smath

Smart atmospheres of social and financial innovation for innovative clustering of creative industries in MED area

Project co-financed by the European Regional Development Fund

Deliverable 4.2.1 “Report on the strategic role of CIs for the MED growth”

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1. INTRODUCTION

Europe's rich cultural heritage and dynamic cultural and creative sectors are a part of European identity. Culture and cultural expressions manifest themselves strongly in the daily life of the Union's citizens and can contribute to wellbeing, active citizenship, common values, social inclusion and the development of intercultural dialogues as well as of a free, pluralistic and diverse media environment. The cultural and creative sectors fully contribute to the Union's economic development, generating jobs and growth, and are thus key for Europe's future.

In line with the Europe 2020 strategy for growth and jobs, culture and creative sector should increasingly contribute to employment and growth across Europe. There is a lot of untapped potential in the cultural and creative industries to create growth and jobs and Europe must identify and invest in new sources of smart, sustainable and inclusive growth drivers to put in place the right conditions for creativity and innovation to flourish in a new entrepreneurial culture (COM/2010/0183).

The MED countries and in particular the territories that are part of the SMATH project are accumulated by the fact of a rich presence of cultural engines (cultural core) and a suboptimal connection between this cultural engine and business oriented creative industries. However, a trivialization of the relationship between cultural and creative sectors is evident. Theories and models (NESTA, and others) of CCIs appear too optimistic in presuming the existence of an immediate and unproblematic connection between cultural core and a business environment that takes inspiration in order to develop product and services that can be marketed. Resent research have shown that this is not always the case. Cultural values, traditions, symbols do not automatically flow and land themselves to commercial exploitation by creative industries. These problems are common to the MED area and need a common methodology and instrument for their solution.

SMATH project identifies and tackles the territorial challenge in overcoming the gap between the theoretical conjunction of the cultural and creative sectors and the lack of real connections between the two sectors in practice.

This document, titled “Report on the strategic role of CIs for the MED growth” aims to support the SMATH project transferring activities addressed to regional authorities, organizations and networks operators working on the MED Growth, by increasing awareness on the CCIs relevance in fostering economic growth, job creation and innovation, as the high growth sector that generates added value.

The document will present cultural engines potential within the SMATH project participating regions, relevance of the CCIs at the EU and regional/national economy, barriers that hinders faster growth of the CCIs and at the end the SMAT project approach that should boost the power of the cultural engines in order for them to truly act as catalyst of creativity and innovation.

Finally, this document is one of the knowledge transfer tools aimed to public officials with an aim to improve the capacity of local governments to intervene and promote culture and creativity based economic development. Together with the training courses, meeting and actions of sensibilization the local and regional administrative authorities, this document will support better understanding of the local and regional authorities to the need and modes to govern the continuation of “smart atmospheres”, as innovative clustering of cultural engines and value enhancing services delivered by the project.

2. RELEVANCE OF THE CCI IN EUROPE

It is a well-known fact that European Union is characterised by its wealth and diversity of cultural heritage (40% of all UNESCO cultural heritage sites) and that the culture has the potential to play an important role in making the EU stronger and democratic; to provide a sense of identity to the EU citizens; and to positively contribute to social cohesion and inclusion.

Cultural and creative sectors are important for continued development of societies and they represent the engine of the creative economy. Knowledge-intensive and based on individual creativity and talent, they generate considerable economic wealth; more importantly, they are critical to a shared sense of European identity, culture and values. They show above-average growth and create jobs – particularly for young people – while strengthening social cohesion.

But to convince the local and regional authorities that the potential of cultural and creative industries is only partially exploited and that the new and innovative approach is needed to trigger further growth of these industries, economic data seems to be more relevant.

Following chapters will clearly indicate the importance of the CCIs in terms of employment, the impact of CCIs on overall economic performance and finally will present a SWOT analyses on the competitiveness of Cultural and Creative industries.

IMPACT OF CCIs TO EMPLOYMENT

In 2018, there were 8.7 million people in cultural employment across the EU-28 (3.8 % of total employment), which is nearly the same as in the agriculture, forestry and fishing sector.

In respect to the year 2013, in the year 2018 there were 639 000 more employed, which is equivalent to an overall increase of 8 % in the 5 years period.

But before making any conclusions and comparisons on employment in CCIs, it is important to understand that statistics on cultural employment relate to the number of workers (employees and self-employed) in the cultural field. The concept of cultural employment has been delineated in the ESSnet-Culture report 2012 and includes all individuals working in a culture-related economic activity (NACE Rev. 2 classification) regardless their occupation, as well as all individuals with a culture-related occupation (ISCO-08 classification) whatever the economic activity they are employed in.

Concretely, culture-related economic activity according to NACE Rev. 2 classification comprises of the following activities:

- Printing and reproduction of recorded media;
- Manufacture of musical instruments;
- Publishing of books, periodicals and other publishing activities;
- Motion picture, video and television programme production, sound recording and music publishing activities;
- Programming and broadcasting activities;

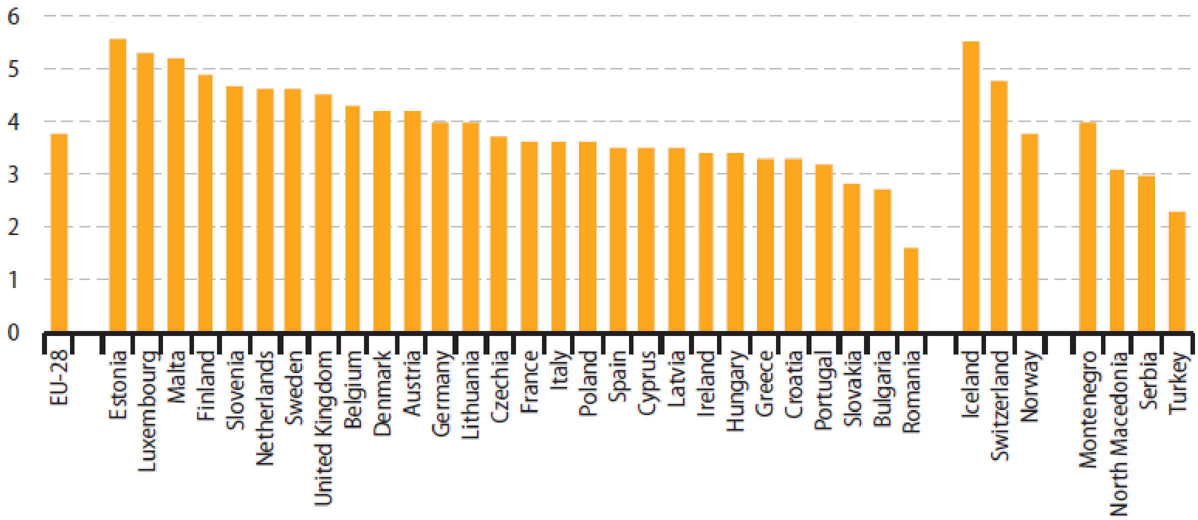
- Specialised design activities;
- Photographic activities;
- Translation and interpretation activities;
- Creative, arts and entertainment activities
- Libraries, archives, museums and other cultural activities

