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Integration of Creative Business in Central Asia: Regional Development Strategies and Cross-Border Cooperation

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Abstract: Creative industries are becoming a significant tool for the socio-economic development of Central Asian countries. This article explores the mechanisms for integrating creative businesses into the economies of Kyrgyzstan, Kazakhstan, Uzbekistan, and Tajikistan, analyzing examples of cross-border cooperation and the impact of international initiatives. Based on a comparative analysis of development strategies and support practices for the creative sector, the study identifies key barriers and opportunities for sustainable growth of the region's creative economy. The paper offers recommendations for strengthening the institutional framework, expanding regional interaction, and forming a unified cultural and economic space.

1 INTRODUCTION

In recent years, Central Asia has seen a noticeable increase in interest in the development of creative businesses, which are becoming an important part of regional sustainable development strategies. Creative industries - a set of sectors in which the main assets are intellectual property, creativity and cultural values - are playing an increasingly important role in shaping the region's new economic agenda. In the context of globalization and digitalization, it is the creative sector that can ensure the diversification of economies, increase their competitiveness in the international arena and become a platform for cross-border cooperation, including cultural exchange, export of services and joint projects.

The Central Asian countries of Kyrgyzstan, Kazakhstan, Uzbekistan and Tajikistan are beginning to institutionalize the creative sector to varying degrees, including it in national development strategies, creating special support programs, tax incentives and infrastructure to realize the creative potential of citizens. In Kazakhstan, for example, creative hubs are being formed within the framework of the " Creative Economy " program , while Kyrgyzstan has legislation on the Creative Industries Park, which provides benefits to residents. Uzbekistan emphasizes the integration of cultural traditions into modern forms of entrepreneurship and urban design, and Tajikistan hosts international cultural festivals aimed at promoting national identity and craft traditions.

The development of creative industries in the region is also stimulated by the participation of international organizations, including UNESCO, the UN and the British Council , supporting initiatives to develop the film industry, digital art, creative entrepreneurship and interregional networks. Such processes create conditions for the formation of a single creative space in Central Asia, in which creative business can become a catalyst for economic growth, social inclusion and cultural integration.

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2 MATERIALS AND METHODS

This study is based on an interdisciplinary approach that combines theoretical and empirical methods of analysis typical for the fields of institutional economics, cultural policy, regional development and international relations. The purpose of the methodological approach is a comprehensive understanding of the processes of institutionalization of creative business in Central Asia, identification of political and economic mechanisms for supporting the creative sector, and assessment of the potential for cross-border interaction in the cultural and economic spheres.

An in-depth content analysis of legal acts, national programs and development strategies aimed at supporting the creative economy in Kyrgyzstan, Kazakhstan, Uzbekistan and Tajikistan was conducted. The documents studied include the Concept for the Development of Creative Industries of Kazakhstan for 2021-2025 , the Law of the Kyrgyz Republic "On the Creative Industries Park", the Law of the Republic of Uzbekistan "On the Creative Economy", programs for the development of small and medium-sized businesses, national cultural strategies and reports of government agencies. The analysis made it possible to identify both general areas of state support (tax incentives, infrastructure initiatives, educational programs) and specific approaches in each country.

3 RESULTS AND DISCUSSION

Creative industries, including film, music, design, crafts and digital technologies, are becoming an important driver of economic growth in Central Asian countries. In the Kyrgyz Republic, for example, the Law on the Creative Industries Park was adopted, which establishes the legal basis for the functioning of a special regime for creative entrepreneurs and provides them with tax benefits. This legislative decision creates favorable conditions for attracting investment, stimulates the development of small and medium businesses, and also contributes to the formation of a sustainable ecosystem of the creative economy.

According to the regulations in force since 2025, residents of the Creative Industries Park (CIP) pay the following taxes and mandatory payments:

single tax - 1% of revenue;

income tax - 5%;

fixed contributions to the Social Fund - 4,500 soms.

In addition, according to the Director of the Creative Industries Park K. Mamytova , the current scale of tax benefits provides for a gradual increase in the single tax rate:

0.5% of revenue in 2024;

1% - in 2025-2026;

2% - starting from 2027.

