

J. Mammadov^{1*} , P. Hasanov¹ ¹Institute of Economics of the Ministry of Science and Education of the Republic of Azerbaijan
Baku, AZ1143, Republic of Azerbaijan*e-mail: jamal.mammadov23@gmail.com**ECONOMIC ASPECTS OF CULTURAL INDUSTRIES
IN AZERBAIJAN****Abstract.**

Cultural areas are the cause of social and economic consequences as well as cultural consequences. That is why every country should pay special attention to the development of cultural areas. Thus, cultural fields are one of the industrial fields that influence economic activity by increasing the cultural level in the country. Cultural fields act as a driving force in economic development with unemployment, direct, and added value. In addition to all this, cultural fields act as one of the powerful means for implementing the country's political ideology.

As previously noted, the recognition of the significance of cultural sectors is particularly crucial for newly independent nations such as Azerbaijan, which, despite only gaining independence within the past 34 years, has made substantial progress across various domains. Beyond the preservation and transmission of national and moral values to future generations, cultural sectors hold the potential to contribute to the diversification of the economy, reducing unemployment, and enhancing political influence. These considerations have motivated my research into the role and development of cultural sectors within Azerbaijan.

Taking all this into account, I decided to investigate the economic aspects of cultural activities in Azerbaijan for the first time. The article contains statistical data. The conclusions reached are that cultural fields in Azerbaijan have undergone a wave of development since the country's independence, and certain developments have been observed in recent years. In addition to all this development, the development of cultural fields lags behind the international level, and various problems show their impact here.

Key words: culture, field, Azerbaijan, economy, economic aspect.

Introduction.

Cultural heritage is an indicator of the country's culture, traditions, and similar factors, and also has socioeconomic value. Since ancient times, various types of culture have been used to provide entertainment to the population, as well as in the production of decorative items and other means. However, over time, these activities have improved and, although they have not changed their function, they have changed their direction and structure to a certain extent. Since the 20th century, and since the 19th and 20th centuries, the cultural fields, which have developed further due to the conditions created by capitalism, have ceased to be only cultural activities and have become a socio-economic force.

Although Azerbaijan has been part of the USSR since the second decade of the 20th century, the development of cultural fields continued rapidly and its various fields experienced a period of prosperity. However, the economic stagnation that occurred after independence had a negative impact on these areas as well. In the article, the current situation of the cultural sector in the country was investigated with the help of quantitative methods. Here, analyses were conducted based on the data of the State Statistics Committee of Azerbaijan, a public survey was organized and the results were analyzed in order to determine the attitude of the population towards cultural areas using the survey method. It should be noted that the economic effects of cultural fields have not been conducted in Azerbaijan before, and since statistical data on these fields are not accurately implemented by state bodies, it is difficult to investigate these fields. It is for this reason that the writing of this article is important in terms of determining the activity of cultural areas in the country and attracting more attention to these areas.

Along with the cultural aspects of cultural areas, their economic aspects should also be the subject of research. The formation of cultural policy and its proper management play an exceptional role in the development of both spiritual and socio-economic aspects of the country's culture. Considering this, it is necessary to determine the influence of cultural areas on the economy in several ways. These forms were mentioned in 3 forms in the direction of the impact of culture on the economy in the "Culture for UNESCO Development Indicators - Analytical Report on Azerbaijan" prepared in 2018 with the support of the Eastern Partnership Culture and Aid Program of the European Union:

- Contribution of cultural events to GDP;
- Employment in the field of culture;
- Household expenses on culture [2].

The report touched on several aspects of culture's influence, including economic aspects, educational aspects, governance aspects, social participation aspects, gender equality, communication, and heritage aspects.

At the moment, it is known to everyone that the activities of cultural spheres in Azerbaijan are not encouraging. At the same time, the economic activity of these areas in our country has not been examined. This naturally played one of the exceptional roles in slowing down the development of cultural areas. For this reason, the article I wrote is important in terms of drawing attention to the economy of cultural fields in Azerbaijan and opening a new way in the direction of its development. The main purpose of writing the article is to investigate the current situation in this field and contribute to the preparation of the plan of activities to eliminate the existing gaps in future activities.

Materials and methods of research.

The theoretical framework of this article is grounded in the research conducted by international scholars in the field, as well as the informational reports released by UNESCO over various years pertaining to cultural sectors. Local statistical data was primarily derived from the reports of the State Statistics Committee of the Republic of Azerbaijan and the data published within the National Accounts System. The data collection process commenced in 2022, coinciding with the start of my studies, with the most recent statistical data obtained in 2024 and incorporated into the analysis presented in this article.

The theoretical and methodological foundations of this article research are drawn from the study of cultural fields, management practices, and marketing concepts as articulated in the works of foreign scholars. Additionally, this research is underpinned by the core principles of economic mechanisms and a comprehensive framework of normative legal acts governing various cultural sectors. Methodologically, the research employs quantitative approaches, with a particular emphasis on correlational-regression analysis.

The central inquiry that underpins this article is the level of activity within the cultural sectors in Azerbaijan. The initially unpromising outlook of these sectors, characterized by numerous gaps and deficiencies, necessitated a thorough investigation. In developing this article, the theoretical foundations of cultural fields were first examined, followed by a detailed analysis based on statistical data to assess the current state of cultural activity in Azerbaijan.

The theoretical and methodological basis of the article is the economic, management, and marketing concepts and the basic provisions of relevant theories on the activity of cultural fields used by foreign experts in their scientific works, and the complex of normative legal acts regulating issues related to individual fields of culture.

Quantitative research methods, mainly correlative-regressive methods and comparison methods, were used as the methodological basis of the research.

What is the cultural industry?

