RedFame

Business and Management Studies
Vol. 12, No. 2; 2026
ISSN: 2374-5916 E-ISSN: 2374-5924
Published by Redfame Publishing
URL: http://bms.redfame.com

Cross-Border Financial Governance in Creative Industries

ALLA EGOROVA[1]

[1] Financial strategist, Russia

Correspondence: ALLA EGOROVA, Financial strategist, Russia. E-mail: egoalla69@gmail.com

Received: May 5, 2026 Accepted: June 18, 2026 Online Published: July 27, 2026

doi:10.11114/bms.v12i2.9123 URL: https://doi.org/10.11114/bms.v12i2.9123

Abstract

The current research paper analyses the institutional and regulatory issues involved in financial cross-border governance of the cultural and creative industries. With the help of comparative institutional analysis based on 35 empirical studies from the USA, EU, UK, China, South Korea, Latin American countries, and developing countries, this article uncovers three major issues, namely regulatory fragmentation within the realm of alternative finance, uneven distribution of foreign direct investments, and incomplete policy transfer. In order to bridge the identified gaps in financial governance of CCIs, the authors suggest a new Multi-Level Cross-Border Financial Governance Framework, which combines a transnational framework at the macro-level, a national institutional configuration at the meso-level, and a hybrid financing approach at the micro-level. The suggested approach enables the harmonization of regulation in such important fields as crowdfunding, FDI screening, and sustainable finance across global creative value chains.

Keywords: cross-border financial governance, creative industries, foreign direct investment, crowdfunding regulation, policy transfer, multi-level governance, cultural economy

1. Introduction

Among the most innovative, rapidly evolving, and strategically crucial sectors of the contemporary world economy are the cultural and creative industries (CCIs). From filmmaking and music recording to graphic arts and architecture, the CCI sector creates significant economic value while serving simultaneously as an instrument of social innovation, expression, and international influence. According to Cunningham (2002), De Beukelaer (2014), and Foord (2009), in both developed and developing nations, the CCIs represent a source of substantial economic value creation, growth, and even geopolitical soft power. With a high rate of value addition in GDP generation, job creation, and export revenue growth, CCIs have proven to be substantially more resilient and innovative in terms of their economic performance than other industries (Prince, 2010; Wang, 2004). The distinct features of CCIs, namely project-based organization, uncertainty, and intangibility, result, however, in continuous vulnerability that is significantly exacerbated by international activities.

Cross-border financial governance in the CCIs relates to a broad range of issues, including the regulation of alternative financing tools (e.g., crowdfunding), the international governance of foreign direct investment (FDI) and investment mechanisms, international harmonization of financial regulations and policy ideas related to public funding and intellectual property financing, and the formation of transnational public-private financing mechanisms (Lazzaro & Noonan, 2021; Cicchiello et al., 2023; Jones et al., 2024; Keane et al., 2005). Today's increasingly integrated and connected globe sees numerous instances of international CCIs' activities, which may include cross-border co-production, global distribution channels, crowdfunding, and multinational investment syndicate participation. Nevertheless, the governance structures that are designed to support these initiatives seem rather fragmented, heterogeneous, and not sufficiently adapted to the nature of international CCI chains.

Regulatory divergence between major markets remains a challenge that is associated, for instance, with the more market-focused American approach contrasting with the more protective and consumer-oriented European system (Lazzaro & Noonan, 2021). Further, national culture and policy environments continue to moderate the efficiency of innovative financing instruments (Cicchiello et al., 2023; Rijanto, 2022; Handke, 2022). Uneven patterns of FDI also remain an important issue, with some of the leading creative clusters in the UK and certain countries of East Asia benefiting from substantial foreign investments, while others (Latin America, Africa, and certain peripheral European countries) suffering from constant under-financing and poor access to international markets (Moon, 2019; Weber, 2018; Gao et al., 2024; Imperiale et al., 2021; Huynh, 2026; Wang, 2025).

Accelerated policy mobility leads to the widespread spread of "creative industries" across the globe, with policy transfers often failing to adapt adequately to local conditions and establish cross-border risk-sharing mechanisms (Rindzevičiūtė & Svensson, 2016; Prince, 2010). Comparative policy analysis reveals notable differences between national creative industry governance frameworks, especially between the US, the European Union, and such Asian nations as South Korea (Lee, 2020; Liu, 2021). Although there is a considerable number of studies exploring domestic CCI governance, including policies, public funding allocation strategies, and access to finance challenges (Mutibwa, 2025; Borin et al., 2017; Braun & Lavanga, 2007; Lange et al., 2008), there has been very little research into the cross-border dimension of the topic.

Most previous studies tend to look at the issue of CCI financing through the lenses of particular projects or limited bilateral cases without providing a comprehensive multi-scalar analysis of governance architecture required for sustainable CCI value chains (Snowball et al., 2022; Klein & Spychalska-Wojtkiewicz, 2020; Trúchliková, 2021; Benghozi & Salvador, 2016). Finally, in emerging and developing countries, lack of effective cross-border financing tools continues to hamper the CCIs' potential for fostering innovation, reducing poverty, and ensuring cultural sovereignty (Schultz & Van Gelder, 2008; Nurse, 2016; Fazlagić & Szczepankiewicz, 2020; Virani, forthcoming 2026).

