

REGIONAL STRATEGY FOR THE INTEGRATION OF THE CREATIVE SCENE
FOR MULTIFUNCTIONAL DEVELOPMENT IN RURAL AREAS

D.T2.2.2

REGION: Obalno-kraška (Slovenia)

PROJECT PARTNER: Institute for the Protection of Cultural Heritage of Slovenia

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Regional strategy

REGIONAL STRATEGY FOR THE INTEGRATION OF THE CREATIVE SCENE FOR MULTIFUNCTIONAL DEVELOPMENT IN RURAL AREAS

Executive summary (4–6 pages)

CHAPTER/SUBCHAPTER TITLE		ESSENTIAL DESCRIPTION OF THE CHAPTER/SUBCHAPTER
1.	Introduction (1000 characters)	<p>The term “cultural and creative industries” is relatively new and its definitions are diverse. The term “cultural industry” first appeared already in the post-war period as a critique of the mass cultural life of that time.</p> <p>In the present day, there remain different interpretations of culture as an industry. Sometimes, the notion of “cultural industry” is used to differentiate between elite versus mass culture, high versus popular culture, and fine arts versus commercial entertainment. However, the definition that cultural industries are those activities that produce cultural goods and services has been more widely accepted.</p> <p>The term “creative industries” appeared only in the 1990s and it gained a wider exposure in 1997.</p> <p>In order to unify the definitions of CCI in Europe, a definition has been provided in the European Commission Green Paper.</p> <p>Many authors declare that CCI are the driving force of modern-day economic growth. The ability and practice of creating new ideas and constant improvements ultimately increase productivity and the standard of living, states the originator of creative classes and cities Richard Florida in his popular book <i>The Rise of the Creative Class</i> (2002).</p>
2.	Introduction of the creative industry in the region (2000 characters)	
2.1.	Existing conventions, living past of the region	<p>The Obalno-kraška region is not a uniform region. Rather, it is characterised by a distinct duality. The study focuses on the Littoral part of the region. The economy has been linked to the sea and the Littoral boasts a long tradition of tourism. The development of CCI was first focused on cultural activities. Furthermore, there are two museums with a long history in the Littoral: the Koper Regional Museum (1911) and the Sergej Mašera Maritime Museum of Piran (1954). Theatre is also worth noting as well as numerous cinemas.</p>



		<p>Piran has been extremely important in the development of Slovenian film.</p>
2.2.	The picture of the creative sectors in the region	<p>Those activities that do not target the exploitation of the creative potential in order to create profit but create it as an effect are the ones prevailing. A major role within the CCI in the Obalno-kraška region is played by the public sector: museums and galleries, NGOs, and societies.</p> <p>The main organisational part for NGOs and societies is played by the Public Fund for Cultural Activities, especially regarding amateur culture, as well as the private institute Središče Rotunda (the ISKRA Hub), and the PiNA society.</p> <p>The role of the private sector is infinitely smaller but self-employed professionals in culture are nonetheless a special category. Many of them join formal and informal networks.</p> <p>A considerable share of CI in the Obalno-kraška region is represented by sole proprietors. The majority of architects, designers, and fashion designers operate in that way, while the most numerous sector is that of advertising, with 193 entities.</p> <p>Particularly important for the promotion of CCI in the Obalno-kraška region are also different festivals.</p>
2.3.	Introducing the main creative sectors	<p>The PiNA society, which promotes and develops especially audiovisual art while strongly emphasising social responsibility, has a leading role among creative groups. A prime example of creative groups can be found in the artists' Ljubljanska Street in Izola and in the artistic street of Piran (IX Corps Street). The RIIBA group, together with its associated artistic and artisanal trio TOK TOK, is an internationally known example of CCI. Two new examples of CCI are the Centre of Abundance in Koper and the KUP society, which foster eco-conscious design and recycling crafts. The Coastal Galleries and the Abakkum private institute are also active players on the CCI scene.</p>
2.4.	The organizational background and frames of the sector	<p>At regional level, this field is partly covered by the Regional Development Agency South Primorska (RDA SP), or rather by the Regional Development Centre Koper (RDC). In Koper, there are also the University Development Centre and the Incubator of Primorska as well as the ISKRA – Istria and Karst Regional NGO Hub. These set the principles and strategic starting points for economic development, but CCI are rarely at the forefront of consideration (except in the case of the cooperation between the RDC and PiNA). The organisation of CCI is either in the hands of a public institution (e.g. a gallery or a museum) or left to the resourcefulness of individual entities (societies or individuals).</p>
2.5.	The commercial system of the creative industry	<p>Creative industries are not yet a well formulated niche market in the Obalno-kraška region so a commercial system has not been established yet. Individual entities have created their own approach to promotion resulting in economic impacts (PiNA – commercial offer for the development of CCI ideas (design thinking), artistic streets – direct sale of products, TOK TOK – online promotion and crowd-sourcing).</p>



3.	The challenges, opportunities of the creative sector (1000 characters)	
3.1.	News and development tendencies	<p>There are many players in the region, but they are scattered and unconnected. The leading industries are architecture and advertising. Additionally, new paths have been emerging (ecological aspects).</p> <p>An important and highly developed industry in the region is multimedia art, which is represented by several independent creatives as well as the PiNA society.</p> <p>Unused empty spaces in old town centres show some potential.</p> <p>Many CI activities are associated with tourist services (designers of unique jewellery and souvenirs located in attractive spots within town centres).</p> <p>There are three critical points: what is lacking is the main condition for the integration of creatives, then a suitable, artistically diverse and intellectually stimulating environment, and an appropriate co-financing system.</p>
3.2.	Potential creative industry scenes	Two key potential CI scenes at regional level are the cooperation with tourism and with the Port of Koper.
3.3.	Potential creative industry actors	Potential CI actors are sole proprietors and/or tradesmen, tourist agencies, and tour operators. An important part is played by the Public Fund for Cultural Activities with its well-thought-out programme and tenders. A systematic integration of the economy and the creative sector in creating synergies is of key importance for the region as well as for Slovenia as a whole.
4.	The introduction of creative scenes concerned in the project (1500 characters)	
		<p>The Monfort warehouse is already partly used by CCI. Only compartment 5 houses a shop, while all the other compartments accommodate mostly cultural and creative activities. Compartment 1 contains a permanent exhibition space of the Sergej Mašera Maritime Museum of Piran, which also includes a small lecture room/information point. Monfort houses two collections, one dedicated to traditional shipbuilding and the other to the development of water sports. The information point currently holds an exhibition of salt-making, which puts on display the history of the warehouses and the evolution of the area.</p> <p>Compartment 4 accommodates a permanent exhibition space of the Piran Coastal Galleries.</p> <p>Compartments 2 and 3 are without a fixed content and are occasionally leased out for different events. They have hosted 6 concerts, 5 exhibitions, a dance event, 6 sporting events, 8 promotional events, 2 culinary events, and 4 weddings since 2015.</p> <p>The Grando warehouse is currently functioning as a warehouse and is being used by several businesses. Two compartments (1</p>



		and 2) retain their original function – salt warehousing, salt packinghouse, etc. Compartment 3 is being used as a depot of the Piran Coastal Galleries and one part of compartment 4 as a depot of the Maritime Museum.
5.	The regional SWOT analysis (1000(1000 characters)	<p>The regional SWOT analysis has shown these main strengths: 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, institutional support of economic development (one-stop shops), and presence of the University in the region.</p> <p>The weaknesses are the following: legislation is inadequate for a comprehensive support of 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 CI, and generally limited knowledge of art forms.</p> <p>The region’s opportunities are the following: creating local demand for creative products and raising the quality of the creative scene, a new support policy for CI at local level, connecting traditional crafts with innovation (creative carpentry, creative fashion design), and connecting culture with tourism.</p> <p>The following threats have been detected: emigration of talents after they become established in the domestic market, fierce competition from other countries, and economically unsustainable CI in contemporary arts.</p>
6.	The vision and the strategic objectives of the regional creative industry (500 characters)	<p>The vision for the development of CCI in the Littoral includes:</p> <ol style="list-style-type: none"> An environment which is considered friendly and stimulating for formal and spontaneous forms of CCI by all key stakeholders. CCI are not concentrated just in a few locations, but rather close to their providers and integrated into networks/clusters. CCI actors and stakeholders that connect with them should be well informed. Exploit synergies between different providers/stakeholders (from the CCI sector, local communities, economic and public sector). Form efficient models of integration with compatible activities outside CCI. Sustainable organisation and favourable conditions for CCI operations. Connect formal and informal types of CCI activities/operators, nurture interculturalism, and create value chains to maintain different “vulnerable” activities. In this context, tourism is a showcase for heritage and everything local.



7.	The application of the strategic objectives concerning the Monfort and Grando salt warehouses (4000 characters)	
7.1.	Development and utilisation proposals on the selected assets	The majority of the five spaces in the Monfort building already have some programme content in place, which is mostly carried out by CCI. In compartment 3, which is part of the REFREsh project, three potential uses have been examined: protocol activities and other events, gastronomic events, and a “presentation room” for activities carried out by external tenants. Based on the identity/heritage of the area, additional CCI content is proposed in compartment 2, i.e. a “salt-making interpretation room” (which can be complemented with content on the evolution of tourism in Portorož in a contemporary museological way). It is conceived as an interactive display of heritage, which can occasionally turn into a creative space or “creativity room”, particularly in relation to the adjacent collection of the Maritime Museum (artisanal and artistic workshops, etc.). In the first place, this would be intended for the activities of the local population in relation to CCI.
7.2.	Summary of the developments	According to the schedule of the renovation works, a Detailed Design was scheduled by the end of October 2018. A public procurement contract for the contractor of capital works in compartment 3 was scheduled to be concluded by 20 November 2018. All works should have been completed by April 2019. They actually began in March and are being completed in June 2019.
7.3.	Financial plan of the actions	The financial plan for the actions included an investment into the renovation of compartment 3 (completed in June 2019) of EUR 50,000 (the Municipality of Piran as the owner was the investor; REFREsh project). That will be followed by marketing the spaces, which will be managed by the Portorož Tourist Board, for gastronomic and other events mentioned above.
7.4.	Organisation and frames of operation	Both the Monfort and Grando buildings are owned by the Municipality of Piran, which makes them available to public institutions (Coastal Galleries, Maritime Museum) or leases them out (Mercator, warehouse of Savič s.p., Soline d.o.o.). The spaces in compartments 2 and 3 are currently managed by the Portorož Tourist Board on behalf of the Municipality of Piran (the agreement on the marketing of halls no. 2 and 3 of the Monfort salt warehouse was concluded on 12 December 2018 for a 1-year period). The long-term vision proposed by the economic experts working on the project includes the establishment of a CCI Centre within Monfort, which would function as a common platform integrating different CCI from the Littoral or at least from Portorož.
7.5.	Marketing strategy and its introduction on the market	The marketing of Portorož CCI Centre (working title) should not only be targeted at attracting visitors/tourists (external marketing) but also at integrating providers that incorporate their activities within the CCI Centre, and locals (internal marketing). Internal marketing, which is seldom defined in general marketing strategies, represents a safeguard for the sustainable development of the CCI Centre precisely because of its specific activity, which is not fundamentally market-based. In addition, one of the component parts of the marketing strategy is traditional external marketing, which is targeted at



		customers/visitors of the CCI Centre and segments them into closed distinctive groups with common characteristics.
7.6.	The necessity of developing the business environment	<p>The role of internal marketing of the Portorož CCI Centre lies in the systematic development of a symbiotic integration of key sectors and entities to achieve long-term positive effects of CCI for that location.</p> <p>Symbiotic marketing, also called commensal, co-creative marketing or simply co-marketing, contributes significantly to the sustainable development of CCI. Therefore, the sustainable development of CCI requires a combination of marketing resources, processes, and programmes between providers of the same type (e.g. museums, artists, advertisers) and between vertically complementary providers (e.g. researchers, designers, operators).</p>
7.7.	The timetable of the development	In case of a consensus of the key stakeholders, especially compartment 3 could be adapted to a large extent within 5 years and put into service for the local community and for CCI activities which are less damaging for their direct surroundings and show some potential for increasing the locals' quality of life while at the same time promoting CCI.
8.	Basing the strategy of the regional creative industry (4000 characters)	
8.1.	Organisational and operational basics	<p>In Slovenia, there is no umbrella organisation that would integrate all CCI actors at national level. So, at this stage it makes sense to search for synergies at local and regional level, and then connect with similar organisations in other regions and countries. Connections between individual actors are welcomed since they are generally more operational than systemic connections or any cooperation through CCI centres/hubs.</p> <p>Considering the relatively small size of the region in question and the low concentration of CCI actors, we propose to form some centres within the existing organisations that provide a well-established structure, staff with suitable competences, and the basic conditions necessary to operate (e.g. RDA, the PiNA society). To some extent, that is already happening but this cooperation should be intensified. In the long run, a regional (Littoral) or at least local CCI Centre could be created.</p>
8.2.	Partnership, cooperation and network	<p>It is necessary to highlight the possibility to cooperate with the University of Primorska (Faculty of Tourism Studies – Turistica, Faculty of Humanities, Faculty of Education, and Faculty of Management). The tourist economy should be singled out among economic activities, as it forms a set of synergies with CCI, especially in terms of valorising the effects of CCI, enriching tourist services, marketing differentiation, and positioning, both at the level of individual providers and tourist destination.</p> <p>Although some forms of integration already exist, CCI activities are relatively unconnected and fragmented. At this stage, the key is to identify efficient models of integration. Three models, which are based on relatedness, have been proposed. The two steps that are needed here are keeping all actors or groups well informed on the operations of the others and of the possibilities and advantages of cooperation, as well as identifying the reasons for the lack of cooperation so far and</p>
8.2.1.	Between creative industry and other sectors	
8.2.2.	Between creative actors	
8.2.3.	Between actors and groups of actors	



		<p>any activities to eliminate/overcome those obstacles.</p> <p>The potential advantages of cooperation at horizontal level (between operators of the same activities) are the following: joint promotion (e.g. through common branding), mutual cross-promotion, exchange of experience, knowledge, and information (workshops, internal trainings on new technological solutions, experience with external partners, etc.), joint purchase of and access to resources (e.g. databases, servers, etc.), sharing the costs of external services (e.g. legal consultancy), joint market research, product development, development of operating standards, etc. Last but not least, integration is also a prerequisite for efficient cooperation in creating a legal and political framework of CCI operation.</p> <p>They key advantage of vertical networks is partners' reliability, partnership stability, and the efficient creation of value chains (a rational and clear delimitation of activities, adapting to the needs of consumers throughout the whole process in the spirit of the target costing principle).</p> <p>Considering the actual possibilities and needs, diagonal networking (between actors whose content is not related) may bring different advantages, as already indicated regarding the already mentioned types of networking: from sharing spaces and other resources to joint development, marketing, and sale of services/effects.</p>
8.3.	Production, selling and business environment	A supply chain generally comprises creation, production, distribution/dissemination, displaying, and consumption. Due to their diverse content, CCI supply chains are relatively specific (compared to traditional industries) and have loose organisational forms (without a main business operator leading the way). So, the ability of dynamic integration and creation of networks is all the more important. CCI are most often engaged in two stages of the chain: creating a creative solution and production. Depending on the CCI field, the creative start-up also depends on, and is therefore limited by, the client (architecture, advertising). Some CCI can form their chain independently (marketing of artworks), while others depend on external actors.
8.3.1.	Possibilities to set up creative industry-focused value chains (supplier-producer-dealer chain or system or network or community)	
8.3.2.	Effective marketing system of the creative sector	If we summarise our CCI vision into a more integrated, smartly specialised, and sustainably managed creative sector which will enable the regeneration of urban and rural areas of the region through a better quality of life and added value of the economy, we can derive three long-term marketing objectives from it:
8.3.3.	Market trends, niches, expected changes, risks of the market and possible reactions	<ol style="list-style-type: none"> 1. Strengthen the identity and image of the Obalnokraška region as a creative area with a rich cultural tradition and potential for the sustainable development of the creative sector. <p><i>Actions:</i></p> <ul style="list-style-type: none"> - identify and evaluate the existing and potential products of the creative sector in the region,



		<ul style="list-style-type: none"> - establish (an) institution(s) and operating standards to promote CCI at regional and local level (e.g. CCI information points), - communication strategic plan and annual CCI action plan with internal and external stakeholders (including international ones). <p>2. Strengthen the network of providers to improve users' accessibility of creative goods and the value chain for the user.</p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> - establish horizontal (intra-sectoral) and vertical (inter-sectoral) creative networks/clusters to create products/packages and joint marketing appearance, - foster the integration of providers, goods, and activities in common spaces, - develop joint brands and CCI communication platforms. <p>3. Strengthen people's general and specific qualifications and competences to ensure the sustainable development of the region's creative sector.</p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> - establish a partnership between CCI and educational institutions, - develop peer coaching, i.e. a section of mentors to improve competences in CCI networks (e.g. knowledge of the market, digital communications, managerial skills, possibility of project financing), - raise awareness of the possibility to participate. <p>Considering the findings of previous analyses of the situation and the environment, it makes sense to develop the marketing strategy and image (brand/brands) of the creative sector of the Obalno-kraška region in 3 directions:</p> <ul style="list-style-type: none"> - ART (fine art, music, film, literature), - CONSERVATION AND INTERPRETATION OF HERITAGE (museums, exhibitions, and events related to the identity of the region/location), and - FESTIVALS (films, advertising, eno-gastronomy).
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1. Introduction (2–3 pages)

1.1. Definition of the CCI

The term “cultural and creative industries” is relatively new and its definitions are diverse. The term “cultural industry” first appeared already in the post-war period (members of the Frankfurt School led by Theodor Adorno and Max Horkheimer as well as writer Herbert Marcuse) as a critique of the mass cultural life of that time. Joining the two opposite terms of culture and industry was a concept intended to shock and an expression of contempt for the popular newspapers, movies, magazines and music (UNCTAD 2010, 5).¹

In the present day, there remain different interpretations of culture as an industry. Sometimes, the notion of “cultural industry” is used to differentiate between elite versus mass culture, high versus popular culture, and fine arts versus commercial entertainment. However, the definition that cultural industries are those activities that produce cultural goods and services has been more widely accepted.

In UNESCO’s 2005 convention, cultural industries are regarded as those industries that “combine the creation, production and commercialisation of contents which are cultural in nature. These contents are typically protected by copyright and they can take the form of goods or services”. An important aspect of cultural industries, according to UNESCO, is promoting and maintaining cultural diversity and ensuring democratic access to culture (UNCTAD 2010, 5).

The term “creative industries” appeared only in the 1990s (Australia published the Creative Nation report in 1994). It gained a wider exposure in 1997 when policy-makers at UK’s Department for Culture, Media and Sport established the Creative Industries Task Force. Both terms were first joined in a definition in 2011. “Cultural and creative industries” (hereinafter CCI) were defined as those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.²

It is noteworthy that the designation “creative industries” has since broadened its scope beyond the cultural arts, marking a shift in approach from predominantly non-economic to commercial activities (UNCTAD 2010, 6). Numerous definitions have appeared. One of the most widely accepted definitions of creative industries was provided by UNCTAD (2010, 7–9):

- They “are the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs:
- constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights;
- comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives;
- stand at the crossroads of the artisan, services and industrial sectors;
- constitute a new dynamic sector in world trade.”

In order to unify the definitions of CCI in Europe, a definition has been provided in the European Commission Green Paper:

¹ UNCTAD 2010, United Nations Creative Economy Report 2010. Creative Economy: a Feasible Development Option. https://unctad.org/en/Docs/ditctab20103_en.pdf, accessed 28/01/2018.

