



GAP ANALYSIS

**D.T.1.1.3 StimulART Project Level GAP
Analysis Synthesis Report**

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1. Introduction

1.1 Purpose and methodology of the report

1.2 The relationship between Small and Mid-Sized Cities and Cultural and Creative Industries

1.1. Purpose and methodology of the report

The purpose of the *GAP analyses for each of the StimulART partner cities*, according to the original application and its intention was, to sensitize the partners towards the new topic of Cultural and Creative Industries and their role in economic and social development in small and medium sized cities. The GAP analyses should provide a rather rough overview about the current state of the CCI sector from a bird view perspective by identifying relevant visible, and obvious gaps. A gap can be defined as the difference between the actual situation and an ideal state of the CCI sector seen from the point of view of the local stakeholders including ideas about obstacles that may have hindered the development of the CCI sector in the past and that may still be in operation. In this way, the GAP analyses were intended to define the actual situation of the StimulART partner cities with respect to their cultural resources at the one hand and to identify potentials for their future site-specific, culture-led development at the other hand. The GAP analyses focused on the visible gaps of CCI using a qualitative approach and resulted in quickly and efficiently produced reports in each city from an insider point of view.¹ These GAP analyses used a methodological template provided by the horizontal knowledge partner in the StimulART project, the University of Regensburg, making sure that all GAP analysis reports are similar in structure and, thus, pragmatically comparable with each other to a certain extent.² They were complemented by a CCI mapping process in each of the partner cities and they provided input to all further activities in the StimulART project, particularly to the strategy making process.

The purpose of this *project level GAP analysis synthesis report* is to “present shared and location specific gaps” according to the Deliverable D.T1.1.3 in the original application (p. 35), thus, calling for a comparative methodology. However, during the initial phase of the StimulART project, it became very clear, that the synthesis of the partner cities’ GAP analyses couldn’t rely on armchair theorizing only, with analyzing and evaluating the partner cities’ written reports, but that there is a need for qualitative research in all partner cities. This need for qualitative research has arisen for reasons of both accurate knowledge and intervention.

Firstly, the overall project aim of StimulART is to design development strategies for the partner cities that identify site specific cultural resources that are in line with the historical and cultural identities of the partner cities in order to promote economic and social growth, by making the cities attractive for citizens, businesses, tourists, investors, and especially for the young generation who tend to migrate to bigger city hubs. Thus, the project tries to adapt the Creative City model for the competition between global metropolitan cities to much smaller cities. When we look at the literature, there is almost no knowledge about how culturally based creativity can be nurtured in smaller (peripheral) cities while metropolitan cities are the main attractors for streams of highly mobile creative people and businesses. A similar picture can be seen in Urbanism, too. Here, the analytical focus has been almost exclusively on large cities in the last decades, while mid-sized and small cities have also been neglected for a long time. It is only recently that the focus of attention is slowly changing, taking those latter cities into account. As a result, there is an actual lack of relevant literature in Urbanism, too.

¹ The GAP analysis reports are published at the StimulART project website. Please, use the following link for downloading these reports: <https://www.interreg-central.eu/Content.Node/STIMULART/GAP.html>

² The methodology for the GAP analysis reports is published at the StimulART project website. Please, use the following link for downloading it: <https://www.interreg-central.eu/Content.Node/STIMULART/D.T1.1.1-RUNI-Gap-Analysis-Methodology-STIMULART.pdf>



However, whenever we have a lack of knowledge of a specific phenomenon, and difficulties in understanding, and explaining this phenomenon as well as making prognoses about its development depending on informed interventions, we can turn to qualitative and explorative research methods. Qualitative methods help us to come up with thick descriptions about, typologies of, and hypothesis about a new phenomenon with the help of a multiple case study design that allows for comparisons. For this reason, we need to conduct a multi-case study with qualitative field studies to develop a deeper understanding of the phenomenon of how medium-sized (peripheral) cities operate about culture and creativity, and to develop hypotheses and suitable intervention concepts about how those cities can gradually be developed into creative cities.

The StimulART project opens the opportunity to conduct such research with a sample of five small and medium-sized cities of different national origins, thus, providing the potential for empirical data for comparisons in relevant dimensions which in turn can lead to the establishment of new knowledge.

Second, qualitative field research is a best practice in consulting practice on Creative Cities regardless its size (Landry 2008). In order to be able to judge, put in context and evaluate the results of the GAP analyses reports we need to have qualitative insights. The methodologies for the GAP analysis serve as a guideline for self-assessment for the partner cities. In creative city research, self-assessment of the partner cities is highly valued, however it should also be balanced by an outsider view which can challenge entrenched normative views hold by the insiders and discover insights that insiders cannot percept since they are immersed in the local culture as a taken-for-granted reality. The developmental strategies for the partner cities are supposed to draw on site-specific cultural resources which are immaterial and intangible in nature. To be able to identify, recognize, and evaluate cultural resources they must be experienced directly. At the same time, certain cultural features may have been so deeply entrenched in the everyday fabrics of a city's culture that only outsiders are able to see and describe them. Another important aspect about a creative city is its 'creative pulse' (Landry), its 'Bohemian' attitude (Florida), or just its (buzzing) urban atmosphere all of which can only be directly experienced.

Hence, to set up a qualitative multi-case study is also consequential and helpful for dealing with multiple site-specific developmental strategies for the partner cities because we must be able to discover and evaluate the cultural characteristics that have the potential to make a place unique for each partner city separately from an outsider view for well-informed interventions.

In sum, the purpose of this project level GAP analysis synthesis report has changed compared to the original application and comprises two main purposes by now. The first purpose is to establish new knowledge about the relationship between the CCI sector and small and medium sized cities. This knowledge will then enable us to put the gaps presented by the partner cities in context, to evaluate them, and "present shared and location specific gaps" from an outsider view.

1.2. The relationship between Small and Mid Sized Cities and Cultural and Creative Industries

Can Small and Mid-Sized Cities (SMSC) become locations where the Cultural and Creative Industries (CCI) flourish because their companies and freelancers find favourable conditions that support their businesses? And reversely, can SMSC become better developed themselves because CCI companies and freelancers choose them as their locations to work, found businesses, raise kids in and, thus, drive income, nurture jobs, and 'make the place' in terms of a creative and urban atmosphere, which in turn contributes to make this city type attractive for other businesses and people to settle here as well?

The StimulART-project aims to explore and to develop the interdependent relationship between SMSC as a context for the CCI sector and the CCI sector as a driver of urban development in five SMSC from four Central European countries: Jászberény (Hungary), Kamnik (Slovenia), Vittorio Veneto (Italy), Amberg (Germany) and Naumburg (Germany). The smallest city in terms of number of inhabitants is Kamnik with approximately



14.000 inhabitants living in the core city.³ The biggest city is Amberg with approximately 44.000 inhabitants. Thus, the range of the partner cities in StimulART is aligned with the definition of Small and Medium Sized Towns put forward by ESPON in the TOWN report (Servillo et al. 2014: 22) according to which Small and Medium Sized Towns (SMST) are settlements with a population between 5.000 and 50.000 inhabitants.⁴

³ Please, see the table below. We have to differentiate between the Kamnik municipality and the core city Kamnik. The Kamnik municipality includes many more settlements, so that its total population is about 30.000 inhabitants while the area covered is much bigger and the populations density is much lower than in the core city. We see the same pattern applying in Jászberény and Naumburg. Only in the case of Amberg the municipality is coherent with the city. Vittorio Veneto consists of four different settlements that were unified to a new city by a royal decree back in 1866. So, while the municipality of Vittorio Veneto covers much space we are not able to identify a single core city as a reference point for the table below.

⁴ See for methodological problems of and different approaches to defining European small and mid sized towens/cities also the framework in ÖIR 2007 and ECOVAST 2014. Please, note, that this report will use the name Small and Medium Sized City (SMSC) instead of Small and Medium Towns (SMST) for practical reasons based in the StimulART project nomenclature while the underlying definition is taken from ESPON.

Municipality or city		Size (Number of inhabitants)	Population Development (Number of inhabitants)	Average age	Proportion of young people	Proportion of people over 65 years	Area size (km ²)	Population Density	GDP per capita of the city or region	Average GDP per capita of the country	Employment rate
Jászberény		28.000	Minus 8,2% since 2000 (state 2018)	43.3 years (2018)	under 14 years old: 14% (2019) 15-29 years old: 15% (2019)	21% (2019)	221,35 km ²	122 inhabitants/km ²	USD 20.535,00 (2018, Jász-Nagykun-Szolnok Region) (17.117€)	USD 16.636,00 (2018) (13.867€)	63,1 % (2020, Jász-Nagykun-Szolnok Region)
Kamnik		30.000	Plus 0,32% since 2011 (state 2020)	41,8 years (2019)	under 17 years old: 20% (2018) under 24 years old: 26,6% (2018)	18,2% (2019)	265,6 km ²	109 inhabitants/km ²	€ 32.620,00 (2019, Osrednjeslovenska Region)	€ 23.165,00 (2019)	70% (2019)
	City of Kamnik	14.000	missing data (m.d.)	m.d.	m.d.	m.d.	9,2 km ²	1.516 inhabitants/km ²	See region above	See above	m.d.
Vittorio Veneto		29.000	Minus 0,5% since 2011	47,5 years (2018)	under 17 years old: 14% (2019) under 24 years old: 20,5% (2019)	28,3% (2021)	82,8 km ²	340 inhabitants/km ²	€ 33.700,00 (2019, Veneto Region)	€ 29.166,00 (2019)	65,9% (2020, Veneto Region)
Amberg		42.000	Plus 1% since 2011 (state 2019)	45,7 years (2019)	under 17 years old: 15,1% (2017) under 24 years old: 22.8% (2017)	23,7% (2019)	50,14 km ²	842 inhabitants/km ²	€ 61.617,00 (2018)	€ 40.485,00 (2018)	62,5% (2019)
Naumburg		33.000	Minus 2,8% since 2011 (state 2019)	49 years (2019)	under 17 years old: 14,8% (2017) under 24 years old: 19,6% (2017)	29,5% (2019)	130 km ²	246 inhabitants/km ²	€ 25.284,00 (2018, Burgenlandkreis)	€ 40.485,00 (2018)	63,7% (2019)
	City of Naumburg	24.500	m.d.	m.d.	m.d.	m.d.	m.d.	m.d.	See county above	See above	m.d.



The first step in the StimulART project consisted in producing GAP analyses for each partner city to quickly gain a bird view perspective of the cities and their networks of CCI actors and to assess their developmental potentials by help of qualitative and subjective research methods. Before we will have a closer look at the project level GAP analysis synthesis report and before we can try to gain a more comparative perspective out of the single Gap analysis reports, we must better understand how the interdependent relationship between SMSC and the CCI sector can be described. For this purpose, we will employ a literature review that includes insights from heterogeneous sources such as the academic as well as the practitioner literature about urban development, the CCI sector, the creative city, and SMSC.



2. Literature Review: The CCI and the creative city in relation to the urban development of SMSC

2.1 Overarching Trends in Urban Development in the EU

2.2 The concept of the Creative City and the SMSC

2.3 Urban Development and SMSC

2.4 Interim Conclusions

From the literature, we particularly want to deduce knowledge about the potentials the CCI can find for their development in SMSC and about the potentials the CCI holds for urban development in SMSC to be better able to assess the city specific development potentials identified in the partner cities' Gap analysis reports against the empirical insights and theoretical reasoning found in the literature. We start with an overview about the trends in urban development that are characteristic for cities on the EU territory.

2.1. Overarching Trends in Urban Development in the EU

Let's start this short literature overview by first looking at the partly overlapping, partly interdependent, partly contradictory patterns and trends of how space is socially organized in the EU territory⁵ that are:

- 'urbanization' when people and companies increasingly move from rural to urban areas, leading to a secular increase in the proportion of people living in urban areas, the formation of new and the growth of existing cities;
- 'sub-urbanization' or 'urban sprawl' when people and companies choose as their locations places increasingly farther away from the traditional city centers;
- 'counter-urbanization' when people and companies move away from urban areas and choose as their locations rather places in rural areas without significant cities (Mitchell 2004, Rosenkranz 2019);
- 'area cities', when cities are interconnected in networks and when those areas are characterized by urban sprawl, sometimes organized or recognized as metro areas like in the Ruhr area;
- "global cities" that emerge in the context of a transnational city network (Sassen 2018): global cities serve as centers of economic, financial, and political decisions which control the flow of resources and communication across the globe; they are oriented to each other in a global competition for power, visibility, and attractiveness for capital and corporate headquarters rather than to the national neighbouring cities. Global cities become increasingly disembedded from their national contexts. At the same time, cities decline that previously enjoyed a privileged position in the respective national urban hierarchy system (f.e. industrial districts, port cities);
- 'polarization' when new forces of centralization at the one hand, and peripheralisation and marginalization of rural areas at the other hand result in a widening gap between dynamic metropolitan regions and shrinking rural regions. We find these dynamically widening socio-spatial inequalities particularly in the countries of Central Eastern Europe, during the recent decades (Fischer-Tahir/Naumann 2013; Herrschel 2011; Jones/Leimgruber/Nel 2007; Lang 2012; Lang et al. 2015);
- "shrinking cities" due to several combining social processes of suburbanization, ageing demographics, migration, environmental degradation and deindustrialization (Oswalt 2005);
- 'rurbanity', pointing to cultural changes that level traditional cultural differences between the city and the countryside which seem to have gradually become less relevant in the past decades with rural areas

⁵ The following enumeration will focus on developments of how space is organized socially in the regions covered by the project and therefore leave out those developments that we can't find here like "edge cities" (Garreau 1991) when relatively large cities emerge spontaneously in two to three decades in places previously characterised by villages or agricultural land with a high density of service industries, living, shopping and amusement facilities but without a traditional city center and without being organized as a municipality with administrative rights; or like "mega cities" that are quantitatively characterised by their size of more than 10.000.000 million inhabitants and a high population density.



becoming penetrated by urban life forms and with cities where rural life style elements become a part of everyday life (Langner/Frölich-Kulik 2018);

- 'city identities' that become ever more pronounced due to social pressures towards stronger differentiation of city images in an ever fiercer global, national, and regional competition for attention, visibility and valorization (Reckwitz 2020).

Taking into account all those different processes of how space is organized socially renders it hard or even impossible to give a serious prognosis about the fate of the city in general or the fate of specific cities and regions in particular since those processes are overlapping, interdependent, or even contradictory.

There has been a time back in the eighties and nineties of the 20th century and still in the first decade of the 21st century when many observers had reckoned with the decay of the (European) city in general (Gilder 1990) due to underlying processes of globalization, deindustrialization and demography. However, empirically we rather see different developmental paths of cities with different dynamics and developmental potentials. We can even observe cases like the city of Leipzig in Eastern Germany that belonged to the segment of shrinking cities until a few years ago, but that is thriving and growing at high speed now, this is to say, cases that oscillate between doom and gloom, between deindustrialization and negative population dynamics and Phoenix out of the ashes within a relatively short time span. Cities like Leipzig can embody that urban development is to a certain extent manageable, and that the expectation of a general decay of the (European) city has not been fulfilled. Rather we can recognize a pattern where some selected European cities grow and thrive while others suffer from migration, ageing populations, deindustrialization, and peripheralisation.

When we look at the social processes that underlie the processes of the reorganisation of space just mentioned we can identify as the main drivers the globalization of the economy, the rise and diffusion of electronic communication networks, and the development of the knowledge society. All three processes changed the conditions of economic and urban developmental success also with respect to space and cities. Electronic communication networks have made communication and transactions become increasingly "disembedded" from where they take place since they span spatial distances in an instant travelling in lightning speed within those networks (Giddens 1990). The globalization of the economy has intensified the mobility of all production factors. Both processes are tightly connected to the emergence of the knowledge society which has shifted the hierarchy of production factors to immaterial assets and human capital and which has led, in turn, to the emergence of knowledge intensive and research based manufacturing, knowledge intensive services, and the experience economy which all belong to the new production logic of "flexible specialization" (Piore/Sabel 1984) which has been gradually replacing the system of the Fordistic coherence of mass production, mass income and mass consumption. In this context of shifting location advantages, transnational value chains and production networks have been disrupted and disassembled and newly build or reordered based on myriads of independent location decisions by companies leading over time to an almost fluid geography of newly emerging clusters and industrial cores at the one hand and deindustrialized cities and regions at the other. Globally, all actors live under those new conditions that devalue traditional socio-spatial advantages while opening up the competition between cities and regions for attention, reputation, investments, firms, and talents. Every city has to make a reassessment of the social time-space relations and reputation hierarchies it finds itself in in order to secure its traditional status or to raise its status in the new social and economic geography in a globalized and networked knowledge society.

Surprisingly, a globally networked knowledge intensive society characterized by historically relatively highly educated members looking for self-realization and fulfilment in life and by communications and transactions travelling between decentralized network nodes has not so much created a world where space, location, and geographic centrality has become irrelevant. It has rather created conditions for an economic and urban development that favours concentration and centralization of resources in space, and thus, the development of what we have referred to above as a transnational network of global cities. In spatio-economic development, we face a contradiction: While the material conditions are given that location should no longer play a role for firms and talents in times of open global markets, fast and cheap transport, and high-



speed communications, we witness that there are still many competitive advantages connected to the spatial proximity found in particular locations which Michael Porter (1998) calls “clusters”.

Richard Florida (2005) could demonstrate empirically that the new world of the knowledge intensive society is “spiky”, pointing to the fact, that communication and transactions related to knowledge intensive operations are highly concentrated indeed in only a relatively few cities. Again, this underlines the fact that cities have not lost but rather won relevance, though only selectively so. Florida (2002) also coined the term of the “creative class” and showed a close relationship between the location preferences of the members of the creative class and certain cities based on the values of talents, technology and tolerance and on a city’s cultural attractiveness, ‘buzz’ and ‘urban atmosphere’ (Florida 2005). He particularly made the fact visible that highly educated people with the potential to create new solutions to relevant problems or to discover, describe, and dissect new relevant problems as such tend to make their decisions on place of residency not any longer based on the criterion of the employer’s location but rather according to their preferences for the attractiveness of a particular city or region. This empirical development resembles a Copernican turnaround for companies and cities where people not follow jobs any longer but rather the other way round: “The companies follow the people - or in many cases are started by them. Creative centers provide the integrated ecosystems or habitats where all forms of creativity - artistic and cultural, technological and economic - can take root and flourish.” (Florida 2005: 35)

In a knowledge intensive industry in which learning and innovation becomes central for maintaining competitiveness, human capital in general and creative capabilities of individuals in particular become more and more important which renders the individual locational preferences of the creative class more important for regional development and growth, too. Therefore, Florida maintains that a region’s or city’s people climate and amenities will complement business climate as a factor positively influencing its development prospects. It’s not only locational decisions of businesses any longer that matter and that can be positively influenced by constructing a favourable business climate, rather for the development of a knowledge intensive economy the locational decisions of members of the creative class matter more and more whose location decisions can be influenced by constructing a certain people climate characterized by diversity, openness, and tolerance and a rich cultural live.

We shouldn’t confuse the term ‘creative class’ which is based on occupations relating to the knowledge intensive society with the term ‘CCI’ which is based on industrial activities and sub-markets. The CCI related occupations make up just one segment of the occupations belonging to the creative class. However, Florida’s work makes the question of the StimulART project ever more relevant and urgent, namely what the exact relationship is between the CCI and the city or urban development in SMSC. Following Florida’s (2009: 9) judgement about “the incredible power of (...) the clustering force” according to which “today’s key economic factors - talent, innovation, and creativity - are not distributed evenly across the global economy (...) [but] concentrate in specific locations”, we would have to rather assume that the CCI cluster in cosmopolitan cities, too, based on their need for ‘integrated ecosystems or habitats’. Consequently, the threat is that cosmopolitan cities suck away talents, innovation, and creativity from SMSC and rural areas.

We turn to the relationship between CCI’s clustering trends and urban development in SMSC now by posing the question what potentials for becoming the location for the creative class and the CCI are existing in SMSC when the creative class and the CCI tend to cluster in global cities and densely populated, highly interconnected metropolitan areas?

2.2. The concept of the Creative City and the SMSC

The recent developments in economy and society have many multiple urban references and implications. The ‘creative class’ is mainly concentrated in certain (global) cities where it can find preferred urban forms of work and life with a rich cultural life provided by the CCI as one of the main dimensions of a city’s attractiveness. Luckily, we find in Europe many conditions and urban qualities necessary for the further development of its cities in the context of the globalized and networked knowledge society (Deutscher



Städtetag 2008). At the same time, however, we can see that the development of “creative cities” (Landry 2008) of which strong and clustering CCIs are an important component is bound particularly to a critical size of the cities of at least 100.000 inhabitants and to the presence of institutions of the knowledge intensive society like universities or research institutes. The argument about a critical size or mass of the city is about

“achieving appropriate thresholds which allow activity to take off, reinforce itself and cluster. In economic terms critical mass involves having sufficient activities to ensure that economies of scale, inter-firm cooperation and synergies can take place (...)” (Landry/Hyams 2012: 33)

Hence, most of the expert observers believe that the best preconditions for becoming a creative city are to be found in cities which already have the status of a global city or which can meet those minimal requirements of an already existing critical mass and the presence of a university while there is no technically defined threshold existing in the literature. Thus, the creative city concept has been particularly suggested to be adopted either by global cities in the competition to remain a central node in the transnational city network or by smaller university cities as an urban development concept that is supposed to help those cities to recover from processes of deindustrialization and deurbanization or to keep pace with the metropolises. However, one dimension of the critical mass threshold has always been the assumption that the CCI tend to cluster in bigger cities, especially in ‘global cities.

Recently, there have been many suggestions as to transpose the concept of the creative city to smaller cities and to rural areas in an effort to revitalize those cities and regions suffering from processes of peripheralization. The argument seems to be that a working antidote for the revitalization of deindustrialised cities can be generalized for any geographical location. This proposition is understandable from a political and normative point of view wishing to leave nobody behind and trying to provide for equal living conditions across national countries in particular and the EU territory in general. However, the idea to develop the CCI in SMSC as well as in rural areas as the driver of revitalization tends to ignore the preconditions for the CCI to thrive and to cluster - which are exactly a critical mass of inhabitants and the existence of institutions of the knowledge society.

The discourse about the CCI and creative cities seems to center around three main arguments:

- i) the CCI have developed sustainable business models so that they can add value to the economy and create jobs;
- ii) within the framework of globalization, the knowledge society and the experience economy, the CCI tend to grow faster than the average economy;
- iii) the CCI have the potential to change our way to innovate in the whole economy and to design our societies by changing our national innovation systems, knowledge transfers and many, often unnoticed spill-over effects.

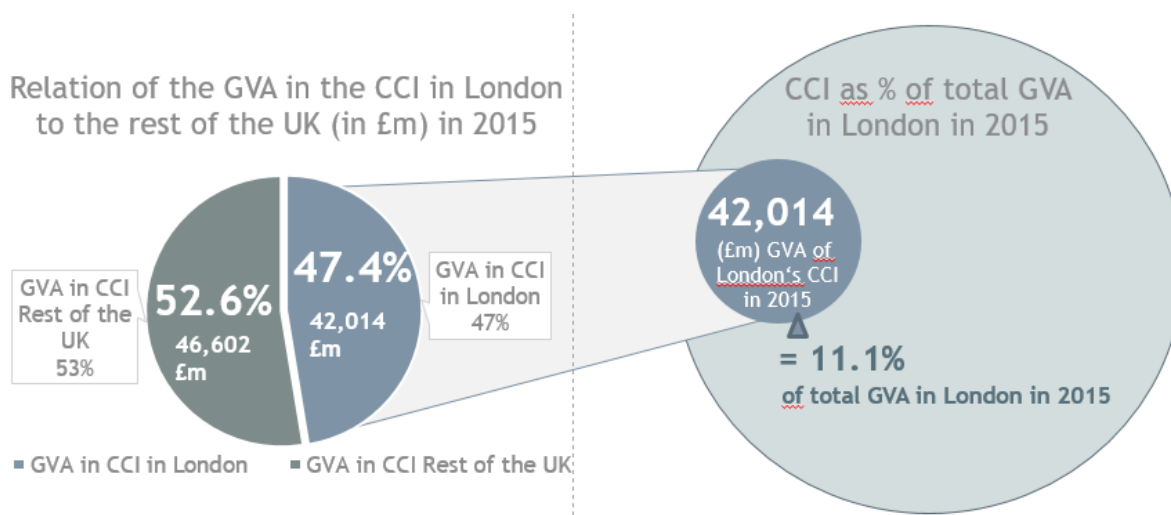
While we can see better now why to have the CCI cluster in one’s city, region or country seems to be so attractive for policy makers across the globe, we need to build more realistic expectations about the CCI in SMSC when we can no longer assume that those cities will ever become a preferred location for CCI stakeholders, let alone for clustering processes due to a lack of necessary preconditions. The three questions for which we have to build realistic expectations correspond with the three main arguments in the CCI discourse just mentioned.

1. How many CCI companies can we find in SMSC and what is their contribution in terms of the number of jobs created and the value added in relation to the overall city economy?
2. Is their contribution increasing, stagnating, or decreasing?
3. How does the presence of the CCI influence SMSC in terms of innovation, knowledge transfer and spill-over effects in the local innovation ecosystem?

While we will have a look at recent empirical data for the UK and Germany regarding the first two questions in the following paragraphs of this section, we will turn to the third question only in the discussion and conclusions where this report will describe some of those spill-over effects and the value of the CCI for SMSC based on the empirical results of the GAP analyses in the StimulART project partner cities.

Let's start with the UK. The UK can serve as an extreme example in Europe with London as a mega city showing very strong processes of clustering and centralization of CCI while there are still some regional centers due to the history of Wales, North Ireland, and Scotland in the formation of the UK and, thus, due to some regional independence and self-governance. For the UK, NESTA (2016) has published data on the "geography of creativity" covering time series until 2014.

The CCI display a strong tendency to concentrate in a small number of locations in the UK. This observation implies that geographical proximity has important advantages also for the CCI as already pointed to when referring to the term 'cluster' coined by Porter: creative businesses are able to tap into a critical mass of creative workers, access clients, and collaborate and share information with one another. This dynamic creates a risk for a geographical polarization where those locations with existing creative agglomerations continue growing and suck the remaining CCI increasingly in leaving the rest of the country with less and less CCI in total and relative numbers. A recent report about London's creative industries found that "(i)n 2015, GVA of the creative industries in the capital was estimated at £42.0 billion, accounting for 11.1 per cent of total GVA in London, and for just under half (47.4 per cent) of the UK total for the sector." (GLA Economics 2017: 3; see the illustration below).

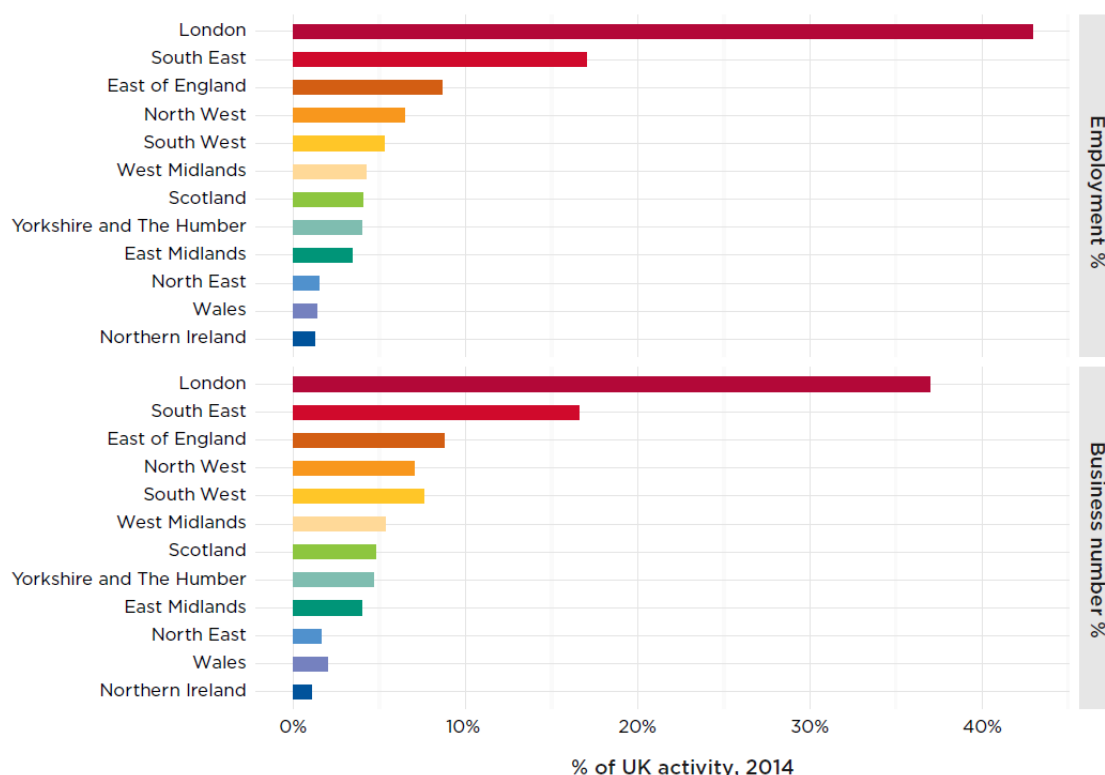


Source: Own illustration

A differentiated look at the whole of the UK shows that the CCI tend disproportionately to locate in London indeed, but also in the South East of England. The illustration below shows the centralization of the CCI in London and its suburbs. In addition, it shows the uneven distribution of the rest of the CCI across the UK in terms of the different regions' share on employment and number of firms, and that the size of the businesses in terms of number of employees tend to be greater in London which is host to bigger CCI anchor companies.



