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Innovation and Institutional Determinants of the Competitive Position of Ukraine's Creative Industries: An Index-Based Assessment

Abstract

The purpose of the paper is to assess the innovation and institutional determinants shaping the competitive position of Ukraine's creative industries in the global creative economy. The study focuses on identifying the key strengths and constraints of the innovation and institutional environment influencing their development and competitiveness. *Methodology.* The study applies an index-based approach using the Global Innovation Index (GII) and the International Property Rights Index (IPRI). The empirical analysis covers selected years during 2010–2025 and examines changes in Ukraine's ranking positions and selected index components related to the development of creative industries. The results of the index-based assessment are systematized through a SWOT analysis to identify the main strengths, weaknesses, opportunities, and threats affecting the competitive position of Ukraine's creative industries in the global environment. *Results.* The analysis reveals a persistent asymmetry between Ukraine's innovation inputs and innovation outputs, with stronger positions generally observed in innovation outputs. Relatively favorable positions are identified in knowledge creation, information and communication technologies, and selected components of creative outputs. At the same time, weaknesses in the institutional environment, human-capital development, innovation linkages, and intellectual property protection constrain the realization of Ukraine's creative and innovation potential. The findings indicate a gap between the country's capacity to generate knowledge and creative outputs and its institutional capacity to protect, commercialize, and capitalize intellectual assets, thereby constraining the competitive position of Ukraine's creative industries in the global creative economy. *Practical implications.* Strengthening the competitive position of Ukraine's creative industries requires improving the institutional environment, intellectual property protection, human-capital development, and innovation linkages. Addressing these constraints can facilitate the transformation of existing creative and innovation potential into sustainable economic value and strengthen the position of Ukraine's creative industries in global markets. *Value / originality.* The combined application of innovation and property rights indices provides a multidimensional perspective on the determinants shaping the competitive position of Ukraine's creative industries and reveals the structural gap between creative potential and the institutional capacity for its economic realization.

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1 Introduction

In the context of the transition toward a knowledge-based economy, creative industries have become an increasingly important driver of economic growth, innovation, and international competitiveness. Unlike traditional sectors, their development is primarily based on creativity, intellectual capital, and the ability

to generate value through the commercialization of ideas, cultural content, and intangible assets. Consequently, creative industries have attracted growing attention from policymakers, researchers, and international organizations as a strategic component of sustainable economic development.

The concept of creative industries emerged in the 1990s and became widely recognized through policy

initiatives implemented in the United Kingdom. A significant milestone was the establishment of the Creative Industries Task Force by the newly elected Labour government in 1997, aimed at identifying and assessing the contribution of creative activities to the national economy. The results of this initiative were reflected in the Creative Industries Mapping Document 1998, which provided one of the first official definitions of creative industries as activities originating from individual creativity, skill, and talent and having the potential to generate wealth and employment through the creation and exploitation of intellectual property rights (Department for Digital, Culture, Media & Sport, 1998).

The contemporary understanding of creative industries has evolved beyond purely cultural and artistic activities. According to UNCTAD, creative industries encompass the cycles of creation, production, distribution, and exchange of goods and services that rely on creativity and intellectual capital as their primary inputs (UNCTAD, 2022). They combine economic and cultural dimensions, generating value through knowledge-based activities, international trade, and the commercialization of intellectual property. In turn, Howkins emphasizes that creativity has become a strategic economic resource capable of generating income, employment, and long-term competitive advantages in the modern economy (Howkins, 2013).

According to Svyshchuk, creative industries should be understood as a set of economic sectors in which creativity, innovation, and uniqueness serve as the primary sources of economic value creation (Svyshchuk, 2025). Their products and services possess aesthetic, cultural, or intellectual significance and are developed and commercialized by individuals, groups, or organizations to promote sustainable economic development, strengthen creative capital, and enhance the creative potential of society.

Despite the growing importance of creative industries in the global economy, identifying the determinants of their competitive position remains a complex methodological challenge. Traditional economic indicators do not fully capture the innovation and institutional conditions that influence the generation, protection, commercialization, and capitalization of creative outputs. Therefore, an index-based approach provides an opportunity to assess these determinants and identify the key strengths and constraints shaping the competitive position of creative industries.

