

REGIONAL SWOT ANALYSIS - COAST-KARST REGION (SLOVENIA)

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Version 1





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1. Executive summary

The SWOT analysis of the creative industries (CI) in the Coast-Karst region in Slovenia shows that creative industries are well presented in the area. There are mainly public cultural institutions (radio and television, museums, galleries), however some NGO's and some small private companies also exist.

The biggest strengths are developed local cultural events and tourism economy, existing authentic products and brands. Additionally, international networks and cooperation are well developed and the presence of University in the area provides high-quality education and training. Due to the small size of the region the biggest weaknesses are: the lack of a critical mass for the CI, generally limited knowledge about art forms, small market and non-existent demand and the lack of networking and promotion.

With proper management better connection between culture and tourism and/or traditional crafts and innovation better opportunities can be created, especially on the area of local demand for creative products. However, emigration and fierce competition from other countries can be recognised as the biggest treats.

2. Introduction / Purpose of this document

The aim of this document is to analyse the state of creative industries in the Coast-Karst region, where the two Slovenian partners, Zavod za varstvo kulturne dediščine Slovenije (PP5) and Municipality of Piran (PP6) are implementing the REFREsh project.

First, a short description of territorial situation that includes some general economic and demographic data is presented. Then, a sectoral structure of creative Industries that operate in the region is described. The focus of this study is the status of the organisations (public institutions, non-governmental organisation, private companies, self-employees) and the areas of their operation.

The final results of the analysis are generated in the SWOT Matrix. It shows the current state of creative Industries in the region that concentrates on four parameters: Strengths, Weaknesses, Opportunities and Threats. On the basis of this results a further assessment of the potential for stakeholder involvement in the process of revitalizing the industrial cultural heritage can be done.



3. Regional Analysis of Partner regions

3.1. Overview

The Coast-Karst region of Slovenia covers an area of 1,044 km². It comprises 7 municipalities and urban municipalities: Municipality of Divača, Municipality of Hrpelje-Kozina, Municipality of Izola-Comune di Isola, Municipality of Komen, Municipality of Piran-Comune di Pirano, Municipality of Sežana, Municipality of Ankaran-Comune di Ancarano, and the Municipality of Koper-Comune Città di Capodistria.

In 2016, 113,193 inhabitants lived in the region, 56,019 men and 57,174 women, which accounts for 5.5 per cent (%) of the inhabitants of the entire country. The average age in the region is 43 years. In 2016, almost 13,000 companies operated in the region, with an average of 3.1 employees, which is the lowest average in Slovenia. In 2015, there were 4,768 registered companies and 22 cooperatives. Over half of the companies in the region have their head office in the Municipality of Koper, where 57.4 % of employees created 73.1 % of revenue. The companies are classified according to their activities in accordance with the Decree on the Standard Classification of Activities. In 2015, companies in the manufacturing sector in the Coast-Karst region employed the most people, followed by companies in the field of transport and warehousing, commercial activity, and hospitality activity.