Figure 4: Creative employment and business activity concentrate in London and the South-East



Source: ONS, Business Structure Database; Nesta analysis.

Source: Mateos-Garcia & Bakhshi (2016), p.13

The illustration below shows that between 2007 and 2014 the Greater London Region has disproportionally gained in importance in the share in UK's total CCI in terms of creative employment and number of businesses while the rest of the country either stagnated or declined. Thus, the growth of the creative industries further intensifies regional economic imbalances between the capital and the rest of the country, i.e., polarization.

Slovenia is similarly centralized as the UK with the capital city Ljubljana dominating the urban system even though there is an explicit polycentric development strategy in place since 1973 (see ESPON project 1.1.3 2005: 174).⁶ Based on occupational data, a recent analysis shows a clear preference of the people working in creative occupations to settle in Ljubljana with the result that the creative workforce tends to concentrate in Ljubljana: With 3,3%, the share of individuals with a creative occupation living in Ljubljana was more than twice as large as the share of individuals with a creative occupation on a national level which was only by 1,5% in 2010 (see Murovec & Kavas 2010: 3). The Slovenian capital city also has a high concentration of creative industries in terms of the number of companies. In the Ljubljana Urban Region (LUR)⁷, 41,7% of all Slovenian companies belonging to the creative industries are registered while this share

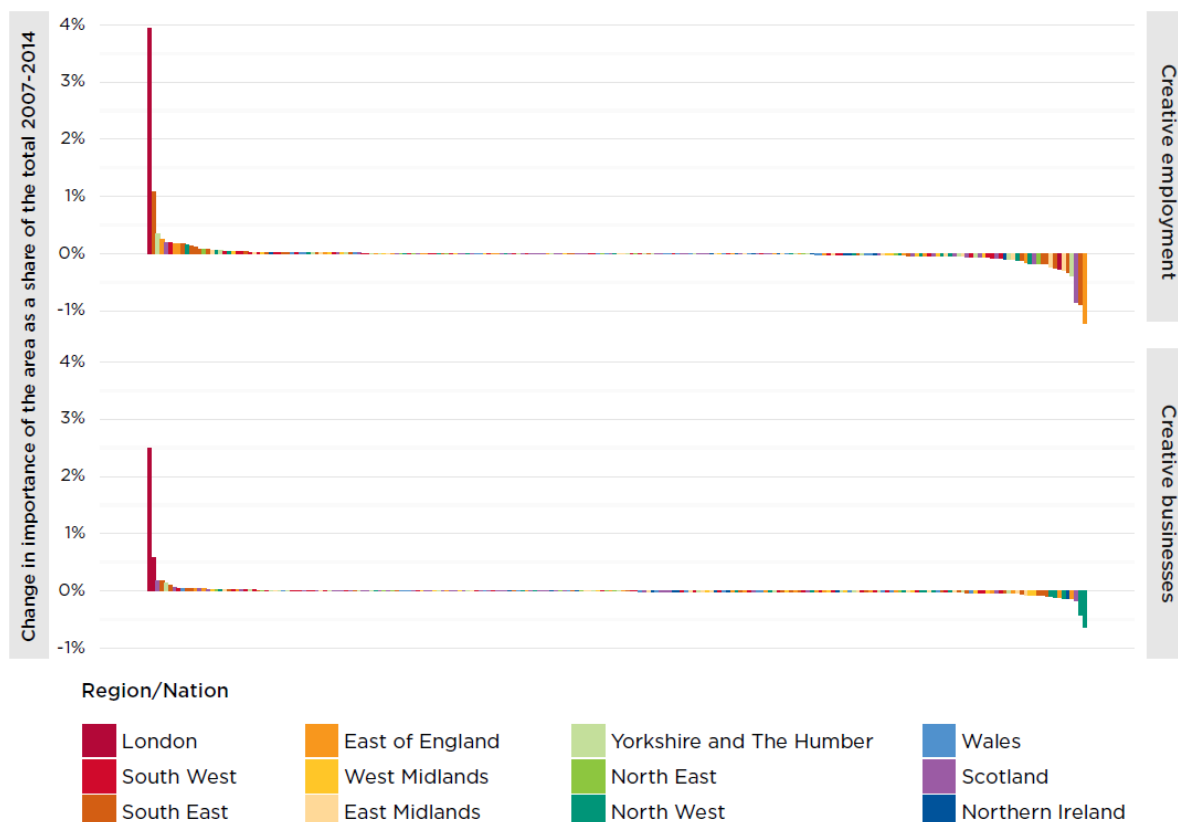
⁶ The ESPON project 1.1.1 (2004) carried out an analysis of functional urban areas (FUA) of the then new member states to the European Union according to the common criteria implemented across the EU territory. FUA can be understood as travel-to-work areas where the surrounding areas are economically integrated with an urban core and represent the regional labour market area of that core. This study identified approximately 1.600 FUA in 29 European countries including the main urban centers in Slovenia. Six FUA of European importance were identified for Slovenia of which only the Ljubljana FUA could gain the status of "weak" MEGA (Metropolitan European Growth Area) as one of 76 MEGAs in Europe.

⁷ Please, note, this Ljubljana Urban Region (LUR) does roughly coincide with the Ljubljana Urban FUA but is not identical with it. LUR refers to the statistical central Slovenian region, Osrednjeslovenska regija, which, together with eleven more such regions, does officially exist only for statistical purposes (NUTS-3 level). Beside Ljubljana, Osrednjeslovenska regija comprises 25 municipalities, all located in the suburban ring around Ljubljana. However, the municipality Kranji in the north-west, though functionally integrated in the Ljubljana metropolitan region, belongs to a different statistical region. When we were to take the numbers for Kranji into account, these indicators for the concentration of the CCI above were even higher.



is 35,2% for high-tech industry companies, 28,7% for mid-high-tech industry companies, and 33,8% for all industrial companies. Thus, while all industries tend to concentrate in the LUR, the concentration is the highest in the creative industries (see Murovec & Kavas 2010: 4). In addition, most national cultural institutions are located in the capital city Ljubljana. Estimations assume that around 60% of all Slovenian cultural events, infrastructure and people working for the cultural sector are concentrated in Ljubljana (Murovec & Kavaš 2010: 5).

Figure 5: TTWAs in London and the South of England have gained importance between 2007 and 2014



Source: ONS, Business Structure Database; Nesta analysis.

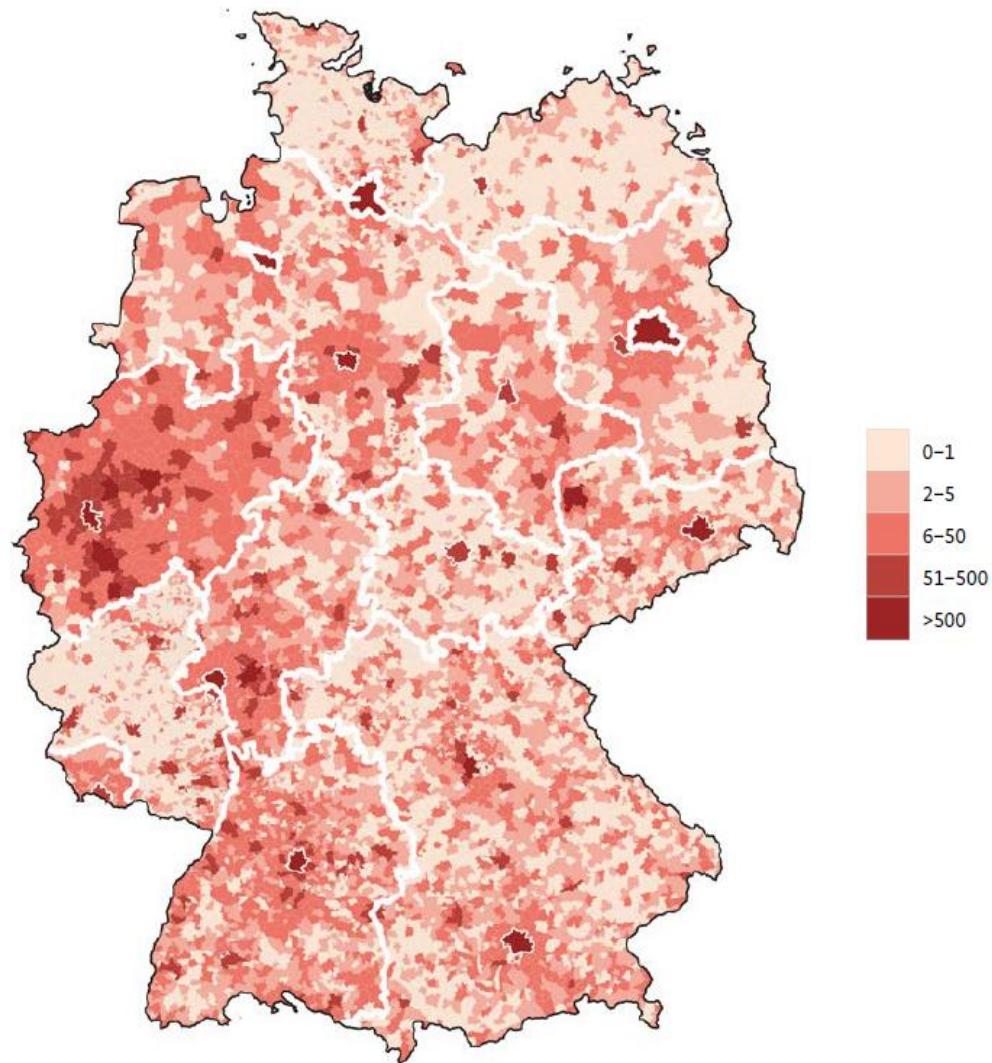
Source: Source: Mateos-Garcia & Bakhshi (2016), p.14⁸

Is the development of the ‘geography of creativity’ different for Germany given that its capital, Berlin, does not have the size of a mega city and is still recovering from deindustrialization as an effect of Germany’s division after World War II while Germany is a federal state with strong federal state capitals which tend to function as hubs for the CCI themselves?

Very recent, empirical data for Germany support a strong clustering process of companies in the CCI in more densely populated regions with greater local demand for their products and services and a higher availability of qualified labour particularly in the capital cities of the federal states with Berlin, Hamburg, Munich, Cologne, Frankfurt/Main and Düsseldorf as the major cities where the CCI is clustering.

⁸ Travel-to-Work-Area (TTWA) capture local labour markets and are based on commuting patterns from the 2011 Census. The concept defines areas where most (70 per cent) of the population who live there work there, and where most (70 per cent) of the population who work there live there. Currently, there are 228 TTWAs in the UK. TTWAs are frequently used in analyses of industrial clustering that may cut across administrative boundaries such as local authority districts or NUTS areas.

Figure 3.2: Number of companies in the cultural and creative industries per municipality



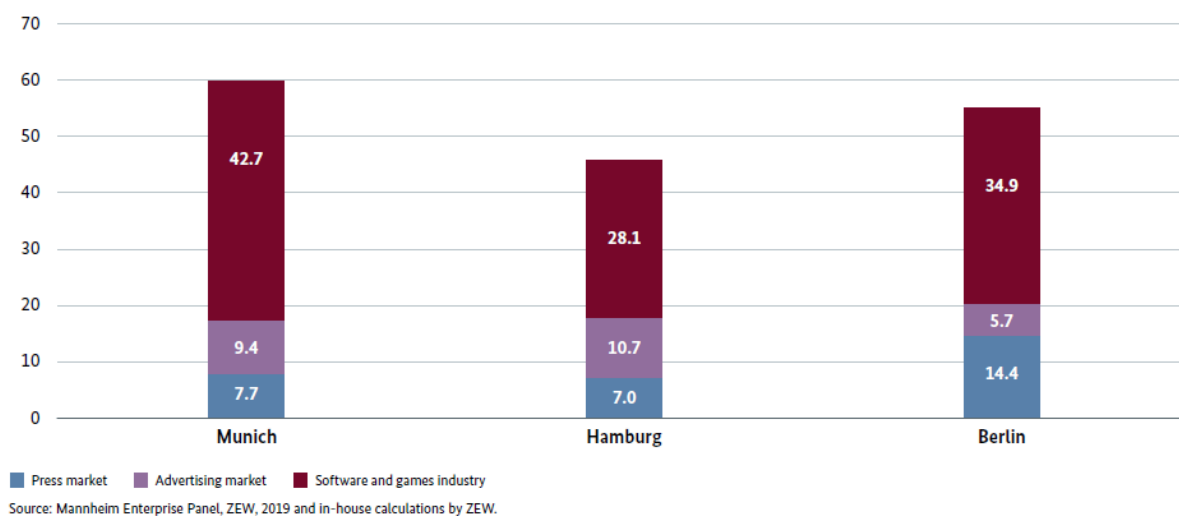
Source: Mannheim Enterprise Panel, ZEW, 2019 and in-house calculations by ZEW.

Source: Federal Ministry for Economic Affairs and Energy Germany (2019), Cultural and Creative Industries Monitoring Report for Germany, p. 18.

The distribution of companies in the CCI across municipalities in Germany is closely connected to the distribution of the population in terms of population density. Thus, the proportion of companies in the CCI as a share of the overall economy is roughly 4% on average for urban areas. In large cities this share is much higher with cities in which CCI cluster exceeding 10% such as in Cologne or Munich while the share in more peripheral and rural areas is just below 3% with many municipalities in rural areas having a very small proportion of companies in CCI.

Except from bigger German cities, we can't observe significant regional clusters of CCI companies which tend to be distributed evenly across the country on a low level. When we break down CCI companies by submarkets we can't observe any concentration of certain submarkets in certain regions in Germany either, except some clusters in creative hub cities like Berlin, Munich, and Hamburg.

Figure 3.5: Breakdown of overall employment in the cultural and creative industries by submarket (in %)

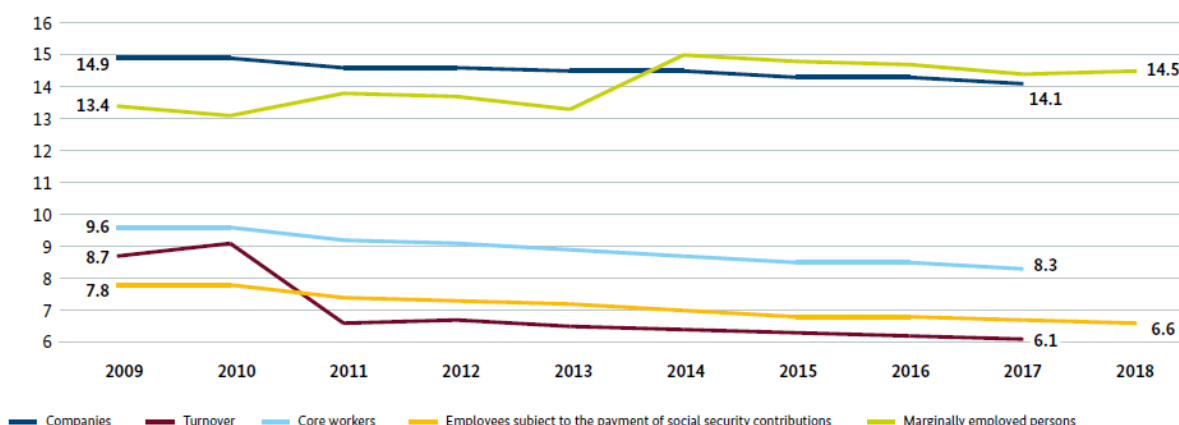


Source: Federal Ministry for Economic Affairs and Energy (2019), 2019 Cultural and Creative Industries Monitoring Report, p. 21

The figure above shows for selected submarkets (press, advertising market, software and games) the proportions of employment provided by those CCI submarkets in the cities of Munich, Hamburg and Berlin which is also clear evidence for clustering processes. While the software and games industry in Munich accounts for almost 43% of the employment in this particular CCI submarket, Hamburg has the biggest advertising market with 11% of employment in this CCI submarket. In Berlin, we find the biggest contribution to the press market among German cities with a share of 14,4% of all employees in this CCI sub-market.

Regarding growth of the CCI in rural areas and smaller cities, we observe the trend that the main economic indicators for the relative significance of the CCI are decreasing (number of companies, turnover, employment) pointing to ongoing processes of centralization and polarization in the CCI in relation to the urban/rural differentiation while only marginal employment is increasing between 2009 and 2018 (see figure below).

Figure 3.6: Proportion of entire cultural and creative industries in Germany in rural areas (in %)



Note: "Rural areas" encompass all the municipalities and territorial authorities which are defined as a rural district or small town in the BBSR definition. This categorisation takes place once a year and varies over time. No forecasts for 2018 have been made for the number of companies, level of turnover and number of core workers, since the underlying breakdown of urban/rural figures is not available in sufficient detail at the level of individual sectors, but rather only at submarket level.

Source: Destatis, 2019a, Federal Employment Agency 2019; in-house calculations by ZEW.

Source: Federal Ministry for Economic Affairs and Energy (2019), 2019 Cultural and Creative Industries Monitoring Report, p. 22

In sum, the data for the UK, Slovenia, and Germany show that the total and relative numbers of the CCI for peripheral regions and smaller cities are decreasing while the total and relative numbers of the CCI for existing CCI hubs are increasing with growth rates as a function of city size. Regional CCI centers rather



stagnate or grow only with rates more moderate than seen in mega cities, national capitals or federal state capital cities. Federal political structures seem to promote the growth and development of CCI in regional centers and seem to counter stronger clustering and centralization tendencies within a national state. However, SMSC below the size of 100.000 inhabitants that don't are a location for institutions of the knowledge society such as universities rather witness a decrease in absolute and relative numbers for their CCI sector on average.

Although there are no scientific studies about successful initiatives to implement the urban development concept of the 'Creative City' or to develop CCI sector strategies in SMSC below 50.000 inhabitants beyond anecdotes, and despite the fact that SMSC constitute a rather adverse environment for the clustering of CCI given the expert opinions about minimal requirements with respect to both city size and the necessary tertiary education infrastructure, and given the available data which show a strong and dynamic centralization and clustering process of the CCI and the creative class members in national capitals and federal capital cities, we can find many political programs lately that try to establish CCI in SMSC and even in rural areas. Those political hopes may have been motivated by a sense of responsibility that peripheral cities and areas must not be left behind in the dynamics of post-industrial processes of polarization and marginalization, while, at the same time, there is the experience that European SMSC have always had a strong cultural life which might be suitable to serve as an anchor point for CCI related sector development strategies and urban renewal. However, there is no proven academic knowledge about the relationship between CCI and SMSC beyond normatively motivated political programs, while data for the CCI at NUTS 3 level and below are typically lacking.

Hence, the StimulART project cannot rely on proven templates how to set up CCI sector and urban renewal strategies that make best use of underutilized cultural local resources in SMSC. As shown above, the body of academic literature and the scarce data about the relationship in question rather point to the expectation of a further polarization in the localization of the CCI within the urban vs. rural divide. And while the classical clustering processes Michael Porter has theorized during the 90ies of the last century where clusters of certain manufacturing companies belonging to particular subsectors of the second economic sector - the classical industrial sector - could be found also in SMSC, the CCI tend to cluster, too, but not in SMSC any longer. Rather, their 'natural born home turf' seems to be the bigger cities of the knowledge society from a certain size onwards.

Against this background, the main task of the StimulART project is to find ways to stop the bleeding out of the SMSC with respect to their CCI, to rather stabilize the CCI, and maybe to find ways how to provide the context for their moderate growth. For those tasks, the project rather must find its own path how to best approach the simultaneous development of favourable framework conditions for the city's CCI sector and of the city itself with the help of its CCI stakeholders.

Before we have a closer look at the StimulART partner cities' GAP analysis reports, we will try to come to terms with the particular literature about SMSC in general in order to get a better understanding of those size-specific city type.

2.3. Urban Development and SMSC

Many SMSC in Europe, especially in Middle and Eastern Europe, including Eastern Germany, have a negative demographic development with shrinking and ageing populations, a negative migration balance, a stagnating share of highly educated inhabitants connected with a growing share of young people in the age group between 18 - 25 years who leave the city for further and tertiary education ('Bildungswanderung', 'brain drain') with the prospect of never returning to their home cities (see for Germany BBSR 2017: 11ff., see for the EU BBSR 2019). At the other side of the coin, the attractive bigger cities with public and private universities and a more urban atmosphere gain from this brain drain, potentially fuelling the polarization between the centralization of resources for the knowledge intensive society in metropolitan cities and the peripheralization of the countryside with the SMSC stuck in between.



Unfortunately, there is a scarcity of literature about the peculiarities of SMSC as a specific city type despite the facts that SMSC represent the typical form of the European city in terms of sheer numbers and that more than 30% percent of the whole European population live in those cities. In addition, the urban development concept of the creative city and the interdependent relationship between urban development and the CCI sector have also been discussed mostly with respect to bigger or metropolitan cities. Hence, “the scientific and political focus on the effects of globalisation and the competitiveness of metropolitan areas has led to a general lack of systematic knowledge about the background of the different perspectives of rural regions” (Krämer/Lange 2019: 5f.) or, for this matter, even more about SMSC.

Interestingly, SMSC could catch the attention of some social researchers during the 20th century because they thought to find the typical structures and representative middle values of the then industrial western societies embodied in cities of this size. In the US, Robert S. Lynd und Helen Merrell Lynd were looking for a city between 25.000 and 50.000 inhabitants in the US middle-west - “that common denominator of America” - in order to find a community that should “be as representative as possible of contemporary American life” (Lynd/Lynd 1929: 7). They chose the City of Muncie which they termed “Middletown” in their case study.

Likewise, the German case studies about Euskirchen conducted by Renate Mayntz (1958) and in a follow up study by Jürgen Friedrich, Robert Kecskes and Christof Wolf (2002) started both from the assumption that one is able to identify the prototypical structures of industrialized western societies in SMSC (Mayntz 1958) or that the typical developments in modern societies are best exemplified in SMSC (rather than metropolitan cities that might be characterized by peculiar traits) (Friedrich/Kecskes/Wolf 2002).

Most recently, there emerged an intensified research interest in the transforming SMSC in Eastern Europe, especially with respect to the new phenomenon of shrinking cities (see Bertels 2015 for the city of Gotha). Interestingly, this sociological research interest has transformed itself recently into research about the question what will happen to an industrialized society when the society as a whole will experience sudden deindustrialization. To find answers to this question, the East German city of Wittenberge which experienced a loss of 9.000 out of altogether 10.000 jobs in the industrial sector between 1990 and 1991 and a loss of more than 14.000 inhabitants between 1989 and 2012 has been taken for a ‘natural laboratory’ of the post-industrial society as such (see Bude/Medicus/Willisch 2012; Thomas 2011; Willisch 2012). In this research, the middle-size of the city mattered only insofar as it provided for a perfect natural experimental situation comparable with the situation of the famous study of Marienthal near Vienna in 1933 (see Jahoda/Lazarsfeld/Zeisel 1933/1975): When the jobs in the industrial sector disappeared almost completely due to the closure of three important factories, almost every aspect of the city live and almost every inhabitant was affected by deindustrialization. Thus, the research was interested in Wittenberge under the assumption that one can treat the city as a substitute for a whole society. “The city should rather be understood as an example of a process of upheaval that is taking place in a similar way in many places in Europe, where an order of life has been broken down, ruined or destroyed, without any points of departure for something else having emerged from it.” (Bude 2012b: 16; translation mine⁹). Consequently, the central research insight was framed in societal terms: ‘Societies’ subject to processes of peripheralization will become ‘fragmented’ with fragmentation meaning a “self-dynamic process of ever-increasing mutual indifference between people, including even islandisation in the immediate neighbourhood” (Bude 2012a: 15; translation mine¹⁰). In the sense of a ‘fragmented society’, “Wittenberge is everywhere” (Willisch 2012), where a region experiences peripheralization processes.

⁹ “Die Stadt soll vielmehr als Beispiel für einen Umbruchprozess verstanden werden, der in ähnlicher Weise an ganz vielen Orten Europas stattfindet, wo eine Ordnung des Lebens abgebrochen, ruiniert oder zerstört worden ist, ohne dass daraus Anknüpfungspunkte für etwas anderes entstanden wären.” (Bude 2012b: 16)

¹⁰ A fragmented society means a “eigendynamischer Prozess wechselseitiger Vergleichgültigung, der eine Vereinselung in unmittelbarer Nachbarschaft mit sich bringt” (Bude 2021a: 15).



However, even when there are quite a few, mostly peripheral SMSC in Europe that experience peripheralization,¹¹ most of the European SMSC don't. For example, there is no single SMSC in Switzerland that is experiencing peripheralization even when located in peripheral rural regions. On the contrary, in Switzerland we can even find SMSC that are characterized by knowledge intensive and high-tech industries (Meili/Mayer 2017).

Hence, all those studies were not interested in the peculiar characteristics of SMSC or in a definition of this type of city but rather in a general understanding of typical structures and processes in western industrial societies. Thus, we can learn from those studies about typical characteristics of SMSC only indirectly. The studies point to the facts that SMSC are places where the traditional and the modern meet with an emphasis on traditional ties, where life is characterized by middle value density between rurality and urban features, a relative slow change rate in cultural habitus, relatively high levels of social control and social conformity, value preferences for attachment, social recognition, grounding, and identification with the community: "It's better to stick close to the middle of the road, to move slowly, and to avoid extremes" (Lynd/Lynd 1937: 406). A contemporary critical observer of the 'Middletown' study commented: "What the people of Middletown fear above all things is oddness. To do anything that is not commonly done is to risk social ostracism; to think anything that is not commonly thought is to be set down as criminal or insane" (Mencken 1929: 379f.).

Those studies sketch a picture of the SMSC in the industrial age and a habitus of its inhabitants that seems not to provide especially favourable condition for the development of creativity. In addition, those studies underscore that SMSC lack the uniqueness of world cities, that they seem to be cities without characteristic qualities or peculiar traits. Hence, any exemplar of a SMSC can be used as a prototypical case one can deduct from structural qualities and middle values which are representative for the society as a whole. While this interchangeability of SMSC may be an accurate picture for analytical reason, the same insight poses the question if SMSC can develop an identity or "Eigenlogik" (Berking/Löw 2008) at all which is needed to build a recognizable attractiveness in the competition between cities of all sizes for members of the creative class and for the CCI companies.