The purpose of this study is to assess the innovation and institutional determinants shaping the competitive position of Ukraine's creative industries. To achieve this objective, the study analyzes the dynamics of Ukraine's performance in the Global Innovation Index (GII) and the International Property Rights Index (IPRI), which reflect the innovation capacity and institutional conditions relevant to

the development and competitiveness of creative industries (WIPO, 2025; Statbase, 2025). Based on the results obtained, a SWOT analysis is conducted to systematize the identified strengths and weaknesses and to determine the opportunities and threats affecting the future development and competitive position of Ukraine's creative industries.

2 Methodological Framework for Assessing Innovation and Institutional Determinants

Assessing the determinants of the competitive position of creative industries requires a comprehensive methodological approach that takes into account not only economic performance but also the broader institutional and innovation environment in which creative activities develop. Since creative industries are primarily based on intellectual capital, creativity, innovation, and the commercialization of intangible assets, traditional indicators of economic performance are insufficient to capture the factors shaping their competitive position.

In this study, an index-based approach is applied to assess the innovation and institutional determinants of the competitive position of Ukraine's creative industries. The use of international composite indices makes it possible to analyze the conditions that influence the generation, development, protection, and commercialization of creative products and services, as well as to identify structural strengths and constraints affecting the competitiveness of creative industries.

The methodological framework is based on two internationally recognized indices: the Global Innovation Index (GII) and the International Property Rights Index (IPRI). The Global Innovation Index evaluates countries' innovation ecosystems and reflects their capacity to generate, develop, and commercialize innovative products and services through institutional quality, human capital, infrastructure, market development, business sophistication, knowledge creation, and creative outputs (WIPO, 2025). Given the close relationship between innovation and creativity, the GII provides a basis for assessing the innovation-related determinants relevant to the competitive position of creative industries. The International Property Rights Index is used to assess institutional conditions related to the protection of intellectual property and other property rights (Statbase, 2025). Since intellectual property constitutes one of the key assets of creative industries, the effectiveness of its protection directly influences the commercialization and capitalization of creative products, investment attractiveness, and long-term competitiveness. The empirical analysis is based on the dynamics of Ukraine's positions in the selected indices during 2010–2025. The study focuses on changes in ranking positions and on structural components of the indices that are particularly relevant to creative industries.

Given changes in the methodology and country coverage of the indices over the analyzed period, ranking dynamics are interpreted primarily as changes in Ukraine's relative position rather than as direct measures of absolute improvement or deterioration. To complement the index-based assessment, a SWOT analysis is employed to systematize the identified strengths and weaknesses and to determine the major opportunities and threats affecting the future development and competitive position of Ukraine's creative industries.

The selection of these indices is determined by the specific characteristics of creative industries and the multidimensional nature of their competitiveness. Unlike traditional sectors, the competitiveness of creative industries depends not only on economic performance but also on the ability to generate knowledge, transform creativity into marketable products and services, and ensure the effective protection of intellectual assets. The Global Innovation Index captures innovation-related determinants, including human capital, knowledge creation, digital infrastructure, innovation linkages, and creative outputs. At the same time, the International Property Rights Index reflects institutional conditions necessary for the protection, commercialization, and capitalization of intellectual property. Together, these indices make it possible to examine complementary innovation and institutional dimensions shaping the competitive position of creative industries.

The combination of index-based and SWOT analyses provides a framework for identifying the principal innovation and institutional determinants shaping the competitive position of Ukraine's creative

industries and for revealing the structural constraints that limit the transformation of creative and innovation potential into sustainable economic value.

3 Innovation and Institutional Determinants of the Competitive Position of Ukraine's Creative Industries

The competitive position of creative industries is shaped by a combination of innovation and institutional determinants, including human capital, digital infrastructure, knowledge creation, innovation linkages, and the conditions for protecting and commercializing intellectual assets. In this context, the Global Innovation Index (GII) provides a basis for examining the innovation-related determinants relevant to the development and competitiveness of Ukraine's creative industries (WIPO, 2025). Figure 1 presents the dynamics of Ukraine's overall GII ranking and its two main components – innovation inputs and innovation outputs – during 2010–2025. Figure 1 demonstrates considerable fluctuations in Ukraine's GII ranking and a persistent gap between innovation inputs and outputs. In 2010, Ukraine ranked 61st overall, with the 73rd position in innovation inputs and the 58th in innovation outputs (WIPO, 2010). By 2015, the overall position declined to 64th, while innovation inputs fell to 84th and outputs improved to 47th place (WIPO, 2015). The strongest position during the analyzed period was recorded in 2019, when Ukraine ranked 47th overall and 36th in innovation inputs, despite remaining 82nd in innovation outputs (WIPO, 2019).

