in the development of creative industries in the Arctic region, as well as formation of a creative economy behind the Polar Circle with consideration of the territorial socio-economic conditions. First of all, the key characteristics of the Arctic economy as a whole are highlighted. The negative (constraining) factors of the development of creative industries in the region are identified: namely the industrial nature of the economy, focused on mining and flaccid processing of territorial natural resources; remoteness of production sites from the consumption points and high transportation costs; small and declining population. However, economic activities in the modern Arctic regions are conducted in the context of transnationalization and globalization. In turn it facilitates new opportunities and prospects for the Arctic territory and the Arctic economy in general and the creative industries in particular. In the present work, the conclusion has been drawn which identifies the transformation and formation of new global Arctic conditions. Hence, the restructuring of the Arctic economy is needed, which most importantly will result in the formation of prerequisites for the development of Arctic creative practice. Some of these processes are already running. However the full development of a creative economy is not possible without the development of creative industries and a creative class that will be able to put forward bold creative ideas and implement (commercialize) creative solutions. Modern University is identified as a driver for the development of a creative economy in the Arctic, provides conditions for the formation and retention of a territorial creative class and the development of entrepreneurial activity in the field of creative industries. The University can initiate a reboot of a social life and economic activity of an individual in the region.

Keywords—Arctic, Arctic economy, creative economy, creative class, creative industries

I. INTRODUCTION

Recently, there has been a tendency in the world economy towards transformation from traditional economic system based on a concept of production and production function, towards an economic system that has been called creative, where creative ideas and entrepreneurial activity in their practical implementation form a special economic and consumer value, which in turn becoming an object of

competitive advantages to an individual, business, territory, country.

Close observation proves that the development of creative industries has a definitive territorial attachment. The classic of the creative economy R. Florida speaks about this: “The idea that the world is flat, that is, it has equal opportunities for all people, no matter where they live, is a beautiful dream; in reality, our world is peaked, and it is increasingly focused on the division of people according to economic opportunities and geographical location” [1].

The Arctic economy, identified on the basis of physiographic parameters, despite its social, natural, political and legal diversity in different Arctic states, has particular characteristics. These include:

- The mono-profile character of the production activities that use natural resources and it's low added value as a result of poor processing of the Arctic natural resource.
- High degree of dependence on the international market situation of manufactured territorial goods.
- High costs of living and economic activity in the territory, remoteness and high transport costs [1, 2, 3, and 4].

Today we can define the following fundamental trends in the Arctic regional economy:

- active and innovative development of the Arctic sectors for the extraction of territorial resources which stimulates large international investors;
- high dependence on government support and state cash grants;
- low and often declining population.

As a result, the Arctic economic system imposes the following objective restrictions on the development of creative industries in the region [5]:

1. Limited potential of territorial human resource in quantitative and qualitative sections, due to the small population; inconvenient territorial living conditions; high dependency on migration policies and population's intentions.
2. Low capacity of the local consumer market, which bars the active development of small business and the

achievement of production growth and stimulates the growth of absolute costs in the field of creative industries.

3. Sufficiently high educational level of the population of the region and dynamically developing cultural industries on a global scale, on the one hand, and low level of entrepreneurial activity in the field of creative economy in the Arctic region, on the other.

4. Small-scale local innovations, which on the one hand may not have a significant economic result, but are aimed at creating comfortable living conditions for a person in the Arctic region and creating new employment opportunities.

However, the Arctic creative economy should develop in modern economic conditions. The following trends contribute to this:

1. Ongoing technical innovations change the living conditions and economic practice of a person living in extreme natural and climatic conditions.

2. Digital technologies that change the perception of the periphery and remoteness of the Arctic territory.

3. Culture and identity ensures the development of the Arctic ethnoeconomy and the possibility of involving northern indigenous people and minorities in the active economy of the Arctic region and form the basis of the Arctic creative cultural industries.