Nevertheless, in recent years the interest has been growing for the medium-sized city as a city type between cities with more than 100.000 inhabitants at the one hand and small towns with less than 20.000 inhabitants and villages at the other hand.¹² This research strand is interested in the determination of typical traits and characteristics that can define a typical mid-sized city. It is based on qualitative research in ethnology, urban research, and sociology and tries to define the mid-sized city but is doing so not within a coherent theoretical framework. One important insight of this scarce research is that the medium-sized city is characterized by certain typical traits that are functions of its size and population density and the subsequent forms of everyday life at the one hand, but that each specific city can also be described more specifically using its location, spatial function, historical background, cityscape, and atmosphere at the other hand (Schmidt-Lauber/Wessner 2009). According to Brigitta Schmidt-Lauber and Anne Wessner (2009: 297)¹³, a(n) (European) mid-sized city can preliminarily be defined with respect to its more typical characteristics as a city

- that has a clear-cut, multifunctional center, which is used by all actor groups for multiple purposes and which is essential for the organisation of its inhabitant's everyday life;
- where functionally distinct city quarters can be developed only very weakly and with only fragmentary infrastructure;

¹¹ The research about Wittenberge, though mainly focused on this very same city, entailed case studies about other SMSC in peripheral rural regions, too, namely Pirmasens (Germany), Victoria (Romania), Czerwionka-Leszczyny (Poland), and Naksov (Denmark) (see the contributions in Willisich 2012).

¹² Please, note the difference to the definition used in this report suggested by ESPON with defining Small and Medium Sized Towns/Cities as those settlements with a population between 5.000 and 50.000 inhabitants.

¹³ Although the quantitative definition of a mid-sized city (between 20.000-100.000) inhabitants explicitly determines the boundary against smaller towns and villages as well, the qualitative definition only uses a comparison with cities bigger than 100.000 inhabitants to determine qualitative definition criteria.



- where social segregation of milieus may be seen, but that don't have ethnically differentiated neighbourhoods;
- whose everyday social life is characterised by middle high values of population density, spatial proximity, short distances, relative transparency in social networks, a low degree of anonymity in social interactions, the overlapping or crosscutting of social networks with informal social networks that overlay formal political and administrative network structures, a low degree of ethnical and cultural heterogeneity in actor groups and social networks, and a relatively high number of unplanned unavoidable encounters with personally known people in places where one can presuppose anonymity in bigger cities;
- that provides a pluralistic range of cultural events and a consumption infrastructure;
- that serves important central functions for their region and embodies significant urban reference points for the rural population from the surrounding areas.

These qualitative descriptive characteristics of the European mid-sized city can be complemented by the observation that it fosters a certain "habitus for which moderation is the guiding principle. 'Mid-sized city' here stands as a metaphor for mediocrity, balance or centerdness and practical reason" (Lindner 2009: 42) - as implicitly opposed to a rather metropolitan habitus of exploration and experimenting (Dietzsch/Scholl 2009: 175). Finally, a typical mid-sized becomes especially strongly endangered in their very city status and identity as a city by processes of social change like shrinking and ageing populations (Dietzsch/Scholl 2009).

Without anticipating too much already about the empirical findings of the GAP analyses later on, we can note at this point that all StimulART partner cities fit within this descriptive definition very well. However, these characteristics can particularly illustrate that they have been defined with bigger cities in mind, with the latter taken as a reference point for a comparison that uses certain qualitative dimensions originally developed for bigger cities on which mid-sized cities consistently score comparatively lower values. For example, they point to a less diverse and much more homogeneous population in mid-sized cities. Interestingly, they mirror a list of characteristics of metropolitan cities at the same time which are quoted in urban research as necessary conditions that foster creativity in metropolises where those characteristics have much higher values (Simmel 1903, Park 1915, Wirth 1938, Jacobs 1961). Metropolitan cities have been portrayed as crucibles of social transformation, creativity, and innovation (Jacobs 1984, Hall 1998) while these portraits have excluded rural areas as well as mid-sized cities which have been used as a background which remains implicit and against which a comparison is made in favour of metropolitan cities. Hence, this list of characteristics of mid-sized cities raises the question if they can become a location for creativity at all, or rather, if the creativity to be found in mid-sized cities differs in type, size and scope from the one associated with metropolitan cities.

The merits of this list of characteristics of mid-sized cities lay with the qualitative framework they provide for building expectations about SMSC which are better adapted to their size. However, the descriptive definition above has not been operationalized for empirical research yet. Recently, the TOWN project within the European network for the observation of the EU space (ESPON) has researched the differences between Small- and Medium Sized Towns (SMST) in comparison with High-Density-Urban-Clusters (HDUC)¹⁴ based on empirical data about ten case study regions and 31 case study towns within them on the EU territory (Servillo et al. 2014) using the definition of SMST developed by ESPON in 2007 (ÖIR 2007). According to this empirical research, an average SMST is characterized by the following traits in comparison with HDUCs:

- the share of industrial employment is greater, while the service sector has a smaller share of employment;
- the share of jobs (on average) in private marketed services and in public services is significantly smaller;
- the economic activity rate is higher;

¹⁴ Please, note, we have used the ESPON definition for Small and Medium Sized Towns - SMST - but renamed the acronym for practical reasons to Small and Medium Sized Cities - SMSC - (with a population range between 5.000 and 50.000 inhabitants). HDUC are defined as settlements with a population greater than 50,000 (and a population density greater than 1,500 inhabitants per km²) (see Servillo et al. 2014: 7).



- the share of pensionable adults and children is higher;
- the share of working age adults with a university degree is lower;
- the share of employment in the retail sector is significantly lower;
- the share of people who need to commute further afield is higher;
- the share of school age children is higher;
- the shares of secondary or holiday homes are higher.

While most of those traits can be confirmed for all StimulART partner cities, there exist some deviations from these statistical averages. For example, the share of industrial employment is smaller in Naumburg where the service sector has a bigger share of employment due to reasons and path dependencies found in the city's history and economic development. Therefore, when it comes to concrete SMSC, one has to look closer at the embedding spatial structures and the specifics of the particular city in question in order to understand its "Eigenlogik" and its potentials for an (urban) development of and by local CCI and local cultural resources.

Recent studies about peripheral SMSC emphasized that one must distinguish between *the specific location of a city in a peripheral area that is relatively far away from metropolitan areas and hard to access* at the one hand and *the process of peripheralization when cities face a downward spiral of an ageing and shrinking population, migration, the loss of firms, jobs, and wealth, and a negative image* at the other hand. Some empirical case studies, for example, pointed to the phenomenon of "successful peripheral regions" in Germany (Danielzyk et al 2019, Lange/Krämer 2019) where regions relatively far away from metropolitan areas thrive economically nevertheless. Thus, the regions of Emsland and Bodensee-Oberschwaben "are evidence of the potential of German regions to be economically successful in the global context even without a central urban agglomeration, while at the same time preserving and creatively developing the social behaviour traditionally attributed to rural and small-town areas" (Danielzyk et al. 2019: 298). At the same time, we can find the development of "shrinking boom regions" (Bardt/Orth 2018) in Germany with roughly 10% of all 401 German administrative districts showing a pattern where the employment level grows with rates above-average while the population is shrinking which is the case mostly in rural districts and smaller urban municipalities.

2.4. Interim Conclusions

While the phenomena of 'successful peripheral regions' and 'shrinking boom regions' discussed above are proof for the fact that better prospects for economic development in the globalized and networked knowledge society are not generally bound to urban agglomerations, we still do not know if SMSC can become an attractive location for companies and freelancers from the CCI sector which tend to cluster in metropolitan areas. The literature about the relationship between the CCI sector and (bigger) mid-sized university cities (beyond 100.000 inhabitants) tends to assume implicitly that those cities have only a chance to become an attractive location when they specialize in a certain subsector of CCI, say the book market, or games. Hence, when mid-sized university cities want to develop themselves into a creative city, they tend to look for an already existing critical mass of CCI structures belonging to one sub sector that then can be developed into a cluster for this sub sector. However, it seems to be unreasonable to assume that mid-sized university cities could ever become a central cluster for all CCI submarkets alike.

Likewise, there is a small body of normative political literature about developmental concepts for SMSC or rural areas that believes that the CCI can find suitable conditions for their development in non-metropolitan conditions. This normative political thinking seems to assume that one can already find, as a starting point or anchor point for CCI sector related developmental strategies, clusters or at least a certain concentration of firms of certain CCI trades related to particular cultural local resources already operating in the cities, which only have been somehow hidden up to now. Hence this body of literature tends to propose methods of value chain analysis and similar methods suited to uncover hidden clusters or seeds for clusters (f.e. Ghilardi 2017). The normatively motivated search for (hidden) 'clusters' of CCI activities in SMSC is understandable since the potentials for the CCI development should build on something which is already there. However, planners and developers have to take the realities of strong clustering tendencies in the



CCI into account as well as the assumed preconditions of a critical mass of the number of inhabitants beyond 100.000 and a necessary knowledge infrastructure for creativity and creative companies to thrive in a certain location.

What if SMSC may not have a critical mass regarding population size, density of communication, and institutions of the knowledge society such as universities? Are we supposed to write them off and to accept that they may miss out on major societal developments and developmental potentials? And what if our perception of creativity in general and the CCI in particular is shaped by the discourse about creativity in global cities, such that our perception is biased and blinded towards peculiar types of CCI activities and creativity in SMSC below certain thresholds which we, therefore, might not be able to see and appreciate? Are we supposed to ignore those types of CCI activities that are adapted to SMSC because they don't fit in our expectation of clusters, CCI, and creativity?

Quite obviously, these questions are rhetorical. We would be depriving ourselves of opportunities to unleash potential for the development of the CCI sector in SMSC and for the urban development based on local cultural resources if we ignored already existing CCI activities adapted to their niche and below cluster level. At the same time, this may mean that we should also change and lower our expectations: Maybe we will find developmental potentials in local CCI activities and local cultural resources but they are not big enough to become the carrier or driving force of an urban renewal strategy. We might conclude that not every local cultural resource and not every publicly funded cultural activity can or should be turned into a commodity backed by a business model. Be it that the (local) market is not big enough to accommodate the cultural activities as cultural products or services or be it that some cultural activities cannot be turned into a commodity at all while all those activities serve important functions for the local community and attractiveness of the city for its inhabitants.

The following project level StimulART GAP analyses synthesis report takes all the deliberations above into consideration when trying to provide a rough overview over the rough bird view GAP analyses of the partner cities. It will look for the potentials for clusters as such as well as for the potentials of the CCI sector in general. The general or typical potentials for a CCI sector strategy to be found in SMSC are of similar interest for this report as are the potentials of the specific partner cities based on their local cultural resources. For these purposes, the report will employ a comparative case study approach underlining similarities as well as differences found in the cities of the StimulART project's partnership. As a basis for this comparison serve the different city reports that are based in turn on a unified questionnaire that was created by the horizontal knowledge partner in the project¹⁵.

However strong the advantage of comparability due to a unified questionnaire and methodology may be, we have to keep in mind, that the partner cities' GAP analyses are qualitative and subjective in nature. This reminder has two implications at least:

First, it is important to keep in mind that the GAP analyses will become validated in their conclusions by the partner cities' CCI mapping reports. So, they become fully meaningful only when discussed in the context of the CCI mapping results.

Second, although the cities' GAP analyses have already considered the feedback provided by the horizontal knowledge partner (RUNI) that were based on the study trips to the partner cities, they nevertheless reflect rather an insider point of view. As opposed to this internal view on the cities, the following project level GAP analysis synthesis report will take and provide an external point of view on each of the cities. It will not so much be engaged in repeating and summarizing what has already been said in the single GAP analysis reports, but it will rather try to come up with and stress a scientific external observer's viewpoint. However, this is not to imply that an external observer has a superior or a more objective standpoint. The following observations and statements are based on subjective experience, too. Hence, this project level GAP analysis

¹⁵ Namely by this report's author acting on behalf of the Regensburg University (RUNI).

synthesis report rather tries to provide a different subjective account that can serve as a jumping off point for further discussions and reflections in the partner cities.

3. Findings: GAP analyses of the StimulART partner cities by an outsider view

3.1 Introduction

3.2 Methodology of the report and methods of empirical research

3.3 Initial comparison between the StimulART partner cities

3.4 GAP analysis for the city of Jászberény

3.5 GAP analysis for the city of Kamnik

3.6 GAP analysis for the city of Vittorio Veneto

3.7 GAP analysis for the city of Amberg

3.8 GAP analysis for the city of Naumburg

3.1. Introduction

In this section, we will provide empirical accounts for each StimulART partner city about the hitherto missed, but existing potentials for a cultural-led urban development using the local CCI sector as a driver. We will present each city as an empirical case study thereby using the same structure provided to the StimulART partner cities in the methodology for the city specific GAP analyses. In this way, we will ensure not only a better access and readability of this report, but also a better comparability between the cities for the readers. A systematic comparison between the cities will take place in the later chapters (discussion and conclusions) only. Before we present the GAP analyses as single case studies, we must shortly discuss the methodology of this report as well as its methods of empirical research.

3.2. Methodology of the report and methods of empirical research

We have already discussed some aspects of the methodology and the methods of empirical research in the introduction section when we argued for a qualitative multi-case study methodology. To sum up this argument: The original methodological approach from the project application consisted in desk research that would compare the results of the single GAP analyses from each partner city based on the survey template that was supposed to secure comparability. However, the need for a comparative multi-case study based on qualitative and explorative methods emerged for two main reasons. First, there was a surprising lack of knowledge about the relationship between SMSC and the CCI sector and about SMSC as such which called for qualitative research efforts. Second, the cities' GAP analyses were based on qualitative methods because its categories - cultural resources, city identity, atmosphere etc. - inherently required subjective and phenomenological methods so that their evaluation by an external observer presupposed first-hand qualitative experiences, too.

Methodologically, the original project application document has suggested already to use a comparison for knowledge building by treating the single partner cities as independent cases with the city as the level of analysis. All cases should be compared with each other to identify similarities and differences. The survey template for the GAP analyses was implicitly supposed to provide the dimensions of the comparison on which the StimulART partner cities score different values which can be summarized as similarities or differences. However, the original project application document left open the exact steps to carry out the comparison.



We follow the original project application document's lead and suggest to employ a multi-case study approach. However, instead of a theoretical sampling of the cases we must contend that the study sample was constituted by self-selection of the participating cities with their motivation to participate rather unknown. Most interesting for knowledge creation about SMSC and their relationship to the CCI sector will become either the cases where all StimulART partner cities share similar values on the comparison dimensions because this points to typical characteristics of SMSC when subsequent comparisons with bigger cities on the same dimensions will result in significant differences, or the cases where significant differences between StimulART partner cities occur, which can be span up to maximal contrasting differences, because this points to a typology within the class of SMSC.

The study follows the methodology proposed by the Creative City Index of Charles Landry (2008) according to which the first step in the research about cities consists in a self-assessment by the partner cities using a certain survey template. In a second step, this self-assessment is complemented by the assessment of an external observer using the same survey template. Then, the differences between self-assessment and external assessment are made explicit and are assessed itself. This report emulates the latter two steps of this process using the results of the first step as an input. However, the report will not establish an index number for each city which sorts them transitively in a numerical order creating a unified index, which is rather the intention of Landry's proprietary consulting approach. It will rather lead to qualitative judgements about concrete developmental potentials of the StimulART partner cities at the one hand and more general new knowledge about the relationship between SMSC and their CCI sector at the other hand. In other words, the report will be explorative in character aiming at identifying developmental potentials for each city in particular and at establishing new hypothesis about the relationship between SMSC and the CCI sector in general rather than either testing hypothesis or ranking cities in a unified index.

The explorative multi-case study design is based on a field research approach that accesses the single case studies with qualitative research methods. The author of this report has visited each StimulART partner city and lived in each of them for at least one week. These study visits allowed for immersion in the field and participant observation. When on site, each encounter with the city's inhabitants and experts as well as the wholistic experience of the partner cities as an ecosystem can be considered as creating qualitative data points for research. Accordingly, the field research studies were accompanied by field notes and field diaries. The research methods included expert interviews, but also group discussions with city stakeholders coming from administration, politics, economy, culture, and education in each city. The partner cities organized many expert interviews in advance. During the interviews, notes were taken using the field diary. Beside the pre-arranged expert interviews, there emerged many occasions for unplanned encounters whose information were noted in the field diary, too, together with other field notes and memory protocols about encounters during which notes could not be made. The city specific field diaries were started right with the start of the project itself so that every contact with the partner cities' officials, project workers, and CCI stakeholders has been recorded in the sequence of its occurrence, including video meetings, email conversations, and phone calls. During the project duration, four official workshop sessions could be carried out interactively in person despite the Covid 19 pandemic, namely the kick-off workshop and the final conference in Jászberény, and two partner meetings, one in Vittorio Veneto and the second in Kamnik, so that there was more time to directly experience these three partner cities in addition. See the table below for the exact dates of the study visits and the workshops, the number of days spent in the partner cities, and the number of expert interviews.

Dimension/City	Jászberény	Kamnik	Vittorio Veneto	Amberg	Naumburg
Date of study visits	23.- 28.02. 2020	05.-12.10. 2019	08.09.- 14.09.2019	08.-12.07. 2019	16.-19.07. 2019 & 16.-17.10. 2019

Date of workshops	02.-05.05.2019 28.02. - 01.03.2022	11.10-13.10.2021	04.-08. November 2019	Online-Workshop	Online-Workshop
Number of Days lived in the city	12	11	12	5	6
Number of Expert Interviews	25	23	35	24	27

In addition, extensive research has been conducted about the cities, including internet-based researches, using different internet resources.

After consolidating the data from heterogeneous sources in a digital field sourcebook, the data then has been treated and interpreted as qualitative data using the data analysis methods of content analysis, sequence analysis, and group discussion.

3.3. Initial comparison between the StimulART partner cities

Although we will focus on the presentation of the case studies for each StimulART partner city in this chapter and present the results of a systematic comparison of a multi-case study only in the discussion and conclusions chapters later, we will start the presentation of the research findings with a sub-section stating some results of a systematic comparison between the cities already for two main reasons. The first reason for this procedure is, that we can emphasize some similarities all cities share so that we can give richer context information that makes it easier for the readers to interpret and to understand the single case studies while economize on the amount of information given at the same time. The second reason for this procedure is, that we can also better interpret, understand, and assess the potentials for a cultural-led urban development process, when we already know about important structural differences between the five StimulART partner cities in advance. In this way, we will start with a systematic comparison between the case study cities already in this section. However, we will compare the StimulART partner cities with metropolitan and bigger cities only in the discussion section and the conclusions.

3.3.1. Some shared characteristics of the StimulART partner cities: the CCI sector

We start with the comparison between the StimulART partner cities' CCI sectors. Here we can find the following shared characteristics:

- At a closer look, in each StimulART partner city, we can find a surprisingly diverse CCI with economic activities of CCI stakeholders and firms going on in each of the CCI sub-sectors. However, the level and size of those activities are a function of the size of the demand of the respective local market for cultural products and services. This fact has been hidden to a certain extent up to now because there haven't been observations in statistics, policy or in the CCI sector itself which were calibrated to the specific realities and conditions found in SMSC in terms of identifying and mapping the CCI sub-sectors in those cities.
- However diverse and vivid the CCI sector might be, the population of local CCI stakeholders and firms is small since the local niches for the CCI sub-markets are rather small, too, confining both the number of economic actors operating in those niches as well as their size. In all CCI sub-sectors, we see an oligopolistic market structure with strong competition in a stagnating, and saturated local market.
- As is also the case in bigger cities, the CCI sector is characterized by small companies and freelancers in the StimulART partner cities. Larger companies operating in the CCI sector are, with some notable exceptions, rather absent. Besides, the share of CCI stakeholders on the total employment level who pursue only marginal employment or marginal self-employment is relatively high.



- The CCI stakeholders tend to know each other personally in each of the CCI sub-markets, so we find a small informal network. In addition, the CCI professionals tend to network within their particular community of practices and professional networks beyond local boundaries. However, the degree of local networking across CCI sub-sectors and between the CCI and the traditional economic sectors is rather low.
- With respect to the “Core Cultural Expressions” according to the “Concentric Circle Model of the Cultural and Creative Industries”, visual artists and musicians are more strongly represented than performing artists in the StimulART partner cities.
- Economic activities are missing particularly in those creative industry subsectors which presuppose a high share of highly specialized business services in the value chain such as in film making.

3.3.2. Shared features of the StimulART partner cities: the city level

We have already stated typical characteristics of SMSC depending on city size and population density in the literature review. The StimulART partner cities do also share those characteristics. However, here we focus on similarities between the StimulART partner cities especially with respect to their CCI sectors based on the GAP analyses. When we compare the StimulART project partner cities with each other as social entities, some shared features can be identified.

- Each StimulART partner city can look back at a century long urban history in the European tradition, thus, having as a result “significant historic assets with compactness, distinctiveness and a physical fabric which is human in scale” (Ecovast 2014: 5).
- The StimulART partner cities have selected themselves for inclusion and participation in the project. Thus, the sample is constituted neither by theoretical reasoning nor by complete random. The motivations behind the cities’ self-selecting decisions point toward the fact that they see themselves in the process of identity transformation, trying to connect to contemporary ideas of urban development in a quest not to be left behind in the accelerated processes towards a globalized and networked knowledge society: The self-selection for StimulART can be interpreted as an expression of the quest for a new identity in dynamic times.
- The population in all StimulART partner cities is ageing and shrinking, except for Kamnik.
- All cities experience a negative balance of migration of their younger population strata: Many young individuals leave the cities for further education for good, while this dynamic has different degrees in different cities as a function of the presence of institutions for vocational and tertiary education.
- Returners - individuals coming back to the home city after vocational or tertiary education and first working experiences - are relatively few, however, they bring enhanced social, economic, and cultural capital to the cities.
- In each of the StimulART partner cities there is a surprisingly strong cultural live on offer, that is set up to a rather large degree by either publicly funded cultural institutions or intermediate sector organisations such as voluntary associations.
- It was only for the StimulART project that the awareness for the CCI among the decision makers in local government and administration in the StimulART partner cities has been rising, except for Kamnik. The general understanding of the specific characteristics, dynamics and needs of the CCI sector and its actors is still rather low in all partner cities, although the actors are becoming conscious about this fact and are willing to learn. They start to see CCI as a chance to develop the city economically and culturally. There is a growing preparedness to support the sector by suitable measures, though, there is still insecurity about what suitable measures and programs would be.
- In each of the StimulART partner cities’ municipalities has been a lack of structure for the support of the CCI sector. There has been no specific department responsible for the support of the CCI yet. The cultural departments tend to focus on the promotion of high culture as part of the public service mission at the one hand while the departments for economic development tend to lack the sensitivity for the CCI sector and its potentials at the other hand with the urban development departments attending to traditional tasks and functionally separated.



- Also, in each StimulART partner city we can find a lack of mutual understanding between the administrative mindsets and habitus of the municipality representatives and the creative mindsets and habitus of the CCI actors, with personalized conflicts occurring between ‘crazy creatives’ and ‘stubborn bureaucrats’ that are characterized by deep rooted stereotypes and that lead to mutual mistrust.

3.3.3. Structural differences between the StimulART partner cities: the city level

When we compare the StimulART project partner cities with each other as social entities with regard to the project aim which is a CCI sector strategy and their cultural-led urban development, some important structural features can be identified that differentiate those cities from each other.

- Although each city is in the process of identity change, we can identify different triggers that initiated this process of identity transformation beside the general societal change towards a globalized, networked knowledge society. With Jászbéreny, Kamnik, and Naumburg, we have three cities in our sample that are post-socialist transition cities. Naumburg has experienced territorial reforms recently. Vittorio Veneto’s identity is partly shaped by central governmental interventions and partly by historical events with importance for the Italian national building process as such reaching back to the beginning of the 20th century. Amberg’s quest for adapting its identity has been driven by a city marketing project searching for the city’s USP (Unique Selling Point) and new narratives.
- Regarding the settlement structure type the StimulART partner cities belong to, we can distinguish between Kamnik and Naumburg at the one hand which are located at the periphery of metropolitan centers and which have, thus, a sub-urban location in relation to the cities of Ljubljana and Halle/Leipzig respectively, and Jászbéreny, Vittorio Veneto, and Amberg at the other hand which build centers in the periphery for their rural hinterlands and have thus a rather peripheral location.
- With respect to their territorial embeddedness in terms of the functional roles SMSC can typically play in the urban hierarchy as identified by the EU ESPON project (ÖIR et al. 2006, Servillo et al. 2014), Kamnik and Naumburg belong to the type of “agglomerated” cities, while Amberg, Jászbéreny, and Vittorio Veneto rather belong to the type of “autonomous” cities. However, even when Kamnik and Naumburg have a certain sub-urban location and, thus, can be counted as belonging to the ‘agglomerated’ city type, we should add that both cities are still located in a rather rural area with an economically weak hinterland.
- Corresponding with the post-socialist transition status of Jászbéreny, Kamnik, and Naumburg, we have to conclude a discontinuity of entrepreneurship and local self-government in those cities that conveys on Amberg and Vittorio Veneto a comparative advantage based on the continuity of their experiences in liberal capitalism and political subsidiarity.
- When we look at the history of industrialization, we can state important differences between the StimulART partner cities, too. Jászbéreny, Amberg, and Vittorio Veneto have been experiencing a continuity in economic activities in the secondary, the industrial, economic sector resulting in a high industry density today, while Kamnik has been made experiences of a strong de-industrialization during the last three decades after the iron curtain fell based on an earlier strong industrialization process after World War II in Ex-Yugoslavia. Naumburg stands in a harsh contrast to both developments, since it has pursued an urban development approach of a residence city which was changed only little during socialism and which has actively been revived since 1991 resulting in very low industry density today and no signs of industrial wasteland or abandoned factories in the city.
- Comparing the StimulART partner cities with respect to the attractiveness of the ‘surrounding nature’, just based on the author’s subjective judgement, this attractiveness is high for Kamnik, Naumburg and Vittorio Veneto (close to cultural landscapes with cultural and natural tourism potential), medium high for Amberg, and rather low for Jászbéreny (lack of leisure tourism).
- Comparing the StimulART partner cities with respect to the attractiveness of the ‘built environment’, just based on the author’s subjective judgement, this attractiveness is high for Amberg and Naumburg (revitalized historic city centers), medium high for Kamnik and Vittorio Veneto (historic city centers, but large areas of industrial wasteland within the cities), and rather low for Jászbéreny (industrial belt around the city).

3.4. GAP analysis for the city of Jászberény

3.4.1. Town's profile

Geographic Location

Jászberény is a city with a population of about 28,000 inhabitants in Hungary, in the north-west of Jász-Nagykun-Szolnok County. It is in the northwestern foothills of the Great Hungarian Plain 75 km east of Budapest, the capital of Hungary, on both banks of the Zagyva River and is considered the capital of the Jászság region. The Jászság Region is a flat land but looking to the north the ranges of the Mátra Mountains are visible from the outskirts of the city, reaching them takes about an hour.

The city has good road accessibility, though it is not located on a highway. Jászberény has a direct link to M3 motorway and the main road (No32) linking the highway and the town was reconstructed in 2019. In addition to Budapest and the capital's airport, the neighbouring cities of Szolnok (52 km in the south) and Gyöngyös (36 km in the north) can also be reached by car in about an hour (Budapest 2:02 h by train and 1:10 h by car; Airport 2:37 h by train and 59 min by car; Szolnok 1:19 h by train and 1 h by car; Gyöngyös 1:03 h by train and 37 min by car).

Role as an administrative unit and position in the national urban hierarchy

The city of Jászberény is spread over an area of 221.35 square kilometers, resulting in a population density of 122 inhabitants per square kilometer. The population of Jászberény has decreased in recent years: between 2000 and 2018, this rate of decline was 8.2%, and the annual rate of decline was mostly within 1%. The average age is 43.3 years, with the share of older people (65 years and older) being 21%. Regarding its administrative status Jászberény is the seat of the Jászberény township, which includes 9 settlements (with an overall population of 49,878 (2018)). However, the historical catchment area of Jászberény is larger including 17 more settlements which all identify themselves as JÁSZ (forming the traditional Jászság Region called JÁSZSÁG). These settlements have been considering Jászberény as an economic, cultural, educational center for centuries. A gymnasium founded in Jászapáti in 1767 was moved to Jászberény in 1779. It is administratively dependent from Szolnok, the county seat. The teachers' college established in 1917 has continued as "Szent István" University in Jászberény since 1 January 2000. Furthermore, there are several kindergartens, primary schools and secondary schools in the city.

