

UDC 911.375.3(188):330.341.1

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INNOVATIONS IN THE CONCEPT OF MEGAPOLISES DEVELOPMENT

В статті розглянуто та проаналізовано парадигми економічного розвитку. Встановлено особливості їх впровадження та можливості використання на сучасному етапі розвитку креативного міста.

The paper considers and analyzes the paradigm of economic development. The peculiarities of the implementation and the possibility of using the current development of a creative city.

Introduction. Active development of the world's largest cities during the last 50 years contributed significant changes to their dynamics and subsequently caused sectoral and structural changes of motivation assessment of the megapolis new positions in global competitive environment. Therefore the obvious dilemma emerged: which paradigm can be used for the development of a new urban conception – "Homo economicus", explaining the economic component of social progress and therefore justifying the increase of inequality in cities development, or Homo sociologicus, providing general understanding of social processes dominating in the world which, however, in identification of nature and dynamic of urban trends, focuses mainly on assessment of social transformations that happened during the certain period of time.

Brief Literature Review. Among foreign scientists who have devoted their research to development of creative cities have become R.Florida, T.Kuhn, J.Hokins, Ch.Lendri, T.Fleming, J.Potts, P.Lindner, J.O'Conor, E.Melvil, R.Svedberg, E.Zelentsova, L.Vystryakov, Y.Kloudova.

Purpose. Investigation of the main provisions of the features and establishing directions of development of the creative city.

Results. According to one of the founders of a new interpretation of "paradigm", American philosopher T. Kuhn, this definition is nothing else but a new system approach to a previously existed subject and implies utilization of the complex instruments and institutions ensuring high level of programmed results validity within the existing hypothesis [1]. Therefore, there are considerable differences between two abovementioned paradigms that were clearly defined by R. Svedberg at the beginning of 90s of 20th century [2, p.22].

Both paradigms were self-sufficient but had considerable differences in the nature of its function (individual in Homo economicus and collective in Homo sociologicus). In addition, the first one had a freedom of action and the opportunity of neoliberal justification of rational calculations advantages, understanding the market as an area of actions, multiple and decentralized decisions (this implied considerable decreasing of centralization and delegation of institutional decision-making to a local and supranational level, i.e. decentralization, in the regional and international economy). According to R. Svedberg, the paradigm of "Homo economicus" is

characterized by analytical and abstract conceptions and the main goals for analysis will be expectations as explanations.

Other features, more attractive for the researches according to abovementioned scientist, constituted attributes of "Homo sociologicus". The supporters of this paradigm were confident that the social structure existing in the society determines its limitations and, as the result, provoke inertness in perception of innovative processes that generally are irrational by its nature and based on traditions and values of local population that were existing during the centuries. For example, it could be the immobility of territorial communities in the regional economy. The abovementioned paradigm recognizes the existence of the market but also add the existing society which influence can be decisive in some cases. It provides the following maxim for the determination principle – making decisions that are determined by political and social powers in this paradigm based on empirical conceptions that also are determined by the nature of social powers actions and their positions. From the perspective of "Homo sociologicus", one can see that any megapolis should have a range of powers of social nature that are predetermined by domination of institutional and nonproductive functions in it.

There was an expectation in methodological science in 90s of 20th century that the confrontation between the supporters and opponents of these two paradigms will result in the development of a new paradigm or a mix of paradigms, particularly, after adoption of sustainable development conception on the world conference in Rio-de-Janeiro (1993), and, however, at the beginning of 21 century one could see that neither of that happened since the strengthening of neoliberal trends in the world economy resulted in decrease of conception popularity of social component in system development and gradual transition to domination of business interests over the community or social interests. As the result, a paradigm vacuum emerged and it was clearly defined by national scientists A. Bilorus and D. Lukyanenko (2002): «In recent years the effect of interparadigm reflexion became noticeable that on the basis of some common social conception (noosphere) connects different paradigms» [3, p. 22]. Their prognosis of future development happened to be correct for the next ten years since the number of proposed paradigms began increasing particularly during this period. Hungarian and American professor, Y. Cornai [4], was the first one who noticed the danger of fast increase in producing of «immature conception», i.e. "not exactly paradigms". He rightly considered that the sectoral diversification in interpretation of paradigm is harmful since there is a lose systems research in such case and, therefore, he was confident that paradigm can have only systemic character.

The existence of poly-dynamic structure of economy is a characteristic feature of a modern megapolis and, therefore, the systems research of its functional basis considerably clarifies the possible perspectives of its global and local domination. Considering the above-mentioned it is possible to state that the most important features requiring further studying should include the following:

- hyper-concentration of production factors with further selection of their role in the process of strengthening of megapolis role, first of all, those possessing the rank of capital;

- existence of modern market infrastructure in megapolis which users include both national companies and international capital with its high demands to the quality;
- constantly growing institutional role of megapolises that further assume the market powers and can influence global capital flows through TNC and TNB;
- rapid growth of creative resources concentration that caused significant influence and changes not only in city subculture of megapolises in postindustrial countries but also predetermined the conditions of the progressive technologies development in all aspects of human life;
- recently, the absorption of intellectual capital with following creativity of lifestyle in the city and increase of influence of a new network society model became the indicative feature of modern megapolises.