Nevertheless, it is apparent that globalization is a defining factor in the transformation of the Arctic economy. It allows a look at the question of human activity in the Arctic territories in its various manifestations in a different perspective. The globalization of the Arctic space forces a changed perspective on the economic and social practices of a person in unwelcoming territories, which determines the restructure of the Arctic community and the Arctic economy.

A. Petrov identifies two potential scenarios for the development of a regional creative economy (based on the results of European experience): a new "way of creativity", when a territory develops new forms of competitiveness based on the development of territorial economy of knowledge or a decrease in the creative component in the regional economy [6]. Among the most important mechanisms that can lead to the creation of a "new way of territory" are the scientific, institutional, economic and social changes that allow you to invent or implement new knowledge and practices [6]. Some of these "changes" are already occurring in the Arctic and are evolutionary in nature. These include: pressure from the international world community, aimed at promoting sustainable development in the Arctic zone; new technological opportunities, the consequences of globalization; regional self-determination and the delegation of power. However, transformational agents are a critical and necessary component of change. These agents of transformation can be political institutions, government agencies, firms or non-governmental organizations [6].

It is believed that such an agent of transformation or reestablishing of the regional economy can be a modern university. Arguments on the subject of the third function of educational organizations as a practice for the benefit of man, society and territory have become increasingly active. When analyzing the social functions of universities, an important role is played by the concepts defining their content as the "third mission", "social responsibility", "community engagement", "social engagement". Identification, awareness and actualization of territorial individual and public needs in

training citizens, training specialists for specific regional sectors of production, carrying out specific scientific research to solve problems relevant to the community, based on multilateral interaction with various stakeholders in the territory [7]. A modern university can provide conditions for the formation of a creative class, endowed with knowledge and competencies that meet and exceed the requirements of key sectors of the regional economy that can form and develop the markets of the future. It can be a driver of the region's socio-cultural development.

II. PURPOSE OF THE STUDY

Determine the role of a modern university as an agent of change for the Arctic economy in the context of globalization through the formation of a productive creative class and the development of creative entrepreneurship in the Arctic zone.

III. RESEARCH METHODS

In world history, the territory of the Arctic as a local socio-economic system has been transforming under the influence of socio-economic and natural factors that characterize a specific period in human history. The Arctic territory facilitates complex system of interaction of human economic activity in an extremely unfriendly territory, which has a special geo-economic and geopolitical significance at a certain historical moment. Therefore, the study of the development of the Arctic economy and creative industries in the Arctic region requires an interdisciplinary approach that sheds light on the behavior of a person, the local community, the state and the world community, their motivation and values. Within the framework of the system approach, the methods of statistical data processing, historical-genetic, comparative-historical methods, economic and interdisciplinary analysis are used.

IV. PROBLEM STATEMENT

The term "creative industries" was introduced by British, American and Australian experts in 1980s. At this time, the term still did not acquire independent content and practically did not differ from the term "cultural industries" used then. Intensive commercialization of culture, which occurred due to the policy of cultural industries, attracted private capital and entrepreneurs to this promising area of the economy. This contributed not only to the creation of competitive conditions in the industry, but also to the search for new sources of income and capitalization. On the other hand, in the expert community, close to the consulting business and academic circles, by the mid-1990s, the principles of the new creativity policy were established and formulated. It was creativity that was designated as the main source of innovation and economic growth. The vocabulary of creative industries policy has evolved from such conceptual innovations as "creative economics", "creative cities", "creative class", and "creative clusters" (in many ways) influenced by the concept of "business clusters" by the American economist Michael Porter.

In the late 1990s, the UK Culture, Media and Sport Department (DCMS) stated that creative industries have their "source of individual creativity, skill and talent, and have the potential to create jobs and well-being through the production and exploitation of intellectual property". In this document, the British department identified 13 creative industries.

The list of creative industries included the following: architecture, crafts, performing arts, design, interactive software, fashion, arts and antiques market, music, film and video production, publishing, television and radio, software and computer services, advertising.