The Integrated Urban Development Strategy defines 10 characteristic neighborhoods in Jászberény, whereas the Inner City is the functional and representative focus and also the center of community life. Jászberény features the layout of the typical great Hungarian Plain cities. It lays in the crossroads of main roads, has only one functional center and there are numerous farms and inhabited little settlements in the periphery.

Recent Economic History

The "Jász" folk are of Iranian descent and settled along the Zagyva and Tarna rivers in the 13th century together with the "kun". The Hungarian rulers had endowed the Jászság with special privileges. Thus, the people lived largely autonomously in an area whose regional, cultural and administrative center developed into the town of Jászberény. After the end of Turkish rule, however, Emperor Lipot I. sold the Jászság to the German Knighthood in the 18th century but due to their resistance and the indispensable role of the Jász Hussars in the Austrian- Prussian War of Succession they could redeem themselves. This led to the Redemption, famous throughout Hungary: Maria Theresa gave the Jász back their homeland and their ancestral privileges. Redemption brought prosperity in the Jászság regarding industrial and urban development.

The agricultural land surrounding the town used to be a major source of living though its quality is below average by Hungarian standards. Agriculture used to be important for Jászberény - milling would stand out as a viable business activity from the 18th century until the early 20th century.



Formerly an agricultural center, Jászberény is now an industrial, agricultural and commercial center. Within the framework of the first Hungarian Five-Year Plan (1954-1959), one of the three most important projects in the Hungarian Great Plain - the Aprítógépgyár RT (Heavy Machinery Factory) - was founded in Jászberény. In 1952, a refrigerator plant - LEHEL Hűtőgépgyár (EN: Lehel Refrigerator Plant) - was established next to it, producing all refrigerators for Hungary and thus gaining national importance. In 1991, the Swedish household appliance manufacturer Electrolux took over the plant, which has since undergone considerable renovation and expansion. The factory is one of the largest companies in Hungary, employing about 3,500 people. As part of this development, other industrial companies - mainly mechanical engineering and plastics processing - settled in the region, which also revived trade and consolidated Jászberény's role as the region's most important trading center.

After the reform of the agricultural cooperatives, private agriculture also plays an important role today. Mostly cereals, sugar beet and maize are grown, but tomatoes, peppers, white cabbage and melons are also cultivated. Furthermore, poultry, cattle and pig farming are widespread.

In the Jász-Nagykun-Szolnok region, the employment rate in 2020 was 63.1 % of the population aged between 15-64. The gross domestic product of the region in 2018 was 2,354,610 HUF (equivalent to about 6,780€). The Hungarian average GDP per capita is 3,609,160 HUF (equivalent to 10,400€).

Folk heritage is important for the Jász people. Traditional trades and crafts are significant segments of this heritage. In the socialist period they almost died out and the ones pursuing them considered their activity as a form of resistance to uniform taste and a mission to save traditions. Mainly individuals and families run their own businesses in different trades and crafts, no larger businesses have evolved in Jászberény. Some run their own small shop others only do it as a hobby or a secondary source of income.

City's Cultural Resources

The town of Jászberény is rich in historical monuments. On Jászberény's main square, Lehel-VEZER Square, there is the Nagyboldogasszony Church, originally built in Gothic style, now in Baroque, whose exact date of foundation is not known, but which is mentioned as early as 1332.

Other characteristic buildings on Lehel-VEZER Square are the neoclassical town house from 1839 and the former baroque/rococo district house, as well as the culture house built in 1894 and the municipal court. Finally, not only of architectural interest is the Jász Museum, where one of the most famous national relics, the Lehel Horn, is exhibited.

Two major festivals take place in the town of Jászberény: Once a year there is a big meeting of folk-dance groups, and in the first week of August a big folk festival is celebrated: "Summer in Jászberény". Other annual events include an International Dance House and Musicians Camp (Nemzetközi Táncház és Zenésztábor), a Chango Festival (Csángó Fesztivál), the National Honey Market (Országos Mézvásár), the Sausage Festival as well as the JÁSZ EXPO, a regional exhibition and fair.

The Déryné Event House hosts classical music concerts. Beside the permanent art exhibition of the Hamza Museum and the private collectors such as the Szikra Gallery, temporary photo and art exhibitions are also organized in the hall of the Lehel Movie, in the Town Hall, and in the Lehel VEZÉR Secondary School as well as outdoor scenes such as the Zagyva Promenade.

3.4.2. Cultural and Creative Industries and the creativity of the economic sector

3.4.3. Level of creativity in the traditional economic sectors

3.4.4. Creativity Enabling environment



3.4.5. Potentials for a cultural-led social and economic development and its obstacles

3.5. GAP analysis for the city of Kamnik

3.5.1. Town's profile

Geographic Location

Kamnik is a municipality with circa 30.000 inhabitants located on the junction between the plains of the Gorenjska region and the Celje Basin with close access to both the Slovene capital Ljubljana and the Kamnik-Savinja Alps (Steiner Alps). The municipality is located in the northern part of central Slovenia and is characterised by the river Kamniška Bistrica, which rises in the valley of the same name at the foot of the southern Steiner Alps. The city is about 24 kilometres north of the center of the capital Ljubljana (38 min by train and 34 min by car) with good access to the road network, especially to the A1 (Maribor - Ljubljana) and A2 (Villach (Beljak)/Jesenice / Ljubljana) motorways. The nearby international airport of Ljubljana at Brnik is only 15 kilometres away and can be reached by car in 20 min. In addition to the national capital, other cities are within reach: Kranj (23km in the west, 1:34 h by train and 30 min by car), Velenje (57 km in the east, 2:03 h by train and 1 h by car) and Celje (60 km in the east, 52 min by car and 1:56 h by train).

Role as an administrative unit and position in the national urban hierarchy

The 265,6 square kilometer area of the municipality of Kamnik includes over 100 individual districts, hamlets, and villages, with approximately 14.000 inhabitants living in the core city itself. It is the tenth biggest Slovenian city. The population density of the municipality is 109 inhabitants per square kilometer while it is 1.516 persons per square kilometer in the core city, which is high above Slovenian average with 102,7 inhabitants per square kilometer.

Kamnik is the political, cultural and economic center of numerous surrounding villages and also the seat of the municipal administration. In addition to basic educational institutions like kindergartens, primary schools and a high school, there is a public primary music school, but there are no institutions of higher academic education.

According to a survey about the quality of living in the 212 Slovenian municipalities by the Slovenian journal "Moje finance", Kamnik achieved the 20th rank in 2019.¹⁶ More recently, Kamnik has gained importance as a place of residence for people who work in Ljubljana. 62% of Kamnik's working population had to commute to other municipalities on a daily basis in 2018.¹⁷

In the Central Slovenia Region of which Kamnik is a part, real estate prices have been continuing to rise in 2018, with the capital city Ljubljana defining the trend. The average price per square metre for a flat rose by 14 % to 2.520€ in this region in 2018. The average price per square metre for a flat in the municipality of Ljubljana was 2.770€ which equals a rise of 15 % in 2018 compared to the year before. In Kamnik, flats sold for an average of 1.850€ per square metre which was 7,5% more than in 2017. Flat buyers had to pay 160€ per square metre more in Domžale, the neighbouring municipality in the south closer to Ljubljana. Compared to 2015, house prices grew in Central Slovenja Region about 33% while this growth was only 23%

¹⁶ See <https://mojefinance.finance.si/8955751/%28lestvica-212-obcin%29-Kje-v-Sloveniji-se-najbolje-zivi-Preverite-na-katerem-mestu-je-vasa-obcina> [Last accessed 30th September 2021].

¹⁷ See Kamnik Business Club at <http://www.kamnikbiz.club/pregled-okoliskih-obcin-kje-je-najvec-upokojencev-kje-najvec-novorojenih-in-kje-so-najvisje-place/> [Last accessed 30th September 2021].



in Kamnik. Hence, Kamnik is one of the municipalities with the lowest price growth for real estates in the region.¹⁸ However, real estate prices in Kamnik and Domžale are slightly higher than the Slovenian average.¹⁹

Recent Economic History

In the Middle Ages, Kamnik was one of the most important trading centers in the Duchy of Krain and was located on the most important road between Ljubljana and Cilli. The blacksmith's art, the production of blades and knives and the leather craft were well developed. Kamnik was one of the residences of the Counts of Andechs, who established the administrative center for their margraviate of Krain and Istria here. The Counts of Andechs, who later attained the status of Dukes of Merania and Margraves of Istria, created a flourishing economic and social life. With the shift of trade flows in the 16th century, it lost importance.

Kamnik was a rural city until the end of the 19th century. After the construction of the Ljubljana-Stein railway in 1890, various industrial enterprises settled in the town, including Stol (furniture factory with design department which designed some national famous designs), Utok (leather), Titan (door locks), ETA (food products) and Svilarit (textiles - towels and ties). Industrialization was intensified in the former socialist Republic Yugoslavia under Josip Broz Tito due to central planning after 1945. Even though it was a rather small town, Kamnik became one of the industrial centers in Yugoslavia with up to 15.000 people employed in the city's large industrial factories which came to characterize the otherwise parochial sub-alpine city. All those companies were strongly dependent on the former Yugoslavia market. After the wall had come down, the breakup of socialist Yugoslavia had happened, and Slovenia has become an independent nation state in 1991, processes of rapid de-industrialization took place. After the breakup of Yugoslavia, that market fell more than 90%, namely from a market for 23 million inhabitants of former Yugoslavia to roughly 1.9 million inhabitants for Slovenia in 1991 (with estimates for 2021 at 2.1 million inhabitants), other markets in the former socialist Eastern-Europe countries notwithstanding. Many, rather big companies and manufacturing sites had to be closed in Kamnik soon after the wall came down. However, they have been replaced by mostly small and medium sized companies in the meantime.

- In 2015, there existed 810 companies in Kamnik which made the city to the third largest municipality in the Central Slovenian Region after Ljubljana (20.604) and Domžale (1.335), ahead of Grosuplje (687) and Trzin (646) in this dimension. These companies employed 3.454 people. In addition, there were 873 sole proprietors who employed 439 further persons in Kamnik in 2015. Overall, including public institutions, the total numbers of employed people in the municipality was at 12.150 with 1.327 people unemployed in 2015.²⁰
- As of 2019, the biggest Kamnik registered firm in terms of revenue is Calcit d.o.o. with circa 88 million € revenue, 162 employees and 7,176 million € profits, followed by Meso Kamnik d.d. with 34,5 million € revenue, 133 employees and 325.000 € profits, and Nektar Naturana d.o.o. with 34,5 million € revenue, 100 employees and 5,25 € million profits. However, Dom-Titan d.d. is the biggest employer with 184 employees who generated 18,5 million € revenue and 900.000 € profits in the same year.²¹
- Kamnik's companies grow faster than the national average: In 2017, the turnover of companies in Kamnik increased by an average of 14.4 % or 75 million € to 598 million €. By comparison, the average Slovenian company recorded a growth in turnover of 12,9 % only in 2017. Compared to the year 2008, the turnover

¹⁸ See Kamnik Business Club <http://www.kamnikbiz.club/kvadratni-meter-stanovanja-v-kamniku-drazji-za-osem-odstotkov/> [Last accessed 30th September 2021].

¹⁹ See Kamnik Business Club <http://www.kamnikbiz.club/analiza-nepremicninskega-trga-v-domzalah-in-kamniku-kaj-se-dogaja-s-cenami-in-prometom-stanovanj/> [Last accessed 30th September 2021].

²⁰ See Kamnik Business Club at <http://www.kamnikbiz.club/kako-veliko-je-kamnisko-gospodarstvo/> [Last accessed 30th September 2021].

²¹ See Kamnik Business Club at <http://www.kamnikbiz.club/najvecja-kamniska-podjetja-po-prihodkih-zaposlenih-in-dobicku-podatki-za-leto-2019/> [Last accessed 30th September 2021].



of Kamnik registered companies grew to 144% while the growth in turnover of the average Slovenian company was only 113% in the same period.²²

- While the value added per employee in Slovenia steadily increased by about 2 % per year up to 2016, it even increased 7% in Kamnik. On average, Kamnik companies generated a net value added of 39.797€ per employee, 5% less than the Slovenian average which is at 42.094€. However, the Central Slovenian Region (Osrednja Slovenija) of which Kamnik is a part generated a net value added of 45.794€ per employee in the same year which equals a gap for Kamnik of more than 15%.²³
- With 33,5% of the turnover coming from export business compared to the national average of 38,4%, companies in Kamnik are less export oriented than the average Slovenian firm. However, the exports by Kamnik registered firms grew faster than the national average: While Kamnik's companies could increase their exports about 67% in 2015 compared with 2008, the average national turnover in export markets grew by 27% in the same period. While 83% of those exports go to the EU market, this share is 71% for Slovenia.²⁴
- Companies registered in the municipality of Kamnik paid their employees average gross wages of 1.534€ in 2018, 7% below the national average for the private sector as a whole at 1.652€. However, this gap has been slowly but steadily narrowing in recent years: Wage growth in Kamnik businesses has averaged 3.3% per year over the last five years, almost one percentage point higher than the average wage growth in the Slovenian economy.²⁵
- Since 2014, the share of employed and self-employed people on the total population has been steadily increasing. In 2018, it was 68% of the population aged between 20 and 64, 4% higher than the national average (Požgan et al. 2020: 23).
- The Central Slovenja Region (Osrednjeslovenska), the region to which Kamnik statistically belongs, recorded a gross domestic product per capita of 32.620€ in 2019, which is above the national average of 23.165€. However, on the level of the municipality, average net monthly salaries in Kamnik remain below the national average; in 2018, with 991€ they were 101€ behind the national average (Požgan et al. 2020: 23).
- In 2020, the number of registered self-employed persons in Kamnik increased by 52 (or 3.8 %) to 1.411, the highest level ever, excluding self-employed farmers.²⁶

While some companies are competing on the small local, regional, or national Slovenian market level, there are some businesses, which compete on the international market level. While we find many companies in light industry, food production, producers of semi-finished products, there exist even some high-tech companies electronics and software engineering and companies in the chemical industry with own development departments drawing beside some companies in knowledge intensive business services, but not in higher concentrations.²⁷ Some more professionals and experts with an technical, software, and engineering background with an university degree live in Kamnik and work in Ljubljana's high-tech pool.

²² See Kamnik Business Club at <http://www.kamnikbiz.club/ogledalo-kamniskega-gospodarstva-nadpovprecna-rast-prihodkov-kamniskih-podjetjih/> [Last accessed 30th September 2021].

²³ See Kamnik Business Club <http://www.kamnikbiz.club/kamniska-podjetja-z-visoko-rastjo-dodane-vrednosti-a-zapovpreciem-se-vedno-zaostajajo/> [Last accessed 30th September 2021].

²⁴ See Kamnik Business Club <http://www.kamnikbiz.club/kamnisko-gospodarstvo-krizo-premagalo-na-krilih-izvoza/> [Last accessed 30th September 2021].

²⁵ See Kamnik Business Club at <http://www.kamnikbiz.club/rast-plac-v-kamniskih-podjetjih-ostaja-nadpovprecna/> [Last accessed 30th September 2021].

²⁶ See Kamnik Business Club at <http://www.kamnikbiz.club/stevilo-samostojnih-podjetnikov-raste-tudi-v-casu-epidemije/> [Last accessed 30th September 2021].

²⁷ See for a representative, though incomplete overview the member list of the Kamnik Business Club at <http://www.kamnikbiz.club/clani-kluba/> [Last accessed 30th September 2021].



In the long run, Kamnik changed in character from being one of the three towns that fought for supremacy in medieval Krain, over a heavily industrialized city characterized by few large industrial companies to today's dormitory city with a relatively low share of domestic jobs in the suburban ring around the Slovenian capital. Thanks to this position, it can draw on the location advantages of the proximity and good accessibility to the national capital city and its university for finding niches in the emerging division of tasks in an emerging metropolitan region²⁸ and its knowledge intensive economy. However, with relation to its structural position in the world economy and its globalized value chains, Slovenian firms are in the "periphery" of Western European capitalism (see Kozina/Bole 2017), thus serving mostly as extended workbenches of western European firms rather than as focal firms themselves. Nevertheless, due to its longstanding relations with the republics of Ex-Yugoslavia at the one hand and its belonging to the catholic cultural tradition according to the Inglehart-Welzel World Cultural Map²⁹ at the other hand, Slovenian economic actors can play an important bridging role in connecting Western Europe with the Ex-Yugoslavian republics and their markets.

City's Cultural Resources

Kamnik is one of the oldest Slovenian cities and has a preserved medieval city center, churches, monasteries and castles: the Mali grad castle, the Stari grad castle ruins above the town, the library of the Franciscan monastery with about 10.000 books, the Monastery Mekinje, the Zaprice castle including the local history museum, the historical craftsmen's street Šutna, and the botanical garden Arboretum Volcji Potok. Kamnik also owns a few architectural works from famous Slovenian architects such as Jože Plečnik and Vinko Glanz. One of the central places to exhibit and show graphic art is Miha Maleš gallery, which is in the center of the city. There is also the historic house of general Rudolf Maister with permanent historic collection. Kamnik is also closely connected to the immaterial cultural heritage of many tales and legends with the tale of the Countess Veronika being even nationally famous.³⁰ The figure of Veronika is the town's patron saint that is depicted on the Municipality of Kamnik's coat of arms. Today, there is a children's festival and a running competition in autumn which also bear her name.

An important event with a certain tradition is the Festival Days of National Heritage, when people dress in folk costumes and national dresses and march through Kamnik with horses, carriages, and majorettes to the tunes of marching bands. On the international workers day, 1st of May, traditionally workers from the factories have gathered in Kamniška Bistrica valley or on the top of Old castle hill for celebration which is a rather modern tradition that is running out of momentum. Kamfest is a annual festival organized by the cultural association Priden možic, Kotlovnica Youth Centre and Dom kulture which has grown in importance for the more contemporary cultural disciplines as well as youth cultures and which has become increasingly popular in the region.³¹

City's Atmosphere

²⁸ This emerging metropolitan region is difficult to define spatially. The project ESPON 1.1.1 (2004) carried out an analysis of functional urban areas (FUA) of the then new member states to the European Union according to the common criteria implemented across the EU territory. FUA can be understood as travel-to-work areas where the surrounding areas are economically integrated with an urban core and represent the regional labour market area of that core. This study identified approximately 1.600 FUA in 29 European countries including the main urban centers in Slovenia. Six FUA of European importance were identified for Slovenia of which only the Ljubljana FUA could gain the status of "weak" MEGA (Metropolitan European Growth Area) as one of 76 MEGAs in Europe. This Ljubljana FUA coincides roughly with the statistical Central Slovenian Region, Osrednjeslovenska regija, which, together with eleven more such regions, does officially exist only for statistical purposes (NUTS-3 level). Besides Ljubljana, Osrednjeslovenska regija comprises 25 municipalities, all located in the suburban ring around Ljubljana. However, the municipality Kranji in the north-west, though functionally integrated in the Ljubljana metropolitan region, belongs to a different statistical region. Note, the statistical Central Slovenian Region is congruent with the Ljubljana Urban Region which is the object of attention for the Regional Development Agency RRA LUR (<https://rralur.si/en/>) which issues regional development documents (RRA LUR 2015) and acts as project management agency for EU funded projects.

²⁹ See <http://www.worldvaluessurvey.org/WVSCContents.jsp?CMSID=Findings> [Last accessed 19th November 2020].

³⁰ See <https://visitkamnik.com/en/stories/the-legend-of-countess-veronika> [Last accessed 30th September 2021].

³¹ See <https://www.kamfest.org/> [Last accessed 30th September 2021].



The city's atmosphere is rather calm, and the city feels rather like a small town with a rural hinterland than as a mid-sized city. It has a rather small central place. The sights in the city have small dimensions as have all functional buildings except the industrial buildings and areas. People tend to greet each other on the rather empty streets. There are anecdotes that the few international tourists visiting Kamnik sometimes ask on workdays if there is a national holiday.

The city is spatially divided into three parts, the old town with small medieval buildings and narrow streets, the new town which starts at the central round about at the outskirts and the big shopping center in the south, and the huge area of the former gun powder factory bordering at the old town up in the north. The new town is narrow and stretches circa 4km along the main road to the Old Town in the North, bordering to the river in the East. It is an extension of the old town with factories, apartment blocks and suburban housing areas built after World War II during socialism. Splattered among the new town are industrial areas. The Old Town has the size of a large village and runs seamlessly out into the countryside at its edges. The city's atmosphere is not so much characterized by the industrial areas as it is by the empty old town centre. The area of the old gunpowder factory, Kemijska industrija Kamnik - KIK³², although large, is not visible in the city, it lays rather in its periphery, however, it captures the imagination of the city since it used to be a "secret city in the city" (quote from an interview). The city's rural character is emphasized by the sight of the Kaminski Alps in the North which convey to the city the character of a sub-alpine city also used in tourism marketing: "Embraced by the Kamnik-Savinja Alps".

Although rather rural, calm, townish and empty, surprisingly, the city does not feel old or abandoned. In fact, it has a comparably young population which is also highly visible in the city, such as at the Alprem factory area where a group of young people has built a skater park at a formerly abandoned area in the new town, at the Kotlovnica youth centre, and at the Kikštarter³³ start up centre, beside the schools and kindergartens. Interestingly, there exists even an active Student Club in Kamnik³⁴ even though there is no tertiary education institution. Many students and pupils of secondary education who attend for example artistic A level schools in Ljubljana commute on a daily basis, often using the railway, so that the city's railway station is crowded with young people especially during workday's mornings. According to a representative of the Kamnik municipality planning department: "The city enjoys immigration especially from young families who come here because of more affordable and cheaper costs of living compared with Ljubljana. It does not have a lack of young people rather a lack of jobs for young people".

These impressions of a comparatively young and dynamic city are backed by statistical data about Kamnik's demographic:³⁵ Since the number of live births was higher than the number of deaths, the natural increase per 1.000 population in the municipality was positive with 1,3 which is above the national average of -0,6. With a value of 6,5, net migration per 1.000 population in the municipality was positive, too. Thus, there was an overall population increase with 7,8 persons per 1.000 population which is higher than the Slovenian average with 7,2. In Kamnik, there was a population growth of 0,32% in 2020 compared to 2011. The average age is 41,8 years, which is below the Slovenia average with 43,4 years. There were 106 older people aged 65 or more per 100 younger people aged 0-14. However, this ageing index is considerably lower than the national average of 133.

City's identity

³² KiK, a producer of explosives, was one of the big factories once dominating the industrial sector in Kamnik. It declared bankruptcy on the 17th October 2009 with 103 employees. See <https://www.eurofound.europa.eu/observatories/emcc/erm/factsheets/kemijska-industrija-kamnik-kik> [last accessed 30th September 2021].

³³ The name Kikštarter is a neologism out of a wordplay combining the acronym KiK for Kemijska industrija Kamnik with the famous international crowdfunding platform Kickstarter. The building of the start-up center is located at the entrance of the former old gunpowder company, KIK. The acronym stands today for "Kreativna industrija Kamnik".

³⁴ See <http://www.skk.si> [Last accessed 30th September 2021].

³⁵ See Republic of Slovenia Statistical Office <https://www.stat.si/obcine/en/Municip/Index/60> [last accessed 30th September 2021].



The city's identity is shaped by the experiences of rapid industrialization, sudden de-industrialization and societal transformation after 1989 in Eastern Europe and the subsequent economic processes of catching up as well as by the city's position in the urban hierarchy and geographical position between the capital Ljubljana and alpine mountains, nested in the small Slovenian cultural nation defined by language. The recent industrial past is still deeply ingrained in the city's identity while it is already functionally integrated in the suburban belt of the Slovenian capital Ljubljana with more than 60% of the working population commuting (to Ljubljana). The ongoing transformation from a heavily industrialized city to a 'dormitory city' has been very fast. However, this transformation's results are not fully reflected in the city's identity yet. Many initiatives and events still center around the industrial past such as commemorative events about the former industrial companies during which former workers and managers discuss and process industrial heritage and the transformation period in the context of the Ex-Yugoslavian system of workers' self-management.³⁶ This recent socialist industrial past is still present in many family biographies. In interviews, many participants express their grievance about not only the loss of the industrial jobs in the city but also about the loss of the feeling of social security and community. For example, one interviewee expressed her regret about the loss of former industrial strengths when workers could easily find jobs in the many factories in the city even though her father as well as one of her brothers died in accidents in the KiK company during these times. Consequently, the discussion about cultural heritage and its conservation centers not only around the medieval past, but also around the more recent industrial heritage.³⁷ The political thinking is often directed towards the aim of restoring old industrial strength in the city. For example, the pilot project in StimulART can be traced back to this identity insofar as the CCI, as a more contemporary form of 'industry', is supposed to bring back new economic life to abandoned industrial sites which, for this purpose, are formally defined as cultural resources.³⁸

The city's cultural live is oriented towards Ljubljana which - as the capital city - is without doubt the main urban center in Slovenia while it is rather small when compared with other European capital cities.³⁹ When Kamnik's inhabitants compare the city with the capital city, Kamnik is the city "where the railway ends" (interview quote) referring to the fact that the last station of the single-track railway line connecting Kamnik with Ljubljana is the one of the former KiK company. This metaphor of a 'dead end' seems to be pervasive in many discourses about the city's future. However, it is challenged by an emerging new identity that accepts the fact that Kamnik becomes more and more functionally integrated within the Ljubljana metropolitan region together with all this process's implications: ongoing suburbanization and the trend towards a dormitory city but also the economic niches for a smart specialisation strategy offered by the division of tasks within such a metropolitan region with strong tertiary education institutions. On occasion of the public Kamnik Entrepreneurship Forum, held at 14th June 2017, the former mayor, Marjan Šarec, expressed his view: "We are facing the same problems as elsewhere in Slovenia, but we are slowly beginning to shake off the mentality and the lament for the times when Kamnik was a strong industrial town, when

³⁶ Yugoslavia's political economy was characterized by worker self-management and the institution of social property (as opposed to state property in the socialist, and private property in the capitalist states). See for a seminal analysis and theoretical reflection of the so-called "Illyrian firm" Jensen & Meckling 1979.



³⁷ See the well curated publications published by the Kamnik Municipality Museum "Medobčinski muzej Kamnik" (<https://www.muzej-kamnik-on.net/en/> [Last accessed 30th September 2021].): Marko Kumer, Kam so šle vse fabrike? Mali besednjak kamniške industrije (2014). Saša Bučan, Marko Kumer, Industrija Nostalgija: Kamniška industrija v likovnih upodobitvah (2015); Vilko Rifel, Anja Urankar and Marko Kumer, Na Sodu Smodnika (2017).

³⁸ It is something surprising and ironic, then, that there is not much industrial wasteland left in the city which could be revived by CCI actors. Most of the industrial buildings and facilities are used again, mostly by actors from the traditional economic sector.