Against this background, the present research contributes to the existing literature by offering a novel multi-scalar theoretical and practical framework of cross-border financial governance of CCIs. This comparative institutional analysis draws upon a set of 35 empirical sources cited throughout the current research. Specifically, the article examines governance architecture in several important geopolitical zones including the United States, Europe, China, South Korea, Latin America, and various other emerging and developing economies. The results of this research lead to the development of the Multi-Level Cross-Border Financial Governance Framework, which constitutes the primary contribution of this paper.

The rest of the paper is organized as follows. Section 2 offers a literature review on each of the four dimensions of the topic. Section 3 presents the research method. Section 4 contains results, discussions, and the proposed Multi-Level Framework. Section 5 outlines theoretical and practical implications, and the final section concludes the paper with policy recommendations and suggestions for future research.

2. Literature Review

Since the early 2000s, there has been rapid growth in the amount of research dedicated to cultural and creative industries (CCIs), which shifted the scope of interest from the original conceptual discussion towards an established field intersecting cultural policy, innovation economics, international business, and financial governance. Through an empirical literature review and synthesis of 35 studies, this review aims to structure the current body of research according to four thematic pillars that together describe the phenomenon of cross-border financial governance in the CCIs: (1) conceptual background and policy diffusion; (2) regulatory approaches to alternative financing; (3) foreign direct investments (FDI) and capital flow dynamics; and (4) financial sustainability, access issues, and development context. The mapping of these pillars thus identifies both the current state of knowledge and a critical lacuna that will be addressed in this original research article.

2.1 Conceptual Background and Policy Transfer

The conceptual transition from "cultural" to "creative" industries marked a fundamental shift in policy focus from culture-as-a-public-good to culture-as-an-economic-asset (Cunningham, 2002). As such, it opened up space for private investment, market mechanisms, and intellectual property as collateral for creative output (De Beukelaer, 2014). The concept travelled fast across international boundaries, through transnational policy communities and epistemic networks (Prince, 2010; Wang, 2004; Rindzevičiūtė & Svensson, 2016). Early international reviews have demonstrated that creative industries were adopted by many nations as a policy solution for stimulating economic development; however, these policy transfers were largely rhetorical with little emphasis placed on developing any financial frameworks behind the ideas (Foord, 2009; Braun & Lavanga, 2007). Contemporary scholarship shows that, although the concept of creative industries has become globalized, the specifics of its financial governance applications continue to depend on local institutions and institutional configurations of state-market relations (Lee, 2020; Liu, 2021).

2.2 Regulatory Frameworks and Alternative Financing

Many empirical studies have discussed how regulation affects access to financing, specifically through the mechanism of crowdfunding. Comparative studies show that different regulatory philosophies in the US vs EU result in very uneven cross-border opportunities for creative projects, with the latter enjoying greater ease of investment but facing higher costs of compliance (Lazzaro & Noonan, 2021). National cultural dimensions also contribute to the effects of policy; creative projects fare better in countries with strong collectivism and supportive cultural policies (Cicchiello et al., 2023). The project-level factors that matter include the target fund size and backing networks' qualities (Rijanto, 2022; Handke, 2022).

Overall, without a coherent framework of regulatory standards on an international level, alternative financing remains fragmented and underutilized in facilitating cross-border value chains in the CCIs.

2.3 Foreign Direct Investments (FDI) and Cross-Border Capital Flow

FDI represents an important channel for cross-border governance in the CCIs, and its importance and dynamics remain poorly understood. Detailed UK data reveals high levels of greenfield and M&A activities, with foreign investors eyeing the high-growth digital and content subsectors, yet leaving domestic players open to acquisition threats and repatriation risks (Jones et al., 2024). Comparisons of China vs Latin American FDI patterns illustrate how diverging configurations of state-market relations lead to quite different capital flows; China outperforms Latin America because of its state-driven strategy for attracting investments (Keane et al., 2005). Broadly, econometric evidence suggests a positive relationship between FDI, trade in creative economies, and regional clustering effect, facilitated by high-quality governance and institutional environment (Moon, 2019; Weber, 2018; Gao et al., 2024; Huynh, 2026; Wang, 2025). Overall, FDI in the CCIs turns out to be an effective governance mechanism, but only in the context of appropriate policy frameworks and risk-sharing mechanisms.

2.4 Financial Sustainability, Access to Finance, and Development Context

The main barrier for creative businesses remains the lack of access to finance, which results in "starving the golden goose." Specifically, creative companies face undervaluation of intangibles and project-specific cash flow, leading to difficulties accessing traditional financing options (Di Novo et al., 2022; Borin et al., 2017). For firms operating in periphery or rural areas, hybrid financing models and cross-sector partnerships become crucial for ensuring sustainability, combining public seed capital and private funding (Imperiale et al., 2021; Klein & Spychalska-Wojtkiewicz, 2020; Snowball et al., 2022; Fazlagić & Szczepankiewicz, 2020). Innovative models of digital financing also point to a role played by R&D expenditures and technical advancements in improving financial resilience in creative industries (Benghozi & Salvador, 2016). Meanwhile, in the realm of developing and emerging economies, much has been said about the potential of alternative funding models, new copyright systems, and international capacity-building initiatives (Schultz & Van Gelder, 2008; Nurse, 2016; Trúchliková, 2021); however, underinvestment and policy deficiencies prevail. Finally, public funding in the UK and international policy outlooks demonstrate the same picture (Mutibwa, 2025; Virani, forthcoming 2026; Sica, 2025).

