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EDUCATION AND CREATIVE INDUSTRIES: HOW TO OVERCOME THE GAP THE CASE OF ST. PETERSBURG

Abstract

A new model of cultural policy is currently being developed in Russia, under which creative and cultural industries are becoming more involved in business. Traditional cultural institutions and new creative industries seek to gain stable income, which can only be provided by commercial activity. From this perspective, a study on art university students' perceptions of entrepreneurship is highly topical.

The theoretical background of the study is based on competence theory, comprising components of entrepreneurial knowledge and experience, motivation, and business capabilities as well as the educational forms of acquiring these. The empirical part consists of an expert survey and a survey of more than 100 art university students that was organised by the Laboratory of the Economics of Culture.

The findings of the study enabled us to do the following:

- determine the willingness of creative graduates to run their own businesses in creative industries (CI);
- produce information about and understanding of the main features and difficulties of business activities in creative industries from students' points of view;
- analyse the entrepreneurial education provided at universities and other educational programs for creative start-ups;
- identify current innovations in educational institutions to reduce the gap between CI needs and the low level of business training of graduates and
- discuss the main trends and objectives in designing educational models and other support measures for creative entrepreneurs in St. Petersburg.

The system of personnel training within the creative industries in Russia.

Mastering the idea of creative industries (CI) and their development in relation to the conditions in Russia began recently (Zelentsova, Gladkeeh, 2010). It is worth noting that in general, the main points in the conception of creative industries in Russia are comprehended in the same sense as they are in the West. A crucial factor to minimising the gap between the low level of CI development in Russia and its desired state is the industry's training system, which determines the quality of management in specific industry organisations.

It is because of the diversity of creative industry organisations that it is difficult to discuss a typical management model, here considered to be a set of management and entrepreneurial competencies for creative arts graduates and graduates of other universities who are implementing projects in the field. The structure of the CI sector is characterised by a large number of small companies, start-ups, and creative projects that are often not formally institutionalised. Many sector workers act as freelancers or work under short-term contracts. The peculiarities of creative arts students' management competencies were considered by

The state of affairs

Bridgstock (2011), Carey and Naudin, (2006), HKU (2010), Heinsius and Lehtikainen, (2013). For business development in CI, a crucial role is played by personnel training conditions and the availability of appropriate institutional infrastructures for project development (European Commission (2013). The reforms in the Russian education system that have been implemented over the past decades have led to the establishment of the competence approach as the basis for specialist training at universities.

The characteristic feature of the federal state educational standards, on which the Russian arts university curricula are based, is the extremely limited number of subjects and hours for training on both business activity and the economic activities of creative industry institutions. The main competencies required by the standards affect only the creative side of the graduates' professional activity.

Thus, the question of the extent to which it is advisable to include economic or business components in the education programmes for creative specialties remains open. The modern education system in Russia in general, especially in the field of creative industries, is not aimed at training specialists in entrepreneurship (Karhunen et al., 2008). As a general rule, the education provided by creative arts universities is characterised as narrow arts education, a type of 'secret' transfer of skills in specific creative fields. For example, an artist is taught to paint by demonstrating a variety of painting techniques that define his own style and uniqueness. In modern conditions, these competencies are not sufficient for building a career in CI. Moreover, although students of the creative disciplines are initially focused on creative tasks, their characters and main activities are not accompanied by business logic. Meanwhile, the labour market requires understanding the foundations of project management, promotion technologies for artistic projects, audience development, and cooperation with partners and sponsors.

In this situation, it might be stated that at present, the normal, natural reproduction of young forces in the creative industries in Russia has not been established. Experts note that programs aimed at training students in writing grants, working with start-ups, and negotiating skills are fundamentally important for students in the creative disciplines. This content is not included in university educational programs, but students have the opportunity to participate in short-term training at private education centres. The development of entrepreneurship in the creative industries is characterised by the lack of professional education and the lack of additional educational services in the field of art management, considering the specifics of the industry and the market.

The basic competencies for which there is a demand in the profession are the following:

- resource management, which includes access to (1) physical capital (fixed and current assets), (2) financial capital, and (3) immaterial resources such as intellectual property or technologies;
- the entrepreneurial skills necessary for obtaining resources, generating output, and selling it to consumers. In the context of business skills, these innovative features include comprehending creative processes and their demand on the market and
- understanding market mechanisms.

The future demand for specialists in the creative industries, as well as the current state of the system of training and retraining, allows us to conclude that today's institutions are not providing a sufficient number of qualified professionals in the creative industries who possess professional competencies in both the arts and business education.

Modernising the training system in the creative industries

The main principles of modernising the education system must be derived from modern training standards: high levels of teacher training, including inviting foreign experts; relating education to practical activities in the creative industries; infrastructure development in the education market and creative projects.

