



Creative industries as a tool for diversifying resource-dependent economies: A comparative analysis of development models

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Abstract. The aim of this study was to determine the role of creative industries in the diversification of resource-dependent economies based on a comparative analysis of Azerbaijan, Norway, South Korea and Sweden. The research was conducted through a comparative analysis of development models, the synthesis of international statistical data, and a comparison of indicators of resource dependence, innovative capacity, cultural exports, digital presence and institutional support for the creative sector. The results showed that creative industries did not replace the resource-based economy in the short term, but formed an additional channel for non-resource-based growth through employment, service exports, copyright, digital content, national branding and soft power. It was established that in Azerbaijan, the oil and gas sector accounted for over 40% of gross domestic product and over 90% of exports, whereas in Norway this sector accounted for around 22% of GDP, 48% of exports and 32% of government revenue. The comparison showed that Norway utilised resource revenues within a framework of developed institutions and an innovative system, whereas Azerbaijan required strengthening of statistical accounting, copyright, digital hubs and human capital. It was further found that South Korea and Sweden demonstrated models of systematic cultural exports, where digital platforms, state support, intellectual property and international promotion transformed cultural products into economic assets. The practical significance of the findings lies in the fact that economic policy bodies, ministries of culture, business support institutions and developers of diversification programmes in Azerbaijan can use the proposed model to assess the contribution of creative industries, establish digital hubs, improve copyright regulation and support the export of local cultural products

Keywords: cultural exports; intangible assets; copyright; human capital; national branding

INTRODUCTION

Creative industries are one of the avenues for diversifying economies dependent on the export of natural resources. Their development enables the creation of added value outside the raw materials sector and the generation of jobs in the fields of culture, digital services, design, music, audio-visual production and intellectual property. In this context, the creative sector does not replace the resource-based economy, but expands the possibilities for non-resource-based growth. The problem of resource dependence is relevant for countries where oil and gas revenues account for

a significant portion of exports, the budget and macroeconomic dynamics. Azerbaijan needs to strengthen its non-oil sector, innovation base and creative entrepreneurship, whilst Norway demonstrates a model in which resource revenues are combined with developed institutions, investment in human capital and support for innovation. A comparison of these countries highlights the conditions under which creative industries become an effective tool for economic diversification. The relevance of the topic is heightened by the digitalisation of cultural products. Streaming

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services, digital platforms and algorithmic recommendation systems are transforming the ways in which music, film, games, design and other segments of the creative sector are distributed and monetised. For resource-dependent economies, this opens up access to external markets, but at the same time requires copyright protection, digital visibility of local content, the development of human capital and institutional support for creative entrepreneurship.

The development of the creative economy in Central Asian countries was examined by B. Auken *et al.* (2025) through an analysis of the sector's scale, legislative framework, national strategies and digital infrastructure. The authors showed that in Kazakhstan, the creative economy accounted for around 2.7% of gross domestic product (GDP) in 2023, and the number of creative enterprises rose from 17,600 in 2018 to 45,600 in 2024; in Uzbekistan, the sector's share was 1.46% of GDP, and in Kyrgyzstan – around 1% of GDP. This demonstrated that the potential of creative industries depends on cultural resources, statistical accounting, legal frameworks and digital infrastructure. The diversification of Azerbaijan's economy in the context of oil and gas dependence was analysed by A. Jabbarova *et al.* (2026). Based on data from 2014-2024, the authors recorded a decline in the oil sector's share of GDP from 41% to 27.5%, a rise in non-oil exports from 8.0% to 15.3%, and an increase in expenditure on innovation and research from 0.18% to 0.45% of GDP. At the same time, the share of oil revenues in the budget remained high, confirming that diversification was incomplete.

Using data from 42 resource-dependent countries for the period 1981-2014, A.A. Lashitew *et al.* (2021) demonstrated that resource wealth in itself does not determine the weakness of non-resource sectors. Human capital, institutions, the private sector and the state's ability to support new industries were of key importance. The relationship between natural resources and export diversification was investigated by Z.H. Zarach & A. Parteka (2023). Based on data from 160 countries for the period 1996-2018, they found that resource dependence limits the volume and diversity of non-resource exports, particularly in technologically advanced sectors. N.A. Abdelkawy (2024) analysed the problem of diversification and the resource curse using the example of the Gulf Cooperation Council countries. It was shown that oil rents can sustain short-term growth, but without foreign investment, human capital and structural reforms, their long-term effect is weakened. The impact of cultural and creative industries on the well-being of countries, regions and municipalities was investigated by R. Boix-Domènech *et al.* (2022). Based on data from 78 countries, 275 European regions and 518 municipalities in Valencia, it was found that an increase in the share of creative industries is associated with an increase in GDP per capita. D. Kalfas *et al.* (2024) also confirmed the regional impact of this sector: the majority of respondents associated cultural and creative industries with growth in employment, GDP, investment and entrepreneurial activity.

