The Resource of Creativity and Creative Human Capital for the Management of Knowledge Economy: Implications for the Republic of Moldova

Svetlana DUCA\textsuperscript{1,*}

\textsuperscript{1}Academy of Economic Studies of the Republic of Moldova

Abstract. The purpose of the article is to analyze and consider the huge role of the resource of creativity and impact of creative human capital on knowledge economy as a driver for progress and welfare. Bad management inhibits the population to be creative and in this way diminishes the knowledge, meritocracy, innovation and development of the country. The relevance of investments in education, research and innovative systems, valorization of the resource of creativity and encouraging the creative human capital, but also the constraints and opportunities of Republic of Moldova in the context of international flow of talents are targeted in the present paper. The author considers the relevance of the sustainable policies of the governments and their implementation via sound coherent and consistent processes towards the formation, valorization and providing incentives for bringing back to the country the human capital that left for abroad. The author concludes that the strategic correlation of the state policies in the economic sectors aiming the increase of creative indicators per country, with the EU support through programs to which the Republic of Moldova has been engaged, will generate economic impact. Keywords: Creative resource, Human capital, Sustainable policies, Management, Development.

1 Introduction

In the context of the knowledge economy, human creativity resource generates creative products and services, and they are as varied as the concept of creativity itself. Respectively, the consumption and demand for creative products are also characterized by some extent of uncertainty and challenge. Thus, creative management focuses on theories of creative processes and their application at all levels-individual, group, organizational, and cultural levels. Another important aspect within the framework of knowledge economy in connection to creativity resource and creative human capital is the interdisciplinary interaction within the innovation process. It includes formal and informal frameworks that bring together organizations in different sectors and technological institutions around common goals and objectives. This framework facilitates the combination of competencies, knowledge, and integration skills that are needed to create sophisticated technologies and products [1].

Creative products can take many forms, from new theories, hypotheses, formulas and methods to new designs or materials. All of them must be original and be adapted to reality, be useful and relevant to the level of knowledge achieved in this field, meet specific needs. At

\*e-mail: sv.duca@gmail.com

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the same time, the creative process is regarded as an integral part of the innovation process, in which there is an original product, developed with the help of original materials, actions and creative behavior of people [1].

The author presents the general overview and relevant aspects on the resource of creativity connection and creative human capital that have a strategic impact on the management of knowledge economy. The paper contains literature review, subchapters on Sustainable State Policies on Creativity, Resource of Creativity and the Economic Impact, Creative Human Capital Conceptualization, Methodology Framework, Conclusions and References.

2 Literature Review

2.1 Sustainable State Policies Related to Creativity

In December 2013 it was approved the EU Regulation No 1295/2013 by the EU Parliament and the Council on establishing the Creative Europe Programme, and in this context the Commission Communication on the European agenda for culture in a globalising world set the objectives for future activities of the Union for the cultural and creative sectors, that ulterior generate economic impact. In the frame of the respective EU Regulation, the strategy for smart, sustainable and inclusive growth “Europe 2020 Strategy” targeted a Union with a smart, sustainable, inclusive economy, with high level employment, productivity and social cohesion [2].

In the context of the above mentioned EU Regulation, in March 2015 it was signed the Agreement between the Republic of Moldova and the European Union on the participation of the Republic of Moldova within the “Creative Europe” program. The Agreement presupposed the cooperation on certain media actions and sub-program, based on Article 8 (5) of the Regulation, on concrete measures, trade events and markets. Moldova had also to establish the institutionalization and mechanisms at the national level and adopt the necessary measures for national coordination and organization of activities to implement the Agreement, in accordance with the provisions, and in particular, to establish a Creative Europe Desk, as per guidance provided by the EU Commission [3].

As a result of the efforts done by the state central authorities at the EU level, the Government of Moldova developed in 2022 the National Creative Industries Program “Creative Moldova” for the years 2022-2026, as a strategic national planning document. Creative Moldova Program has the purpose “to establish a policy framework liable to provide a holistic and visionary approach to the development of the Creative Industries in the medium term, with a focus mainly on the intelligent and sustainable exploitation of the creative potential of the Republic of Moldova, creating a favorable and comprehensive environment for the development of a competitive and sustainable Creative Industries sector”, but also has the aim to increase revenues and reduce economic inequalities in close correlation with the Moldova 2030 national objectives and UN 2030 Agenda [4].

The vision of the state program is that Moldova becomes a major creative hub for Eastern Europe, that “will champion creative talent as a renewable resource to diversify our economy, build pride and confidence, and transform our capacity for innovation that delivers long-term sustainable development” [4]. The program as a national planning document is quite new, however the platform has been built and a lot of measures have been already done, and even in the sphere of creative industries covering only certain sectors, the economic impact can be measured, subsequently more details are provided in the following subchapter related to creative resource and economic impact.
2.2 The Resource of Creativity and Economic Impact

The resource of human creativity is the ability of the human being “to use resources in an unusual manner, which results in a product or service of unique value” [5]. Then the ability to identify, develop, valorize and maintain the creativity resource will lead to generating creative activity that will end up with innovations, and the innovation will turn into economic activity one day, whether related to creative industries or not [5].

