

# **Barrier Solution Analysis of the CCI Sector in Ljubljana Urban Region**

**IER, February 2017**



*Sharing solutions for better regional policies*

## Introduction

The Institute for Economic Research has submitted a tender, issued by the Regional Development Agency of the Ljubljana Urban region (RDA LUR) within the Interreg Europe project CRE:HUB – policies for cultural CREative industries: the HUB for innovative regional development. The present study Barrier Solution Analysis of the CCI Sector in Ljubljana Urban Region is a result of this tender.

Within this analysis, the common methodological guidelines, prepared by the University of Latvia, and approved by the project leader – Basilicata Region, were followed. The Barrier Solution Analysis is based on the literature review, analysis of the State of the Art of the CCI Sector in Ljubljana Urban Region (IER, 2017) and data from a small survey of CCI SMEs in LUR.

## Barrier & Solution Matrix

In addition to the literature review, primary data were gathered by a small survey of CCI SMEs completed in the period from December 2016 to January 2017 in order to identify the barriers. For the identification of existing solutions, only policy documents (Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020; Slovenia's Smart Specialisation Strategy; Regional development programme of the Ljubljana Urban Region 2014-2020) were considered as relevant.

There are many measures proposed in the policy documents that are of general nature as the promotion of internationalization, support to the young enterprises and start-ups; financing, but without the focus on the CCIs. In the table, only measures where CCIs are mentioned are included.

Barrier title	Brief barrier description <i>(up to 25 words per each barrier)</i>	Identified solutions, if any <i>(up to 40 words per each solution)</i>	Where to find it in the document <i>(e.g. page No., or Table No.)</i>
<b>Awareness &amp; Promotion</b>			
Low awareness about the role of CCI	Other industries, general public and the public sector are not aware about the role and importance of CCI as a driver of development and innovation		

Lack of promotion and efforts to improve the awareness	The efforts to promote and improve the awareness about the importance of CCI are too low (specially by the government and economic organisations)		
Heterogeneity of the CCI	CCI are very heterogeneous and fragmented, which makes their common promotion more challenging		
<b>Administrative &amp; Technical</b>			
Administrative barriers	Administrative barriers/bureaucracy often impose undue burdens on the creative SMEs		
Unsuitable tax and labour legislation	Tax and labour legislation does not take into account the specifics of CCI which often leads to precarisation of labour		
Unsuitable IPR protection	IPR protection unsuitable; a specific problem presents the enforcement of IPR for SMEs in practice		
<b>Skills &amp; Capacity Building</b>			
Lack of business knowledge	CCI SMEs are lacking different business knowledge (e.g. management, marketing,	Content-related support: support by mentors and advisors, trainings in various fields (including	Slovenia's Smart Specialisation Strategy

	different soft skills) which hinders their competitiveness and growth.	social entrepreneurship, design management and transfer of traditional knowledge and skills); dissemination of modern methodology of product development, such as lean method; development of socially responsible intrapreneurship in companies at management and employee level; promoting the development of social innovation in internal and external entrepreneurial environments; preparing companies for international growth; integration and networking in various areas (e.g. with creative industries).	(2015), p. 36
Lack of specialised educational programmes	On most of the educational institutions relevant for the CCI, specialised educational programmes are missing.		
Lack of interdisciplinarity	Existing stud programmes are often demonstrating a lack of interdisciplinarity and cooperation with other study programmes	Investment in non-technological innovation and in sustainable value elements (e.g. intellectual property rights, process and organisation innovation, social innovation, linking of	Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020, p. 58.

		enterprises and cultural and creative industries, new business models innovations), including the promotion of using industrial design in the economy and elsewhere and the development of products and services with own trademarks.	
Educational system is not fostering creativity	Creativity should be fostered throughout the whole educational system – from the kindergardens to the universities		
Financial & Economic			
Lack of appropriate funding opportunities	CCI SMEs mostly use their own capital and feel they are lacking appropriate funding opportunities. This also hinders their internationalisation.	Financial mechanisms: microcredits, loans, guarantee schemes, equity and quasi equity financing, subsidies for start-up as well as mentoring for specific target groups (e.g. culture and creative industries, social enterprises)	Slovenia's Smart Specialisation Strategy (2015), p. 36
Policy Issues			
Lack of strategic documents	There is a lack of strategic documents on the national level which would recognise the importance of CCI as a whole		

Lack of support policies	There is a lack of support policies, tailored for CCI		
Unsuitable public procurement criteria	Public procurement process is not suitable for CCI SMEs.		
Support institutions are not coordinated	While there are some support institutions for specific segments of CCI, their work is not coordinated	Support for projects for the development of innovations and their testing in practice. Support will be given to demonstration projects to showcase and test new solutions for immediate use in practice and to projects demonstrating use (e.g. Living Labs, internet of things, cloud computing, big data, reinforcement of creativity e.g. CreativeHubs etc.). Support will particularly be given to projects that allow the solution designers to obtain the relevant references and promote the commercialisation of solutions, including the provision of the necessary capacities to support the demonstration of solutions, which will significantly contribute to promoting Slovenian	Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020, p. 58.

		<p>science, knowledge and technological development, and to expansion into new markets with new products and services.</p> <p>Upgrade of the existing support environment through the development and promotion of modern support services, connecting and management of regional destinations organisations at the regional level (e.g. mentoring, training, promotion, enhancing the integration of enterprises and cultural and creative industries, business consulting, including for internationalisation of enterprises) within the entrepreneurial and innovation ecosystem in accordance with the Smart Specialisation Strategy.</p>	<p>Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020, p. 74.</p>
Internationalization			
Lack of support for internationalisation	SMEs with the desire to expand their business to foreign markets feel they are lacking appropriate support (contacts, specific information, etc)		



	and also funding opportunities.		
Infrastructure			
Critical mass of infrastructure, institutions and firms in Ljubljana only	Since Ljubljana is the capital, the majority of infrastructure, institutions and firms are concentrated here, while in other parts there is a lack of it.	Establishment of the co-working premises; creativity centres (also in Eastern Slovenia)	Slovenia's Smart Specialisation Strategy (2015), p. 35
Lack of spaces for networking and for events	CCI SMEs are lacking spaces for networking and cooperation and spaces which offer possibilities for organisation of different events (e.g. workshops, exhibitions,...)	Establishment of the co-working premises; creativity centres  CI as a new content can assume the role of the driver of urban regeneration, through which creative companies can obtain an affordable production space, which can provide them with faster specialisation and development in terms of entrepreneurship.	Slovenia's Smart Specialisation Strategy (2015), p. 35  Regional Development Agency of Ljubljana Urban Region (2015), p. 90.

**List of revised documents:**



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