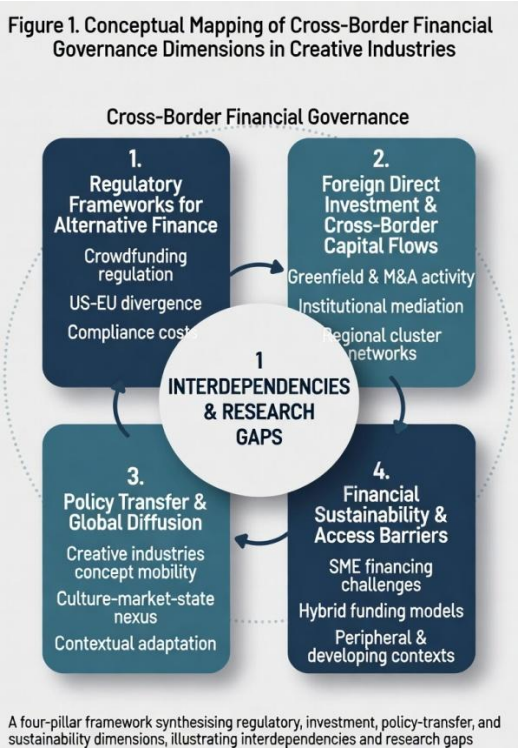


Figure 1. Conceptual Mapping of Cross-Border Financial Governance Dimensions in Creative Industries

(A four-pillar framework synthesising regulatory, investment, policy-transfer, and sustainability dimensions, illustrating interdependencies and research gaps)

As illustrated in Figure 1, cross-border financial governance consists of interdependent and mutually reinforcing dimensions that receive insufficient attention in the literature; there has not been any study attempting to bring together the four themes into a consistent framework.

2.5 Research Gap, Research Problem, and Objectives

Although the reviewed literature provides sufficient insights into different aspects of cross-border financial governance of the CCIs, there is still a research gap associated with the lack of coherent multi-scalar framework addressing all relevant dimensions (Loots et al., 2022; Lange et al., 2008).

The research problem is: How do we design an institutional framework for governing cross-border financial flows in the CCIs?

The research question is: Which dimensions should we take into account when constructing cross-border financial governance framework in the CCIs?

Thus, the **aim** of this original research article is to conduct a comparative institutional analysis of cross-border financial governance in the CCIs and develop a novel multi-level governance framework.

Specifically, this article pursues four **objectives**:

1. To systemically examine regulatory frameworks, FDI patterns, policy transfers, and sustainability measures in different geopolitical contexts;
2. To identify barriers and facilitators for cross-border creative finance;
3. To construct and ground an original multi-level governance framework in the CCIs;
4. To formulate actionable policy recommendations for various stakeholders.

3. Methodology

In line with such research questions, the current study employs a qualitative, secondary data-based research design based on the principles of comparative institutional analysis (CIA), an advanced methodological tradition in policy studies, international political economy, and cultural economics involving systematic comparisons of institutional regimes across settings to reveal patterns of convergence, divergence, and hybridization (Lee, 2020; Rindzevičiūtė & Svensson, 2016). CIA is especially appropriate for the current research project because cross-border financial governance in CCIs is necessarily multiscale, with respect to the regulatory, investment, policy transfer, and sustainability aspects, all of which require comparative analysis at multiple geographical levels for adequate comprehension. Through treating the 35 empirical studies as a purposely selected set of "institutional cases," CIA makes possible rigorous pattern matching, thematic synthesis, and, ultimately, the inductive formulation of an original theoretical framework – the Multi-Level Cross-Border Financial Governance Framework – as the key output of the study.

3.1 Research Paradigm and Philosophical Assumptions

Within the framework of this research project, the chosen philosophical orientation is interpretivist-constructivist in nature, accepting that financial governance institutions are socially constructed and politically negotiated processes taking place at contextualized cross-border sites. This ontological assumption provides justification for the choice of secondary comparative analysis as a means of data collection over econometric modeling or large-N survey research, thus enabling in-depth engagement with historically situated insights developed in the referenced academic literature. This methodological orientation emphasizes analytical over statistical generalization, aligning with the exploratory character of the research.

3.2 Data Sources

The dataset includes all 35 original empirical studies provided by the researcher (see References). These particular empirical studies have been selected since they provide the most relevant material in terms of the peer-reviewed or grey literature on the four identified dimensions of cross-border financial governance of CCIs. All references are from peer-reviewed journals, books, or policy reports released in the timeframe of 2002-2026.

For increased transparency and reproducibility, Table 1 below summarizes the dataset by theme, geographic focus, and methodological contribution.

