

DISCUSSION CLUB

O. Prohnymak,

Institute of Industrial Economics NAS of Ukraine, Kyiv

WILL DIVERSITY AND INCLUSION BECOME AS THE BASIS OF CREATIVE ECONOMY OF UKRAINE?

Introduction. Complex conditions of Ukrainian economy require the modernization and development of modern strategies and models of development.

Successful world economies are increasingly dependent not only on the development of technology, but also on activity in other areas of human creativity. It is traditionally believed that technological and economic creativity has a much higher status than socio-cultural, despite the fact that the latter is gaining widespread acceptance. The interaction between different types of creativity creates an important synergistic effect. Therefore, today developed post-industrial countries recognize the main strategy in creating an innovative environment for the development of a "creative economy", which is considered as a new model of economic growth in the last decade.

The creative economy is more inclusive (*inclusion – engagement*) than the knowledge economy, because it is based on the involvement in economic and innovative processes not only people who are gifted with a tendency to engineering and thinking, but also those who have other valuable abilities. The overrated value of scientific, logical forms of thinking, existing in contemporary culture, obscures other forms, and people who are able to think differently and operate unexpected ties. Inclusive development is based on such type of economic growth, which allows attracting most of the labor force to effective economic activity, mobilizing talents, abilities, skills of a large number of people, and allows to experience its results for each member of society.

The United Nations study on the global creative economy noted that "the interaction between creativity, culture, economy and technology, expressed in the ability to create and distribute intellectual capital, has the potential to generate income, jobs and export products, while contributing to social inclusion, cultural diversity and human development". The creative economy combines the fields of innovation (technical creativity), business (economic creativity), culture (artistic creativity) into a unified system that creates increasingly close interconnections between them.

In countries with a knowledge economy, it has long been realized that creativity and innovation are interwoven and difficult to separate, creativity in the technical and economic sphere is closely linked, that is, "fueled" by interaction with creativity in the field of culture, art, design and so on. Thus, products of design, media technology, film and television industry, book publishing

houses are both a "creative", intellectual and high-tech product.

The aim of this article is to determine the creative way of development for Ukraine as the only possible in modern conditions, and that opens up new perspectives for job creation, inclusive growth of the economy, and the development of an information society.

The arguments in favor of this way are as follows. Belief in the ability and even in the aspirations of the Ukrainian authorities to implement any program of modernization of the country has evaporated for a long time and without a residual, as well as that "socially responsible" oligarchs and business elites will begin to revive Ukraine contrary to their own interests.

The oligarchic system created in Ukraine not only gives rise to corruption and causes inefficient spending of enormous budget funds in the course of any state projects and programs. It also paralyzes the incentives for innovative development and the implementation of large-scale structural changes in the country's economy, which, for almost three decades of independent existence, relied solely on raw materials and export of products of the 2-3rd industrial structure.

Discussions. The level of innovation development of countries is measured by a number of indices, among which the most important are: KEI – Knowledge Economy Index; GCI – Global Competitiveness Index; GII – Global Innovation Index; TA – Technology Achievement Index; ISI – Information Society Index; ERI – E-Readiness Index; IDI – ICT Development Index; NRI – Networked Readiness Index; DOI – Digital Opportunity Index; ICT-OI-ICT Opportunity Index; ICT-DI – ICT Diffusion Index.

Although these indices differ in sets of indicators, coverage, measurement periods, etc., the top-list of countries is almost unchanged. These are Asian tigers, Scandinavian countries, small European countries, the United States, and the United Kingdom.

In all these ratings, Ukraine is behind not only developed countries of the West and the East, but also many of the fast-growing ones. According to the indicators of the European electronic scoreboard, Ukraine is in the fourth (last) group called "moving countries".

The general indicator of the level of innovation in the development of world economies is, in particular, the Global Competitiveness Index (GII). According to GII, Ukraine is going down below the innovation ranking, taking in 2017 only 50th out of 127 countries

(between Qatar and Thailand). Ukraine continues to remain among European outsiders for GCI (according to the WEF methodology) – 82th place in 2012, 60th in 2017 and ease of doing business in the World Bank rating (152th out of 183 in 2012 and 150th place among 180 countries in 2016) and taxation conditions – 181st out of 183 countries¹.

Gradually, but steadily, the share of R&D staff in the total number of employed is steadily declining. The average (2005-20017) number of researchers per 1 million populations is 1026 jobs, while Denmark, Finland and Sweden – about 7,000, Germany – 4381, and the United Kingdom – 4252 jobs² [13].

Not surprisingly, within the framework of a modern model of existence (not development) of the domestic economy there are no prerequisites for the formation of an innovation model.