The range of education programs for entrepreneurship in the creative industries, and the wide range of organisations working in this area are broad and are not limited to universities. The most successful countries have implemented programs to help develop the creative industries (Finland, Denmark, the Netherlands, the United Kingdom, Estonia), which demonstrates the effectiveness of consulting projects, art incubators, and small and medium-sized companies supporting entrepreneurs in the creative industries.

Typical projects aimed at developing business competencies in artistic projects include organisations' combining education centres, consulting organisations and business structures. Consider the following examples of such organisations in St. Petersburg.

- 1 Zona deystviya/Zonaspace ('Action zone' <http://zonaspace.ru/english>)

A co-working centre and educational club. Among the permanent educational programs are: The GRAPHENE School is popular in St. Petersburg for its courses for beginning entrepreneurs and specialists in a variety of fields. The schools' key assets are the knowledge and contacts that students acquire in the process of learning. These courses, although they are not specifically designed for the creative industries, are very popular with beginning creative entrepreneurs. Because of its extensive network of contacts, its' convenient daytime and offline training options and the opportunity to meet with practitioners and professionals, the school ensures success for everyone who begins a project there. Co-working ensures interaction between many different fields of activity and the creation of innovative interdisciplinary projects.

2 GameChangers (<http://gamechangers.ru/>)

GameChangers is a free educational and research program for students and serves as a platform for open innovation, the creation of business areas within its partner organisations, and communication among students, company representatives, academics, and organisations. The total program audience, including both project and activity members, is 500 people. Despite the technological basis of the educational programs, such as the IT industry and entrepreneurship, these programs are attended by students in the creative industries (design, organisation of events and so on). The program consists of sessions with experts who are working on projects and internships in leading IT companies, business incubators, and venture funders. We consider this company to be a typical example of a support system for entrepreneurial initiatives in the creative industries because the evident role that mediators play between businesses and start-ups in the world of creativity.

3 Smart Start (<http://www.delaruk.com>)

This is a creative initiative company that organises activities aimed at developing modern, high-quality design and handmade products and at developing businesses in the creative industries. Since 2008, the organisers have held regular DeLaRuk festivals featuring exclusive handmade products and DeLaRuk markets in shopping malls, consolidating the community of artists and designers, seminars on creative business. The company's purpose is to enable both professional and novice designers to share their experiences. The agency conducts workshops for aspiring entrepreneurs and is a regular information platform for creative people, providing an overview of current events and competitions.

It is important to note that training for creative industry development does not involve only creative universities and centres. Many graduates of technical and economic disciplines become entrepreneurs in the creative industries. It is difficult to estimate this percentage, but it is high. A number of large projects in the city are successful; there are cultural organisations and CIs run by professional managers, and there are companies that address cultural organisations' professional development (e.g., consulting and IT solutions, strategy, marketing). However, this practise improves creative workers' working conditions and self-development, but it does not solve the problem of adapting them to business.

Identifying the entrepreneurial potential in St. Petersburg

Below are data from a study conducted by the Laboratory of Cultural Economics in 2011–2013. The goals and objectives of the survey were to identify potential entrepreneurship among students in the management and economics faculties of creative arts universities. The study was comparative, and the main questionnaire for the survey was drawn from the Aalto University study survey conducted in 2009 to 2011 in Finland, Estonia, and Latvia (Karhunen and Venesaar, 2011).

The hypothesis of this study is that students at creative arts universities are prejudiced against entrepreneurial activity, because of their personal characteristics or because of the existing training systems. If the latter were modified to focus on developing students' independent design skills and the foundations of business planning, the graduates of these institutions would be better adapted to working in creative industries.

Survey results: Personal characteristics of respondents

The first section of the survey concentrated on the respondents' background characteristics, including personal questions, educational profiles, and their relationships to entrepreneurship.

Almost three quarters of the population were female (73 percent). More than 70 percent holds a Bachelors' degree. The major field of study s mixed.

Faculty, field	N=100 (%)
Architecture	24
Performing arts	25
Design	36
Advertisement and marketing	15

Table 1 Major field of study, % of respondents

The respondents' relationship to entrepreneurship was measured by asking about their future career expectations. The results are summarised in the table below.

Directly after studies/< 5 years	N=100 (%)
Table 2 Most likely future career expectations, % of respondents	49
I will be employed by an enterprise	
I will be employed in the public sector	33
I will be an entrepreneur	34
I will be a freelancer	22

Table 3 Most likely future career expectations, % of respondents

One should note that there is a clear distinction in career expectations depending on educational profile. For the majority of design students (87%), paid employment was the most likely career option; being an entrepreneur or a freelancer was viewed as more likely among most of these respondents. Performing arts students were more likely to be employed in the public sector (45%) or were planning to continue their studies (55%). Overall, these results reflect the current structure of CI in the city.

