

MODEL OF ART ENTREPRENEURSHIP & EDUCATION IN CREATIVE ECONOMY

**Iryna Hlazunova, Dragomanov National Pedagogical University
Olena Ivanenko, Municipal Institution of Higher Education "Kyiv Academy
of Arts"**

**Anfisa Kolenko, Kyiv National I.K. Karpenko-Kary Theatre, Cinema and
Television University**

Tetiana Holinska, Kherson State University

Liudmyla Honchar, National Academy of Educational Sciences of Ukraine

Lesia Hutsan, National Academy of Educational Sciences of Ukraine

**Viktoria Ragozina, Institute of Problems on Education National Academy of
Educational Sciences of Ukraine**

ABSTRACT

Modern art business is a multifunctional cyclical system of entrepreneurial actions, entrepreneurship models, aimed at development, production, distribution and commercialization of artistic images, sounds, performing arts, design, architecture, information and entertainment formats. Multidimensionality, multilevel technologicalism, complicated taxonomy of creative management, as well as financial complementarity of creation of an art product, significantly inhibit the progress of synthetic indicators of development of this field, but enable its group selective analysis. An important component of the art business is the study of its genesis, which usually correlates with the stages of social development in general and provides within the framework of historical discourse the following sequence: social and property differentiation, resulting in the art of patricians and plebeians; price differentiation of religious and cult art; formation of a high art economy, commercialization of printing products; promotion of industrial art; trade in antiques and emergence of the art market; expanding demand for new state-supported arts; politicization and ideologization of art; development of the global commodity market; concentration of creative capital; netification, personalization and protection of intellectual property rights.

Keywords: Entrepreneurship Model, Art-Business, Creative Economy, Post-Industrial Economy, Creative Goods and Services.

JEL Classifications: M5, Q2

INTRODUCTION

Rapid acceleration of the post-industrial economy development of the leading countries has significantly influenced the way of a creative economy evolvement, which not only turned into a powerful civilization factor of global transformation, but also created new jobs for talented people, changed the way of life of the population and commercialized those sectoral advantages which had been formed during rather long evolution of handicraft, painting, architecture, theater,

television and other spheres. The dualism of understanding the special mission of art as the cultural heritage of mankind and, at the same time, profitable, albeit risky, areas of entrepreneurship, thus ensured progressive development of the creative sphere, in which the business component often plays a dominant role and shapes numerous institutional structures, which are charged with important regulatory functions.

Rapid differentiation of the post-industrial economy has recently covered virtually all areas of the global economy, with the creative sector at the forefront, and its sectoral structural composition over the last twenty years has undergone significant changes. First of all, this was due to the fact that the public demand for cultural innovations and creative products was steadily increasing. Therefore, the creative business, as well as its important component – the art-business have become an important element and, at the same time, a resource of entrepreneurship, control of the public mind, global production of tangible and intangible values, which led to the growing scientific interest in the study of not only relevant humanities, but also economic processes.

Modern society is at the level of development where culture, creativity and economy are closely intertwined and mutually affect the process of reproduction. In view of this, in modern studies, scientists should rethink the perception of culture as a peculiar symbol whose meaning changes in the course of its evolution. So it is not surprising that many contemporary professionals view culture as a particular economic lever that is increasingly attracting attention of tax authorities, business communities and the society at large.

It should also be accounted that the totality of elements of cultural heritage creates an image of the country and its brand, which affect development and success of the tourism sector, whose share in the structure of GDP of certain countries is often dominant.

REVIEW OF PREVIOUS STUDIES

In the modern world, determining the creative (artistic) component of the global development trend is not as simple, since it is based, on the one hand, on the deep understanding by the society of the cultural component's peculiar complementarity with material serial production, on the other hand, on realization that the influence of the information and emotional component on each person will grow steadily (Arbussa et al., 2017).

With this in mind, it can be predicted that the information and creative component of the economy will penetrate deeper into the minds of citizens, provoking either a primary fake reaction to what is seen and heard, or a deep awareness of the impact of the new processes that are brewing in the global economic environment (Drobyazko et al., 2019a; Drobyazko et al., 2019b).

From this proceed two important conclusions. First, there is an economic basis for existence of a society and assessment of its cultural component through a traditional demand-supply approach. Second, one should take into account the historical, religious and mental context of the qualitative characteristics that have always defined the essence of European humanism and reformation (Babiy et al., 2019; Holinska et al., 2019).