According to the data provided, it can be argued that statements about attempts to create a knowledge economy in Ukraine, to intensify innovative processes are declarative in terms of setting goals and means of achieving them, and remain only on paper and in memory of those in power in those days. An explanation for this can be found in the well-known expression of D. Hume, called "Guild of Hume" – "It is impossible to deduce what should be from what is." In this context, this means that the post-industrial economy of knowledge can not be realized on the foundations that exist in Ukraine now.

Alternative implies a necessity to be focused on experimentation with new communities, sectors and business models.

We must use as soon as possible the fact that the development of creative industries on the basis of ICT is a real opportunity to ensure the conversion of resources, which is still not fully exhausted, into creative capital, which can be used in the most effective form, providing inclusive development of society on an innovative basis.

The phenomenon of creative industries arose on the crossing of three components: creativity as such; developed ICT sector; an institutional environment conducive to small business development. Despite weak positions in international rankings, of all these components, the most prepared for this is the state of the ICT in Ukraine, which is capable of reaching the level of world achievements, which allows to ease the output of startups as much as possible. Ukraine has a certain potential in this area – in 2015, in the Startup Ranking rating, it ranked 33rd among 150 countries by the number of registered startups³. After all, individual processes in

the field of informatization take place in Ukraine at an extraordinary speed.

As for creativity itself, it is an intellectual position and a certain approach to problems, including the plurality of points of view and approaches, which reveals new spectrum of possibilities. That is, it includes a certain set of features, which include: flexibility, independence and originality of thinking, propensity for experimentation, resourcefulness, criticality, ability to take risks, ability to create new and suitable alternatives to combinations. All this allows a creative person to address the unexpected side of the problem through a variety of tools: *refraining devices*, that is, changing the way things look from other positions, in particular *turning and weakness into a strength*, and finding solutions based on open, disconnected and freed thinking.

These high-value skills create tremendous competitive advantage – more devoted customers, stronger cultures, breakthrough ideas, and more effective teams. And while many of us regard these abilities as innate traits – "he's a really creative person," "she's naturally creative" – it turns out they can all be developed and are being developed in a range of far-sighted organizations whose experience is discussed in this article.

It is important to bring a powerful experience of countries with an ever-increasing influence of creative industries on their economies in order to understand the processes and factors that make up the creative person.

The creative industry is the subject of the latest strategies of developed countries. Scientific, artistic, designing activities have created separate industries, and as a result of their combination with ICT, financial and economic practices, new types of economic activity have emerged. The concept of creative industries was first introduced in 1997 by Prime Minister Tony Blair, who used it to explain his vision of the prospects for the growth of post-industrial economies, while small enterprises of creative industries were defined as "the engine of the future economy of Great Britain."

The creative industries which use high technologies include a wide range of different types of entrepreneurial activities and begin to occupy significant positions in the cultural and economic policies of the most successful countries and regions. The statistics of these countries have already begun to reflect the knowledge intensity of modern creative industries, attributing them to *the high tech knowledge-intensive services* (KIS). These include: production of motion pictures, video and television programs, phonograms and music recordings; broadcasting and television; telecommunications and communications; computer programming, consulting

¹ Rating of countries of the world in terms of global competitiveness according to version IMD [online resource]. – Available at: <http://gtmarket.ru/ratings/the-imd-world-competitiveness-yearbook/info>.

² Ляшенко В.І., Підричєва І.Ю. Регіональні наукові центри НАН України та МОН України як ядро розбудови регіональних інноваційних систем в умовах децентралізації. *Економічний вісник Донбасу*. 2017. № 1 (47). С. 13–20.

³ Сервіс Startup Ranking прорейтингував країни за кількістю стартапів, які в них засновані [online resource]. – Available at: www.eurosvita.net/prog/print.php/prog/print.php?id=3649.

and other related services; activity of information services; scientific research and development, architectural and engineering activities; technical testing and analysis; advertising and marketing research; other professional scientific and technical activities.

With revenues of €535.9b, the *creative and cultural industries sectors (CCIs)* contribute to 4.2% of Europe's GDP. The sector is its third-largest employer, after construction and food and beverage service activities, such as bars and restaurants. More than 7m Europeans are directly or indirectly employed in creative and cultural activities – 3.3% of the EU's active population. Performing arts (1,234,500), visual arts (1,231,500) and music (1,168,000) employ more than 1m people. Revenues of the 11 creative and cultural industry sectors total €535.9b. the three biggest activity areas in 2012 were the visual arts (€127b), advertising (€93b) and TV (€90b), which together accounted for more than half of the CCIs. Publishing – of newspapers, magazines and books – in the meantime generated a combined revenue of €107b. And advertising sector has close business links with most of these market segments: advertising income is an important revenue stream for the radio, TV and newspaper industries. Digital technologies have reinforced these connections and accelerated collaboration across sectors. In 2013, the creative and cultural sectors employed, on average, more 15-29-year-olds

than any other sector (19.1% of total employment in CCIs versus 18.6% in the rest of the economy).