The impact of creative industries on the economic performance of Association of Southeast Asian Nations (ASEAN) countries during the COVID-19 pandemic was investigated by N. Che Arshad & T.T. Irijanto (2022). The authors demonstrated that exports from the creative industries, trade openness, innovation and financial instruments supported economic growth even in the face of an external shock. S.T. Lee (2022) analysed the film "Parasite" as a tool for cultural diplomacy and national branding in South Korea, using a corpus of 8,808 texts. D.Y. Jin (2024) argued that streaming services, social media and fan platforms have become channels of digital soft power through which Korean cultural products have expanded into international markets.

A review of the academic literature revealed that studies on resource dependence primarily focus on macroeconomic diversification, export structure, institutional quality and the role of human capital, whereas creative industries are more often analysed as a factor in regional development, employment, digitalisation, cultural diplomacy and soft power. At the same time, the link between resource-dependent economies and the creative sector as a tool for non-resource-based growth remains insufficiently explored, particularly in a comparative analysis of Azerbaijan, Norway, South Korea and Sweden. Therefore, the aim of the study was to identify the institutional, innovative and digital prerequisites under which creative industries can strengthen non-resource-based sources of growth in resource-dependent economies. To achieve this objective, the following tasks were formulated: to identify the economic and institutional conditions under which creative industries contribute to the diversification of resource-dependent economies, using the examples of Azerbaijan and Norway; to substantiate a multi-level model for assessing the contribution of creative industries through indicators of GDP, employment, exports, digital presence, soft power and national branding; to compare the experience of systematic cultural exports in South Korea and Sweden with the current state (2024-2025) of Azerbaijan's creative sector and to identify institutional directions for its development.

MATERIALS AND METHODS

The study was structured as a comparative economic and institutional analysis of the role of creative industries in the diversification of resource-dependent economies. The analysis covered Azerbaijan, Norway, South Korea and Sweden. Azerbaijan is considered as an example of an economy with high oil and gas dependence and a need to strengthen the non-oil sector; Norway – as a resource-dependent but institutionally developed economy; South Korea and Sweden as reference models for the development of creative industries, cultural exports, digital distribution and national branding. The material basis consisted of international statistical reports, national economic data, innovation development profiles, cultural policy documents, and materials on copyright, digital distribution and the development of creative entrepreneurship.

A comparative method was used to compare Azerbaijan and Norway in terms of resource dependence, the dynamics of the non-oil and gas sector, innovative capacity, creative outcomes, the quality of institutional support, the state of copyright, digital infrastructure and human capital. Data from EBRD (2025), the State Statistical Committee of the Republic of Azerbaijan (2026), OECD (2024), as well as the Global Innovation Index (GII) country profiles prepared by WIPO (2025a; 2025b; 2025c; 2025d). A descriptive and statistical analysis method was applied to record quantitative parameters of resource dependence, innovative development and creative outcomes. The analysis covered the share of the oil and gas sector in the economy, the dynamics of the non-oil and gas sector, countries' positions in global innovation rankings, indicators of creative outcomes, and the role of cultural exports. To determine the macroeconomic weight of the creative economy, data from the UNESCO (2022) and UNCTAD (2024a) were taken into account.

The institutional analysis method was used to identify the conditions under which creative industries transition from cultural activity to an economically measurable sector. The study examined copyright legislation, digital infrastructure, creative hubs, public policy and mechanisms for supporting human capital. To this end, the work of Y. Huseynli (2022) on Azerbaijan's cultural policy, materials from WIPO (2024), the International Trade Administration (2026) and the Connecting Companies (2023) strategy for the development of creative industries were utilised. The analytical modelling method was applied to develop a multi-level system for assessing the contribution of creative industries to the diversification of a resource-dependent economy. The model identified macroeconomic, labour, export, digital, institutional and intangible levels of assessment. Its rationale was based on materials from UNCTAD (2024a), the UNESCO (2022) and WIPO (2025e).

The method of comparison with reference models was used to analyse South Korea and Sweden according to criteria such as state support for creative industries, the sector's integration with the innovation economy, the scale of cultural exports, digital distribution, copyright protection, national branding and strategic programmes for the development of creative entrepreneurship. For this purpose, materials from UNCTAD (2024b), Korea Times (2026), Government Offices of Sweden (2024a; 2024b) and WIPO (2025d) were utilised. The digital distribution analysis method was applied to clarify the role of streaming services, algorithmic recommendation systems, digital content visibility and copyright management. Data from the IFPI (2025) and research by C. Peukert (2019) were used for this purpose. In the final stage, the generalisation method enabled the comparison of the results of comparative, statistical and institutional analysis and the formulation of practical directions for the development of creative industries in a resource-dependent economy: statistical accounting of the sector, strengthening of copyright protection, development of digital creative hubs and investment in human capital.