² DCMS, 2001

“Cultural industries” are those industries producing and distributing goods or services which at the time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film, DVD and video, television and radio, video games, new media, music, books and press. This concept is defined in relation to cultural expressions in the context of the 2005 UNESCO Convention on the protection and promotion of the diversity of cultural expressions.

“Creative industries” are those industries which use culture as an input and have a cultural dimension, although their outputs are mainly functional. They include architecture and design, which integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design or advertising.³

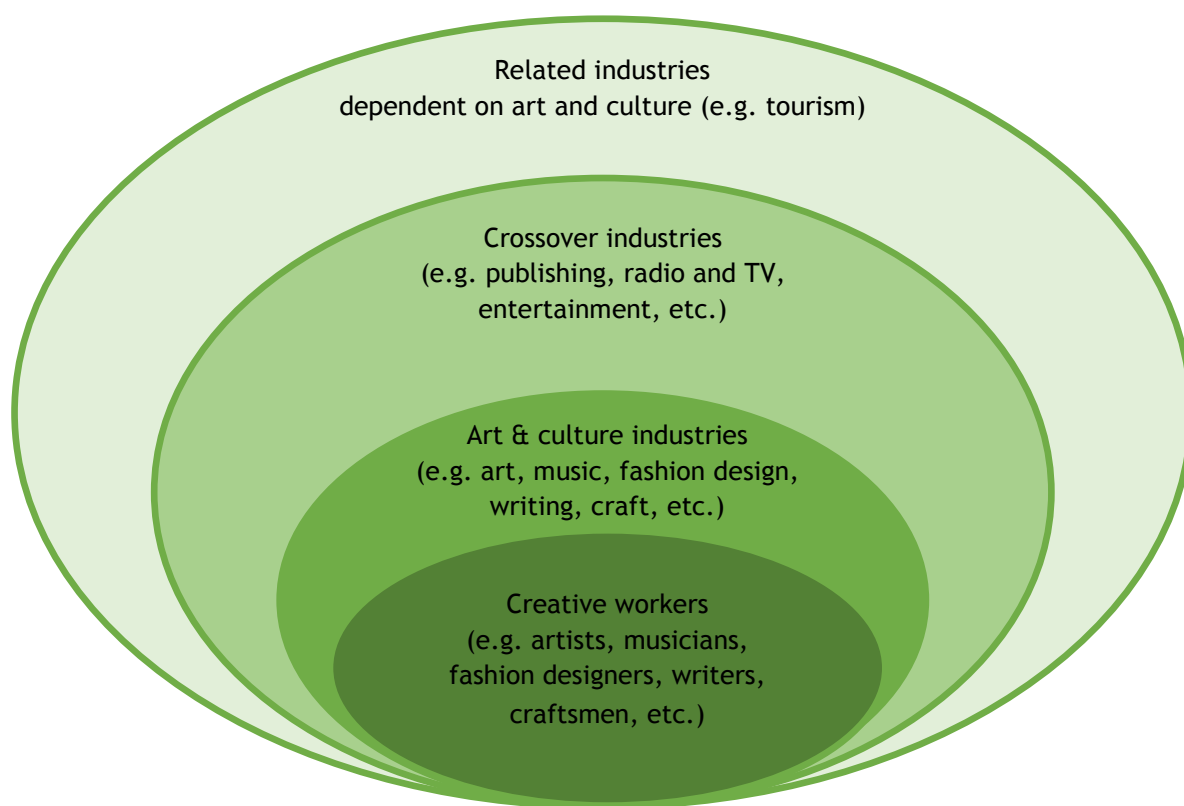


Figure 1: A typology for the creative industries according to FORA4: Strictly speaking, the CCI can be understood as those activities where the core product is the result of an artistic activity. In a broader perception, the CCI include those industries where it is not obvious that the core product is an artistic activity but it has some of the same characteristics as art and culture. Candidates for cross over industries could be publishing, radio and TV, entertainment and professional sport. In its broadest form, CCI include related industries whose economic activities are dependent on art and culture and crossover industries. One such example is tourism (FORA, 2010).

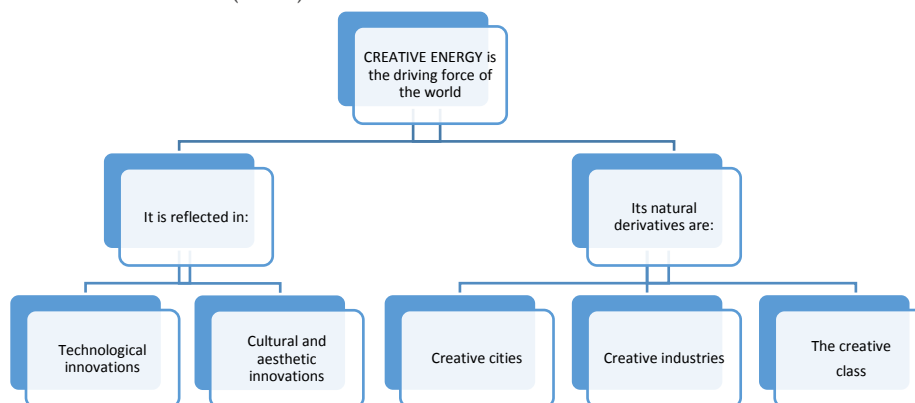
Many authors declare that CCI are the driving force of modern-day economic growth. The ability and practice of creating new ideas and constant improvements ultimately increase productivity and the

³ EU Commission (2010): Green Paper. Unlocking the potential of cultural and creative industries, p. 5–6.

⁴ FORA, 2010, *New Cluster Concepts Activities in Creative industries*, http://www.rosted.nu/attachments/File/2010/creative_industries.pdf



standard of living, states the originator of creative classes and cities Richard Florida in his popular book *The Rise of the Creative Class* (2002).



These concepts define creative activities mainly in relation to the economic sector and mostly focus on the needs for the diversification of the local economic base. The economic importance of CCI also appears in the study *Cultural times*: With US\$2,250b of revenues, cultural and creative industries generate 3% of world GDP and employ 29.5 million people (1% of the world’s active population).⁵ CCI revenues worldwide exceed those of telecom services and they employ more people than the automotive industry in Europe, the US and Japan combined (29.5 million versus 25 million). The study explains CCI’s contribution to the global economy. CISAC (the International Confederation of Societies of Authors and Composers) and UNESCO (the United Nations Educational, Scientific and Cultural Organization) presented it jointly at the seat of UNESCO in Paris in 2015. The results of the study show that if we want to unlock the full potential of the CCI, the value generated by creative work must be shared equitably with authors, enabling them to make further contributions to culture and the economy. This is particularly important on the digital market, so policy-makers should ensure a fair value transfer, which currently favours online service providers, to guarantee authors and creative industries that their work will be fairly remunerated and utilised.

1.2. CCI in Slovenia

In 2008, the Government of the Republic of Slovenia established the 9th development group for creative industries, whose task was to draw up some content guidelines to be used to form a national strategy for a more successful promotion of the creative sector (design, architecture, and marketing communications), which would create added value for the Slovenian economy. The recommendations of the 9th development group are the first document which is focused on CCI and establishes that, even though the basic professional infrastructure is in place, Slovenia has been lagging behind in this field. It is poorly connected within individual fields, financing is not programmatic and it does not provide any motivation for integration. A suitable strategic action plan is necessary at national level.

In 2011, the Ministry of Culture of the Republic of Slovenia identified the need to define CCI and carried out a cross-sectoral verification of the field as well as published a brochure aimed at popularising the term. Delimiting the boundaries of cultural and creative industries is also a problem, even though in general the former are considered to define those activities that are related to art in a more direct way, such as music, theatre and film, while the latter also include those activities that have little in common with the traditionally defined arts and comprise, for instance, advertising and graphic design.⁶

⁵ Cultural times, source: Cultural times, The first global map of cultural and creative industries, CISAC, December 2015.

⁶ Breznik Močnik M., Lipovšek B., Pivec H., Stepančič L., Širca M. and Tivadar B. (2011) *Kulturne in kreativne industrije po slovensko*, Ministry of Culture of the Republic of Slovenia, <https://tovarna.org/files0/active/3/brosura-web-si.pdf>



In its definition of CCI, the Ministry of Culture of the Republic of Slovenia relied on Eurostat’s methodology and the definition of cultural and creative industries in the European Commission Green Paper – Unlocking the potential of cultural and creative industries:

Cultural industries:	Creative industries:
▫ Performing arts	▫ Architecture
▫ Visual arts	▫ Design
▫ Cultural heritage	▫ Graphic design and fashion design
▫ Film	
▫ DVD and video	
▫ Television and radio	
▫ Video games	
▫ New media	
▫ Music	
▫ Books and press	

In this context, besides the traditionally emphasised and appreciated forms of art, especially those based on language (fiction, dramatic theatre, vocal music), those forms of art and culture that have a direct impact on the development of the country, especially the economy, and contribute to GDP growth are becoming increasingly important. *Those are creative industries, from industrial and graphic design, audiovisual production and services, and intermedia arts to cultural tourism and intangible cultural heritage or skills enabling the manufacture of unique products with high added value. These, which are particularly effective when closely linked to the most penetrating aspirations in the economy, help shape the identity of a community that can no longer be satisfied with diligence and thriftiness, but must assert itself using lucid inventiveness and creativity, and creating compelling and attractive brands.*

With its active role, which stems from the drive to (re)shape the world and (re)shape the social community, culture itself, especially art, establishes its status as a designer and, at the same time, an image and allegory of the community’s consciousness and confidence, both of the nation and of the state, as well as an expression of our peculiarity. Culture and language – as the most eminent cultural creation – make us special, attest to what we are, make us confront ourselves, and enable dialogue within the community.⁷

In 2018, the Ministry of Culture of the Republic of Slovenia drew up the 2018–2026 Cultural Heritage Strategy, which highlights the role of creative industries. The sixth (and last) development guideline is defined as “promoting the development of sustainable cultural tourism, creative industries, and other new products and services through heritage resources”. Heritage is recognised as being, along with the activities it generates, an exceptionally valuable resource for the tourism economy sector and creative industries. *Carefully tended heritage creates a pleasant environment for all types of activities. At the same time, its diversity is a source of new creativity.* So, traditional and creative activities and the development of new and innovative heritage-related products and services have to be promoted because

⁷ 2018–2025 National Programme for Culture, p. 32.



they can provide a higher added value, greater competitiveness, and additional knowledge.⁸ As a result, at least two of the measures are explicitly dedicated to CCI:

- Support for the activation of heritage to promote cultural tourism, creative industries, and other ways of using heritage resources;
- Awareness raising of the importance of heritage among those employed in tourism and creative industries, and their training.

These otherwise loosely defined measures at least allow for a more active engagement in CCI, precisely in relation to (tangible and intangible) cultural heritage. This set of activities includes concrete examples that reopen possibilities to develop creative industries directly and indirectly:

- Inclusion of heritage in tourism development strategies of Slovenia.
- Implementation of pilot projects for the activation of heritage, which contribute to the development of sustainable tourism, creative industries, and other new heritage-related products and services.
- Promotion of tourism in a specific area by presenting local heritage in an inclusive way which will benefit the local population and will not endanger heritage.
- Creation of heritage brands for marketing purposes in tourism and creative industries.
- Development of new business models which ensure that heritage benefits from the indirect economic effects that it generates.
- Introduction of a measure intended to allocate part of the funds derived from the tourist tax or promotional tax to heritage.

The emphasised triad of tourism, cultural heritage and creative industries is an important starting point for CCI also in the Obalno-kraška region.

Slovenia does not have an integrated strategy for the development of CCI yet nor a related institution acting as a central core. In 2018, under the aegis of the Museum of Architecture and Design, and within the Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014–2020, the Centre for Creativity (CzK) was established. It is an interdisciplinary platform that connects, promotes, presents and supports the activities and development of Slovenia's cultural and creative sector (CCS) (with an emphasis on the economic valorisation of CCI's effects). The CzK operates in the domains of architecture, design, visual arts, cultural heritage, archives and libraries, books, education in culture and arts, advertising, music, intermedia arts, media, radio and television, software and games, film and audiovisual industry, cultural tourism and other artistic expression – so it covers all the typical CI fields. The CzK has two project offices (in Ljubljana and Maribor) and has at its disposal EUR 5,628,094 for its own operation and support activities for creatives (training courses, promotion, exhibitions, sales) as well as a EUR 5,290,000 grant (through public tenders) for creatives.⁹ The CzK thus represents a potential core of CCI operations.

⁸ 2018–2026 Cultural Heritage Strategy, http://www.mk.gov.si/fileadmin/mk.gov.si/pageuploads/Ministrstvo/Zakonodaja/Predpisi_v_pripravi/2018/Strategija_KD_2018-02-19.pdf, pp. 17–18.

⁹ Objectives and programme of the Centre for Creativity, https://www.czk.si/O_nas, p. 7.



1.3. Connections between CCI and other sectors in the Obalno-kraška region

CCI in the Obalno-kraška region are primarily connected to the tertiary sector, mostly tourism.

There is also some potential regarding the connection with the primary sector (agriculture, forestry), especially recycling material initiatives, such as painting on driftwood and processing of invasive plants. However, such an activity is still completely undeveloped, rare, and unplanned.

The secondary sector (industry, construction) shows great potential for CCI, particularly in relation to the manufacture of unique furniture and the upgrading of traditional crafts (stonemasonry). In this specific area, two typically post-war industries offer potential: toy production (Mehanotehnika) and motorcycle production (TOMOS), which due to the closure or the transformation of these factories no longer have an actual impact. Nonetheless, they represent, at least in theory, a starting point for new challenges. Within the secondary sector, we also recognise CCI's potential in the mining industry, namely salt mining, which is a typical activity of the northern Istrian coast and directly related to the REFREsh project. The intense activity of the Sečovlje Salina is already promoting the innovative design of the Sečovlje Salina Nature Park's corporate identity as well as of the company Soline and its products. In the case of a thematic recovery of the salt warehouses in Portorož, the promotion of salterns and salt-making could expand CCI's niche market with new designer products (clothes, footwear, jewellery, etc.) and multimedia content.

CCI's clearest potential lies in the tertiary sector, especially tourism, primarily the manufacture of unique decorative and utility goods (jewellery, clothes, souvenirs, etc.). CCI are presented to the largest audience at events which are intended for tourists, they are therefore of seasonal nature.

2. Introduction of the creative industry in the region (15 pages)

2.1. Existing conventions (traditions), the living past of the region

2.1.1. Description of the region

The Obalno-kraška region covers 1,044 km² and includes seven municipalities and an urban municipality: 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.

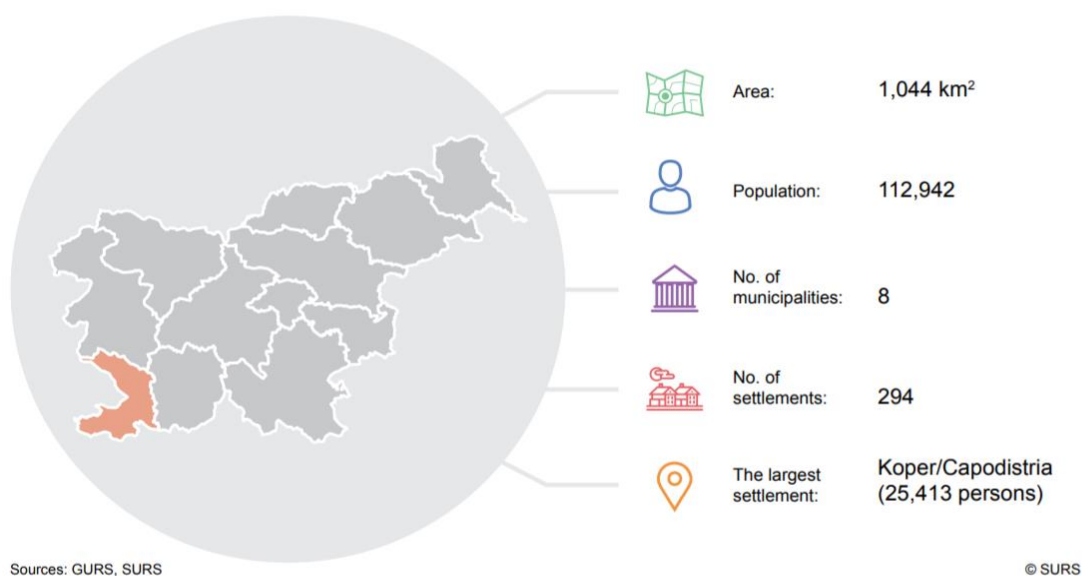


Figure 1: Regions in Figures – Statistical Portrait of Slovene Regions 2017, p. 44.

Landscape: The only Slovenian region on the coast and with a Sub-Mediterranean climate. It is characterised by densely populated coastal areas, where the main economic centre is Koper, and sparsely populated karstic areas on the outskirts of towns.

Forest area in 2008: 56.09%

Farmlands in 2010: 21% of the whole area

Population density: 108 inhabitants per km²

Large bodies of water: The Adriatic Sea and the Rižana and Dragonja rivers¹⁰

¹⁰ Circular economy in the regions of Slovenia (*Krožno gospodarstvo v regijah Slovenije*), source: http://www.vlada.si/fileadmin/dokumenti/si/projekti/2016/zeleno/5_Obalnokraska_Regionalno_Porocilo_RM.pdf



Figure 2: Regions of the Republic of Slovenia, source: Statistical Office of the Republic of Slovenia, <https://www.stat.si/obcine/en/2016>; editing: Interakta.

In 2016, 113,193 inhabitants lived in the region, of which 56,019 were men and 57,174 women, which accounts for 5.5 per cent (%) of the inhabitants of the entire country. Compared to 2015, the population increased by 0.5%. The average age in the region is 43 years. There are 20,655 people aged over 65, which accounts for 18.2% of all the population in the region. There were 14,953 young people aged between 16 and 29 in the second half of 2016, of which 7,565 were men and 7,388 women, which accounts for 13.2% of all the population in the region. In 2015, there were 45,030 employed people in total, 6,169 were unemployed, 1,303 of which were young people, which accounts for 21.12% of all the unemployed. The unemployment rate was slightly above the Slovenian average, namely 9.3%.

The region stood out with the highest share of foreign citizens in total population (9.2%). The mean age of first-time mothers was 30 years, 0.7 years higher than the national average. In 2015, the share of people (aged 25–64) with tertiary education was the third highest in the country (27%). The numbers of upper secondary school pupils (30 per 1,000 inhabitants) and tertiary education students (32 per 1,000 inhabitants) were the lowest in Slovenia.¹¹ The education structure shows that the majority of the population has an upper-secondary level of education, either technical or general. In second place, lower upper-secondary vocational education prevails.

Besides the Slovenian majority, members of the Italian national community also live in the region. In this bilingual, multinational area extending mostly along the coastline, the Italian language is equitably used beside the Slovenian language.

GDP per capita is the second highest in the country (EUR 18,738.00) behind the Osrednjeslovenska statistical region. The region has over 13,500 enterprises. The economic structure is dominated by tourism. In 2015, almost 2.3 million overnight stays were generated here (42% by domestic and 58% by foreign tourists), the highest share of all the statistical regions. As regards overnight stays by foreign tourists, most of them were generated by tourists from Italy (23%).¹²

The Standard Classification of Activities, which identifies and classifies tourism under “accommodation and food service activities”, indicates that 25% of the active population is employed in “accommodation

¹¹ Source: Regions in Figures – Statistical Portrait of Slovene Regions 2017.

¹² Source: Regions in Figures – Statistical Portrait of Slovene Regions 2017.



and food service activities”. It is followed by real estate, administrative and support service activities, wholesale and retail trade, repair of motor vehicles and motorcycles, and household goods.