The creative economic activity and creative industries have been recognised by the EU into its policy documents and programmes during the last decades as “… a wider sector that goes beyond traditional arts and culture disciplines, comprises a larger number of interconnected activities and sub-sectors has a potential that is being acknowledged by other international organisations such as the Council of Europe, different United Nations organisations, as well as by national, regional and local governments and institutions worldwide” [1].

The recent decades at the global level a clear understanding has been set up that the creative industries sector have a huge impact on the economy directly or indirectly, and the fact contributes significantly to increase number of jobs, generate innovations, facilitate sustainable development. Creativity was also identified as a renewable, sustainable, limitless resource that can generate economic activity if properly encouraged and valorized, thus its impact at the global level is quite remarkable, contributing 3% of the global GDP in 2012. Nowadays, while coping with climate change crisis and the pandemic times, the potential of the human creativity resource becomes more relevant. The UNESCO International Year of Creative Economy for Sustainable Development 2021 declared “Creativity is the industry of tomorrow” [4].

The case of the Republic of Moldova “confirms the attractiveness of the creative industries field showing that companies in the industry generated sales of 186 million dollars, and exported creative services of 61 million dollars, and creative goods of $ 75 million between 2017-2018. The data show that the creative industries have an important share in the national economy, accounting 3.31% of GDP. This area demonstrates growth potential similar to global trends. Proof is the growing number of creative companies and we see an increase of 20% in 2018 compared to 2015, respectively 1600 companies, which provide jobs for 11,000 young people” [1].

In the country report developed by the expert Cristina Farihna “Developing cultural and creative industries in Moldova”, it is emphasized the economic impact of the creative activity, creative industry worldwide, in Europe and in Moldova. “In the EU the creative industries generated 558 billion Euros in value added to GDP - approximately 4.4% of total European GDP, according to data from 2011. These industries represent about 8.3 million full time equivalent jobs or 3.8% of the total European workforce. Statistics also show that most of the creative industries have a higher percentage of youth employment than in the rest of the economy, and the sector has proven very resilient compared to others during the 2008 economic and financial downturn in Europe. Global economic data for 2013 shows Europe leads this sector and is becoming a catalyst for development. The CCIs generate 3% of world GDP (2.250 billion US Dollars in revenues) and provide 29.5 million jobs worldwide” [1].

As shown in the figure 1 below, the Moldovan model for sustainable development is planned as per National Strategy for Development of Creative Industries in the Republic of Moldova 2023 - 2027 “Creative Moldova” on creative industries, that is considered the key starting point from the level of the policy planning, aiming to support entities and companies that activate in the sector. The four goals to be achieved are in the center of the strategic approach to be promoted by the Government of Moldova: Talent, Technology, Innovation, Sustainability, that will contribute and facilitate the generation of new jobs, competitiveness
and added value for creative sectors, creation of new opportunities across the creative industries, digital innovations nurture, interaction with international creative programs, firms and practitioners [4].

To achieve the goals, the Government of Moldova, with the assistance of the EU programs and development partners can achieve the ambitious vision to become a Creative Eastern Europe Hub, working on education and investment national planning to increase the contribution of creative industries to the national economy, support the added value of creative industries across socio-economic aspects, extend the benefits of creative industries to regional and local levels [4].

2.3 Creative Human Capital Conceptualization

Human capital was developed as a concept in economics long ago, and it is seen, in particular, as "an estimate of a person’s ability to produce income through work". The content of the concept of human capital has been continuously enriched, which has contributed to the development of new dimensions and to the broadening of the scope of the original definition. In the broad sense, the human capital is formed through investment in people in the form of expenditure on education and training at work, health care, migration, price and income information, childbirth [1].

“Human capital refers to any human quality or value that can contribute to an increase in economic output and productivity. Skills in communication, education, technology, creativity, experience, problem-solving, mental health, and personal resilience are all examples of human capital. The various forms that human capital might take that is knowledge capital, social capital, and emotional capital are the three subcategories that are distinguishable forms of human capital” Consequently, to reduce poverty, at the global scale the economy is rather dependent on the quality of the human capital, as the improvement in labor, facilitation of innovations [6].

Due to the fact that the impact of the artificial intelligence with robotization and very smart machines will be very high and considerable, the businesses and organizations will suffer significant provocations. In this context the human creative resource starts generating creative human capital, and this phenomena will become more and more valuable during the next 10-20 years. The stimulation and valorization of the creative resource for the human capital, thus transforming the human capital into a creative human capital will become more and more relevant and indispensable, as respectively, creative human capital will provide new

*Figure 1. Model on sustainable development for creative industries in Moldova*
ways of making things, which in turn will consolidate and contribute to economic enhance-
ment and increase in GDP [6].

And the last, but not least, the impact factor of lifelong education and training, as more
educated people usually have a better capacity to transform potential into manifested creativ-
ity, to identify this potential and to apply it, which leads to higher performance and innova-
tion, better decision-making skills, faster adaptation to social and technological change, and
the encouragement of technical progress, including more patents and innovations.