³⁹ Note, Bogilovic & Pevcin (2020) refer to Ljubljana as a "small city". According to their sample of the cities of Bratislava, Tallinn, Ljubljana, and Edinburgh, cities can be called small up to 525.000 inhabitants (for Edinburgh) with Ljubljana having roughly 295.000 inhabitants. In this study, Ljubljana is called a small city as a result of an implicit comparison with global cities. The perception of city size seems to be a relative concept as a function of standpoint dependent observer criteria.

there were even 15.000 jobs. Kamnik is slowly finding a new path. We have turned our attention to tourism and entrepreneurship”.⁴⁰

In a sense, these two aspects of the city’s identity can be seen as expressed in two versions of the city symbol:

The Municipality of Kamnik’s coat of arms with the Countess of Veronika as the town’s patron	The logo of the Kamnik Institute of Tourism and Sport depicting the town in a more abstract, even avant-garde and cubist way ⁴¹
 Občina Kamnik	

3.5.2. Cultural and Creative Industries and the creativity of the economic sector

Activity level of the producers of cultural and creative products and services

We can’t find economic activities in all CCI sub-sectors in Kamnik. The best developed sub-sectors are architecture and design (graphic design, communication design, furniture and interior design). The structure of those businesses in the CCI that can be found here is defined by small businesses and freelancers catering mostly for a local market: locals, tourists, small businesses, and public or non-profit organizations are being served with basic products and services with rather low degrees of artistic value and aesthetic newness. Since the general industrial and economic activity level has only recently taken up speed, since the average level of income is lower than in the western EU countries, and since much of the demand for cultural and creative products and services is served for in the capital city Ljubljana, the local market niche for cultural products and services is rather small meaning that the few companies and freelancers in the market can hardly survive with their traditional business models leading to some fluctuations in this field. There are already occasional “economic migrants from Ljubljana” (interview quote from a graphic designer) existing who work as freelancers from Kamnik for the Ljubljana market since they can’t or don’t want afford the higher rents in the capital city. However, those ‘migrants’ are in the one-digit numbers and cannot become interpreted as a gentrification trend that pushes CCI stakeholders out of Ljubljana into its suburbia. Rather, two opposite phenomena are trending. At the one hand, some creatives who have tried to establish their business in Kamnik moved their businesses to Ljubljana after failing. At the other hand, some professionals from the creative occupations live in Kamnik but work in Ljubljana. According to information from an expert interview, especially among architects, there are some companies registered in Kamnik that have their offices in Ljubljana. Another phenomenon in Kamnik is, that members of those creative professions who normally can make a living out of their work in other cities and nations such as architects have to either offer other creative services such as graphic design and webpage design or work in secondary jobs such as teaching in order to secure steady income. This means by observation and extrapolation, that we can’t find artists of the Core Cultural Expressions who can make a living out of their work at the local market in Kamnik either. While we find a moderate number of artists working and living in the Kamnik municipality, artists rather work for the local market in Ljubljana. However, since the local market in Ljubljana which represents the Slovenian national market for products and services from the Core Cultural Expressions to a very large degree is comparatively small, too, even those nationally oriented artists can’t make a living out of their

⁴⁰ See Kamnik Business Club <http://www.kamnikbiz.club/vrhunski-podjetniski-talk-show-vrhunski-govorniki-okrogle-mize-kamnikski-podjetniski-forum/> [Last accessed 30th September 2021].

⁴¹ See the institute’s website <https://www.visitkamnik.com/sl> [Last accessed 30th September 2021],



work which is a phenomenon we will discuss later. Accordingly, interview partners from the Core Cultural Expressions sector report that no single artist can make a living just on the income earned in the local or national arts market. Most active artists are listed as officially recognized artists with the Slovenian Ministry of Culture which secures them some tax and health insurance privileges, and top up income with non-art related jobs such as in teaching, or the other way round, they top up income from other sources with occasional sales at the arts market. Some artists have given up art as a professional occupation and are practicing it only as a hobby.

There are only a few exceptions to these general observable CCI market patterns. The botanical garden Arboretum Volcji Potok which comprises a department for landscape architecture and gardening and is host for some cultural events in cooperation with Ljubljana based institutions. In its landscape architecture department work some landscape architects who deliver creative services to the region, especially to municipalities and private real estate owners. Besides, it markets its exhibition services nationally and even internationally. Thus, the Arboretum follows a product design differentiation and quality strategy aiming at markets beyond the local market level thereby transcending the limits of the local market.

Lina Furniture takes up the long tradition of furniture design and manufacturing in Kamnik. For the tradition of not only manufacturing furniture but also designing it stands the old Stol company together with its head designer, Niko Kralj (1920-2013), and his chair designs such as the famous “Rex” chair line. Stol Furniture Factory, formerly Remec Furniture Factory established in 1918, made itself a name with the production of the famous Thonet No. 14 chair made of bended woods⁴² before venturing in product differentiation with designing new furniture in the mid-century design style after its nationalization in 1945. The old Stol company had to close down at the end of the 1990s.

IR Image is a full-service communication agency catering for the Slovenian market.⁴³ It is also the publisher of the regional advertising paper and news platform Modre Novice which also covers the neighbouring municipalities north of Ljubljana beside Kamnik with its website and print issues.⁴⁴ In the Kikštarter community, with Grafikum and Tajda Tonin⁴⁵ there are two graphic designers partly serving the national market.

Interestingly, there is the company Interblock Gaming specialized in “luxury electronic table gaming products”⁴⁶ that is localized in the neighbouring municipality, Mengeš, that demonstrates the potentials the Ljubljana metropolitan region has as a location for high-tech product companies that follow a product differentiating and quality market strategy (within the technical supplier infrastructure for the games world-market). Interblock Gaming has been founded by an entrepreneur stemming from and still living in Kamnik, Joc Peččnik. In 2013, Peččnik acquired the game developer company Zootfly, established in Ljubljana 2002, then programming games for Playstation 3, Xbox 360, Wii, and PC, in the genres of action, adventure, and first-person shooters, and merged it with Interblock. Today, Zootfly is programming online slot games.⁴⁷

However, Kamnik’s cultural live is surprisingly rich and heterogeneous which one would not predict based on the activity level of the CCI sector alone. Instead, we have to look at the non-profit sectors of cultural production to explain this richness of cultural live. The fact of a strong cultural live despite a weak CCI sector can make us aware of the particular role the non-profit sectors of cultural production play in SMSC at the one hand and can throw a spotlight at the particular role the “national cultural model” (interview quote, former head of the Kamnik municipality’s Institute for Tourism and Sport) can play in SMSC at the other hand. We will discuss these two aspects in the reminder of this section.

⁴² See <https://www.muzej-kamnik-on.net/razstave/thonetovo-pohistvo/> [Last accessed 30th September 2021].

⁴³ See <https://www.ir-image.si> [Last accessed 30th September 2021].

⁴⁴ See <https://www.modre-novice.si> [Last accessed 30th September 2021].

⁴⁵ See <https://lenartgrkman.portfoliobox.net> and <https://tajdatonin.com> [Last accessed 30th September 2021].

⁴⁶ See <https://www.interblockgaming.com/about/> [Last accessed 30th September 2021].

⁴⁷ See <https://www.zootfly.com> [Last accessed 30th September 2021].



The importance of the non-profit sector of cultural production in Kamnik

Much of the cultural live going on in Kamnik is organized by cultural organisations founded and funded either by the government or by the municipality, or cultural events and programs are organized by non-profit cultural associations which are partly financed by public budgets. For example, there exist even a sinfonic orchestra in Kamnik which is composed of alumni and retired or active teachers of Kamnik's public elementary music school as well as of other amateur musicians and which is organized as a non-profit association founded in 1971.⁴⁸ According to the volunteer manager and board member, the sinfonic orchestra is mostly financed by its members' regular membership fees while some of its expenses for public concerts in the region are partly reimbursed up to 30% by the Kamnik or Domžale municipality. The regular sinfonic orchestra's concerts in Kamnik are attended by the locals for many reasons, including non-aesthetic ones such as community building, showing social support, conviviality and entertainment.

One particular important cultural organisation is Kamnik Intermunicipal Museum which has been founded in 1961 and which, staffed with eight employees, runs four different sites in the city: the Zaprice Castle, an open-air museum of granaries from Tuhinj Valley in the castle forecourt, the Miha Maleš Collection Gallery, and the Birthplace of Rudolf Maister.⁴⁹ The museum preserves, maintains and presents movable cultural heritage and collects archaeological, historical, ethnological, and art historical heritage in the region. It maintains documentation and library, organises lectures, workshops, guided tours, and publishes different monographies and exhibition catalogues. Recently, it has expanded its activities even further into organizing events such as debates and concerts. According to its director, 70-80% of its budget are funded by the government, the rest of the budget comes from entrance fees, the museum shop, and the municipality. With a new focus on industrial heritage and the recent past of socialist worker-self-management it has been winning over new visitor groups recently.

Another important association in Kamnik is the Dom kulture⁵⁰ which was funded by the municipality. Dom kulture, run and maintained by four employees, is located in a relatively big building with a theatre and concert hall at the entrance of the old powder factory close to the old town. It belongs to the approximately 980 cultural centres in Slovenia located in smaller towns which provide the main space for creativity, social meeting places, places for concerts and cultural events and programs. They also provide shelter to amateur cultural associations especially in the fields of music and theatre.

Another association funded by the municipality Kamnik and closely connected with Dom kulture is the youth center Kotlovnica which is located in Dom kulture's basement.⁵¹ This youth center belongs to the group of 60 youth cultural centres in Slovenia which are located in bigger urban areas and whose work is based on the law of "Public Interest in the Youth Sector Act (ZJIMS)"⁵² which defines the objectives and intervention fields:

- non-formal learning and training, and improving competences;
- access to the labour market and the development of youth entrepreneurship;
- social inclusion for young people with fewer opportunities in society;
- volunteering, solidarity and intergenerational cooperation;
- mobility and international networking;
- promotion of healthy lifestyles and prevention of dependence;
- access to cultural goods and the promotion of creativity and innovation;
- participation in the management of public affairs in society.

⁴⁸ See <https://sodk.si> [last accessed 30th September 2021].

⁴⁹ See <https://www.muzej-kamnik-on.net/en/> [last accessed 30th September 2021].

⁵⁰ See <https://www.domkulture.org/slo/> [last accessed 30th September 2021].

⁵¹ See <https://www.kotlovnica.si/sl> [last accessed 30th September 2021].

⁵² See <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO5834> [last accessed 30th September 2021].



Accordingly, the gamut of the youth center's activities is very broad, ranging from a steady programme of concerts, improvisational theatre, workshops (video, photography, language courses, stage engineering, creative writing, visual arts), and lectures up to social gatherings, a gallery, and the organization of the annual Kamfest festival.

The Public Library France Balantič Kamnik is another major cultural hub funded by the municipality.⁵³ With 17 employees it is not only a democratic knowledge hub and portal to the knowledge economy for Kamnik's citizens with appropriate programs such as the improvement of literacy in families, it also organizes cultural events such as readings, maintains immaterial cultural heritage such as local fairy tales celebrated during children festival Veronika, engages in inter-cultural dialogue to heal the wounds the Balkan wars have inflicted, publishes books, provides third places for social community building, and a safe learning environment.

Beside amateur cultural associations and associations with cultural objectives run by public bodies, we also find cultural associations run by artists such as the street theatre group Priden možic.⁵⁴ One of the organizers, Goran Završnik, is currently employed by the municipality as the artistic director of Dom kulture. Between 2002 and 2017, the Priden možic Cultural Association officially managed the Kamnik Dom kulture entirely. During this period, the association, together with the Kamnik Municipality, the Kamnik Youth Council, the Slovenian Fund for Cultural Activities, JSKD⁵⁵, and the Kotlovica youth centre contributed to the development of a row of events, festivals, and programs such as the Medieval Days in Kamnik, Kamfest Festival, Town Meeting, Carnival Carnival, Kamnik Quiz, Kikštarter, Katzenberg Cultural Garden, Fire Veronica, Anna Ten in Kamnik, Barutana Creative Quarter, Powder and Companionship Trail, and Camera Flows.⁵⁶ The association regularly applies for calls for cultural programs by the municipality, the JSKD, or the government for the funding of their artistic programs such as street theatre performances. However, many of its artistic activities are neither supported by public funds nor economically sustainable but are rather implemented based on intrinsic motivation and co-funded out of private funds.

When we combine the cultural activities, events, and programs of all these cultural associations and institutions, we find an explanation for the question how the cultural life of Kamnik can be so rich even though the creative industry is rather weak, the economic activities in cultural production are even weaker, and major institutions of public cultural production are missing. In terms of the three-sector model of cultural production, we can recognise that most of cultural life in Kamnik is organized and maintained either by cultural associations from civic-society or by public cultural institutions. Interestingly, all three types of cultural organizations from the non-profit sector of cultural production, amateur cultural associations, public cultural institutions, and artistic cultural associations, draw on the particular Slovenian resource of the so-called 'cultural worker' to maintain and execute their projects and programs. While the public cultural institutions employ regular employees at the one hand and award temporary contracts to registered self-employed cultural producers, amateur cultural associations and cultural associations of the independent cultural scene run by artists will normally only award temporary contracts to cultural workers based on successful applications for public grants. However, the Slovenian Fund For Cultural Activities, JSKD, which is also operating in Kamnik, is especially important for the latter both association types since it organizes the program and project budgets for alternative and amateur culture.

On balance, the organization and maintenance of Kamnik's rich cultural life is based on a very peculiar pattern of cultural policy institutions. Are those patterns only true for Kamnik or do we find in Kamnik rather a typical expression of a more general structure of a model for cultural production in Slovenia? To answer this question, we will turn our attention to Ljubljana's system of cultural production which can serve us here as a maximum contrasting example in a comparison with Kamnik.

⁵³ See <https://www.kam.sik.si/> [last accessed 30th September 2021].

⁵⁴ See <http://www.pridenmozic.si/slo/> [last accessed 30th September 2021].

⁵⁵ "Javni Sklad Republika Slovenije Za Kulturne Dejavnosti", see <http://www.jskd.si/> [last accessed 30th September 2021].

⁵⁶ See <https://www.kamnik.info/tudi-mi-smo-za-kamnik-iii/> [last accessed 30th September 2021].



Excursus: The system of cultural production in Ljubljana

According to a SWOT analysis for Ljubljana's CCI sector, conducted in 2010 based on quantitative data and qualitative expert interviews in 9 CCI sub-sectors (see Murovec & Kavas 2010), even at the level of the Slovenian capital city, where the CCI concentrate, we can observe a similar pattern compared with Kamnik: While the creative industries are comparably weak with an even weaker sector of for-profit cultural production there exist a rich cultural life. Privately owned firms make up only a minor part of the cultural sector. Even when a higher share of cultural production is produced by private companies such as in publishing, film, music distribution and production, those companies are highly dependent on public funds which make up a significant share of their total budgets. A very important role is played by NGOs which to a large extent are founded by the state or the municipality and which consist of different cultural associations and institutions. Since the coherence of the Slovenian nation state hinges on its identity as a culturally defined nation, the cultural sector is well supported by the central government, and Slovenia has many public cultural institutions of which a majority is located in Ljubljana. The funding of cultural associations and institutions depends on short term project and program funding coming either from the central government or the municipalities. The share of the budget for culture on the total budget of Ljubljana municipality was 6,61% in 2007, 7,65% in 2008, 5,7 in 2009 and 6,47% in 2010.

The SWOT analysis quoted above identifies as the main weaknesses of the CCI sector that each of the CCI market is very small with a lack of a critical mass of interested buyers, that concentration processes take place within sub-sectors, and that competition is based on price rather than quality and innovativeness (Murovec & Kavas 2010: 3 & 61). The market for contemporary art is particularly small: „Independent artists struggle on a small Slovenian market. Since there are not many individuals who appreciate contemporary fine arts and can also afford to buy it, the paradox that sometimes happens on art auctions is decreasing, instead of increasing bids” (Murovec & Kavas 2010: 40).

Since we can find a similar pattern in Ljubljana's system of cultural production as in Kamnik, except some dissimilarities due to Ljubljana's capital city status, we can conclude that Kamnik does not represent an exception in the Slovenian model of cultural production but that Kamnik is rather a typical expression of its general structure. To better understand this typical structure, we will have a closer look at it in the following chapter.

Some elements of the Slovenian model of cultural production

We have seen that the rich cultural life in Kamnik is almost completely dependend on the non-for-profit sector of cultural production which in turn depends on the Slovenian cultural policy framework. Far from a complete analysis of this framework, we will try to identify some important elements of the Slovenian model of cultural production.

- The arts and culture have a very high value in Slovenia since they are constitutive for the Slovenian national identity and, thus, “were in a way a substitute for the lack of national, political and government institutions” (Murovec et al. 2012: 4). Until 1991, the imagined community of a Slovenian nation had to define itself and to defend this definition in the context of larger empires, federations, or nation states, be it the Austro-Hungarian Empire, Italy, the Kingdom of Yugoslavia or the socialist Republic of Yugoslavia. Thus, Slovenia as an (imagined) cultural nation based on language preceded its existence as a nation state. Language based culture played the essential role in defining the Slovenian nation as a linguistic community unified by the usage of a distinctive language which in turn defined the borders and the political legitimation of the Slovenian nation state. A Slovenian nationalism movement started in the form of civic initiatives in the 19th century which later became public cultural institutions by regular financing during the first decades of the last century.⁵⁷ The Slovenian national culture could further develop during the years of the Yugoslav Federal Republic in its institutions of cultural policy

⁵⁷ See, for example, the biography of Rudolf Majster for whom a museum is dedicated in Kamnik <https://www.muzej-kamnik-on.net/en/exhibitions/rudolf-maister-patriot-general-cultural-figure-poet-bibliophile/> [Last accessed 30th September 2021].



which were characterised, among others, by the criteria of polycentric development, decentralisation, and self-management of cultural communities at the local level. During the 1980's, when the central government in Belgrade defined a mandatory core Yugoslav curriculum of literature and language overwhelmingly based on the Serbian majority culture in an attempt to further unify and centralize the Yugoslavian federal republic, many Slovenian cultural professionals, intellectuals and politicians feared the loss of its language, culture and national identity. Thus, a particular cultural policy of the Yugoslav government constituted the starting point of a cultural movement for Slovenian independence which led eventually to disintegration of Yugoslavia in 1991, shortly after the Socialist Bloc Countries had collapsed, and to the foundation of the first Slovenian nation state. The coherence of the Slovenian nation state hinges on its identity as a culturally defined nation.

- Today, culture is seen as a public good that has to be provided by public bodies, thus, it has become de-nationalised. In 2013 in Slovenia, total public expenditures for culture made up approximately 284 million EUR which corresponded to 2,95% in total public expenditure or to 0,79% of the GDP. The share of all households spending on cultural activities and goods was 2,31% of the GDP in 2012, divided between the share of public cultural expenditure of 0,93% and the share of private household spending on culture of 1,38%.
- As a result of the Yugoslavian cultural policy, three parallel cultural scenes were existing in Slovenia when Yugoslavia disintegrated which still exist today (see Copic & Sakar 2015: 3):
 - established institutional culture, structurally supported by public authorities;
 - amateur culture, assisted by quasi-governmental, yet field-specific professional umbrella organisations financed by public funding;
 - and independent alternative culture with some occasional project funding.
- The network of public cultural institutions is supported by public funds not only in Ljubljana but in smaller towns and the countryside too, in accordance with the concept of the polycentric development of Slovenian urban system, first introduced to the country in 1973 and 1975 when the parliament of the then Socialist Republic of Slovenia adopted the Guidance's for Polycentric Development (1973) and the Polycentric Concept for Urbanisation (1975), and restated it for Slovenia with the adoption of the Spatial Planning Act in 2003 (see ESPON project 1.1.3 2005: 174). Being a country of 2.1 million people and approx. 20.000 square kilometres, no regional authority operates between the state and local level in Slovenia. There is a division of tasks in the field of cultural policy between the state and the municipalities. The obligations of the 212 local communities in the cultural field are: to maintain library activities, cultural and arts activities and amateur cultural activities, the conservation of tangible and intangible cultural heritage and the support of other cultural programmes of local importance (see Copic & Srakar 2015: 71). However, with 55% of the public cultural expenditures spent by the state and 45% by the local level in 2013 (Council of Europe 2015: 74), Slovenia belongs to the small minority of countries in the EU where state funds for culture make up a higher share of the overall public budget than the local funds.
- The public sector is the dominant sector for the production of culture, particularly for cultural products and services with a high share of cultural and avant-garde content. Cultural activities depend highly on public funding with a high fixed part of the annual state budget for culture. In 2013, ca. 70% of state funds went to public cultural institutions with larger municipal institutions (12 theatres and 28 museums) also centrally financed by the state while only 6% were used to support the independent cultural and art scene. In 2012, only 6.2 Mio. EUR or 3,93% of the cultural budget were spent by the state in the category 'projects for self-employed in culture' while the amount spent for 'programs for self-employed persons in culture' equalled nil (Council of Europe 2015: 71-75).
- Public cultural institutions are not part of state or local administration but rather separate legal entities with full economic and management accountability. However, they are subject to a central system of public employment regulation and budgetary funding procedures.



- The status of established institutional culture structurally supported by the authorities remains the most appreciated format for cultural production in Slovenia.
- Even though the public sector dominates in the Slovenian model of cultural production, the field of culture is strongly dedicated to the values of artistic autonomy and high-quality standards. Those values are seen as being endangered by commercialization and monetarization across the cultural field.
- The government support of amateur culture goes back to the Republic of Yugoslavia, where in the tradition of worker self-management, democratisation, and de-elitisation of culture, the development of amateur culture was an integral part of cultural policy. Since amateur culture was an important source for and expression of the Slovenian national culture as well, its support in Slovenia was even stronger. However, Slovenian independence from Yugoslavia in 1991 destroyed the foundations of the public funding for amateur culture which was tied to the local level in Yugoslavia. Before this background, the Slovenian Fund For Cultural Activities, JSKD, has been established by the Slovenian government in 1996 to substitute for an institutional framework of cultural experts and financial support for amateur culture in particular and the civic society at local level in general. In addition, amateur culture has been included in the 'Provision of Funds for Certain Vital Cultural Programmes of the Republic of Slovenia Act' since 1998. Accordingly, around 5% of these funds went to amateur culture in the period from 2004 to 2007 per year. The importance of amateur culture for Slovenia is reflected in the following data: In 2013, more than 100.000 individuals were involved in amateur arts activities in approximately 4.900 groups of amateur arts, among them choirs (about 1.900), folklore dance groups (715), theatre and puppet groups (630), fine arts groups (338), contemporary dance groups (229), literature groups (184), and film related groups (71) (see Copic & Sakar 2015: 91).
- In Slovenia, there were 2.855 associations operating in the cultural field in 2008 which represent a share of 14,2% of the total number of associations (20.131). Besides, there were 192 other non-profit organisations active in the field of culture, entertainment and recreational activities in Slovenia in 2008 of which 47 operated in Ljubljana (Murovec & Kavas 2010: 37).
- The legal institution of the so-called 'cultural worker' plays an important role in the Slovenian model of cultural production. This institution goes back as far 1982 when the then socialist Yugoslavia introduced the category of 'independent cultural workers' in its legal framework. The designation of this legal institution changed to 'freelancers in the field of culture' in 1994, and finally to 'self-employed persons in the field of culture' in 2002 (see Praznik 2018). Under this framework, the Ministry of Culture grants certain privileges to selected 'self-employed persons in culture', provided they can meet a set of criteria such as practising their art as a profession or an occupation with the actual occupation proofed either with an art or arts-related educational degree or by demonstrating professional work experience in the arts, they should take permanently residence in Slovenia and should not be employed full-time elsewhere. The specific measures for self-employed persons in the cultural sector include the recognition of their freelance status for social security reimbursements and, in addition, a tax exemption until the threshold of 22.000€ sales a year. This special status is awarded for three years and may be extended after review. The Registry of Self-Employed Professionals in Culture is maintained centrally by the Ministry of Culture. The number of registered self-employed cultural producers is steadily growing with the growth fuelled by university education in culture and the arts. According to the latest available official data, while the number of employed persons in culture stagnated between 2005 and 2013 around 17.500 persons, the number of self-employed persons in culture increased from 3.942 in 2003 to 6.693 in 2013 of whom 33% (2.278) were recorded in the Registry of the Ministry of Culture of whom 66% (1.494) were eligible for payment of social security by the Ministry which cost 5.77 million EUR in 2012 or almost 3.35% of the ministry's budget (see Copic & Sakar 2015: 47).
- The Slovenian independent alternative culture reproduces itself with the help of the institution of the 'cultural worker'. Although it is made up of artists and cultural producers who have the legal status of freelancers or self-employed persons, the alternative independent cultural scene belongs economically rather to the third sector of cultural production where it competes with non-profit and non-



governmental associations for a very small fraction of the overall public funds for culture while, ironically, cultivating a strong anti-establishment mindset.

- Beside supporting amateur cultural associations, the JFKD acts as a cultural intermediary, performs organisational and administrative services in the field of culture for local communities, and implements governmental cultural policy in many areas. It is headquartered in Ljubljana and has 59 local offices in all major urban centres in Slovenia, including Kamnik. Project funding follows the model for decentralized self-organizing of the cultural field, with the JSKD as a decentralized and autonomous expert organization to support the national amateur culture as well as municipalities. The JSKD publishes annual calls for financing of projects and programs and provides small investments for cultural associations and youth culture centres (see Copic & Sakar 2015: 90/91).
- One important element of the Slovenian model of cultural production is the almost complete lack of a viable market for Slovenian cultural products and services with a high share of symbolic and avant-garde content. This missing market became obvious very early in the process of transition from socialism to liberal social-welfare capitalism. Shortly after transition, the Open Society Foundation⁵⁸ took their operation also to Slovenia where it supported the independent cultural producers and their organisations and art initiatives. However, these financial investments were not sustainable but rather demonstrated that “weak cultural market with underdeveloped support schemes and tax incentives could not present a reliable alternative to the traditional model” (see Copic & Sakar 2015: 5). At present, it makes almost no sense to speak about Cultural Industries in Slovenia since they are almost non-existent. Cultural products and services are mainly produced not within the CCI but rather in the public sector and in the third sector of cultural production, the latter defined by non-governmental and non-for-profit organisations that compete for small public funds for projects and programs.⁵⁹

The following example about the publishing sector in Slovenia is supposed to serve as an illustration of the conditions connected with a small and underdeveloped national market for cultural products that is based on a small linguistic community. According to experts in the field of publishing in the Slovenian market,⁶⁰ a book can be called a success when 500 copies were sold. A normal print run for literary fiction is about 300-500 copies with 1.000-1.500 copies printed for more commercial titles. Best-selling books in Slovenia tend to sell around 20.000 copies. Given the relative low level of production costs, the publishers are able to break even before the first copy is sold in bookshops with the help of guaranteed purchases of Slovenian libraries that buy a few hundred copies of each book, while writers and authors cannot earn a steady income based on their creative activity even if successful with a bestseller on the Slovenian market. By supporting libraries, the Slovenian cultural policy apparently rather supports the publishing industry than the creative input. However, under such conditions, writers and authors are forced to take up either several jobs in the CCI, for example to publish in several fields or to become a copy writer for marketing agencies or a journalist, or to even take on rather ‘hum-drum’ jobs beyond the CCI in order to make a living. The smallness of Slovenia is a mixed blessing for publishing: At the one hand it is comparatively easy to catch the national attention for a publication and thus to become a successful author in relative terms in Slovenia, at the other hand does this artistic success not equal viable economic success and even the most successful authors in artistic terms are not capable to survive by commercializing their artistic creativity. In addition to the smallness of the national market, the smallness of the Slovenian linguistic community is a liability for the success at international markets, too. While international publishing houses search the literature in other languages to identify potential bestsellers for their domestic markets, the Slovenian literature regularly escapes their attention. But even when there is some visibility and success at international markets, this

⁵⁸ See <https://www.opensocietyfoundations.org/> [last accessed 30th September 2021].

⁵⁹ Therefore, we have to make a distinction between the markets for products and services of the cultural industries and those of the creative industries. While the national, regional, or local markets in Slovenia may be large enough to cater for firms and freelancer careers in the creative industries, cultural products with a high share of cultural value or avant-garde aesthetics can’t find a market sufficiently large for sustainable profits.

⁶⁰ The following data are cited from an interview of Aleš Šteger, editor at Beletrina Press and award-winning poet, conducted by N. Charney (2012). See for a similar account Murovec & Kavas 2010: 44-46.



does not mean commercial success either: Miha Mazzini is the best-selling contemporary novelist in Slovenian history with novels selling even in international markets, however, he has a full-time job as a computer specialist for the national telecommunications firm and happens to write only on weekends and holidays. In other words, the condition on the Slovenian book market mentioned lead to a situation where creatives write out of passion and vocation: “To choose to be a writer in Slovenia cannot be a career-and-finances decision. It must be an act of love, of compulsion to write” (Charney 2012).

All the elements of the Slovenian model of cultural production work together in the reproduction of that model. There are several interdependences between the elements detectable. The smallness of the Slovenian national market for cultural products and services not only poses an obstacle to the establishment of viable business models for firms and artist careers based on the market in the CCI sector, but rather the whole Slovenian model of cultural production is adapted to this condition.