RESULTS AND DISCUSSION

Creative industries perform various economic functions depending on the level of resource dependence, institutional maturity and a country's ability to transform a cultural product into an exported intangible asset. In resource-dependent economies, the creative sector does not replace oil and gas revenues in the short term, but it creates additional channels for non-resource-based growth through employment, digital services, copyright, tourism appeal, national branding and international cultural presence. At the global level, the creative economy already has a measurable macroeconomic weight: cultural and creative industries account for around 3.1% of global GDP and 6.2% of employment, whilst exports of creative services reached USD 1.4 trillion in 2022, and exports of creative goods reached USD 713 billion (UNESCO, 2022; UNCTAD, 2024a).

To compare the four countries, available quantitative indicators of the creative sector's economic weight were taken into account. In Azerbaijan, according to calculations by the Intellectual Property Agency, the creative industry's share of GDP rose from 5.1% in 2018 to 5.2% as of 1 January 2024; however, these data are not accompanied by comprehensive regular breakdowns on employment, exports, royalty payments and digital monetisation, which limits their analytical use (ABC, 2024). In Norway, the share of the cultural and creative sectors in GDP stood at 2.9% in 2018, whilst the share of employment in these sectors was 3% in 2022 (Norwegian Ministry of Culture and Equality, 2024). In South Korea, the economic weight of the creative sector is most clearly evident in the content industry: its value added is estimated at approximately 2.6-3.7% of GDP, and content exports reached USD 14.08 billion in 2024 (Korea Times, 2026). In Sweden, according to Kreametern estimates, the cultural and creative industries accounted for 3.1% of GDP in 2017, whilst recent government data indicates that around one in ten of the country's enterprises operates in this sector, with nearly 30% of such enterprises exporting products or services, and the sector's total annual turnover is estimated at approximately SEK 650 billion (Government Offices of Sweden, 2024b). For Azerbaijan, the issue of diversification is directly linked to the high share of the oil and gas sector in the economic structure. According to estimates by EBRD (2025), Azerbaijan's oil and gas sector generates over 40% of GDP and over 90% of exports, making economic dynamics dependent on commodity prices, external demand and the volume of energy exports. At the same time, official statistics for 2025 show that the country's GDP stands at AZN 129.1 billion, with value added in the oil and gas sector decreasing by 1.6% and in the non-oil and gas sector increasing by 2.7%. (State Statistical Committee of the Republic of Azerbaijan, 2026).

Norway demonstrates a different type of resource-based economy, in which high oil and gas revenues are combined with developed institutions, investment management and a broader non-resource base. In 2024, Norway's oil and gas sector accounted for around 22% of GDP, 48% of exports

and 32% of government revenue, confirming the continued significant role of the energy sector even in a highly developed economy (EITI, 2025). At the same time, data from OECD (2024) show that Norway's resource-based model has structural limitations: in 2023, mainland GDP growth stood at just 0.7%, and was forecast at 0.8% for 2024. Furthermore, the share of industrial exports in GDP fell to around 4%, whereas in Sweden, Finland, Denmark and Switzerland this figure stood at approximately 20-35% in 2022. This confirms that even with well-developed institutions, Norway remains at risk of resource specialisation and needs to expand its high-productivity non-resource sectors. A comparison of Azerbaijan and Norway shows

that creative industries in resource-dependent countries perform not identical but complementary functions. For Azerbaijan, they are primarily linked to the expansion of the non-oil sector, the creation of new types of employment, the digitalisation of cultural products, and the inclusion of local content on international platforms. For Norway, the creative sector functions as an element of post-resource sustainability, regional development, cultural diplomacy and an innovative economy. This means that an identical resource base does not result in an identical model of diversification: the decisive factor is a country's institutional capacity to transform cultural resources into economically measurable assets (Table 1).