Significant steps are being taken in Uzbekistan to develop the creative sector, including integrating cultural heritage into modern urban planning. London-based Cross Works has won a tender to develop a master plan for the expansion of Tashkent, covering 25,000 hectares and designed to accommodate 2.5 million people. The project includes the creation of neighbourhoods inspired by traditional Uzbek mahallas, with an emphasis on sustainability and the preservation of cultural identity. In particular, the project plans to build a “Silk City” that will serve as a hub for crafts and trade, and will reflect the rich cultural heritage of the region.

This project demonstrates the growing interest in the region’s cultural heritage and its integration into modern urban development, which contributes to the development of the creative sector and strengthening the cultural identity of Uzbekistan.

Table 1: Creative Economy in Central Asia.

Aspect	Kazakhstan	Kyrgyzstan	Uzbekistan	Tajikistan
Institutional base	Law "On Creative Economy", creative hubs in Almaty and Astana	Law "On the Creative Industries Park".	The strategy is under implementation, the law "On the Creative Economy" was adopted in 2024.	None, issues are included in the general cultural policy
Government support	Tax incentives, acceleration programs, grants	Tax incentives, educational initiatives	Tax incentives, support for startups through IT Park	Limited support, focus on preserving cultural heritage

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International cooperation	Programs with UNESCO, British Council, EU	Cooperation with the British Council, participation in international festivals	Programs with UNESCO, EU, participation in international exhibitions	Participation in UNICEF cultural projects, limited international cooperation
Digital infrastructure	Developed digital infrastructure, support for digital art	Limited access to digital platforms outside the capital	Development of IT Park, support for digital startups	Weak digital infrastructure, limited access to technology
Education and training	High level of education in the field of creative industries	Limited training opportunities in the regions	IT Park University, programs with international partners	Limited educational programs in the creative industries

Comparative political and economic analysis

To identify differences and similarities between the countries of the region, a comparative analysis of national policies, institutional frameworks and practices for supporting the creative economy was used. Particular attention was paid to:

- differences in the level of institutionalization of creative business;
- the degree of involvement of international donors;
- approaches to cultural policy as part of economic planning;
- the level of digitalization and availability of infrastructure for creative entrepreneurs.

The methodology allowed not only to reflect the current state of the sector, but also to identify strategic directions for deepening cross-border cooperation and harmonizing approaches at the regional level.

Table 2 : Potential directions for the development of creative industries in Central Asia.

Direction nie	Description	Current achievements	Challenges and problems	Recommendations
Media and digital technologies	Development of the film industry, video games, animation, online platforms and digital products.	Growing interest in online courses and video products, creation of animated series.	Lack of infrastructure for post-production, high start-up costs.	Invest in the creation of creative hubs and production studios.
Design and fashion	Development of local brands, fashion, accessories, graphic design.	Prosperity of local designers, participation in international exhibitions.	Limited sales markets, weak support from government agencies.	Support for startups in the fashion industry, creation of creative clusters.
Architecture and urban culture	Creation of unique objects of art and architecture, development of urban spaces.	Projects for the reconstruction of historical buildings, development of art centers.	Insufficient funding, lack of government support.	Development of standards for sustainable architecture, private investors.
Tourism and cultural heritage	Development of cultural tourism, work with cultural sites and traditions of the region.	Popularization of cultural routes, support of traditional crafts.	Lack of international recognition, low level of tourism.	Investments in the development of the region's brand and the

				creation of tourist routes
Museums, Galleries and Cultures centers	Opening of new exhibitions, organization of cultural events and educational programs.	Increasing the number of cultural events, supporting local artists.	Lack of funding, shortage of highly qualified personnel.	Creating and supporting initiatives to support local galleries and museums.
Education and skills development	Introducing creative economy-focused programs in universities and colleges.	Creation of specialized courses and educational projects.	There is a lack of highly qualified teachers and few resources.	Implementation of training courses on creative economy, cooperation with international universities.

Cross-border cooperation and international initiatives

Cooperation between Central Asian countries and international partners facilitates the exchange of experiences and resources, which contributes to the development of the creative economy in the region.

The Creative Central Asia Network (CCAN) was founded in 2021 with the support of the British Council and the OLOLO Group of Companies (Kyrgyzstan). CCAN aims to develop the creative economy in Central Asia and establish local entrepreneurship associations in each country in the region. As part of its activities, CCAN organizes networking events, such as the Forum in Bishkek in March 2021, and develops model roadmaps for the development of the creative economy relevant to the countries of Central Asia.