Another view that influenced the policy of creative industries is related to the term “creative economy”, which is often used as a synonym for “creative industries”. The term was first used by Peter Koi in 2000 in the article by the same name in *Business Week*. It identified the main ideas about creative industries: the priority of the production of ideas over the production of things in the modern economy; creativity and ideas are the main sources of innovation; the close connection between creativity and innovation; creativity is the key to success in competition.

As world experience shows, creative industries are one of the determining factors for the development of leading economies, having a multiplier effect, the future of which is predetermined by creative and innovative projects.

The creative sector in Europe and around the world is defined differently because of the expansion of the areas covered. In the US, this sector is called the “information industry”, while in Germany it is called the “economy of culture”. Within this approach, creative industries are widely understood as creative entrepreneurship. In Poland, a clear translation of the English term “creative industries” has not yet been adopted [8].

However, when analyzing the agglomeration of creative industries within megacities, it should be borne in mind that in reality there is a heterogeneous distribution of amenities and cultural infrastructures between districts of the city. Cultural industries mainly attract well-located areas where “something is happening” (i.e. social and network events) [9], which allows to establish the fact of the significance of a territorial attribute in the development of creative industries. Thus, creative industries in the Arctic regions are underdeveloped. Recent studies have shown that in some Arctic cities, mainly in administrative and economic urban centers, there are significant concentrations of highly educated professionals [10]. Although only some of the arctic regions are able to reap significant benefits from the creative economy. High technology is not the only scientific segment of the economy. Other sources of innovation in the Arctic include the cultural, social and non-profit sectors [11].

Driving the development of the creative economy in different countries are leading universities. For example, the Faculty of Creative Industries was created at the University of Technology in Queensland (Australia), describing the experience of working with students in three areas of training: interactive and visual design, fashion design and cinematography [12]. The University of Burgundy (France) has gained experience in entrepreneurship in the cultural and creative industries [13]. In Russia, design education as a resource for creative economics is actively developed at Tomsk State University [14].

V. FINDINGS

Therefore, creative industries, being the core of a creative economy, have a multiplicative effect - it gives new stimulus to the development of both related industries and the urban (territorial) economy and urban (territorial) environment as a whole, which can be the key to diversifying the Arctic economy and ensuring social-economic sustainability of the

Arctic communities. According to V. N. Knyaginina, “creative activity is the key to an innovative economy. Under current conditions, without communication and an atmosphere of creativity, no innovations are possible. In the practice of spatial development, these are the same key concepts as demography and economics” [15]. Thus, the creative industry, acquiring more and more importance, becomes the basis for the transformation of territorial economies.

Under these conditions, the education system predicts future changes, predetermining the strategic directions for the development of territorial industries, forming a system of personnel training, including those that are called “creative professions”. The pioneers in this direction were European countries that are developing the concept of “creative professions”, identifying those types of industries that could potentially be included in the changing process of the creative sector of the economy.

To strengthen and develop creative industries in cities, it is necessary to use “drivers of change”, as well as the improvement of integration processes within the industry, focusing on new digital technologies. Perhaps the focus should be on talent, as a critical condition for the development of a creative economy, so major cities are called to expand access to higher education.

Many universities in Russia are training specialists in the field of creative industries, including the Murmansk Arctic State University (MASU). The Faculty of Arts and Services is the leading training platform for creative industries in the region. Currently, the faculty of MASU provides training in the following creative areas: “Graphic Design”, “Interior Design”, “Environment Design”, “Theater Design”, “Service”, and “Tourism”. In 2020, according to the National Doctrine on Education of the Russian Federation, bachelor level programs in the field of design and information technology will become available for enrollment. This will make it possible to prepare new personnel for creative industries and implement the program of the reference (government supported) university. The goal of the reference university is to become the center for the formation of a multi-level educational and socio-cultural environment aimed at ensuring creative and cultural development, psychological and physical improvement, and personal self-realization in the region. In addition, it will take the position of a regional expert on the development of the territory, focusing on the organization of effective interaction of educational and cultural institutions, administration, local enterprises, the professional community and the inhabitants of the region.