Table 1. Comparative parameters of resource dependence and creative-innovative potential in Azerbaijan and Norway

Parameter	Azerbaijan	Norway	Analytical significance for diversification
Role of the oil and gas sector	Over 40% of GDP and over 90% of exports	22% of GDP, 48% of exports, 32% of government revenue	In both countries, the energy sector remains structurally significant, but Norway has a more developed institutional system for managing resource revenues
Dynamics of the non-oil and gas sector	In 2025, the non-oil and gas sector grew by 2.7%	The non-resource economy is integrated into a broader innovation and social model	For Azerbaijan, the priority is to increase non-resource value added; for Norway, it is to maintain long-term post-resource sustainability
Ranking in the Global Innovation Index 2025	94 th out of 139 economies	20 th out of 139 economies	Differences in innovation capacity determine varying abilities to scale up creative industries
Ranking by creative outcomes in the GII 2025	108 th	22 nd	Azerbaijan's creative potential is not yet being sufficiently transformed into innovative outcomes
Key challenge	The transition from cultural activity to a measurable creative economy	Reducing long-term risks of resource dependence	Creative industries are not a standalone replacement for the resource-based model, but a component of a broader diversification policy

Source: compiled by the author based on OECD (2024), EBRD (2025), EITI (2025), WIPO (2025a; 2025b), State Statistical Committee of the Republic of Azerbaijan (2026)

Cultural policy takes on particular significance in the Norwegian model as an instrument of post-resource sustainability. Unlike Azerbaijan, where the key challenge remains the transition from cultural activity to a measurable creative economy, Norway already has an institutionally established system for supporting the cultural and creative sectors. Norway's report on the implementation of the 2005 UNESCO Convention states that the cultural and creative sectors have a dedicated ministerial department, decentralised participation at regional and local levels, updated support policies, educational programmes in the arts and culture, as well as measures to develop small and medium-sized cultural enterprises. Furthermore, in 2023, a new strategy for the development of the gaming industry was presented, aimed at professionalisation, growth and strengthening the cultural impact of Norwegian computer games (Norwegian Ministry of Culture and Equality, 2024). Thus, in Norway, creative policy functions not as a secondary cultural focus, but as part of a broader model of institutional diversification that combines regional development, digitalisation, employment, cultural participation and post-resource economic sustainability.

The relationship identified between resource dependence and institutional capacity is consistent with the findings of S. Matallah (2020), who, using data from 11 oil-exporting countries in the Middle East and North Africa for the period 1996-2017, demonstrated that the quality of governance influences the ability of resource-based economies to diversify. In this study, a similar relationship is observed through a comparison of Azerbaijan, where the oil and gas sector accounts for over 40% of gross domestic product and over 90% of exports, and Norway, where the oil and gas sector accounts for around 22% of gross domestic product, 48% of exports and 32% of government revenue, but is combined with more developed institutions and an innovation system. The need for Azerbaijan's diversification is also elaborated upon in the study by M. Guliyev & T. Azizov (2022), in which export-oriented production and "green" transformation were considered as avenues for reducing dependence on the oil and gas sector. Within the scope of this article, this approach is expanded to include creative industries, as it is important for Azerbaijan not only to develop manufacturing exports but also to foster intangible exports through cultural products, digital content, copyright and national branding.

A review of international approaches shows that assessing the contribution of creative industries in resource-dependent economies cannot be limited solely to their share of GDP or the number of people employed. Such an approach captures the direct economic impact but does not cover intangible channels of influence, in particular copyright, digital presence, national branding, cultural exports, tourism recognition and international reputation. In its 2024 report, UNCTAD (2024a) highlights the growing role of creative services, digitalisation and artificial intelligence in the development of the creative economy, which is significant for countries where the traditional raw materials model requires new sources of

added value. The study’s findings highlight a multi-level assessment model that combines direct economic indicators, labour market indicators, export and digital indicators, and intangible assets. Applying this model to Azerbaijan makes it possible to distinguish existing cultural activity from an economically scalable creative industry. For example, the holding of Baku Creative Week 2025 and cultural events organised by the Organisation of Islamic Cooperation (2025) enhances Azerbaijan’s international visibility; however, to translate such activity into economic outcomes, statistics on revenue, export volumes, employment, royalty payments, the number of enterprises and digital content distribution are required (Table 2).

Table 2. A multi-level model for assessing the contribution of creative industries to the diversification of a resource-dependent economy

Assessment level	Key indicators	Economic context	Significance for Azerbaijan
Macroeconomic level	Share of creative industries in GDP, gross value added, share in the non-oil and gas sector	Determines the sector’s direct contribution to economic growth	Enables an assessment of whether the creative sector is transitioning from the cultural sphere to the economic sector
Labour market	Number of employees, share of young people, share of self-employed, number of enterprises	Shows the sector’s ability to create jobs outside the raw materials economy	Important for the development of new professions in design, music, film, the gaming industry and digital art
Export levels	Exports of creative goods and services, copyright revenues, international sales of digital content	Determines the sector’s ability to function as a non-resource-based export	Enables a reduction in dependence on energy exports through intangible goods and services
Digital level	Presence on streaming platforms, digital sales, online audience, algorithmic visibility	Indicates the ability of local content to enter global digital channels	Important for music, film, animation, games and cultural tourism
Institutional level	Copyright status, access to funding, tax support, digital hubs	Determines the rules governing the creative sector	Creates the conditions for the transition from isolated events to a sustainable creative economy
Intangible level	Soft power, international recognition, national branding, creative outcomes GII	Reflects the indirect impact of culture on foreign economic positioning	Enables an assessment of the link between cultural policy, tourism, investment and international reputation