The cultural industry has now become an economic and cultural subject that receives special attention in the international world and has a special policy in many countries and international

organizations. The UNESCO Institute for Statistics defined the cultural industry: "Cultural industries are organized activities whose main purpose is the production or reproduction, promotion, distribution or commercialization of goods, services and content activities derived from activities of cultural, artistic and heritage origin" [5]. This approach focuses on cultural-artistic and heritage products, services, and activities, emphasizing that they originate from human activity's past or present creation. Also, according to this definition, cultural fields are not only limited to the products of human creativity and industrial reproduction but also include other fields of activity that serve the creation and dissemination of cultural and creative products. Looking at all this, a question arises - *"How did the concept of culture industry come to scientific literature?"*. The concept of culture industry was first introduced in the scientific literature by M. Horkimer and T.V., representatives of the Frankfurt school. Adorno used it in his book *Dialectic of Enlightenment*, published in 1948 and translated into English in 1972.

The school's representatives were among the first neo-Marxist groups to examine the cultural industries as a form of integration of the working class into capitalist society, and to analyze the impact of the rise of mass culture and consumer society on the working classes, who would in the classic Marxist scenario be the instruments of revolution. In Europe, they witnessed how mass culture was turned into a propaganda machine by the fascists. However, later they realized that the situation was not different in America. Thus, during the time they lived in the United States, they thought that the American "popular culture" tried to spread the interests of American capitalism as a factor of high ideological influence. They believed that the cultural industry in this country, under the influence of huge corporations, was organized according to the rigors of mass production and became a tool for instilling the values of the "American way of life" [3].

Of course, the culture industry in modern times is not a completely useless scumbag, as Adorno and Horkimer estimate it to be. Especially if we consider that analog technologies were used when they evaluated the culture industry, we observe that the situation is different in the 21st century, which is a period of technological revolution, where digitalization is at the forefront. The development of Azerbaijan's cultural fields, which are part of the developing global cultural fields, is one of the main goals. In this regard, the current situation in Azerbaijan will be touched upon in other parts of the article and the steps to be taken in this direction will be reflected.

Difference between cultural and creative industries

Although the cultural industry is not a rapid income-generating sector, its development can catalyze the growth of other industries within a country, thereby improving the socio-economic landscape and addressing social issues. However, there are some contentious aspects within the cultural sector itself, particularly regarding its terminology. Since the early 2000s, new terms have emerged in this field, occasionally leading to disagreements. A key point of contention is whether this segment of the economy should be termed the cultural or creative industry and whether these sectors should be classified as an industry or an economy in general. These distinctions will be elucidated in the following paragraphs.

As mentioned, many scholars have differing opinions on whether this field should be considered cultural or creative. For instance, Argentine scholar Daniel Mato posits that "All industries are cultural," suggesting that culture permeates even the production of automobiles, which are chosen and consumed not merely for their functionality but also for their symbolic significance, such as status. Conversely, scholars like Toby Miller challenge this view. Miller contends that claiming "All industries are cultural" is akin to asserting "Everything is political," an assertion he deems unsubstantiated [1]. Considering both perspectives, one might conclude that while products can indeed be cultural depending on their intended use, as Mato suggests, not all industries qualify as cultural industries, as Miller points out.

The term "creative industries" was first introduced in the "Creative Industries" strategy by the UK's Department of Culture, Media and Sport in 1997. This designation was intended to

encompass a broader range of activities, including modern technological innovations. In contrast, cultural industries are composed of more specific sectors.

Economic importance of cultural industries

Creative industries represent the convergence of art, business, and technology, integrating economic, social, cultural, political, and technological processes. The primary distinguishing feature of these fields is their reliance on human creativity, an inexhaustible resource. Various stakeholders, including governments and private entities, show keen interest in advancing this sector. Recently, there has been a notable emphasis on the development of cultural industries by states. These cultural domains are flourishing in both the public and private sectors.

Moreover, not only developed nations but also developing countries are increasingly focusing on the growth of this field. UNESCO, in particular, provides significant support to developing countries in enhancing their cultural sectors. The focus is especially pronounced in African countries, where the development of cultural industries is deemed crucial. The preservation and transmission of these nations' unique cultural heritage to future generations is a central goal. This priority is underscored by the 2005 report from the United Kingdom's Commission for Africa, which highlighted that "a lack of attention to culture in policy-making will undermine many of the collective survival mechanisms that are part of African cultures" [9].

GDP indicators of cultural areas in Azerbaijan

The activities of various cultural fields in the country have already been touched upon in several parts of the scientific work and evaluated based on available statistical data and figures obtained from various sources. The main negative aspect of the research is, of course, the unavailability of statistical data. When determining the impact of cultural fields on the economy, as we mentioned above, it can be determined by its impact on GDP as the main factor.

The main source we can refer to in determining the impact of cultural areas on GDP in our country is the System of National Accounts compiled by the State Statistics Committee. However, the cultural sectors are not mentioned separately and the arts and entertainment sectors are counted together. Let's take a look at the following Chart 1 of the share of art and entertainment sectors in the gross domestic product production in the National Accounts of Azerbaijan 2023 edition.

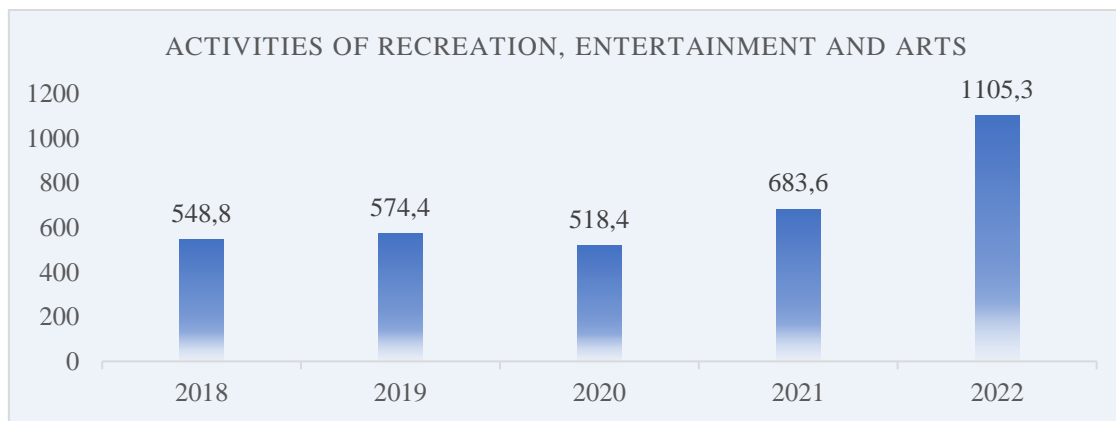


Figure 1 – Indicator of the share of activities in the field of recreation, entertainment, and art in GDP, at current prices, in million manats