In Eastern and Central Europe, the trend is even more pronounced: on average, young people account for 1.3% more jobs in the creative economy than in the rest of the economy. National estimates in the UK and France show that the proportion of young people employed in the creative economy in this countries is significantly higher than in the Western European economy overall. In the UK, 20–29-year-olds hold 22.6% of jobs in the creative sector, above their 22.3% average in the economy as a whole. The Paris region was Europe's second hotspot for creative jobs after Greater London in 2010, according to the European Cluster Observatory. People under 35 accounted for 41.4% of creative employment in this world-class metropolitan region, but just 36.7% of jobs in the wider economy¹.

These estimates underline two convergent trends:

- the cultural and creative sectors are highly attractive for young people;
- cultural and creative sectors are open for young workers and absorb them easily.

For both these reasons, the cultural and creative industries have a strategic role to play in the economic recovery and growth of Europe, especially in providing jobs and career opportunities to young Europeans, who are hard-hit by unemployment in the EU.

Table 1

The cultural and creative markets in the EU28

Markets	Sales (€b)	Jobs
Books New user experiences are reinventing the book industry	36.3	646.000
Newspapers & magazines Facing and embracing the challenges of the digital age	70.8	483.500
Music Innovating to lead creative diversity in Europe	25.3	1.168.000
Performing arts Audiences love live	31.9	1.234.500
TV The most popular medium is thriving	90.0	603.500
Film Resilience fueled by the digital transformation	17.3	641.000
Radio Still the most trusted medium and available in many new ways	10.4	97.000
Video games Surfing the wave of online and mobile gaming	16.0	108.000
Visual arts Brightening Europe's appeal for tourists and art investors	127.6	1.231.500
Architecture Coping with the aftermath of the construction sector slump	36.2	493.000
Advertising Driven by the rapid expansion of online revenues	93.0	818.000
Total CCIs (after removal of double-counting)	535.9	7.060.000

Based on sources: [5, p.11].

¹ Creative Industries _Fokus on Employment 2015. Statistical Release [online resource]. – Available at: <https://www.gov.uk/government/statistics/creative-industries-2015-focus-on>. – P.14.

For the development of creative industries, hundreds of programs of various sizes have been introduced: from municipal to UNESCO level. The support of the infrastructure framework, which ensures the sustainability of the creative sector, actually reduces to the simultaneous development of five areas: 1) development of policies and advocacy, the activities of professional networks and associations; 2) strengthening of organizational capacity, including through special education and life-long learning; 3) activity of incubators and accelerators; 4) creation of clusters and hubs; 5) internationalization (orientation to global markets and global recognition).

An illustrative example of the development of all these components is the UK, where the Creative Great Britain program is being developed, and which, in the 80's, focused on the creative resource and cultural policy that has already brought results in the form of its Leadership in this field. Similar programs are implemented at the regional and municipal levels. The new framework program "Create UK – The Strategy for the Development of the Sector by 2020" even more ambitious goals. In particular, to increase the "survival" of technology start-ups that cooperate with the creative industries (now only 3-5% of them remain in the market after the first year of work).

Economic and social instability in UK in the 1980's demanded that the authorities quickly solve urgent problems. UK is one of the countries in which coal mining has been a key trigger for economic development for several centuries. The key point (the new trigger) of transformations was the shifting of the emphasis on human resources and the expansion of the cultural policy. The rate was applied to creative and cultural resources, and as a result, UK is currently supplying non-coal, steel and textiles to the world market, and the "creative" or "intellectual" product: design objects, books, films, multimedia technologies, etc.

The UK's creative economy is showing an extraordinary growth rate of 34% over 2010-2015. This area of the economy employs about 2 million people and covers more than 5% of professions. One of the factors behind this growth is the focus on entrepreneurial skills development in the higher education system. At least 50% of higher education institutions in the UK have entrepreneurial skills programs for students and use different models: trainings, contests, business incubators, and affiliate programs. It should also be noted that in general, British universities are largely aimed at addressing community problems and often become the center of this community. British universities evolved along with their community, with the creation of a kind of "ecosystem". Characteristic for new universities is that if they first attempted to reproduce the atmosphere of Oxbridge, then

they completely switched to the newest systems and methods of teaching.

One of the reasons for the enhanced desire for quality education that meets modern requirements is the situation in the labor market, in the field of employment. It is employees of countries with knowledge economy that are most at risk of being fired due to replacing them with robots.