Source: summarised by the author based on UNESCO (2022), UNCTAD (2024a), WIPO (2025a; 2025b), Organisation of Islamic Cooperation (2025)

The proposed results matrix indicates that the main constraint for Azerbaijan is not a lack of cultural resources, but the inadequacy of their economic measurement. Azerbaijan’s cultural policy profile states that the Culture Strategy up to 2030 covers support for cultural and creative industries, the international promotion of Azerbaijani culture, and the development of cultural heritage (Huseynli, 2022). At the same time, the existence of strategic priorities requires integration with regular statistical monitoring, as without sectoral data it is impossible to determine which sub-sectors generate added value, which depend on state support, and which have the potential to become export-oriented. The proposed multi-level model corresponds to the approach of J.L. de Figueiredo *et al.* (2019), who developed an index of creative economy development potential for 26 state capitals in Brazil and the Federal District. In this study, a similar principle of quantitative assessment has been adapted to a resource-dependent economy by combining macroeconomic indicators, employment,

exports, digital presence, copyright, soft power and national branding. This approach is also consistent with the findings of A. Koumoutsea *et al.* (2023), who assessed the creative economy through consumers’ willingness to pay for participation in a cultural festival. In contrast to this microeconomic approach, in this study the intangible value of the creative sector is assessed more broadly – through digital visibility, international cultural presence, soft power and national branding, which is more relevant for the analysis of Azerbaijan as a resource-dependent economy. The results also correlate with the findings of S. Pavliuk (2023), who noted that cultural and creative industries account for 3.1% of global gross domestic product and provide nearly 50 million jobs. In this study, these global indicators are compared with the Azerbaijani economy, where oil and gas dependence remains significantly higher; therefore, creative industries are viewed not as a complete alternative to the resource-based model, but as an additional channel for non-resource-based growth.

An analysis of Azerbaijan's current situation has shown that the country possesses established cultural resources but is at the stage of institutionally formalising its creative economy. Government policy already includes cultural and creative industries among its strategic development priorities, and international events in Baku are creating channels for cultural presentation. However, Azerbaijan's position in the Global Innovation Index 2025 demonstrates a gap between resources and outcomes: the country ranks 94th overall, whilst it ranks 108th for creative outcomes and 110th for knowledge and technology outcomes (WIPO, 2025a). This finding regarding Azerbaijan's innovation gap is consistent with the study by M. Manioudis & A. Angelakis (2023), in which the creative economy was linked to sustainable regional growth through entrepreneurial prioritisation of development. In this article, this logic is illustrated using Azerbaijan's indicators: 94th place in the overall innovation ranking and 108th place in terms of creative outcomes suggest that cultural activity is not yet sufficiently being transformed into innovative and creative economic outcomes. The need to convert creative potential into measurable economic outcomes also aligns with the findings of D. Štreimikienė & T. Kačerauskas (2020), who, using data from the Baltic states, linked the creative economy to sustainable development, employment and export revenues. For Azerbaijan, this means that the mere existence of cultural resources does not in itself ensure diversification unless accompanied by statistical tracking, an export strategy, copyright protection and digital promotion channels. This gap indicates that institutional, educational, digital and legal prerequisites are not yet being fully transformed into creative products, exports, intangible assets and innovative outcomes. For a resource-dependent economy, this situation is fundamental, as diversification depends not only on the development of non-oil sectors, but also on the ability of these sectors to create a competitive product beyond the domestic market. In this context, Azerbaijan's creative industries should be viewed not as a cultural add-on to the economy, but as one of the segments of non-oil and gas development, linked to copyright, digital infrastructure, human capital and external cultural positioning.

Data from the IFPI (2025) and the findings of C. Peukert (2019) regarding the digitalisation of cultural industries confirm that the distribution of local cultural products is increasingly dependent on streaming platforms, algorithmic visibility, metadata and digital licensing systems. The digital music industry demonstrates that local content is increasingly dependent not only on the quality of the cultural product, but also on algorithmic visibility, metadata, presence on streaming services and the ability of rights holders to manage digital rights. The global music market reached USD 29.6 billion in 2024, with streaming revenues accounting for 69% of total recorded music revenues, confirming the music sector's transition to a digital monetisation model (IFPI, 2025). This finding is consistent with the conclusions of C. Peukert, who noted that digitalisation, internet platforms and automated licensing are changing the

costs of participation in cultural production and content distribution. Observations regarding the music segment also correlate with the work of B. Klement & S. Strambach (2019), which demonstrated the importance of related diversity for innovation in urban music environments. For Azerbaijan, the digitalisation of the creative sector opens up opportunities for music, film, design, fashion, animation and gaming content to enter international markets; however, this process depends not only on the availability of performers and cultural products, but also on digital distribution, copyright, entrepreneurial environments and technological specialists. At the same time, the low visibility of local content, inadequate tracking of copyright revenues and dependence on external platforms highlight the need for tools for digital promotion, legal protection and the accounting of intangible assets.