Note: compiled from the source [7]

As can be seen from the graph, the share of recreation, entertainment, and art activities in GDP increased and decreased in approximately the same intervals in 2018-2021, but a significant increase was observed in 2022. The lowest indicator of the activity areas occurred in 2020, which can be associated with the COVID-19 pandemic. In addition, it should be noted that despite the continuation of the pandemic in 2021, the indicator in these areas of activity was 19.1% higher than the indicator before the pandemic. The indicator in 2022 was 61.7% of the previous indicator

and more than twice the indicator of 2018. In addition, I would like to note that in 2022, the GDP indicator for the activities of the activity areas was 123960.4 million manats. It is clear from here that the share of recreation, entertainment, and leisure areas here was 0.9%.

The ratio of the specific weight of the added value created by entertainment, recreation, and arts in the GDP in percentage is given in *Graph 2* below.

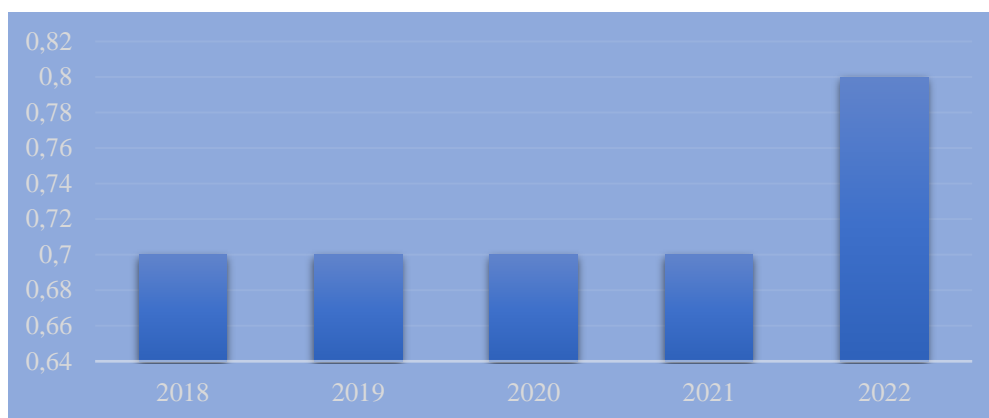


Figure 2 – The share of added value created by recreation, entertainment, and arts in GDP, at current prices of the respective years, in percentage

Note: compiled from the source [7]

As can already be seen from the table, the specific weight of the added value created by the entertainment, recreation, and art areas, which includes the cultural areas, in the GDP increased by 0.1% to 0.8% only in 2022 within 5 years. In other years, it was stable at 0.7%.

As we know, cultural fields contribute to the economy by creating added value in addition to direct value. The added value created by these areas is mainly felt either through the impact on other cultural areas or in other leisure and entertainment sectors. However, this is not only limited to the two areas we have mentioned but also has implications for trade, innovation, etc. In the territory of Azerbaijan, we can see the main added value created by cultural areas in the impact on public catering, trade, other entertainment, and recreation areas. To determine the share of the added value created by the cultural sectors in the economy of our country, we need to look at the indicators of the leisure, entertainment, and art sections in the section of the structure of the added value by types of economic activities in the National Accounts. It should be noted that since there is no separate section for cultural fields in our country, I tried to determine their information only from this structural section. In *Chart 3*, let's look at the share of added value of entertainment, recreation, and arts in our country.

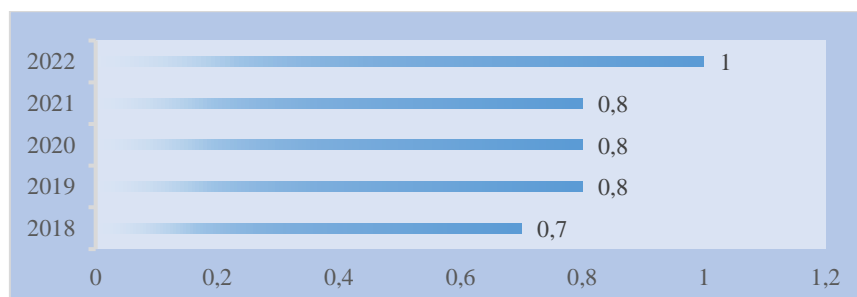


Figure 3 – Share of leisure, entertainment, and arts in added value, at current prices of the respective years, as a percentage of the total

Note: compiled from the source [7]

According to the chart, it can be said that the added value created by the mentioned fields continued in the same intervals between 2018 and 2022, and only in 2022 did it increase slightly and reach 1%. In 2019-2021, the volume was the same, 0.8%. It is gratifying that the share of leisure, entertainment, and arts sectors in the volume of added value has moved at least partially at a growth rate. The leading sector in the country's added value is always the mining sector, which in the last year of 2022 was 48.6%.

Based on the data reflected in the above graphs, it can be said that some reforms carried out in the fields of culture in the last 3 years in our country have led to slight increases. In particular, 2022 was chosen for the development of these areas, and growth was observed in all 3 indicators in that year. However, this increase, being slight, does not mean that cultural fields are fully developed. In our country, there is still a serious need to take new steps and expand reforms in these areas.

Employment in cultural fields

As mentioned above, one of the main indicators in the direction of assessing the impact of cultural areas on the economy is related to the provision of employment. Since there are no separate statistical data on cultural fields, as in every point in our country, we will have to look at the statistical data on the types of leisure, entertainment, and art activities in the statistics shared by the State Statistics Committee in the direction of the employment of the population. In Table 1 below, let's look at the number of workers in the fields of entertainment, recreation, and arts and their ratio to the total number of employed population in the indicated years.