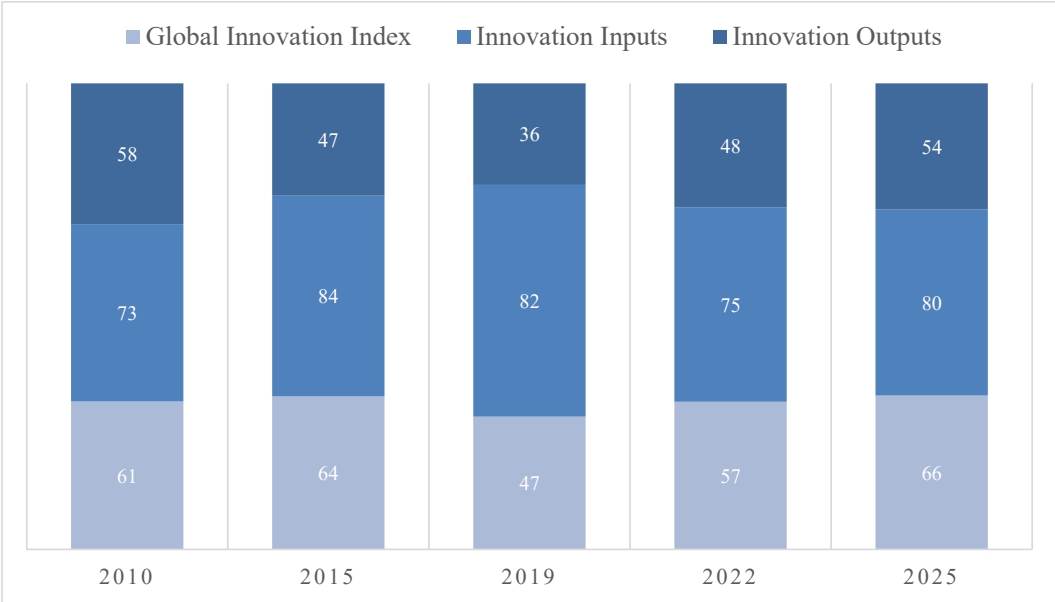


FIGURE 1 Ukraine's positions in the Global Innovation Index during 2010–2025 (selected years), rank

Source: compiled by the authors based on data from WIPO (WIPO 2010; WIPO 2015; WIPO 2019; WIPO 2022; WIPO 2025)

In 2022, Ukraine's overall position declined to 57th place and innovation outputs to 48th, while innovation inputs improved to 75th place (WIPO, 2022). By 2025, the country ranked 66th overall, 80th in innovation inputs, and 54th in innovation outputs (WIPO, 2025). Despite these fluctuations, Ukraine consistently demonstrated stronger positions in innovation outputs than in innovation inputs. This asymmetry indicates a comparatively greater capacity to generate innovation results than the strength of the underlying resource and institutional conditions, which is particularly relevant to knowledge- and creativity-intensive activities. To identify the structural determinants underlying these dynamics, the seven GII pillars and selected components relevant to creative industries are examined in Table 1. The selected indicators reflect institutional and resource-related conditions, human capital, digital infrastructure, innovation linkages, knowledge creation, and creative outputs. The results reveal substantial differences across the components of Ukraine's innovation environment. Given changes in the GII methodology and country coverage over the analyzed period, ranking dynamics are interpreted primarily as changes in Ukraine's relative international position.

The Institutional Environment remains one of the most significant constraints. Ukraine's ranking changed only moderately between 2010 and 2019, from 101st to 96th place, before declining to 108th place in 2025 (WIPO, 2010; WIPO, 2019; WIPO, 2025). The Regulatory Environment improved considerably

up to 2022 but subsequently declined to 106th place in 2025, while the Business Environment remained comparatively weak and unstable. These dynamics indicate persistent limitations in the institutional conditions supporting innovation and creative activities.

