

Final, In-Depth Assessment Report

Summary

At the moment, CCI's are at the emerging stage in Basilicata Region. Therefore, it is important to implement efficient activities timely to foster their development. According to the Regional Strategy, there are three priority areas of CCI's: creative industries for tourism, creative industries and design, and creative industries serving production sectors, although statistics show that the most important CCI's of the region are publishing, architecture, communication and cinema.

There are several activities to raise awareness and foster business activity of CCI's in the region, such as special award at business plan competition, non-university Master's courses available free for residents of the region, Lucana Film Commission and others.

It is recommended to implement other initiatives to foster the development of CCI's and the most important of which are: consulting and training, incubation, modernization of study programs, support for internationalization activities, establishing one stop shop, and organizing events for awareness raising.

Section 0: Introduction

(a) Short introduction of the CRE:HUB project

The project "Policies for cultural CREative industries: the HUB for innovative regional development" (CRE:HUB) started on April 2016 and will continue until the end of September 2020. The overall objective of CRE:HUB is to improve eight programmes for Investment for Growth and Employment (TO3), to support the creation and the development of new SMEs in CC sector at regional and national level through fruitful cooperation among regions with different level of capacity and experience in CCI's supporting policies.

With this objective eight project partners representing eight EU regions will exchange policies and instruments for identifying and supporting the main regional economic actors that improve policies for CCI's and innovative regional development.

In the project context CCI's represent highly innovative SMEs and their promotion can effectively increase regional competitiveness and job creation capacity. For participating regions, CCI's represent a strategic sector of development as underlined in many of their RIS3 documents. Despite the dynamic and innovative field of action, CCI's encounter difficulties in access to credits and a lack of resources to enhance their competitiveness on the global market, build effective partnerships, and extend their activities to other countries.

(b) Short introduction to the Peer Review methodology

The CRE:HUB Peer Review Methodology helps regions to improve their policies for promoting CCI's development.



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The CRE:HUB Peer Review Methodology is developed directly to be used during the CRE:HUB project, when assessing different regions' CCI policies. The methodology standardises the relevant aspects that need to be measured, in order to enable experts with different backgrounds to assess the regional situation in an objective way. By this, they will be able to give appropriate recommendations for CCIs development in the host region. The other important advantage of peer reviews is the selection of experts, who are practitioners in the field of the assessment, which means that their recommendations after the review will be practical and realistic.

Section 1: Overview

(a) Short description of the Host Region, general overview, economic profile

Basilicata is a very small region speaking in demographic and economic terms. Its population is about 573,700, representing 0.9% of the national population. Its area, on the other hand, is quite vast: with its 9,995 km², Basilicata is the 14th largest region in Italy, and its surface represents 3.3% of the overall Italian surface. The disequilibrium between population and the area is evident by the very low value of the demographic density (only 59 inhabitants per square kilometre) which is the second lowest density among 20 of regions of Italy. This low density is accompanied by a very high dispersion of population in the regional territory: 80% of the population live in municipalities with less than 5,000 inhabitants; the biggest town has less than 70,000 inhabitants.

Regional GDP was 0.7% of national GDP in 2014. GDP per capita was equal to 18,740 Euros per inhabitant in 2014, and amounts to 70.6% of national average, although this value is higher than the Southern average (106.6%).

In 2015, the value added of CCIs was 0.383 billion EUR (3.9% of local GDP), employment - 0.083 million (4.4% of total local employment).

(b) Description of Peer Review focus (why it was chosen, specific questions and expected outputs of the Host Region)

This review focuses on analysis of the Regional Strategy, its priorities and proposed activities to foster development of CCIs and analysis of activities that have been implemented in the region so far. As CCIs are at the emerging phase in the region, it was very important to analyse planned activities of the Regional Strategy in comparison with the current state of the art of CCIs. This review is focused on specific recommendations to be implemented by the regional administration and stakeholders by 2020.

Section 2: Regional Strategy

(a) Key Findings

The document *Strategia regionale per l'innovazione e la specializzazione intelligente 2014-2020* does not provide a definition of the cultural and creative industries (CCIs), although Regional Strategy defines CCIs as one of the areas of smart specialization. Regional Strategy has a focus on three sectors of CCIs:

- creative industries for tourism,
- creative industries and design,
- creative industries serving production sectors.