Culture-related occupation according to the ISCO-08 classification on the other hand are represented by:

- Architects, planners, surveyors and designers
- Other language teachers
- Other music teachers
- Other arts teachers
- Librarians, archivists and curators
- Authors, journalists and linguists
- Creative and performing artists
- Photographers
- Interior designers and decorators
- Gallery, museum and library technicians
- Other artistic and cultural associate professionals
- Broadcasting and audio-visual technicians
- Library clerks
- Musical instrument makers and tuners
- Jewellery and precious-metal workers
- Potters and related workers
- Glass makers, cutters, grinders and finishers
- Sign writers, decorative painters, engravers and etchers
- Handicraft workers in wood, basketry and related materials
- Handicraft workers in textile, leather and related materials
- Handicraft workers not elsewhere classified

Moreover, it is important to know that estimation of cultural employment is obtained using a conservative approach. This is due to the impossibility to determine the real cultural part of some activities and occupations which are only partially cultural (and as such they are excluded from the estimations). Moreover, the lack of information on the possible secondary cultural jobs does not allow for their inclusion in the cultural employment (only the main job of surveyed individuals is taken into account).

Table 2.1. Cultural Employment, 2018 (% of total employment)



Source: Eurostat (online data code: cult_emp_sex)

Shares of cultural employment in total employment varied within the EU Member States, where Romania had the lowest share (1.6 %) and on the other hand Estonia, Iceland, Luxembourg and Malta over 5.0%.

Following table indicates comparison of the total number of employees within cultural employment & share of cultural employment in total employment of the years 2013. and 2018.

Table 2.2. Cultural employment comparison (2013. and 2018.)

	Number (1 000 persons)		Share of total employment (%)	
	2013	2018	2013	2018
EU-28	8 097	8 736	3.8	3.8
Belgium (¹)	170	205	3.8	4.3
Bulgaria	78	84	2.7	2.7
Czechia	191	198	3.9	3.7
Denmark (¹)	125	119	4.7	4.2
Germany	1 660	1 661	4.2	4.0
Estonia	35	37	5.6	5.6
Ireland (¹)	73	77	3.7	3.4
Greece	122	125	3.5	3.3
Spain	553	678	3.2	3.5
France (¹)	895	966	3.5	3.6
Croatia	52	54	3.4	3.3
Italy (¹)	784	831	3.5	3.6
Cyprus (¹)	12	14	3.3	3.5
Latvia	35	32	3.9	3.5
Lithuania	49	56	3.8	4.0
Luxembourg (¹)	12	15	5.2	5.3
Hungary	151	150	3.9	3.4
Malta	8	12	4.2	5.2
Netherlands (¹)	386	408	4.7	4.6
Austria	174	180	4.2	4.2
Poland	493	586	3.2	3.6
Portugal	128	158	2.9	3.2
Romania	116	141	1.4	1.6
Slovenia	45	47	5.0	4.7
Slovakia	52	72	2.2	2.8
Finland	119	126	4.8	4.9
Sweden	225	235	4.8	4.6
United Kingdom	1 355	1 471	4.5	4.5
Iceland	10	11	5.8	5.5
Norway	114	101	4.4	3.8
Switzerland	211	223	4.8	4.8
Montenegro	9	10	4.6	4.0
North Macedonia	23	23	3.4	3.1
Serbia (¹)	82	86	3.6	3.0
Turkey (¹)	566	659	2.2	2.3

Source: Eurostat (online data code: cult_emp_sex)

Proportion of women and the young people (15 to 29 age group) in the cultural workforce was nearly the same as the average share across the whole of the economy.

However, rate of employed in in the field of culture (EU - 28) that had a tertiary level of educational attainment (59 %) was considerably higher than the average recorded for the whole economy (35 %).

A relevant characteristic of the cultural employment is relatively high share of self-employed (such as authors, performing artists, musicians, painters and sculptors, or crafts people). Across the EU-28, 33 % of the cultural workforce was self-employed in 2018, compared with an average of 14 % for the whole economy.

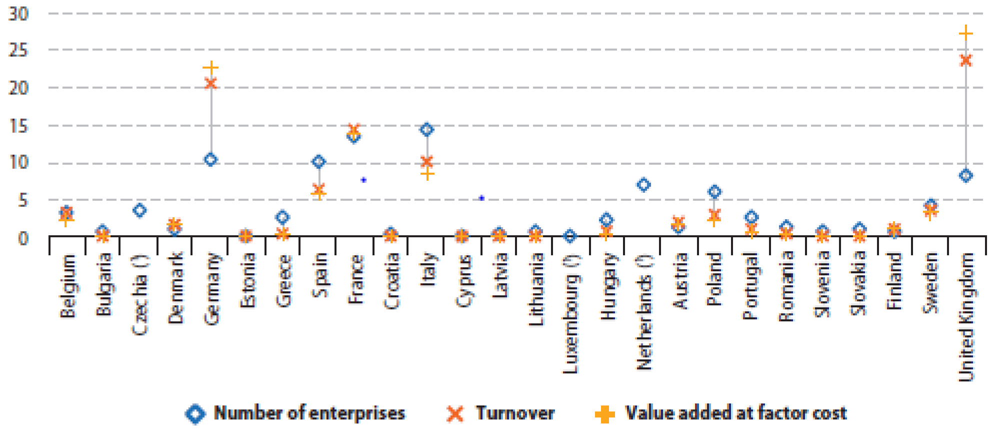
CCIs ENTERPRISES

According to the EUROSTAT report there were more than 1.2 million cultural enterprises in the EU-28 in the year 2016., thus representing around 5 % of all enterprises within the non-financial business economy. The value added at factor cost of cultural enterprises was EUR 192 billion, equivalent to 2.7 % of the non-financial total business economy.

To illustrate relevance of the CCIs in terms of value added within the EU-28, results were even slightly higher than that for the motor trades sector (NACE Division 45; EUR 173 billion) and almost equal to that for food manufacturing (NACE Division 10; EUR 194 billion). The cultural sector's turnover (the total value of market sales of goods and services) was EUR 466 billion, which represented 1.7 % of the total turnover generated within the EU-28's non-financial business economy.