A similarly unfavorable long-term change is observed in Human Capital and Research. Ukraine ranked 36th in both 2010 and 2015 but declined to 65th place by 2025 (WIPO, 2010; WIPO, 2015; WIPO, 2025). Tertiary Education also weakened from 31st place in 2015 to 59th in 2025. This trend is particularly important for creative industries, whose development depends heavily on skills, knowledge, and intellectual capital.

Infrastructure demonstrates a more favorable pattern, largely associated with the development of ICTs. Although Ukraine's overall Infrastructure ranking changed from 68th place in 2010 to 75th in 2025, its ICT position improved substantially from 89th place in 2015 to 23rd in 2025 (WIPO, 2015; WIPO, 2025). This represents an important enabling factor for digital and knowledge-intensive creative activities.

Market and Business Sophistication show mixed dynamics. Market Sophistication remained relatively weak and volatile, reaching 102nd place in 2022 before improving to 85th in 2025. Business Sophistication performed comparatively better, improving from 74th place in 2010 to 47th in 2019 before declining to 56th in 2025. At the same time, Innovation Linkages fluctuated substantially, indicating persistent

TABLE 1 Changes in Ukraine's ranking positions in the Global Innovation Index by major pillars and selected components, 2010–2025 (selected years), rank

Indicator / Year	2010	2015	2019	2022	2025	Δ Rank (2025/2010)
<i>Institutional Environment</i>	101	98	96	97	108	+7
Regulatory Environment	112	89	78	75	106	–
Business Environment	81	92	99	99	89	–
<i>Human Capital and Research</i>	36	36	51	49	65	+29
Education	–	25	43	26	48	–
Tertiary Education	–	31	37	40	59	–
<i>Infrastructure</i>	68	112	97	82	75	+7
Information and Communication Technologies (ICTs)	45	89	81	73	23	–
<i>Market Sophistication</i>	86	89	90	102	85	-1
Business Sophistication	74	78	47	48	56	-18
Knowledge Workers	–	52	45	42	50	–
Innovation Linkages (business–science–government cooperation)	65	105	55	78	72	–
<i>Knowledge and Technology Outputs</i>	75	34	28	36	47	-28
Knowledge Creation	57	14	17	29	30	–
Creative Outputs	65	75	42	63	67	+2
Intangible Assets	–	82	17	62	63	–
Online Creativity	–	51	43	42	47	–

Note: Δ Rank is calculated as the 2025 rank minus the 2010 rank for methodologically comparable aggregate pillars. Negative values indicate an improvement in ranking position, while positive values indicate a deterioration.

Source: compiled by the authors based on data from WIPO (WIPO 2010; WIPO 2015; WIPO 2019; WIPO 2022; WIPO 2025).

weaknesses in cooperation among businesses, research institutions, and public authorities and limiting the diffusion and commercialization of knowledge.

Knowledge and Technology Outputs constitute one of Ukraine's comparatively stronger dimensions. The country's ranking improved from 75th place in 2010 to 28th in 2019, although it subsequently declined to 47th place in 2025 (WIPO, 2010; WIPO, 2019; WIPO, 2025). Knowledge Creation remained particularly strong, reaching 14th place in 2015 and 17th in 2019 and remaining 30th in 2025. These positions indicate a substantial capacity for knowledge generation, although its transformation into commercially sustainable outcomes remains constrained by weaknesses in other components of the innovation environment.

Creative Outputs demonstrate greater volatility. Ukraine improved from 65th place in 2010 to 42nd in 2019 but declined to 67th by 2025 (WIPO, 2010; WIPO, 2019; WIPO, 2025). Online Creativity remained relatively stable, whereas Intangible Assets improved markedly to 17th place in 2019 before falling to 63rd in 2025. The contrast between relatively strong knowledge-generation capabilities and unstable creative-output indicators points to difficulties in maintaining and capitalizing creative and intellectual assets over time.

