International Seminar/Training "Prospects of Creative Industries Development: the Way to Success“

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INTRODUCTION
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Christopher Athey

Economic Affairs Officer, Innovative Policies Development Section,
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Session 1
Professor Yelena Kalyuznova
Director, Center for Euro-Asian Studies, Henley Business School,
University of Reading, UK

Trends in the development of the creative economy and their prospects
Definition of creative industries

- Architecture
- Fashion
- Advertising & Marketing
- Film, TV, Radio & Photography
- IT
- Music & Visual Arts
- Performing Arts
Why is there a growing interest in the development of creative industries?

• An important channel for economic growth and development.
• Of interest to business and management scholars because of characteristics such as flexible organization, extensive use of technology, and employment of creative and technical talent.
• According to UNESCO, the creative industries generate $2.250 billion in revenue worldwide each year and are projected to account for more than 10% of global GDP in the coming years.
Global trends: digitalization
Sustainability and ecology

Consumers are increasingly choosing products and services that are not only creative but also environmentally friendly.
Many brands are now using their platforms to support social issues such as equality and inclusion.
Forecasts and opportunities

Synergies between technology and creativity
Policies for creative industries development
Supporting Creative Industries in Central Asian Regional Economic Cooperation
Case studies of cerate businesses: Kazakhstan
Aisuluu Mustapakulova
Head of Innovation Department, State Agency for Intellectual Property and Innovation under the Cabinet of Ministers of the Kyrgyz Republic (Kyrgyzpatent)
Oscar Fast
Associate Economic Affairs Officer,
Innovative Policies Development Section, UNECE

Ekaterina Guznova
Consultant, Innovative Policies Development Section, UNECE

Topic: Challenges and Prospects for the Creative Economy in Central Asia
Definition of the creative economy

There are different definitions for the creative economy ...
Definition of the creative economy

The sectors covered by the term "creative industries" are extremely diverse:

*Source: Kudaiberdieva – CABAR (2021)*
Governance Architecture

• Creative Economy Development Concept for 2022-2026
• Create4
• Creative Kyrgyzstan Program
• Women's Creative Lab
• Association of Creative Industries of Kyrgyzstan
• Creative Industries Festival Creative Network of Central Asia
• UNDP Program - Creative Tourism in Kyrgyzstan
• Creative Tourism Network
Central Asia has a significant number of creative and innovative facilitators ...
Creative and innovation facilitators

- **Incubators** and **accelerators** need to improve:
  - Key performance indicators
  - Financial sustainability
  - Insufficient supply of promising firms
  - Qualified mentors
  - Universal vs specialized approach
  - External performance reviews

- **Limited number of angel investors** - lack of formalized angel networks

- **Need for reforms** to facilitate **venture capital**
SPECA Network of Business Incubators and Accelerators for Sustainable Development

Members: Business incubators & accelerators; innovation, technology & entrepreneurship agencies

Activities: Workshops; roundtables; trainings; study tours

Tailored capacity-building activities by UNECE
The Innovation Policy Outlook (IPO)

About the IPO Publication

- UNECE flagship initiative that comprehensively assesses and compares innovation governance across countries with shared legacy and institutional features
- Framework for region-wide reform
- IPO publications for in Eastern Europe and South Caucasus very well received
- Methodological rigour: > 40 indicators on innovation governance, policy tools, and process
- Evidence base for mutual policy learning, regional cooperation, and dialogue

The Innovation Policy Outlook Initiative

- Three elements: analysis (the IPO), network-building, capacity building and support
- 24 months
- Complete and synergetic support cycle: analysis, dialogue, technical assistance

Stage I: Analysis
16-18 months

Stage II: Network-building and dialogue
12 months

Stage III: follow-up and progress tracking
12 months

Innovation Policy Outlook
- IPO Network Events and Dialogue Sessions
- Follow-up Capacity building
- Second IPO assessment to monitor progress
Session 2
Dr Olena Khlystova
Lecturer for Management and Organisational Behavior, Center for Euro-Asian Studies, Henley Business School, University of Reading, UK

Resilience of creative industries: theory and international experience
Resilience in organizations

Resilience - the ability of companies to cope with and recover from difficulties by adjusting business activities to improve their performance.
Resilience: the context of the creative industries

Characteristics of creative industries
- Entrepreneurship
- Innovations
- Flexibility
- Sustainability
- Inclusiveness

Key skills
- Creativity
- Teaching
- Communication
- Marketing
- Innovations
Resilience of the creative industries: the UK experience

Characteristics of creative industries in the UK:
- Strategic economic sector (economic value of £124.6 billion pounds in 2022);
  - SMEs;
  - Freelancers;
  - IT / Software / Games;
  - TV / Radio / Photography;
  - Music.