Highest number of cultural enterprises among the EU Member States is evident in Italy (14.5 % of the EU-28 total in 2016) and slightly lower in France (13.4 %). The count of cultural enterprises was also relatively high in Germany, Spain and the United Kingdom with over 100 000 enterprises each. Italy. France, Germany, Spain and the UK together accounted for more than half (56.9 %) of all the cultural enterprises in the EU-28, while they also accounted for more than three quarters (78.2 %) of the total value added in the EU-28's cultural sector and also had the largest shares of the EU-28's cultural sector in terms of turnover, accounting jointly for 75.1 %.

Table 2.3. EU Member States' shares in the EU-28 total for main indicators concerning the culture sector, 2016 (% of EU – 28 total)



Source: Eurostat (online data codes: cult_ent_num and cult_ent_val)

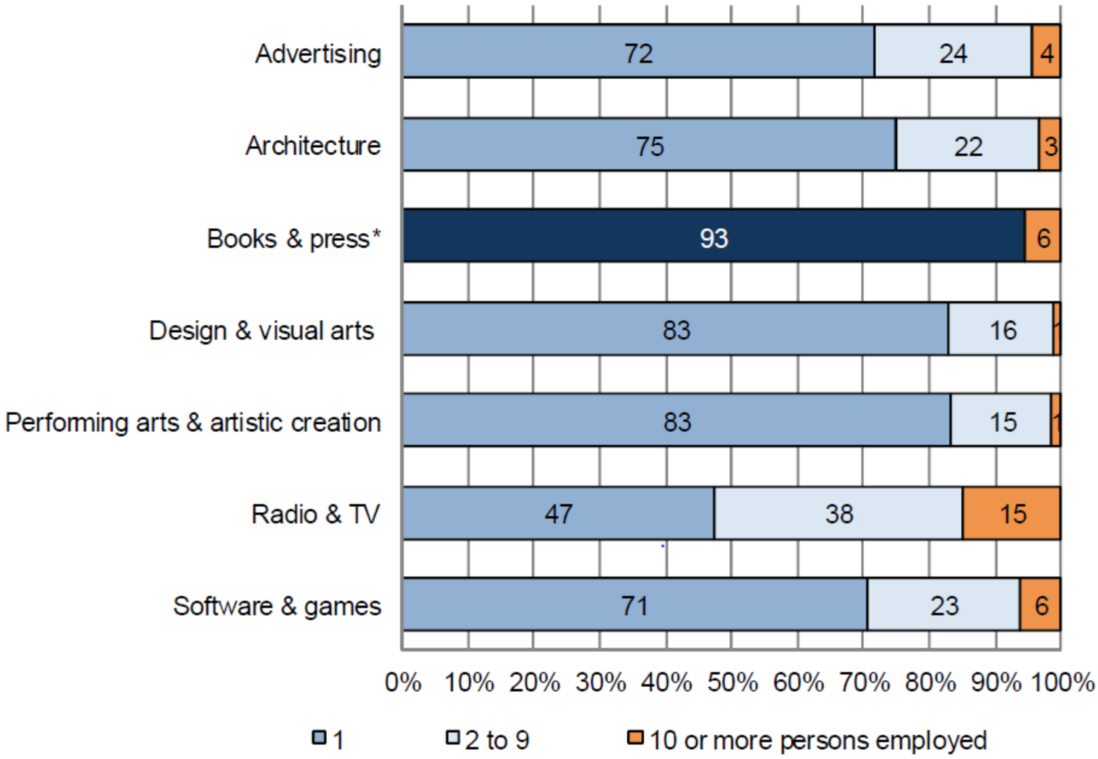
Table 2.4 Main indicators for cultural enterprises, 2016

	Number of enterprises		Value added at factor cost		Turnover	
	(number)	(%, share of total in non-financial business economy)	(million EUR)	(%, share of total in non-financial business economy)	(million EUR)	(%, share of total in non-financial business economy)
EU-28	*1 231 553*	*5.0*	*192 472*	*2.7*	*465 695*	*1.7*
Belgium	*39 844*	*6.5*	*4 486*	*2.1*	*14 717*	*1.4*
Bulgaria	*10 483*	*3.1*	*421*	*1.7*	*1 255*	*1.0*
Czechia	*45 905*	*4.5*	:	:	:	:
Denmark	13 175	6.0	3 323	2.3	7 899	1.6
Germany	128 795	5.2	44 000	2.7	95 421	1.5
Estonia	3 261	4.6	226	2.0	672	1.3
Ireland	:	:	:	:	:	:
Greece	32 632	4.1	931	2.1	3 127	1.4
Spain	125 881	4.7	11 003	2.3	29 437	1.6
France	165 313	5.4	26 582	2.8	67 568	1.8
Croatia	6 589	4.5	546	2.5	1 528	1.9
Italy	178 907	4.8	16 261	2.3	47 099	1.6
Cyprus	*2 237*	4.5	*183*	*2.3*	*867*	*3.1*
Latvia	5 074	4.4	*199*	*1.8*	*554*	*1.1*
Lithuania	10 957	5.7	284	1.7	795	1.0
Luxembourg	1 570	4.9	:	:	:	:
Hungary	27 817	5.0	870	1.5	3 913	1.4
Malta	:	:	:	:	:	:
Netherlands	86 669	*7.6*	:	:	:	:
Austria	16 750	5.2	*3 636*	*2.0*	*9 819*	*1.5*
Poland	76 010	4.5	*4 475*	*2.3*	*13 502*	*1.5*
Portugal	31 779	3.8	1 617	2.1	4 774	1.5
Romania	16 495	3.5	*780*	*1.3*	2 739	1.0
Slovenia	9 030	6.5	409	2.0	1 334	1.6
Slovakia	*12 766*	*2.9*	*439*	*1.2*	*1 635*	*0.9*
Finland	10 078	4.4	2 211	2.3	5 760	1.6
Sweden	52 856	7.5	6 168	2.7	16 198	2.0
United Kingdom	101 501	4.8	52 687	4.0	*109 996*	*2.8*
Iceland	2 528	9.2	257	2.7	600	*2.2*
Norway	18 076	6.1	*3 452*	*2.0*	*8 102*	*1.6*
North Macedonia (¹)	2 056	*3.8*	86	*2.3*	213	*1.2*
Bosnia and Herzegovina (²)	*2 157*	*3.2*	*156*	*2.1*	361	*1.2*

Source: Eurostat (online data codes: cult_ent_num and cult_ent_val)

In general, majority of enterprises in the CCIs (96 %) are micro-enterprises with less than 10 employees. However, the structure of the enterprise size differs between the sectors: For instance, the proportion of OPEs (One Person Enterprise) is highest in design & visual arts as well as performing arts & artistic creation (83 % each), followed by architecture (75 %), advertising (72 %) as well as software & games (71 %). In the sectors radio & TV (15 %), books & press and software & games (6 % each), the proportion of larger enterprises employing 10 persons or more is particularly high.