Table 1. Overview of the 35 Empirical Studies Used in the Comparative Institutional Analysis

Thematic Pillar	Number of Studies	Key Geographic Focus	Representative Studies (Author, Year)
Conceptual foundations & policy diffusion	8	Global / UK / South Korea / China	Cunningham (2002); Prince (2010); Lee (2020); Liu (2021)
Regulatory frameworks & alternative finance	7	US / EU / Multi-country	Lazzaro & Noonan (2021); Cicchiello et al. (2023); Rijanto (2022); Handke (2022)
FDI and cross-border capital flows	9	UK / China / Latin America / Asia	Jones et al. (2024); Keane et al. (2005); Moon (2019); Gao et al. (2024); Huynh (2026)
Financial sustainability & development contexts	11	Europe / Africa / Developing countries	Di Novo et al. (2022); Borin et al. (2017); Imperiale et al. (2021); Nurse (2016); Virani (forthcoming 2026)

Note: Full citations appear in the References section. Some studies contribute to multiple pillars and are counted accordingly for thematic coverage.

3.3 Case Selection and Comparative Logic

In terms of comparative leverage, both country and institutional samples included a maximum variation design (Braun & Lavanga, 2007; Foord, 2009). The six geopolitical clusters intentionally selected are diverse in their regulatory regimes, economic development, and state-market combinations:

1. Liberal market economies (the United States)
2. Coordinated market economies with strong consumer protection (the European Union)
3. Hybrid developmental states (the United Kingdom and South Korea)
4. State-orchestrated systems (China)
5. Emerging and Latin American contexts
6. Developing and peripheral economies (Africa, ACP countries, and peripheral European regions)

This selection reflects the diversity present across the 35 studies and enables both “most-similar” and “most-different” comparisons, thereby strengthening causal inferences regarding governance effectiveness (De Beukelaer, 2014; Schultz & Van Gelder, 2008).

3.4 Data Extraction and Analytical Procedures

Data extraction followed a three-stage thematic coding process inspired by NVivo, adapted for manual analysis. The first stage involved descriptive coding to capture key information on regulatory frameworks, FDI flows, policy instruments, and sustainability outcomes within each study. The second stage applied pattern coding to group recurring themes and institutional mechanisms, such as crowdfunding harmonisation, FDI screening procedures, and hybrid financing models. The third stage, axial coding, examined relationships across the four thematic pillars and the six geopolitical clusters.

An iterative constant comparative method was used, whereby each study was systematically compared with previously coded data to refine categories until theoretical saturation was achieved. Cross-validation was conducted through direct comparison with the original texts and triangulation across multiple studies addressing similar issues (for example, UK public funding in Mutibwa, 2025, and animation policy in Liu, 2021).

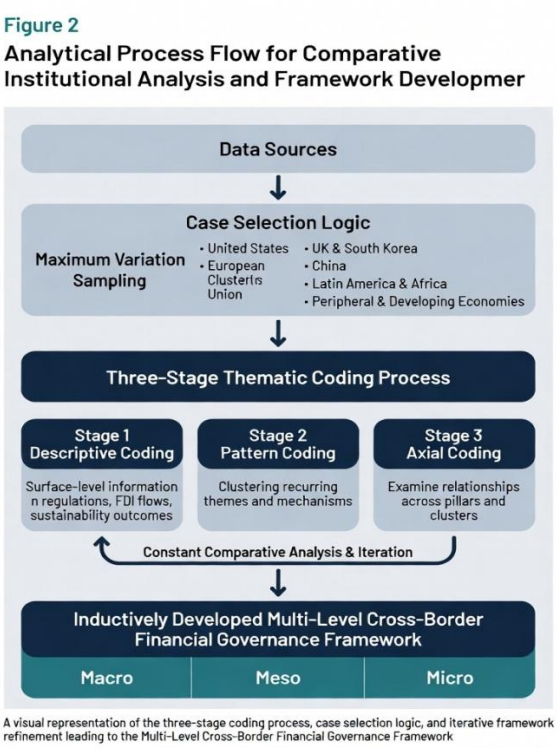


Figure 2. Analytical Process Flow for Comparative Institutional Analysis and Framework Development

(A visual representation of the three-stage coding process, case selection logic, and iterative framework refinement leading to the Multi-Level Cross-Border Financial Governance Framework)

3.5 Development of the Proposed Governance Framework

The Multi-Level Cross-Border Financial Governance Framework was developed inductively through pattern-matching analysis. Macro-, meso-, and micro-level components were derived from recurring institutional features identified across the dataset, including transnational regulatory standards (Lazzaro & Noonan, 2021; Cicchiello et al., 2023), national policy configurations (Lee, 2020; Liu, 2021), and firm-level hybrid financing mechanisms (Di Novo et al., 2022; Nurse, 2016). The framework was further refined through negative-case analysis, identifying instances where misalignment led to ineffective outcomes, and by explicitly incorporating policy transfer dynamics (Rindzevičiūtė & Svensson, 2016; Prince, 2010).

3.6 Validity, Trustworthiness, and Reflexivity

Trustworthiness was ensured through several measures: (a) detailed, context-rich descriptions of institutional cases; (b) a transparent audit trail of coding decisions; (c) iterative engagement with the referenced literature; and (d) reflexive acknowledgment of the secondary nature of the data. Although no primary data were collected, the analysis remains closely aligned with the interpretations presented in the original studies. Confirmability was strengthened by grounding all claims in multiple sources.