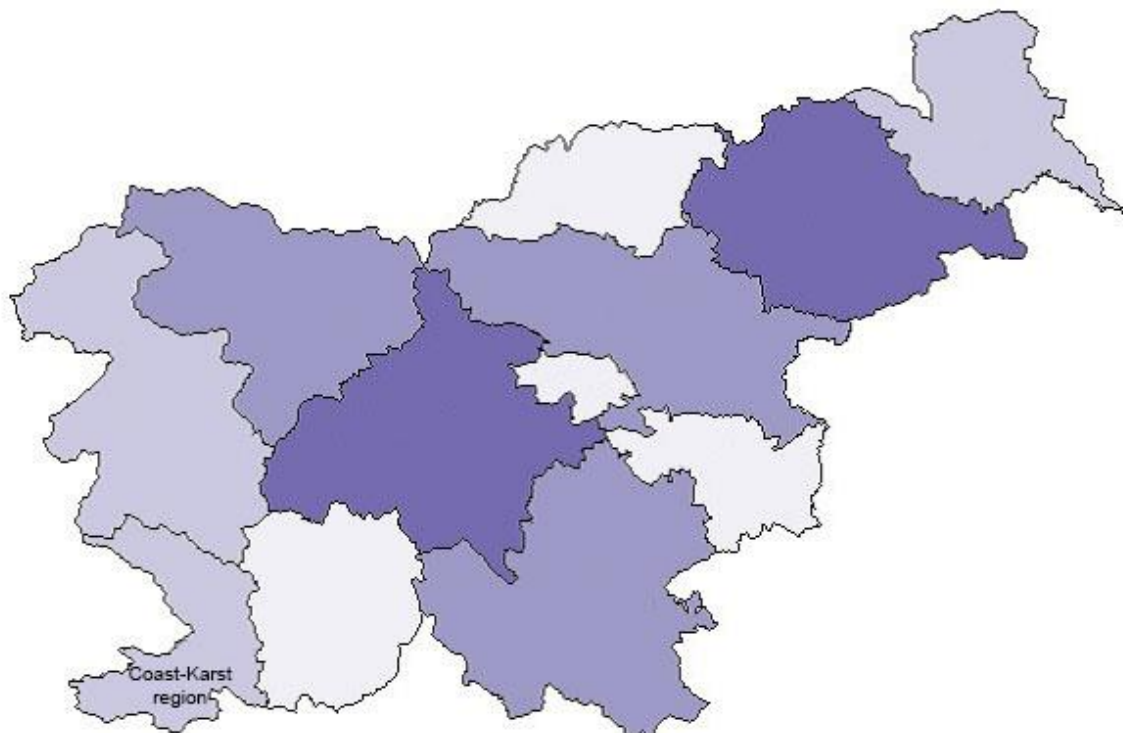


Fig. 1: Regions of the Republic of Slovenia, source: www.stat.si



The focus of the analysis is the Municipality of Piran, the most important centre of tourism on the Slovenian coast. In geographical and cultural terms, the Municipality of Piran belongs to the Mediterranean and Slovenian Istria. The municipality lies in the south-westernmost part of the Republic of Slovenia, its mainland bordering on Croatia, and its sea bordering on Croatia and Italy. Its area covers 46.6 km².

Alongside the majority Slovenian population, members of the Italian national community also live in the municipality. Italian is also the official language beside Slovenian in the bilingual region. The education structure shows that the majority of the population has an upper-secondary technical and general level of education. In second place, lower upper-secondary vocational education prevails.

In the economic structure, tourism activity is the main industry and has the leading role in the area. The Standard Classification of Activities, which identifies and classifies tourism activity under the “hospitality sector”, indicates that 25 % of the active population is employed in the “hospitality sector”. It is followed by real estate, business services and trade, repairs of motor vehicles, and consumer goods.

3.2. Sectoral structure of creative Industry

The creative industries (CI) are in the hands of public cultural institutions, non-governmental organisations and, in a smaller proportion, contemporary artisans/arrangers/architects-designers/journalists-authors. In fact, private companies or self-employed professionals in culture account for just a small share of the cultural sector.

One of the leading expressions of the CI on the Coast is considered the radio and television activity of both RTV Slovenia Koper-Capodistria Regional Centre and that of private or commercial stations. Journalists are also sole traders or employed by local newspapers. In addition, among the key stakeholders, we emphasise the important role of public institutes in the field of heritage and NGOs – societies. In both cases, they are players whose main mission is not the exploitation of the creative potential with the aim to create profit, but they create it anyway, as an indirect effect. They manage it as their own income and often invest it in their employees’ salaries. The activities of museum/gallery gift shops and the organisation of exhibitions, artistic creation and performances, and design are also a constituent part of the CI of the region.

Especially due to tourism, retail trade in cultural goods is well-established in coastal towns and strives for product authenticity (e.g. Piran salt and salt-based products, olive oil, wine, handmade glassware, leatherwear, handmade shoes, hand-woven baskets, and cut stone). A speciality of the region is the Lipica Stud Farm which is based on tradition yet market-driven.

An example of good practice is located in Izola’s town centre, where there are several operational art studios, a result of a European project of the municipality. In Koper, there is the University Development Centre and Primorska Incubator which provides training for start-up entrepreneurs and carries out various European projects that improve the entrepreneurial environment, but even there the primary area is not the CI.



One of the key needs of the sector are start-up funds for the CI. There are general tenders that co-fund start-ups but there are no special measures for starting up a CI company. A major limitation is thus the small size of the market which does not enable a quick start-up and causes insufficient financing of the activities. Legislation, both on national and municipal levels, does not mention the CI. Likewise, the 2018-2025 National Programme for Culture makes no mention of it. The possibilities to include the creative scene in the municipal development plans are undoubtedly great, merely because of the urban municipalities' legal obligation to prepare Local Cultural Programmes, and the smaller municipalities' need to participate in these programmes and give a purpose to the co-financing of culture.

3.3. SWOT-Analysis

Regional SWOT results	
<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ➤ Strong public sector ➤ High-quality education and additional training in some sectors ➤ International cooperation and co-financing of cross-border implementation of EU projects ➤ Local cultural events and awards ➤ Internationally acknowledged business ideas (online crowdfunding) ➤ Development of the tourist economy ➤ Development of authentic products and branding ➤ Developed entrepreneurial structure and institutional support of the development of the economy (one-stop shop) ➤ Presence of the University in the region 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ➤ Legislation is inadequate for a comprehensive support of the CI ➤ Insufficient financing and high start-up costs ➤ Lack of managerial knowledge ➤ Lack of networking and promotion ➤ Price competition due to the problem of supplying local materials and the price of producing handicrafts ➤ Small market and non-existent demand ➤ Lack of a critical mass for the CI, generally limited knowledge about art forms
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ➤ Create local demand for creative products and raise the quality of the creative scene ➤ New support policy for the CI on local level ➤ Connect traditional crafts with innovation (creative carpentry, creative fashion design) ➤ Connect culture to tourism 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ➤ Emigration of talents immediately after they become established in the domestic market ➤ Fierce competition from other countries ➤ Economic sustainability of the CI in contemporary arts (e.g. performing arts, which leads to working only in the field of youth education as the only paid activity)