On the other hand, boundaries of those sectors are not clear and they do not include all sectors of CCI that are present in the region. At the same time, the strategy is referring to the report “I am culture” (*Io sono Cultura*) on cultural and creative industries prepared by the *Symbola Foundation* and *Unioncamere* (Chambers of Commerce). This report provides a clear definition of CCI sectors:

- creative industries – design, architecture and communication (advertising, active media),
- cultural industries – cinema, television, radio, animation, interactive software, publishing, comics and music.

The Regional Strategy does not provide information about specific support instruments for CCI but there is information about the overall focus of support instruments. The strategy puts a focus on support instruments for the development of research, start-up, implementation of financial instruments, fostering networking and clustering, development of cooperation between business and university, research institutions, incubation and improvement of skills and knowledge of SMEs’ employees.

There is no organization responsible for the development of CCI specifically, however Basilicata Region and Sviluppo Basilicata are the main actors in the region that are responsible for the development of economic activity in general. Sviluppo Basilicata is an in-house company in the Basilicata Region, responsible for financial support for start-ups.

(b) Recommendations

- As the current scope of the regional strategy for CCI is not clear enough and to some degree excludes some CCI, it is necessary to define CCI sectors (e.g., using the “Io sono Cultura” approach, 2013) in action plans. Precise and broader scope of CCI sectors would help to adjust policy actions and support instruments for each CCI sector and ecosystem in general.

Section 3: Education. Skills and Capacity Building

(a) Key Findings

The main actor in the field of education is the University of Basilicata (UNIBAS) with faculties in Potenza and Matera. University offers several study programs related with CCI: Humanistic Studies, Philosophy and Communication, Archaeology, Philology, Economics of Natural and Cultural Resources (including Tourism Management), Cultural Heritage, Architecture, Anthropological and Geographical Sciences for Cultural Heritage (together with the University of Naples Federico II, University of Foggia and University of Salento), Archaeology and History of Art (together with the École Pratique des Hautes Études, Paris). Study programs offered by UNIBAS provide education in relation to the first (and to some extent to the third) priority sector of CCI according to the Regional Strategy (i.e. creative industries for tourism, creative industries serving production sectors). Education of cultural heritage, archaeology and tourism management is crucial for tourism development, preservation and development of cultural heritage sites of the region. Undoubtedly, the creation of two new and joint study programs in 2017 shows that UNIBAS is in step with modern trends in education and regional development trends. However, many other steps that should be implemented in the future to foster achieving goals of the Regional Strategy. There is a lack of design education, although that is one of the CCI priorities in the region. With the establishment of the Lucana Film Commission and development of the





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Lucania Film Festival, it is important for sustainable development of the industry to start film / audiovisual media education.

Internationalization and modernization of UNIBAS must be one of the University's development priorities for sustainable development of the region. According to the report "State of Art of the CCI Sector" 11,929 students chose to study in Basilicata. In comparison, 32,828 students, almost three times as many, are studying in universities outside the region. There is no doubt that improvement and internationalization of study programs could increase the number of students studying in Basilicata as well as their adaptation to the future employment trends and sectoral change in the region.

(b) Recommendations

- To develop design education and collaboration in the region ideas and results of the Open Design School should be continued after the end of Matera2019. We recommend launching an annual Design Week to promote design industry, design thinking, collaboration, prototyping, etc. It is also recommended to organise design hackathons involving participants from CCIs, IT, business, education, research and the public sector. Such events can help find solutions to design related problems, develop prototypes and new business ideas, foster collaboration within sectors, within industry and education and promote design industry, as well CCIs in general.
- Further internationalization of UNIBAS studies programs is recommended. We suggest developing new joint study programs related to CCIs with partner universities in Italy and abroad (preferably in English). That will help to attract international students (e.g., within the framework of Erasmus+ or globally) and thus boost economic activity in the region (housing, leisure etc.). At the same time, modern, innovative and international study programs could help to ensure that local students choose to study in Basilicata instead of outside the region. We recommend focusing on such areas to foster CCIs development in the region: digitalisation of cultural heritage, virtual and augmented reality for architecture, collaboration between IT sector and culture and tourism, vocation education in film and audio-visual media. In addition, we recommend the use of digital and online technologies to improve access to higher education, such as, offering online study courses or even programs.