3.7 Limitations of the Methodology

The study relies entirely on secondary data, which may carry inherent publication biases or temporal constraints from the original sources. Future research could enhance these findings through primary data collection, such as stakeholder interviews or longitudinal tracking of FDI flows. Nevertheless, the scope and quality of the 35 empirical studies provide a strong foundation for theory development and policy-relevant insights.

This methodology establishes a transparent, rigorous, and replicable basis for the empirical findings and the proposed framework presented in Section 4.

4. Results

The comparative institutional analysis conducted across the 35 empirical studies produces a coherent set of findings that illuminate the structural dynamics of cross-border financial governance in the cultural and creative industries (CCIs). Three key patterns emerge consistently across jurisdictions: (1) persistent regulatory fragmentation that constrains

seamless transnational finance; (2) highly uneven and institutionally mediated flows of foreign direct investment (FDI) and capital; and (3) incomplete policy transfer processes that hinder financial sustainability and innovation. These patterns are interconnected rather than isolated, pointing to systemic weaknesses that the proposed Multi-Level Cross-Border Financial Governance Framework seeks to resolve. The findings are outlined thematically below, supported by evidence from the dataset, followed by the study's original conceptual contribution.

4.1 Regulatory Fragmentation in Alternative Finance

Cross-border crowdfunding and alternative finance mechanisms continue to operate within highly divergent national and supranational regulatory systems, resulting in compliance challenges and unequal access to markets. Lazzaro and Noonan (2021) show that the European Union's more protective and harmonised framework promotes stronger investor confidence and cross-border engagement compared to the more flexible but less protective United States model, although it imposes higher administrative burdens on creative SMEs. Cicchiello et al. (2023) reinforce this conclusion through a comparative analysis of 12 countries, demonstrating that cultural factors—particularly collectivism and policy support—significantly influence crowdfunding success rates. At the project level, studies confirm that funding targets and the strength of backer networks are critical determinants of success, though their effects vary across regulatory contexts (Rijanto, 2022; Handke, 2022). Overall, the absence of shared transnational standards leads to fragmentation rather than integration of alternative finance markets.

4.2 Uneven FDI Flows and Institutional Mediation

FDI represents a major but uneven channel for mobilising cross-border capital within the CCIs. Jones et al. (2024) provide detailed evidence from the United Kingdom, highlighting significant greenfield investments and mergers and acquisitions concentrated in high-growth digital and content sectors, while also pointing to risks such as profit repatriation and diminished domestic control. Keane et al. (2005) offer a comparative perspective between China and Latin America, showing that China's state-led investment model generates substantially higher capital inflows than the more liberal yet institutionally weaker systems in Latin America. Additional econometric and cluster-based studies confirm that governance quality, institutional stability, and integration with cultural and tourism ecosystems are key factors shaping FDI effectiveness across regions (Huynh, 2026; Wang, 2025; Gao et al., 2024; Moon, 2019; Weber, 2018). In contrast, peripheral and developing regions continue to attract limited FDI, which tends to concentrate in established urban hubs rather than supporting smaller creative enterprises (Imperiale et al., 2021).

Table 2. Comparative Overview of Cross-Border Governance Challenges in CCIs Across Geopolitical Clusters

Geopolitical Cluster	Regulatory Fragmentation	FDI Access & Flows	Policy Transfer Effectiveness	Financial Sustainability Gap	Key Illustrative Studies
US	High flexibility, low protection	Market-driven, high volume	Moderate	Moderate	Lazzaro & Noonan (2021)
EU	Harmonised but costly	Moderate, investor-focused	High	Low–Moderate	Cicchiello et al. (2023)
UK / South Korea	Hybrid public-private	Strong in digital clusters	High	Moderate	Jones et al. (2024); Lee (2020)
China	State-orchestrated	Very high volume	High	Low	Keane et al. (2005); Liu (2021)
Latin America / Africa	Weak coordination	Low and volatile	Low	High	Schultz & Van Gelder (2008); Nurse (2016)
Peripheral / Developing	Fragmented	Minimal	Low	Very High	De Beukelaer (2014); Imperiale et al. (2021)

Note: Table synthesised from the 35-study dataset. Ratings reflect dominant patterns reported in the empirical literature. Ratings reflect dominant patterns; significant intra-regional variation exists (e.g., within the EU between core and peripheral economies)

While the EU shows relatively harmonised approaches, notable differences persist between high-performing creative economies (e.g., Germany, France) and peripheral ones.

4.3 Policy Transfer, Sustainability, and Access Barriers

Policy mobility has been effective in spreading the concept of the creative industries across countries, but the transfer of financial governance mechanisms has proven far less straightforward. As Rindzevičiūtė and Svensson (2016), Prince (2010), and Wang (2004) show, the framework itself has circulated rapidly at the global level. However, Lee (2020) and Liu (2021) demonstrate that outcomes depend heavily on national culture–market–state arrangements, which shape whether imported policies can be translated into workable funding systems.