Overall, the GII analysis reveals an asymmetric innovation profile characterized by comparatively strong knowledge creation and digital capabilities alongside weaker institutional conditions, human-capital dynamics, market development, and innovation linkages. For creative industries, this combination creates a gap between the capacity to generate knowledge and creative outputs and the conditions required for their sustained commercialization and economic realization.

The institutional dimension of this gap is further examined through the International Property Rights

Index (IPRI), which assesses the protection of physical and intellectual property rights (Statbase, 2025). Intellectual property is particularly important for creative industries because the economic value of creative products depends substantially on the ability to protect, commercialize, and capitalize intangible assets.

The IPRI dynamics indicate persistent weaknesses in Ukraine's relative position regarding property-rights protection. Ukraine ranked 92nd in 2010, declined to 105th place in 2015 and 107th in 2019, and subsequently improved slightly to 104th place in 2022, remaining at this position in 2025 (Statbase, 2025). Overall, the country's ranking deteriorated by 12 positions between 2010 and 2025.

For creative industries, these dynamics represent an important institutional constraint because copyrights, trademarks, designs, patents, and other intangible assets constitute major mechanisms for capturing the economic value generated by creative activity. Insufficient protection of such assets may weaken incentives for commercialization, reduce investment attractiveness, and constrain the capacity of creative businesses to derive long-term economic value from intellectual outputs.

The IPRI findings therefore complement the GII results. While the GII indicates comparatively strong capabilities in knowledge creation, ICTs, and selected innovation outputs, the IPRI highlights persistent limitations in the institutional conditions required for protecting and commercializing intellectual assets. Taken together, the two indices reveal a structural imbalance between Ukraine's capacity to generate creative and innovation outputs and the institutional mechanisms supporting their protection, commercialization, and capitalization. This imbalance represents one of the key determinants constraining the competitive position of Ukraine's creative industries.

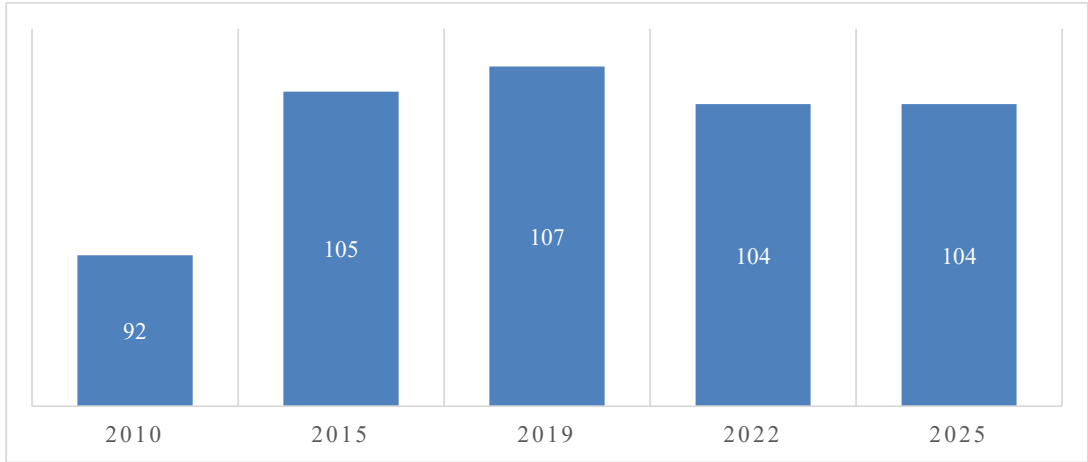


FIGURE 2 Ukraine's positions in the International Property Rights Index during 2010–2025 (selected years), rank

Source: compiled by the authors based on (Statbase, 2025)

4 SWOT Analysis of Ukraine's Creative Industries

The index-based assessment revealed a combination of innovation and institutional factors that strengthen or constrain the competitive position of Ukraine's creative industries. Relatively strong positions are associated with knowledge creation, digital infrastructure, and selected innovation and creative outputs, whereas the main constraints relate to institutional quality, human-capital dynamics, innovation linkages, and intellectual property protection.

To systematize the identified internal and external factors, a SWOT analysis was conducted. The matrix presented in Table 2 summarizes the strengths and weaknesses identified through the GII and IPRI analysis and complements them with opportunities and threats derived from the broader external environment of Ukraine's creative industries.