- The ‘self-employed persons in culture’ who would be by default the carriers and drivers of the CCI are stuck between a national market too small for viable businesses, a lack of international visibility and recognition, and the public underfunding of their practices and projects, while they strongly believe in artistic autonomy which make them wish for a cultural policy that supports this artistic autonomy unconditionally with the public authorities resorting to traditional paternalistic relations towards the independent art scene.
- With the Slovenian cultural markets rather small and underdeveloped, many ‘cultural workers’ can’t see a sustainable economic perspective for their artistic practices. They rather tend to accept precarious employment by public cultural institutions or third sector cultural associations on the basis of short-term civil-law contracts financed by public cultural funds since they are intrinsically motivated to work in the cultural field in their professions whatsoever.
- Seen from the perspective of underfunded public cultural institutions and third sector cultural associations, the ‘cultural workers’ build a reservoir of highly qualified and intrinsically motivated, yet cheap labour which allows in turn for the reproduction of their respective organisations and for the production of cultural programs and projects with a relatively high professional quality although there exists a structural underfunding by public cultural funds.
- Seen from the perspective of the state bureaucracy, thanks to the reservoir-army of ‘cultural workers’, the cultural nation Slovenia is able to reproduce their cultural infrastructure as well as to stage a rich cultural live with a comparatively low budget for culture.
- Seen from the perspective of ‘cultural workers’, the Slovenian model of cultural production offers them the option to practice their learned profession beyond a hobby without having a realistic chance towards a wholistic and commercially successful artistic career.
- Seen from the perspective of the Slovenian model of cultural production itself, this model provides little incentives for ‘cultural workers’ to experiment with business models in the CCI and to develop business and entrepreneurial skills complementary to their creative mindsets.

As a result of these interdependencies, the commercial sector of the cultural production remains underdeveloped in Slovenia while the public and the third sector are able to reproduce their status quo at low costs.

More generally spoken, with this discussion we could identify that a national model of cultural production does exert a strong influence on the specific workings of the sector of cultural production in SMSC. We could identify this influence in Kamnik because such an influence is particularly strongly visible in such a small country like Slovenia where there is almost no market for cultural products and services with a high degree of symbolic and avant-garde content while culture plays a particularly important role for nation-building in Slovenia: The Slovenian national model of cultural productions seems to substitute for a market failure to a certain degree which is exactly the reason why a national model of cultural production becomes so visible in the small town of Kamnik which lies in the periphery of a rather small capital city of a small nation state which defines itself as a cultural nation by its language.



Activity level of the producers of traditional trades and crafts

There is a tradition of a particular ceramic hand-painting style closely linked to Kamnik, called Majolka which is preserved by the House of Ceramics which started as an organization to preserve and maintain the knowledge about painting jugs and other ceramic products with certain flower motifs in a certain style by way of holding workshops and events. Majolka jugs and ceramics are still made and sold by some small ateliers.⁶¹ However, the emphasis on preserving traditional knowledge and folk products may hinder the development of new styles and designs. As one ceramist put it in an interview: “It’s dangerous to do something new ceramic wise here, something different from Majolka. People are narrow minded and don’t understand. They won’t buy anything that doesn’t look like the traditional forms and that doesn’t have the typical Kamnik motifs on it.”

Most of the Kamnik factories that went bankrupt during transformation were operating in the light industry such as in furniture production that drew on the rich wood resources of the nearby forests. Some of those former factories’ employees started their own small businesses such as the family business Ocean⁶² that was founded out of the furniture factory Stol’s workshop for metal structures for office furniture, hall chairs, and school furniture. In the meantime, carpenter workshops, according to Kamnik’s GAP analysis, build a “quite well-developed business segment in the city and surroundings” (p. 18) in line with the long tradition of furniture industry in the city and its hinterland’s natural wood resources. While most of those small companies operate on the level of crafts some of them employ designers or source design services for the aestheticization and differentiation of their products, thus, trying to capitalize on both the old Stol factory’s and Nico Kralj’s reputation for furniture design, thereby indicating a thin line between crafts and design. However, those efforts of Kamnik based companies to build upon the design legacy of Nico Kralj have to compete with the Ljubljana based company “Rex Kralj” that claims not only to sell his legacy designs but also to design new furniture products inspired by Nico Kralj’s design legacy in cooperation with international designers.⁶³

Another folk tradition are the annual “Days of National Costumes and Clothing Heritage” held since 1966. This festival is the largest ethnological festival in Slovenia that takes place on the second weekend in September regularly since 1983. The festival combines ethnological, cultural and entertainment content with a main focus on Slovenian clothing heritage. Almost 2.000 participants take part in the final parade on Sundays. The festival attracts 30.000 national and international visitors. However, the festival indicates rather a tradition of the display of folk craft than a living craft tradition in the territory, hence it belongs to the city’s event economy.

Level of creativity in the traditional economic sectors

When we look at the economic data again, presented above, we see that Kamnik had suffered from strong de-industrialization processes during transformation after 1989 that were even stronger than in the rest of the Slovenian nation. However, it has managed to start an economic catching up process and is about to close the gap to the Slovenian average in terms of value added per employee, export orientation, turnover, and employees’ average net salaries thanks to the growth and rentability of the Kamnik based companies. On occasion of the public Kamnik Entrepreneurship Forum, held at 14th June 2017, one of Kamnik’s entrepreneurs, Aleš Juhant, owner and CEO of Metal Profil⁶⁴, wrapped this development up in his own words as follows: “To be fair - Kamnik was declining because it lost all its old industry - Titan, Utok, Svilanit, KIK, STOL - but opportunities opened up for those who had their own ideas and came up with them from their garages. They were able to rent space at low prices and we gained a whole bunch of new craftsmen in Kamnik who were able to start working quickly. But it is also true that those of us who work only in Slovenia

⁶¹ See “House of Ceramics“ <https://www.facebook.com/hisakeramike.kud> [Last accessed 11th August 2021].

⁶² See <http://www.ocean.si/home/> [Last accessed 30th September 2021].

⁶³ See <https://rex-kralj.com> [Last accessed 30th September 2021].

⁶⁴ See <https://metal-profil.si> [Last accessed 30th September 2021].



must necessarily keep up with world markets. The municipality and the state need to follow our development together with us, and we urgently need an industrial zone in Kamnik"⁶⁵. Not only that the city has almost caught up economically with the Slovenian average and has become even ahead of it in some dimensions recently, it has managed so by entrepreneurial activities that were competitive at international markets, transcending local, regional, and national market boundaries. Interestingly, Kamnik does not need the CCI to revitalize and to revalue the formerly abandoned industrial wastelands. Rather entrepreneurial activities in the traditional economy have not only been strong and vivid enough to rejuvenate economic life in traditional industrial areas but they have even already outgrown the existing areas dedicated to economic and industrial activities in the city. Kamnik is a growing city where competitive requests are made for both: areas for living in the suburban ring of the Ljubljana and areas for economic activities in the emerging metropolitan Ljubljana region.

However, Kamnik's value for value added per employee is still below the Slovenian average which is below the EU average mostly because the share of services in the Slovenian economy is lower and the share of industrial production is much higher than the EU average and because a considerable share of the added value in the manufacturing sector is still created by low technology activities (Murovec & Kavas 2010: 7-8). Slovenian firms are in the periphery of Western European capitalism, thus serving mostly as extended workbenches of western European firms rather than as focal firms themselves. Thus, most companies sell semi-finished goods to industrial clients and do not operate in the end-consumer markets, accordingly, they compete often based on price and cost-cutting rather than on quality, innovativeness, and/or product differentiation and trademarks (Murovec & Kavas 2012: 8-9). In addition, much of Slovenian consumer goods were massively devalued in the eyes of its domestic and international customers after the breakdown of the former Eastern Bloc when the masses in Eastern Europe strived to achieve Western European standards and the reputation of the Eastern Bloc in general, and of the Balkan states in particular were damaged for the loss of the system conflict and the Balkan civil wars particularly with respect to consumer goods. Creativity and innovativeness are needed in economic restructuring particularly when the catching up process with Western Europe is supposed to accelerate by an improved competitiveness on the basis of technological restructuring in information and communication technology, higher investment in R&D, and knowledge intensification in knowledge-based business services.

Before this background, an activation of entrepreneurship and an increase in entrepreneurship activity might not be enough to close the gap in competitiveness with Western Europe competitors. However, even in Kamnik, where light industry and food industry dominate, we can find some approaches towards knowledge intensive industries and services.

High-Tech Sector

There is some technological creativity located in the municipality. WFOIL Group has been working on the development of a new design for hydroplanes.⁶⁶ GEMmotors develops and builds electric in-wheel motors for small and light E-mobility concepts.⁶⁷ The firm Pos Electroncek whose owner is also the founder of Interblock Gaming at the same time develops software for tourism and catering.⁶⁸ Kamnik is the location for branches of electronic technology and software engineering firms such as Elektrina with its headquarter in the neighbouring town Mengeš.⁶⁹ According to the local GAP analysis, many employees with an engineering background from Kamnik work in electronic engineering and software engineering companies in neighbouring communities such as Domžale and Mengeš. All these companies have close links to the engineering, information science and natural sciences faculties of Ljubljana University. As already pointed out, all those

⁶⁵ See <http://www.kamnikbiz.club/vrhunski-podjetniski-talk-show-vrhunski-govorniki-okrog-le-mize-kamniski-podjetniski-forum/> [Last accessed 30th September 2021].

⁶⁶ See <https://www.linkedin.com/in/tomaz-zore-551467160/> [Last accessed 30th September 2021].

⁶⁷ See <https://www.gemmotors.si> [Last accessed 30th September 2021].

⁶⁸ See <https://pos-elektroncek.si> [Last accessed 30th September 2021].

⁶⁹ See <http://www.elektrina.si> [Last accessed 30th September 2021].



examples show the potentials the Ljubljana metropolitan region has as a location for knowledge intensive companies that follow a product differentiating and quality market strategy. These developments also indicate the increasing functional interwovenness of the different municipalities in the Ljubljana metropolitan region.

Food sector

Kamnik's economy is particularly strong in the food sector. Beside smaller firms, there are also some major Slovenian national brands in the food production sector, such as Anton (Meso Kamnik) and Eta Kamnik, as well as one company, Nectar Natura, that serves international markets with their soft drinks, technology for drink dispensers for hotels and company cafeterias, and services, emancipating themselves from the small Slovenian market by merging technological developments, design, and food production, following a product differentiating, quality, and customer-centric strategy.⁷⁰ Beside the strategy of merging technology with food production, we can observe attempts to another product differentiation strategy among Kamnik's companies which is to elevate food to the level of a cultural product. Though, this strategy has seen different levels of success when it comes to internationalization.

According to an interview with the CEO of Eta Kamnik, the company launches new products and new packaging based on a close observation of world food trends on a regular basis. While the innovations in food products are realized inhouse facilitating resources such as brand management, food chemists and engineers, the creative input in packaging and marketing is provided by a Ljubljana based marketing agency. Currently, 88% of the food production is sold in Slovenia and 12% in 24 international, small markets. The company has been trying to rejuvenate its brand "Natureta" in recent years by addressing a younger clientele with an "innovative, trendy digital first communication strategy" and lifestyle products that answer the new demand for more flavour, yet less sugar and fat in food products, while the traditional clientele is being addressed with "homemade quality food". However, even though the content of fat is less than 2,5% across the whole product range and supply chain, the company finds it hard to sell their quality food at "organic pricepoints" in the price sensitive and rather conservative Slovenian market while the production capacity and the supply chain capacity for bigger international markets such as Germany is too small and the reputation for organic food from the Balkan is rather low in Western European countries where it is doubted that Slovenia and the Balkans can be trusted when it comes to safety, health, and hygiene standards and certificates. Even when all requirements are already in place to elevate food to the level of a cultural product - high quality suppliers who grow plants according to ecological standards, a fat free supply and process chain - the company encounters barriers to a culturalization of their products since the domestic market is not matured enough for such a strategy while there is a lack of reputation for Slovenian culturalized food products in international markets.

At the other hand we find some start-ups in the food sector with niche quality products, often with strong connections to the Kikštarter entrepreneurial environment. These include Belife-Kombucha, a soft drinks company, Stow Coffee Roasters, a coffee roasting company, the Maister Brewery, the Barut Brewing, and the Mali Grad Brewery which are invested in craft beer brewing and gin distillation. All these companies have been trying to continuously innovating products inhouse and have been working with creative agencies in Ljubljana for marketing purposes. All these companies serve the regional and Slovenian market where they compete with approximately 70 more Slovenian microbreweries and find it difficult to access international markets. Recently, they managed to set up a cooperation among each other and the municipality and staged a beer festival in Kamnik.⁷¹

Light industry and construction

⁷⁰ See <https://anton.si/> ; <https://natureta.si/enostavni-jedilnik/> ; <https://si.nektarnatura.com/> [Last accessed 30th September 2021].

⁷¹ See <https://belifekombucha.com/si/>; <https://www.stow.si/>; <https://maisterbrewery.com/>; <https://www.barutbrew.com/>; <https://www.instagram.com/pivovarnamaligrad/>; <https://meinslowenien.wordpress.com/tag/craft-bier/> [last accessed 30th September 2021].



Žurbi beton, a supplier for the construction industry, is an example that shows how a strategy of aesthetisation and culturalization of products can also take hold in a classical industry which is usually a far cry away from the CCI. The company manufactures a wide range of precast concrete products such as fences, retaining walls, urban furnishings and summer kitchens, to private and public landscaping. Recently, with the help of a cooperation with architects and designers from Ljubljana University, they started to manufacture prefabricated designer urban furniture (benches, home garden kitchens, skating park equipment) which they were able to sell on the market for higher prices.⁷² Similarly, Calcit is another company from Kamnik which excelled in transforming their business model by developing a product with higher added value thanks to a research and development department: it developed from just being an operator of a quarry and a provider of sand as a raw material for the building and constructing industry to a manufacturer of calcite powder.⁷³

Tourism

Tourism in the Central Slovenia Region in general is mainly linked to Ljubljana, which attracts more tourists every year, while the surrounding municipalities, including Kamnik, are more dependent on day tourist trips. In recent years, Kamnik municipality has progressed as a tourist destination. The number of overnight stays rose from 40.096 in 2015 to 100.662 in 2019. Arrivals rose from 37.552 in 2018 to 41.396 in 2019, of which were 12.858 or 31% domestic and 28.535 or 69% foreign visitors in 2019.⁷⁴ On average, visitors stayed 2,4 days in the municipality in 2019 of which, on average, domestic visitors stayed shorter with 2 days than foreign visitors who stayed 2,6 days the latter accounting for 74% of overnights stays. Major tourist sites in the Kamnik municipality are

- Velika planina: the largest single tourist destination in summer and winter with mountaineering, hiking, mountain biking, ethnological heritage (shepherd settlement and shepherd culture, trnič cheese, etc.).⁷⁵
- Terme Snovik,⁷⁶
- Arboretum Volčji potok and the Aboretum Golf Course,
- Natural healing grove (Naravni Zdravilni Gaj) Tunjice,⁷⁷
- New Eco Resort beneath Velika planina,⁷⁸

In a sense, all these destinations show strong entrepreneurialism and have been developed after 1989. Particularly the Eco Resort Velika planina uses cultural resources of the territory insofar as its 'glamping' huts resemble the old shepherd huts of Velika planina in appearance.

Before this background, the Slovenian Tourist Board awarded Kamnik for the most beautiful medium-sized town in 2015: "Kamnik is a town with a rich and well-preserved cultural heritage, it offers a diverse culinary offer and has a strong tourist impulse". Given all these attractive sites, the alpine hinterland, and the cultural resources in Kamnik, many local politicians and even entrepreneurs think that Kamnik's economic future is connected to mass tourism and that this sector has the biggest development potential. The support of tourism is even one of the main explicit objectives of the Kamnik Business Club. However, as a critical analysis of the public Kamnik Institute for Tourism and Sport rightly points out, the considerable potential is far from fully exploited yet, with insufficient number of overnight stays, low occupancy rates, high

⁷² See <https://zurbiteam.com/> [last accessed 30th September 2021].

⁷³ See <https://www.calcit.si/> [last accessed 30th September 2021].

⁷⁴ See <http://www.stat.si/> [last accessed 30th September 2021].

⁷⁵ See <https://www.slovenia.info/en/places-to-go/attractions/velika-planina> [last accessed 30th September 2021].

⁷⁶ See <https://www.terme-snovik.si/en> [last accessed 30th September 2021].

⁷⁷ See <https://www.zdravilnigaj.si/> [last accessed 30th September 2021].

⁷⁸ See <http://sloveniaecoresort.com/domov/> [last accessed 30th September 2021].



seasonality in demand with weak early and late seasons. While single tourist companies do have clearly defined products, there is no overall competitive definition of the destination either as a historical city for a culturally oriented city visit or as an alpine destination for an active leisure activity in the destination.⁷⁹ In addition, the municipality lacks touristic infrastructure, even though it has focused on the promotion of its gastronomic offer and on the integration of tourism and gastronomy in recent years, for example in the project “Taste Kamnik”, which emphasizes traditional dishes typical of Kamnik.⁸⁰ In 2016, with 206 employees or 3,32% share of the catering industry of the total work force, Kamnik remains below the national average of 3.97% (Požgan et al. 2020: 43).

3.5.3. Level of consumption of locally produced cultural and creative products and services

The patterns of the economic activity level of the producers of cultural and creative products and services are mirrored by the level of consumption of their products and services: those that don't have a large share of artistic values - standard products and services, souvenirs, crafts and folks products - do have a local market while those cultural products and services with a larger share of artistic values are hardly consumed on a local level. We have already pointed to the lack of markets for cultural products and activities in the analysis of the Slovenian model of cultural production which we reinstate here. One of the central places to exhibit and show visual art is Miha Maleš gallery in the city center. However, it rather displays the work of artists than selling it. As already noted, we can't find the level of local consumption of locally produced art in Kamnik that would allow artists to make a living by just selling their art pieces. Artists report in interviews that the local inhabitants buy art pieces from them only occasionally and often for motives not related to the art field. Even though there is a wealthy and educated strata living in Kamnik such as successful entrepreneurs, employees in the high-tech pool from the Ljubljana metropolitan region, members of the classical professions etc., this strata's members tend not even to buy art from more known artists on a national or international level in national or international hub cities for the art market. They rather engage in the promotion and sponsoring of sports. For example, Joc Peččnik, the founder and former owner of Interblock Gaming, is currently engaged in developing the former national stadium Sportpark Bežigrad in the centre of Ljubljana as a real estate investment project worth more than 270 million €. ⁸¹ Artists report that this lack of support would stand in a harsh contrast to the practices in former Yugoslavia when buying art from national and local artists was a common practice not only among company directors and managers but also more generally among the middle class and intelligentsia.

Kamnik is a location for an important cultural consumption infrastructure for its hinterland. Dom culture and Kotlovica youth center are the main locations for cultural consumption. There is the local museum which also runs the Rudolf Maister birthplace. Some pups offer live music such as Pod Skalo.⁸² Many festivals stage cultural products and activities from different disciplines over the year. The Kamfest, known for its live music acts and performances, regularly shows art pieces from local contemporary artists such as Nina Koželj, Ivan Mitrevski, or Olivier Pilic,⁸³ which is attended by a growing regional audience. However, much of cultural consumption in Kamnik is unpaid consumption. Also, retail sale of cultural goods is almost completely missing in Kamnik. According to the director of the library, there used to be a bookshop in Kamnik, run by one of the big national publishers, which had to close down after a short period due to a lack of demand.

⁷⁹ See Kamnik Business Club <http://www.kamnikbiz.club/kamniski-turizem-navdusuje/> [last accessed 30th September 2021].

⁸⁰ See <https://visitkamnik.com/en/food-and-drink/taste-kamnik> [last accessed 30th September 2021].

⁸¹ See <http://bsp.si/> [last accessed 30th September 2021].

⁸² See <http://www.podskalo.si/> [last accessed 30th September 2021].

⁸³ See <http://ninakozelj.eu/>; <https://ivanmitrevski.com/>; <https://www.instagram.com/olivierpilic/> [last accessed 30th September 2021].



Much of the demand for cultural products and activities with a high level of symbolic artistic content and avant-garde by Kamnik's inhabitants is realized in the capital city Ljubljana which draws purchasing power from its periphery, but also in metropolises in neighbouring states and the EU.

3.5.4. Enabling environment

Informal and formal networks in the local community

Since Kamnik is rather a small town than a city, informal networks are even more tightly knit and people tend to know each other personally. However, we can differentiate at least between two different thematic networks based on the interaction density between their members. At the one hand, we find a network between persons with a role in the local model of cultural production who meet and communicate with each other on a regular basis be it in their professional roles or also in private life: representatives of public institutions (museum, library, Dom kulture, Kotlovnic youth center) and cultural associations, cultural workers, artists, and freelancers in the creative industries. At the other hand, we can identify a network consisting of representatives of the municipality and the local political field as well as entrepreneurs and the Kikštarter environment. Both networks are connected by persons with informal or formal bridging positions and by formal communication and procedures. Both informal networks, the cultural and the economic-political one, have different sets of shared values and culture. Interestingly, persons have changed their membership between these two networks in the past years: The persons that build the organizing core of the Kikštarter start-up center used to belong to Kamnik's cultural network first when the Kikštarter project was started out of the Kotlovnic youth center and Kamfest environment. Today, they belong to the economic-political network whose values and strong culture of entrepreneurship they share in. Even though the Kotlovnic youth center and the Kikštarter building are in close proximity so that their members can see each other on a daily basis, communication between them does not happen anymore except on formal occasions. The members of the cultural network who, in a sense, stand in the tradition of the alternative and independent cultural scene and have an anti-establishment attitude ask themselves how the organizers of the Kikštarter start-up center could become estranged from the cultural network and alienated from their culture even though Kikštarter originated as a youth club project within the cultural network. At the same time, the organisers of the Kikštarter start-up center have been socialized into the dominant entrepreneurship culture of the economic-political network and deny the "cultural guys" any entrepreneurship and express their disregard for them because of a lack of entrepreneurial successes in the CCI accordingly. The entrepreneurship culture of the economic-political network attributes useful creativity almost exclusively to economic entrepreneurship and technological innovations at the cost of aesthetic and symbolic creativity. Before this background, other members of this economic-political network also tend to disregard the actors in the cultural field, to not let them participate in decision making, to not consult them early in the decision-making process about cultural projects, to involve them only late in the decision-making process for implementation, to not entrust their projects with trust, and to overly control their projects.

Members of the cultural network express in interviews their frustration about the neglect and disregard of culture, their concern about a lack of professionalism in decisions about cultural projects and a lack of knowledge about culture in the municipality and among entrepreneurs, and their regret about the missed opportunities for cultural developments in terms of missed projects due to the lack of trust and the insufficient participation in decision-making. At the same time, many members of the cultural network do not appreciate the entrepreneurial activities in Kamnik or the successes of the Kikštarter start-up center. For them, many of the business models incubated in the Kikštarter accelerator lack any sense of creativity and only expose most materialist and extrinsic values rather than socially meaningful entrepreneurship based on intrinsic motivation and social values. Some members of the creative professions who are employed by regional companies feel highly demotivated in their work and estranged from their creativity because they feel that their creativity is instrumentalized for these materialistic and extrinsic purposes which are not part of their professional culture. One interviewee remarked in this respect: "I have to use my creativity



to help others to make people addicted to winning money. I'm so fed up with this. This really burns me out."

The conflict between the members of these two distinct networks is partly ossified and resorts to semantics of "war" and "lost battles" used in the informal cultural network, and to paternalistic semantics about "childish, non-reliable persons who are not behaving like adults" and who are in "need of growing up and learning to take responsibility" used in the informal economical-political network, together with the attribution of stereotypical roles to each other. Due to the conflict between these two informal networks and their different values and cultures, the relations between the CCI actors from the cultural network to the players from the traditional industrial sector are rather weak while the relations to the political field and the municipality are rather formal. Instead of cross-sectoral fertilization of creativity there is rather a drifting apart and differentiation of communication between the networks despite great spatial proximity and good mutual personal knowledge in the small town Kamnik.

Role of Educational Institutions

Kamnik's educational sector is well developed for a SMSC with one public gymnasium, the Rudolf Maister Grammar and Secondary School Kamnik which offers focal points in economic, natural sciences, and technological education,⁸⁴ several primary schools, public and private kindergartens, a public primary music school, and two private music schools.⁸⁵ There is no educational institution in the tertiary sector present in the city, though. This infrastructure offers good prospects for families to locate and stay in Kamnik, however, the young people interested in an artistic education after primary education have to attend the artistic gymnasium in Ljubljana. Since Kamnik is in close distance to Ljubljana, since the rents in Ljubljana are much higher than in Kamnik, and since daily commuting via railway, bus, or car is easily accessible, there is no massive brain drain of the bright and young people detectable during tertiary education such as in the more peripheral StimulART partner cities Amberg, Vittorio Veneto, Jászberény, or Naumburg. Interestingly, with the SKK there exists even an active Student Club in Kamnik. However, a brain drain of the well-educated and aspirational strata of the young generation rather takes place after university graduation towards international destinations.

21.7% of Kamnik's inhabitants older than 15 years have post-secondary education and 1,7% hold a PhD degree which is slightly below national average.⁸⁶ In 2020, Kamnik had 19 kindergartens. They were attended by 1.405 children or 85% of all children aged 1-5, which was more than the national average of 81%. In the school year 2019/20, elementary schools in Kamnik were attended by about 2.980 pupils, while various upper secondary schools were attended by about 1.110 pupils.⁸⁷

Facilities for Local Economic Development

According to Kamnik's mayor, Mr. Matej Slapar, to support the development of the local economy is high on the municipality's agenda, though the resources to do so are limited. The Kamnik municipality has been trying to support the local economy by a diverse set of measures, ranging from urban planning, applying for European funds such as Interreg, and supporting the Kikštarter start-up center with 20.000 € per year beside regular calls for entrepreneurial activities. In 2021, the municipality announced that they will spend 100.000 € for the development of SME in the fields of

- creation of new jobs,
- co-financing of patent protection and licenses,
- participation in fairs and exhibitions,

⁸⁴ See <https://www.gssrm.si/en/> [last accessed 30th September 2021].

⁸⁵ See Kamnik Municipality <https://www.kamnik.si/mesto-kamnik/izobrazevanje> [last accessed 30th September 2021].

⁸⁶ See Kamnik Business Club at <http://www.kamnikbiz.club/pregled-okoliskih-obcin-kje-je-najvec-upokojencev-kje-najvec-novorojenih-in-kje-so-najvisje-place/> [Last accessed 30th September 2021].

⁸⁷ See Republic of Slovenia Statistical Office <https://www.stat.si/obcine/en/Municip/Index/60> [last accessed 30th September 2021].



- subsidizing rents in the old town, and
- promotion of accommodation providers.

In addition, the development of entrepreneurial ideas in tourism will be supported with 35.000 €. ⁸⁸

Interestingly, the Kamnik Business Club (Podjetniški Klub Kamnik, PKK), acts as an economic advisory board to the municipality according to a treaty signed first in 2017 and renewed in 2021. According to the cooperation agreement between the PKK and the Kamnik municipality, the shared objectives are as follows: ⁸⁹

- addressing the challenges of business development in the municipality in a cooperative spirit;
- collaborative design of municipal regulations and incentives in the field of entrepreneurship;
- promoting and encouraging entrepreneurship, particularly among young people;
- creation of new jobs;
- joint development of socially responsible entrepreneurship, social entrepreneurship and other new forms of entrepreneurship; and
- joint development of the co-operative KIKštarter Centre and the entrepreneurial start-up fund KIKštarter Accelerator d.o.o.

The PKK has been founded in 2015. ⁹⁰ Since the beginnings, it is closely connected with the field of local politics and the municipality. Among the founding members of the club have been some local politicians, most notably today's mayor Mr. Slapar, back then vice mayor. Since its inception, Mr. Slapar acts as the general secretary of the PKK, a role comparable to a CEO. Even today, when he is elected mayor, Mr. Slapar is still holding on to this active role as a general secretary in the PKK, managing the daily operations of the club. ⁹¹ This double-role emphasizes the tight interwovenness of the economic-political network in Kamnik already referred to further above.