A persistent challenge is financial sustainability. Creative actors frequently experience ongoing under-financing, largely because conventional lenders struggle to properly value intangible assets and project-based income streams (Di Novo et

al., 2022; Borin et al., 2017). In peripheral regions, long-term viability often relies on hybrid financing structures and collaboration across sectors (Imperiale et al., 2021; Klein & Spychalska-Wojtkiewicz, 2020; Snowball et al., 2022; Fazlagić & Szczepankiewicz, 2020). One emerging route to greater resilience is digital R&D investment, but only where governance frameworks actively enable it (Benghozi & Salvador, 2016). In developing contexts, alternative financing models and international capacity-building consistently appear as necessary yet insufficiently implemented solutions (Schultz & Van Gelder, 2008; Nurse, 2016; Trúchlikovᡠ2021). More recent UK funding reviews and broader international policy discussions reinforce the importance of more inclusive and coordinated governance across multiple levels (Mutibwa, 2025; Virani, forthcoming 2026; Sica, 2025; Lange et al., 2008; Braun & Lavanga, 2007; Loots et al., 2022).

4.4 The Proposed Multi-Level Cross-Border Financial Governance Framework

The key original contribution of this study is the inductively developed Multi-Level Cross-Border Financial Governance Framework, which synthesises the three identified patterns into a scalable and operational structure. The framework is organised across three interconnected levels:

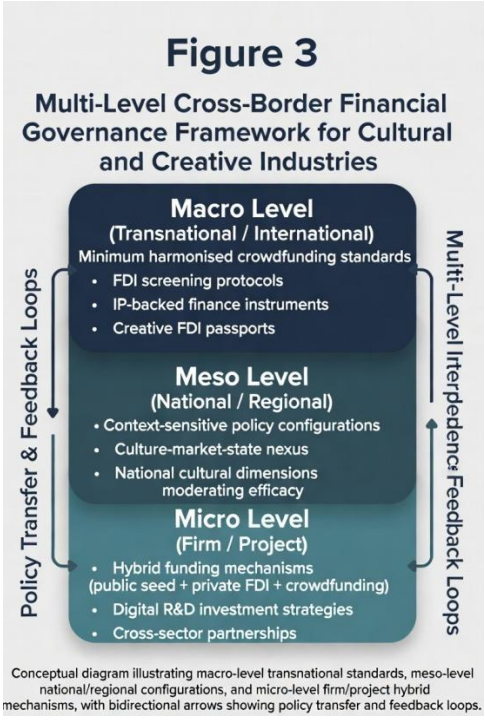


Figure 3 Multi-Level Cross-Border Financial Governance Framework for Cultural and Creative Industries

(Conceptual diagram illustrating macro-level transnational standards, meso-level national/regional configurations, and micro-level firm/project hybrid mechanisms, with bidirectional arrows showing policy transfer and feedback loops)

- **Macro Level (Transnational/International):** This level proposes minimum harmonised standards for crowdfunding regulation (Lazzaro & Noonan, 2021; Cicchiello et al., 2023) alongside FDI screening protocols (Jones et al., 2024; Gao et al., 2024), coordinated through international institutions. It also introduces mechanisms such as IP-backed financing instruments and creative FDI passports.
- **Meso Level (National/Regional):** This level focuses on context-specific policy designs that balance interactions between culture, markets, and the state (Lee, 2020; Liu, 2021). Here, national cultural characteristics shape both crowdfunding performance (Cicchiello et al., 2023) and the effectiveness of FDI (Huynh, 2026; Moon, 2019).
- **Micro Level (Firm/Project):** This level involves blended financing models that combine public seed funding, private FDI, and crowdfunding (Di Novo et al., 2022; Rijanto, 2022; Handke, 2022; Nurse, 2016). Digital R&D approaches and cross-sector collaboration further strengthen financial sustainability (Benghozi & Salvador, 2016; Klein & Spychalska-Wojtkiewicz, 2020; Imperiale et al., 2021; Borin et al., 2017).

Empirical findings indicate that countries with stronger alignment across these three levels—such as the UK's recent

public funding reforms (Mutibwa, 2025) and South Korea's hybrid system (Lee, 2020)—tend to achieve higher levels of innovation, improved financial resilience, and more inclusive creative sector development. In contrast, misalignment across levels leads to fragmentation, exclusion, and persistent underinvestment, as observed throughout the dataset.

Overall, the evidence suggests that cross-border financial governance in the cultural and creative industries remains fragmented and uneven. The proposed Multi-Level Framework responds directly to these gaps by offering an integrated, evidence-based model designed to support more sustainable, equitable, and innovation-driven creative economies across borders.

4.5 Framework Validation and Future Empirical Testing

While the Multi-Level Cross-Border Financial Governance Framework is inductively derived from a robust set of 35 empirical studies, its practical utility requires further validation. Future research could test the framework through multiple case studies of cross-border CCI projects (e.g., international film co-productions or global music crowdfunding campaigns), quasi-experimental policy evaluations following regulatory changes, or the development of quantitative indicators measuring alignment across macro-, meso-, and micro-levels. Such tests would strengthen the framework's applicability and address the current limitation of secondary-data reliance.