Table 2.5 Enterprises by size class for selected CCI sectors in %, 2013



Source: Eurostat, National Statistical Offices, Bureau van Dijk (ORBIS database), Boosting the competitiveness for cultural and creative industries for growth and jobs

The largest sectors within the core CCIs in the European Union are books & press, software & games as well as advertising

Table 2.5 Sectoral structure of the core CCIs, 2013

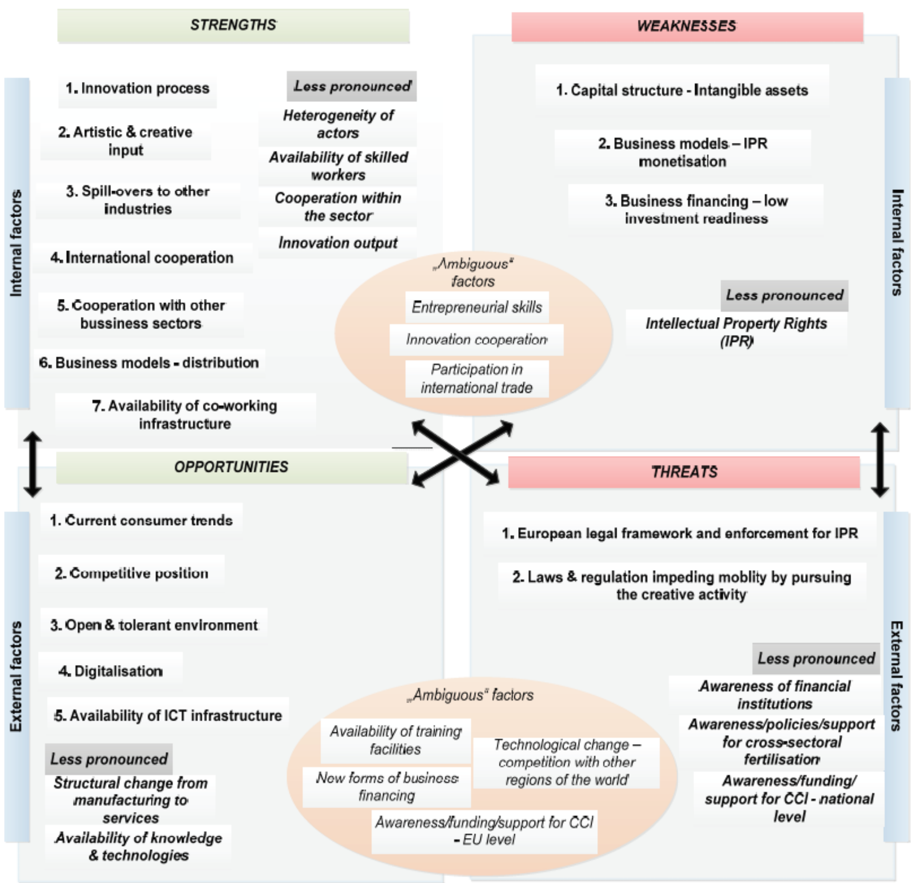
	Enterprises	Persons employed	Turnover in € million	Value added in € million
Advertising	303,400	1,057,500	152,700	50,500
Architecture	303,500	579,400	38,500	22,200
Archives, libraries, cultural heritage	115,000	560,000	55,000	22,000
Books & press	446,300	1,968,900	232,700	83,800
Cultural education	30,000	90,000	5,400	2,700
Design & visual arts	275,800	390,900	29,700	14,000
Music	34,300	71,900	11,000	4,800
Performing arts & artistic creation	390,000	660,000	70,000	35,000
Radio & TV	11,700	253,300	65,600	26,900
Software & games	262,600	1,331,000	181,400	92,400
Video & film	109,800	384,200	61,900	21,800
Core cultural and creative industries (CCIs)	**2,282,400**	**7,347,100**	**903,900**	**376,100**

COMPETITIVENESS AND FRAMEWORK CONDITIONS OF THE CCIS

Within the study “Boosting the competitiveness of cultural and creative industries for growth and jobs” the research team carried out a SWOT analysis for the CCIs to explore the competitiveness and framework conditions (e.g. challenges, barriers, and drivers).

Results of the research revealed that the internal strengths of the CCIs are mainly related to the areas of innovation, cooperation, as well as human resources, and economic viability and infrastructures. Conversely, the weaknesses are strongly related to the area of economic viability. As regards external factors that impact on the development of CCIs, the main opportunities for the CCIs lie in socio-demographic as well as technology aspects. The major threats for the sector refer to political governance

SWOT Analyses - Competitiveness and framework conditions of the CCIs



Source: Austrian Institute for SME Research

In addition to the results of the SWOT analyses, within the INTERREG MED project “Co-Create”, whose objective was to trigger cross-fertilization activities between creative and traditional industry revealed also several interesting characteristics that should be pointed out in the context of competitiveness framework of the CCIs:

- creative entrepreneurs are still very much focused on social and cultural values
- unlike to the traditional industries, there is no one size fits- all picture of the creative industries as its individual branches are very heterogeneous
- both creative and traditional industry clusters are locked into their own industry with no or very limited outreach to other industries
- very few cross-industry clusters operates and none of them has an explicit focus on linking creative industries with traditional industrial sectors
- traditional clients of creative industry are households, public administration or from the sectors of education, health, construction and tourism

3. CCIs WITHIN “SMATH” PROJECT CREATIVE NESTS

The objective of SMATH project is to strengthen the competitiveness of creative industries in the MED area by structuring “Smart Atmospheres” as innovative clustering of cultural engines and value enhancing services. SMATH raises awareness of the need to better connect cultural productions and business interests in order to fully develop the potential of creative industries. The relation between cultural productions and creative business has so far been more theorized than practiced. Abstract models assume that a “cultural core” would almost automatically inspire new creative entrepreneurship. Policy evaluation and evidence from research have shown that is rarely the case. Culture and creativity, close in theory, in practice tend to operate within distinct modes of production that may even diverge. The project capitalizes on this evidence to shape a new, specific spirit of collaboration between culture and creativity. Social innovation is proposed as the trigger of such an improved connection, implemented with the creation of Smart Atmospheres. It is through the multiplication of social ties and the strengthening of relational bonding that smart atmospheres are generated. In particular, the objective is to embed in richer collaborative atmospheres the two aggregates of “cultural engines” and “value enhancing services”. Such social innovation will be sustained with greater mutual knowledge, cross-fertilization and a highly focused development of practice-based models and tools.