In 2016, there were 4,853 annual reports submitted to the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES, Koper branch) and 25 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 revenues. Like in the past, in 2016 the companies which had the most significant impact on the region’s business were the ones with their head office in the Municipality of Koper, where 2,390 or 49.2% of all the companies submitted their annual reports. Those companies employed 58.4% of all workers, had 60.8% of assets of all the companies, and created 70.4% of revenues of the entire region. The rest of the companies with the greatest number of employees were those with their head office in the Municipality of Piran with 15.3% of employees, the Municipality of Sežana with 10.9%, and the Municipality of Izola with 8.2% of employees in the region. Companies with their head office in the municipalities of Hrpelje-Kozina, Komen, Divača, and Ankaran employed a total of 7.2% of workers in the region. Companies are classified according to their activities in accordance with the Decree on the Standard Classification of Activities.

In 2016, the majority of the companies in the Obalno-kraška region operated in the manufacturing sector, where over a quarter of all the workers in the region were employed. As the year before, companies dealing with transportation and storage, trade, accommodation and food service activities, and other areas followed, employing less than 10% of workers. Companies dealing with professional, scientific and technical activities and companies dealing with mining and quarrying incurred net losses.

Table 14: Sole proprietors by sections of economic activities in 2016

SECTIONS OF ECONOMIC ACTIVITIES (value in 1000 EUR)	SOLE PROPRIETORS		EMPLOYEES		TOTAL REVENUES		NET SALES		TOTAL EXPENSES		VALUE OF ASSETS AT 31/12/2016	
	number	share	number	share	number	share	amount	share	amount	share	amount	share
A Agriculture and hunting, forestry, fishing	58	1.4%	15	0.7%	3,511	1.4%	3,309	1.3%	3,238	1.4%	5,482	3.0%
B Mining and quarrying	4	0.1%	4	0.2%	262	0.1%	262	0.1%	249	0.1%	334	0.2%
C Manufacturing	392	9.6%	248	11.0%	32,791	12.6%	32,163	12.6%	30,234	12.7%	33,506	18.1%
D Electricity, gas, steam and air conditioning supply	6	0.1%	0	0.0%	121	0.0%	121	0.0%	102	0.0%	286	0.2%
E Water supply, sewerage, waste management and remediation activities	5	0.1%	15	0.7%	552	0.2%	550	0.2%	499	0.2%	309	0.2%
F Construction	676	16.6%	461	20.4%	34,692	13.4%	34,376	13.4%	31,292	13.1%	21,559	11.7%
G Wholesale and retail trade, repair of motor vehicles and motorcycles	606	14.9%	332	14.7%	57,148	22.0%	56,573	22.1%	54,110	22.7%	32,250	17.5%
H Transportation and storage	338	8.3%	214	9.5%	34,924	13.4%	34,222	13.4%	32,273	13.6%	26,452	14.3%
I Accommodation and food service activities	381	9.4%	647	28.7%	49,095	18.9%	48,644	19.0%	46,311	19.5%	28,581	15.5%
J Information and communication	112	2.7%	7	0.3%	3,016	1.2%	2,994	1.2%	2,382	1.0%	1,286	0.7%
K Financial and insurance activities	50	1.2%	9	0.4%	1,145	0.4%	1,140	0.4%	994	0.4%	541	0.3%
L Real estate activities	36	0.9%	20	0.9%	2,338	0.9%	2,334	0.9%	2,160	0.9%	6,579	3.6%
M Professional, scientific and technical activities	494	12.1%	75	3.3%	16,693	6.4%	16,488	6.4%	14,223	6.0%	13,429	7.3%
N Administrative and support service activities	226	5.5%	71	3.2%	6,681	2.6%	6,587	2.6%	5,529	2.3%	3,691	2.0%
O Public administration and defence, compulsory social security	5	0.1%	3	0.1%	240	0.1%	240	0.1%	205	0.1%	43	0.0%
P Education	104	2.6%	14	0.6%	2,126	0.8%	2,089	0.8%	1,869	0.8%	1,282	0.7%
Q Human health and social work activities	56	1.4%	5	0.2%	1,019	0.4%	937	0.4%	850	0.4%	1,055	0.6%
R Arts, entertainment and recreation	115	2.8%	10	0.4%	3,323	1.3%	3,276	1.3%	3,012	1.3%	1,789	1.0%
S Other service activities	410	10.1%	103	4.6%	10,020	3.9%	9,954	3.9%	8,497	3.6%	6,360	3.4%
TOTAL	4,074	100.0%	2,254	100.0%	259,696	100.0%	256,259	100.0%	238,027	100.0%	184,816	100.0%

Figure 3: Information on the activities in the Obalno-kraška region in 2016, source: Information on the operation of companies, sole proprietors, and cooperatives in the Obalno-kraška region in 2016.

In accordance with the definition of CCI, cooperatives dealing either with activities classified under M (professional, scientific and technical activities) or R (arts, entertainment and recreation) did not have any employees. Particularly revealing is the fact that there are only four, they do not have any employees nor any revenues. Moreover, CCI occupations are frequently found in sections S (other service activities)



and N (administrative and support service activities). For example, there is no appropriate classification for the activity of cultural management, so it is recorded under section M 70.220 (other entrepreneurial and business consultancy), which makes the identification of these businesses as CCI more difficult.¹³

2.1.2. Historical development of the region

The Obalno-kraška region is not a uniform region. It is characterised by a distinct duality (between the Littoral/Slovenian Istria and the Karst), which is reflected in its landscape, its historical development, and the development of economic activities. Since the REFREsh project concerns one of the Littoral municipalities – Piran, this study will focus on this part of the region, while the Karst will be presented in less detail.

The economy of the Littoral towns has been traditionally linked to the sea. Piran boasts its salt-making and maritime tradition, Izola has fishing and shipbuilding, and Koper prides itself on its salt-making¹⁴, fishery, trading, and craft traditions. Salt-making used to be the leading industry in Piran and Koper at the time of the Venetian Republic (the Serenissima) and underwent great technical developments and progress under the Austrian rule. Agriculture and stockbreeding prevailed on the outskirts of towns as well as in the Karst. Moreover, in some parts of the Karst, the transportation business was developed. The Lipica Stud Farm, where Lipizzan horses have been bred since 1580, should be particularly pointed out.

Furthermore, the Littoral has a long tradition of tourism. A well-known health resort since the 13th century, Portorož flourished especially after World War I, with the construction of the Palace Hotel, and the establishment of a flight connection (a seaplane base). Since the end of World War II, when the area was integrated into Yugoslavia and thus Slovenia, it has been considered as one of the pillars of Slovenian tourism.

The Littoral was strongly affected by the order established after World War II. The population structure in towns changed significantly (emigration of the local population to Italy and immigration of people from other parts of Slovenia and Yugoslavia). As a result, the traditional lifestyle was brought to an end and some industries went into decline. Such changes also led to the industrialisation of the area. Large state-run industrial plants were built. Some were linked to the traditional economy (Delamaris (Ampelea, 1879), Riba (Degrassi, 1882), Piranske soline/Piran Saltworks and Začimba (1953), later Droga Portorož (1964), Ladjedelnica Bernardin/Bernardin Shipyard (1951–1974), then Ladjedelnica Izola/Izola Shipyard (1974)), others followed different contemporary trends (Mehanotehnika Izola (1952), Tomos (1954), Iplas (1959), Lama Dekani (1973), etc.). Tourism had played an important role since the 19th century, particularly in Ankaran and Portorož, and experienced intensive development after 1954. The most significant transformation, however, was probably brought about by the port and its related infrastructure built in the Port of Koper in 1956. At the same time, other support activities were under way (maritime transport, transportation, trade, etc.).

After Slovenia's independence (1991), large companies were denationalised. Because they lost the vast Yugoslavian market, most of those companies went under. The remaining ones were greatly affected by the financial and economic crises of 2008 due to the capital depletion caused by their new owners. Only a few have survived.

¹³ Information on the operation of companies, sole proprietors, and cooperatives in the Obalno-kraška region in 2016.

¹⁴ Salt-making used to be the leading industry in Piran and Koper at the time of the Venetian Republic (the Serenissima) and underwent great technical developments and progress under the Austrian rule.



Companies in the region are above average in terms of losses and indebtedness, the region has lost many jobs after 2008, the employment rate has dropped, the unemployment rate has increased (being above average in the category of older workers and having risen among young people). Economic problems, greater unemployment, and lower salaries have consequently led to a lower purchasing power of the region's population as well as to an increase in poverty and social exclusion. Today, according to the most important indicators of research and development activities (the share of innovation active enterprises, research and development expenditure, number of employees in this activity), the region is classified in the lower half of the Slovenian statistical regions.¹⁵

The development of CCI in the region was first focused on cultural activities. It is worth noting the amateur cultural societies that started to appear already at the end of the 19th century (e.g. Korte Educational and Cultural Society¹⁶). Their number grew after World War II (e.g. Labour and Educational Society Svoboda Izola, Slovenian-Croatian Educational Association of Koper, which later became the Council of Svoboda Societies and Educational Societies of Koper). Municipality-level societies began integrating into associations, which represented their common interests (Association of Cultural Societies of Koper, Association of Cultural Organisations of Izola, Cultural and Artistic Society Karol Pahor Piran, 1975)¹⁷, in the 1970s.

Within these society associations, there are also some artistic societies¹⁸ and, in addition, there are numerous independent artists active in the region. The Forma Viva sculpture symposium has been taking place in Portorož since 1961. In consequence, a diverse network of galleries has developed (Piran Coastal Galleries (1975), smaller galleries, Piranesi international architectural conference, etc.).

Furthermore, there are two museums with a long history in the Littoral: the Koper Regional Museum (1911) and the Sergej Mašera Maritime Museum of Piran (1954). Theatre is also worth noting (Koper Theatre¹⁹ with a tradition dating back to the 15th century and Tartini Piran Theatre established in 1910) as well as numerous cinemas.

Piran has been extremely important in the evolution of Slovenian film. The state-run company Triglav set up its film studio, complete with a Filmservis technical base, in the former Salvetti soap factory in Fornače in the late 1950s. The building went to the company Viba Film in 1975²⁰. During that time, Piran became the centre of Slovenian (and international) film production. Over 50 films or scenes have been shot in the town or in its surroundings. In addition, film production provided education, training and a livelihood to many Slovenian film crew workers. Because it has not been used for over 30 years, the building is dilapidated. However, enthusiasm for film has not faded. Every year since 1991, the Festival of Slovenian Film takes place in Portorož. It is a national event that brings together filmmakers, professional circles, international guests, and other movie buffs²¹. In addition, the Kino Otok – Isola Cinema International Film Festival has been taking place in Izola since 2004²². The international Festival of European and Mediterranean Film has been organised in Piran since 2009²³. **The Divača Museum of**

¹⁵ Regional Development Programme for the South Primorska region 2014–2020. June 2015. https://www.rrc-kp.si/images/stories/dokumenti/RRP/Povzetek_RRP_kon%C4%8Dni.pdf, pp. 3–4.

¹⁶ <https://www.korte-kultura.net/>

¹⁷ Since the Act was amended in 1995, these are: the Association of Cultural Societies of the Municipality of Koper, the Centre for Culture, Sport and Events of Izola, the Association of Cultural Societies of Piran. There are also other cultural societies operating outside these associations.

¹⁸ The LIK Cultural Society of Fines Arts of Izola (1975) is noteworthy.

¹⁹ <https://www.gledalisce-koper.si/sl/o-gledaliscu/>

²⁰ <https://www.vibafilm.si/o-nas/zgodovina>; http://www.kinoteka.si/si/542/92/posneto_v_piranu.aspx

²¹ <http://www.fsf.si/2018/en/festival-en/presentation/>

²² <http://www.isolacinema.org/en/festival-2/about-festival/>

²³ <http://www.femf.si/>



Slovenian Film Actors is also connected to film²⁴. Furthermore, Portorož has developed a tradition of advertising festivals: the original Yugoslavian Publicity Film Festival (1973) was followed, after Slovenia's independence, by the Slovenian Advertising Festival (SOF)²⁵ and (in 1993) by the International Advertising Festival, later renamed the International Festival of Creativity Golden Drum²⁶.

2.2. The picture of the creative sectors in the region

CCI are not clearly identified in statistical data because they are classified under different activity codes, so analysing them is difficult. An important reason why creative industries in the region are unrecognisable and underdeveloped, or rather why data about them is lacking, can be attributable to the already mentioned complexity of the term's meaning, i.e. there is no clear divide between cultural and creative industries. In Slovenia, CI include particularly architecture, design, graphic design, and fashion design (Ministry of Culture, 2011). However, in the Obalno-kraška region we should also include other internationally recognised fields, especially publishing, advertising, audiovisual and film production as well as numerous activities related to cultural tourism. In terms of design, it should also encompass practices which use intangible heritage and skills to manufacture unique products with a high added value, which is pointed out in the 2018–2025 National Programme for Culture and emphasised in the operations of the Centre for Creativity.

A review of CCI in the region shows that the ones prevailing are cultural industries or at least those activities that do not target the exploitation of creative potential in order to create profit but create it as an effect.

A major role within the CCI in the Obalno-kraška region is played by the public sector: public institutions on the one hand and NGOs and societies on the other.

Public institutions are mainly museums of regional (and national) value: Koper Regional Museum, Maritime Museum of Piran, Piran Coastal Galleries, and the Divača Museum of Slovenian Film Actors. The public service agency Carlo Combi Italian Centre, which implements CCI projects of the Italian national community, is also important. There are some smaller, private or municipal museums in the region dealing with creative industries, particularly the Lojze Spacal Gallery and the Karst House in Štanjel, Mediadom Pvrhani in Piran, and indirectly also the Izolana (former Parenzana) Museum in Izola. Apart from museums, CCI are dealt with and indirectly supported or developed by other public institutions, especially Avditorij Portorož with its numerous exhibitions, festivals and fairs, town libraries with their arts and crafts as well as educational workshops, and the Institute for the Protection of Cultural Heritage, which collaborates with architects-conservators and restorers in their conservation projects. A central part is played by Koper Theatre and Kosovel Centre in Sežana, which bring together theatre artists and other related creative occupations (sound masters, lighting technicians, set designers, designers, etc.). The Adult Education Centre, which provides many specialist courses and programmes (photography, ceramics and pottery, herbalism, etc.), is instrumental in the education of practical occupations, which are often related to CCI.

Non-governmental organisations (NGOs) and societies: The main mission of public institutions and NGOs is not the exploitation of creative potential in order to make profit, the latter is created as an effect and invested in their salaries as their own revenues.

²⁴ https://www.muzejdivaca.si/o_muzeju/zgodovina/

²⁵ <https://sof.si/o-festivalu/sof/>

²⁶ <https://goldendrum.com/>



Here, the main organisational part is played by the Public Fund for Cultural Activities, which operates in individual municipalities (Koper – for Koper and Ankaran, Izola, Piran, Divača, and Sežana) and, together with the Association of Cultural Societies, brings together societies dealing with amateur culture. The fields of activity of these societies are especially folklore, amateur theatre, amateur painting, children's and youth dance groups, bands and vocal groups (particularly orchestras).

The key NGO in the Obalno-kraška region is the ISKRA Hub, which is managed by the PiNA society and whose broad objective is strengthening cross-sectoral integration and cooperation to address local needs. Many of its activities, however, are directed towards the promotion of CCI through training and networking. Besides the Cultural and Educational Society PiNA, other members of the same platform, which therefore have a similar role, are the UIP University Development Centre and Incubator of Primorska, which promotes innovative practices, solutions and start-up initiatives through tenders and projects, and the Središče Rotunda social centre and CMK – Koper Youth Centre, both of which provide premises and promotion for artistic and creative projects, especially those devised by young people.

Prominent NGOs that deal with publishing are the following: Italian Community of Koper, Zrakogled society (for contemporary literature), and Histria society (for historical technical literature).

Some societies that operate directly in the field of CCI but are not profit-oriented are worthy of mention: DAO – Littoral Architects' Society, DPA – Architects' Society of Primorska, the Chamber of Architecture and Spatial Planning – Koper Regional Committee, Kulturni klub (the Cultural Club, which focuses on literary events and, in association with other organisations, also on painting, graphics, and design activities), and the KUP (Reuse Culture Society, which is dedicated to the creative recycling and processing of materials from which they create unique products). In the Municipality of Piran, there is the Predsoba Art Club/Club Artistico, which brings together a group of artists and designers who sell their artistic objects and utility goods in a joint location in the old town centre. **Private institutes:** Private institutes are major players in the creative industries sector. Established in 2003, Otok, Institute for the Development of Film Culture, is dedicated to creating and implementing publicly available artistic, cultural, and educational programmes. It is also the main producer of the Kino Otok – Isola Cinema international film festival, which is held in Izola, and its accompanying activities. In the fields of architecture, design, and heritage restoration, the Abakkum institute in Piran carries out continuous design planning work and organises many workshops, exhibitions, and events. The private institute Mediteranum Piran had a project called Tourism Museum, which did not come to life. On the other hand, the ones that have been successful (with the support of the Municipality of Piran and EU funds) are: the Piran Shells and Snails Museum (commercially successful), Mediterranean Culture Days, a project for preserving the manufacture of old vessels (*batanas* – inclusion into experience tourism), and the HisTur project (development of equipment for the archiving and digitisation of tourism heritage in the region, and creation and initiation of a digital platform which will display tourism heritage artefacts).

Self-employed professionals in culture (SEPC): The role of the private sector is infinitely smaller but self-employed professionals in culture, i.e. people whose social security contributions are paid by the state because of their professional excellence, are nonetheless a special category. In the Obalno-kraška region, these are mostly journalists working for RTV Slovenia Koper-Capodistria Regional Centre, but also other individuals who are active in the artistic sector (restoration, theatre, music). They are included among sole proprietors shown in the statistical data below.

Many of them join formal and informal networks, e.g. Izola's old town centre, especially Ljubljanska Street, where there are several artistic ateliers. This is a result of a project carried out by the Municipality of Izola in 2000 (Izola street museum (Phare CBC)), when empty municipal premises were leased to artists and craftsmen for the sum of 1 tolar (approximately EUR 0.0042) during the summer. In Izola, there was also RIIBA, a representative example of a CI co-working space and a unique artistic platform that brought together arts, crafts knowledge, and the production of contemporary commercial



products by the design trio TOK TOK. In addition, there is the Judit atelier in Izola (design and repair of unique leather goods), the MB Glass atelier (glass design), and Aleš Gregl's atelier in Stara vas near Korte above Izola (artworks and utility ceramics).

The table shows statistical data retrieved from the online portal bizi.si (21 January 2018), which includes a list of active entrepreneurs classified by field and by municipality. Those holding the status of self-employed professionals in culture are indicated in brackets. A field review has shown that the list is not complete but it still provides some insight into the state of the offer.

Municipality	Ankaran	Koper	Izola	Piran	Hrpelje-Kozina	Divjača	Sežana	Komen
Sole proprietors/ d.o.o. (similar to Ltd.) and SEPC								
Architects	5	69 (2*)	39 (1*)	30	1	3	19	5
Graphic designers	1	24	6	5	1	3	6	1
Fashion designers + tailoring	0	1 + 9	1 + 3	2 + 3	0 + 3	0 + 0	1 + 10	0 + 1
Restorers /cult. heritage	0	1	1	1	0	0	2	1
Film and video production	1	29 (1*)	16	10	0	2	7	7
Journalism	1	4	2	1	0	0	2	4
Publishing	4	37	16	11	2	0	9	7
Advertising	13	82	15	34	8	6	31	4
“Artistic creation”	12	82	22	40	3	7	25	33

Sole proprietors: A considerable share of CI in the Obalno-kraška region is represented by the private sector, i.e. sole proprietors. The majority of architects and designers as well as fashion designers and those working in film, cinematography, and publishing operate in that way. The most numerous sector is that of advertising, with 193 entities. Many entities are active in the “artistic creation” category, which encompasses a very wide range of activities: from societies (e.g. choirs and amateur artists) to translators, journalists, sculptors, painters, restorers, and music arrangers.