Table 1 – The number of salaried workers in the fields of recreation, entertainment, and art, thousand persons, and the ratio of the population employed in these fields to the total employed population, in percentage

	2018	2019	2020	2021	2022
Number of employed population (thousands of people)	54.7	55.1	54.5	54.2	54.1
Percentage indicator	1.6	1.4	1.3	1.3	1.3

Note: compiled from the source [8]

From this, it is known that the peak employment of the population in the fields of culture within five years coincides with 2019 with 55.1 thousand people. So, the indicator of that year was 0.74% more than the figure of the previous year. However, in the following period, a decrease in the number of wage workers working in these fields was observed. The number of 54.1 thousand employees in 2022 was 1.9% lower than in 2019. It should be noted that in 2022, the number of employed population in the general economy was 1738.7 thousand people.

A decrease in the proportion of the total working population was also observed. Although there was an increase in the number of people working in these fields in 2019, the percentage rate, on the contrary, decreased. The reason for this can be seen in the growth of the population working in other fields. Both the number and the percentage observed after 2020 are inevitable for the areas of recreation, entertainment, and art most affected by the pandemic.

As for the nominal salary of the persons working in the mentioned fields, an increase was observed here. Let's look at *Chart 4* to see these indicators.

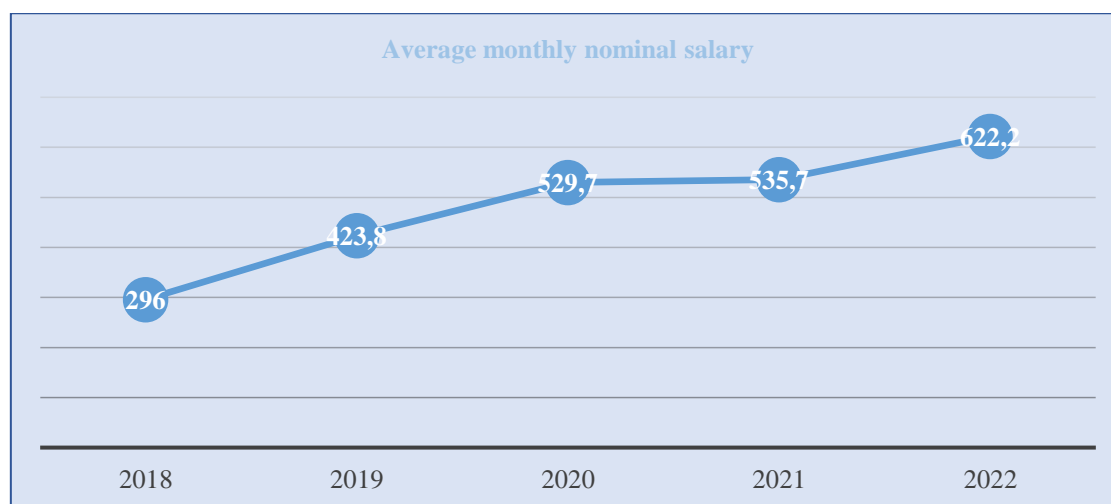


Figure 4 – Average monthly nominal salary in the fields of recreation, entertainment, and art, in manats

Note: compiled from the source [8]

When we observe the data, we can see that there is a consistent increase in the average monthly nominal wage over the years. This indicates a positive trend in the salaries of the sector.

To understand the pace of wage increases in the sector, we can calculate year-over-year growth rates. By calculating the annual growth rate (Yearly) = [(Current year's salary - Previous year's salary) / Previous year's salary] * 100, the following conclusion can be reached:

- 2018-2019 - 43.24% increase;
- 2019-2020 - 24.99% increase;
- 2020-2021 - 1.13% increase;
- 2021-2022 – 16.14% increase.

The highest growth rate occurred between 2018 and 2019, indicating that the average salary increased significantly during that period. In the following years, the growth rate decreased but remained positive, which indicates a steady, albeit modest, increase in wages. The overall trend shows a positive outlook for wages in the recreation, entertainment, and arts sector in Azerbaijan, reflecting potential growth and prosperity.

Expenditures of the population on cultural areas

As mentioned above, one of the factors determining the economic impact of cultural areas is the population's cultural expenses. This factor is important both in determining the level of economic profitability of cultural areas and in determining the population's interest in cultural areas. In Azerbaijan, the population's expenses in this field have always been selected with a low indicator. As in other developing countries, the main part of the population's expenses in our country is spent on basic consumer goods, especially food products, which is more than 40%. In 2022, the population's spending on food products was 44.1%, while spending on recreation and culture was only 3.9%. This was higher than only education expenses (1.6%), tobacco products (1.7%), and communication expenses (3.4%). It should be noted that there was no significant difference between the share of spending on recreation and culture in urban and rural areas. Thus, in urban areas, these expenses made up 4% of the total expenses, and in rural areas, 3.7%. The reason for this can be seen in several factors. The first is that the population is less interested in cultural areas. The second and other main reason is the low income of the population. The fact that the majority of the population's expenses are directed to food products indicates their low income and low purchasing power. This factor is more pronounced in the regions. The low income of the population causes them to relegate leisure and cultural expenses to the second plan. One of the other reasons is that cultural fields do not act as basic demand products or services. It is clear that

each person can use concerts, museums or other cultural services once or twice a month. This, of course, causes the population's expenses in this direction to be less than in other areas.

Especially in recent times, the increase in the population's access to the Internet has made it possible for them to increase their access to some such cultural products and sometimes they can buy these services for free. In our country, music, sometimes online viewing of performances in theaters, etc. factors enable the population to use such services on the spot and cheaper and even free of charge. Considering that according to the information of the State Statistics Committee, according to the indicators of 2022, 87.8% of the total population, 91.6% of the urban population, and 83.8% of the rural population have access to the Internet, which helps them to obtain many cultural products [8].