One of the main project results is the creation of Creative nests, as the physical and symbolic spaces in which Smart Atmospheres are activated and generate positive spillovers. The creative nests are catalyst for social innovation, initiating processes and intensifying relationships among subjects of the cultural industries and the value enhancing services. The project will set up a richer collaborative fully blown cultural atmosphere shaped as an innovative cluster that will cause moments dialog and comparison between the two aggregates of “cultural engines” and “value enhancing services”. Continuous relational bonding between the cultural engines and creative industries starts and stabilizes this atmosphere that stops being something sporadic and becomes permanent, a proper change. The nests are developed within the project partners territories.

This chapter will present the CCIs state in the territories covered by the Creative Nests.

FRIULI-VENEZIA GIULIA (IT) NEST

The Cultural and Creative Production System of Friuli-Venezia Giulia produced in 2018 just under 1.8 billion euro of added value and engaged more than 34 thousand employees. These figures represent respectively 5.4% and 6.3% of regional economy. In terms of added value, among the sub-sectors that make up the supply chain, there is the second place of the performing arts and the third place in the music sector in the regional ranking for sub-sectors.

55% of the added value generated by the regional Cultural and Creative Production System is indeed provided by the core industries (architecture and design, communication, cinema, radio and TV, videogames and software, music, publishing and printing, performing arts, historical and artistic heritage), while 45% is provided by the creativity-driven production of goods and services, to underline the role of design (and not only) in the regional manufacturing sector. Almost the same proportions, 56% and 44%, are found with regard to employment

Table 1. Distribution of companies in Friuli Venezia Giulia by subsectors

Sub-sectors	Distribution of companies	Percentage Distribution
Architecture and Design	1.584	30,7%
Communication	651	12,6%
Cinema, Radio and TV	185	3,6%
Videogames and Software	743	14,4%
Music	88	1,7%
Publishing and Printing	1.672	32,4%
Performing Arts	218	4,2%
Historical and Artistic Heritage	15	0,3%

Source: “Io sono Cultura -2019”, Quaderni Symbola, 2019.

The contribution of regional CCIs businesses to FVG AR’s GVA in 2017, equal to 33.752 million €, was 1.785,5 million €, equivalent to a percentage weight of 5.3%. The contribution of regional CCIs businesses to FVG AR’s GVA in 2018, equal to 34.269 million €, was 1.850.5 million €, equivalent to a percentage weight of 5.4%.

BARCELONA (ES) CREATIVE NEST

Barcelona has over 90 museums and collections and countless local cultural facilities, such as libraries, social centres, theatres and concert halls. It houses major facilities, such as the Picasso Museum, MNAC and the Natural Science Museum, among many others. Eight buildings have been listed as World Heritage by UNESCO, most of them from the Catalan Art Nouveau period. Moreover, there is a great contemporary artistic heritage through the legacy of artists such as Gaudí, Miró, Dalí or Tàpies.

The number of organisations recorded in the city of Barcelona, with legal personality and non-profit-making or public, amounts to almost 800. These associations range from those devoted to promoting traditional culture to others working for technological and creative innovation.

The most significant programmes and projects that illustrate the cultural policies of the city are:

• Consell de la Cultura de Barcelona • Fàbriques de creació • Creadors En Residència • Festival Grec • Disseny Hub Barcelona • Pla Barcino • Born Centre Cultural • Xarxa de Biblioteques de Barcelona • Barcelona the Lab.

The result of the cultural policies of Barcelona is that local facilities, such as libraries and social centres, have become networked cultural nodes of knowledge, essential for the daily working of the city. This generates greater cultural democratisation.

Creative industries have generated 43,000 jobs in the city in the last six years, providing employment for 145,819 workers in the second quarter of 2019, some 13% of employment in Barcelona. Registered unemployment among professionals in this sector has consistently dropped since 2009, falling to practically half (-49.4%) and doubling the downward trend for the city as a whole (-25.1%). Work is currently being carried out to develop a new cluster to boost the creative industries sector yet further.

The sector has experienced a significant drop in unemployment, falling by 42.2% compared to 2013. This figure doubles the figure of 19.1% for the city as a whole. The vitality of this sector in recent years is due to strong growth in non-traditional industries such as digital publishing, videogames, research and development and publicity. The number of jobs in the sector has grown by 66.9% since 2008.

These industries attract young talent to the city, accounting for 49.5% of all jobs in this sector in the country. Barcelona closed out the first six months of 2019 with 9,262 active companies employing creative professionals, some 900 more than eleven years ago.

This is one of the sectors in Barcelona with the brightest futures, offering plenty of added value and stable well-paid jobs

4. BARRIERS HINDERING FASTER GROWTH OF THE CCIS AND THE SMATH PROJECT APPROACH

MAIN BARRIERS OT THE CCIs DEVELOPMENT

SMATH project partnership has identified main barriers that are hindering faster growth of the CCIs and that are recognized (in different extents) within all participating regions/countries including Croatia, Italy (Friuli Venezia Gulia and Veneto Region), France (Provence-Alpes-Côte d'Azur), Spain (Catalonia), Greece (Attiki) and Slovenia:

- Lack of expertise and dedicated resources, in particular the transition from self-employment to business creation is very difficult even for bureaucratic and tax compliances;
- Inadequate managerial skills and business models: the most common legal form of CCIs businesses is the non-recognized association;
- The banking sector lacks adequate business valuation models for CCI businesses, both for capital assets (intangible assets) than revenues (quantification of services);
- Insufficient investments attraction by CCIs, due to inadequate marketing of the entrepreneurial projects towards financial institutions and consequent recourse to bootstrapping;
- "Cognitive" gap between institutions and CCIs: institutions often miss to identify the needs of start-ups operating in the creative sector;
- Low confidence/trust of "traditional" business on CC firms ability to bring economic benefits in common projects;
- Worsening of business confidence and increase of risk aversion of innovative and creative
- Uncertain sustainability of the Promotion events of businesses / talent in different CCIs, as sustainability is strongly linked to the economic cycle and the variable results of fund-raising;
- Data gap
- Access to finance for the CCIs sector

Access to finance for the CCIs sector is recognized as the core barrier to further development, despite there is no evidence that the cultural and creative industries in Europe generally underperform in terms of profitability and financial health vis-à-vis other sectors. So why is the CCI sector facing such difficulties in accessing finance?

According to the European Commissions "Survey on access to finance for cultural and creative sectors" that SMEs in general are facing more challenges than large organizations in attracting external finance, mainly due to problems of information asymmetry. In addition to the barriers to accessing finance for SMEs in general, following specific characteristics of CCS organizations reinforce the problem:

- intrinsic characteristics of CCS activities: e.g. lack of tangible assets, dependence on intangible assets, high uncertainty of market demand;

- characteristics of organizations and entrepreneurs within the CCS: e.g. (perceived) lack of business skills, dependence on public investment schemes
- specific market conditions: e.g. size of the market, lack of good market intelligence, pressure on existing business models.
- CCS business models do not correspond with the traditional financial products offered by general banks as there is no underlying collateral in the form of tangible assets to cover the financing risk
- Absence for the long-term finance demand which are critical in order to support longer term business planning and stable business growth (majority of the CCIs loans applications relate to gap financing and short-term pre-financing of projects).