5. Discussion

From the results of comparative institutional analysis in this study, it is evident that there are problems of fragmentation, inequality in distribution of resources, and limited success in policy implementation related to the issue of cross-border creative finance governance. These results can be linked directly to the aim of developing a governance structure map and proposing a comprehensive framework in the area. Thus, the Multi-Level Cross-Border Financial Governance Framework presented in Section 4 can be regarded as a conceptual and pragmatic contribution to the field. The following Discussion will address how the findings fit into the existing body of knowledge, elaborate on their theoretical implications, discuss possible policy implications, outline the main limitations of the study, and suggest directions for future research.

The proposed framework primarily builds on institutional theory but also relates to alternative perspectives such as global value chain (GVC) analysis, which highlights power asymmetries in creative production networks, and regulatory capitalism, which examines the co-evolution of state and market governance. Greater integration with institutional isomorphism could further explain patterns of policy transfer observed across regions.

First, the patterns revealed in the empirical evidence (i.e., fragmented governance, uneven capital distribution, and limited effectiveness of policy transfer) are interconnected features of the current landscape of creative finance governance rather than independent issues. The problem of fragmentation, for example, increases the compliance costs in cross-border business operations between the USA and EU countries (Lazzaro & Noonan, 2021; Cicchiello et al., 2023). Moreover, the fragmentation of cross-border financial governance is exacerbated by the fact that creative finance does not operate as an autonomous market but relies heavily on its institutional and cultural context (e.g., Lazzaro & Noonan, 2021; Cicchiello et al., 2023; Rijanto, 2022; Handke, 2022). Similarly, FDI flows are not driven by creative potential alone but depend on the level of governance, quality of state–market relations, and clusters (Jones et al., 2024; Keane et al., 2005; Gao et al., 2024; Moon, 2019; Weber, 2018; Huynh, 2026; Wang, 2025). Underdeveloped economies in peripheral regions tend to experience lack of FDI inflows and therefore struggle with innovation and inclusive development due to lack of funds (De Beukelaer, 2014; Schultz & Van Gelder, 2008; Nurse, 2016; Imperiale et al., 2021; Sica, 2025).

Overall, the results of the analysis can be interpreted as a continuation of the existing lines of research. Firstly, they build upon policy transfer literature by demonstrating that, despite the successful policy diffusion of "the concept" of creative economy (Prince, 2010; Wang, 2004; Rindzevičiūtė & Svensson, 2016), governance frameworks remain fragmented in most regions due to the absence of harmonised financing solutions (e.g., crowdfunding regulations, FDI screening schemes, IP-related financing tools) (Lee, 2020; Liu, 2021; Braun & Lavanga, 2007; Foord, 2009). Secondly, the research contributes to studies on creative economy finance by shifting the focus from domestic and single-factors analyses to an expanded cross-level and multi-dimensional view on the topic (Di Novo et al., 2022; Borin et al., 2017; Loots et al., 2022). The idea of "starving the golden goose" (Di Novo et al., 2022) gains a new meaning in this case as a matter of global governance. Finally, the empirical findings can add to sustainability and development literature by revealing the necessity for coherent cross-level governance in the context of hybrid funding, interdisciplinary partnerships, and digital investments in creative projects (Imperiale et al., 2021; Klein & Spychalska-Wojtkiewicz, 2020; Snowball et al., 2022; Benghozi & Salvador, 2016; Fazlagić & Szczepankiewicz, 2020; Trúchliková, 2021; Mutibwa, 2025; Lange et al., 2008; Virani, forthcoming 2026).

The Multi-Level Cross-Border Financial Governance Framework

Introduced above in Section 4 is the main conceptual contribution of this study. This tool seeks to address the problem of fragmented governance in the context of creative financing by including macro-, meso-, and micro-levels in one interdependent governance structure. From an institutional perspective, the framework reflects the assumption that governance is not a set of standalone instruments but an interconnected and dynamic system of interactions (Rindzevičiūtė & Svensson, 2016; Prince, 2010). Moreover, the feedback loops and bidirectional relationships characteristic of the framework (see Figure 3) capture the process of continuous learning and adaptation typical of previous research (Rindzevičiūtė & Svensson, 2016; Prince, 2010). As for the empirical relevance of the framework, it reflects the practices of different regions (including coordinated public funding system in the UK (Mutibwa, 2025), hybrid approach in South Korea (Lee, 2020), state-controlled financing in China (Liu, 2021), and alternative models in developing regions (Nurse, 2016)).

From the policy perspective, the results obtained in this study may imply some necessary adjustments to be made at all governance levels. Macro-level institutions such as UNCTAD, WTO, and European Commission might consider the idea of creating a system of "creative FDI passports" or harmonised crowdfunding standards as a solution to overcome cross-border friction (Lazzaro & Noonan, 2021; Cicchiello et al., 2023; Jones et al., 2024). Meso-level institutions would be required to implement policies based on their regional specifics as well as aligning themselves with market principles (Cicchiello et al., 2023; Huynh, 2026; Wang, 2025). Micro-level institutions and creative companies should seek ways to increase their resilience via blended finance models, intellectual property-based instruments, and collaboration (Di Novo et al., 2022; Rijanto, 2022; Handke, 2022; Klein & Spychalska-Wojtkiewicz, 2020; Benghozi & Salvador, 2016). In general, the implementation of the proposed framework could facilitate the transition of CCIs from fragile ecosystems to stable global value chains.