A prime example in publishing is the bookshop Libris d.o.o. in Koper, which has been promoting CCI for decades. One relevant experience is that of Sair Šaković, a manufacturer of unique footwear who has modernised traditional shoemaking thus putting the artistic fashion production of Koper and the Littoral on the international map (with his TASH brand).

Until recently, the Akademija za prihodnost (Academy for the Future) operated in Lucija and Piran. It was a creative network that included individuals, especially sole proprietors, which organised meetings, lectures, training courses, and workshops on various topics, including culture.

Festivals: The development and promotion of CCI in the Obalno-kraška region also depend on the context in which these industries are formed. We have already emphasised the positive effect of the integration of



artists in old town centres (e.g. IX Corps Street in Piran, Izola's town centre). Besides already established forms (working in ateliers or at home and selling products in shops or online), temporary contexts of promotion are also important, for instance, festivals, where networking and CCI promotion take place. Among those, major international events are the already mentioned Kino Otok film festival, the Piran Days of Architecture, the Druga Godba festival (one day of the festival takes place in Monfort's compartment 3), the advertising festival Golden Drum in Portorož, and the SOF festival as well as the slightly smaller Festival of European and Mediterranean Film in Piran. The Festival of Slovenian Film in Portorož is of national relevance. Forum Tomizza, an annual literary and cultural event, is of local and cross-border importance, just like the Primorski poletni festival (Summer Festival of Primorska – theatre).

2.3. Introducing the main creative sectors

1. **PiNA:** The PiNA society is a prominent and crucial player in CCI in the Oblano-kraška region. The society has been an active agent in the region for 20 years, being especially influential in the urban Littoral area. It was established to provide public access to the Internet but gradually developed into an organisation fostering socially responsible practices through access to knowledge. The society opened the first cybercafé in Slovenia thus becoming a platform where individuals and organisations could carry out their projects. In addition to the café, it also featured an event space. Over a decade ago, it obtained the status of youth centre and focused on activities dedicated to young people while also functioning as an open house. It has undergone a major renovation during the last ten years: the programmes it carries out have expanded but promoting the active participation of civil society remains its core. During this time, PiNA started to develop its own multimedia production and carry out international projects. While the range of its activities grew, they contacted many NGOs and public institutions in the region and became a regionally referential NGO considering that no entity other than PiNA is dedicated to the long-term and comprehensive development of such content.

They carry out their own creative industry activities, primarily in multimedia (in collaboration with other freelance entities from related sectors), and are independent communication operators (they prepare media campaigns, draw up communication plans). Another important field of their creative industry activities are tailor-made training courses and workshops on creative presentation techniques (visual communications, design thinking).

The society has carried out 16 international projects so far: Learning Map, Inter-Kul-Tur-Istra, Youth in Action for Sustainable Development Goals, Burnt in Memories, Network of Democratic Citizenship Schools, We Are All Migrants, Equality for Change – Gender Equality through Global Capacity Building, Healthy Istria Day, European HUB Model for Socially Responsible Young Entrepreneurs, E3 – Entrepreneurship Education for Youth Employment, Women of the Resistance, PLANting CitiEs – PLACE, 3P – Poetic Future in PiNA, National Network of NGOs for an Inclusive Information Society (NVO-VID), In\VisibleCities, Iloveculture. Among these, we can highlight the project In/VisibleCities as an example of developing creative industries. Its objective was to organise a festival that captures the heart of the urban texture through a combination of digital arts and multimedia languages (<https://www.pina.si/en/all-project-list/invisible-cities/>). The project included workshops, exhibitions, performances, and installations. The Iloveculture project, which introduced a platform for NGOs that want to increase their visibility through audiovisual materials, also fostered audiovisual arts. Entrepreneur-centred projects (such as Youth in Action, European HUB, and E3) have mostly contributed knowledge on how to implement a sustainable entrepreneurial idea in practice, focusing on social entrepreneurship.



PiNA is currently (in January 2019) implementing 15 projects: YOU4EU, Space of the Public – Public Space Planning in Partnership, Sustainable. Local. Global., The Sunny Side of Volunteering, Centre for Intercultural Dialogue, Future Labs, Aktiviraj (v)se!, Supporting Social Entrepreneurship for Women in Tourism in Bosnia and Herzegovina, FHOFIJ – Facing Homophobia for an Inclusive Job, AgriGo4Cities – Urban Agriculture for Changing Cities, Creative Climate Leadership, LE.MO.N. Learning Mobility Network, D’Basket, Comp-PASS, and ISKRA – Istria and Karst NGO Hub. Among these, we would like to underline the projects Future Labs, which promotes digital tools and methods in youth work, and ISKRA, an active platform for launching new innovative activities, including CCI.

2. **Artists’ Ljubljanska Street in Izola:** Izola’s artistic street plays an important role in the promotion of creative industries and their recognisability on the market. Its concept dates back to 2000, when, with the aid of the Phare programme, the Municipality of Izola leased the street’s empty premises to artists during the summer, thus revitalising the street. Several painting and sculpture galleries are located on that street. A prime example is Sandra Kocjančič’s atelier and gallery of unique jewellery.
3. **Piran’s artistic street:** A similar concept to the one from Izola has been developed in recent years by the Municipality of Piran, which has placed its artistic street on IX Corps Street, which connects the town’s focal point, Tartini Square, to another major tourist attraction, St George’s Cathedral. Artists and creatives are therefore located along one of the main streets, where the flow of tourists ensures greater recognisability and economic efficiency of the creative sector.
4. **Piran Coastal Galleries:** The Coastal Galleries are the main institution in charge of contemporary art in the southern, coastal part of the region. Besides its leading exhibition activity, this institution is an important stakeholder within CCI as a co-organiser of the international Piran Days of Architecture event, and the manager of the open-air exhibition space Forma Viva. In terms of the REFREsh project, the institution has great potential since it uses one of the five compartments of the Monfort warehouse.
5. **Abakkum Institute:** Abakkum, an institute for the landscape, culture and art, which organises creative workshops, artistic events, projects, and seminars intended to raise awareness about the importance of landscape and the dialogue with the public, has an increasingly important part in CCI in Piran’s old town centre. It organises many artistic events involving audiovisual artists, designers, and theatre professionals. It marks the old town especially with the already traditional and prominent Magic Points event (24 June 2016, 13 December 2017, and 13 December 2018).
6. **Center obilja Koper/Centre of Abundance in Koper:** The newly established (May 2018) Centre of Abundance on Prešeren Square (Muda Gate) in Koper is an innovative example of CCI promotion. It is a community space that can be used by several individuals who are connected through the Dance2Abundance app, with which they can mutually “pay” for their services, not using an ordinary currency but a virtual one called vibe, which they use to exchange products and services. It is also a co-working space, where numerous creative individuals and societies, e.g. the KUP society, operate.
7. **KUP Society – Reuse Culture Society:** Koper’s Society of Graphic and Fashion Designers organises lessons of crocheting with plastic bags, children’s workshops of recycling T-shirts to make bags and clothes, and occasional swap shops called Swap is Top!. They do not sell their products but operate based on voluntary contributions and tenders.
8. **RIIBA:** RIIBA, the first known co-working creative platform or creative and entrepreneurial institute, operated in Izola (on Etbin Kristan Square) from 2015 to 2016. It brought together artists in the fields of photography, video production, brand identity, storytelling, and service design. The team included young creatives: a designer with her brand Pinata, a photographer, an



audiovisual artist, and a video and graphic designer. They set up their ateliers and a lounge for visitors (a shop and exhibition space, events, lectures, and workshops) on the premises of an old fishery. The initiative was self-funded. The Municipality of Izola subsidised the idea at first, but since they failed to find a sponsor for their further work the activity was discontinued at the end of 2016.

9. **TOK TOK:** The design trio TOK TOK, which operates in the Littoral and brings together an industrial designer, a mosaic manufacturer, and a radio host, constitutes a prime example of a successful creative industry. Their main creative field is wood furniture, but they became famous with Trobla, a non-electrical loudspeaker for smart phones, which was financed through Kickstarter.

2.4. The organisational background and frames of the sector

Unfortunately, there are no regional institutions that only deal with CCI in the Obalno-kraška region. There are, however, several regional organisations that promote entrepreneurship in various ways and therefore also promote, organise and support CCI. Several organisations that only deal with CCI are organised at a municipal level.

At a regional level, this field is partly covered by the Regional Development Agency South Primorska (RDA SP), within which the regional structural policy is being implemented.²⁷ It connects the municipalities of Ankaran, Divača, Hrpelje-Kozina, Izola, Komen, Koper, Piran, and Sežana. The Regional Development Centre Koper (RDC Koper) has been RDA SP's managing body since 2001. It acts as a coordinator of regional interests at the local and national level in the fields of regional development, economy, human resources, and environment protection. It fosters the entrepreneurial and economic development of the region.²⁸

Besides RDC Koper, the RDA SP includes three other local development organisations concerned in the development of entrepreneurial activities at the local level:

- Centre for the Promotion of Entrepreneurship of Piran (CPP Piran),²⁹
- Regional Development Agency of the Karst and Brkini,
- Divača Development Centre.

In Koper, there is also the University Development Centre and Incubator of Primorska, which provides training for start-up entrepreneurs, offers cheaper offices to rent, and carries out various European projects that improve the entrepreneurial environment.

Moreover, there is the ISKRA – Istria and Karst NGO Hub³⁰ in Koper, which is managed by the cultural and educational society PiNA³¹. Its activities focus on:

²⁷ Regional Development Programme of South Primorska 2007–2014.

²⁸ <https://www.rrc-kp.si/en/who-we-are/presentation.html>, accessed 16/01/2019.

²⁹ <https://www.rrc-kp.si/sl/kdo-smo/mrezna-rra/93-mrezna-rra-cpp-piran-cpi-pirano.html>, accessed 16/01/2019.

³⁰ <http://sticisce-iskra.si/o-nas/iskra-sticisce-nvo-istre-in-krasa>, accessed 16/01/2019.

³¹ <https://www.pina.si/en/>



- strengthening information, and the organisational, professional, and advocacy qualifications of NGOs with potential to address local needs, thereby contributing to the sustainability of NGOs and enhancing their role in performing public services,
- contributing to a greater role of NGOs in designing local and regional policies,
- enhancing cross-sectoral integration and cooperation to find solutions to local needs,
- strengthening the role of a regional hub with the aim of improving the position and the conditions for NGOs' operation.

The development and strengthening of NGOs and the NGO sector in general occur through professional training, advocacy, information measures, and networking, based on in-depth knowledge of the environment and analyses of environmental requirements.³² As part of its operations, ISKRA includes CCI activities as well.

Besides ISKRA, the Središče Rotunda institute³³ also deals with NGOs in Koper. It is a non-profit development organisation that aims to develop Koper and the wider region through its consultancy, educational, and information services. It provides support to NGOs, promotes youth creativity, and advocates and provides a co-working space as well as mentorship to social entrepreneurs. To this end, the institute has established the Social Entrepreneurship Incubator³⁴ and the NGO Hub of the Obalno-kraška Region³⁵. In addition, a Youth Centre, a Youth Information Point, and an outlet called Nefiks operate on the premises of Rotunda. They provide courses that are directly related to CCI: tailoring, sewing and photography courses, courses of creative alteration of garments, and an eco garden. Moreover, LAG Istra (the Local Action Group for the area of the municipalities of Ankaran, Koper, Izola, and Piran) operates under Rotunda. The aim of this public-private partnership is joint participation in the implementation of objectives of the Local Development Strategy of these four municipalities. Over the last year, more projects have been dedicated to heritage and ecology, which indirectly include CCI.

Furthermore, the public institute Koper Youth Centre (CMK) carries out programmes and extracurricular activities for young people in the public interest. It is also available to other users.³⁶

The regional branch offices (divided by municipality) of the Public Fund for Cultural Activities (JSKD) play an important role in the promotion and development of CCI. JSKD Izola, in particular, stands out among them. Besides its constant promotion of amateur culture through the work of different societies, it also addresses contemporary artistic practices (e.g. contemporary dance, contact improvisation, ContaKids workshops for adults and children), and organises artistic and creative workshops for children and families. These take place in the Sončna dvorana hall in Izola, which has been gaining an indirect role of an intergenerational community centre. At the same time, the new Izola Intergenerational Centre has been operating in Livade since May 2018.

³² www.sticisce-iskra.si, accessed 16/01/2019.

³³ <https://sredisce-rotunda.si/en/about-us/>, accessed 16/01/2019.

³⁴ <https://sredisce-rotunda.si/socialno-podjetnistvo-2/>, accessed 16/01/2019.

³⁵ <http://www.sticisce.si/index.php?subpageid=3>, accessed 16/01/2019.

The NGO Hub of the Obalno-kraška Region is a project aimed at strengthening the integration, cooperation, and training of NGOs in the region. It promotes NGOs' more active participation and aims to train their representatives in efficient management. The main objective of the project is to boost the NGO sector and its participation in decision-making processes in the Obalno-kraška region.

³⁶ <http://mladi-koper.si/>, accessed 16/01/2019.



A network of creative individuals called Akademija za prihodnost (Academy for the Future)³⁷ opened a co-working space with the support of the Municipality of Piran in the commercial park of Lucija in 2015. It was devised as a “creative community of individuals who wish to actively participate in the comprehensive development of their town and wider area”. It functioned as a co-working space which brought together predominantly sole proprietors. The Akademija’s programme included the organisation of various meetings, lectures, seminars, presentations of successful entrepreneurs, workshops, film and café nights, educational excursions, as well as sporting, tourist, and other events. Its events and meetings covered topics such as tourism, culture, entrepreneurship, sport, information systems, marketing, rhetoric and public speaking, PR, motivation, project management, intellectual property, financing opportunities, and obtaining grants, etc.³⁸

The Akademija tried to establish the brand Salina Coast³⁹, which integrates and connects tourist services provided in the Littoral and the countryside of Slovenian Istria. However, it never came to life.

In Sežana, there is Inkubator d.o.o.⁴⁰, a support organisation for innovative prospective entrepreneurs and start-ups which helps prospective entrepreneurs develop and evaluate their ideas, and offers advice in starting their company, devising new business models, and penetrating new markets. They offer consulting and mentoring services in product development, process organisation, promotion, communication, marketing, information and communication technologies, internationalisation and staffing, as well as legal, tax and financial advice. They encourage innovation and entrepreneurship in young adults.

2.5. The commercial system of the creative industry

Creative industries are not yet a well formulated niche market in the Obalno-kraška region so a marketing system has not been established yet. Individual entities have created, (often) intuitively, their own approach to promotion resulting in economic impacts. Some examples are presented below.

1. The PiNA⁴¹ society in Koper, which operates across the Littoral, recognises its marketing system in its informal cooperation network with other institutions in Slovenia (DD Trbovlje, Kibla in Maribor, MKC Maribor, etc.), those in the neighbouring Italian regions (Punto Zero in Udine, Centro Giovani in Trieste), and other individuals (a range of freelance entities depending on the content of the project). They shape a common story together and then market it. The society’s source of funding makes a major difference: the society is funded by international projects but also by its own work on the market (e.g. media campaigns) carried out for private clients, through public tenders of the Ministry of Culture, and public procurement contracts with municipalities (in collaboration with the municipalities of Nova Gorica, Velenje, etc.). Nonetheless, the society’s operations on the market are not evident from the data published on its website. In order to obtain funding, it bases its operations on identifying synergies and establishing co-authorship: PiNA supplies its capacity-building activities and references, while other freelancers contribute their specific knowledge or skills. The society promotes its work on festivals as well: the most notable are

³⁷ <http://www.akademijazaprihodnost.si/>, accessed 16/01/2019.

³⁸ Source: Akademija za prihodnost website, accessed 18/12/2018.

³⁹ <http://www.salinacoast.com/about-salina-coast/>, accessed 16/01/2019.

⁴⁰ <https://inkubator.si/en/about-us/>, accessed 16/01/2019.

⁴¹ Source: Borut Jerman, PiNA vice president and coordinator of expert work, conversation held on 04/02/2019.



festivals of contemporary multimedia art (e.g. Kiblix (Maribor), Dobiarteventi 2016 (Šmartno), Speculum Artium (Trbovlje)), the Friuli Innovation festival, and the Intermedia festival.

2. Center obilja/Centre of Abundance: The recently established Centre of Abundance in Koper functions as a platform of different entities. It has been a little over six months since its opening (June 2018–January 2019) so it does not have a marketing system in place yet. They are still establishing the platform's activities. One of its specific aspects is that they operate based on a virtual currency called vibe and not the official euro. Their business is based on the exchange of goods (services and products) valued at a certain amount of vibes. Users determine the value of a product or knowledge that they wish to exchange. Each user has their own account where they accumulate their vibes and then withdraw them (they came up with this idea based on the concept of the board game Monopoly). They have also developed an app called Dance2Abundance, a simple way for users to monitor their vibe account. Many companies and local suppliers have joined the initiative. They currently offer over 100 products, but the range is constantly changing and being replenished. Thanks to this positive response, they intend to establish a cooperative soon.⁴²
3. RIIBA functioned as a platform, whose main promotion took place on their website, where clients could submit their orders. An important part of marketing was their presence on social media (Facebook, Instagram) and their collaboration with the PiNA society.
4. The Academy for the Future used to have their Salina Coast project, which did not come to life.
5. Piran's artistic street: a seemingly conventional but actually efficient marketing system has formed on IX Corps Street in Piran, which functions as some sort of present-day artisanal quarter (with the same or similar activity in one spot). Several craftsmen offering their unique products are located in the same street – visiting one of them encourages people to visit another one. Some of them have connected spontaneously, or rather their owner has connected them. This is the case of jewellery atelier Maj, which has four such shops in Piran and Portorož (the owner is Mr Janez Mlakar). They employ a total of 8 people who make jewellery together. The employees socialise and discuss the design of specific items, otherwise they have serial production.⁴³

The atelier and shop called Nika's Tiny House, another interesting entity in the same street, collaborates with tourist guides (who take tourist groups to the shop as part of their visit) and has a strong online presence.

Unlike Izola's artistic street, the one in Piran formed rather spontaneously and not as a comprehensive project (the web search query "artistic street Piran" returns no hits).

Events promoting CCI are related to cultural events (e.g. Ex-Tempore Piran (in Monfort and the cloister of the Minorite Monastery of St Francis) as well as social events and festivals (e.g. Oživela ulica/Lively Street, a day-long event in late August in Kidričeva Street in Koper, where artists and creatives present their work on stalls; the accompanying programme of the Kino Otok festival in Izola in June). However, CCI mostly include design and artisanal products promoted at fairs that accompany various holidays (St Nicholas' and New Year's fairs in all of the four municipalities, St George's festival in Piran in April, the Saltpans Feast in Piran in September, the gastronomic festival Sweet Istria in Koper in September, etc.).

⁴² Alenka Penjak (2018). V Center Obilja kar brez denarja, *Primorske novice* newspaper. <https://www.primorske.si/primorska/istra/v-center-obilja-kar-brez-denarja>, 13/12/2018.

⁴³ Data taken from the term paper: Andraž Orehar and Urša Zavodnik (2019). *The role of cultural and creative industries in Piran: Monfort and Grando warehouses*. Term paper for the course Concepts of management and presentation of heritage (Heritage Tourism programme). Koper/Portorož: Faculty of Humanities and Faculty of Tourism Studies.