However, it is fundamentally important that the interpenetration and enrichment of cultures is an integral part of contemporary modernity (postmodern), the intensity and dynamics of which, in our opinion, is an essential feature of globalization (Khaustova et al., 2019).

Development of transparent relations in society, on the one hand, is an important area of modern economic interaction, since, in our opinion, it requires careful regulation of production of ideas and interaction of artists, but on the other hand, formation of future demand for this

creative and even specific the type of services can be quite problematic due to rejection by the consumers of everything produced (Dzwigol-Barosz et al., 2019).

In view of the above, it is not difficult to understand that the global development of cross-border relations will maximize the unification and standardization of those goods and services that have not been considered creative until recently. So the dilemma arises: can a non-creative person produce a creative product and can everything produced by a creative artist considered creative a priori (Foss & Saebi, 2017; Durmanov et al., 2019; Sabat et al., 2019).

The economic content is no less controversial: if, for example, a film provides a frantic cash collection, then can it be considered creative for years to come, or it can happen that in 10-20 years nobody will remember it.

The process of defining a global identity (and all the currently existing paradigms are aimed at that) cannot be simple, because within its limits many authors identify several conflicting trends that, Massa et al. (2017) propose to consider globalization or homogenization, which, in his opinion, covers: cultural imperialism, cultural dependence, cultural autonomy, modernization, westernization, cultural synchronization, world civilization.

Quite specific is identification of the next pair - globalization/diversification, including: cultural planetization, cultural interdependence, cultural interpenetration, syncretism, synthesis, hybridity, modernization, global mishmash, creolization, crossing, global oikumene (Hilorme et al., 2019; Tetiana et al., 2019).

METHODOLOGY

The following methods were used: search-bibliographic method - for studying scientific-methodical sources, normative documents and pedagogical experience; analysis, synthesis, generalization and systematization-to determine the degree of elaboration of the problem, disclosure of theoretical provisions of the study; generalization and prediction methods - to formulate conclusions.

RESULTS AND DISCUSSIONS

The main features of modern art business are growth of its influence on the global economic, social, technological and even political processes, diversification of the world art market, growth of the share of show programs in the structure of entertainment events and their systematic multilevel commercialization, concentration of creative capital in cities, netification, personalization of manufactured products and protection of intellectual property of authors who produce new works of art, stage images, creative programs, monumental sculptures, etc.

Growing demand and supply for certain creative goods and services, as well as their groups, have shaped the national and global art markets, which are among the most dynamic in the world with developed sectoral, financial and multicultural priorities.

Such interaction ensures progressive development of all currently existing types of art and mutual penetration of technologies, tastes, preferences, which results in creative diffusion.

For some creative goods and services, the obvious identification process can have numerous complications, as the creative idea can be transformed or reformatted into a series of successive stages. For example, production of a music idea could begin with a composer writing a song and then passing it on to a publisher who translates it into a material (printed) form.

However, a creative idea can be seen as a live performance in front of an audience, which in the process of recording should be marketed by a recording company.

This kind of product (record) goes through a consistent process of wholesale and retail value adding until it is purchased by a consumer. However, there are differences as well, because this created product can be placed on the Internet and subsequently consumers get direct access by paying the cost of online delivery.

Thus, the complete chain can become both reduced, as evidenced by the horizontal axis, and expanded, in case of creative cyclicity. In our opinion, a complex model of art-business reflects the essential specifics of production of new ideas, styles and preferences in the process of creating an art-product value chain as a mechanism of multichannel transmission of cultural information impulses in the form of aesthetic, technological and commercial proposals, which are subject to correction when passing through national and regional moral, ethical, legal and financial filters in accordance with the accepted consumer behaviors in the society as a linearly determined transfer of added value in the cycle "*research–development of demand–generation of a creative product/service-production-distribution-consumption*" and polystructural (modernization-1) and creative-competitive (modernization-2) in the global art environment which, as a consequence of the global creative-commercial diffusion, become public and business evaluation and replication of art forms, images, sounds, colour and black-and-white images, media formats, selective information contents, as well as their mass and individual possible combinations that correspond to the tastes and preferences of certain groups of consumers (Figure 1).

According to the figure, the simplified model involves several stages of formation and development of the art business, which covers: research and development of demand, development of a creative product/service, development of production, distribution, including marketing and consumption (end use). However, this model is quite simplistic, since it involves a linear accumulation of added value, which is implemented in ideal conditions, which is more likely an exception than a rule.