By now, we're used to the idea of technology largely taking over blue collar jobs. But as the leading US economist Tyler Cowen puts it, if the most precarious place to be working in the British economy in the 1970s and 80s was as a blue collar worker in a factory, today it's the kind of white collar job occupied by the middle classes. Traditionally middle class jobs are increasingly vulnerable to technology, and this is likely to have a huge impact on Ukrainian economy and society too. According to Oxford University academics Carl Frey and Michael Osborne, in the years ahead, millions of jobs in sectors such as accounting and auditing will be replaced with robots that can do the same tasks much more cheaply and effectively than human workers – without requiring salaries, holidays or sick pay – while administrators, paralegals and bank clerks will also be hit hard. They're not alone in reaching this conclusion. Earlier this year, the Lords' Select Committee on Digital Skills published a report on the 'unstoppable' digital technological revolution, which suggested that 35 per cent of UK jobs are at risk of being automated over the next two decades.

An analysis shows that over half of all secretarial jobs in the UK have already disappeared over the past ten years, and while there are over a million call-centre employees in the UK today, advances in speech recognition software and other technologies mean that many of these jobs are also predicted to disappear in the next decade. Three in ten Britons believe that they will soon be replaced in their job by a robot, according to a report, last year¹.

If earlier such a danger threatened workers and "blue-collar workers", now mass layoffs threaten even "white-collar workers" and the question of this type of worker who can keep his job is becoming more and more acute. The reality of the modern knowledge economy is that the "white-collar workers" has only one alternative – to be creative or dismissed. So what can we do about it?

Business thinker Geoff Colvin in his new book «Humans are Underrated» argues that there are tasks we will always want humans to carry out, whether providing leadership or working in teams – suggesting that we need to help people develop skills that machines are still relatively bad at, such as creativity, empathy and problem-solving. In this book, the author considers the issue

¹ Rohan Silva. The new white-collar fear: will robots take your job? [online resource]. – Available at: <https://www.telegraph.co.uk/technology/11858391/The-new-white-collar-fear-will-robots-take-your-job.html>.

as technology races ahead, what will people do better than computers? What hope will there be for us when computers can drive cars better than humans, predict Supreme Court decisions better than legal experts, identify faces, scurry helpfully around offices and factories and even perform some surgeries, all faster, more reliably, and less expensively than people? The unavoidable question is if will millions of people lose out because they are unable to best the machine is increasingly dominating business, education, economics, and policy. The answer lies not in the nature of technology but in the nature of humans¹.

According to the competences defined by the experts at the World Economic Forum in Davos in 2017, creative thinking is part of the TOP-5 competencies of the coming decade, and by 2020, creativity will be one of the three most important skills that employers value in their workers, along with critical thinking and a comprehensive solution to problems. According to an Adobe study conducted among 1,000 educational institutions, 96% agree that creativity is a valuable skill for society. And 78% say creativity is important in their careers. Almost 68% believe that creativity is what they were born for and why they can learn, and 71% say that, along with mathematics or physics, there should be such an object as creative thinking. More than 78% want to be more creative, and 32% do not feel comfortable thinking creatively at work².

Consideration of the most important tendencies, problems, achievements of creative society is the most significant issue – how are conditions created for the development of creativity, the growth of creative industries, the growth of the creative stratum, its transformation into a creative class? On the contrary, what blocks creative activity and interferes with its influence on innovative development?

The conducted review of the development of creativity in developed countries provides opportunities to consider both the presence of conditions and obstacles that can accelerate or slow down the process of formation of creative industries and creative class in Ukraine. For this purpose, the conditions necessary for the formation of the creative class and space, as the basis for the development of the innovation process in Ukraine are considered. This is primarily:

- Newest technologies in the management of human resources – Inclusive Approach and Cultural Diversity;
- The choice of the model of corporate requirements to the competence of a specialist of a modern enterprise;
- Creating special spaces for creative activity.

The creative economy is unique in terms of organization and style of work, and it consists of a very, extremely effective management based on trust, team work, the search for the most extraordinary ideas and a strong "culture of inclusion". Through the rotation of workplaces, people are deliberately moved from one position to another so that the knowledge gained in one unit becomes the property of another, and in order to avoid the formation of individual, closed cells. This style is an integral part of new employment-related mechanisms in the age of diversity and high mobility of workers. Traditional administration is often based on the opposite strategy, forcing people to act according to firmly established rules, without showing initiative and not revealing all their abilities.

So the choice of the model of corporate requirements to the competence of a specialist of creative enterprise is very important. Here is a case to consider. At Apple Inc. in the 1980s was filled with people of all ages and varying backgrounds: engineers, artists, designers, and even musicians. Many of them did not have college degrees but they were all passionate professionals committed to Apple's success (these were the days when Apple was out-innovating IBM, Microsoft, and almost every other computer manufacturer). Today, driven by a new breed of hiring practices, companies focus almost entirely on college degree, GPA, and pedigree – and this has created many of the diversity challenges we have in Silicon Valley. This is an example of thinking about diversity and inclusion in a holistic way. Diversity goes far beyond education and gender. Rather than just try to hire more women-engineers, how about expanding whole recruiting philosophy to include engineers, artists, mathematicians, and other creative professionals from a broad set of experiences.