3. The challenges and opportunities of the creative sector (2 pages)

3.1. News and development tendencies

The systematic development and recognisability of CCI are markedly underdeveloped in the Obalno-kraška region. Nevertheless, an analysis has shown that there are many players, but they are scattered and unconnected. The leading industries are architecture and advertising. A field review has demonstrated that new development paths are appearing.

Recently started projects show that some actors are primarily interested in the topics of ecology and sustainable development. This tendency is set in the widely recognised and increasing importance of the green economy, which considers people's creativity to be the key to overcome economic and ecological issues.

In the Littoral, this trend has been proven by a project of the company Komunala d.o.o. in Izola aimed at opening a Reuse Centre, which would have a broader scope (not only the sale/purchase of used furniture and clothes, but also their creative reuse), considering that it is conceived as a social centre. The newly established Centre of Abundance, which hosts similar activities on their premises (KUP society), pursues similar objectives. A special phenomenon, otherwise typical and well developed elsewhere in the world and also in Slovenia but a novelty in the Littoral, is the horizontal integration principle (artists from the artistic streets in Piran and Izola, Centre of Abundance), i.e. own-initiative integration that is not necessarily chiefly profit-oriented but aims to connect different stakeholders.

An important and highly developed industry in the Littoral is multimedia art, which is represented by several independent creatives as well as the PiNA society. This field is gaining in significance also within ecological awareness-raising. An example of this is substituting Christmas decorations and especially fireworks (which are not eco-friendly and are financially unsustainable) with the use of visuals and VJ installations (in the Municipality of Koper).

Moreover, our analysis has revealed the potential that unused empty spaces in old town centres have. These are spaces in strategic locations that meet the minimum requirements to operate: it is how the RIIBA team used minimum resources to convert an abandoned space in Izola's medieval centre, while the Centre of Abundance developed in a long-neglected former Tekstil shop on Prešeren Square (Muda Gate) in Koper, which is one of the most frequented and historically recognisable spots in town. The representatives of both examples of CCI pointed out in their media statements that they pursue several objectives: along with promoting their creative and commercial activity, they wish to revitalise the town and connect the community. The creators of Izola's Reuse Centre have expressed the same aspiration. Such abandoned spaces in towns can provide a convenient resource to fulfil these objectives while at the same time fundamentally contributing to the revitalisation and valorisation of town centres.

A third tendency, namely tourism, is related to this. Many creative activities may be associated with tourist services: the most easily identifiable ones are designers of unique jewellery and souvenirs, who are present in all of the three towns and located in attractive spots within the town centre. Considering that cruise tourism has been increasing, especially in Koper, this field shows growing potential. At the same time, there is a risk of trivialisation.

At any rate, three basic obstacles in the Obalno-kraška region, which are based on the theory of creative industries as comprehensively defined by Richard Florida (2002), have to be pointed out.

The first one is the necessity of providing a lifestyle or **specific living conditions** to foster the development of creative operations. In his research, Richard Florida has identified a sort of archetypal creative who especially appreciates openness, tolerance, the "authenticity" of space, a clean



environment, possibilities for recreation in nature, and the presence of a “bohemian” element involving musicians, actors, dancers, and visual artists (Jumic, 2014). These qualities enable unconventional experiences. These factors are supposed to be even more important than economic ones. So, Florida has identified two statistical correlations: there is a positive correlation between high economic growth and the presence of the creative class (measured in the number of companies dealing with high technology and number of new patents). There is another correlation between the presence of CI and the following factors: the number of gay people serves as an index of openness and tolerance, while the number of musicians, actors, etc. as a Bohemian Index. Based on these indicators, it is established that we cannot talk about suitable conditions in the Obalno-kraška region because there is virtually no contemporary artistic scene, with the exception of the only large institution that also – but not only – promotes contemporary art, i.e. the Coastal Galleries. The only theatre offers generally agreeable, frothy performances, especially comedies (with the exception of some guest performances and the short Summer Festival of Primorska, which, however, cannot contribute to a “permanent” activity). The body that was perhaps the most oriented to contemporary art was the recently closed nightclub Ambasada Gavioli in Izola (which, nonetheless, used to host only occasional events). In the Karst part of the region, the only jazz club, Jazz Hram in Divača, operated until recently. It was a typical meeting place for an artistically more demanding audience but has closed down. Last but not least, Inde, the only autonomous zone in the Littoral, operated in Koper between 2014 and 2017 and was the driving force of a spontaneous artistic activity. Because the premises were sold, it was removed. Before that, the Youth Culture Centre (MKC), which was managed by the Friends of Moderate Progress Society (DPZN) operated in Koper for decades. To a large extent, it functioned according to the principles of an autonomous zone and promoted particularly contemporary and alternative art but it closed down in 2016. Its premises and partly also its role in town was taken over by the Koper Youth Centre (CMK), which is directly managed by the Municipality of Koper. In this way, the bohemian or at least artistically diverse environment, which Florida considers necessary, has been gradually eliminated. As a review of cultural activities carried out within this study has shown, we have found that these activities in the region are mostly represented by amateur activities (folklore societies, choirs, marching bands).

Another aspect needs to be pointed out, i.e. the financial framework. Many creatives in the Obalna-kraška region operate as self-employed professionals in culture and within societies or institutes, so their activity depends on public tenders and public procurement contracts. A direct integration between the creative sector and potential private investors has not been detected. As CCI studies in the Osrednjeslovenska region and Ljubljana have revealed within the Creative Cities project, the CI sector is still completely unrecognised, so it has not received any attention from important stakeholders from the economy.

The third aspect concerns the effect and target groups of CI: as it is emphasised in this study, one of the target fields appears to be tourism but it is precisely this connection that has an inherent danger. As Florida points out, there is a negative correlation between traditional tourist destinations and the presence of the creative class. The development of tourism, particularly in historical town centres, leads to gentrification, i.e. the restructuring of those urban districts that were attractive precisely because of their dynamic nature, bohemian colourfulness, and demographic variety and that become interesting and likeable because of their attractiveness, so they are gradually renovated and transformed into luxurious areas for rich residents. In this way, creatives lose their cultural ecosystem, while in the relationship between creating and making a profit what prevails is the latter at the expense of creativity and inventiveness. Ultimately, this can lead to tacky trivialisation.

If we summarise these three points, we conclude that the region in question lacks the main condition, i.e. a lively integration and operation of creatives. In addition, it needs a suitable, artistically diverse, and intellectually stimulating environment. Finally, it needs a balanced financing system in the shape of structural public funding for creatives and, at the same time, the systemic promotion of cooperation between the economy and creatives, also through good practices found in our immediate vicinity. Only if these condition were met, we could find a balanced strategy for the development of tourism in relation to



CCI, so CCI would not become just a tool to maximise profits within mass tourism, but, rather, tourists would be just one of the target groups. The sustainable development of the CI sector requires a permanent, continuous, and stimulative environment. However, a fundamental question still remains: can such scenes be even developed in such small urban areas such as the towns in the Obalno-kraška region? And finally, is there even a wish and need to do so at local level?

3.2. Potential creative industry scenes

The key development potentials are the geostrategic location in relation to Koper's merchant port and the predictions of future trade flows, the development of tourist services (including sports tourism) and more efficient marketing based on well-established infrastructure and competences, strengthening the role of knowledge and economic integration/cooperation, people's creative potential, including that of unemployed people, the promotion of a healthy Mediterranean lifestyle, the production of high-quality food in relation to rural development, sustainable management and life patterns, a high-quality environment, cultural heritage, and nature (Regional Development Programme for the South Primorska region 2014–2020. June 2015. https://www.rrc-kp.si/images/stories/dokumenti/RRP/Povzetek_RRP_kon%C4%8Dni.pdf, p. 4).

Two key potential CI scenes at regional level are the cooperation with tourism and with the Port of Koper.

Tourism, which has rapidly evolved in the Municipality of Koper in the last decade, can boost diverse presentation techniques and therefore engage the creative scene in economic processes. Besides the typical and already recorded effects that tourism can have on the development of small creative practices involving the manufacture of unique utility goods (like in Izola and Piran), CI can acquire a more prominent role in the broader context of experience tourism (creative workshops for manufacturing utility goods), and in the spatial planning of public spaces and interiors. Specific to the case of the REFREsh project, the history of salt-making is a special niche.

Another potentially new key field of CI development is seen in the Port of Koper, which has marked the identity of Koper and the Littoral as a whole during the last 70 years. Its presence represents enormous potential in terms of its abandoned spaces (empty warehouses at the juncture of the port and the old town), its specific industrial appearance (the image of colourful rectangular containers and cylindrical silos – these shapes have already formed the successful design of a new infrastructure in Škocjanski zatok Nature Reserve), and its sounds. A model of capitalising on the the industrial history of a town to advance CI can be seen in the mining town of Trbovlje, which has developed a strong new media activity within the institute Delavski dom Trbovlje. The Port is an important actor also from the point of view of financing pilot actions, considering that it publishes annual tenders for co-financing projects in culture titled Living with the Port. This has already produced a series of results with CCI potential since it was introduced nearly a decade ago. One such example is the project Let's Draw the Coast (*Narišimo obalo*, September 2018), which was organised by the PiNA society and involved the unresolved fate of the protected part of coastline between Koper and Izola, which had recently been closed to traffic. The nature of the project was extremely participatory and creative. Another example is the project Houses Talk (*Hiše govorijo* by author Kristina Menih), which mapped abandoned buildings in Koper's town centre and recorded their stories, etc. Such examples can work as starting points for further tourist products and the development of participatory practices.



3.3. Potential creative industry actors

A review of potential scenes has indicated who the potential CCI actors that are not active yet are.

Firstly, these are different sole proprietors and/or tradesmen who operate in cultural and creative fields (designers, graphic designers, carpenters, etc.).

Another key actor or potential support group are tourist agencies and tour operators, who can act in synergy with creatives and foster the creative market.

An important role is played by the Public Fund for Cultural Activities, which watches over the operation of societies and amateur arts. With its well-thought-out programme and tenders, it can make the amateur activity transform from reproducing and functioning as an end in itself into an active creative activity. Photographers, architects, and musicians, who can use their skills in sustainable and socially aware commercial projects, merit special consideration.

A systematic integration of the economy (which has certain needs) and the creative sector (which has potential and ability) in creating synergies is of key importance for the Obalno-kraška region as well as for Slovenia as a whole. Here, a crucial connecting role is assumed by municipalities – through tenders and the creation of physical spaces where people meet and work together, which is still completely undeveloped in the Obalno-kraška region.



4. Introduction of creative scenes related to the project (5–8 pages)

The possibilities of integrating CCI in the revitalisation of the Monfort and Grando salt warehouses in Fizine have been examined within the REFREsh project.

4.1. Monfort warehouse

The Monfort warehouse is already partly used by CCI. Only compartment 5 houses a shop, while all the other compartments accommodate programme content which is mostly carried out by CCI.

5 Mercator shop	4 Exhibition space (Piran Coastal Galleries)	3 Multipurpose space	2 Unspecified	1 Exhibition space (Sergej Mašera Maritime Museum of Piran)	Annex
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Table 1: Current use of spaces in the Monfort building

Compartment 1 contains a permanent exhibition space of the Sergej Mašera Maritime Museum of Piran. It also includes a small lecture room/information point. A restroom is located in the annex. The Sergej Mašera Maritime Museum collects, studies, and displays the maritime past of the Slovenian Littoral, Slovenian naval history, and industries related to maritime navigation (<http://www.pomorskimuzej.si/en/museum>). Monfort houses two collections, one dedicated to traditional shipbuilding and the other to the development of water sports. The information point currently holds an exhibition of salt-making, which puts on display the history of the warehouses and the evolution of the area.

Compartment 4 accommodates a permanent exhibition space of the Piran Coastal Galleries. The Piran Coastal Galleries have been the central institution in Primorska with the status of a regional museum of fine arts since the early 20th century, performing its mission on fine arts heritage as well as studying and displaying contemporary production from the Littoral, Slovenia, and abroad. Their artistic collection enriches the Slovenian fine arts treasury. The Piran Coastal Galleries gather archival and documentary materials into the national collection of fine arts. They record, collect, study, display, and keep fine arts heritage from their field, placing special emphasis on following the works of Herman Pečarič and the collection of sculptures Forma Viva (<http://www.povezanimuzeji.si/obalne-galerije-piran-3/>).

Compartments 2 and 3 are without a fixed content and are occasionally leased out for different events. They have hosted 6 concerts, 5 exhibitions, a dance event, 6 sporting events, 8 promotional events, 2 culinary events, and 4 weddings since 2015. A more detailed specification is provided in the table below:

2015	Number of rentals	Lessee	Type of event
Jan.	/	/	/
Feb.	/	/	/



March	/	/	/
April	3	MPG PLUS agencija za marketing d.o.o., Apollonio family, Agency Promo d.o.o.	concert exhibition gala dinner
May	/	/	/
June	/	/	/
July	/	/	/
Aug.	3	Boxing Club Portorož, Swank Dance School, Piran Coastal Galleries	sporting event, dance workshops, picture depot
Sept.	/	/	/
Oct.	/	/	/
Nov.	1	Ministry of Culture, Ministry of the Environment and Spatial Planning, Municipality of Piran	Days of Architecture
Dec.	/	/	/
2016			
Jan.	/	/	/
Feb.	/	/	/
March	/	/	/
April	1	Piran Coastal Galleries	picture depot
May	1	MPG PLUS agencija za marketing d.o.o.	concert
June	2	Emi PTM d.o.o., Boxing Club Portorož	presentation of new car + socialising, sporting event
July	1	Private	wedding
Aug.	3	Boxing Club Portorož, Istrian Youth Society OGP	sporting event, concert picture depot
Sept.	2	Private, Golden Age Gym Festival	wedding sporting event
Oct.			
Nov.	1	Ministry of Culture, Ministry of the Environment and Spatial Planning, Municipality of Piran	Days of Architecture



Dec.	/	/	/
2017			
Jan.	/	/	/
Feb.	/	/	/
March	1	Istrian Marathon Society	preparation of materials for Istrian Marathon
April	1	INTOURS DMC, Slovenia & Croatia Demaco d.o.o.	evening event
May	3	Private, SoLoMo1 d.o.o., Druga godba institute	wedding evening event concert
June	2	Private SoLoMo1 d.o.o	wedding eno-culinary event
July	1	Association of Cultural Societies of Piran	MIFF - Mediterranean International Folklore Festival
Aug.	1	OGP	Ex-Tempore
Sept.	1	Littoral Creatives Association	exhibition
Oct.	2	Av studio d.o.o. Autonomous Community of the Italian Nationality of Piran	70 th anniversary of the company TKK Oktoberfest in Monfort: Beer and pumpkin with a salty aftertaste
Nov.	1	Tourist agency KOMPAS d.d.	Evening event
Dec.	/	/	/
2018			
Jan.	/	/	/
Feb.	1	Droga Kolinska, živilska industrija d.d.	internal launch of new product by Atlantic Grupa
March	1	Istrian Marathon Society	preparation of materials for Istrian Marathon
April	/		
May	3	MPG PLUS agencija za marketing d.o.o. Druga godba institute Atlas Express d.o.o.	concert concert, evening event
June	1	Primož Sukič	audiovisual event

Table 2: Events held in compartments 2 and 3 of the Monfort warehouse (according to data of the Municipality of Piran)



The rental on the hall is EUR 466.00 + VAT/day (leased out 30 times between 2015 and 2017, leased out 6 times in 2018 – until June).

The owner, the Municipality of Piran, wishes to keep the building in this use or increase the use of compartments 2 and 3. Under the project, compartment 3 will be additionally rehabilitated and furnished. To actually bring to life the building, the number of events has to be increased, we have to breathe new life into the building, and promote Piran as a tourist destination. To this end, the Municipality of Piran concluded the *Agreement on the marketing of halls no. 2 and 3 of the Monfort salt warehouse* with the Portorož Tourist Board in December 2018.

4.2. Grando warehouse

The Grando warehouse is currently functioning as a warehouse used by several businesses. Two compartments (1 and 2) retain their original function – salt warehousing, salt packinghouse, etc. Compartment 3 is being used as a depot of the Piran Coastal Galleries and one part of compartment 4 as a depot of the Maritime Museum.

4 Savić s.p., Riva d.o.o., Sergej Mašera Maritime Museum of Piran, etc.	3 Piran Coastal Galleries – depot	2 salt Soline d.o.o.	1 salt Soline d.o.o.
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Table 3: Current use of spaces in the Grando building

The current users, including those from CCI (the Museum and the Galleries), wish to continue using the building as they currently do. However, the results of a workshop conducted for locals show that there is a strong desire for common spaces (see chapters below).



5. The regional SWOT analysis (4 pages)

3.1. Overview

The Obalno-kraška 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 Obalno-kraška region employed the most people, followed by companies in the field of transportation and warehousing, trade, and accommodation and food service activities.

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 is the main industry and has a leading role in the area. The Standard Classification of Activities, which identifies and classifies tourism under “accommodation and food service activities”, indicates that 25% of the active population is employed in “accommodation and food service activities”. It is followed by real estate, administrative and support service activities, wholesale and retail trade, repair of motor vehicles and motorcycles, and household 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 CI in the Littoral 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 proprietors 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 creative potential in order to make profit but make 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 Littoral 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 carried out by the municipality. In Koper, there is the University Development Centre and



Incubator of Primorska, 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 CI.

One of the key needs of the sector are start-up funds for 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, either at national or municipal level, does not mention CI. Likewise, the 2018–2025 National Programme for Culture makes no mention of it. The possibilities to include the creative scene in municipal development plans are undoubtedly great, merely because of the urban municipality’s 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.

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 economic development (one-stop shops) ➤ 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 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 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 CI at 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)

One of the key needs of the sector are start-up funds for CCI. There are general tenders that co-fund start-ups but there are no special measures for starting up a CCI 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. There is no suitable framework for CCI in legislation, either at national or municipal level. The possibilities to include the creative scene in municipal development plans are undoubtedly great, merely because of the urban municipality’s 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.





6. The vision and the strategic objectives of the regional creative industry (3 pages)

Vision	<p>The vision for the development of CCI in the Littoral includes:</p> <ul style="list-style-type: none"> i) An environment which is considered friendly and stimulating for formal and spontaneous forms of CCI by all key stakeholders. j) CCI are not concentrated just in a few locations, but rather close to their providers and integrated into networks/clusters. k) CCI actors and stakeholders that connect with them should be well informed. l) Exploit synergies between different providers/stakeholders (from the CCI sector, local communities, economic and public sector). m) Form efficient models of integration with compatible activities outside CCI. n) Sustainable organisation and favourable conditions for CCI operations. o) Connect formal and informal types of CC activities/operators, nurture interculturalism, and create value chains to maintain different “vulnerable” activities. p) In this context, tourism is a showcase for heritage and everything local.
LONG-TERM	(5–10 years)
1 st long-term objective	<p>Improve the social and business environment to develop CCI and create opportunities to cherish creativity and culture. Revive and reinvigorate the living environment in tourist resorts also outside the tourist season and form cores enabling creative people (especially young ones) to socialise.</p>
2 nd long-term objective	<p>An improved institutional framework (integration of different stakeholders from the public sector, the business community, the educational sector, CCI (professional associations, creatives), and the NGO sector).</p>
3 rd long-term objective	<p>Development of suitable political tools for CCI (suitable CCI classification, integration of CCI into national strategies or programmes – innovation, tourism, internationalisation, education, sustainable development, public administration, etc.).</p>
4 th long-term objective	<p>New educational programmes (based on market needs), CCI consultancy (general, specific).</p>
MEDIUM-TERM	(3–5 years)
1 st strategic medium-term objective	<p>Identification, mapping, and evaluation of potential of CCI.</p>
2 nd strategic medium-term objective	<p>Promotion: Internal and broader recognition of the importance and potential of CCI for the social and economic development in the wider society and among CCI providers (for cohesiveness, making better use of potential, intergenerational integration, ecological aspects, etc.).</p>
3 rd strategic medium-term objective	<p>Create systemic and targeted funding of CCI activities and projects (modelled on public tenders within the Centre for Creativity), which enables the start-up, upgrade, and sustainability of CCI activities and products.</p>
4 th strategic medium-term objective	<p>Identify and remove obstacles to the development of CCI and integration within the CCI sector and with other stakeholders.</p>
5 th strategic medium-term objective	<p>Develop physical infrastructure and renovate spaces; financial support for creative incubators and jobs (management costs, subsidised rental, systematic funding).</p>
6 th strategic medium-term objective	<p>Develop competences to valorise the effects of CCI (education and training): training of designers in business skills, project management, and digital skills.</p>



Two specific aspects of the state of play (obstacles) in the development of CCI:

Legislative framework: There is no suitable single CCI policy, either in national or municipal legislation. This field cannot be developed without a suitable verification of the sector. This verification is hindered because even the classification of CCI activities varies. For instance, some documents of the Ministry of Culture categorise advertising as CCI, while others do not, which calls for the adoption of a single classification of CCI activities that could be regularly updated. The adoption of a single classification of CCI activities would enable monitoring the development of the sector by income statements. Analyses that included the real operating results of CCI entities would be a sound basis for adopting the relevant measures.