The period after 2003, when the abovementioned authors have published new approaches to formation of a regional paradigm, can be partially called a return to interpretation of K. Kuhn paradigm since at this period a incommensurability of numerous produced conceptions that, as a rule, were given the same status as paradigm became the dominating subject of interest among many specialist in economy and demographic issues. Therefore, the trust constellation described by M.Boumans and J.B.Davis [5, p.105] became the most significant issue which now, taking into account K. Kuhn model, is considered through the prism of interdisciplinary matrix. The systemic work of German scientist H. Sieberta also deserves attention. He studied the issue of local competition in global economy and connected it to a new paradigm of a world labor diversification [6]. His approaches were later used as a basis for creation a new theory of localism which in the second decade of 21 century considerably pressed the basic ideas of regionalism by transferring its main postulates into neoliberal methodology.

A lot of new trends emerged in the regional analysis in the first decade of 20 century. Particularly, T.Herrschel proposed new methodology approaches for separation peripheral and marginal aspects in regional growth [6, p.85-95], and his Swedish colleague, A.Lidström, proposed his model of redistribution of types of activity in capital regions by conducting comparative analysis of Sweden and USA megapolises and, as the result, justified the idea of further metropolisation as a dominating phenomenon of city growth (additionally, according to author's opinion, it is not so important whether cities have the status of capital or just conduct large-scale business activity) [7, p.129-131].

Meanwhile a lot of scientific papers are published in modern scientific literature, in which authors strongly criticize dominating ideas of globalism by referring to the point that the disintegration is an important component of deglobalization (they assert that such process is still ongoing). According to D.Held and A.McGrew, the driving forces of such "reverse process of global economy lie in a new structure of borders, nationalism, protectionism and localism" [8, p.2].

The departure from traditional canons of two previous paradigms "Homo economicus" and "Homo sociologicus" led the famous modern scientist P. Druker to the necessity of thorough examination of each of them from the perspective of

innovations that became dominant on the global markets. One can speak about innovations and policy of companies, government, productive network taking part in its realization and "the sense of consistent innovative activity, according to author, lies in purposeful and organized search of changes and also in consistent analysis of opportunities provided by these changes for economic and social innovations" [9, p. 62]. Therefore, there should be created a new comprehensive paradigm in the world that recently has gained a new original name "Homo informaticus" and the network society, created in global economy, became the area of its activity. The justification of a new model of human development and risks prevention caused by such society was clearly defined in numerous scientific papers by M.Castells. He managed to trace the special features of information export dynamics from the main megapolises of the world. According to M. Castells, three American megapolises, New-York, Los Angeles and Washington, have the highest indicators of information flows growth [10, p. 412] which total index can be compared to some European countries. According to scientist's opinion, an important role is played by a social theory of space and a theory of space flows [10, p. 440-441] which should provide prognosis regarding further extension of advantages of megapolises urbanization. The necessity of innovative research at the beginning of 21 century was motivated, according to M.Castells, by the beginning of a third millennial urbanization in the world which embraced both cities of leading countries (New-York, Tokyo, London, etc.) and new centers in developing countries (Peking, Jakarta, Lagos, Mexico, Delhi and others) [10, p. 434]. The aggregated labor force involved in development of high technologies and realization of productive processes of first and second technological structures became the distinctive feature of the last category.

Decrease of production potential of megapolises and increase of their innovative and institutional components, as well as considerable reduction and even lack of production function which developed these cities considerably affected producing of new approaches while determining a new mission of largest cities in the world. Sensation book by American economist R. Florida "The Rise Of The Creative Class" [11] literally divided USA into two groups of people who strongly supported his theory of creative class in the cities and those who strongly opposed it. The subjects for analysis by the researcher were the phenomena which previously remained unnoticed, for example, city tolerance and category classification of workers which, according to analytics, were belonging to service sector. According to author's estimation, there were 38 millions of such people in USA in 2000, i.e. 30% of whole work force [11, p. 8]. R. Florida considers that this new class is composed of highly educated professionals including specialists in business, finances, law, insurance and representatives of art professions – artists, engineers, musicians, writers, computer specialists, scientists, etc. Author asserts that the demand on their activity will constantly grow and the largest world cities will act as some kind of «magnets» for such activity. According to author's estimation, investments into such creative area as R&D grew by 50 times in USA in the period from 1953 to 2000 [11, p. 45]. According to author's estimation, worldwide expenditures in creative economy constituted \$ 2,2 billion dollars at the end of millennium and the share of this country constituted 43% [11, p. 47]. At the same time creativity of the city economy cannot

last indefinitely since its separation from production always lead to increase of cost of living and it becomes obvious in the main megapolises of the world. Therefore in the science literature numerous authors raise a question about cities identification, including those with dominating production and cities with predominantly consuming function. The research conducted by Entony D. King allowed to clarify modern approaches to such identification. The author decided to propose its own definition of the modern city which is formed as the result of existence of unequal relations between "...colonialism and global capitalism" in the world [12, p. 163]. The rest of the cities were put by the scientist into "traditional" category in which productive function was developed as the result of first international division of labor. The importance of British philosopher ideas lie in the fact that he methodologically justifies the existence of metropolis while attributing it with some unusual features: special position in global space, the existence of modern society, availability of certain technologies and rational bureaucracy [12, p. 173]. Therefore, the modern megapolises are actively developing both because of internal and external factors. The influence of exo- and endogenous factors not always can be balanced since some of them can be dominating and others recessive and that will lead to misunderstanding of life principles of the world's largest cities.