Thus, there is the preconditions for the creativity phenomenon for a coherent transition
into a creative human capital, and the process of conversion of human resource into creative
human capital was analyzed by researchers, concluding it follows some tenets, including the
personaliza-tion of human resource and the sustained dynamic of substantiation of human
capital, which in its turn, is ensured by the regular experiencing of the creativity phenomenon
[7].

Marrocu Emanuela and Paci Raffaele considered in their article “Education or Creativity:
What Matters Most for Economic Performance? Economic Geography” that the matter needs
more pro-found analysis “the controversy over how to measure human capital (education or
creativity) and which of the two elements plays a major role is still ongoing. The key issue is
the strong overlap between graduates and creatives, and this problem, although acknowledged
in the literature, has continued to be overlooked in empirical applications” [8].

The importance of new ideas, creation and generation of innovations are strongly reliant
on the quality of the human capital, however the availability of well educated and skilled
people are de-termined as being the prior conditionalities for economic performance. “A
higher endowment of human capital, skills, and creativity in a certain area represents an
advantage for the localization of high-performing innovative enterprises, this localization
process is self-reinforcing, and therefore firms’ and local productivity are enhanced” [8].

Ken Robinson in this book “The Element” mentions that “Einstein seemed to understand
that intellectual growth and creativity come through embracing the dynamic nature of intelli-
gence”. But the real point of this exercise reveals itself when I ask how many people gave
themselves different marks for intelligence and for creativity. Typically, between two-thirds
and three-quarters of the audience raise their hands at this point. Why is this? I think it
is because most people believe that intelligence and creativity are entirely different things-
that we can be very intelligent and not very creative or very creative and not very intelligent
[8]. A combination of the two above mentioned is needed to be considered, and the new
era of businesses and enterprises will “tax” and have to decide on the phenomena, as the
future will answer to the questions is busi-ness creativity or harmonization of the last with
the professional educational skills, intelligence. During the epoque of a planned robotized
economy, this dimension may become even more chal-lenging [9].

3 Methodology

The literature consulted in the present article include sources on the general background of the
resource of creativity, human capital and aspects of the creative human capital concept, their
impact on economy, in particular knowledge economy, outlining the huge relevance of the
state policies on the different dimensions connected to creative industries, creative economy,
with focus on Republic of Moldova example and implications, as a beginner on this path.
The author also emphasized the general transition elements from human capital to creative
human capital.

Both theoretical sources and empirical ones were consulted with the attempt to clarify the
circumstances under which the national regulatory framework is needed to be adjusted to the
contextual frame of the country in order to ensure gradual safe economic growth with contribution of the creative industries. The author also capitalized on theoretical-structural approaches such as analysis-synthesis, and theoretical-logical approaches including the method of inference, the method of analogy, logical deduction.

Furthermore, the author relied on the systemic approach, in the endeavour to expose the current and potential impact of the creativity resource and creative human capital towards the economy.

4 Conclusions

The quality development of the policy documents at the state national level in regard to creativity and their impact for the economic growth are the responsibilities of the government, however the implication of the business and civil society sector is very relevant, as the implementation has direct influence, the correlations of the national objectives and planned budget synchronized with international support programs, regulations and funding availability is imperative to be followed on the identification and measurement of the indicators.

The creativity resource and creative human capital components are young enough for the developing countries, and Republic of Moldova is not an exception, however the development of the national program and the activities already implemented by the creative industry sectors’ actors, creative industries entities and lead units prove to be a good start, taking into consideration the financial indicators and the percentage from GDP in the “Creative Moldova” sectors. However, the institutionalization by the Government and regulatory framework will be developed accordingly, as committed in the Agreement between the EU and Republic of Moldova, and as proposed in the national program “Creative Moldova”.

As creativity resource and innovation elements are present at all levels of the business, from company management, branding and product form, both the component of the resource of creativity and professional educational abilities have big relevance for the creative human capital conceptualization. Companies are undergoing rapid change due to high technology increasing competition and efforts to maintain or improve their market position. The results of creative activities make the company more attractive to both customers, development partners, scientific community. Thus, the future and profitability of companies largely depend on the capacity to encourage and maintain degree of well capacitated young researchers and creative human capital, thus the government having a huge role to support and facilitate the processes [10].

The creation of a National Committee with the composition and membership of the Ministry of Culture, Education, Economy and State Chancellery representatives, with the active implication of the actors from the creative industries sector-companies and individuals—will facilitate the implementation of the planned activities at the national and local levels, as the adjustment and/or development of the legal and regulatory framework, creative ecosystem institutionalization, knowledge exchange and R&D component on the creative sector or creative infrastructure development and maintainance. The Committee’s main mission follows to be coherent with the National Council for Research and Development, as proposed by the scientific comunity [10] and the consultative entity of the Prime Minister, the Economic Council as consultative lead entity under direct subordination of the Prime Minister of the Republic of Moldova.

References


[3] Agreement between the republic of moldova and the european union on the participation of the republic of moldova in “creative europe”: the union programme for the cultural and creative sectors, and on cooperation between the republic of moldova and the european union in the media sub-programme of “creative europe” (2015)