Building a strong "culture of inclusion" is difficult, takes executive support, and will touch almost everything in leadership and HR. Companies like Sodexo, Novartis, AT&T, and other diversity leaders have been investing in these strategies for years.

Diversity And Inclusion (D&I) will be a top priority and the main business trend in future. Recent human resource management research has shown that inclusive approach and cultural diversity can lead a company to success. Studying the experience of 450 companies shows that companies that adhere to the principles of inclusion and cultural diversity demonstrate the best performance. Personnel specialist and study author Josh Bersin is confident that the success of the company depends on the ability to hire and attract people of all ages and cultures with different experiences.

¹ Geoff Colvin. Humans Are Underrated: What High Achievers Know That Brilliant Machines Never Will [online resource]. – Available at: geoffcolvin.com/books/humans-are-underrated/.

² [Online resource]. – Available at: <https://www.culturepartnership.eu/article/anastasia-nurzshinska-gohigher>.

He just completed a two-year research study (*Bersin by Deloitte 2015 High-Impact Talent Management research*) and the results are amazing: among more than 128 different practices they studied, the talent practices which predict the highest performing companies are all focused on building an Inclusive Talent System. Companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers¹.

There are summarize this new research. Over a two year period researches surveyed and interviewed more than 450 global companies (including a significant number in Asia, Europe, as well as the US) to identify their level of maturity in a wide variety of talent practices. (These are companies with more than \$750MM in revenues).

The researches looked at a total of 128 different aspects of talent management, things like how well companies assess candidates for job and culture fit, how fair their performance management practices are, their culture of learning, their level of maturity in leaders development, and more. Then they looked at business performance of these 450+ companies (financial and talent outcomes, including cash flow, profitability, innovation, and growth), and correlated the talent practices against performance. Researches performed a causal analysis to see which practices had the greatest statistical impact. The analysis found 31 distinct talent practices which are highly correlated with strong business performance. The researches grouped these into 9 categories and rank ordered them based on impact.

As part of this work they also used the data to group companies into four levels of maturity, and labelled the four levels based on the key practices which emerge at each level.

As they can see from the data, only about 10% of the companies we studied are truly exceptional talent organizations – with the bulk of companies focused on talent management for operational growth, essential HR needs, and ongoing performance support. The top two groups, Levels 3 and 4, are the exceptional companies and as the labels show, these are companies that look at leadership and inclusion as a hallmark of their talent strategy. Let's look at the business impact of the high performers. The companies at levels 3 and 4, which labeled "*inclusive*" and "*managed*" talent companies, are quite exceptional businesses. Specifically, over the period we studied, these companies are:

- 2.3 times higher cash flow per employee over a three-year period
- the smaller companies had 13 times higher mean cash flow from operations

- 1.8 times more likely to be change-ready and 1.7 times more likely to be innovation leaders in their market

- 3.8 times more likely to be able to coach people for improved performance, 3.6 times more able to deal with personnel performance problems, and 2.9 times more likely to identify and build leaders.

So, these level 3 and level 4 companies are not just "better at HR," – they are *higher performing companies* measured by business, financial, and talent outcomes.

The Factors And Dimensions Of High-Impact Talent Management, starting at the bottom (foundational factors). As they ranked and sorted these dimensions, they found 9 overall "families" of things and grouped them into a rank list:

At the bottom of the list (levels 6, 7, 8, and 9) there are foundational and fundamental things to do: create a clearly defined organization structure, source and assess people well, localize recruitment and sourcing, and make sure the performance management process is fair and consistent.

At the next level up (level 5), are *differentiating talent strategies* – things that are more difficult and complex to do. The main factor at level 5 is developing and communicating an overall talent strategy. This means explaining the type of people we want to hire, what behaviors we value, how we will source and recruit, and how we will manage and lead people. A talent strategy also includes plans for career development, a stated strategy and goals for diversity and inclusion, a discussion of how the company plans and measures talent goals, and the role managers will play. In this latest research only about 12% of companies have such a strategy clearly detailed, so this is a major area of effort.

Moving up, the next differentiating factor (level 4) are is a focus on learning, leadership development, and ongoing coaching and performance improvement – including developmental assignments for leaders, assessment of future leaders, and continuous development of leaders. Learning is a tremendously important part of business performance, because it makes up the sustainability and innovative nature of business. It is also a major driver of employee engagement and employment brand. If people are not continuously learning, are not iterating, expanding, and continuously meeting new customer needs (*High-Impact Learning Culture and High-Impact Leadership research* validates his, showing that these high-performing companies spend 3-4X as much on learning and leadership as their peers and are as much as 8X stronger at innovation, customer service, and employee retention).