A comparison with South Korea and Sweden shows that the systematic export of culture is shaped not only by talent or cultural heritage, but through a combination of government policy, private enterprise, digital channels, intellectual property rights protection and foreign economic promotion. In 2025, South Korea ranks 4th in the Global Innovation Index and is among the countries with the highest scores for human capital, research, business sophistication and creative output (WIPO, 2025c). Its cultural exports are based on content industries, in particular music, games, films, TV series, animation and digital entertainment products. The South Korean model demonstrates that the creative sector can function as an export industry when the state provides institutional support and businesses ensure the scaling of content in foreign markets. According to the Ministry of Culture, Sports and Tourism of the Republic of Korea, content industry exports reached USD 14.08 billion in 2024, marking a historic high for the sector (Korea Times, 2026). UNCTAD (2024b) separately analyses Korean content as an example of state policy aimed at developing the content industry as a new source of economic growth. Sweden represents a European model in which the creative industries are integrated with innovation policy, education, design, music, the gaming industry, foreign trade and national branding. In 2024, the Swedish government approved a ten-year strategy for cultural and creative industries for 2024-2033, in which the sector is viewed as a source of growth, employment, exports and a positive image of the country abroad (Government Offices of Sweden, 2024). In the Global Innovation Index 2025, Sweden ranks 2nd overall and 2nd for creative performance, demonstrating alignment between the innovation system and creative production (WIPO, 2025d).

Unlike South Korea and Sweden, Azerbaijan is in the process of transitioning from cultural policy to an economically structured policy for the creative industries. The country already has institutional frameworks, cultural platforms and declared strategic directions in place; however, its lower ranking in the GI's creative output indicates a need to strengthen the links between cultural production, innovation, digital distribution, exports and legal

protection. A comparison of the models shows that what is relevant for Azerbaijan is not the direct replication of the Korean or Swedish model, but the adaptation of their

structural elements: systematic cultural exports, digital presence, statistical accounting, inter-agency coordination and intellectual property protection (Table 3).

Table 3. Comparison of creative industries development models

Country	Dominant model	Key instruments	Impact on the economy	Relevance for Azerbaijan
South Korea	Export-content model	Government support for the content industry, digital platforms, music, games, TV series, films, copyright	Cultural content functions as an export product and a source of international recognition	It is advisable to utilise a model for promoting content via digital channels and external markets
Sweden	Innovation and creativity model	Ten-year strategy, business support, music, design, gaming industry, export positioning	Creative industries are integrated with innovation, employment and the national image	The development of an inter-ministerial policy and a support system for creative entrepreneurship is advisable
Norway	Post-resource institutional model	Well-developed state institutions, cultural policy, regional development, management of resource revenues	Culture and creativity complement the model of sustainable development of a high-income resource-based economy	It is advisable to draw on experience of institutional resilience and regional cultural development
Azerbaijan	Transitional model of creative diversification	Cultural events, strategic documents, digital initiatives, initial formation of creative hubs	The creative sector does not yet have a fully measurable macroeconomic profile	Strengthening of statistics, copyright, digital infrastructure and human capital is required

Source: compiled by the author based on Government Offices of Sweden (2024), UNCTAD (2024b), Organisation of Islamic Cooperation (2025), WIPO (2025a; 2025c; 2025d), Korea Times (2026)

The results of the comparison with South Korea and Sweden are consistent with the findings of P.T. Cong (2019), who, using Vietnam as an example, examined the creative industries as a multi-sectoral system encompassing design, art, education, tourism, the performing arts, fashion, crafts and cultural products. In this study, a similar multi-sectoral approach is applied to Azerbaijan: creative diversification cannot be limited to music or digital content alone, but must encompass a broader range of sectors capable of generating employment, exports and intangible assets. Findings by N. Innocenti & L. Lazzeretti (2019), based on data from Italian provinces for 2006-2015, showed that creative industries support growth when they have links with related sectors of the economy. For Azerbaijan, this finding implies the need to integrate creative industries with tourism, education, digital services, entrepreneurship and intellectual property, rather than treating them as a separate cultural sector. The results of the analysis show that four institutional areas are of primary importance for Azerbaijan: copyright protection, the creation of digital hubs, the development of human capital, and the establishment of a statistical accounting system for the creative economy. In 2024, amendments were made to Azerbaijan's legislation on copyright and related rights, indicating an update to the legal framework in the field of intellectual property (WIPO, 2024). At the same time, international assessments indicate that enforcement in the field of intellectual property remains inadequate, and issues with copyright infringements and the use of unlicensed software continue to affect the investment attractiveness of the digital and creative sectors (International Trade Administration, 2026).

