Innovative creative activities of Russian companies in the global business environment

Alexander V. Samoylov 1, Irina A. Zhulega 1,* and Evelina Sycheva 2

1 State University of Aerospace Instrumentation, Bolshaya Morskaya str. 67, Saint Petersburg, 190000, Russia.
2 Saint-Petersburg University of State Fire Service of Emercom of Russia, Moscow Avenue, 149, St. Petersburg, 196105, Russia

Abstract

Research background: Analytical research is needed to manage innovation development, which is the relevant background of this work.

Purpose of the article: The aim of this study is to analyse and evaluate the use of innovative creative technologies to create added value in the face of globalization change. The aim of the study is to compare the dynamics of innovative creative development of Russia and the world leaders.

Methods: The Global Innovation Index (GII-2020) is used as a scientific and methodological approach to monitoring and analysing the level of innovative creative processes, based on the study of available statistical sources and studies conducted by Cornell University, INSEAD and WIPO.

Findings & Value added: At present, in the conditions of the global crisis and the strengthening of economic sanctions against Russia by the United States and the European Union, the innovative direction of the economic policy of the state is of paramount importance. This is because advances in innovative technologies, more than ever, determine the dynamics of economic growth, the level of well-being of the population. Global innovation indices create an area of research in which innovative factors, including creative activity, are under constant evaluation. This assessment is a key tool for making a decision to improve the development of modern business processes and to determine strategically the priority of the development vectors in the future in order to strengthen the country's economic position and competitiveness in the face of globalization.

Keywords: globalization; creative technologists; innovative development.

JEL Classification: L89; O30; Z10

* Corresponding author: zhulega@mail.ru

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1 Introduction

The global system of economic development is entering stage that requires new approaches to solving the problems of further economic development. The post-industrialism paradigm is proposed, particularly, its innovative and creative development model is proposed as alternative to development way of the current capitalist system as economic development paradigm based on today's technologies of neoliberal market economy. Innovative and creative activity can become real strategic resource, one of the main factors ensuring the national economy competitiveness, high rates of socio-economic development and state national security. In Western economic science, the theory of innovative and creative economics, relative to other theories describing modern trends in social development, begins to set the scientific research vector. The relevance of this proposal lies in the fact that the study of this direction will reveal development trends of new economic relations in the context of globalization, identify alternative sources of growth, gain useful practical experience for use in the activities of companies in the global business environment and determine directions for further development.

Innovative technologies are one of the key and most promising areas of competition for economic influence between countries in the 21st century (Zhulega, et al., 2021). In the context of globalization, innovation is the bearer of the companies’ competitiveness. Creative activity is considered as the most important innovation source (Lemmetyinen, 2019). The main prerequisite for growth of the creative industry subjects is favourable business environment and supporting structure for innovative entrepreneurship, including access to external funding sources (Achimska, 2020). Business globalization gives companies great opportunities to remain competitive, expand their influence in new markets and improve efficiency (Kramarova, 2016).

Currently, innovative and creative activities in the world are expanding at faster pace. According to experts from the consulting company EY (Ernst & Young) even during the crisis associated with the pandemic, the creative industries sector increased by 14%. In developed countries, its share in GDP is within 5-9% (Status analysis of creative industries in Russia and the world, 2021). In the European Union, there are huge expectations related to the creative industries, which are growth strategy (Angelini & Castellani, 2019). Creative industries include the full range of cultural products and services, including film and television, design and architecture, advertising and marketing, fashion, and more. As new technologies progress, creative functions grow (Bodrunov, 2020). Development of creative professions in the field of innovative and creative activity is associated with digital transformation and the resulting changes in the employment structure (Florida, 2014). In Russia, development of the creative industries sector is still decentralized, has good export potential and can be used to form positive competitiveness of the country in the context of globalization.

The purpose of this article is to assess development degree of innovative and creative activities, taking into account current global changes and their future forecasts.

2 Methods

Based on the available statistical sources, to assess the level of factors affecting the development of innovative and creative activities of Russian companies on global scale, it is proposed to use indicators the Global Innovation Index (GII) 2020. GII-2020 is the most comprehensive set of indicators for assessing the level of innovation efficiency of countries in the global economy. GII has impact in three ways:

- political, as part of their economic policy strategies;
- to assess and develop activities in the field of innovation and intellectual property;
- continues to give strong impetus to economies to prioritize and collect indicators of
innovation.

The GII rating is compiled by Consortium of Cornell University (USA), INSEAD
Business School (France) and the World Intellectual Property Organization WIPO
(Switzerland), as specialized agency of the United Nations since 2007 (Kim & Park, 2021).
The GII-2020 edition draws on the expertise of its knowledge partners: Confederation of
Indian Industry (CII), Dassault Systèmes - 3DEXPERIENCE and Brazilian National
Confederation of Industry (CNI), and the Eminent Experts Advisory Council. For the tenth
consecutive year, the European Commission's Joint Research Center (JRC) has audited the
GII ratings and related calculations.

The GII-2020 model includes 131 countries / economies that make up 93.5% of the
world's population and 97.4% of world GDP in purchasing power parity, based on 80
indicators. The final rating is calculated as the average of two sub-indices:
- innovation resources (institutions, human capital and science, infrastructure,
development of the internal market and business);
- innovation results (progress in technology and knowledge economy, development of
creative activity).