Financing: Targeted financing of start-ups that deal primarily with CCI activities is not carried out in the Obalno-kraška region yet. There are general tenders co-financing the initiation of start-ups. Anyone who meets the conditions can apply to such a tender, even someone dealing with CCI. To develop a CCI company with an innovative product, an experienced team, a global market, and fast growth potential, you need a favourable business environment. Development potential is found in programmes for enterprising CCI talents. Such a tool would provide innovative and enterprising individuals with programmes for searching, assessing, and developing their entrepreneurial ideas in the field at issue and help them establish their company.



7. The application of the strategic objectives concerning the Monfort and Grando salt warehouses (15 pages)

7.1. Development and utilisation proposals on the selected assets

Within the REFREsh project, guidelines for the development of the Monfort and Grando salt warehouses have been drawn up, with an emphasis on placing content from the cultural and creative sector.

In principle, the development and utilisation proposals on the selected assets should meet the following decision/selection criteria:

- conformity with the strategic objectives for the development of CCI,
- conformity with the strategic objectives of the Municipality of Piran,
- lack of the proposed activity in the environment in question (to avoid duplication of content),
- compatibility of the activity with the basic purpose of the spaces and mutual compatibility (in terms of implementation and target user groups),
- improvement in the quality of life of the local community, especially in terms of shaping a meeting space which could become a centre of events and culture for the locals.

Due to some objective realities (such as financial and personnel prospects, previous agreements that are still in force, arrangements with users, etc.), all these criteria cannot be satisfied. Nonetheless, every effort should be made to bring the activities closer to optimal solutions in the long run.

Because of the timetable of project activities, the activities proposed for Monfort were drawn up before meeting different stakeholders and before developing a common vision. So, we have added some supplements or potential alternative content arising from the results of field work.

7.1.1. Monfort warehouse

The majority of the five spaces (compartments) in the Monfort building, which cover a total of 2,280 m² of usable area, already have some programme content in place, which is mostly carried out by CCI. Only compartment 5 houses a shop. Apart from the museum (compartment 1) and gallery exhibition space (compartment 4), two compartments (2 and 3) are currently empty and occasionally leased out as already mentioned in Chapter 4.

Within the REFREsh project, the company GEAart, vizualne komunikacije, d.o.o. (Savinjska cesta 4, 3331 Nazarje), has drawn up the study *Revitalisation concepts for the Monfort warehouse*, which has examined several options of programme designs. The space is intended to function as a multipurpose space for different events, which could be used by different creative industries.

Three potential uses have been examined:

1. protocol activities and other events,
2. gastronomic events, and
3. a “presentation room” for activities carried out by external tenants.



All three functions envisage that the space remains large and open, with only the minimum equipment necessary for the new function being installed in it.

Any of the types of content above could also be placed in compartment 2, whose long-term function has not been specified yet. According to the original plan, this space should hold the Tourism Museum. However, we believe that the original function of the building (a salt warehouse) deserves a comprehensive presentation, considering that it shaped the life of Piran and its inhabitants for centuries. At the same time, its stories are fascinating for visitors. As a result, we have also drawn up a concept for a so-called salt-making interpretation centre, or rather an additional exhibition space of the Sergej Mašera Maritime Museum.

Proposal for the completion of activities

Based on the identity/heritage of the area and the location, we also propose to place some new creative and exhibitiv content, which is closely related to the location, in the space. The Maritime Museum, the Salt-making Museum, and the Piran Coastal Galleries are well-established CCI players in the municipality, which already have several spaces available for their activities. Extensions of their activities in Monfort are conceptually appropriate. The same applies to events, the inclusion of gastronomy and a presentation room for external lessees.

Regarding the latter, we see an opportunity to include additional (permanent or temporary) entities or complementary content, which could represent new value and new synergies at the site. We also recommend the following additional CCI content suitable for Monfort:

1. “Portorož 1905 – experience tourism museum”: Cooperation with experts and young people to provide an appealing display and interpretation of the history of tourism in Portorož, assisted with ICT, VR, and AR. Tourism is a fundamental identity of a place and is already being included in creative displays in renowned European resorts.
2. “SISA Interpretation Centre” – Seaplanes in Portorož: Cooperation with experts and young people to relate a story about traffic carried out next to Monfort, which contributed significantly to Portorož’s international recognisability. The international school for pilots, SISA, was also in the vicinity.
3. “Interpretation of Ancient Fazine”: archaeological site in this micro-location, heritage discovered and valorised 20 years ago, which is not displayed in a comprehensive way yet.
4. Permanent “CCI Information Point” of the Obalno-kraška region: Cooperation with young people to provide information on the importance of CCI and the possibilities of integration and networking among providers and consumers of creative goods and services in the region.
5. “Creativity room”: Placing content which involves the community in the spirit of an “activist” and “warm” museum, while at the same time fostering the creative sector. These activities could involve various types of workshops for transferring the skills of traditional crafts (from restoration onwards), modelled on the Centre for Creativity in Ljubljana and the project Made in.

All additional content can be developed under the organisational partnership between CCI and all three universities in the municipality (Faculty of Tourism Studies, Faculty of Maritime Studies, Faculty of Humanities, and EMUNI). They can co-manage these activities as learning, research, and creative centres together with their students, serving as an incubator of new CCI entities in town and in the region.



Additional recommendation regarding events

Note: the suitability of the location to organise live entertainment events and musical events has to be evaluated/argued for. The micro-location is characterised by poor accessibility (it is the narrowest part of town – a safety problem, no parking spaces, no restrooms, no soundproofing, the residential neighbourhood of Fazine is nearby, locals have complained about the noise, boxed in streets, and litter left after previous events).

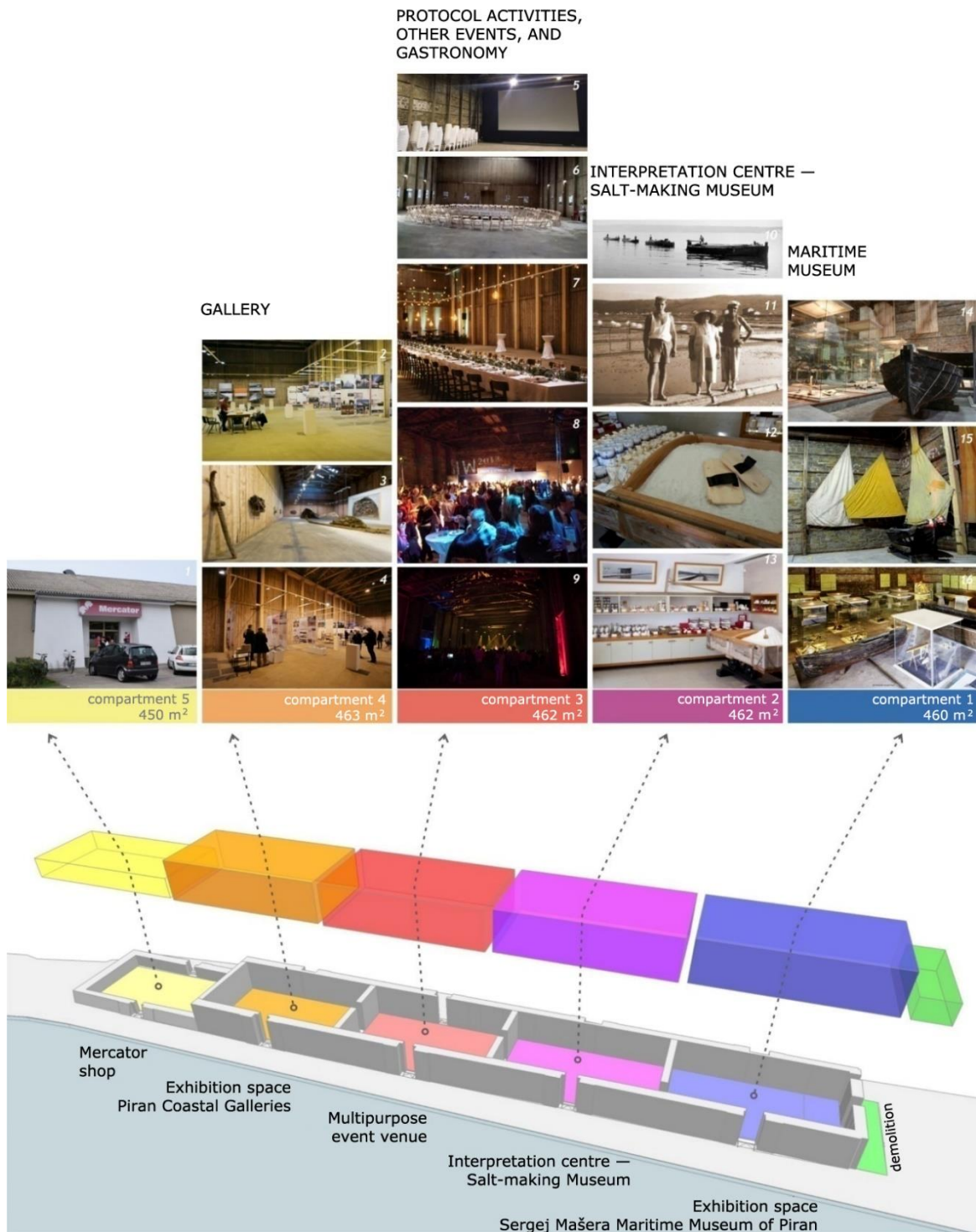


Figure 2: Review of new functions of the spaces in Monfort

7.1.2. Grando warehouse

Any potential new functions of the spaces in the Grando building have not been determined yet. Within the REFREsh project, several consultations with local support groups have identified the need of the local community to use the spaces. They see the need for:



- spaces where locals could socialise and create (a youth cultural centre, an intergenerational centre, an incubator, a co-working space, creative workshops, etc.),
- a recreation hall (for multipurpose events: basketball, beach volleyball, skating, a gym, etc.),
- shops with local goods,
- cafés and bistros.

The stakeholders considered that the space has to be made available mainly to the local population since too much emphasis is placed on tourists' needs in the Municipality of Piran.

Based on that, a review of the different activities which could be carried out in the building was made and their suitability and burden on the monument were evaluated. The following functions were assessed as optimal and profitable:

1. a sports hall and gym,
2. a space to socialise and create,
3. shops and cafés with local goods.

This scheme assigns 522 m² of space, which can potentially be reorganised in two stories, to creative industries.

Based on the public's response, especially that of the local community in a workshop in Portorož in November 2018, we can summarise which potential CCI-related activities could be housed in this space and would meet the needs of the local community:

- a music school,
- a practice room for young musicians and bands (for whom there is no room in the music school); this could include a cooperation with DJs and VJs, promoting multimedia creation,
- a music studio,
- a space for workshops and children's birthday parties (animation, crafts – workshops modelled on those of the KUP Kultura society),
- a space for yoga, dance, and contemporary dance lessons,
- a “restoration workshop” functioning as a community space for small repairs that cannot be done at home, so also intended for artistically inspired craftsmen (wood, goldsmithery, designers, etc.),
- a bookshop/publishing,
- a co-working space in its broadest sense,
- a space where locals (especially older people) could socialise, play cards, chess, pool, etc. This function was underlined several times in the focus group.

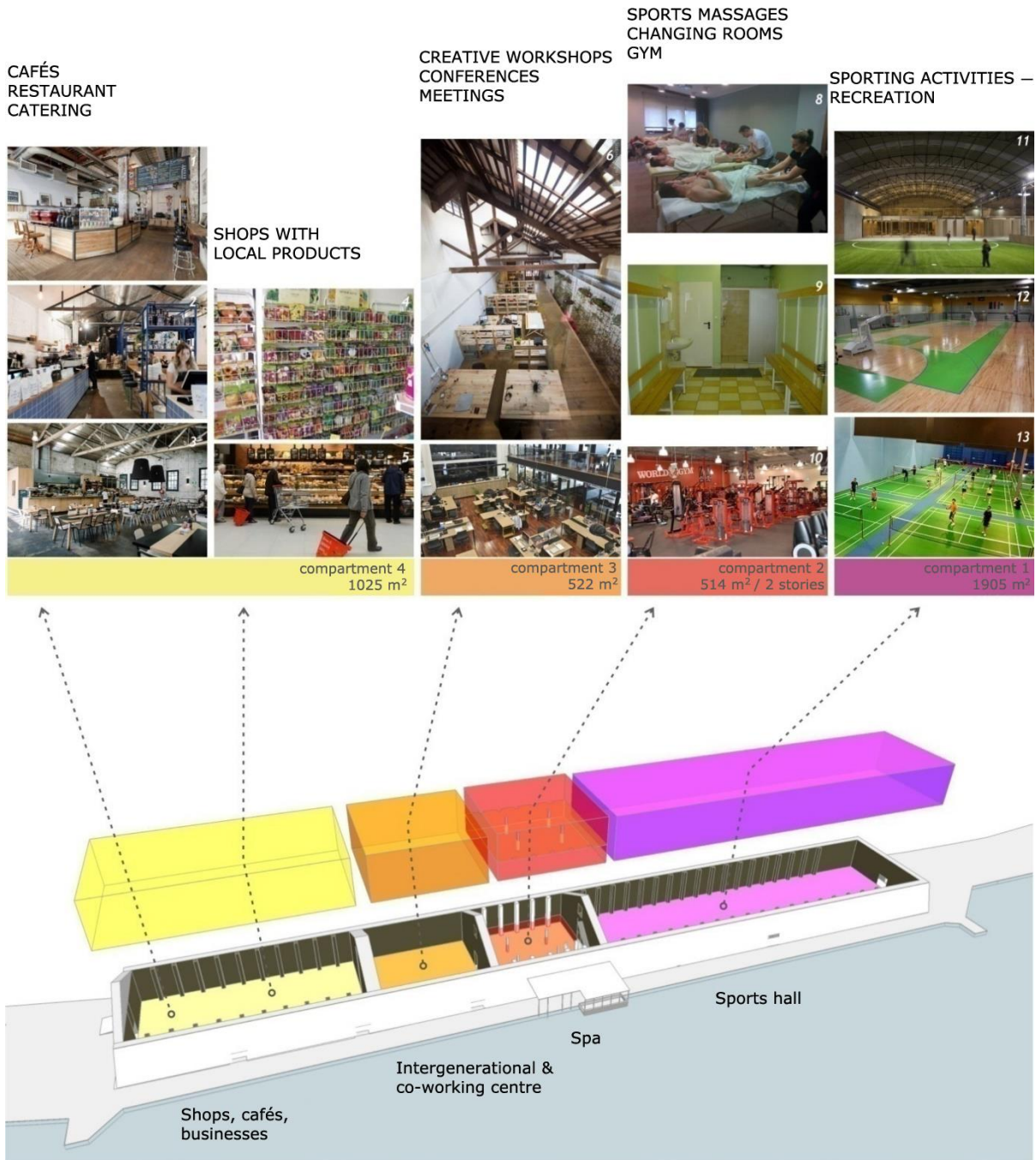


Figure 3: Review of potential new functions of the spaces in Grando

7.2. Summary of the developments/**investments**

The renovation includes the necessary restoration works in compartment 3 of the Monfort warehouse and the change of intended purpose of the entire Monfort building (except compartment 5). The Grando warehouse is not included in the renovation.



7.2.1. Restoration works

Within the REFREsh project, compartment 3 of the Monfort warehouse is foreseen to undergo restoration works, which will enable the implementation of any of the three functions described above (see Chapter 7.1.1). The restoration works include:

- floor levelling (ca 445 m²):
 - removal of asphalt,
 - installation of a 20 cm thick reinforced concrete slab,
 - sanding and polishing of concrete slab,
 - manufacture and installation of front rim of the new reinforced concrete slab,
 - manufacture and installation of removable cover grate of installation duct,
- cloakroom:
 - manufacture and installation of a wooden structure of fixed and mobile multipurpose partitions,
 - single-sided cladding of wooden structure of partitions with waterproof plaster and cardboard panels on wooden substructure,
 - painting of internal surfaces of partitions.

According to the schedule of the renovation works, a Detailed Design was scheduled by the end of October 2018. A public procurement contract for the contractor of capital works in compartment 3 was scheduled to be concluded by 20 November 2018. All works should have been completed by April 2019. They actually began in March and are being completed in June 2019.

7.2.2. Change of intended purpose

The restoration works will take place at the same time as the process for changing the intended purpose of the building, which is currently classified as a warehouse. The project documentation requesting opinions and planning permission (DGD) to change its intended purpose was obtained in January 2019.

7.3. Financial plan of the actions

A. OVERVIEW OF COSTS FOR CONSTRUCTION AND CRAFT WORKS

PREPARATORY WORKS	250,00
EXCAVATION AND GROUND CUTTING WORKS	7.866,84
CARPENTRY WORKS	159,00
CONCRETING AND REINFORCEMENT WORKS	34.153,95
LOCKSMITH WORKS	1.780,80
UNPLANNED WORKS 3%	2.064,40
TOTAL CONSTRUCTION WORKS	46.274,99



B. OVERVIEW OF COSTS FOR WOODEN STRUCTURE AND FURNITURE

		7.698,04
TOTAL WOODEN STRUCTURE AND FURNITURE		7.698,04
INCLUDED A+B		53.973,03
discount 5%		2.698,65
INCLUDED A+B with discount		51.274,38
VAT	22%	11.280,36
VAT INCLUDED		62.554,74

Table 4: Specification of works in compartment 3 of the Monfort salt warehouse (Specification of work, drawn up by Municipality of Piran)

7.4. Organisation and frames of operation

Both the Monfort and Grando buildings are owned by the Municipality of Piran, which makes them available to public institutions (Coastal Galleries, Maritime Museum) or leases them out (Mercator, warehouse of Savić s.p., Soline d.o.o.). The ownership is supposed to remain unchanged until further notice and individual users or institutions (Coastal Galleries, Maritime Museum) should organise their activities separately. The spaces in compartments 2 and 3 are currently managed by the Portorož Tourist Board on behalf of the Municipality of Piran (the Agreement on the marketing of halls no. 2 and 3 of the Monfort salt warehouse was concluded on 12 December 2018 for a 1-year period envisaging a regular annual renewal). Considering the content proposed for compartment 2 (an interpretation room), it would make sense to invite the Maritime Museum, whose content is related (it manages the adjacent Mala barka centre and the Salt-making Museum in Sečovlje), to participate in its management.