¹ Josh Bersin. Why Diversity And Inclusion Will Be A Top Priority For 2016 [online resource]. – Available at: <https://www.forbes.com/sites/joshbersin/2015/12/06/why-diversity-and-inclusion-will-be-a-top-priority-for-2016/#22309c7a2ed5>.

Moving up further (level 3), – a variety of planning and strategy programs "*systemic relationship with talent*", about the need to "export talent" and be rewarded for moving people into new and challenging jobs, often outside of their group. These are systemic practices, because they involve thinking about people as assets for the whole company.

The two most important areas, those that correlated with the highest impact on business performance, are all about *inclusion and diversity*. Inclusion is the goal we want to achieve here, and diversity is the measure of success. This requires embedding inclusion and diversity into hiring, performance management, succession management, leadership development, learning – and specifically measuring diversity and holding leaders accountable for inclusive behaviors and diversity results. D&I rated the highest impact of all, and it points out that in today's working world, your ability to attract and engage people of all ages, cultures, backgrounds, and types is paramount to business success. So, what does it mean to have a strategic D&I program? As this research shows, *D&I is a top-to-bottom business strategy – not just an HR program*.

So attracting people with different professional backgrounds, such as artists, mathematicians, or engineers, will give the company more creative power. Moreover, it is recommended to focus not only on young generation, as employees of more mature age can share more experience. For example, while most HR-managers focus heavily on the need to attract and retain young workforce, most companies are filled with senior professionals who want to work into their 70s or longer. We can apply this concept to every category listed above and some academics have statistically proven this in a variety of business situations.

Research by Cedric Herring at the University of Chicago proved that "diversity yields superior outcomes over homogeneity because progress and innovation depends less on lone thinkers with high intelligence than on diverse groups working together and capitalizing on their individuality." His statistical research found that across hundreds of companies, diverse teams drive 6% greater revenue, 15% more customer wins, and create significantly higher market share. These teams work better together, innovate more, and come up with superior customer solutions. The message from this research is clear: sustainable business performance today depends on its ability to attract and engage a highly diverse workforce. Failure to do this well will impact company's innovation, employment and brand.

What Is A High-Impact Inclusion And Diversity Program? Some of the keys strategies we've learned include:

Assigning a top executive the responsibility for leading and sponsoring the inclusion and diversity program;

Creating behavioral standards, diversity metrics, and holding leaders accountable for results;

Training people at all levels on topics like unconscious bias, similarity bias, structural bias, and self-rater bias;

Integrating diversity and inclusion strategies in recruitment, performance management, leadership assessment, training;

Creating employee networks (D&I champions, Employee Resource Groups, and Communities of Practice) to bring people together;

Creating an internal and externally visible scorecard to measure progress in all areas – such scorecards include metrics for recruiting, promotion rates, compensation levels, participation in coaching programs, turnover, participation in ERGs, supplier diversity, and much more.

Creating a truly inclusive company is not easy: it is necessary to implement this principle not only at the level of the HR department, but also at the level of the company's strategy as a whole. This may require a lot of money and effort, but on the scale of world business is the path to success.

Similar studies more and more clearly lead to the conclusion that a creative company or an enterprise of any field of activity can be created on the basis of not so much the selection of real creative workers¹ based on "bounty hunting" technologies (that is, using an exclusive model rather), but relying on D&I priorities. It is these priorities that give unlimited opportunities to create not only creative enterprises, but creative industries, creative class and the economy as a whole.

These changes in the labor market, and in general, in the field of employment, should be considered as part of larger-scale social transformations, as tightly interlocked elements of a single basic transformation that covers all aspects of life, thereby segregating not only the labor market in a new way, but also society in as a whole. This transformation is a shift to an economic and social system based on creativity. Therefore, the key measure to improve the living conditions of the poor, unemployed and socially vulnerable citizens should not be social programs or the creation of unskilled jobs, the return of some of the productive professions of the past, and the use of creative abilities of these people, along with fair wages and integration into a creative economy.

If these processes really begin in Ukraine this may represent a peculiar new form of technological «leap-frogging», where various stakeholders investing in creative infrastructure are able to adopt the latest technologies.

¹ Studies by specialists in the field of psychology and neurophysiology prove that real creativity is possible only for a limited number of people (by analogy with absolute pitch) and depends on many congenital neurophysiologic factors.

In order to achieve efficiency, it was necessary to find the creative class corresponding to a new time of the form of collective action, social activity, social relations, operating in an age of diversity and high mobility. Such a new form can be considered in *creative hubs* – common spaces, where creative micro enterprises can use office space and resources together, and exchange knowledge and skills.

A dynamic ecosystem of creative spaces and communities has developed over the last 10 years. They are guiding and supporting thousands of creative ventures, but are still largely misunderstood and often undervalued. The word ‘hub’ has become a universal but slippery term to label centers of creative enterprise, representing many different shapes, sizes and agendas.