UNESCO is implementing the project "Strengthening Film Industries in Central Asia", aimed at supporting the development of film industries in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The project includes research into legislation, advanced training and exchange of experience among film industry professionals. The project also includes online seminars, such as "Co-production Opportunities with Germany" and "International Resources for Film Projects from Central Asia", with the participation of experts from various countries.

Table 3: Cross-border cooperation in the creative industries of Central Asia (as of 2024–2025).

Initiative / project	Participating countries	Type of cooperation	Brief description	Expected effects
Creative Central Asia (CCAN)	Kyrgyzstan, Kazakhstan, Uzbekistan, Tajikistan	Networking, networking , roadmaps	Regional hub , organized bathroom british Council and O lolo group , promotes the development of creative ecosystems	Formation of a regional community, exchange of experience, improvement of institutional stability
Film Industry Project rii in Central Asia	Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan	Advanced training, legislative consulting	Online seminars, expertise, consolidation of the legal framework in the field of cinema	Professionalization of the industry, development of co-production, international recognition
Create4 Festival (UNDP)	Kyrgyzstan (with participation of	Cultural diplomacy, exchange of practices	A festival with regional participants	Expanding intercountry ties,

	guests from the region)		aimed at popularizing the creative sector	promoting the region's cultural brand
Cross Works Master Plan – " Silk city "	Uzbekistan, participation of international experts (Great Britain nia)	Urban development with elements of cultural design	Tashkent redesign project with integration of traditional Uzbek elements (mahalla)	Combining cultural heritage with creative industries, developing tourism
Co-production initiatives with Germany (UNESCO	All Central Asian countries	International production and distribution	Support for joint projects and entry into European markets	Growth of export potential, cultural exchange, strengthening of "soft power"

Problems and Prospects for the Development of Creative Industries in Central Asia

Despite the positive dynamics and growing attention from state and international institutions, creative business in Central Asia faces a number of systemic limitations that prevent its full institutionalization and sustainable growth. These barriers affect both internal mechanisms (management, financing, education) and external conditions (access to global markets, technology and international recognition).

Table 4: Key barriers and solutions for digitalization and gender inclusion in the creative industries of Central Asia.

Direction	Main barriers	Examples from interviews	Possible solutions
Digitalization	– Lack of stable internet in the regions , – Lack of digital skills , – Lack of online platforms .	"In our area there is not even stable internet " "Creative Business Outside the Digital Economy "	– Development of digital infrastructure , – Online learning and accelerators , – Creation of local e-commerce platforms .
Gender participation	– Lack of safe work spaces , – Stereotypes about the "frivolity" of women's work , – Work without formalization .	"There are few safe spaces for women" , "We are not taken seriously" , "We are like invisible"	– Supporting women's cooperatives and hubs , – Legal and financial assistance in business registration , – Targeted mentoring programs .

1. Structural challenges

Limited access to finance remains a key obstacle for most creative economy actors. Small and medium-sized enterprises operating in the design, music, film or craft industries are often not considered sustainable and creditworthy by financial institutions. The lack of specialized funds, creative accelerators and guarantee mechanisms limits the growth of start-ups and creative associations.

The digital divide is particularly noticeable between the capital and the periphery. Several regions in Central Asia still lack basic digital infrastructure, including stable internet access, digital production equipment, and e-commerce platforms, limiting participation in the cross-border creative economy.

Bureaucratic and regulatory barriers also hinder the development of the industry. Often, creative entrepreneurship is not clearly classified in national tax and licensing systems, which creates legal uncertainty. In addition, there is a lack of institutionalized support mechanisms - from tax incentives to educational programs.

2. Promising practices and local initiatives

Despite these challenges, promising initiatives are emerging in the region to soften systemic barriers and create an environment conducive to the development of the creative economy. One such example is the Create4 festival, organized by the United Nations Development Programme (UNDP) in Kyrgyzstan in

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partnership with the Creative Industries Association and local NGOs.

In 2024, the festival covered 36 locations across the country and brought together more than 10,000 participants , including representatives of creative industries, startups, cultural institutions and public organizations. Under the motto #JaratmanKyrgyzstan, the festival became not only a cultural but also a strategic event, promoting the popularization of the Law on the Creative Industries Park, expanding regional participation and forming coalitions of stakeholders.

The formation of multilateral partnerships at the level of local administrations, the private sector and international donors covered 24 cities and villages, which strengthened Kyrgyzstan's position as a pilot country for promoting the creative economy in Central Asia.