The organisation of operations in Grando depends on any actual further decisions about its use. In case the building actually came to life, at least partly, as a space for locals, it would make sense to introduce one of the participatory or community-based types of management (e.g. a cooperative).

The proposed activities, especially those regarding CCI, should be carried out and coordinated by one or more related CCI centres/cores. From the standpoint of economic efficiency and marketing, it is proposed to create the Portorož CCI Centre to deal with the long-term use and marketing of the building and its content. It would function as an umbrella organisation or common platform of stakeholders (locals, business stakeholders), which would provide long-term benefits for the development of CCI in the region and for Portorož as a destination.



7.5. Marketing strategy and its introduction on the market

The strategic marketing guidelines of the salt warehouses in Portorož as a location intended for CCI integration in the revitalisation of abandoned industrial heritage (hereinafter: working title Portorož CCI Centre) are outlined based on the identity of the location, which is defined by:

- history, heritage, and present-day features of Portorož,
- history, heritage, and present-day situation with the advantages and disadvantages of the micro-location of the salt warehouses, which have been revealed through our research and workshops with locals and other stakeholders,
- the strategic objectives for the development of CCI in the region until 2025, which are defined quantitatively as an increase of entities included in CCI and of CCI goods/services, and qualitatively as an increase of the recognisability of CCI in the region in the eyes of locals and visitors,
- the strategic development objectives of Portorož as a symbol of Slovenian tourism until 2025, placing special emphasis on a symbiotic integration of CCI with the tourist economy.

According to the current concept, the space (the Monfort building with the exception of the Mercator shop located inside it) is supposed to function as a multipurpose space which could be used by different creative industries.

Three potential uses have been examined:

1. protocol activities and other events,
2. gastronomic events, and
3. a “presentation room” for activities carried out by external tenants.

In order to define the marketing guidelines for the space with creative content, we propose and establish the following:

- a) guidelines for marketing objectives,
- b) guidelines for types of activities/content,
- c) a sustainable marketing concept, including internal marketing,
- d) guidelines for the segmentation of the user market and market positioning.

We present a comprehensive marketing strategy through a model that indicates starting points and guidelines as well as links between them. The model is based on the assumption about the development of the Portorož CCI Centre (working title, hereinafter: CCI Centre), which would provide long-term benefits for the development of CCI in the region and for Portorož as a destination.

Therefore, we do not target the marketing of the CCI Centre only at attracting visitors/tourists (external marketing) but also at integrating providers that incorporate their activities within the CCI Centre, and locals (internal marketing).

Internal marketing, which is seldom defined in general marketing strategies, represents a safeguard for the sustainable development of the CCI Centre precisely because of its specific activity, which is not fundamentally market-based. On the one hand, internal marketing is aimed at researching and verifying the needs of the internal public (lessees/providers of CCI activities at the site). On the other hand, it develops and carries out efficient communication with them: it connects and motivates them, raises

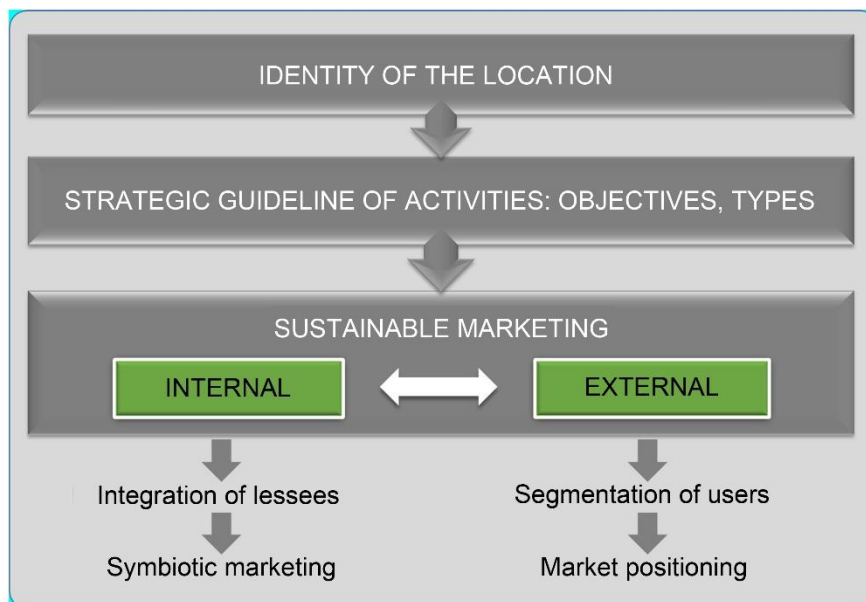


awareness, educates and trains them to achieve the CCI objectives set for the town and the wider region. The integration of providers and lessees is developed through the tools of symbiotic marketing (also called commensal, co-creative marketing or simply co-marketing).

In addition, one of the component parts of the marketing strategy is traditional external marketing, which is targeted at customers/visitors of the CCI Centre and segments them into closed distinctive groups with common characteristics. The marketing tools, which the strategy uses in line with the principle of the 4 Ps, 7 Ps or 4 Cs (the technical reasons for selecting the latter are provided below), are developed through common communication channels, a pricing policy, and standards of services to achieve the desired market position.

Below, we define the strategic guidelines for individual elements from the proposed marketing model.

Figure: Strategic model of marketing activities in the Monfort building as Portorož CCI Centre



By authors

Guidelines for types of activities/content of the Portorož CCI Centre

The strategic guidelines regarding which CCI activities (goods and services) to market in the space at issue should be determined through a process that follows three key questions:

1. Which activities/products *can* we offer in the location in question? (e.g. proposal of the Municipality taking into account interests and abilities)
2. Which activities/products do we *want* to offer in the location in question? (proposal of the professional group taking into account analyses and strategic guidelines)
3. What will be the (long-term) effects of the activities in this space for the town?

The guidelines for the desired range of content in the Portorož CCI Centre, which arise from an analysis of the situation, an analysis of stakeholders' needs, an analysis of providers, and an analysis of trends, are:



a) Primary activities

- art and culture (related to the town, heritage, location, inhabitants), e.g. amateur theatre groups, literary meetings, etc.

- activities of the creative sector which enable (co)creation through workshops, co-working, and socialising, e.g. AV and ICT solutions, etc.

b) Complementary activities:

- creative events, experiences, other events, recreation, e.g. dance workshops, yoga, etc.

c) Undesirable activities

- mass live entertainment events (unsuitable infrastructure and residential neighbourhood in the immediate vicinity),

- merely commercial leasing of the space at a relatively low price for that location which does not have any positive creative or promotional potential for the local environment (e.g. weddings or birthday parties).

Guidelines for a sustainable marketing mix of internal and external stakeholders/segments

Marketing activities help raise the recognisability and long-term reputation of the space, i.e. the Portorož CCI Centre as a whole. They should be aimed at three key entities:

- lessees as internal stakeholders,
- visitors and partners as external stakeholders, and
- partners.

Each of the segments is presented below together with a set of marketing activities for them.

Lessees

The Portorož CCI Centre represents an umbrella organisation integrating CCI providers in town. Creative providers can join the Centre based on different needs (e.g. cheap rental on the space for their activity, joint use of fixed assets, consultancy needs). To guarantee the long-term efficient marketing of the CCI Centre, the segment of lessees of the space has to be classified into a segment of current lessees and a segment of potential ones. We will prepare an internal communication plan for the current lessees, to whom we will provide the necessary resources and coordinate the conditions and activities of joint marketing. Internal market communication reinforces the Centre's necessary **standards of services** (selling methods and channels, interpretation methods, organisational culture), promotes integration, and creates new value (new events, experiences, services, stories). We will prepare an external market communication plan for potential lessees, in which we will demonstrate the importance and role of the Centre as well as the possibilities and benefits for its lessees (e.g. why renting this space for a protocol event, a co-working-space, an exhibition, a concert, etc.). The key elements of Monfort's differentiation and competitive advantage are its architecture and its story/heritage, which originates from its basic purpose.

Visitors

The types of goods and services provided by the lessees of the space in the Portorož CCI Centre determine the types/segments of visitors. These are:

- buyers of goods or services provided by the lessees in the Centre (museums, shops, catering providers),



- participants attending training courses and socialising through the Centre's activities (e.g. workshops, counselling),
- visitors of exhibitions and various events in the Centre,
- visitors of the Centre as an architectural (historical, heritage) landmark.

Buyers and visitors are divided into locals and tourists, and those can be further divided into subsegments following the market segments of the tourist sector in town. Segmentation research studies conducted in the Municipality of Piran show that they are (mainly) foreign tourists staying at a hotel in Portorož, elderly tourists, mainly Slovenians who come to enjoy nature, the so-called authenticity seekers, and educated culture and event enthusiasts.

Partners

Partners of the Portorož CCI Centre are defined as natural and legal persons with which the Centre can integrate with a view to carrying out a long-term successful operation and marketing of its activities. Partners are defined by type of sector (e.g. CCI, the economy, education), by location (e.g. local tourist board, three local universities), and by scope of cooperation (e.g. ICT support of the entire Centre, research of the Centre's activities). Partners include institutions or persons contributing to the basic activity of the Centre (e.g. research, education, incubation for CCI) or to the organisation of events (see examples in Chapter 8.2).

The guidelines for the marketing objectives and activities of the Portorož CCI Centre **for lessees** are the following:

- a suitable, rational, and optimal utilisation of the space,
- high cultural, creative, and entrepreneurial competence of each lessee,
- the diversity of CCI disciplines in order to achieve interdisciplinary synergies and thus new creativity.

The guidelines for the marketing objectives and activities **for visitors** of the Portorož CCI Centre are the following:

- greater local, regional, national, and international recognisability of the Centre's content to achieve stronger demand for attending exhibitions and events, for CCI goods, being in contact with CCI representatives, visiting a fascinating building in terms of architecture and heritage, and the surroundings of the salt warehouses,
- sustainable growth in the number of Slovenian and foreign visitors,
- constant media coverage of the content and activities of the Portorož CCI Centre to raise awareness of the importance of its operations among the general public/town/region.

The guidelines for the marketing objectives and activities **for partners** of the Portorož CCI Centre are the following:

- mutually beneficial relationships and development of the town as a place to stay or visit,
- a publicly recognised social benefit of this space,
- the transfer of knowledge and information into the environment to increase creativity and inventiveness, an increase in the number of participants and the diversity of the sectors from which they come.

Guidelines for the geographical reach of the target visitor markets



- Primary markets: CCI professional circles, interested people in the region, leisure and convention tourists at the destination (particularly Slovenian, Italian, Austrian, German, and Russian markets — the current markets of tourism in Portorož).
- Secondary markets: currently uninterested people in the region, school groups, the general Slovenian public.

Guidelines for the channels used to reach the target markets

- Online: the CCI Centre's own website (very creative and advanced in terms of ICT, e.g. enabling spatial videos, extended reality, purchase of tickets, booking the space), its own social media profiles with their own (young) administrator, hosting on websites and social media of existing lessees, connecting with influencers (creatives in Slovenia and target foreign markets), etc.
- Offline: spatial visual communications (in the Monfort building itself, in its surroundings, in the entire Municipality, in the region, in selected creative organisations and faculties in Slovenia and the wider region), a brochure, and constant media coverage.

Guidelines for market positioning

The Portorož CCI Centre should be positioned as an architectural peculiarity (in terms of design and heritage), building on the value of the space and its content. It differs from its competitors (e.g. other museum and gallery buildings, and other event venues in town/the region/the country) precisely because of its architectural and heritage legacy and its micro-location. As a result, it offers a different experience and added value in carrying out and consuming the creative content provided.

7.6. The necessity of developing the business environment – symbiotic marketing

The role of internal marketing of the Portorož CCI Centre lies in the systematic development of a symbiotic integration of key sectors and entities to achieve long-term positive effects of CCI for that location.

Symbiotic marketing, also called commensal, co-creative marketing or simply co-marketing, contributes significantly to the sustainable development of CCI. Unlike traditional marketing, where providers take care of the development of their products, prices, distribution channels, and promotion, symbiotic marketing defines:

- the broader benefits of the Portorož CCI Centre for the town/region,
- the comprehensive value of using the CCI Centre for providers, users, and partners,
- all the circumstances affecting the activities and use/attendance of the CCI Centre (e.g. trends, weather, politics),
- the communication objectives with different audiences through an exchange of ideas and opinions among providers, visitors, and other stakeholders.

A study of the need for a CCI Centre in Portorož points to a need for the vertical and horizontal integration of CCI supply, distribution, and promotional activities alike. Therefore, the sustainable development of CCI requires a combination of marketing resources, processes, and programmes between providers of the same type (e.g. museums, artists, advertisers) and between vertically complementary



providers (e.g. researchers, designers, operators). Only in this way, creativity synergies can be created, leading to new value and thus the efficient marketing of the Centre.

There are already several well-established but rather unconnected CCI cores in the local environment (Avditorij Portorož, SOF festival, Piran Coastal Galleries, which are already using one compartment of Monfort, etc.). There are a few more in the wider Obalno-kraška area, in Izola and Koper (as already mentioned, PiNA, RIIBA, the Središče Rotunda institute, Koper Youth Centre (CMK), etc.), Kosovel Centre in Sežana, etc.

At any rate, they can cooperate in a range of different ways: sharing and developing communication and sales channels (interactive websites and an e-shop, blogs, etc.), joint or coordinated exploration of opportunities for an efficient valorisation of CCI effects – through the integration with the private sector, especially in the field of creative marketing solutions/services (focusing on providers of traditional activities: tourism, salt-making, maritime transport, etc.), with the Chamber of Craft and Small Business, the Chamber of Commerce and Industry, and the public sector as well. Joint PR, with a view to raising recognisability and awareness of the role and importance of CCI in the environment in question among the wider community, is also sensible. Last but not least, as already mentioned, there are many possibilities in the Municipality of Piran to cooperate with research and educational institutions (project applications, conducting parts of the study process through working in CC content and/or analysis, etc.).

The majority of CCI is probably going to take place in compartment 3 of Grando, which envisages facilities for creative workshops, co-working, a space to meet and socialise, and readings.

7.7. The timetable of the development

The activities envisaged for Monfort are already being implemented (occasionally in compartments 2 and 3) and their implementation should only be monitored and, if appropriate, upgraded in line with the interest.

- Compartment 5: Mercator shop
- Compartment 4: Gallery (Piran Coastal Galleries)
- Compartment 3: Multipurpose event venue, protocol events, large catering receptions (minimum equipment, also for external lessees).
- Compartment 2: Interpretation centre, e.g. Portorož's heritage, presentation of the underwater archaeology of Fazine, the evolution of tourism and SISA aviation, a space for workshops and knowledge transfer ("co-creativity room"), Salt-making Museum, etc.
- Compartment 1: Exhibition space (Sergej Mašera Maritime Museum of Piran)

We estimate that in case of a consensus of the key stakeholders, especially compartment 3 could be adapted to a large extent within 5 years and put into service for the local community, in accordance with the needs expressed in the interviews, and for CCI activities which are less damaging for their immediate surroundings and show some potential for increasing the locals' quality of life.

One part of the Grando warehouse (compartments 1 and 2) complies with its original function and another (compartments 3 and 4) is used a depot and is not included in the renovation. In addition to the lack of information about the amount and sources of the necessary financial input, which depends on specific implementation plans, it is also very difficult to estimate the time necessary to carry out all the formal procedures and obtain the necessary authorisations. So, the timetable of the development of this



warehouse is merely a rough estimate of the time necessary to carry out all the activities from the beginning of the project until it is actually put into service. We estimate that this time is 2–3 years.

- Compartment 4: A café (with a bookshop corner), a restaurant, a child-friendly catering establishment (for birthday parties) + shops with local products.
- Compartment 3: Creative workshops, a co-working space, a space to meet and socialise, and for readings.
- Compartment 2: Sports massages, changing rooms, a gym.
- Compartment 1: Sporting activities, recreation, contemporary dance, yoga, (especially) for locals.

8. Defining the strategy of the regional creative industry

To define the strategy, we proceed on the basis of the regional SWOT analysis (Chapter 5) and the vision and strategic objectives of the regional creative industry defined in Chapter 6.

We believe that there are the following key strategic fields or strategic tasks:

Task	Target groups	Main activities
Drawing up a legislative framework and providing a definition of CCI which includes all the important stakeholders.	Ministry of Culture Statistical Office of the Republic of Slovenia (SURSTAT) Ministry of Economic Development and Technology	(Pro)active development of initiatives, proposals Obtaining, exchanging, and coordinating opinions and views of different stakeholders
Including CCI development and promotion programmes into national and municipal acts	Competent ministries Municipal administrations	Communication, information (lobbying) of competent decision-makers
Providing spatial conditions for the operation of CCI both in towns and in smaller residential areas	Municipal administrations	Making proposals, communication, information (lobbying) of competent decision-makers
Subsidies, support in project applications or joint partnership (municipality, state)	Competent ministries Municipal administrations	Making proposals, communication, information of competent decision-makers
Subsidies, support in creating information platforms	Municipal administrations Incubators Centre for Creativity and similar platforms	Making proposals, communication, information of competent decision-makers



Systematic inclusion of CCI topics into the media	Relevant traditional mass media and contemporary (ICT-assisted) media	Making proposals, dispensing continuous and systematic design, and distribution of content
Inclusion of CCI actors into municipal events	Municipal administrations	(Pro)active development of initiatives, proposals
Flexibility when dealing with spontaneous and informal types of CCI	Competent ministries Municipal administrations	Communication, information of competent decision-makers
Systemic (co-)financing of activities, which are identified as being strategic	Competent ministries Municipal administrations	Communication, information (lobbying) of competent decision-makers
Targeted workshops, trainings for a successful valorisation of CCI effects	Incubators Centre for Creativity and similar platforms	Identifying interest and competence shortfalls, (pro)active development of initiatives, proposals

The proposed activities should be carried out and coordinated by one or more related CCI centres/cores.

8.1. Organisational and operational basics

As practices in different European countries show (e.g. Creative Industries Federation – UK, Cultural Creative Industry Cluster – Hungary, The European Cultural and Creative Industries Alliance (ECCIA), Liepaja Creative Industry Cluster – Latvia, Creative Industry Košice – Slovakia, etc.), the successful



promotion, integration, and functioning of CCI requires formal networking. These organisations operate based on research, PR (by regularly informing the media about the importance of CCI and any related events), the organisation of integrative events, international integration, activities dedicated to the inclusion of CCI knowledge and skills into the educational system, funding, marketing “cultural products”, influencing legislation, support in protecting intellectual property, and, last but not least, the promotion of the region (in terms of tourism and otherwise).

In Slovenia, there is no umbrella organisation that would integrate all CCI actors at national level. So, at this stage it makes sense to search for synergies at local and regional level, and then connect with similar organisations in other regions and countries. Connections between individual actors are welcomed since they are generally more operational than systemic connections or any cooperation through CCI centres/hubs.

In 2018, within the Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014–2020, the Centre for Creativity (CzK) was established. It is an interdisciplinary platform that connects, promotes, presents and supports the activities and development of Slovenia’s cultural and creative sector (CCS) (with an emphasis on the economic valorisation of CCI’s effects). Without doubt, it represents a potential core of CCI (co)operation.

Experience from different economic sectors shows that the success of networking (in the form of clusters, associations, etc.) is significantly improved if it develops according to the bottom-up principle. However, this usually happens in relatively developed environments with a high concentration of actors. Considering the relatively small size of the region in question and the low concentration of CCI actors, we propose to form some centres within the existing organisations that provide a well-established structure, staff with suitable competences, and the basic conditions necessary to operate (e.g. RDA, the PiNA society). To some extent, that is already happening but this cooperation should be intensified.