Changes after the crisis:
- Changing the range of skills
- Changing business models
- Digitalization
Case studies for creative economy: UK
Resilience of creative industries: Turkish experience

Changing the range of skills → Financing → Training
Cases for creative industries: Turkey
Discussion
Aisuluu Kozhomkulova
Regional Director for Central Asia, StrategEast

"Case studies of technological and innovative solutions in the arts using the UK as an example"
Gulbara Kudaiberdieva
Head of Copyright and Related Rights Department, State Agency for Intellectual Property and Innovation under the Cabinet of Ministers of the Kyrgyz Republic (Kyrgyzpatent)
Break
Session 3

Professor Maksim Belitski
Director of Henley Centre for Entrepreneurship, Henley Business School, University of Reading, UK

Topic: "Creative Entrepreneurship and Financing Creative Businesses"
Financing the creative industries
Financing methods / instruments

- **Public funding**: Support programs, grants, tax incentives.
- **Private investment**: Venture capital financing, private investors, business angels.
- **Alternative methods**: Crowdfunding, partnerships, sponsorships.
Business-to-consumer model

- Lifestyle: lovers of culture, travel and art, active Instagram and Pinterest users.
- Interests: Modern art, interior design, art collection.
- Values: recognizing the craftsmanship and history of works of art.
- Motivation: decorating the house, starting a conversation.
- Engagement: Attend quarterly art shows to view art in person, which can help overcome the barrier of buying art online.
Challenges in financing

- **Key Challenges**: Risk, market uncertainty, limited access to traditional sources of capital.

- **Specific problems**: Underestimation of the value of creative assets, difficulties with intellectual property valuation.
Future trends and opportunities

• **Innovations in financing**: New financial instruments, technology platforms for financing.

• **The role of government and politics**: Suggestions for improving policy support for the creative industries.
Prospects for the development of financing in the creative industries

How to drive further growth and innovation?
Session 4
"Challenges and Prospects for the Creative Economy in Central Asia"

Oscar Fast
Associate Economic Affairs Officer, Innovative Policies Development Section, UNECE

Ekaterina Guznova
Consultant, Innovative Policies Development Section, UNECE
Development of creative industries across the regions:

- Bishkek City: 48.89%
- Chuy Region: 7.51%
- Osh Region: 5.79%
- Osh City: 5.57%
- Jalal-Abad Region: 5.25%
- Issyk-Kul Region: 3.75%
- Batken Region: 2.89%
- Naryn Region: 2.68%
- Talas Region: 1.39%

Source: UNESCO (2023)
Centralized vs regional development

- UNDP Program - Creative Tourism in Kyrgyzstan
- Creative Tourism Network
- OECD report on linking tourism to the development of creative industries
Sergey Glukhoverov

"Development of Creative Tourism in the Kyrgyz Republic"
Discussion
Diaspora engagement

Yerjan Ryskali & Co

Chyngyz Dzhumanazarov & Co

Entrepreneurial diaspora

Rus Yusupov & Co

Eldar Galiev & Co

Azizjon Azimi & Co

Gani Uzbekov & Co
Number of Kyrgyz citizens on the migration register by country of destination in 2018

Figure 1. Number of registered migrants, 2018

Source: IOM (2022)
Education level of respondents

Source: IOM (2022)
Interest in contributing to the development of Kyrgyzstan

Notes: n = 741. Responses to the question: “Are you interested in contributing to the development of Kyrgyzstan?”
## Preferred sectors for diaspora support (%)

### Tourism and services: 15.6%
### Entrepreneurship and investment: 11.9%
### IT technologies and programming: 11.9%
### Developing organic agriculture and supporting sustainable natural resources of the food and nutrition for the population: 10.1%
### Online trade, services: 9.9%
### Construction: 6.5%
### Trade: 6.3%
### Clothing industries: 6.0%

### Transport and communications: 5.0%
### Energy: 4.8%
### Green energy (technologies to minimize pollution and gas emissions): 4.7%
### Mining industry: 4.2%
### Financial and credit services: 2.8%
### Agriculture: 0.1%
### Animal breeding: 0.1%

*Source: IOM (2022)*
"What areas of social and environmental protection and charity in Kyrgyzstan would you like to contribute to?" (%)

Source: IOM (2022)
Diaspora Engagement - Toolkit

**Stakeholder mapping**
- Start-Up / Scale-Up firms
- Entrepreneurs
- Investors
- Universities
- Development agencies & IOs
- ...

**Capacity-building**
- Mentoring schemes
- Secondment & internship programs
- Online courses
- Business trainings
- (Online) competitions
- ...

**Instruments**
- Online diaspora engagement portals
- Social media
- Development of champions / multipliers (through monetary and non-monetary incentives)
- Development & promotion of the national brand

**Outreach**
- Online diaspora engagement portals
- Social media
- Development of champions / multipliers (through monetary and non-monetary incentives)
- Development & promotion of the national brand

**Governance**
- Diaspora associations
- Inter-agency taskforce
- Agency for diaspora relations
- Consultations with the diaspora on innovation policy issues
- Coordination among Central Asian countries
- Political commitment
- ...

**Finance**
- Business angel investments
- Crowdfunding platforms
- Remittances
- Diaspora bonds
- ...

**Outreach**
- Online diaspora engagement portals
- Social media
- Development of champions / multipliers (through monetary and non-monetary incentives)
- Development & promotion of the national brand
Discussion
Talantbek Tolobekov

Director, "Kyrgyztasmasy" State Film Center
Nurlan Mirzamatov
Founder & CEO, Lights Creative Group

"Creative Economy, YouTube content"
Mansur Abylaev
Director Kyrgyz Handmade

"Economics of handcraft companies - Example of Kyrgyz Handmade: present opportunities and risks"