In determining the share of culture and recreation costs in consumption costs, it is useful to look at indicators for economic regions. It helps to determine the expenditure on culture in different regions and to determine the attitude of the population towards cultural areas and recreation in those areas. In *Table 2*, let's take a look at the population's spending on recreation and culture in the statistics shared by the State Statistic Committee in the direction of the population's expenses for 2022.

Table 2 – In 2022, the population's spending on culture and recreation by economic regions, in manats per person, and the place of these areas in the total spending, in percentage

Economic regions	Cultural and recreational expenses of the population, in manats	The place in the composition of total consumption expenses, in percentage
Baku city	14.1	4.0
Nakhchivam MR	23.0	6.7
Absheron-Khizi	15.3	4.4
Mountainous Shirvan	15.9	4.6
Ganja-Dashkasan	15.0	4.3
Karabakh	12.2	3.9
Kazakh-Tovuz	9.0	2.9
Guba-Khachmaz	11.9	3.5
Lankaran-Astara	8.7	3.0
Central Aran	14.8	4.5
Mil-Mugan	9.1	3.1
Sheki-Zagatala	9.9	3.2
Eastern Zangezur	11.1	3.2
Shirvan-Salyan	10.7	3.5
Note: compiled from the source [8]		

Based on the table, it can be determined that the cultural and recreational expenses of the population are higher in large cities and areas with more cultural and recreational centers. These are related to many factors, which we can define as follows:

To analyze the data using an economic model, let's consider the factors that affect spending on culture and recreation in each economic region:

- *Income Levels*: Regions with higher income levels tend to spend more on cultural and recreational activities. This may explain why Nakhchivan MR has the highest per capita costs;
- *Urbanization and Population Density*: Urban areas such as Baku typically have more cultural and recreational facilities, leading to higher costs than rural areas;
- *Tourism and Attractions*: Regions with important tourist attractions or cultural heritage can lead to higher spending by both locals and tourists;
- *Government Policies and Investments*: Government initiatives that promote investment in cultural activities or recreational facilities can influence spending patterns.

When determining culture and leisure expenses, it is useful to consider the diversity of expenses of different genders, children, and non-child populations. This allows us to determine the actions of different segments of the population in the formation of cultural and leisure expenses. Let's take a look at Chart 5, which was prepared based on the information provided by the State Statistics Committee in order to determine the expenses incurred by the population on culture and recreation according to their gender and the presence of children in the family.

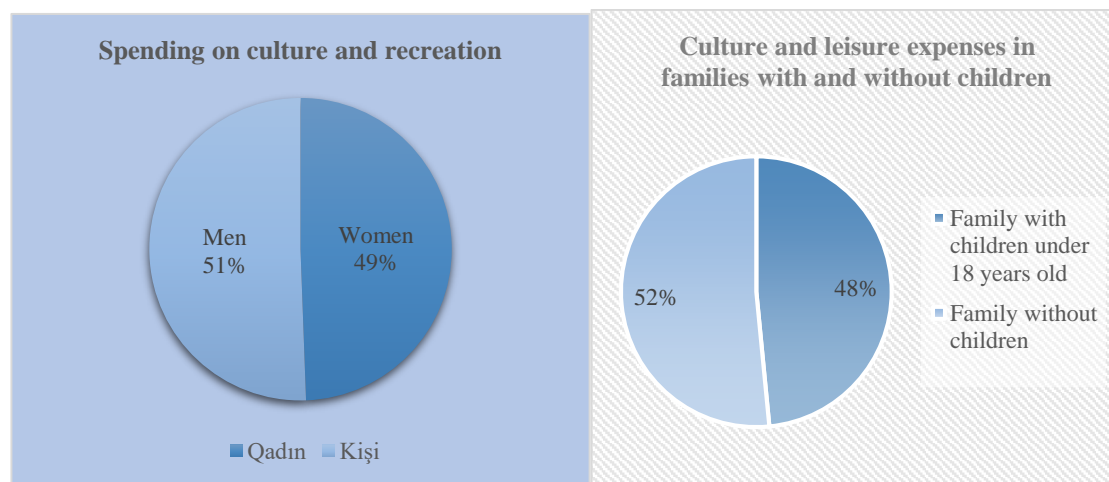


Figure 5 – Costs of culture and recreation in AR by the gender of the head of the family and in households with and without children under 18, per person per month, in manat, 2022

Note: Compiled from the source [8]

We can evaluate the results of the graphs as follows:

1. *Gender Differences in Spending:* Data shows that men spend slightly more money on culture and entertainment than women, men spend 13 manats per person per month, and women 12.7 manats. This can be attributed to various factors such as differences in preferences, income levels or social norms regarding spending behavior.

2. *Household Composition and Expenditures:* The data also show differences in expenditures based on household composition. Families with children under the age of 18 spend slightly less money on culture and entertainment, which is 12.6 manats per person per month on average, while families without children spend 13.4 manats per person per month. This difference may be due to financial obligations associated with raising children, which may limit discretionary spending on cultural activities.

3. *Income and budget allocation:* These expenditure patterns reflect how households allocate their budgets across different expenditure categories. While culture and entertainment are important aspects of household spending, they compete with other important expenses such as food, housing and education. Observed differences in spending based on gender and household composition may be influenced by income levels and household priorities.

4. *Policy Implications:* Policymakers can use this information to better understand consumer behavior and preferences regarding cultural and entertainment spending. For example, initiatives aimed at promoting cultural activities or subsidizing cultural events should take into account different spending patterns among different demographic groups.

Overall, analysis of this data using economic methods provides insights into consumer behavior and household spending patterns that can inform a variety of economic policies and strategies aimed at promoting cultural participation and improving overall well-being.

Result and its discussion.

The development of cultural fields is one of the main issues faced by many countries around the world. Achieving the rise of cultural fields is especially a priority in developing countries. As I have already mentioned in the article, even highly developed countries in cultural fields have taken serious steps to form their cultural policies. Currently, among the countries with the highest development in cultural fields, we can mention the USA, the UK, France, Spain, Italy, South Korea, Turkey, and India. Recently, the Southeast Asia region has also taken serious steps in this direction and has achieved significant progress, especially in the development of the film and series industry.