Section 4: Favourable Business Environment

(a) Key Findings

As CCIs are at the emerging phase in the region, there are not many business support organizations or instruments.

General framework is set by Basilicata Region and Sviluppo Basilicata, which are responsible for regional development, investments, business support and financing activities, project management, etc. Quite recently, Basilicata Region and Sviluppo Basilicata organized Start Cup Basilicata with the special award for CCIs "Premio Industria culturale e creative" that was awarded to *L'Accademia degli Stracuriosi* – a web platform that hosts education entertainment content to encourage interaction between children and parents.





T3 Innovation is a technology transfer structure that was launched in 2017 within a framework of the Regional Strategy with the goal of increasing the level of competitiveness of the productive system and the regional education system, mainly in the five selected specialization areas: Aerospace, Automotive, BioEconomics, Energy, **Cultural and Creative Industry**. *T3 Innovation* works together with UNIBAS, Basilicata Region, Sviluppo Basilicata, local and international business organizations and provides services of technology transfer, incubation, business and innovation consultation, etc. Those services are available also to CCI companies but there are no specific rules or calls for CCI companies.

On the other hand, there are some private initiatives to provide support services for companies including one operating in CCI sector. There are co-working places in Potenza and Matera that provide incubation services too. Casa Netural (Matera) incubation services focus on social, creative and cultural innovations, Go Desk co-working place has some residents from CCI sector.

There are some organizations that provide support to one of the CCIs in the region, such as Lucana Film Commission with the purpose of promoting and supporting the production of Italian and foreign cinema, television, audiovisual and advertising work in Basilicata.

(b) Recommendations

- It is recommended for Basilicata Region and *T3 Innovation* to create specific support rules and incubation calls for CCI companies. As stated in the report “Boosting the competitiveness of cultural and creative industries for growth and jobs”¹, companies working in CCIs “often face tremendous difficulties in raising the financial resources they need to promote growth and innovation”. We recommend to prioritise CCIs in the region and set up specific support instruments for the most important industries because the need for a level of support between different CCIs are not the same.
- Instead of creating new support tools and projects it is advisable to provide support for private initiatives that already provide services to CCI sector like co-working places.

Section 5: Partnerships and Networking

(a) Key Findings

The degree of partnership and networking differs in each of CCIs in the region. For instance, there are more than ten companies active in the film industry in Basilicata and they are cooperating with Lucana Film Commission in order to provide filming services for Italian and foreign cinema, television and other audiovisual projects. Similar cooperation exists in architecture industry where associations and companies are involved in joint projects and cooperation with UNIBAS.

As CCIs are at the emerging phase in the region, the main organization for partnerships and networking is Basilicata Region together with Sviluppo Basilicata. They are organizing different activities, events, projects with some focus on CCIs as well. CRE:HUB and CHIMERA (Innovative cultural and creative clusters in the MED area) projects are good examples of involving different stakeholders from business, education, associations, public sector to promote CCIs in the region, develop new partnerships and networks.

¹ See: http://ec.europa.eu/growth/content/boosting-competitiveness-cultural-and-creative-industries-growth-and-jobs-0_en



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Without doubt, preparation for Matera2019 - European Capital of Culture is fostering collaboration and partnerships between different players of CCIs. Therefore is important in order to provide sustainability of these efforts and results.

(b) Recommendations

- Report “Roadmap BASILICATA REGION” suggests the creation of CCI Cluster in order to support the participation of its members in national and international networks and clusters. Such focus raises many questions: who will be the members of such cluster, what will be the goals of it, what will be the common interests for companies of different priority CCIs (tourism, design) to take part in such cluster, etc. We recommend focusing on specific areas of CCIs for clustering, for example: cultural tourism + cultural heritage, design or film/audiovisual industry. A narrower focus on the cluster will help to achieve goals of the Regional Strategy related to CCIs, involve members with common interests and ensure sustainability of such cluster.
- Development and support of incubators and co-working space fosters collaboration and partnerships between companies of different CCIs and other organizations. Public events held by these organizations are crucial for networking, exchanging ideas etc.