SMATH PROJECT APPROACH TO BOOST CCIs DEVELOPMENT

The objective of SMATH is to strengthen the competitiveness of creative industries in the MED area by structuring "Smart Atmospheres" as innovative clustering of cultural engines and value enhancing services.

SMATH raises awareness of the need to better connect cultural productions and business interests in order to fully develop the potential of creative industries. The relation between cultural productions and creative business has so far been more theorized than practiced. Abstract models assume that a "cultural core" would almost automatically inspire new creative entrepreneurship. Policy evaluation and evidence from research have shown that is rarely the case. Culture and creativity, close in theory, in practice tend to operate within distinct modes of production that may even diverge.

The project capitalizes on this evidence to shape a new, specific spirit of collaboration between culture and creativity. Social innovation is proposed as the trigger of such an improved connection, implemented with the creation of Smart Atmospheres. It is through the multiplication of social ties and the strengthening of relational bonding that smart atmospheres are generated.

In particular, the objective is to embed in richer collaborative atmospheres the two aggregates of "cultural engines" and "value enhancing services". Such social innovation will be sustained with greater mutual knowledge, cross-fertilization and a highly focused development of practice-based models and tools.

The project generated and diffused a sounder and more practical awareness of the economic potential of culture for the development of creative business. Misleading quick-fixes and automatisms often contained in abstract models will be replaced by evidence-based approaches based on specific analysis conducted at the local and regional level. This will result in repertoires of narratives and cases that will outline both the good practices and the complexities of combining cultural production with business orientation. SMEs will be able to use such awareness to fully capture and exploit in innovative ways the potential of culture-based approaches. Policy makers will dispose of a knowledge base for designing less generic instruments for the development of creative industries.

One of the most relevant project results is the introduction of the "Creative nests", as physical and symbolic spaces in which Smart Atmospheres are activated and generate positive spillovers.

The creative nests are the physical and symbolic spaces and they represent a catalyst for social innovation, initiating processes and intensifying relationships among subjects of the cultural industries and the value enhancing services. The project demonstrated how to set up a richer collaborative fully blown cultural atmosphere shaped as an innovative cluster that will cause moments dialog and comparison between the two aggregates of “cultural engines” and “value enhancing services”.

Continuous relational bonding between the cultural engines and creative industries starts and stabilizes this atmosphere that stops being something sporadic and becomes permanent, a proper change.

SMATH project approach triggered the effective transmission of cultural content to creative industries with an aim to express the full potential of cultural engines to boost their power, in order for them to truly act as the fundamental fuel of creative industries.

This can only be done via innovative clustering based on the increase in the quantity and quality of dialog between cultural engines and creative industries on one side and fine tuning of the value enhancing service to the specific needs of creative industries.

While the dialog is enhanced through models of smart atmosphere, the fine tuning is done by setting-up a network of investors able to cooperate and to support the CCIs sectors with a variety of financial instruments tailor-made to CCIs needs and able to maximise their potentialities of growth.

5. SMATH PROJECT SUCCES CASES

This chapter will present success cases of business ideas & projects generated within the 8 Creative Nests established within the project in 8 European regions.

All relevant information about the creative nests, projects and much more is available within the SMATH CREATIVE NEST PLATFORM https://creativenest.eu/#home

5.1 TOULON VAR CREATIVE NEST

The Toulon Var Creative Nest is located in Toulon, a medium-sized city in the south of France next to the Mediterranean Sea. Managed by TVT Innovation & Le Port des Créateurs, it brings together public & private stakeholders from the visual arts sector and innovation ecosystem to promote better synergies and help consolidate new creative projects.

PROJECT L'ART

Where did the idea come from ? Who are the project holders ?

The project was born following a contact between Lionel Girod, President Founder and CEO of STEP AT and the person in charge of the conservation of the museums of the citadel of Belfort (East of France). Lionel Girod is active in the field of data acquisition and exploitation and involved in this new project linked to cultural data : I'ART.

What do they do ? What's the project about ?

I'ART consists in applying predictive maintenance to culture. Taking the form of sensors placed for example in museum conservation or exhibition rooms, their role is to measure and record essential data linked to the conservation process such as temperature or humidity levels.

Why did they create it ? What kind of impact (social, artistic, innovative,) does the project have?

Thorough his search of services offer expansion and some exchanges with curators or gallery owners, Lionel Girod became aware of a need to give cultural stakeholders access to technologies that are generally reserved for industries. This project has an impact on heritage assets through an innovative technological solution that customers can subscribe to.

How does the SMATH Project help them? What are the next steps?

Integrated into the Creative Starter support program of the Toulon-Var Creative Nest, the project will benefit from special support with meeting with identified partners & identification of competitors.

5.2 VENETO CREATIVE NEST

The Nest's reason to exist is to facilitate the encounter of artists and enterprises looking to challenge their assumptions, stimulate dialogue and flow of information and ultimately help convert ideas into innovative yet implementable projects. Support offered by a purpose-created team has been instrumental in bringing to life the combined efforts of companies and artists and can be declined in three major segments: mediation, training and coaching. Ultimate achievement is the generation of new perspectives.

PROJECT TRACCIANTE

Where did the idea come from ? Who are the project holders ?

The idea came from the intersection of the company's two main values: sustainability and innovation. The company wanted to share its efforts and commitment to "tread lighltly" on the environment and to use all its resources to promote effective change.

What do they do ? What's the project about ?

The project aims to convert exhaust gases into usable ink. The resulting product (ink) would be then used by the artists involved to represent animals and plants that are suffering because of progressive worsening of environmental conditions. The artistic works would be then displayed on public spaces to stimulate reflection and dialogue.

How does the SMATH project help them ? What are the next steps ?

The SMATH project was instrumental in pushing the company to bring its vision to life. Next on the pipeline is finding the company that can perform the conversion from exhaust gas to ink, defining a schedule, the appropriate locations to display artistic works and allocate funds to be invested.

5.3 FVG CREATIVE NEST

Represented by the synergy between the Friuli Venezia Giulia Cluster for Culture and Creativity and the High level education Institute for the Cultural and Creative Sector, the FVG Creative Nest realizes an organic educational offer and provides its members with the access to a toolbox of services such as the access to an always updated skills catalogue, a set of promotion activities and funding opportunities.

PROJECT ARRENDO SONORO

Where did the idea come from ? Who are the project holders ?