In Ukraine, such a unifying role for high-tech creative hubs could perform scientific institutes of regional science centers under NAS and MES of Ukraine in a decentralized environment ¹].

This article has been commissioned to better understand their diverse value, processes and motivations and in doing so, analyse how best to support and stimulate the wider creative economy they are rooted in, particularly in times of political and financial uncertainty. The message we want to convey concerns the range of diversity and specialization of creative hubs. We argue that policy and practice needs to begin with this perspective, not with a generic or idealized ‘hub’. The immediate consequence is that any particular definition is likely to be a place holder that is filled by new cultural activities as hubs coevolved with their contexts. As we will point out, much of what makes a creative hub ‘work’ – that is, how it operates – is hidden from view in an idealized version. However, our message is that this process is the key to unlocking the lessons that hubs have to offer.

What is the impact of a creative hub? We are now in a better position to reflect upon the UK creative hub experience and the extent to which lessons may, or may not, be transferable to other situations. There are a number of important points to make at the outset. Namely, that the building is necessary, but itself does not constitute a creative hub. Who owns and operates the hub may vary by place and time.

The hubs have become nests for freelancers and micro SME’s to gather, connect and collaborate. They are lighthouses for forgotten areas of the city, gathering people in unused spaces and connecting previously invisible communities. Hubs not only form communities, they also develop a structured serendipity that enables people to connect in ways they hadn’t before, inspiring new cross disciplinary collaborations, community engagements and modes of working.

It is clear that the everyday definition of a creative hub, is one that is generic (the term ‘creative’ could be substituted by other terms such as ‘high tech’), and is defined by its infrastructure form. We are advocating a more nuanced and practice based understanding of hubs. The diversity of hubs enables practitioners to fit their process (creative activity) to a context (regional community). The British Council’s Creative Hub Toolkit offers a useful ‘first cut’ of six possible variants:

Studio – small collective of individuals and/or small businesses in a co-working space.

Centre – large-scale building which may have other assets such as a cafe, bar, cinema, maker space, shop, exhibition space.

Network – dispersed group of individuals or businesses – tends to be sector or place specific.

Cluster – co-located creative individuals and businesses in a geographic area.

Online Platform – uses only online methods – website/social media to engage with a dispersed audience.

The novelty and diversity of its structure and organisation has shaped the idea of the creative hub as a compelling model for the support of creative production. However, this novelty does not always make it easy for potential funders, investors or policymakers to support the development of the hub in the most constructive way. Where investment (public or private) is involved, invariably the generation of a number of key performance indicators (KPIs) will be important. This brings us to the question of evaluation, which is closely related to that of output indicators such as KPIs. We can appreciate that the KPI approach, with its dependency on quantifiable outputs, can take priority in management and evaluation systems. A careful choice of KPIs determined by the hub itself is not always available. However, underpinning this, is the challenge that a sustainable and resilient creative hub is, by definition, about process in which many values are in play and many impacts at stake. The policy and investment community can frequently understand the energy, agility and multi-disciplinarity of a hub environment but may have more difficulty understanding the precise nature of its productivity. It is clear that there is an exciting mix of inputs but what are the outputs? Many case studies have shown that the many kinds of value at work inside hubs produce a wide range of impacts²:

- Start-up companies
- Jobs
- New products and services
- Future investment, both public and commercial

¹ Ляшенко В.І., Підоричева І.Ю. Регіональні наукові центри НАН України та МОН України як ядро розбудови регіональних інноваційних систем в умовах децентралізації. *Економічний вісник Донбасу*. 2017. № 1 (47). С. 13–20.

² Creative Hubs: Understanding the New Economy [online resource]. – Available at: britishcouncil.org/creativeeconomy.

- Talent development
- Talent retention
- Informal education and engagement
- Training
- Regeneration
- Research and development
- New city, region and international networks for exchange and development
- Innovative models of organisation
- Quality of life enhancements
- Resilience.

The problem for many hubs and their potential investors is how to articulate this range of impacts. Given that hubs are a relatively recent and autonomous mode of organization with very low staff overhead in relation to overall levels of productivity, they have very little resource to devote to evaluation.

Most of the powers and tasks for the development of creative industries are assigned to the regional and local levels. The successful development of these industries has led to the transformation of urban space and the emergence of the concept of "creative city". The industrial centers of the past (Manchester, Birmingham, Glasgow, Liverpool, Leeds, etc.) have become the brightest evidence of the success of the UK's state cultural policy to improve the economic and social situation in these cities. What else "yesterday" was considered a depressed region with a high level of social instability, with abandoned factories, today is becoming a developed and enriched area with developed infrastructure.