Copyright protection is directly linked to diversification, as the creative sector generates not only physical products but also intangible rights. In music, film, design, software, animation, publishing and the gaming industry, economic value arises from the ability to register, sell, license and distribute rights internationally. Without effective enforcement, a creative product remains a cultural resource but does not fully transform into an asset capable of generating export revenue. Digital hubs represent the second institutional focus. They serve as an environment where entrepreneurship, technology, design, music, audiovisual production, gaming technology, education and investment converge. Materials on the development of Azerbaijan's creative industries already mention creative clusters and spaces, including Creative Azerbaijan, Asmart Creative Hub, Baku Business Factory, YARAT Contemporary Art Space and specialist associations in the fashion sector (Connecting Companies, 2023).

Human capital constitutes the third pillar of creative diversification. In a resource-dependent economy, it determines the ability to transition from income derived from natural resources to income generated by knowledge, skills, cultural production and digital competencies. In the context of international comparisons, it is human capital and the research base that explain South Korea's high ranking in the GII 2025, where the country ranks first in terms of human capital and research (WIPO, 2025c). The fourth area is statistical measurement. Without a national system for measuring the creative economy, it is impossible to determine its share of GDP, employment, exports, tax revenues and digital sales. In 2025, WIPO (2025e) proposed a framework for a new comprehensive study of the contribution

of copyright and creative industries to GDP, employment, international trade and foreign direct investment. This approach is relevant for Azerbaijan, as it allows cultural policy to be translated into economic indicators (Table 4).

Table 4. Institutional directions for strengthening creative diversification in Azerbaijan

Area	Current challenge	Expected economic outcome	Indicators for further accounting
Copyright and related rights	The legal framework is being updated, but enforcement remains inadequate	Growth in licence revenues, reduction in the informal use of content, increased investor confidence	Number of registered rights, licence fees, court cases, share of legal digital content
Digital creative hubs	Separate hubs exist, but their economic integration needs to be strengthened	Growth in the number of creative enterprises, start-ups, and exported digital products	Number of residents, turnover, exports, investment, number of jobs created
Human capital	A combination of cultural education, digital skills and entrepreneurship is required	Development of professions for the non-oil and gas sector	Number of educational programmes, graduates, employment, youth participation
Creative economy statistics	Insufficient visibility of the sector in macroeconomic data	Ability to assess the sector's actual contribution to GDP, employment and exports	Cultural satellite account, sectoral surveys, business register, digital revenues
International promotion	Cultural events generate visibility but require a link to exports	Transition from event-based diplomacy to sustainable exports of cultural products	Contracts, international sales, participation in exhibitions, digital platform audiences

Source: compiled by the author based on Connecting Companies (2023), WIPO (2024; 2025e), International Trade Administration (2026)

The need to establish digital creative hubs is consistent with the findings of J. Tao *et al.* (2019), who, using data on Chinese creative industry enterprises from 2012-2014, found that the elasticity of productivity with respect to agglomeration density was 0.31. In this study, this indicator is applied to the Azerbaijani context, where digital hubs are viewed as a tool for concentrating entrepreneurs, authors, technology specialists, rights holders and distribution channels for local cultural products. The significance of human capital is further substantiated by the findings of R. Comunian & L. England (2020), who examined the vulnerability of cultural and creative work during the pandemic. Within the scope of this article, human capital is defined as one of the conditions for the transition from cultural activity to an economically measurable sector; however, a comparison with the scholars' work shows that the development of creative employment must be accompanied by more stable forms of work, professional support and social protection. The findings of V. Chandna & M.S. Salimath (2020), based on an analysis of 732 virtual entrepreneurial firms, revealed a positive correlation between a sense of virtual community, support from other enterprises, social capital and performance outcomes in the cultural and craft industries. The study's findings showed that creative industries serve as a tool for diversification only if they transition from cultural activity to an economically measurable system of production, rights, employment, exports and digital distribution. In the case of Azerbaijan, the creative sector is linked to non-oil and gas development, but does not yet demonstrate sufficient statistical transparency or high rankings in terms of creative output. In the case of Norway, the creative economy is part of a broader institutional model that combines resource revenues, social stability, regional development and innovation policy.