When it comes to our country, as in other developing states, there are serious problems in the cultural fields in Azerbaijan. Particularly, when we look at each cultural field separately, it becomes clear that there are differences in the level of development among them. Additionally, we can see that the main fields chosen by the population, in terms of popularity, are primarily entertainment-oriented areas, including mainly concert venues and cinemas. Moreover, the results of a survey clearly show that national parks are the main places where the population spends their leisure time. This indicates that people prefer places where they can have fun and relax among cultural objects. Another reason for this is the low level of cultural leisure habits among the population. Furthermore, quality problems in the cultural fields have alienated the population from these areas, with libraries and theaters being the most notable in this regard.

Visual arts, including fields such as fashion, painting, and sculpture, attract less attention. Particularly, it can be said that the concept of the fashion industry in Azerbaijan has not been able to go beyond the level of small ateliers. Although Azerbaijan Fashion Week is held in the capital in recent years, the brands represented here often fall short of world standards in terms of quality and design.

Evaluating the activities of cultural fields reveals many problems, the main one being the inability to obtain necessary statistical data. Unfortunately, in Azerbaijan, not only are cultural fields not addressed separately in statistics, but there are no overall statistics on them, and entertainment, recreation, and arts fields are mainly presented together. This naturally hinders the correct calculations in cultural fields.

According to the existing statistical data, the share of recreation, entertainment, and arts fields in GDP was 1105.3 million manats in 2022, which is 61.7% more than the 683.6 million manats in 2021. The added value created by these fields rose to 1% for the first time in that year. However, since 2020, there has been a decline in the number of employees working in recreation, entertainment, and arts fields, which can be attributed to the global pandemic in 2020. The average monthly salary of employees in these fields was 622.2 manats in 2022, which is 16.4% higher than the previous year's figure. Overall, the salary has developed at an increasing pace.

Conclusion.

In general, the problems existing in the activities of cultural fields in Azerbaijan can be grouped as follows:

1. *Lack of a sufficiently developed cultural policy by the state* – no general cultural policy has been adopted for the development of cultural fields in our country, and decrees and decisions are made for the development of individual fields, which hinders the overall concept-based development of cultural fields.
2. *Activities in cultural fields are mainly carried out without registration and develop against the backdrop of the shadow economy* – it is well known that many individuals engaged in cultural activities in Azerbaijan are not registered as physical persons or in any other form, and mainly operate individually without paying taxes. This hinders the correct statistics in these fields and negatively affects determining the economic impact of cultural fields.

3. *Lack of statistics on cultural fields* – as repeatedly emphasized in the scientific work, statistical data on cultural fields in the Republic of Azerbaijan are not kept separately, creating obstacles in evaluating their activities.

4. *Financial problems* – the financing of cultural fields mainly from the state budget or personal budgets of individuals leads to financial problems. Considering that these fields are not sufficiently profitable, there is a need to create new financial sources.

5. *Quality problems* – quality issues in cultural services and products in the country have led to a decline in public interest in these areas.

6. *Low demand for cultural fields* – low demand for cultural fields due to quality, attractiveness, and low public interest hinders their development and reduces their revenue from sales, one of their main financial sources.

7. *Low incomes of the population* – low incomes of the population, especially in the regions, lead to lower spending on additional products and services, meaning people have to reduce their cultural leisure expenses while maintaining their expenses on essential products.

To develop cultural fields in the country, it is beneficial to take several steps. The initial step here is to form the country's cultural policy based on international experience. Overall, the steps that can be taken for the development of cultural fields can be systematized as follows:

I. *Forming a cultural policy* – forming a cultural policy based on international experience covering all fields of culture with development prospects in our country could determine their future development directions and condition serious steps to be taken in this direction. II. Preventing the development of cultural fields against the backdrop of the shadow economy – by registering individuals engaged in cultural activities and earning income from them as physical persons, it is possible to increase the country's budget revenues and ensure the census of individuals engaged in various fields of culture. III. Joint activities of the Ministry of Culture, the State Statistics Committee, and the State Tax Service on a mutual basis in preparing accurate statistical data in these fields – there is a need for the mutual cooperation of these three institutions to obtain more precise statistical data on cultural fields and determine the value they add to the economy. IV. Conducting research on individual cultural fields and preparing strategic roadmaps for their development – specialists in cultural fields need to conduct research on their level of development, history, potential contributions to the economy, management methods, and financing conditions in our country to create their development concepts. V. Raising the level of education in cultural fields – currently, there are 3 higher education institutions providing education in cultural fields, where teaching is more effective in music and theater fields, but the level of teaching in other fields and many areas related to the development of cultural fields is either very low or non-existent. Therefore, there is a need to implement new teaching methods and create new specialties in educational institutions. VI. Transferring educational institutions in cultural fields from the Ministry of Education and Science to the Ministry of Culture – currently, one of the universities providing education in these fields, the Azerbaijan State University of Culture and Arts, operates under the Ministry of Education and Science. Transferring this university to the Ministry of Culture could align education in cultural fields with the demands in our country, ensure the interests of the Ministry of Culture, and positively impact the strengthening of management here. VII. Joint activities of the state and private sector in finding new financial sources for cultural fields – currently, the financing of cultural fields in our country mainly falls on the state budget. This increases the country's budget expenses and leads to the dependence of cultural fields on the state. To prevent this, it is beneficial to attract the private sector's attention to cultural institutions. VIII. Applying tax incentives and other benefits to the private sector by the state in expanding financial sources – for this, the government could propose tax incentives and other benefits to private sector representatives. IX. Continuous promotion measures to increase public interest in cultural fields – this could include instilling cultural fields from childhood, organizing various free events to create interest among adults, arranging discounts, and more. X. Increasing the

involvement of the population in cultural events and implementing cultural city concepts in liberated territories.