3. Prospects for systemic changes

An analysis of current processes allows us to identify several areas in which significant progress is possible in the short and medium term:

- Institutionalization of the sector: adoption of regulations, integration of creative industries into national development strategies, creation of specialized agencies and funds.
- Development of human resources: adaptation of educational programs, introduction of modules on creative entrepreneurship, support for student and teacher mobility within the framework of regional cooperation.
- Digitalization and platformization : creation of online platforms for marketing, sales, collaboration and knowledge sharing between creative agents of the region.
- Cross-border synergies: expanding Central Asia's participation in international initiatives (CCAN, UNESCO, UNDP), developing regional festivals, art residencies and joint projects.

Thus, the creative economy of the region is at an early but promising stage of development. Removing key barriers and scaling up successful practices can turn it into a sustainable element of economic growth and cultural self-realization of the population.

as **recommendations** :

1. Development of a regional framework strategy for Central Asia on the creative economy . It is necessary to initiate the process of forming a common platform for coordinating national efforts, focused on cross-border cooperation, exchange of experience and joint attraction of investments in creative industries.

2. Institutionalization and legislative unification . It is necessary to develop and adopt industry laws and regulations that provide legal protection for creative entrepreneurs, simplified taxation, access to grants and investments.

3. Digital and infrastructure support . It is recommended to invest in the creation of creative hubs, multimedia labs, freelance spaces and e-commerce platforms at the local level - with an emphasis on small towns and rural areas.

4. International integration and branding of the region . Support for countries' participation in international festivals, competitions, art residences and educational programs. Developing a common brand "Creative Central Asia" can enhance the region's recognition on the global stage.

5. Education and skills of the future . Introduction of creative disciplines into universities and colleges, support for digital art schools and mentoring programs for young talents.

These recommendations aim to create a sustainable ecosystem for creative industries in Central Asia and can form the basis for sustainable economic growth, cultural integration and expanded opportunities for creative entrepreneurs in the region.

It should be noted that there are a number of issues that require further research:

1. What are effective models of public-private partnership (PPP) in the creative industries in the context of a transition economy? This will allow us to explore the potential for attracting private investment in culture and digital creativity, especially in less developed regions of Central Asia.

2. What institutional configurations are most sustainable for the development of creative businesses in multi-ethnic and multilingual societies? Given the ethnocultural diversity of Central Asia, it is important to understand how creative industries can strengthen cultural unity without suppressing differences.

3. To what extent does the creative economy impact gender equality, youth engagement and sustainable development of local communities? This will help to reveal the social role of the sector as a tool for inclusion and self-realization.

4. How is the perception of creative work changing in Central Asian countries in the context of digitalization and globalization? The analysis of new forms of employment, freelancing, digital platforms and their regulation is relevant against the backdrop of a growing sector.

5. How can cross-border creative projects contribute to soft power diplomacy in the region? This is important for understanding the role of

cultural economy as an element of foreign policy and regional cooperation.

Conclusion

The integration of creative businesses into the Central Asian economy is becoming not only a pressing task, but also one of the key vectors of sustainable socio-economic development of the region. Against the backdrop of a global shift from resource-dependent models to economies based on knowledge and creativity, the Central Asian countries of Kyrgyzstan, Kazakhstan, Uzbekistan and Tajikistan are beginning to recognize the potential of creative industries as a driver of growth, employment and cultural identity.

The analysis showed that, despite the heterogeneity of approaches, the states of the region are taking similar steps: they are forming institutional foundations (legislation, strategies, creative industry parks), developing international cooperation (UNESCO, British Council, UNDP) and seeking to integrate cultural heritage into modern forms of entrepreneurship. However, barriers to the full realization of potential include policy fragmentation, limited access to funding, weak regional coordination and a lack of specialized competencies.

The key challenge remains the need for a systemic and cross-sectoral approach that unites the efforts of governments, educational institutions, businesses and civil society. Cross-border coordination is especially important, allowing for the use of scale effects, the creation of a single cultural and economic space and the strengthening of Central Asia's position on the global map of creative industries.

In the long term, the region has the potential to become a hub for the creative economy in the Eurasian space, provided that digital and cultural infrastructure, institutional sustainability, and continued international dialogue are further developed. Investments in human capital, creative entrepreneurship, and cultural diversity can become the basis for not only the region's economic, but also humanitarian and diplomatic influence in the 21st century.

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