The second section of the questionnaire focused on identifying current and potential entrepreneurial activities among the respondents. This included the respondents' general interest in entrepreneurship and their assessments of their own entrepreneurial capabilities.

Have you ever considered setting up your own business?	N=100 (%)
Never	10
Yes, sometimes	36
Yes, I have a serious intention to own my own business	35
I am in the process of starting my own enterprise	15
Yes, I already own my own business	3
I have already owned my own business (but I do not any longer)	1

Table 4 Entrepreneurial intentions among respondents, % of respondents

As shown in the table, the most common answer among the respondents was that the students had considered this option or had serious intentions to be entrepreneurs but had not yet taken concrete steps. The proportions of these respondents — 36% and 35% — were nearly identical. Only 15% of the respondents had already started their own businesses. The next question was answered by those students who gave a positive answer to the previous question, slightly more than half of the sample (54 respondents).

Stage of the business idea	N = 54 (%)
I am dreaming about my own business	19
I am developing my initial idea (i.e., developing my business idea, project)	41
I am working on product/service development	24
I have already developed my product or service	9
I am conducting market research, e.g., locating clients, developing relationships.	7
Financial status of entrepreneurial activity	N = 54 (%)
I do not need external financing at this stage	4
I have financing from public sources	9
I have financing from commercial sources	2
I have financing from private sources	40
I am currently looking for financing	33
No answer	12

Table 5 Business idea stages and need for financing, % of respondents

As mentioned above, there are virtually no courses related to economics and management skills training and business projects, and the questionnaire confirmed these facts. First, the students were asked about their direct access to entrepreneurial education at their universities. The students reported not having any of these courses and not knowing about international programs or other programs in these fields at their universities. Thus, the students' intentions to realise their own business projects within the creative industries remained essentially only intentions because they did not have sufficient competences to start real projects.

To learn about the opportunities to obtain the necessary skills for managing business projects, the students were asked about their interest in participating in any such programs, about the components that these programs should include, and about their willingness to pay for the additional education. The overwhelming majority is interested to participate (86%), yet the actual participation will depend on the costs (70%).

	N=100
Business idea generation and/or development	3.4
Business opportunity recognition and evaluation	3.6
Business planning	3.7
Practical information about starting business in our country	4.1
Information about doing business in our country	3.7
Information on opportunities for financing the enterprise	3.5
Teamwork	3.4
Skills in accounting and the financial management of the enterprise	3.3
Skills in commercialising innovations	3.2
Knowledge on intellectual property right issues	3.8
Leadership	3.7
Negotiation skills	3.8
Internationalisation of business	3.7

Table 6. – Importance of the different components of business training programs (5 – very important, 4 – rather important, 3 – does not matter, 2 – not very important, 1 – not important at all, 0 – I don't know)

Interest in all of these components was high, but most important, the students had an obvious lack of practical information. They appeared to have only a faint notion about the organisational aspects related to opening and running a business. The students gave very vague answers to additional survey questions, such as whether it is difficult to register a company and the amount of starting capital that is necessary to open a creative industries project. The students could not name any open competition, foundation, or grant-making organisation that could be approached for help with

starting a project. Interestingly, some of the aspects the students considered valuable for additional programs were knowledge of intellectual property rights issues, negotiation skills, and business planning. Additional services related to the financial aspects of doing business were of less interest to them. This can be explained by the fact that these aspects are less specific in the creative industries and because of the availability of accounting services in the labour market.

Conclusions

On the survey and theoretical considerations relating to the study a number of conclusions can be derived.

- a Students in the creative industries are sub-optimal informed about the nature of the CI business. In many ways, this situation is justified by the existing approach to training, including the lack of any practice-oriented requirements to work while studying with the aim of developing business skills.
- b Most students' primary motive for choosing creative industries as a sphere of activity was the opportunity to engage in creative work. Skills related to the practical implementation of creative ideas were considered secondary.
- c The problems for modernising educational programs in the CI are the following. First, the students must possess, at the recruitment stage, full and adequate information about future labour conditions. Second, support for initial business project initiatives provides the opportunity for students to demonstrate their professional abilities. Third, it is necessary to teach students to self-assess their abilities and compare them with their true achievements.

Prospective solutions might include the following:

- 1 Organising additional courses for students who wish to engage in business after graduation;
- 2 Developing project activities within both the basic and additional training programs;
- 3 Organising business education based on non-state educational institutions;
- 4 Engaging representatives of creative industries in studying business;
- 5 Using MOOCs to teach business;
- 6 Increasing business components within basic and additional programs;
- 7 Organising awareness activities for students;
- 8 Selecting business-oriented students who are involved in business projects; and
- 9 Forming teams that combine the education process with project work and consist of both creative and business-oriented students.

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