One example is the Regional Creative Economy Centre (RCKE), which operates under the Regional Development Agency of the Ljubljana Urban Region. RCKE’s key activities coincide with the strategic objectives indicated since their main activities are “training courses, workshops, consultations and other events, it motivates creatives, entrepreneurs, decision-makers and policy-makers, education and research institutions as well as non-governmental organisations, training them for their more effective and efficient (co)operation”.

Nonetheless, those CCI segments that do not have commercial ambitions or are even opposed to formal types of organised operation should be taken into account, respected, and supported.

8.2. Partnership, cooperation and network

8.2.1. Cooperation and interaction of the creative industry with other sectors

There are certainly some possibilities of making connections with educational institutions and the industry in the region. Considering the influence it wields in this environment, the possibility of cooperating with the University of Primorska, whose associate member is the Faculty of Design, should be pointed out. Moreover, CC content is directly or indirectly present in other members of the University: the Faculty of Tourism Studies – Turistica, which carries out the study programmes of Cultural Tourism, Heritage Tourism, Innovative Tourism, etc., the Faculty of Education, which has been focusing on the development of artistic activities in recent years, and the Faculty of Management, which develops entrepreneurial competences that are necessary for an efficient and successful valorisation of CCI effects. Potential forms of cooperation include especially:

- the exchange of knowledge and skills (workshops, conferences, round tables, etc.),



- being included in the teaching process (internship, fieldwork, lectures by visiting experts, case studies, etc.),
- joint applications and work on projects (national ones, e.g. Šipek, PKP, and European ones, e.g. Interreg, Adrion),
- providing CCI services (ICT, architectural services, fit-outs, etc.).

The UIP University Development Centre and Incubator of Primorska offers CCI representatives the possibility to valorise their work through entrepreneurship. At the same time, it is a space to exchange ideas and knowledge between CCI and other sectors.

In relation to the University, InnoRenew CoE, an independent research institute “that fosters a culture of open innovation, and is ideal for developing new value chains and business models” is noteworthy. InnoRenew CoE does research in renewable materials and sustainable construction as well as the introduction of scientific findings into industrial practice, focusing on the innovative and interdisciplinary study of wood and its use.

The tourist economy should be singled out among economic activities, as it can form a set of synergies with CCI, especially in terms of valorising the effects of CCI, enriching tourist services, marketing differentiation, and positioning, both at the level of individual providers and tourist destination.

Different projects from the field of tourism which have already been implemented (to name just a few: Creative ideas for entrepreneurial co-creation of new tourist products (KIPSNTP), Wellness Istra, Tourism 4.0 – Enriched Tourist Experience, Let’s experience the Istrian countryside: new (thematic) tourist products and their promotion (Turizmo ištiriano), Common heritage for common international promotion of 365 days of green tourism on the Opatija and Portorož’s rivieras (Riviera4Seasons2), Quality Network on Sustainable Tourism (QNeST), Communism and tourism: modern presentations and interpretations using information technology (TITOUR), etc.) have produced numerous results and guidelines which require cooperation with CCI.

There are of course other economic entities that represent potential clients (e.g. of ICT services) and CCI resources (e.g. spaces, content) either because of their content (e.g. the Sečovlje Salina) or significance (e.g. the Port of Koper).

A good example of cooperation between CCI, the public and the private sector is, for instance, a photo gallery located by the sea in Koper. It was established by Koper Theatre together with the public company Marjetica Koper four years ago and has been sponsored by the Port of Koper since last December. So far, they have put on nine photo exhibitions (consisting of eight billboard-sized photos) made by local photographers.

8.2.2. Cooperation within the creative sector between the actors/groups of actors

Although some forms of integration already exist, CCI activities are relatively unconnected and fragmented. At this stage, the key is to identify efficient models of integration. We propose to base them on relatedness:

- of content/field of activity,
- of mission/values/motives (the level of commercial ambitions, the “mission” to influence the quality of living in the local community, the association of like-minded people, etc.),
- of geographical proximity,
- of the compatibility of the necessary resources/consumers, the possibility to create synergies, and the possibility to form value chains, etc.



The two steps that are needed here are keeping all actors or groups well informed on the operations of the others and of the possibilities and advantages of cooperation, as well as identifying the reasons for the lack of cooperation so far and any activities to eliminate/overcome those obstacles.

Cooperation/networking can take place at a horizontal, diagonal or vertical level.

The potential advantages of cooperation at horizontal level (between operators of the same activities) are the following: joint promotion (e.g. through common branding), mutual cross-promotion, exchange of experience, knowledge, and information (workshops, internal trainings on new technological solutions, experience with external partners, etc.), joint purchase of and access to resources (e.g. databases, servers, etc.), sharing the costs of external services (e.g. legal consultancy), joint market research, product development, development of operating standards, etc. Last but not least, integration is also a prerequisite for efficient cooperation in creating a legal and political framework of CCI operation. The types of integration/cooperation should, of course, be adapted to individual activities and specific situations.

The key advantage of vertical networks is partners' reliability, partnership stability, and the efficient creation of value chains (a rational and clear delimitation of activities, adapting to the needs of consumers throughout the whole process in the spirit of the target costing principle).

Considering the actual possibilities and needs, diagonal networking (between actors whose content is not related) may bring different advantages, as already indicated regarding the already mentioned types of networking: from sharing spaces and other resources to joint development, marketing, and sale of services/effects.

There are virtually no research studies on the obstacles blocking the cooperation of CCI actors. The findings of studies which investigated the obstacles blocking the cooperation of small and micro tourism companies that are relatively related to CCI in terms of their size and content conclude that the key obstacles/impediments to cooperation or to the formation of networks are the following:

- the so-called national character, which is not favourable to integration partly due to the country's socialist past and its modest tradition of independent, small companies/organisations,
- distrust and competition among actors in the same activity,
- lack of organisational and managerial skills,
- lack of time,
- fear of disclosing "business secrets",
- fast changes (appearance of new actors and disappearance of old ones),
- unfamiliarity with and/or underestimation of the advantages/benefits of networking,
- bad past experience,
- personal conflicts.

A peculiar feature that considerably affects people's willingness to cooperate in CCI is definitely the formal (or informal) status of the actors. The case of the Inde squat is significant here. After losing their premises, the members divided into two factions: one that wished to carry on the activities in a formalised way and the other that rejected the formalisation of their operations in principle.

We propose to direct the activities towards removing those obstacles that are objective by nature and common for different activities. The first stage should include informing the actors about the possibilities and benefits of networking as well as training courses and workshops of organisational and managerial skills.



To achieve more efficient communication, information platforms should be established enabling an exchange of ideas, initiatives, and content.

8.3. Production, selling and business environment

8.3.1. Possibilities to set up creative industry-focused value chains (supplier-producer-dealer chain or system or network or community)

A supply chain generally comprises creation, production, distribution/dissemination, displaying, and consumption. Due to their diverse content, CCI supply chains are relatively specific (compared to traditional industries) and have loose organisational forms (without a main business operator leading the way). So, the ability of dynamic integration and creation of networks is all the more important.

The direct effects of successfully established value chains are the following: the material benefit/value for creatives, employment, the creation of innovative business models and hybrid marketing approaches, the spillover effect of new knowledge and connections, etc. Their indirect effects are the material value for suppliers, customers, and other partners, social innovations, open innovations, the spread of the design thinking concept, new forms of organising/working, etc.

CCI are most often engaged in the first two stages of the chain (creation/creative solutions and production) and partly (particularly advertising and its related activities) in the dissemination and display/presentation of CCI effects. CCI can therefore form a value chain independently in the case of some content, e.g. marketing of artworks, while in other cases they have to associate with actors outside CCI.

Besides CCI business operators, the stakeholders in these chains can be industrial associations, regional development agencies, chambers of commerce and chambers of craft, municipalities, business networks, and educational institutions. As it has already been demonstrated, the potential links of the value chains in the Obalno-kraška region are all the actors mentioned above as well as other occasional formal or informal networks. An example of the latter is the HISTeRIA Festival, which includes cultural content (puppetry, music, exhibitions, performances, etc.) and creative workshops, which bring together people of different nationalities and ages, and otherwise diverse groups. In addition, it offers a gastronomic selection from the local environment and other unconventional content that can hardly find an outlet.

It should be pointed out that some CCI activities (e.g. advertising and architectural services) have experienced some initiatives to establish creative solutions coming from a client, which can limit CCI actors' freedom of integration.

8.3.2. Effective marketing system of the creative sector

4 Cs MARKETING MIX FOR CCI OF THE REGION

To achieve an effective marketing system of the creative sector in the region, we propose a newer framework, i.e. the 4 Cs model, which helps creatives prioritise the consumer of creative goods and services during the marketing stage. Traditional marketing models (the 4 Ps or 7 Ps: product, price, place, and promotion with the addition of process, people, and physical evidence in services marketing) fundamentally focus on creating a product suitable for the market. So in our opinion, they do not comply with the humanistic nature of CCI. The creative sector – unlike the economy – primarily creates goods because of the creatives' inner drive. Equating the creative sector with the economic level of meeting the



marketing needs of the market is in no way one of the objectives of our CCI promotion strategy. The fact is, however, that creatives reach the users of their goods more easily if a set of CCI incentives includes additional marketing knowledge and skills.

In the case of marketing CCI, the 4 Cs marketing approach should comprehend and take into account:

C1) the characteristics of the users of certain creative goods (customer),

C2) a suitable/convenient way of providing a creative good (convenience),

C3) the total cost that the user is willing to pay to use/acquire a creative good (e.g. not only the price but also the way to get to a place) (costs),

C4) an efficient dialogue with the user, i.e. how to establish two-way communication with them (not only one-way promotion) (communication).

Comprehending and taking into account the 4 Cs marketing approach enables CCI first to recognise and segment all the groups of potential customers/users of their goods, and then, regarding their supply, to take into account how these groups search for information about cultural goods, how they decide to acquire them, and where and how they order or buy them most easily. Using the 4 Cs model, CCI representatives can launch their goods through the right channels and the right groups of people, who value cultural goods and are willing to dedicate their income, time, and energy to acquire them. Finally, the 4 Cs approach helps communicating with existing and potential users by including them in a dialogue. Using suitable communications, even though market-based ones (consolidation of the image and (cultural) brand, merchandising, promotion of attendance, etc.), CCI networks can surpass the provider-buyer relationship and create a creator-user or even creator-co-creator relationship.

To provide efficient and substantive responses to the questions of the 4 Cs approach, we proceed on the basis of the identity of the region in question and its long-term CCI vision. So, to build an effective marketing system for the creative sector of the Obalno-kraška region, we have established its basis on the regional vision of the development of CCI to which we have added some strategic marketing guidelines, which are indicated below.

STRATEGIC MARKETING GUIDELINES FOR CCI IN THE OBALNO-KRAŠKA REGION

If we summarise our CCI vision into a more integrated, smartly specialised, and sustainably managed creative sector which will enable the regeneration of urban and rural areas of the region through a better quality of life and added value of the economy, we can derive three long-term marketing objectives from it:

4. Strengthen the identity and image of the Obalno-kraška region as a creative area with a rich cultural tradition and potential for the sustainable development of the creative sector.

Actions:

- identify and evaluate the existing and potential products of the creative sector in the region,
- establish (an) institution(s) and operating standards to promote CCI at regional and local level (e.g. CCI information points),
- communication strategic plan and annual CCI action plan with internal and external stakeholders (including international ones).



5. Strengthen the network of providers to improve users' accessibility of creative goods and the value chain for the user.

Actions:

- establish horizontal (intra-sectoral) and vertical (inter-sectoral) creative networks/clusters to create products/packages and joint marketing appearance,
- foster the integration of providers, goods, and activities in common spaces,
- develop joint brands and CCI communication platforms.

6. Strengthen people's general and specific qualifications and competences to ensure the sustainable development of the region's creative sector.

Actions:

- establish a partnership between CCI and educational institutions,
- develop peer coaching, i.e. a section of mentors to improve competences in CCI networks (e.g. knowledge of the market, digital communications, managerial skills, possibility of project financing),
- raise awareness of the possibility to participate.

GUIDELINES FOR MARKET POSITIONING OF CCI IN THE OBALNO-KRAŠKA REGION

Considering the findings of previous analyses of the situation and the environment, it makes sense to develop the marketing strategy and image (brand/brands) of the creative sector of the Obalno-kraška region in 3 directions:

- **ART** (fine art, music, film, literature),
- **CONSERVATION AND INTERPRETATION OF HERITAGE** (museums, exhibitions, and events related to the identity of the region/location), and
- **FESTIVALS** (films, advertising, eno-gastronomy).

With the CCI that we have selected and emphasised, the strategy of the region's creative sector can determine development priorities more easily, as well as target user segments, and communication in the local and international environment. All three main activities involved in building the image of the creative sector may and should, of course, be connected to the rest of CCI, which will link the locals' creativity and the visitors' experience of the most attractive tourist region in Slovenia through contemporary design and using a sustainable approach.

Regarding the tourist identity of the region, we wish to point out that tourism should be used as a channel, or rather a showcase for marketing the cultural and creative goods of the region. On the other hand, it makes sense to take advantage of the broad definition of CCI, which allows for a wider range of classifications, depending on the arbitrary decision about what fits in CCI in a specific town. The case of Genoa, for example, shows that it is possible for CCI to include the food and drink sector among CCI, while the cases of Merano and Nice that tourism itself (e.g. tourism heritage) is already part of CCI. Although tourism is mostly classed as an economic activity, i.e. a sector which is only supposed to facilitate the launch of creative goods and services, the regional CCI strategy should assess whether to place it among CCI actors or content. Portorož's centuries-old tradition of tourism is without doubt an argument for classifying tourism heritage into the CCI of the region.

It is precisely the broad classification of the range of CCI that enables the marketing system to adapt optimally to the specificities, authenticity, and development stages of individual areas. So, such an assessment speaks in favour of marketing efforts to strengthen the desired position of CCI.

GUIDELINES FOR MARKET SEGMENTATION OF CCI USERS



In order to define the CCI market segments in the region, two key questions have to be answered:

- Who considers the CCI activities in the region to be of special value?
- Which combination of criteria can help us classify users into identifiable, accessible, and measurable groups?

To answer these two questions, let us segment users according to the type of CCI and according to their characteristics.

a) According to the type of CCI, we distinguish:

- users of creative **goods** (e.g. buyers of artworks and handicrafts, buyers of designer products, publications, new media),
- users of creative **services** (e.g. architecture and design, telecommunication and audiovisual services, advertising and public relations, visitors of cultural institutions, exhibitions, and events).

b) According to the characteristics of users, segmentation takes into account:

- the geographical criterion (e.g. local, regional, from other regions in the country, from other countries),
- the demographic criterion (e.g. age, education, gender, civil status),
- the psychological criterion (e.g. lifestyle, personality, views),
- the behavioural criterion (e.g. manner and frequency of usage, perception of value).

Following a methodology for identifying the characteristics of the so-called target group personas in Slovenian tourism, the marketing agency Valicon (STO, 2016) has found that seven trendsetting segments are interested in cultural goods and services. Marketing creatives have named them:

- *“Explorers”* (they are interested in experiences, culture, and take decisions online, etc.),
- *“Urban consumers”* (they are interested in museums, events, graffiti, etc.),
- *“Active nostalgists”* (they are interested in local culture, heritage, and get information about services at the site, etc.),
- *“Beauty enthusiasts”* (they are interested in fashion, design, cuisine, and get information online, etc.),
- *“Carefree youth”* (they are interested in events, concerts, fun, and test stereotypes, etc.),
- *“Forever young”* (active retirees, they are interested in culture, history, and use print media, etc.),
- *“Foodies”* (they are interested in eno-gastronomy, the presentation of local food, history, etc.).

Since tourism is well developed in the Obalno-kraška region, the segmentation and definition of target groups of users of CCI goods and services, which will without doubt include tourists, can follow contemporary approaches to the segmentation of tourists, particularly cultural tourists.

Segmentation should also observe another guideline, i.e. the interrelation of the creative and digital worlds, where CCI along with their content give life to the digital world (UNCTAD, 2018).

The trends shaping new segments of CCI users are the following:

- *“Screen viewers”* (they socialise, have fun, get information, and make purchases by means of screens; shopping is the fastest growing sector; advertising and marketing creatives continue creating new content with which they wish to attract “screen viewers” to watch and consume even more),
- *“Friends of machines”* (AI, VR, AR, and other technologies are becoming a constituent part of CCI services, e.g. museums, galleries, the film industry; they change the creative processes among users considerably; researchers are already studying the relationship between man and computer in CCI consumption),



- “*Amateur creatives*” (they create and post audiovisual content and market their profiles; the age of amateur creatives is decreasing quickly since the entry conditions for new media are becoming increasingly simple),
- “*Trendy millennials*” (they set fashion and lifestyle trends, spreading them through social media; “wearables”, or wearable technological devices such as light emitting backpacks and jackets that can charge phones, etc., are a special segment),
- “*Cloud workers*” (as precarity is growing, digital labour platforms have appeared, giving opportunities especially to designers, translators, marketers, programmers, and other CCI representatives, who have been changing the ways of working and thus leisure time content).

CCI leisure activities (e.g. the gaming industry, the use of virtual and extended reality in the interpretation of cultural goods) are increasing, thus strengthening creative thinking and problem-solving skills. As creative practices develop new creative skills, the spiral of CCI development and marketing should be expected to continue turning and expanding. According to UNCTAD’s analysis (2018), all its neighbouring countries are more successful in marketing CCI than Slovenia. So, it is important to adopt a strategy for CCI development and marketing at national and regional levels as soon as possible.

8.3.3. Market trends, niches, expected changes, risks of the market and possible reactions

CCI developments and evolution will be affected by future market trends as well as non-market trends and developments. The latter will have an indirect yet not insignificant influence on CCI. Local/regional developments and more widespread ones (megatrends as well) should also be taken into account. The evolution of the University of Primorska (increased number of students and greater multiculturalism) and the introduction of new CCI-related study programmes should be noted among the local/regional ones. Additional possibilities of inter-municipal cooperation are implied by more intensive, continuous contacts and coordination between the new municipal administrations of the four Littoral municipalities, which used to be the exception rather than the rule.

Furthermore, there are some general, more widespread trends:

- further technological development, which will sustain the trend of reducing employment in the primary and secondary sectors, thus indirectly contributing to an increased share of the tertiary and quaternary sectors, where CCI activities are performed,
- robotisation, which will replace routine work, will contribute to an improved relative importance of creative work and other forms of non-routine work/labour,
- demands for the individualisation of experiences and goods (customisation),
- the evolution of social media and “migration” to the virtual world,
- new forms and content of tourism, the importance of authenticity and originality in tourism services.

Due to these changes and trends, we estimate that the importance and role of CCI in the Obalno-kraška region will strengthen in the future. However, we cannot expect that these developments will automatically result in improved conditions, integration, and more efficient work of CCI actors.

Besides these trends, we are witnessing some others and will continue to do so, but it is difficult to anticipate how they will affect CCI:

- precarisation of labour,
- blurred boundaries between professional and private life,
- environmental change,
- ageing of the population and increase in the retirement age,



- migrations, increasing multiculturalism.

We believe that the two key risks for the regional CCI are the departure of creative people from the region due to an unstimulating environment and faint possibilities to succeed (which is already happening, albeit to a limited extent) and the (partly unfair) competition of the global online offer, particularly that of creative (and partially cultural) solutions and services.

It would seem, therefore, that there will be more opportunities and needs for CCI effects in the future, but competition will be fiercer as well. For that reason, it will be necessary to recognise opportunities in time, exploit the competitive advantages of autochthonous CCI, use a stimulating environment/conditions to actively attract creative people into the region, and enable the actual growth and development of CCI towards satisfying new needs and challenges.