Section 6: Access to Finance

(a) Key Findings

According to “ERDF Regional Operational Programme 2014-2020 - Basilicata” activities developing CCIs are proposed within Priority Axis III “Competitiveness of productive systems (OT 3)”. Activity 3B.3.3.2 plans to foster the development of new products and services in the tourism industry, creative and entertainment industry and in relation with cultural activities and services. It seeks to provide financial instruments, technical assistance and management services, training and other types of support for companies and associations. According to the Operational Programme, there will be available three forms of financial instruments: voucher programme, support for R&D development and technological innovations together with research centres, support for research and new business models (experimentation, pilot lines, demonstration, early validation, industrialization, etc.).

There are no financial instruments in the region designed especially for the development of CCIs, companies or NGOs are applying within a general framework, although there is financial support approved for some business ideas of CCIs in 2017.

At the national level, there is support available from *Invitalia* for businesses and NGOs working in cultural tourism in Basilicata, Calabria, Campania, Apulia and Sicily. On 1st December 2017, there were 117 approved applications and only seven of them were initiated from the Basilicata region. It can be attributed to two factors: insufficient business activity in cultural tourism that is one of the priorities of the Regional Strategy and insufficient knowledge and skills of local companies to prepare application documents.





(b) Recommendations

- According to the document “Survey on access to finance for cultural and creative sectors” prepared for the European Commission (2013)², the lack of business and managerial skills has been recognised as an important barrier to finance for CCI organizations. Therefore, we recommend the Basilicata Region, Sviluppo Basilicata together with T3 Innovation to organize informative events about available financing and courses on project application preparation for CCIs. There are many options outside the banking sector to seek financing for business ideas or a start-up working in CCIs, for instance Creative Europe, Cultural and Creative Sector Guarantee Facility. Nevertheless, without the necessary knowledge and skills it is not possible to prepare a successful application.

Section 7: Administrative and Technical Issues

(a) Key Findings

At the moment, there are many departments in the Basilicata Region that are dealing with different issues related to CCIs like financing, policy initiatives, support instruments, consultation, etc. At the same time, the concept of CCIs are relatively new in the region therefore administration doesn't have a clear understanding of needs, development possibilities and business models of companies working in CCIs. As it is a common practice all over the European Union, companies working in CCIs are micro size or even one-person companies, many people working at CCIs are self-employed. Therefore, companies in Basilicata face similar problems for CCIs like financing gaps and barriers to access new markets for smaller firms, social insurance for part-time employees, business knowledge and skills (e.g., marketing, export, and strategy).

(b) Recommendations

- We recommend establishing a one stop shop/agency for businesses of CCIs that should provide consulting about financing, incubation, training, regulations, intellectual property, etc. for companies / self-employed persons/ people who want to start a business. We suggest establishing it within a framework of T3 Innovation.

Section 8: Awareness Rising and Motivation

(a) Key Findings

As CCIs are at the emerging phase in the region, the awareness level of CCIs is low.

Regional Strategy has a focus on three priority areas: creative industries for tourism, creative industries and design, creative industries serving production sectors. In Basilicata cultural sites, heritage, architecture are very important resources of tourism development, but these factors are related to creative industries only to some extent. In the Regional Strategy, the term “design” is more applied to furniture industry so again there aren't many connections with creative industries. On the other hand, design is important for production sectors (e.g., packing design, industrial design) as good for the publishing industry. It's obvious that the concept of CCIs is not used with a clear awareness at the Regional Strategy thus creating inadequate understanding of CCIs for different stakeholders and in public use. Sometimes the concept of CCIs is used in

² see: ec.europa.eu/culture/library/studies/access-finance_en.pdf





isolation from industries that are already present in the region: publishing, architecture, communication and cinema.

At the same time awareness of CCI is rising due Matera 2019 activities, international projects on CCI and other activities like a special award for CCI “Premio Industria culturale e creativa” at the Start Cup Basilicata or non-university Master's courses in “Innovazioni Tecnologiche Per L'industria Culturale E Creativa” that was offered to residents of Basilicata” for free.

(b) Recommendations

- In order to raise awareness of CCI, it is recommended to organize events for different stakeholders and society, for instance, Basilicata Design Week as it was mentioned above.
- It is recommended to establish a special annual award for ideas or companies from CCI, for instance, Best New Company of Cultural and Creative Industries.
- In order to continue promotion of the Basilicata as a place for cultural tourism and events, it is advised to apply for the right to organize other international cultural events after Matera2019. For instance, hosting European Film Awards.