The SWOT analysis systematizes the asymmetric competitive profile identified through the index-based assessment. The principal strengths of Ukraine's creative industries are associated with knowledge creation, digital capabilities, and the ability to generate innovation and creative outputs, while institutional weaknesses, weaker positions in human-capital-related indicators, unstable innovation linkages, and insufficient intellectual property protection constrain their long-term economic realization.

The identified opportunities are primarily related to further digitalization, international cooperation, European integration, and improved mechanisms for commercializing intellectual assets. At the same time, security uncertainty, persistent institutional weaknesses, risks related to human-capital development, and growing international competition may intensify existing structural constraints. Therefore, strengthening the competitive position of Ukraine's creative industries requires reducing the gap between their capacity to generate creative and innovation outputs and the institutional capacity to protect, commercialize, and capitalize them.

5 Conclusions

The study assessed the innovation and institutional determinants shaping the competitive position of Ukraine's creative industries using the Global Innovation Index (GII) and the International Property Rights Index (IPRI). The results reveal an asymmetric profile characterized by comparatively strong innovation and creative capabilities alongside persistent institutional constraints. The analysis identified a consistent gap between innovation inputs and innovation outputs, with Ukraine generally demonstrating stronger positions in outputs. Relatively favorable positions were observed in knowledge creation, information and communication

TABLE 2 SWOT Analysis of Ukraine's Creative Industries

Strengths (S)	Weaknesses (W)
Stronger positions in innovation outputs than in innovation inputs.	Weak institutional environment and relatively low institutional rankings.
Strong knowledge-creation capacity.	Insufficient protection of intellectual property rights.
Significant improvement in ICT-related indicators.	Deterioration in Human Capital and Research and Tertiary Education rankings.
Comparatively strong positions in Knowledge and Technology Outputs.	Weak and unstable innovation linkages between business, research institutions, and government.
Relatively stable performance in Online Creativity.	High volatility of Intangible Assets indicators.
Capacity to generate innovation and creative outputs despite weaker input conditions.	Limited institutional capacity to support the protection, commercialization, and capitalization of intellectual assets.
Opportunities (O)	Threats (T)
Further digitalization of creative production and distribution.	Continuing security and macroeconomic uncertainty.
Expansion of international cooperation and access to external support mechanisms.	Risk of further deterioration in human-capital-related conditions.
Integration into European innovation and regulatory frameworks.	Intensifying international competition in digital and creative activities.
Wider use of digital platforms and emerging technologies for creative production and commercialization.	Slow institutional reform and insufficient progress in strengthening intellectual property protection.
Development of mechanisms for commercialization and capitalization of intellectual assets.	Persistent weaknesses in innovation linkages and knowledge commercialization.
Strengthening cooperation among businesses, research institutions, and public authorities.	Risk of a widening gap between creative-output generation and institutional capacity for its economic realization.

Source: compiled by the authors based on the results of the GII and IPRI analysis (WIPO, 2010; WIPO, 2015; WIPO, 2019; WIPO, 2022; WIPO, 2025; Statbase, 2025) and the authors' assessment of the external environment affecting Ukraine's creative industries

technologies, and selected components of creative outputs, indicating the country's capacity to generate knowledge and innovation results despite weaker input conditions. At the same time, weak institutional positions, weaker positions in human-capital-related indicators, unstable innovation linkages, and insufficient protection of intellectual property rights constrain the commercialization and capitalization of creative outputs. The IPRI analysis reinforces these findings by highlighting persistent limitations in the institutional conditions required for the effective protection and economic realization of intellectual assets.

The combined results of the GII and IPRI analyses indicate a structural gap between Ukraine's capacity

to generate knowledge and creative outputs and the institutional capacity to protect, commercialize, and capitalize them. Addressing this gap requires strengthening institutional quality and intellectual property protection, supporting human-capital development, improving innovation linkages, and creating more favorable conditions for the commercialization of creative outputs.

Overall, the competitive position of Ukraine's creative industries in the global creative economy depends not only on their capacity to generate creative and innovation outputs but also on the effectiveness of institutional mechanisms that enable their protection, commercialization, and transformation into sustainable economic value.

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