In the absence of a formalized set of institutions for urban economic development at the level of SMSC in Slovenia and before the background of a culture of self-organisation at the communal level that has been originated in Ex-Yugoslavia, the local entrepreneurs have set up their local business club in order to provide assistance for the economic development of Kamnik, its hinterland, and the wider region, among other aims. Interestingly, members of the club are not only founders, owners, and CEOs of firms domiciled in Kamnik, but also of firms in the region (Ljubljana, Krajn, Domžale), and entrepreneurs who just live in Kamnik. ⁹² Two of the club's main projects are the support of the Kikštarter start-up centre and of the Kikštarter accelerator. The support of the Kikštarter start-up centre takes on a very surprising and unique form: The members of the PKK become members of the Kikštarter start-up centre which is organized in the legal form of a co-operative (zadruga, KIKštarter center z.b.o.) which has been founded by the PKK during the 5th general assembly in 2018. ⁹³

KIKštarter start-up center and start-up accelerator

The history of the KIKštarter start-up center goes back until 2014, when the Kotlovnica youth club started some activities to support entrepreneurship among the young generation in Kamnik according to their

⁸⁸ See Kamnik Municipality <https://www.kamnik.si/mesto-kamnik/gospodarstvo> and Kamnik Business Club <http://www.kamnikbiz.club/podpis-protokola-o-sodelovanju-med-obcino-kamnik-in-podjetniskim-klubom-kamnik/> [last accessed 30th September 2021].

⁸⁹ See Kamnik Business Club <http://www.kamnikbiz.club/podpis-protokol-o-sodelovanju/> & <http://www.kamnikbiz.club/podpis-protokola-o-sodelovanju-med-obcino-kamnik-in-podjetniskim-klubom-kamnik/> [last accessed 30th September 2021].

⁹⁰ See Kamnik Business Club <http://www.kamnikbiz.club/odprtje-kik-starter-ja/> [last accessed 30th September 2021].

⁹¹ See Kamnik Business Club <http://www.kamnikbiz.club/organi-kluba/> & <http://www.kamnikbiz.club/izjava-zupana/> [last accessed 30th September 2021].

⁹² See Kamnik Business Club <http://www.kamnikbiz.club/clani-kluba/> [last accessed 30th September 2021].

⁹³ See Kamnik Business Club <http://www.kamnikbiz.club/clani-podjetniskega-kluba-kamnik-in-zadruga-kikstarter-center-z-b-o-bodo-z-zbranimi-sredstvi-mladim-startupom-kupili-poslovno-stavbo/> [last accessed 30th September 2021].



statutes issued under the jurisdiction of the Slovenian state. In 2015, a former building of the old gunpowder factory, KIK, then unused property of the local company Iskra Mehanizmi, that is close to Dom kulture and the youth center was renovated with financial support by the municipality and a local entrepreneur by a group of volunteers in order to use it as a co-working space during Kamfest in summer 2015. After the Kamfest, Iskra Mehanizmi sublet the building for a low symbolic rent to the volunteers to allow them to continue the co-working space and to develop it into a start-up center. Young entrepreneurs could rent desk space in shared offices for 25€ per month or offices for 70€ per month which included shared facilities. Together with Kotlovnic youth club, the volunteering group organized entrepreneurship workshops, presentations, and networking events. In October 2015, the KIKštarter building has been officially opened by Kamnik's mayor Marjan Šarec. During the same event, the Kamnik Business Club, PKK, has been founded by more than 50 local and regional companies.⁹⁴ At this time, 14 companies with 23 employees were tenants in the building.⁹⁵ In 2016, Kotlovnic youth club was a shortlisted finalist in the European Enterprise Promotion Awards (EEPA) out of 343 projects for the KIKštarter project in the category "Improving the Business Environment".⁹⁶ Kotlovnic youth club also organized start-up weekends in the KIKštarter building where young entrepreneurs presented their business ideas to a jury of local entrepreneurs with the winners receiving some prize money provided by the Kamnik Business Club.⁹⁷ In 2017, Tomaž Lah, CEO at Nektar Natura d.o.o., initiated the establishment of the venture capital fund KIKštarter Pospeševalnik Ltd. Selected members of the PKK became co-founders and seed capital providers for this company whose purpose was to act as an accelerator for local and regional start-ups. While T. Lah sees his financial commitment as an act of social responsibility for regional development support - "to build an inspiring, developed, and wealthy environment to rejuvenate the entrepreneurship basis, to help young entrepreneurs grow and to find their place in the sun before the background of the ashes of a former highly industrial development that was not so lucky" -, he considers his commitment for the accelerator to be an investment that is supposed to generate a profit at the same time: "Asking myself, 'What can I do as an entrepreneur to change things for the better?' has spawned the answer and the creation of a company whose purpose will be to invest seed money in start-ups from across the region. We intend to (...) create a critical mass of entrepreneurial investors and startups with innovative and exciting business ideas that are judged to return our invested capital with a return."⁹⁸ The accelerator has generated 100% return on investment in 2020.⁹⁹

Finally, the co-operative KIKštarter center z.b.o. has been founded during the 5th general assembly of the PKK on 1st December 2017, with many of its members becoming comrades of the co-operative contributing equal shares to its capital stock. The purpose of the KIKštarter co-operative is to support regional economic development by supporting young and innovative entrepreneurs. The founding members provided financial means for the co-operative to buy the KIKštarter building from Iskra Mehanizmi. The corporate legal form of a co-operative has been chosen for several reasons:

- it allows to align the different contributions and heterogeneous interests of the stakeholders;
- it allows the co-operative to undertake entrepreneurial activities itself and to apply for public support programs;

⁹⁴ See Kamnik Business Club <http://www.kamnikbiz.club/odprtje-kik-starter-ja/> [last accessed 30th September 2021].

⁹⁵ See Kamnik Business Club <http://www.kamnikbiz.club/finalist-eeepa/> [last accessed 30th September 2021].

⁹⁶ See <https://blogs.ec.europa.eu/promotingenterprise/eeepa-2016-shortlist-announced/> [last accessed 30th September 2021].

⁹⁷ See Kamnik Business Club <http://www.kamnikbiz.club/startup-weekend-kamnik-zmagali-so-pametni-stozci/> [last accessed 30th September 2021].

⁹⁸ See Kamnik Business Club <http://www.kamnikbiz.club/podjetniki-clani-podjetniskega-kluba-kamnik-dokazujejo-so-proaktivni-in-vraca-jo-druzbi-in-to-podjetno/> last accessed 30th September 2021.

⁹⁹ See Kamnik Business Club <http://www.kamnikbiz.club/novi-predsednik-podjetniskega-kluba-kamnik-je-ivan-hribar-prokurist-in-solastnik-term-snovik/> [last accessed 30th September 2021].



- it allows young entrepreneurs to become comrades of the co-operative and to use it as a sound formal context to test and develop their start-up idea before it is mature enough to survive as independent company;
- as a legal person, the co-operative can buy, own, and manage the KIKštarter building and collect rents from the tenants.¹⁰⁰

As of 2021, the PKK considers the KIKštarter co-operative and accelerator to be its core responsibility which has changed the club's self-understanding. The PKK starts seeing itself more of a mentoring network. In the meantime, the KIKštarter project has been officially recognized by many Slovenian institutions as a good practice, thus, it receives even funds from the Slovenian economic ministry. Since its inception, it has supported many successful start-ups which have created more than 100 jobs. The KIKštarter co-operative has evolved into an institution that not only incubates start-ups and provides entrepreneurship education and a Fab-Lab, but that also provides education and facilities to teach maker-skills to pupils from Kamnik's secondary schools because the local entrepreneurs are increasingly missing these skills and the ability to produce and manufacture tangible products among the young generation and vocational school graduates in the region. These educational activities reflect a change in the KIKštarter's self-understanding towards a service provider for the local economy at large. It does want to provide services not only to start-up founders and young entrepreneurs but rather to all entrepreneurs by helping to close the gap between companies' requirement profiles and the qualification profiles of local vocational schools' graduates and in this sense by improving the general employability of the local workforce. In a sense, the project has become an educational institution that enables entrepreneurial creativity and develops general employee skills. At the same time, KIKštarter's emphasis has changed from the support of the CCI sector - KiK stands as an acronym for 'Kreativna industrija Kamnik' - towards the emphasis on a narrow creativity in economy in the form of entrepreneurship as such while the particular thematic focus is increasingly on the food industry.

The KIKštarter history in Kamnik emphasizes that there has been a relatively strong awareness for the CCI sector before the StimulART project even started. However, this heightened awareness has an interesting form. Within the informal cultural network, the CCI is highly valued for its potential to rejuvenate abandoned industrial wasteland and buildings based on both a strong valuation of cultural values and concrete experiences with the KIKštarter building and the Alprena factory. Within the informal economic-political network, the CCI are not highly valued because of the problems CCI stakeholders face in Slovenia in scaling their businesses based on cultural products and services. In this network, creativity is attributed solely to entrepreneurship which, in turn, is understood as the will to scale and to high returns on investment. Given the problems in scaling CCI business models, the record of failed CCI businesses, and the reliance on public budgets and the cultural workers in the local model of cultural production, the members of this economic-political network even tend to deny the members of the informal cultural network any creativity and to disregard aesthetic creativity. In this vein, when the municipality wants to support the CCI sector it thinks more about the local model of cultural production and to educate its members with entrepreneurship skills. However, even the municipality has recognized the informal cultural network's potential and experience to create new utilisation concepts for abandoned buildings and has invited some of their members to participate in the rejuvenation of the Mekinje Monastery whose donation by the Ursuline Sisters it accepted in 2016.¹⁰¹

Civil Society

In Kamnik, there exist a vivid civil society, meaning a self-organized structure of the public realm where the people organize their heterogeneous interests not only in political parties but also in more or less formalized initiatives such as associations with their capacity to select purposes freely and relatively spontaneously and with their democratic and egalitarian structure. As we have already seen above, the

¹⁰⁰ See Kamnik Business Club <http://www.kamnikbiz.club/clani-podjetniskega-kluba-kamnik-in-zadruga-kikstarter-center-z-b-o-bodo-z-zbranimi-sredstvi-mladim-startupom-kupili-poslovno-stavbo/> [last accessed 30th September 2021].

¹⁰¹ See <https://samostanmekinje.si> and <https://monasterymekinje.eu> [last accessed 30th September 2021].



cultural milieu of Kamnik's civic society has been trying to revitalize abandoned industrial sites such as the Alprem factory or the KIKstarter building. Here, we witness an interesting relationship between the CCI stakeholders and civic engagement for urban development matters: The level of civic engagement particularly for urban development issues seems especially high with CCI stakeholders whose aesthetically trained perception and experience seems to lead them to recognize shortcomings in urban development and to engage in initiatives directed at correcting them at the one hand and whose creativity has the potential to produce innovative utilization concepts for abandoned industrial sites and wastelands, at the other hand. Much civic engagement is directed toward the intermediary cultural sector as such in Kamnik with Dom kulture at the center. We find many cultural associations in the area for which the JSKD acts as some kind of an umbrella association with an important position in the local model of cultural production.

A strong entrepreneurial milieu has been trying not only to establish a formalized mentoring network for young entrepreneurs in the context of the KIKstarter ecosystem in Kamnik but also to establish a local facility for urban and regional economic development after recognizing the lack and need thereof in the public institutional system.

Both milieus in Kamnik, the cultural and the economic-political, seem to act before the background of a strong shared culture of communal self-organisation originating in the Ex-Yugoslavian traditions of worker self-management, social property, self-organizing cultural communities, and the concept of polycentric development.

3.5.5. Potentials for a cultural-led social and economic development and its obstacles

We have already seen that Kamnik scores relatively low in the sample of the five StimulART small and medium sized partner cities on a continuum of an activity level of the CCI sector while the cultural live is rich and heterogenous. Compared with Naumburg and Jászberény which also score low on that continuum, it is not so much the public sector of cultural production that keeps up the high level of the cultural live but rather the intermediate sector drawing on public funds. There is a second characteristic that makes Kamnik stand out from the StimulART partnership, namely its suburban character with respect to the Slovenian capital city which makes it to an integrated part of a (small) capital metropolitan region, so to speak to a rather central SMSC, yet in the periphery of European capitalism in a rural region. In contrast to this, Amberg and Vittorio Veneto can be identified as rather peripheral SMSC within the economic center of the Western European capitalism whereas Jászberény can be identified as peripheral city in the periphery of European capitalism. Naumburg is comparably to Kamnik in this regard, but has a different history of industrialization as a residence city and a different location in relation to metropolitan regions: it is located close to two second-tier metropolitan regions with Leipzig and Halle/S. without being included in their Functional Urban Areas (defined by commuting zones).

Suburbanisation seems to be the driving developmental force in Kamnik. Already in 2011, a study about the "potentials of creative urban regeneration" within the EU project "Creative Cities - Development and Promotion of Creative Industry Potentials in Central European Cities" came to the conclusion that some CCI activities could be observed in those places concentrically spreading from center Ljubljana towards the outskirts "which are located along good motorway connections and represent potentially interesting *tertiary locations* with possibilities of further upgrading of creative industries in case of adequate stimulation. An especially strong axis of *secondary locations* where certain segments of creative industries are being developed runs from the direction of Črnuče towards the triangle Trzin-Domžale-Mengeš: because of good traffic connections, the vicinity of Ljubljana, suitable premises for developing creative activities, and relatively low prices of real estate" (Peterlin et al. 2011: 43; emphasis mine - ok). While we could see that Kamnik hasn't developed into such a *secondary location* for the CCI sector in the Ljubljana metropolitan area yet, the description above is a very good account for a general process of Kamnik's suburbanization. In this sense, Kamnik's particular case can tell us something about the developmental potentials of the CCI sector in suburban, or 'agglomerated' SMSC (see ÖIR et al. 2006, Servillo et al. 2014). However, before we



will discuss these developmental potentials in more detail in the discussion section, we will list untapped potentials and obstacles to Kamnik's further development.

Untapped potentials for CCI sector development

The discussion about the CCI and creativity in Kamnik has shown that the city's portfolio of CCI firms and freelancers and their economic activity level differ much across sub-sectors. At the one hand we find sub-sectors of the creative economy with a rather low economic activity level serving predominantly a small local market while we can find some exemplary companies which serve regional and national markets with their cultural products and services thereby gaining some independence from the small local market. At the other hand we see that no such companies operate in the 'Core Cultural Expressions' at all so that much of the city's cultural life is depending on cultural offers provided predominantly by the non-profit sectors of cultural production.

In the following the most obvious untapped potentials for the creative industries at the one hand and for the local non-profit sector of cultural production at the other hand that are specific to Kamnik are listed whereas the potentials the city shares with the other StimulART partner cities will be attended to in the discussion and the conclusions chapters.

- The CCI can benefit from a heightened awareness for their products and services as such so that they become more visible for local firms as their potential supplier, thus potentially enlarging the local market.
- The CCI can become more densely networked within across all their sub-sectors to strengthen visibility, self-organization, interest articulation and lobbying, preferably in cooperation with the creative industry players in neighboring cities. Internal networking may particularly highlight the nationally successful design firms and may lead in turn to the further diffusion of their business models and strategies across the territory.
- The CCI sector can become more densely networked with the traditional industries in order to tap new local market potentials and to facilitate cross-sector spillovers. The nationally successful design firms may help traditional industries to realize higher value added by higher differentiated products and services and by introducing new ways and strategies to innovate such as design thinking.
- The entrepreneurs in the CCI could benefit from regular consulting services specialized in the sector's specific structures and needs that result from the particular character of cultural products and services. Such a consulting service could become realized in cooperation with regional or national agencies specialized for this task.
- The KIKštarter start-up center and accelerator could reorient itself towards the creative industries again and make its culture more inclusive for other forms of creativity than plain entrepreneurship again. Presupposed, such a strategic and cultural reorientation will take place indeed, then the KIKštarter entrepreneurial ecosystem together with the newly to develop Barutana building¹⁰² which, together with the Kotlovnica youth center and Dom kulture are supposed to build a "cultural district", can become a place where the CCI sector (creative industries and 'Core Cultural Expressions') might thrive. Such a physical place could become a symbol for the CCI sector in the city where all those potential measures noted above could become realized. Such a physical hub could function as a space where all CCI stakeholders can meet and network internally as well as with other start-up entrepreneurs. But equally important, such a place could also become a meeting place where Kamnik's informal cultural network can mix and mingle with the informal economic-political network to reduce misunderstandings and stereotypes, to build up mutual respect and trust, to mutually learn from each other to cherish all sorts of creativity, and to better understand each other's values. In this way, the CCI sector could participate in the mentoring network of the Kamnik Business Club, too.

¹⁰² See <https://barutana.si> [last accessed 30th September 2022]. Note, Barutana was Kamnik's pilot project in the StimulART project.



- There is a certain developmental potential particularly for the ‘Core Cultural Expressions’ when Kamnik’s wealthy strata of entrepreneurs, managers, and professionals would start to support the local artists rather than just sponsoring sport.
- The Arboretum Volcji Potok could play an important role for the CCI sector development in Kamnik. It could be stronger integrated in the activities of the local system of cultural production, it could serve as an intermediary in mediating and connecting Kamnik’s informal cultural network with the economic-political network, and it could act as a role model with its successful national and international strategy and business model.
- The KIKštarter project should be highlighted as a good practice for a ‘serendipity place’ in order to symbolize and to illustrate the developmental potentials for SMSC which evolve out of experimentation, cultural and aesthetic creativity, intrinsic motivation, professionalization in cultural management and youth policy, a strong community feeling, and cross-fertilization between different value spheres such as the cultural realm and the business realm. The KIKštarter story is about a one-time temporary youth project in the context of an annual cultural festival turning into an institutionalized building block of the entrepreneurial ecosystem and culture in Kamnik based on shared values for creativity yet in different forms. Most importantly, the project shows how the intermediate sector of cultural production can boost the economic development in a SMSC such as Kamnik by initializing and contributing to an emerging entrepreneurial culture in indirect and not directly plannable ways. Cultural organisations and non-commercial associations have the potential to work as seedbeds for creativity, cultural activities, and at times even business ideas that are then realized in spin-off businesses. Thus, it shows that a cultural association doesn’t necessarily need to be turned into a business model for the CCI sector in order to contribute to the economic development of a city. The KIKštarter project also demonstrates that it is the intermediate sector which sets impulses for the development of creativity in Kamnik rather than the CCI sector or the public cultural institutions. Thus, it shows that the relationship between the non-for-profit intermediate sector and the private for profit-sector of cultural production should not necessarily take on the form of an either/or (mutually exclusive) but rather the form of a both/and (complementary). With the KIKštarter project, the potential for a cultural-led development in Kamnik with the help of ‘serendipity places’ is not exhausted yet. Rather, there is further development potential connected to the management capability in the municipality for identifying and selecting those cultural associations for support by public money which become then good practices for an efficient use of public money.
- It would be an experiment if the cultural district ‘Barutana’ can become supplemented by a cluster manager for the CCI who is supposed to help the sector to develop more strongly by providing specialized services and by building up sector-specific expertise and culture. Another important benefit of such a newly established institution would be an operable ‘interface structure’ that could help in lowering access barriers for the CCI stakeholders, in translating between the different mindsets in the municipality and the CCI milieu, and in furthering mutual understanding, thus reducing conflicts and avoiding mutual stereotypes in their interaction. It must be noted that such an experiment could fail due to a lack of critical mass in the CCI in SMSC. However, a CCI cluster manager who is responsible for more neighboring municipalities and SMSC such as Domžale and Trzin could be a solution to the critical mass problem by aggregating CCI actors dispersed across the region.
- The ‘cultural district’ Barutana is an experiment with respect to Kamnik’s suburban position to Ljubljana while it is once again proof for the potential of the professionals in Kamnik’s local non-for-profit network of cultural production to rejuvenate abandoned industrial buildings and to envision new forms of uses and utilization concepts for them. However, given the current low levels of activities in the CCI sector, the attractiveness of Ljubljana for business and work particularly in the CCI, the historical record of outward migration of CCI actors towards Ljubljana, and the rather few instances of inward migration of CCI actors from Ljubljana, it is rather unlikely that the ‘Barutana cultural district’ will draw in significant numbers of CCI actors from Ljubljana and the neighboring cities unless there is a strong gentrification process developing in Ljubljana forcing the CCI actors out of the city towards the periphery. In the absence of such a dynamic gentrification process in Ljubljana, the ‘Barutana cultural district’ will depend on more endogenous regional developments in order to become successful.



- The administration should develop a stronger awareness about the CCI sector and its special needs and learn to appreciate the sector for itself and its particular combination of aesthetic creativity, symbolic knowledge, and entrepreneurship skills rather than for its potential beneficiary side-effects for other sectors such as tourism or for its potential for rejuvenation of industrial wastelands. Those beneficiary side-effects will only come into full effect when the CCI sector thrives which might become reality partly due to suitable municipality's support programs whose suitability, in turn, depends on the degree to which they are shaped according to the CCI sector's specific needs. In other words, there is a potential for the CCI sector development when the municipality learns to recognize and appreciate the specific potentials of the CCI sector as such.
- The administration is already highly engaged in public-private partnerships within the context of the local non-for-profit network of cultural production. However, there is still potential for the development of the CCI sector when the municipality would further enlarge this engagement in public-private partnerships with the CCI sector while utilizing a strong Slovenian national culture of self-help based on the Ex-Yugoslavian tradition of worker self-management, social responsibility and community spirit, self-organizing cultural communities, and the concept of polycentric development. However, because some of these public-private partnerships within the context of the local non-for-profit network of cultural production have been granted by the municipality out of a lack of own resources rather than based on strategic plans and trust, such a stronger engagement presupposes that the municipality has to build up trust in the CCI stakeholders based on an appreciation of their creative and organisational capabilities.
- In general, Kamnik's resident economy could greatly benefit from a formally institutionalized economic development agency which could provide the framework within which a cluster manager for the CCI sector could work. Far beyond the narrow focus of the CCI sector, such an agency could provide for better conditions for setting up or relocating businesses in the city. It should particularly focus on an active land policy which allows growing companies to stay or to come to Kamnik. In this regard, it could learn from the Amberg Economic Development Agency "Gewerbebau" as a good practice how to use and develop real estate for commercial and industrial use. The local economic development agency could benefit from a cooperation with national level economic development agencies particularly for the support for internationalization programs of local businesses which are tailored to the specific needs of the CCI sector in Slovenia. Most probably, the structural problems to develop the Slovenian CCI sector - the small market size of the Slovenian national market, the national language base of the cultural products and services, the weak potentials for the valorization of Slovenian cultural products and services for the international market, and the relatively low reputation of Slovenia in the imagined reputation hierarchy of country images for their cultural products and services - can only be tackled efficiently and will only be overcome by solutions at the national governance level.

Based on these potential measures and instruments, there is the potential that the local CCI firms and freelancers together with the traditional trades and crafts can grow and exploit a growing resident economy in Kamnik in the coming years, thus gaining market share disproportionately. At the same time, the companies already operating at national levels can serve as role models whose business models and strategies could inspire other companies to nationalize their offers more strongly thereby becoming more independent from the resident economy's small market.

Untapped potentials for a cultural-led urban development agenda

Beyond the narrow confines of a CCI sectoral development strategy, this report also looks more generally at Kamnik's cultural resources. Since any potential for a cultural-led urban development is related to the city identity, we will turn to this issue first.

- One of the greatest potentials for a cultural-led urban development is the ongoing public debate about Kamnik's city identity which has started far before the StimulART project. This public debate oscillates between rather opposing values thereby indicating dynamics and contradictions in the ongoing identity building process. Kamnik needs a compelling story that can reintegrate its industrial past beyond nostalgia with the current suburbanization forces that transform it into a dormitory city. The new



identity should allow for new industrial and economic developments while accommodating the city's new character as a residence city in the vicinity of an emerging metropolitan region. There is a tension in this emerging new identity which has to be balanced when solving more concrete issues: Should construction land become designated for housing or for an industrial zone? Should the city put its resources into tourism development based on the preservation of folk customs and traditional dishes and recipes (see the recommendation in Požgan 2020) or rather into the economic integration into an emerging high-tech sector in the Ljubljana Urban Region? Partly, Kamnik has to transform its recent identity which still pictures the city as a place where something ends - the last railway station before the end of the civilization with wilderness and mythical fairy tales at the doorsteps, the last resort for creatives who have failed in Ljubljana yet want to stay close to the capital city, a feeling of being left behind and out of touch after deindustrialization - and to connect the identity instead to stories of a place for new beginnings - work-life balance and quality of life, freedom and adventure in the nature and the mountains, or the set-up of new endeavors in life and business.

- Compared with the neighbouring cities of Trzin, Domžale, and Mengeš, Kamnik is located in the last of the concentric circles around center Ljubljana and has lost important centrality functions in the perception of the region's inhabitants over the last decades during suburbanization, particularly as location for businesses, retail, education, and cultural events. Therefore, one important dimension of future city development is the question if the city can gradually regain centrality functions for the region in the perception of its residents¹⁰³ and if it can define a compelling strategy for finding its place in the division of tasks in the emerging metropolitan region and its smart specialization. There are potentials for the city's future development when it can find a strategy that manages to integrate both the gradual restoration of centrality functions as well as defining core competences and advantages for the city's smart integration in the Ljubljana metropolitan region.
- Part of the current debate about Kamnik's city identity is the slow acceptance that it is becoming a dormitory city in the suburban belt around Ljubljana. While other cities in the StimulART partnership are focused too much on winning the attention of external observers, Kamnik has developmental potential to raise its profile, publicity, and attractiveness particularly for external observers in the Ljubljana metropolitan region. However, by trying to step out of Ljubljana's attractiveness shadow by defining and marketing a particular city identity, the city must not ignore the role a city identity has for the city's residents.
- One of the most obvious development potentials for Kamnik's economic development lies with the tourism sector. When developing Kamnik as a tourism destination according to the strategic documents and analyses already existing - to connect cultural heritage and regional culinary offers with experiences of nature, sports activities, and wellness - the city should try to integrate these attempts with city marketing initiatives and the local sector of cultural production such as supporting the building of a destination strategy and the integration of the Monastery Mekinje and the historic Franciscan monastery library in the cultural offer. However, when such an integrated effort is made the city should not make the assumption that its economic potential is primarily connected with the tourism sector, rather this sector should become just a building block in a compelling smart specialization strategy for Kamnik's integration in the Ljubljana metropolitan region that draws primarily on this region's knowledge resources and innovation potentials. Also, to develop Kamnik touristically would require the establishment of a vocational school for hospitality and tourism.
- Closely connected to the tourism sector is the potential to develop a regional trademark for Kamnik's regional food industry.
- Strongly connected to the potential that lies with defining the city identity is the potential of urban development strategies that stress inner city development over the development of the city periphery

¹⁰³ See in this respect the Kamnik case study for the current CINEMA EU-Danube project <https://rralur.si/en/projects/cinema/> [last accessed 30th September 2021] and the new administrative role of a city manager for reviving central city retail recently introduced into the Kamnik municipality.



and fringes. While the involvement of CCI stakeholders in private-public-partnerships as a developmental resource for reviving abandoned buildings and industrial wasteland is already a well-established successful practice in Kamnik, the municipality should also introduce participatory elements in urban development planning to involve Kamnik's inhabitants more generally.

- There is a strong amateur sports culture present in the city connected to a culture of leading an active live and mountaineering. In terms of the city's identity there is the potential to include the culture of sports and mountaineering in particular and the culture of leading an active live in general in the city's updated story and identity.
- There is a potential to stronger focus on the needs of the younger generations. One measure in this regard would be to endow the Kotlovnic youth center with greater resources and to make its achievements and results more visible. The current location and rooms of the youth center, being located in the basement of Dom kulture, are not only much too small for the center's importance for the city, they also symbolize culturally rather a very low appreciation and priority of youth politics for the municipality.
- The municipality could stronger support contemporary artistic perspectives. Such a development should become embedded in a broader context of supporting the development of 'new' cultural creativity as opposed to a narrow focus just on the preservation of the products of accumulated 'old' creativity and the maintenance of cultural heritage which seems to be the prevailing mindset in the city to date. One measure in this regard would be when the municipality would buy works by contemporary regional artists to fair prices and start a collection of locally made art works and when it would pay fair fees for artistic performances thereby symbolizing the value and appreciation the municipality places on culture and art.
- In terms of business culture, even though there is the good practice of the KIKštarter start-up center, Kamnik has still potentials to nourish its start-up culture and to further kick-start the entrepreneurial spirit in the city for example by making the entrepreneurship culture more inclusive and open it up for the CCI sector and by appreciating creativity in all its forms including. Particularly the Kamnik Business Club and its mentoring network should open itself to artistic and aesthetic creativity.