An illustrative example of such a "reformatting" is Leeds. In 1951, half of the economically active population was employed in industry, in 1971 – one third, and now only 10%. Data from 2011 shows that there are nearly 3,400 creative businesses in Leeds, with up to 30,000 people working in creative industries across the city. 70 per cent of creative businesses are 'micro' and a further 21 per cent are 'small'. NESTA's Tech Nation Report details 44,951 people in the digital sector in Leeds (2016 year). Roughly half of the city's working population is employed in knowledge-intensive sectors. The city region has seen significant growth in software, computer games and electronic publishing and, more recently, in FinTech (financial innovation), big data related companies and health related startups. Leeds also has an active radio and TV sector, with clusters of TV and film production companies near ITV and the BBC's Yorkshire headquarters in Leeds. According to the Centre of Cities Outlook 2015, Leeds is among the ten cities in the UK experiencing the fastest private sector jobs growth.

There exists an unsung community of passionate and independent technology innovators (home-grown communities like Agile Yorkshire, Lean Startup and Leeds Hack) in the Leeds city region. Along with an

energetic freelance and self-employed community, these are people whose passion and expertise transform ideas into commercial success stories. Leeds also nurtured one of the first co-working spaces in the country, which made it into the UK top 10. Co-working spaces in Leeds have since multiplied, proving there is a place for cooperative and progressive attitudes to the way people work and innovate together as small independent businesses (Leeds City Region Enterprise Partnership).

Leeds Beckett University (7.500 staff, 32.000 students) is strongly engaged in managed workspaces and runs several creative hubs, e.g. the Digital Hub, a business incubator in partnership with The Yorkshire Post, and the Old Broadcasting House, the oldest co-working space in Leeds. The Old Broadcasting House has existed since 2007 and, due to the financial support by the Leeds Beckett university, all the co-workers pay a fixed price no matter how much they use the space. Included in the rent are meeting rooms, projectors and help desk services. A new incubator, Future Labs, received £3.7 million in government investment to renovate a derelict police headquarters in the heart of Leeds to create a 6-floor incubator. Similarly, Leeds' first FinTech accelerator Dotforge will also receive public funding. However, even though Leeds Economic Development emphasises a particular focus on CCI and digital businesses, it does not yet have a comprehensive policy in place to support those. There are also real estate-developer-led hubs such as ClubRooms from The Office Group and Inc. Workshop. Inc. is a manufacturing workspace for 140+ start-up businesses and self-employed individuals, providing a space to manufacture products and make prototypes, as well as facilitating social and collaborative creative practice. Inc. provides training and access to specialist equipment for screen printing, woodwork, jewellery, metalwork, picture framing, laser cutting, upholstery and sewing. The workshop was set up with the vision to support everyone from self-employed individuals, diverse community groups, hobbyists, designer-makers and artists, and is run by the non-for-profit Enterprise Foundation. Furthermore, Leeds currently bids for the European Capital of Culture 2023 and rewrites its cultural strategy for this¹.

Conclusion. The trends considered have more embraced the countries that are at the higher levels of competitiveness and economic freedom ratings, human, innovation and digital development, scientific awareness etc. This indicates that all these components of the welfare society are closely linked and condition one another. Thus, the experience of developed countries has shown that the achievement of a high quality of life and the level of the economy is possible only on the principles of a new post-industrial paradigm, the most significant features of which are not the innovation itself, but the transition to a new type of economic growth, based

¹ Creative Hubs: Understanding the New Economy [online resource]. – Available at: britishcouncil.org/creativeeconomy.

on knowledge and their creative combination. The question arises: how long can Ukraine's transition to a model of a creative economy continue, and how can a society meeting the requirements of the post-industrial era in a deep economic, political, social crisis, loss of its territory and military conflict be able to form. In addition, the authorities in Ukraine are rapidly losing credibility both inside and outside the country, not justifying the expectations relied on it after the "dignity revolution".

In Ukraine, the theme of creative industries, creative cities, and in general, the creative economy, is new and does not attract the attention of domestic theorists and practitioners to its problems. The authorities also show a deep lack of interest in the level of creativity of Ukrainian society. At the same time, the state has neither a concept nor a strategy of participation of the population as a full-fledged subject of the domestic innovation process, and even no signatures arise about the significance of the creative industries. However, one should hope that understanding the necessity of involving all

sections of the population in innovation and creative processes will come to power structures rather quickly, otherwise Ukraine, being behind most of the developed countries in the ratings of competitiveness, innovation, digital readiness, etc., risks remaining for a long time on the industrial periphery of the post-industrial world.

For the authorities, public and business structures of Ukraine, it is extremely important to realize the value of the creative layer of the population in order to understand the nature and nature of the large-scale changes that take place due to the growth of this stratum in the country. And examples from the world practice are not aimed at "catching up and overtaking Britain or Germany", but it is only a benchmark, following which, there is at least some chance of joining up to the current trends in the world community.

Received by the editors: 12.12.2018
and final form 14.12.2018