Within the local community, there is a growing demand for cultural practices that confirm and develop regional arctic identity. The number of exhibition, art projects, and music/film festivals is increasing as well as the demand for domestic tourism, new museum programs. The number of small enterprises operating in the northern design segment is also rising. Brand identification is creating symbolic capital and becomes a tool for the crystallization of the local community. It contributes to overall attraction of the territories as an investment opportunity. In line with the objectives of maintaining this trend and in order to enhance the pragmatic effects in the city of Murmansk, in 2017, the coordination center of the Northern Design Cluster was created; bringing together 13 enterprises whose work is concentrated on creative industries. The interaction of cluster members will be productive and supported by the regional

community in the event of the implementation of a series of creative projects. This defines the obligations of the MASU as an institutional head of the Northern Design Cluster. The duties include implementation of strategic plans of the cluster administrative team and organization of the activities which promote and support the regional branding policy.

The creative industries segment of the Murmansk region contributes a share to the regional gross product, therefore the regional government and municipalities create the conditions that support initiatives in this area. MASU organizes specialized annual events that facilitate the development of networking in the areas of design, tourism and service. A striking example is the development of design projects for the improvement of urban areas in the cities of Murmansk, Kola, Olenegorsk, Monchegorsk, Kirovsk. Projects of creative industries have the flexibility and variability to implement them in a multitasking environment, supporting non-linearity approach to education, to provide a direct connection with business and local authorities, to create conditions for the demand for individual trajectories of professional growth. In addition, the involvement of students in the implementation of projects allows not only to form professional competencies in the framework of educational activities, but also to teach practical skills for the commercialization of creative ideas. These projects allow young people to take a fresh look at the region as a territory for self-realization and self-actualization.

However, the situation in the region in the sphere of development of creative industries can be assessed as problematic, due to existing demand for the products of the creative industry in society. The university is ready to act as a generator of conceptual ideas and an organizer of events, but at the same time in the business environment the risks of investing in a creative economy are regarded as high. Therefore, a series of creative projects with a guaranteed volume of investments, which MASU implements on the internal sites in the framework of the Creative City - Territory of Development project, but with the obligatory involvement of external participants, can be an actual solution. For the participants of the Northern Design Cluster, the risks of entering creative projects will decrease due to the qualifications of the organizers, guarantees of events actually taking place, as well as by forming contacts in the business environment to promote creative products to the end user.

VI. CONCLUSION

Historically, the Arctic, characterized by difficult living conditions and high costs of production activities, was not actively involved in the economic practice of the society. Its involvement constituted excavation of territorial natural resources. The globalization of the Arctic space changes the idea of human social and economic practice in this region, which leads to the transformation of the Arctic economy. It loses a pronounced industrial character, forming prerequisites for diversification and a new image of economic activity in the Arctic. Creative industries focused on promotion of the Arctic brand and commercialization of Arctic creativity will ensure the socio-economic sustainability of these vulnerable areas. Creative industries are becoming not only the most important sector of the economy, but also a brand name that is important for the Arctic region. It develops the creative environment of the territories, attracts investments in the creative cluster, and forms the identification and new image

of the Arctic region. As a result modern university becomes the leading agent of transformation of the Arctic economy and the driver of creative entrepreneurship development.

The university, realizing its primary educational and research goals, can provide creative industries with professional staff that are not only able to generate creative ideas, but also ensure their commercial realization. Commercialization of cultural industries allows creation of comfortable conditions for the local community live in the harsh Arctic region and a space for human self-realization. Thus, the Arctic becomes a place of human economic activity, as well as unique socio-economic space of high quality life with opportunities for self-expression, and the leading role in these processes belongs to the modern university.

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