An important element of the modern economy is a significant expansion of markets, which causes their sectoral diversification and increased competition between television channels, ballet and opera schools, architecture firms, etc. Therefore, in order to compete, it is necessary to develop a system model for modernization of an art product, which, in our opinion, may involve introduction of elements of significant improvement in the technological process of creating a new product within a specific company (Modernization-I), but this scheme, which is clearly visible from the figure, may be improved and linked to the process of increasing the global competition (Modernization-2).

Under conditions that an art company uses both the first and the second options of modernization it is quite clear that it is possible to observe the corresponding cyclicity of relations in this sphere of business, which will be significantly influenced by new ideas, tastes, preferences and, most importantly, behaviour. These will result in new commercial, aesthetic and technological offerings, which through financial and moral-ethical (in some cases legal) filters will lead to development of new demands of the closed, in general, cycle of production of goods and services.

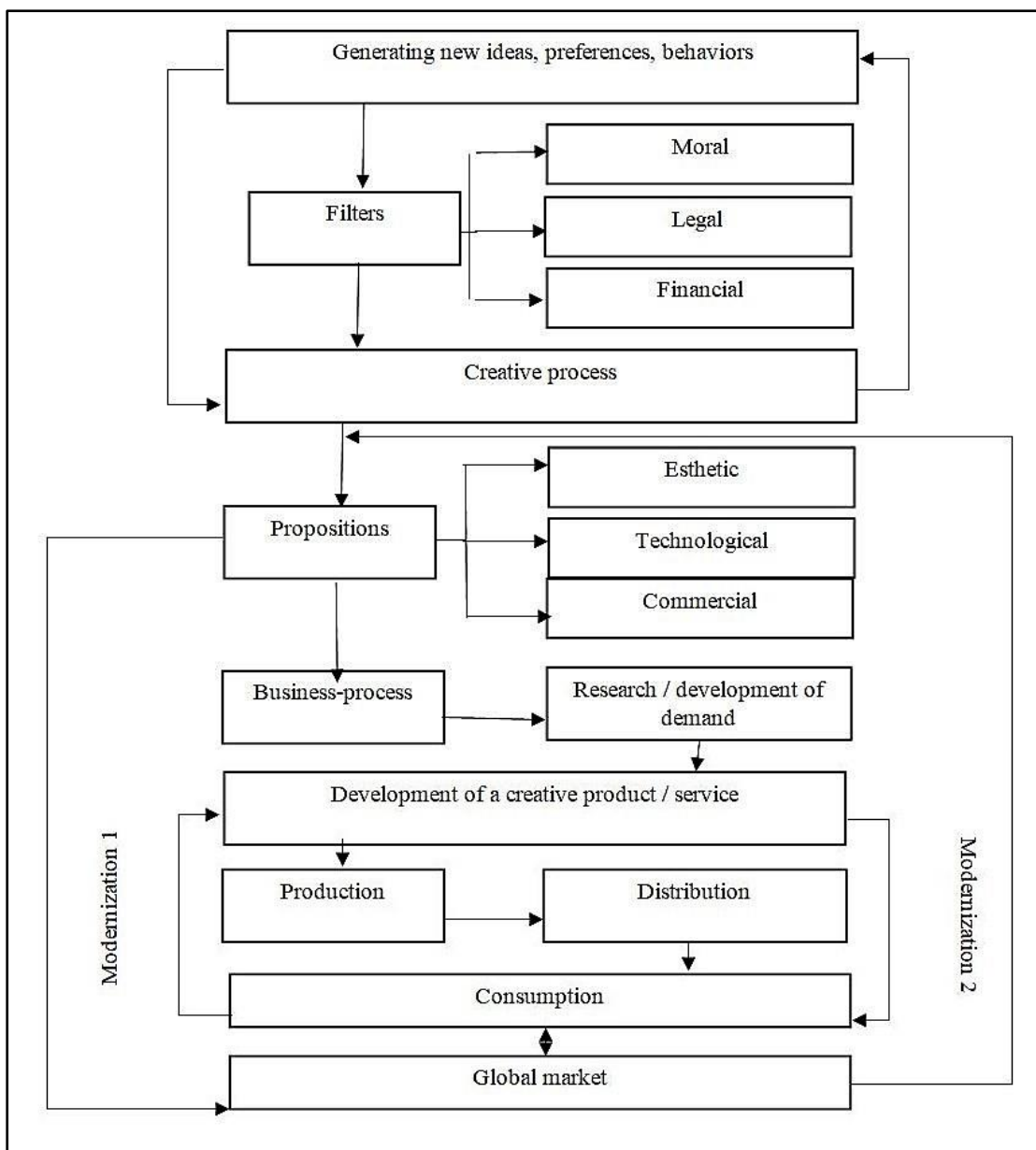


FIGURE 1
A COMPLEX MODEL OF ART-BUSINESS IN THE CREATIVE ECONOMY
(ELABORATED BY THE AUTHOR)

A single business or an individual can go through one or more stages of the value chain, at the end of which there can be several different professional groups, depending on the created product. Consequently, the value chains of the creative industries can vary quite a lot in terms of complexity. It should be noted that in the modern literature, the film industry chain is often referred to as the most difficult because it covers many interdependent stages and skills received from different subsectors of the creative industries, with all professional groups performing key functions at the same time, and all of them should be synchronized with each other.

However, commercialization of fine arts may have a shorter value chain, and, as a rule, will usually consist of only two participants, that is, the artist and the gallery (provided that the artist does not sell his work directly to the consumer). It should also be noted that in a highly competitive environment, each of the stages of the value chain may be a separate market with corresponding differences in the degree or intensity of competition between different stages.

In times of uncertainty and turbulence of the global economy, representatives of the creative professions usually quickly adapt to new conditions of activity. Therefore, the value chains change as the impact of external factors on the creative economy grows significantly, forcing artists to experiment more and explore new opportunities to cope with low budgets and cuts.

It should be noted that as a rule creative people tend to be quite mobile, while the big manufacturers and distribution companies they rely on are not. In this way, talented creative professionals gravitate to distributors. Creative companies need a similar pool of professionals to implement large-scale projects, first and foremost, films and games. At the same time, this kind of creative people human resources and services motivates all participants to enter the local market, which is important for creative producers, in view of their understanding of new trends affecting the innovation process in this sector.