A comparison with South Korea and Sweden confirms that systematic cultural exports arise when three

conditions are met: institutional coordination, intellectual property protection and digital infrastructure. South Korea demonstrates a model of scaling content across global markets, whilst Sweden demonstrates a model of integrating creative industries into national innovation and export policy. For Azerbaijan, a combined approach is effective, in which cultural heritage, music, design, film, digital content, tourism and creative entrepreneurship are combined with legal reform, statistical monitoring, skills development and digital promotion channels. Thus, in resource-dependent economies, the creative industries do not constitute an alternative to the energy sector in the short term, but rather a structural mechanism for the gradual expansion of non-oil value added. For Azerbaijan, the priority outcome is not merely an increase in the number of cultural events, but the transformation of cultural products into a measurable economic asset. Such a transition requires regular statistics on the creative economy, the strengthening of copyright, the development of digital creative hubs, support for human capital, and the integration of local content into international digital platforms.

CONCLUSIONS

The study found that creative industries can serve as an additional tool for diversifying resource-dependent economies; however, their impact depends on the level of institutional maturity, the quality of legal regulation, digital infrastructure, the development of human capital, and the state's ability to transform cultural products into economic assets. It was confirmed that the creative sector does not replace the oil and gas development model in the short term, but expands the structure of non-resource-based growth through employment, exports of cultural and digital products, copyright, national branding and international cultural presence. A comparison of Azerbaijan and Norway showed that the effectiveness of creative diversification

depends not only on the extent of resource dependence, but also on the quality of institutions, the innovation system and the ability to transform resource revenues into long-term non-resource assets. While Norway demonstrates a model of an institutionally balanced resource-based economy, the key task for Azerbaijan remains the development of the creative sector as a measurable component of non-oil growth. This provided grounds for concluding that creative diversification is more effective when a stable institutional framework is in place.

It was established that the experience of South Korea and Sweden demonstrates the importance of systematic cultural exports. In these models, cultural products function not only as an element of domestic cultural policy, but also as a component of foreign economic positioning, digital presence and the formation of intangible assets. For Azerbaijan, this implies the need to transition from isolated cultural initiatives to a coherent policy for the development of creative industries with clear economic indicators. The limitations of the study are linked to the inconsistency

of statistical data on creative industries across different countries, particularly the lack of comprehensive and regular indicators for Azerbaijan's creative sector. In particular, there is limited data on the sector's share of GDP, employment, the number of creative enterprises, the volume of exports of creative goods and services, royalties, and the digital monetisation of local content. Further research should focus on quantifying the contribution of individual segments of the creative sector – notably music, film, design, the gaming industry and digital art – to the structure of non-oil economic growth.

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Креативні індустрії як інструмент диверсифікації ресурсозалежних економік: порівняльний аналіз моделей розвитку

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Анотація. Метою даного дослідження було визначення ролі креативних індустрій у диверсифікації ресурсозалежних економік на основі порівняльного аналізу Азербайджану, Норвегії, Південної Кореї та Швеції. Дослідження проводилося шляхом порівняльного аналізу моделей розвитку, узагальнення міжнародних статистичних даних та порівняння показників ресурсної залежності, інноваційного потенціалу, культурного експорту, цифрової присутності та інституційної підтримки креативного сектору. Результати показали, що креативні індустрії не замінили ресурсно-орієнтовану економіку в короткостроковій перспективі, але сформували додатковий канал для нересурсного зростання через зайнятість, експорт послуг, авторські права, цифровий контент, національний брендинг та м'яку силу. Було встановлено, що в Азербайджані на нафтогазовий сектор припадало понад 40 % валового внутрішнього продукту та понад 90 % експорту, тоді як у Норвегії цей сектор становив близько 22 % ВВП, 48 % експорту та 32 % доходів державного бюджету. Порівняння показало, що Норвегія використовувала доходи від природних ресурсів у рамках розвинених інституцій та інноваційної системи, тоді як Азербайджану необхідно було посилити статистичний облік, захист авторських прав, розвиток цифрових хабів та людський капітал. Крім того, було встановлено, що Південна Корея та Швеція продемонстрували моделі систематичного експорту культурних продуктів, де цифрові платформи, державна підтримка, захист інтелектуальної власності та міжнародне просування перетворили культурні продукти на економічні активи. Практичне значення отриманих результатів полягає в тому, що органи економічної політики, міністерства культури, інститути підтримки бізнесу та розробники програм диверсифікації в Азербайджані можуть використовувати запропоновану модель для оцінки внеску креативних індустрій, створення цифрових хабів, вдосконалення регулювання авторського права та підтримки експорту місцевих культурних продуктів

Ключові слова: культурний експорт; нематеріальні активи; авторське право; людський капітал; національний брендинг