The innovation efficiency ratio is defined as the ratio of two sub-indices, thus reflecting
the aggregated innovation efficiency for given innovation potential.

The conceptual framework for GII-2020 is shown in Figure 1.

![Global Innovation Index](image)

**Figure 1.** GII-2020 Framework

Source: Own processing.

The purpose of this paper is to analyze the assessment of development level of
innovative and creative activities. The Section Development of Creative Activity includes
three sub-areas: Intangible Assets, Creative Products and Services, Online Creativity.
The aim of this study is to make comparative assessment of development of creative activity in Russia at the globalization level.

3 Results: Analysis of Innovative and Creative Activities in Russia

Analyzing Russia's position in the GII-2020 world ranking, it should be noted that Russia occupies a low position. In the overall GII-2020 rating, Russia occupies 47th place, and in terms of development of creative activity it is even lower - 60th.

Comparative analysis of development of creative activities of five leading countries and the Russian Federation in the GII-2020 system is given in Fig. 2.

![Figure 2](https://example.com/image.png)

**Figure 2.** Comparative analysis of development of creative activities of five leading countries and the Russian Federation

Source: author according to the Global Innovation Index (GII) 2020 data

The ranking indicators of creative activity of the Russian Federation in GII-2020 are presented in Table 1.

**Table 1.** Ranking indicators of creative activity in Russia in the Global Innovation Index (2020) (Global Innovation Index, 2020).

<table>
<thead>
<tr>
<th>7. CREATIVE OUTPUTS</th>
<th>Rating (Score)</th>
<th>(Rank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Intangible assets</td>
<td>28.4</td>
<td>61</td>
</tr>
<tr>
<td>7.1.1 Trademarks by origin/bn PPP$ GDP</td>
<td>48.2</td>
<td>52</td>
</tr>
<tr>
<td>7.1.2 Global brand value, top 5,000, % GDP</td>
<td>49.6</td>
<td>35</td>
</tr>
<tr>
<td>7.1.3 Industrial designs by origin/bn PPP$ GDP</td>
<td>0.9</td>
<td>72</td>
</tr>
<tr>
<td>7.1.4 ICTs &amp; organizational model creation</td>
<td>58.4</td>
<td>49</td>
</tr>
<tr>
<td>7.2 Creative goods and services</td>
<td>9.1</td>
<td>81</td>
</tr>
</tbody>
</table>
### 7.2. Cultural & creative services exports, % total trade

- 7.2.1 Cultural & creative services exports, % total trade: 0.9%
- 7.2.2 National feature films/mn pop. 15-69: 1.2%
- 7.2.3 Entertainment & Media market/th pop. 15-69: 6.3%
- 7.2.4 Printing and other media, % manufacturing: 0.8%
- 7.2.5 Creative goods exports, % total trade: 0.3%

### 7.3. Online creativity

- 7.3.1 Generic top level domains (TLDs)/th pop.15-69: 3.5%
- 7.3.2 Country-code TLDs/th pop.15-69: 14.2%
- 7.3.3 Wikipedia edits/mn pop.15-69: 65.9%
- 7.3.4 Mobile app creation/bn PPP$ GDP: 19.4%

Source: Global Innovation IndeX (2020).

The data in Table 2 show the strengths and weaknesses of development of creative activities in Russia. Good indicators include Mobile Application Development - 25th and Export of Cultural and Creative Services - 28th out of 131. Low scores include National Feature Films and Print and Other Media.

Clear comparison of indicators of development of creative activity in Russia and Hong Kong, the leader in terms of GII-2020, is shown in Fig. 3.

![Figure 3](https://example.com/figure3.png)

**Figure 3.** Comparative analysis of indicators of creative development of Russia and the leader in the GII-2020 system Switzerland.

Source: Own processing.

### 4 Discussions

The study results make it possible to assess the current state of innovative development of the Russian Federation and identify weaknesses that create lower competitiveness in comparison with other countries.

Turning to the experience of the leading states in this area determines the guidelines for organizing creative and innovative activities, identifying the problems of further
development to maintain competitiveness at the world level (Novikov et al., 2021). Therefore, it is necessary to intensify innovative activities, taking into account the comprehensive scientific understanding for implementation of scientific recommendations. This means that maintaining global competitiveness requires continuous investment in research institutions capable of generating the basic knowledge needed to strengthen science, research and technology development (Franzi, 2018).

5 Conclusions

Innovative and creative activity is one of the most dynamically developing areas of the modern economy. In our opinion, they have great potential for the country socio-economic development.

The GII helps identify the area of research in which innovative factors of creative development are continually evaluated. According to the GII-2020, Russia is ranked at 47th place. In terms of creative development indicators, it is 60th, which is much lower. The lowest rates were found in the film industry and video publications. It should be noted that, according to international researchers, these industries belong to the group of the most globalized sectors of creative industries that contribute to trade and economic growth in the world (Kropova et al., 2021). The performance outlined is an essential database of detailed metrics that clarify the impact of creative innovation on the competitiveness of Russian companies in the global business environment, and a key tool for informed decision makers in innovation policy.

References