Arredo Sonoro was born from the collaboration between the art therapist Francesca Salcioli and the audio software developer Andrea Ambrosino, both musicians. The initiative fits into the context of the sound fruition and music therapy and came from the idea of creating soundscapes able to integrate digital and analog, psychoacoustic and electronic elements to be applied to the sectors of the well-being and design.

What do they do ? What's the project about ?

Arredo Sonoro is a project about Sound Design and Sound Furniture that aims to facilitate the harmony of spaces through sound, with the creation of sound furnishing elements, with a functional and decorative vocation. The project involves the creation of Sound Furniture elements inspired in parallel to musical instruments for the world of meditation and well-being and intends to introduce on the market, through a portal of online sales and a physical showroom, elements of sound furnishing both in the home supply chain and in public contexts.

Why did they create it ? What kind of impact (social, artistic, innovative,) does the project have?

Arredo Sonoro was created to favour the integration of Music Therapy and Sound Therapy in design and to bring the benefits of sound and music inside houses and spaces, using furnishing elements. The project aims to have a social and artistic impact in particular in the well-being of people and families.

How does the SMATH Project help them? What are the next steps?

SMATH helped them to focus on their prospective customers and on their needs, to become more aware of the strengths and weak points of their idea and so made them well-disposed toward improvements. The next steps are the improvement of the business model and the creation of a business strategy.

5.4 ZAGREB CREATIVE NEST

Nest main objective is to promote the SMATH model of supporting CCIs. Various activities are carried out with the support of the City of Zagreb and the City office of culture. The identification of exploitable ideas; dissemination of ideas; establishment of contacts; networking; preparation of economic exploitation; the advancement of innovative ideas through educations, workshops, study visits, business networking constitute the core of the ongoing dynamic.

PROJECT THE ENCHANTED FOREST - THE FORGOTTEN WORLD OF MYTHICAL CREATURES OF CROATIA

Where did the idea come from? Who are the project holders? What do they do? What's the project about?

Iva Lulić is a very well-known Croatian fine-art photographer who creates amazing images, thus restoring old folk beliefs. She already made several serials of photos representing the legendary creatures from folklore.
Iris Illyrica is a publishing house funded in 1995 with a goal of publishing a high quality books from areas of literature, journalism, children's literature and fiction.

Inspired by the motifs, myths and legends of Croatian mythology, the idea is to publish a book with these stories, enriched with realistic and artistic photographs of these imaginary creatures presented in their "natural habitat" of the region in question. This would be a unique document with a goal of preserving a rich and colourful mythology in Croatian culture. This way we Croatian mythology will be presented through storytelling and photography in a new, fun and attractive way to the new generations. The images are created only using natural surroundings and effects, without any use of modern computer effects.

Why did they create it? What kind of impact (social, artistic, innovative) does the project have?

A unique book will be created containing myths, stories and legends from Croatian Mythology intended for children and other public with a goal of preserving this specific part of culture, folklore and history. After the initial cost of making and printing a book and all the photographic material in it, the main activity will be promotional and sales activities generating revenue. The promotional activities will be organized in schools, libraries, tourist boards and similar institutions interested in this project.

How does the SMATH Project help them? What are the next steps?

Thought-out promotional activities and presenting interesting parts of the book (both stories and photography) will be a key of spreading awareness and gaining interest about this book. A wide variety of public interested in this material will be attracted to these promotions, getting the information from the main creator herself, Iva Lulić. This will be a very attractive destination for a number of photographers, considering a demanding techniques Iva is using in her artistic and creative work.

5.5 MARIBOR CREATIVE NEST

The Maribor Creative Nest helps the overall growth of the cultural and creative sector in the region as well as the CCI connections to business sectors.

The nest is offering the following services:

- individual coaching and advisory services
- partner search
- participation at regional events
- organisation of training events and workshops

PROJECT MG DESIGN

Where did the idea come from ? Who are the project holders ?

MG Design was found by Masha Gulic in Slovenia, with a purpose of creating, designing and fullfilling wishes of the clients and bringing happiness and satisfaction in living. The project is a logical continuation of the work practice of a young architect who has gained a rich experience on the field of interior equipment for prestigious buildings and yachts. The Project holder is an Architect Masha Gulic & Mettis Co.

What do they do ? What's the project about ?

Studio works on different fields; Architecture, Interior Design, Product Design & Graphic Design. The project products are mainly furniture of art pieces. Main activities represent the industrial design, art creation and manufacturing of unique furniture.

Why did they create it ? What kind of impact (social, artistic, innovative,) does the project have?

The project was created from a pure artistic inspiration of the author and with the aim to reach an added value to its previous works as well as the existing products on the market. Thus the project primarily has not only the artistic and innovative impact but it also has a social component.

5.6 BARCELONA CREATIVE NEST

A sequence of local and transnational actions aimed at generating synergies between creative, artistic and cultural agents, supporting the development of sustainable innovative products and services with societal impact.

PROJECT "OPERA EXPIRIENCE"

Where did the idea come from ? Who are the project holders ?

The idea came from an hibridation process. Shivver was waiting for a perfect partner to work one of the performing arts verticals. On the other hand, AprÒpera wants to introduce new and wider audience to opera. We met and we recognised each other as the perfect match. Our goal as a team is to create a new approach to the opera. A new way to enjoy it, to promote opera and to get revenues from it. The project holders are Marc Sala with AprÒpera and Lorena Toda with Shivver, of course with our team members. Aleix Llorens is our project led who is doing a fantastic job.

What is the project about? Its main activities ?

Feeling the opera from the stage. An unique immersive and interactive experience to know more in depth what is behind the scenes and to get deeper into the performance.

Why did they create it ? What kind of impact (social, artistic, innovative,) does the project have?

We started to see the values and the high purposes of both companies and we saw a potential collaboration due to our complementarity. With the knowhow we have in opera, we want to transform what is happening on stage and around to a new dimension: new technologies. With this project we break geographical barriers (people from BCN can see opera houses from NY, Australia,…), we are more sustainable as you consume from home, we adapt to new ways of consuming (for new users: digital and on demand), we will promote opera to new generations new ways to get revenues for artists/ theatres.

How does the SMATH project help them? What are the next steps?

SMATH is supporting us from the very beginning. They believed in the potential of new technologies in performing arts and the connections we could stablish partnering with other members. They have created innovative and inspiring sessions as well as the needed support to create our final proposal. We are so fortunate to count on their support. They are always here to help. For entrepreneurs is difficult to have access to grants, funds and have visibility which SMATH is a key partner to support us here.

5.7 INNOVATHENS CREATIVE NEST

INNOVATHENS supports young people to build their business in CCIs areas. Individuals and teams with innovative ideas are being trained and coached in project management, use of financial tools, HRM, marketing sales as well as in innovation management towards the implementation of a well-structured business plan and are connected with enterprises and/or eventually interested investors.