An important additional factor is the reputation of a firm (a company), a person. Taken together, they form a "*geographical*" trust in the local brand and the creative cluster. Properly chosen strategy for its development significantly influences the confidence in the activities of the cluster, high intellectual potential and responsibility of the involved managers.

Also, success of clusters depends on the perception, sometimes illogical, its usefulness and significance, that is, the so-called behavioural block occupies an important place, because in many cases the behavioural component determines success or failure of a cluster project.

RECOMMENDATIONS

An important aspect of inter-industry relations that cannot be fully taken into account in the above-mentioned forms of analysis is the existence of certain benefits that the creative sector provides to other segments of the economy. From our point of view, in order to analyze the impact of the creative industry on other sectors, it would be advisable to use the following indicators of external evaluation effects:

- **Knowledge:** benefits from using new ideas, inventions, improving products by companies, etc.
- **Product:** the benefits of growing demand for the product as a result of its improvement by another company (sales of CD players have increased dramatically as a result of enhancement in the disc technology itself).
- **Networks:** benefits of near location of other companies of the same industry (appear whole areas specialized in the film industry).
- **Trainings:** the benefits of shifting careers (a high-profile actor in a subsidized theater shifts career and starts on television).
- **Arts:** the benefits of innovative activity of an artist or a company that has evolved into an art form that has become useful to another artist or a company of a relevant profile.

In addition to the above, it is important to note that the uneven development of the world economy remains an important constraint on modern methodology. At the same time, it should

be emphasized that not always indicators developed in the leading countries can be compared with more traditional methods of cultural valuation.

Therefore, study of the value orientations of art products produced in developing countries should be approached with extreme caution and to use more extensively expert evaluation of art products created and moved to other countries.

CONCLUSIONS

One of the main forms of business development in the creative sphere is a specialized cluster, which should be understood as a locally concentrated in a certain region enterprises of the relevant profile, which provide development, commercialization, improvement and transfer of art products due to optimal concentration of selective factors of production, fluent behavioural model of consumers, netification of technological processes, presence of small (national level) and large (supranational, global level) signalling systems that provide passing of supply and demand impulses for a particular artistic product of the relevant type that is positioned within a particular market segment, has a number of highly demanded consumer features and a certain level of attraction.