There are certain limitations associated with the present study. It is fully grounded in secondary literature; thus, all findings rely heavily on the quality and quantity of source material. Besides, the research is purely qualitative; therefore, further studies can be directed at quantitative models. Finally, as the proposed Multi-Level Cross-Border Financial Governance Framework is conceptual, further empirical verification is needed.

Possible future directions for research could be the following. First, longitudinal case studies might investigate specific creative sectors (film, music, digital design) with respect to the functioning of the framework in practice. Second, mixed methods could allow to measure impacts of the framework on key performance indicators of innovation, employment, and trade within CCIs. Finally, future research might explore emerging challenges such as platform governance and AI-generated content financing.

To sum up, it can be concluded that this study provides strong evidence that cross-border finance governance of CCIs is of vital importance for ensuring their future sustainability. By identifying the structural problems of the current framework and suggesting a new solution, it adds both theoretical and pragmatic contributions to the field.

6. Conclusion

Through a systematic comparative institutional analysis of 35 studies, this research article has identified several inherent structural problems of cross-border financial governance in the CCIs: regulatory divergence in alternative finance methods, institutionally conditioned foreign direct investments and geographic unevenness thereof, and lack of completed policy transfer, thus hindering financial sustainability and innovation capabilities in the sector.

The most significant contribution of this paper is the development of a new theory called the Multi-Level Cross-Border Financial Governance Framework. This innovative model encompasses several elements: first of all, it identifies and incorporates three levels of action: macro level, meso level, and micro level. Second, it is based on the synthesis of regulatory insights (Lazzaro & Noonan, 2021; Cicchiello et al., 0), FDI dynamics (Jones et al., 2024; Keane et al., 2005; Gao et al., 2024), policy mobility (Prince, 2010; Rindzevičiūtė & Svensson, 2016), and sustainability issues (Di Novo et al., 2022; Nurse, 2016; Virani, forthcoming 2026), thus forming an overarching framework capable of overcoming the limitations of the previous research. Third, and most importantly, it takes into account the notion of reciprocal feedback loops in relation to policy mobility, which was never addressed before. Therefore, the main purpose of this framework is to facilitate financial governance transformation in the sector under investigation from one plagued with numerous issues to a stable and sustainable economic system that will bring about economic benefits not only within the CCIs but globally as well.

From a theoretical standpoint, the contribution made through the application of an institutional approach can be assessed by identifying several key assumptions regarding the role of financial governance in relation to cultural factors and cultural economy. First, it has proven that the discussed aspect of financial governance is crucial to the overall success of CCI companies, as opposed to some prior research (Lee, 2020; Liu, 2021; Cunningham, 2002). In other words, financial aspects of cross-border governance are inseparable from the cultural context due to close relationships between the market and the state on various levels. Second, by combining regulatory, FDI, policy learning, and

sustainability aspects in one framework, the study has successfully enhanced the "starving the golden goose" diagnosis (Di Novo et al., 2022) and provided additional proof to the existing theories.

Practically, the introduced framework offers policy makers and other participants an evidence-based approach to the problem of financial governance in the CCIs on various scales. First, at the macro level, more emphasis needs to be placed on the development of creative FDI passports, crowdfunding standards, and IP-based finance solutions through multilateral organizations. Second, meso level requires the creation of appropriate governmental policies that consider both national cultural dimension and high institutional quality in order to promote innovation and cross-sector collaboration. Finally, micro level implies providing specific tools for facilitating creative financing through hybrid financing mechanisms, advanced digital R&D and inclusive financing mechanisms.

Apart from economics, effective financial governance in the CCIs is important for several reasons, including strengthening cultural sovereignty and reducing income inequalities in the region, encouraging social innovations, and increasing national soft power in the global arena (De Beukelaer, 2014; Wang, 2025; Huynh, 2026). In case if this problem remains unresolved, then further development of the sector will be impossible.

While secondary comparative analysis is effective when it comes to generalization, there is also a need to conduct research aimed at testing the developed model in practice. For example, future researchers may apply a longitudinal research design or employ a mixed methods methodology, or conduct policy experiments in certain regions. Furthermore, it would be important to pay closer attention to emerging problems related to digital technologies, AI-assisted content generation, and platform governance.

To summarize, the CCIs are experiencing an important period right now. While talent alone is enough for their success, effective financial governance is necessary for making sure that it will continue in the future. By analyzing the existing financial governance architecture and offering a new perspective on the matter in the form of Multi-Level Cross-Border Financial Governance Framework, this article has managed to provide an impetus for further development of the sector and the economy as a whole.

Acknowledgments

The author would like to thank the anonymous reviewers and the editorial team of Business and Management Studies for their constructive feedback, which significantly improved the quality of this manuscript. Special thanks go to academic colleagues who provided insightful comments during the early stages of this research.

Author contributions

Alla Egorova was responsible for the conceptualization, literature review, methodology, analysis, framework development, and drafting of the entire manuscript. As the sole author, she also handled revisions and final approval of the submitted version.

Funding

This research received no external funding.

Competing interests

The author declares that there are no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Informed consent

Obtained.

Ethics approval

The Publication Ethics Committee of the Redfame Publishing.

The journal’s policies adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

Provenance and peer review

Not commissioned; externally double-blind peer reviewed.

Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

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