British researchers A. Rike, A. Rodrigues – Pose, J.Tomaney also decided to trace the possibility to use of basics of endogenous growth methodology in the theory of local and regional growth. The main components of such model, according to their opinion, should be the following:

- state and private investments in education → local and regional economic and social networks → development and transmission of innovations → endogenous technical progress (R&D expenses) → goods production (labor expenses);

- regional savings → new capital investments → use of resources on the stock exchange markets → human capital → goods production (labor expenses) [13, p.104].

Therefore, the model of economic growth, proposed by British scientists, is based on internal resources and has advantages (for example, creation of joint clusters with business, technoparks, technopolis, etc) as well as disadvantages (any region, including megapolis, can't be treated as an entity separated from the world economy and the impact of world financial, resource and information flows will affect the largest world's cities). Therefore, one should consider the following aspects in the process of creation a new paradigm of the cities development:

- firstly, megapolis of any country is a highly localized type of settlement with high concentration of creative, institutional and, partially, productive capital;

- secondly, realization of the market potential, transformation and, to some extent, social infrastructure expansion is limited by geographical location of the city. Therefore, further development of megapolises should be based on improvement of structural elements of its economy and its technical modernization;

- thirdly, migration capability of creative class within megapolis is high and may cause both the city "prosperity" or its decay, i.e. there are considerable globalization risks.

Conclusions. The development of a new paradigm of creative city growth is mostly based on the understanding that the currently existing paradigms do not reflect the nature and lines of fundamental research of society, which undergoes constant modernization since the development of production, social and intellectual networks become more complicated each year. The "Homo economicus" and "Homo sociologicus" created necessary conditions for the transition to information society while the further metropolisation of social life (at present not only in leading countries) always lead to the necessity of a new understanding of the role of mega-(metro) polises in the process of establishment of a new highly dynamic global market, and there is obvious necessity for development of a new paradigm which we call "Homo metropolicus". Strictly speaking, such considerations of many European and American scientists have generated a range of new conceptions and each of them, according to their opinion, can be transformed into self-sufficient theory in the course of time. Such trend became particularly obvious within the last three years.

Some scientists continue consider the issue of further cities and territories creative development from the perspective of agglomerations, allowing existence of global metropolis growth phenomenon in the process of studying [14].

The article by Th. Halvorsen is dedicated to the issue of further localization of the network society and the connection of its investment components to technological progress, and the author made an attempt to estimate the volume of investments directed to agglomeration by conducting assessment of cross-industrial and non-industrial effects [15, p. 672].

The idea of methodological nationalism from the point of view of multilevel state was proposed by British scientists Ch. Jeffery and Ar. Schakel [16], who asserted that the process of establishment of new subsidiary relations in British society should clearly determine the local status of each federal territory of the United Kingdom.

While separating any sectoral paradigm it is highly important, as it was emphasized earlier, to pay maximum attention to external factors that are hard for determining under conditions of network society development and strengthening of direct and indirect resource flows processes, and to assess their importance in the process of modernization and constant transformation of a megapolis. In the case of its location within integration group with available instruments and mechanisms of regulation, the formation of "Homo metropolicus" paradigm basis becomes more complicated since the city is now affected by corresponding group policy. Generally, policy of regional and local development is based on the models of equalization (former USSR, PRC), convergence (EU countries), neoliberal "noninterference" in business of region-city (USA). From such perspective, the internal administrative or internal block factors can significantly affect the nature and dynamic of megapolis, and the regionalism can be both internal and external having a lot of common points. Russian scientist, A. Spartak, while considering such dilemma in interpretation of analyzed processes makes rightly remark: "Regionalism of classic nature, being space limited and oriented towards hard integration formats gradually recede into the past. All countries learned to appreciate the advantages of open trade that ensures most effective use of available resources and advantages. Moreover, the transnational

business acts as a powerful lobbyist with the interests often concentrated far beyond the borders of their region" [17, p.14]. The abovementioned considerations are also related to the global megapolises that considerably affects the world economy.

There are new methodological approaches of national and Russian philosophers deserving attention particularly those directed on establishment of a new humanitarian paradigm – synergy anthropology in which, according to L.F. Gaidulina and O.D. Agapov, the most important blocks are the developed model of a person, separation of ethnicity as a civilization phenomenon (multilanguage and multinational concepts are declared in western philosophy) and also multilateralism [18, p.174]. Aforesaid largely applies to the global megapolises, whose impact on the global economy is significant.

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