The modern art market was created by a spontaneous (at the initial stage) movement of art products, the accelerated dynamics of production of which led to formation of certain institutions and system of economic, legal, ethnic and financial regulation.

At the same time, despite relative motivation and segmental sophistication of this market, there is an urgent need to develop a sophisticated technique for researching the art products, taking into account economic, social, technological and aesthetic expert approaches, which allow to validate to the maximum the process of art products promotion on the global and national markets.

An important summary of the above approaches to the objective identification of the methodology for research of commercialization of art products is the following:

There are no common approaches in the world practice to assess the nature, quality and intellectual value of goods and services produced in the creative spheres, which are mainly determined by both pragmatic and illogical consumer behaviour.

In the leading countries, there is an urgent need to classify creative products, to estimate the added value at each of the production chains, and ultimately determine the share of creative industries in the country's GDP structure.

Development of valid indices for evaluating development of creative (art) products will be a complex process of verification of objective (volumes of added value, share of goods and services in the declared sphere in GDP structure, share of creative workers in the structure of total labor force, etc.) and subjective indicators (expert estimation of created value, determination of creativity level, evaluation of changes in human behaviour and the nature of intellectual property protection in the country).

REFERENCES

- Arbussa, A., Bikfalvi, A., & Marquès, P. (2017). Strategic agility-driven business model renewal: the case of an SME. *Management Decision*, 55(2), 271-293.
- Babiy, S., Bezkorovaina, O., Matviienko, O., Petko, St., Ternopil'ska, V., Soichuk, R., & Stanislavchuk, N. (2019). Entrepreneurship model of professional development of actuaries in Canada. *Journal of Entrepreneurship Education*, 22(3), 1-7.
- Drobnyazko, S., Makedon, V., Zhuravlov, D., Buglak, Y., & Stetsenko, V. (2019a) Ethical, technological and patent aspects of technology blockchain distribution. *Journal of Legal, Ethical and Regulatory Issues*, 22(2S).
- Drobnyazko, S., Okulich-Kazarin, V., Rogovyi, A., Goltvenko, O., & Marova, S. (2019b). Factors of influence on the sustainable development in the strategy management of corporations. *Academy of Strategic Management Journal*, 18(S1).
- Durmanov, A., Bartosova, V., Drobnyazko, S., Melnyk, O., & Phillipov, V. (2019). Mechanism to ensure sustainable development of enterprises in the information space. *Entrepreneurship and Sustainability Issues*, 7(2), 1377-1386.
- Dzwigol-Barosz, M., Rohoza, M., Pashko, D., Metelenko, N., & Loiko, D. (2019). Assessment of international competitiveness of entrepreneurship in hospitality business in globalization processes. *Journal of Entrepreneurship Education*, 22(S1).
- Foss, N.J., & Saebi, T. (2017). Fifteen years of research on business model innovation: how far have we come, and where should we go? *Journal of Management*, 43(1), 200-227.
- Hilorme, T., Tkach, K., Dorenskyi, O., Katerna, O., & Durmanov, A. (2019). Decision making model of introducing energy-saving technologies based on the analytic hierarchy process. *Journal of Management Information and Decision Sciences*, 22(4), 489-494.
- Holinska T., Komarowska O., Melnyk O., Pet'ko L., Shpitsa R., Sova O., & Strohal T. (2019). Cloud technologies in art entrepreneurship education. *Journal of Entrepreneurship Education*, 22(5), 1-6.
- Khaustova, Y., Breus, S., Nevmerzhytska, S., Tsalko, T., & Kharchenko, T. (2019). Features of social entrepreneurship as a factor in the development of social innovation. *Journal of Entrepreneurship Education*, 22(S1).
- Massa, L., Tucci, C.L., & Afuah, A. (2017). A critical assessment of business model research. *Academy of Management Annals*, 11(1), 73-104.
- Sabat, N., Ersozoglul, R., Kanishev'ska, L., Pet'ko, L., Spivak, Y., & Turchynova, G., & Chernukha N. (2019). Staff development as a condition for sustainable development entrepreneurship. *Journal of Entrepreneurship Education*, 22(1S).
- Tetiana, H., Chernysh, O., Levchenko, A., Semenenko, O., & Mykhailichenko, H. (2019). Strategic solutions for the implementation of innovation projects. *Academy of Strategic Management Journal*, 18(1).