Section 9: Internationalization

(a) Key Findings

According to the report “State of Art of the CCI Sector”, export of CCI represents only 1.5% of the overall regional export value in the first nine months of 2016. A large majority of CCI export is produced by furniture and clothing industry. Currently there are not any regional support instruments to foster export of CCI. Internationalization activities of Basilicata Region and Sviluppo Basilicata do not have a specific focus on CCI. Study programs of UNIBAS have a focus on culture, cultural heritage, architecture, archaeology and tourism, but they almost are not available for international students (thus excluding education export). Main barriers for export of CCI are: a lack of knowledge and skills for external markets, language barriers (knowledge of English or other global languages), not sufficient instruments and tools for internationalization (e.g., support for participation in trade fairs, markets, training and consulting events).

(b) Recommendations

- Basilicata Region, Sviluppo Basilicata together with stakeholders should foster development of cultural tourism and service export (film industry, expertise in cultural heritage, archaeology) as well export of the publishing industry.
- Basilicata Region together with Sviluppo Basilicata and T3 Innovation should provide a support system for companies of CCI to foster service export and internationalization. The system should include training and consulting services, information about participation in trade events abroad, incubation of CCI start-ups with high export capacity etc.

Section 10: Conclusions

Regional Strategy includes CCI as one of Basilicata Region Smart Specialization priorities focusing on three sectors: creative industries for tourism, creative industries and design, creative industries serving production sectors. There is no definition of CCI in the strategy and boundaries of these sectors are not clear enough. Therefore, it might be difficult to plan and implement specific support instruments for CCI.





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The main actor of education within the region is the University of Basilicata that offers study programs in subjects related to two of the priority sectors of CCIs according to the Regional Strategy: creative industries for tourism and creative industries serving production sectors. Thus, there is a lack of education in design and other CCIs that are present in the region, for example, cinema.

At the moment there is not any specially designed support instrument for CCIs, however, there are some activities that foster development of new business ideas and products as well as raising awareness of CCIs in Basilicata.

As CCIs are at the emerging phase in the region, there is the absence of networking and collaboration happening between different stakeholders of CCIs, between different industries and between CCIs and other industries. Nevertheless, Basilicata Region together with Sviluppo Basilicata is implementing two international projects of CCIs that is fostering networking and collaboration between stakeholders. The region will host the European Capital of Culture in Matera, 2019 thus fostering such cooperation even further.

There is no specific financial support available for CCIs but businesses and NGOs can apply for financing using instruments of ERDF Regional Operational Programme 2014-2020 - Basilicata and other regional, national and EU support programmes. It is important to support training and consulting for companies and people with business ideas about available support programmes and project application, business plans etc.

At the moment there are many departments in the Basilicata Region that are dealing with different issues related with CCIs like financing, policy initiatives, support instruments, consultation, etc. At the same time concept of CCIs are relatively new in the region therefore administration does not have clear understanding of needs, development possibilities and business models of companies working in CCIs.

As CCIs are at the emerging phase in the region awareness level of CCIs is low. At the same time, awareness of CCIs is rising due Matera 2019 activities, international projects on CCIs and other activities.

In Basilicata, export of CCIs represents only 1.5% of the overall regional export value in the first nine months of 2016. Currently there are no regional support instruments to foster export of CCIs. Internationalization activities of Basilicata Region and Sviluppo Basilicata do not have a specific focus on CCIs. Main barriers for export of CCIs are: a lack of knowledge and skills for external markets, language barriers (insufficient skills of English or other global languages), insufficient instruments and tools for internationalization (e.g., support for participation in trade fairs, markets, training and consulting events).

Section 11: Attachments

- Strategia regionale per l'innovazione e la specializzazione intelligente 2014-2020
- Programma Operativo FESR Basilicata 2014/2020
- CRE:HUB Policies for Cultural Creative Industries: the hub for innovative regional development. State of Art of the CCI Sector
- CRE:HUB Policies for Cultural Creative Industries: the hub for innovative regional development. Roadmap Basilicata Region