Overall, the historical roots of Azerbaijani culture and cultural fields offer broad priorities for their development. Our main task is to achieve more productive results by making more effective use of these priorities. For this, the joint activities of the state, relevant institutions, entrepreneurs, cultural institutions, and the population are needed. It should be remembered that cultural fields are among the areas that give a significant boost to the country's economy by contributing to education, affecting unemployment, and creating added value alongside cultural development. Additionally, the development of these fields can play an exceptional role in promoting the idea of Azerbaijani identity on the world stage.

REFERENCES

- 1 Christiaan D.B, Kim-Marie S., (2019) Global cultural economy, London and New York. 3 p.
- 2 Culture concept of the Republic of Azerbaijan, Quadrennial Periodic Report 2022, 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expression, UNESCO. (2022) media.unesco.org. P. 4-5 Available at: — URL: https://media.unesco.org/sites/default/files/webform/dce002/QPR_2022_AZ_7afcce89-10de-4cdd-958d-6ca1b5bbf32a_3.pdf (accessed: 03.06.2024)
- 3 Douglas Kellner, The Frankfurt School, 2 p. Available at: — URL: <https://pages.gseis.ucla.edu/faculty/kellner/essays/frankfurtschool.pdf> (accessed: 18.02.2022)
- 4 Jonathan G., The birth of the creative industries, (2020) London. 2 p. Available at: — URL: <https://www.kcl.ac.uk/cmci/research/the-birth-of-the-creative-industries-revisited> (accessed: 23.04.2022)
- 5 Edited by Kate O., Justin O., The Routledge companion to the cultural industries, (2015) London and New York, 5 p. Available at: — URL: [file:///C:/Users/User/Downloads/9781315725437_googlepreview%20\(1\).pdf](file:///C:/Users/User/Downloads/9781315725437_googlepreview%20(1).pdf) (accessed: 14.07.2022)
- 6 Hendrik V.D.P, Key role of cultural and creative industries in the economy, academia.edu, P. 1-2 Available at: — URL: https://www.academia.edu/21069972/Key_role_of_cultural_and_creative_industries_in_the_economy (accessed: 16.05.2022)
- 7 National Accounts of Azerbaijan. Baku. (2023). P. 54- 58
- 8 State Statistics Committee of Azerbaijan (SSCA) Available at: — URL: <https://www.stat.gov.az/> (accessed: 27.05.2024)
- 9 UNESCO, Measuring the economic contribution of cultural industries, A review and assessment of current methodological approaches, 2009 Framework for cultural statistics Handbook № 1. (2012) uis.unesco.org, 37 p. Available at: — URL: http://uis.unesco.org/sites/default/files/documents/measuring-the-economic-contribution-of-cultural-industries-a-review-and-assessment-of-current-methodological-approaches-en_1.pdf (accessed: 25.08.2022)
- 10 What do we mean by Cultural and Creative Industries?, en.unesco.org Available at: — URL: <https://en.unesco.org/creativity/sites/creativity/files/digitallibrary/What%20Do%20We%20Mean%20by%20CCI.PDF> (accessed: 25.08.2022)

ӘЗІРБАЙЖАНДАҒЫ МӘДЕНИЕТ САЛАЛАРЫНЫҢ ЭКОНОМИКАЛЫҚ АСПЕКТІЛЕРІ

Аңдатпа.

Мәдениет салалары қоғамның әлеуметтік, экономикалық және мәдени жетістіктерінің себебі болып табылатындықтан, әр ел мәдениет салаларын дамытуға ерекше көңіл бөлуі керек. Сол себептен мәдениет саласы елдің мәдениет деңгейін көтерумен қатар экономикалық белсенділікке әсер ететін өндірістік салалардың бірі болып табылады. Мәдениет өндірісі мен мәдениет салалары жұмыссыздықты азайтумен қатар, тікелей және қосалқы құндылықтарды жасау арқылы экономикалық дамудың қозғаушы күші ретінде әрекет етеді. Сонымен қатар, мәдениет салалары елдің саяси идеологиясын жүзеге асыру барысында қуатты құралдардың бірі ретінде әрекет етеді.

Бұрын атап өткендей, мәдени салалардың маңыздылығын мойындау тәуелсіздігін соңғы 34 жыл ішінде ғана алған Әзірбайжан сияқты жас мемлекеттер үшін аса маңызды. Осы уақыт ішінде Әзірбайжан әртүрлі салаларда елеулі жетістіктерге жетті. Ұлттық және моральдық құндылықтарды болашақ ұрпаққа сақтап, жеткізуден бөлек, мәдени салалар экономиканы әртараптандыруға, жұмыссыздықты азайтуға және саяси ықпалды күшейтуге ықпал ете алады. Осы факторлар мені Әзірбайжандағы мәдени салалардың рөлі мен дамуын зерттеуге ынталандырды.

Осының барлығын ескере отырып, алғаш рет Әзірбайжандағы мәдениет өндірісінің экономикалық аспектілерін зерттеуді жөн көрдік. Мақалада статистикалық және басқа да деректер бар. Зерттеу бойынша Әзірбайжанда ел тәуелсіздік алғаннан бері мәдениет салаларында даму толқынының болғанын және соңғы жылдары белгілі бір өзгерістердің байқалғанын қорытындылауға болады. Дегенмен мәдениет өндірісінің даму дәрежесі халықаралық өндірістік дамудан артта калуда және оған саладағы орын алған бірнеше мәселелер себепші болып табылады.

Негізгі сөздер: мәдениет, өндіріс, Әзірбайжан, экономика, экономикалық аспект.

ЭКОНОМИЧЕСКИЕ АСПЕКТЫ ИНДУСТРИИ КУЛЬТУРЫ В АЗЕРБАЙДЖАНЕ

Аннотация.

Сферы культуры являются причиной социальных и экономических, а также культурных последствий, что налагает на каждую страну обязанность уделять особое внимание развитию сфер культуры. Таким образом, индустрия культуры является одной из промышленных областей, которые влияют на экономическую деятельность, повышая культурный уровень в стране. Индустрия культуры и сферы культуры действуют как движущая сила в экономическом развитии, устраняя безработицу и создавая прямую и косвенную ценность. К тому же сферы культуры действуют как одно из сильных средств для реализации политической идеологии страны.