PROJECT "Creators of Cosmos SMPC"

Where did the idea come from? Who are the project holders?

The idea was born during the professional counselling sessions that Mr. Kekkas and Ms. Kondyli were engaged to. The concept of the idea combines the love of the two founders for Live Action Role Playing games with its capacity to become a hybrid tool that may offer added value in major economic axes. The company has been established as a Single Member Private Company under the distinct title "Creators of Cosmos".

What do they do? What's the project about?

Creators of Cosmos S.M.P.C.is the first Greek company that designs and produces scripts for Live Action Role Playing Games. The company uses these scripts in four axes of business activities: Tourism – Creative Industries – Gaming – Knowledge Economy. The games produced may be used in five categories of services and products: as destination management tools, for lifelong learning, for professional capacity building, to tackle social exclusion, as well as for research and development of new products and services.

Why did they create it? What kind of impact (social, artistic, innovative) does the project have?

The company produces scenarios for Live Action Role Playing Games (L.A.R.P.) and events. With our idea we've managed to establish the first hybrid Hellenic company with its innovation lying with the use of our scenarios in four business axes that is: tourism, creative industries, gaming and knowledge economy, and in five distinguished categories: tourism and destination management, lifelong learning, professional capacity building, tackling social exclusion, research and development of new products in the aforementioned fields. More specific our innovation regards the usage of L.A.R.P. scenarios as hybrid tools that combine future emerging technologies in the field of art and science and thus may be used for the gamification of policies that serve:

1. The protection of natural habitats.
2. The management of cultural heritage.
3. The upgrade of all traditional tourism products into the main trends (experiential tourism, me tourism, dark tourism, apocalyptic tourism).
4. As safe environments for individuals to identify new abilities and skills.
5. As multi-sensory tools to identify multiple intelligences in youngsters and thus nurture them to be used for their personal and professional development.
6. As tools that tackles social exclusion of marginalized population.

7. As tools for Knowledge production, transfer, and movability (3 sectors of knowledge economy).

8. As tools for economic leverage of population and communities were the games are established.

9. As tools that ensure the viability of professionals in the creative industry sector (production of commodities related to the scenarios e.g. clothes, jewellery, music etc.).

More than that creators of Cosmos SMPC exploit the model of circular economy, the biosynergetic model of a strong business ecosystem, as well as the third party economic contribution to each and every project of ours, so that creators of Cosmos SMPC may keep a very low cost of production and a high ROI for the stakeholders involved to our projects.

Our target markets are B2B and B2C markets related to gaming, tourism, creative industries and knowledge economy, in which according to the Organization of Economic Collaboration and Development (OECD, 2018) Greece has no comparative proposal to showcase in terms of a global value chain venture combining all four into one hybrid product-service. Our scenarios are directed to:

- B2C: Gamers (Live Action Role Players, Tabletop Games Role Players, Digital Games - MMORPG players - Cosplayers),
- B2C: Tourists (engaging with ego-me tourism, experiential tourism, cultural tourism, entertainment tourism, recreational tourism, dark-war tourism, hybrid tourism models such as co-work residencies in creative industries, as well as city break tourism),
- B2C: Pupils, students, professionals in the public and private sectors, populations on the move (refugees, climates and economic immigrants), populations belonging to Vulnerable Social Groups (unemployed, members of single parent families, people living in poverty.), Populations living under the threat of social exclusion (former drug abusers, former incarcerated, victims of domestic violence, victims of human trafficking), as well as individuals participating in skills acquisition programs (Erasmus +, LLLP).
- B2B: Private companies (management incentives and low-level staff of small and medium-sized companies, Private Vocational Training Institutes, Colleges and Private Universities, Non-Governmental Organizations). Public Bodies (Schools, Lifelong Learning Centers 1 & 2, Universities, Municipalities-Regions-Ministries, Law on Public Broadcasting). Destination Management Agencies and Hospitality providers.

How does the SMATH Project help them? What are the next steps?

By entering the SMATH project, we hoped to have a chance to introduce our product to a wider audience, after having effectively tested it during the establishment phase of our company. Another issue we wanted to solve was to put our business model to the test from professionals engaged in funding, management, and cultural development. Thus, we believe we’ve succeeded to persuade them about its innovative approach and economic model. Unfortunately, we didn’t have the chance to follow through the pitching presentation part, which has been our ultimate goal to reach out to possible funders, due to the Sars-Covid19 events taking place around the world. Nonetheless, we are already designing new products for 17 destinations in Greece, we are to enter a partnership with the Japanese government to introduce our product in the market during 2021 Olympic games, we have presented and signed collaborations with both Innovathens and Charokopio University -to the extend of the provided services on behalf of our company. Moreover, we are designing an LLP testing program in association with two Greek universities, so that we may later this year design and launch two postgraduate programs on special effects (digital and physical), directly related to our concept, as well as a Research and Development program to further exploit the capacities offered through the digitalization of our scenarios.

5.8 PAYS D'ARLES CREATIVE NEST

The Creative NEST Pays d'Arles, steered by the Culture & Heritage Cluster, provides support for development and promotion of SME, setting up collaborative projects, offers a program of activities meant to initiate new synergies, access to the Archeomed© platform and its shared spaces – acting as a tool for cooperation, economic development and territorial attractiveness of its members.

PROJECT VESTIMAN, THE MUSICAL EXOSKELETON

Where did the idea come from ? Who are the project holders ?

At the origin of the project is Henri Maquet, poly-instrumentalist musician, that has developed a complex sound manipulation device: Recorders, microphones, musical instruments, sequencers, tablets, smartphone, etc., which allow him to multiply and organize sounds from several sources, acoustics alone and / or electronic.

What do they do ? What's the project about ?

VestiMan:

- Is a suit incorporating a set of electronic and computer devices allowing to produce and assemble sound for musical creation;
- it allows, in addition to producing sounds, to orchestrate, manipulate them, structure in time and space;
- it calls for new ergonomics and gestures, instinctive or creative;
- the costume itself is a unique artistic creation and a technical challenge, integrating multiple technological facets into a visual aesthetic harmonious as well as ergonomic.

Why did they create it ? What kind of impact (social, artistic, innovative,) does the project have?

The work on the technical device and its scenography led the artist to question the ergonomics, the gesture and the technical design of his set. The idea of creating a body device was born as an extension of this reflection liberating the musician from spatial constraints and opening up endless creative and scenic possibilities. By inviting two other designers to create this unique object with him, he opens the field to two new worlds of reflection, each responsible for his own questions.

How does the SMATH Project help them? What are the next steps?

The SMATH support helped by the structuring the project ideas and the methodology. Then, it allowed the possibility of exchanging views on my project with people from different backgrounds.