Как уже отмечалось, признание значимости культурных секторов особенно важно для недавно обретших независимость стран, таких как Азербайджан, который, несмотря на свою независимость всего 34 года, уже достиг значительных успехов в различных сферах. Помимо сохранения и передачи национальных и моральных ценностей будущим поколениям, культурные сектора обладают потенциалом для содействия диверсификации экономики, снижению безработицы и укреплению политического влияния. Эти факторы побудили меня исследовать роль и развитие культурных секторов в Азербайджане.

Принимая все это во внимание, решено впервые исследовать экономические аспекты индустрии культуры в Азербайджане. В статье имеются статистические данные. Сделанные выводы заключаются в том, что сферы культуры в Азербайджане претерпели волну развития с момента обретения страной независимости, и в последние годы наблюдаются определенные сдвиги. Тем не менее развитие индустрии культуры уступает индустриальному развитию на международном уровне, на что оказывают влияние различные проблемы.

Ключевые слова: культура, индустрия, Азербайджан, экономика, экономический аспект.

REFERENCES

- 1 Christiaan D.B, Kim-Marie S., (2019) Global cultural economy, London and New York. 3 p. [in English]
- 2 Culture concept of the Republic of Azerbaijan, Quadrennial Periodic Report (2022). 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expression, UNESCO, (2022), media.unesco.org. P. 4-5. Available at: — URL: https://media.unesco.org/sites/default/files/webform/dce002/QPR_2022_AZ_7afcce89-10de-4cdd-958d-6ca1b5bbf32a_3.pdf [in English] (accessed: 03.06.2024)
- 3 Douglas K., The Frankfurt School. 2 p. Available at: — URL: <https://pages.gseis.ucla.edu/faculty/kellner/essays/frankfurtschool.pdf> [in English] (accessed: 18.02.2022)
- 4 Jonathan G., The birth of the creative industries, (2020). London, Available at: — URL: <https://www.kcl.ac.uk/cmci/research/the-birth-of-the-creative-industries-revisited> [in English] (accessed: 23.04.2022)
- 5 Edited by Kate O., Justin O., (2015). The Routledge companion to the cultural industries, London and New York. 5 p. Available at: — URL: [file:///C:/Users/User/Downloads/9781315725437_googlepreview%20\(1\).pdf](file:///C:/Users/User/Downloads/9781315725437_googlepreview%20(1).pdf) [in English] (accessed: 14.07.2022)
- 6 Hendrik V.D.P, Key role of cultural and creative industries in the economy, academia.edu, P. 1-2 Available at: — URL: https://www.academia.edu/21069972/Key_role_of_cultural_and_creative_industries_in_the_economy [in English] (accessed: 16.05.2022)
- 7 National Accounts of Azerbaijan, Baku. (2023) P. 54 - 58 [in English]
- 8 State Statistics Committee of Azerbaijan (SSCA) Available at: — URL: <https://www.stat.gov.az/> [in English] (accessed: 27.05.2024)
- 9 UNESCO, Measuring the economic contribution of cultural industries, A review and assessment of current methodological approaches, 2009 Framework for cultural statistics Handbook №1. (2012) uis.unesco.org, 7 p. Available at: — URL: http://uis.unesco.org/sites/default/files/documents/measuring-the-economic-contribution-of-cultural-industries-a-review-and-assessment-of-current-methodological-approaches-en_1.pdf [in English] (accessed: 25.08.2022)

10 What do we mean by Cultural and Creative Industries?, en.unesco.org – Available at: — URL: <https://en.unesco.org/creativity/sites/creativity/files/digital-library/What%20Do%20We%20Mean%20by%20CCI.PDF> [in English] (accessed: 25.08.2022)

Information about authors:

Jamaladdin Mammadov – **corresponding author**, candidate of economic sciences, “Inclusive Social development” department, Institute of Economics of the Ministry of Science and Education of the Republic of Azerbaijan, Baku, Republic of Azerbaijan

E-mail: jamal.mammadov23@gmail.com

ORCID: <https://orcid.org/0009-0005-2896-5036>

Parviz Hasanov – PhD, docent, Head of economy of service sphere department, Institute of Economics of the Ministry of Science and Education of the Republic of Azerbaijan, Baku, Republic of Azerbaijan

E-mail: parviz.hasanov@yahoo.com

ORCID: <https://orcid.org/0009-0002-0428-850X>

Информация об авторах:

Джамаладдин Мамедов – **основной автор**, кандидат экономических наук, кафедры «Инклюзивное социальное развитие», Институт экономики Министерства науки и образования Азербайджанской Республики, Баку, Республика Азербайджан

E-mail: jamal.mammadov23@gmail.com

ORCID: <https://orcid.org/0009-0005-2896-5036>

Парвиз Гасанов – PhD, доцент, Заведующий отделом экономики сферы услуг Института экономики Министерства науки и образования Азербайджанской Республики, Баку, Республика Азербайджан

E-mail: parviz.hasanov@yahoo.com

ORCID: <https://orcid.org/0009-0002-0428-850X>

Авторлар туралы ақпарат:

Жамаладдин Мамедов – **негізгі автор**, экономика ғылымдарының кандидаты, «Инклюзивті әлеуметтік даму» кафедрасы, Әзірбайжан Республикасы Білім және ғылым министрлігінің Экономика институты, Баку, Азербайджан Республикасы

E-mail: jamal.mammadov23@gmail.com

ORCID: <https://orcid.org/0009-0005-2896-5036>

Парвиз Гасанов – PhD, доцент, Әзірбайжан Республикасы Білім және ғылым министрлігінің Экономика институтының Қызмет көрсету саласы экономикасы бөлімінің меңгерушісі, Баку, Азербайджан Республикасы

E-mail: parviz.hasanov@yahoo.com

ORCID: <https://orcid.org/0009-0002-0428-850X>