On balance, Kamnik's potential cultural resources are significant thanks to the long settlement history of the region, the architectural and cultural heritage, the intact cultural and natural landscape, the educational infrastructure, a vivid civic society with a strong culture of self-help as well as strong community feelings. To further realize and unleash the cultural potentials in the city, the CCI should be supported more strongly and should become better connected to the traditional local economy. Kamnik seems to exemplify a traditional relationship between the CCI and the traditional economy where the CCI sector is a function of the latter. However, the local market for cultural products and services is exceptionally small for reasons to be found in particular circumstances: the smallness of the national market, the vicinity to the capital city, and the national model of cultural production. Nevertheless, the CCI sector has potential to exploit the local market niche for cultural products and services more fully which could feedback into the traditional sector in stronger spin-offs effects. This requires a change in the municipality's approach toward the CCI sector as such. Instead of seeing the CCI stakeholders as non-entrepreneurial minded and as political opposition it should learn to think of the sector as a particular combination of aesthetic creativity, symbolic knowledge, and entrepreneurship skills in strict economic terms and act accordingly. Besides, Kamnik should size the opportunities of smart specialisation in economic development present in the emerging Ljubljana metropolitan region while retaining a clear identity in synch with today. In sum, there is a potential for a cultural-led urban development in Kamnik when the development strategy for the CCI sector serves as a nucleus for a much broader Creative City development strategy, this is, when a narrow CCI sector development strategy is embedded in a broad city development strategy drawing on the creative and cultural resources of the territory in general.

Obstacles to CCI sector development and to a cultural-led urban development agenda



There are already many local good practices existent in Kamnik that show how cultural resources have been tapped by creative and entrepreneurial efforts in the past. These good practice examples are proof that all obstacles there might be in Kamnik can be overcome by creative problem-solving efforts. However, there are some obstacles existing in the city at present which hinder the development of individual creativity, of the CCI sector, and of the city more generally. These obstacles are often directly related to the untapped potentials discussed above. Some obstacles that specifically hinder the further development of the CCI sector and creativity specific to Kamnik are listed below whereas the obstacles the city shares with the StimulART partner cities will be attended to in the discussion and the conclusions chapters.

- Kamnik's further suburbanisation can become an obstacle to the CCI sector development when Ljubljana stays more attractive for the CCI sector as business location and place to work and when most of the demand for cultural products and services is fulfilled in Ljubljana by Kamnik's inhabitants while CCI businesses driven out of Ljubljana due to gentrification rather resettle in municipalities closer to Ljubljana's center. A recent study about the geography of creativity in the Ljubljana Urban Region (Kozina & Bole 2017) confirms that the highest concentration of the creative class¹⁰⁴ is to be found in the central urban section of the Ljubljana region and in some close suburban municipalities while this concentration progressively declines with the distance from Ljubljana's center towards the edges. The concentration of the creative class in Ljubljana Urban Region is greater for the place of work than for the place of residence, emphasizing the fact that suburban locations are more attractive for living among the creative class members. Regarding the creative class's segments, the study identifies the pattern, that the creative core and the bohemians are much more strongly concentrated in Ljubljana's centre than at the rural edges while creative professionals tend to reside in higher concentration in the suburban areas. However, recent research has established that among the Slovenian creative class (Kozina & Clifton 2019) and the bohemians (Kozina & Bole 2017a), although still highly concentrating in urban regions, there is the "slight tendency" of moving out of densely populated urban areas to more sparsely populated suburban areas within all Slovenian city-regions detectable.
- The small Slovenian national market for cultural products and services makes it difficult for CCI businesses to find viable business models in many CCI sub-sectors but particularly in the 'Core Cultural Expressions'. Therefore, it seems that viable business models in the CCI depend on successful internationalization rather than just on regionalization or nationalization strategies in Slovenia. However, successful internationalization is particularly difficult to achieve for Slovenian cultural products and services because of their relative low position of the country image in the (imagined) status hierarchy for images of national cultural products and services. Even the valorization of cultural products and services and its high visibility on the national level is not a sufficient condition for the valorization and visibility of Slovenian cultural products and services on international markets. Seen from the centers of the artworld, Slovenian cultural products and services don't have a high reputation for high artistic and avant-garde content because of their origin from a former socialist country located in the Balkan region, provided Slovenian has a name recognition for them at all. Those subjective reservations and prejudices may be utterly stereotypical and unfounded but they nevertheless exist even among the own citizens who aspire to western values, lifestyles, and cultural products and services. This predicament of a double liability for Slovenian cultural products and services - an exceptionally small national market and a weak potential to valorize them for international markets by national valorization institutions and country image - seems to have at least two consequences. At the one hand, it may partly shape the Slovenian model for cultural production which is characterized by high levels of public funding for artists and cultural workers in an effort to secure a supply with national cultural products and services which have a high importance for the national identity. At the other hand the double liability for Slovenian cultural products and services acts as an obstacle for the development of the CCI sector in Slovenia in general and in Kamnik in particular: It constitutes a high barrier to develop international successful business models in the CCI and, thus, may dis-motivate and dis-encourage any

¹⁰⁴ The term 'creative class' is defined and operationalized in the terms of Richard Florida, who distinguishes between a creative core, professional occupations and the bohemians of the overall creative class.



entrepreneurial attempts while the public support within the framework of the national system of cultural production can still provide for the possibility to pursue a creative profession and to follow an intrinsic vocation to create aesthetic innovations though on a low level of income. In a sense, the Slovenian model for the production of culture tries to compensate for a market failure for national cultural products and services by cultural policy measures which in turn intervene in the economy with their subsidies for cultural production. Seen from the creative's perspective: Faced with the decision to either inevitably fail by trying to build up a successful business in the CCI sector which has to be immediately established on an international level or to be able to pursue a creative activity within the boundaries for entrepreneurial income set by governmental cultural policy regulations, many CCI actors rationally chose the option not to become too entrepreneurial. Accordingly, even "Ljubljana to some extent understands creativity and being a creative city as more of a cultural phenomenon, and less as an economic category" (Bogilovic & Pevcin 2020: 74).

- Some expert observers notice a certain disregard for the design sector in Slovenia in general since many companies operate in business-to-business markets as suppliers for raw materials and intermediate products with little experience with competitive strategies in product differentiation by design for end-consumer markets, with design thinking, and with only a few role models of successful design oriented innovative companies and brand management. Therefore, the business value of design is not well appreciated and design is seen as a cost that has to be minimized in cost reduction strategies rather than as an investment with high potentials for returns (see Murovec & Kavas 2012: 8-9).
- Some entrepreneurs mention in interviews the low level of support for the economic sector and entrepreneurs by both the national Slovenian government and the Kamnik municipality, the slow reaction of the national and the local administration to societal change, the low capabilities in strategical thinking and implementation as well as high levels of bureaucracy and long waiting times for public services such as permissions. One entrepreneur even said in an interview: "You can never count on the state. It's like an obstacle".
- The low visibility of the CCI sector for the local traditional economy is a potential obstacle to the CCI sector's further development and so are the rather weak network relations which connect the local CCI with the local traditional industries and its mentoring network in the Kamnik Business Club and Kikštarter start-up center environment.
- The strong differentiations between the two different informal networks in Kamnik - the informal economic-political network which is built around the value of entrepreneurship and which has a high influence on the municipality's decision making and the informal cultural network which is built around the value of aesthetic and symbolic creativity and intrinsic motivation - can act as an obstacle for the CCI sector development because it leads to less communication and interaction between the networks, and to the build-up of mutual distrust and stereotypical interpersonal perceptions which, in turn, lead to conflicts between the members of the two informal networks. A low level of understanding for the CCI actors, a partial lack of competence for the support of the CCI sector, a partial hostility towards the CCI actors, a lack of contact persons in the administration, and the lack of jurisdiction for the CCI sector in the municipality can be counted as significant obstacles. One important dimension for a city's attractiveness for CCI stakeholders is its atmosphere of tolerance for people who do not fit in into the common norms and of open mindedness to different cultures. Tolerance and open-mindedness serve as an important prerequisite for the free expression of creativity and innovative behavior. How the city handles the CCI stakeholders serves as a highly visible symbol for how tolerant and open minded the municipality can be perceived. Even an only partially hostile take by the municipality will be seen as a clear sign for its lack of a tolerant and open-minded attitude in general by the CCI stakeholder with negative effects for their perception of the city's overall attractiveness.
- The relatively weak public institutions for economic development on a local and regional level have triggered the self-organisation of the economic sector in the form of the Kamnik Business Club. At the same time, the weakness of the public institutions may act as an obstacle to further develop the CCI sector in particular and to support the economic development in general. In addition, there seems to



be no development strategy for the Ljubljana capital metropolitan region in effect, which makes it difficult to link to and to embed into a potential local development strategy for Kamnik within an encompassing regional development strategy.

- After its independence from Yugoslavia in 1991, the accustomed institutions and practices of spatial development planning and land use management broke down in Slovenia so that the Yugoslavian spatial development strategy and land use plans from the 1980s became ineffective. The macro-structural reforms of the Slovenian economy, government, and administrations together with the privatisation of housing and land in social ownership led to a strongly deregulated market in real estate and ad-hoc development decisions of public authorities which were aligned with the criteria of investment, commercial activities, and private demand. These processes resulted in an urban development which did not take public interest or urban development considerations into account while citizen participation where not practiced in the process of spatial and land use planning (see Marcuse 1996: 164-166; Murovec & Kavaz 2010: 23-24; Struyck 1996). Accordingly, the private ownership of the real estate and land connected to the former industrial sites in Kamnik is highly parcelled and disorganized and the municipality has lost the control about spatial planning and the potential for active land use management in urban development. Two developments stand out as an obstacle to the further economic development in the city. (a) The shopping center “Supernova Kamnik”¹⁰⁵ which has the shape of a massive brutalist concrete bar is located directly at the central roundabout that gives access to the city at its southern periphery. It has been designed without any visible considerations about the city’s identity and about its spatial role as the portal and entrance point to the inner city, visually discouraging people to enter and explore the city. At the same time, this retail facility draws much of the local purchasing power away from the inner city and its smaller retail outlets. (b) The vast area of the former KiK factory in the north has been sold to many different private investors without any urban development planning requirements or any other regulatory requirements attached to the usage. Construction activities, business settlement decisions etc. proceed completely uncoordinated and without considerations about public interest such as, for example, heavy road-bound lorry traffic, attractiveness for tourism and others.
- There occurred anecdotal evidence in the interviews with entrepreneurs from the gastronomy and tourism sector that they have difficulties to find service personnel because a significant share of customers would still insist on native Slovenian speakers even in non-qualified jobs such as waitressing. While this observation makes obvious that there are still stereotypical reservations against migrants from Ex-Yugoslavia existing in the region, it also emphasizes low degrees of openness which might function as an obstacle more generally far beyond the particular obstacle of a labour shortage for unqualified jobs in the service sector which will hamper developments in tourism.
- A high negative migration balance for the population segment of young well-educated people with a bachelor degree and higher who leave the city after graduation for good either for Ljubljana or for international destinations is an obstacle for the realization of the development potentials that lay with smart specialization strategies in knowledge intensive industries in the emerging Ljubljana metropolitan region, not only for Kamnik but also nationally.

Obstacles to Kamnik’s future cultural development

When one thinks about obstacles to the city’s future cultural development beyond the narrow confines of a CCI sector development strategy, the city’s most pressing obstacles for developing cultural resources are listed below. Again, the obstacles are often directly related to the untapped potentials pointed to further above.

- On average, Kamnik’s local economy is mainly based on light and food industry that exploit the relatively low labour cost in the city as a locational advantage with a relatively low level of knowledge-intensive

¹⁰⁵ See <https://www.supernova-kamnik.si/en/> [last accessed 30th September 2021].



inputs in research and development, though some knowledge-intensive companies exist as an exception. With regard to the increasing importance of creativity and innovation in the context of the rise of the networked knowledge society and knowledge intensive production and services, Kamnik is relying too much on its current knowledge base which is mainly synthetic and engineering based in character in its most advanced segments. Since Kamnik belongs to an emerging metropolitan region with the Ljubljana University at its center there are significant numbers of members of all segments of the creative class living in Kamnik while the members of the CCI with a symbolic and arts-based knowledge base show the lowest share. In addition, core creatives, and creative professionals with the much sought after analytic or symbolic knowledge bases tend to work in the center of the metropolitan Ljubljana region. Thus, even though there is no shortage of skilled and knowledgeable experts living in Kamnik, there is a shortage of skilled labour of a qualitative nature, meaning that the much needed symbolic and analytic knowledge competences for creativity and innovations are rather commuting. This suburbanization dynamics might work as an obstacle for Kamnik's further cultural-led urban development particularly with respect to the symbolic and arts-based knowledge base which are particularly important for agile and disruptive innovation methods such as design thinking.¹⁰⁶

- Closely related to the retail facilities built at Kamnik's southern periphery, there are inner city shop vacancies that partly shape the city's atmosphere. However, there are more reasons for those vacancies, mostly the vicinity to Ljubljana, the unwillingness of landlords to rent spaces out to retail, and the development of online shopping habits. If the vacancies remain at the current level or if a further increase occurs in the city's vacancies, this may constitute an obstacle to the development of cultural resources and undermine Kamnik's potentials for tourism.
- Even though there is an entrepreneurial culture emerging in the city in the context of the KIKšstarter start-up centre and the Kamnik Business Club, the one-sidedness of the prevailing pure business values and extrinsic motivations within this eco-system result in a narrow focus of the business models supported which tend to copy business models successful elsewhere and show low levels of innovation and creativity.
- The strong cultural differentiation between the informal cultural network at the one side and the informal economic-political network at the other side with the latter network shaping the decisions in the city has led to a partial exclusion of a cultural perspective in the municipality's decision making. When this status quo remains unchanged or even worsens then this could function as an obstacle to the further development of Kamnik's cultural resources.
- Kamnik's synthetic and engineering-based knowledge base together with the prevailing business culture in the city may lead to an overestimation of technology and technological solutions to social problems such as the 'Smart City' vision and to the underestimation of the solution potential of the development of cultural resources for social problems such as the 'Creative City' vision. Thus, a mindset in Kamnik's decision-making networks that is shaped by a synthetic knowledge base and the priming of private capital investor interests may become an obstacle to a cultural-led development.
- According to interviews with entrepreneurs, there is a shortage of skilled experts occurring with respect to alumni of vocational schools, and, thus, for skilled workers with a synthetical knowledge base. However, while the number of vocational school alumni is still sufficiently high, their type of practical knowledge and skills does not fit into the occupational requirement profiles of the local firms any longer. According to the entrepreneurs, the young workers increasingly lack practical skills for "making things" what they attribute to the increasing formalization of knowledge during the vocational training. In this way, theoretical knowledge would replace practical knowledge and skills. This skilled expert shortage can act as an obstacle to the territory's further economic development since the local economy is highly

¹⁰⁶ See Asheim/Hansen 2009 for the distinction between synthetic, analytic, and symbolic knowledge bases and their relevance for creativity and innovation in the current global knowledge society.



dependent on the manufacturing sector, and to the development of the CCI sector because many of its products and services still rely on the input of skilled manual labour and craftsmanship.

- There is the danger that all those obstacles might cluster and mutually reinforce each other: the one-sidedness of the knowledge base in academic jobs, the skilled labor shortage in manufacturing and craftsmanship, particularly the increasing misfit between industry job's requirement profiles and vocational school alumni profiles, the one-sidedness of the emerging entrepreneurial culture, increasing knowledge demands for successful entrepreneurship, and a brain drain of the well-educated young, talented, and motivated generation.
- Slovenia has a two-tier government system with the national and the municipality level while a regional government level is lacking.¹⁰⁷ There have been some attempts for decentralisation in the past, however, they have failed according to a recent statement of Zvone Černač, Slovenian Minister for Development and EU Cohesion Policy, on occasion of the 50th Slovenian Regional Days, on 6th May 2021: "Today's symposium invites us to contemplate on why our country remains centralised despite a number of institutions promoting balanced regional development in Slovenia. What caused the decentralisation project to fail and what are the consequence of this failure for our people? We need to ask ourselves why the disparities and the development gap keep growing despite a billion of euros invested to bridge them".¹⁰⁸ This case study about Kamnik can shed some light on the obstacles such a missing regional government level may cause not just for Kamnik's urban development, but for Slovenia more generally. While the Slovenian 212 municipalities have successfully managed to develop better capabilities in communal self-government after transition, they also seem to have developed a strong self-centeredness and independence at the expense of the formation of capabilities for trans-organisational cooperation which will become more important in the future for example for inter-communal cooperations such as in regional marketing concepts. In addition, Kamnik needs to become a part of a regional development strategy for the Ljubljana Urban Region to become better equipped to find its role and specialisation in the division of tasks within a regional smart specialization strategy. Meanwhile the Regional Development Agency of Ljubljana Urban Region, RRA LUR, is trying to fill the structural gap of an intermediary regional government level.¹⁰⁹ Since it is highly dependent on successful applications for EU-funded project in urban and regional development such as EU-Interreg projects for its funding, its successful EU-cooperation projects rather illustrate a lack of strategic capabilities in regional and urban development planning in Slovenia due to the structural lack of a regional governance level. Its strong capabilities for successful applications for EU-funded projects reveal at the other side a lack of national funding for vital strategic thinking capabilities in regional and urban development planning and a tendency of incremental opportunism in strategic agenda setting. These missing capabilities in coordination, cooperation, strategic thinking, and strategy implementation in regional and urban development may act as an obstacle for Kamnik's further development, particularly where inter-communal cooperation on a regional level is needed. However, this report does not discover this lack of a regional government level in Slovenia and a resulting strong centralisation tendency together with its shortcomings, it rather can exemplify them with regard to Kamnik. These problems are well known in Slovenian policy as a statement by Monika Kirbiš Rojs, State Secretary in the Slovenian Ministry for Development and EU Cohesion Policy, on occasion of the 50th Slovenian Regional Days, on 6th May 2021, shows: "EU funding is, along with the annual lump sum paid out to each Slovenian municipality, virtually the only development funding municipalities get to carry out their projects. In the long run,

¹⁰⁷ Meanwhile 12 Regional Development Agencies which coincide with the 12 Slovenian regions defined for statistical purposes try to set up regional development policies with the RRA GIZ - Združenje regionalnih razvojnih agencij Slovenije acting as an umbrella organization. See <http://www.rra-giz.si/si/> [last accessed 30th September 2021]. There is a public financial fund earmarked for regional development, Slovenian Regional Development Fund, which can allocate 95 million € for projects annually. See <https://www.srrs.si/> [last accessed 30th September 2021].

¹⁰⁸ See <https://www.eu-skladi.si/en/in-focus/news/minister-cernac-on-the-occasion-of-slovenian-regional-days-everyone-should-have-an-equal-starting-point> [last accessed 30th September 2021].

¹⁰⁹ See <http://www.rra-giz.si/si/> <https://rralur.si/en/> [last accessed 30th September 2021].



we should start thinking about new regional policy measures at the level of state budget and about system-wide change (...) Today, our country is centralized. The capital is overburdened, while certain rural areas are experiencing exodus on a daily basis. We need a strong local self-governance, regional policy and cohesion policy“.¹¹⁰

Having pointed to all those potential obstacles above, this GAP analysis report wants to stress that they all can be overcome by the local actors. Beside this, it should be noted, that we are talking about social and cultural obstacles rather than ones of technical infrastructure.

3.6. GAP analysis for the city of Vittorio Veneto

3.6.1. Town's profile

Geographic Location

Vittorio Veneto is an Italian municipality in the province of Treviso in the Veneto region with a population of around 29,000 inhabitants. It is in the north-east of Italy on the edge of the Upper Italian Plain, in a valley at the foot of the Southern Alps on the gravel of the terminal moraine of an ice-age glacier and along the river Meschio, a tributary of the Livenza.

The A27 Venice - Ponte nelle Alpi (Alemagna) motorway runs past the city. The next larger cities, Treviso (43km in the south), capital and administrative center of the province of the same name, Belluno (40km in the north) and Pordenone (30km in the east), as well as Venice and the Venetian Seaside (73km in the south), can be reached by car in less than an hour (Treviso 43 min by train and 39 min by car; Belluno 45 min by train and 37 min by car; Pordenone 1:12 h by train and 36 min by car; Venice 1:28 h by train and 53 min by car). Also, the airports located in Treviso and Venice are thus within reach.

Role as an administrative unit and position in the national urban hierarchy

Vittorio Veneto was officially born in 1866 from the merger of the two different centers of Ceneda and Serravalle. To achieve the current structure, the city has made a great effort of urban reorganization, resulting from the administrative union of the two municipalities, already characterized by a polycentric structure. Today, Vittorio Veneto is a medium sized municipality with seven districts and an area of 82,8 square kilometers. The population density is 340 inhabitants per square kilometer. The population of Vittorio Veneto is today 0.5% lower than in 2011. The proportion of people over 65 is currently 28.3% and the average age stands at 47.5 years.

For some policy sectors (social policies, tourism promotion, etc.), the Municipality of Vittorio Veneto decided to act cooperatively with 10 neighboring municipalities: Cappella Maggiore, Cison di Valmarino, Colle Umberto, Cordignano, Follina, Fregona, Miane, Revine Lago, Sàrmede and Tarzo. Together, the 11 municipalities have 67.059 inhabitants, with Vittorio Veneto being the most important city in a group of what are rather small towns otherwise.

In Vittorio Veneto there are kindergartens, primary and secondary schools while there is no tertiary education (the closest are University Ca' Foscari in Venice, with some departments in Treviso, IUAV of Architecture in Venice, University of Padua and University of Udine).

The city is the seat of the Roman Catholic diocese of Vittorio Veneto since the 6th century.

Recent Economic History

Due to its specific geographic location at the end of a valley between the Upper Italian Plain and the Southern Alps that builds a natural trans-alpin connection between countries north to the alps and Venice, the Vittoriese area often had had strategic importance also in economic terms during its long history. First

¹¹⁰ See <https://www.eu-skladi.si/en/in-focus/news/minister-cernac-on-the-occasion-of-slovenian-regional-days-everyone-should-have-an-equal-starting-point> [last accessed 30th September 2021].



fortifications on the mountains that build a natural gate are verifiable for the times when the Duchy of Ceneda was created and the Venetian ancestors fought against the ‘barbarians’ (first the Goths and then the Lombards). Between the X and XI century when Venice started to thrive as a center of the medieval world economy the whole region gained importance in economy and politics with its strategic location. Business and commerce started to grow in the whole area, and the village of Serravalle became a trading town with new houses and warehouses for merchants. The medieval town Serravalle developed between the twelfth and the thirteenth century beneath the castrum Castello di Serravalle built by the De Camino family. Thus, a fortified town formed, blocking the passage between the Alps and Venice. In 1337 Serravalle was acquired by Venice from the Bishop of Ceneda as one of the first towns on the mainland. Venice reinforced the extensive city walls and even rebuilt large parts of them. Serravalle became one of the most important communes of the Serenissima Republic of Venice. It was an important defence point on the route connecting the Venetian hinterland with northern European regions and a centre of commerce and industry such as wool, sword making, and bell founding. It became even a place where prices for the world market were set since it acted as the place where customs for imported and exported goods had to be determined for the trade between Venice and its trade partners to the north. Especially the early part of the thirteenth century marked the beginning of a period of great prosperity and wealth. Since then, and for almost five centuries, the Castello di Serravalle was the seat of the Podestà of La Serenissima (Republic of Venice). Under the Republic of Venice the town became one of the most important centers of art, commerce, and crafts in the Veneto region until the end of the eighteenth century.

The Vittorio Veneto area has a long tradition of crafts products: the role of the blacksmiths during the Venice Republic is part of the history of the territory, using the evenly temperatured waters of the Meschio river to produce swords and armours for the Venetian armies. However, in the 20th century, an industrial approach has taken the place held by traditional craft products. For example, the tradition of wrought iron survived on the level of industrial manufactures, while the craftsmanship mode became more and more confined to artists and to hobby level producers. Today, many industrial heritage sites can be found along the Meschio river within the city which bear witness to the city’s industrial past, for example to the hitherto strong wool milling industry of which only one mill has survived out of a cluster that comprised five wool mill companies in its heydays back in the 19th and 20th century. Meanwhile, most of the industrial firms operate in the industrial area San Giacomo in the south today, indicating that the dependence on natural resources like water has given way to a new dependence on knowledge and human capital. Indeed, we find the development of knowledge intensive production within the industrial sector in Vittorio Veneto. The industrial area of Vittorio Veneto is one of the largest in the Province of Treviso and can count as a remarkable active and dynamic industrial center with the presence of numerous companies operating at international level. Thus, Vittorio Veneto has a dense industrial fabric and a high manufacturing vocation. After the financial crisis in 2008, the region had lower losses in jobs and wealth and regained former performance levels faster than other locations in the Veneto region due to the high specialization and the high degree of innovation of the existing companies: in fact, the industrial area of Vittorio Veneto counts a significant number of big manufacturing companies with a worldwide market (esp. Silca and Keyline for key technology, Permastelisa with glass facades and curtain walls construction, Falmec with aspirators, SIPA for packaging, etc.). The gross domestic product per capita of the Veneto region in 2019 was €33,700, while the average for Italy was €29,166. The region’s employment rate was 65.9% in 2020.

Furthermore, the whole territory covered by the 11 Municipalities of Vittorio Veneto area produced 30 patents, 21 of which within the municipality of Vittorio Veneto. The main sectors producing patents reflect the typology of the companies located in the area (8 Silca Spa a key production company, 4 TMCI producing food solutions, 3 Diemmebi dealing with design metal furniture and 2 Falmec).

City’s Cultural Resources

Vittorio Veneto is a city with many historic buildings, museums, musical events and related history but also local traditional events. Historical sites include the old town in the Serravalle district with its porticoes around the main street, Piazza Flaminio and the clock tower, as well as the Cathedral of Santa Maria Assunta



in Ceneda and the Sanctuary of Santa Augusta, where a festival is celebrated every year in the second half of August.

The city achieved historical prominence at the end of the First World War, when the entire Austrian army was captured in a memorable battle on 4th November 1918. The “Museo della Battaglia” commemorates this day. However, the museum panorama that the city offers is more diverse: there are in fact nine museums of artistic, historical, naturalistic and ethnographic character. Moreover, the Vittorio Veneto municipality has four libraries. Cultural events include the antiques market, where on the first Sunday of every month streets and squares come alive with exhibitors' stalls, a centuries-old national annual bird market exhibition, the renowned national choir competition on the last weekend in May, and the Vittorio Veneto Violin Competition.

The cultural resources of the 10 neighboring municipalities contribute to this rich cultural fabric even further, such as the Lago Film Fest, an independent film festival taking place in Revine Lago since fifteen years, the Zavřel Foundation located in Sàrmede as an internationally renowned hub for the creative discipline of children illustration, the Fiere del Teatro in Sàrmede, the Puppets international fair in Colle Umberto, or the fair for artistic craftsmanship Artigianato Vivo in Cison di Valmarino.

City's Atmosphere

The city's atmosphere is strongly determined by the city's poly-centric structure. Approaching the city from the south by car the urban sprawl along the highway A27 from Treviso slowly transforms itself into the city of Vittorio Veneto which has three sub-centers apart from the settlements and the industrial zone in the south. In 1866, when the Veneto region became part of the Kingdom of Italy, two municipalities came together under the name of Vittorio Emanuele II to form the town of “Vittorio”: Serravalle, in the north, and Ceneda, in the south, with many buildings belonging to the Catholic Church and the Bishopric of Ceneda¹¹¹. In 1923, the name of the town was changed by adding the word “Veneto” to celebrate the victory of World War I. An urban development project followed suit after the city's foundation in 1866, and since then, the Piazza del Popolo with the town hall and a park formed the new town center of Vittorio Veneto that connected the two towns of Ceneda and Serravalle. Since both districts have a central place, even cathedrals, Serravalle with the Piazza Giovanni Paolo I and Ceneda with the Piazza Flaminio, Vittorio Veneto has three sub-centers, a rather religious one, a rather historical one and one that rather symbolizes the new city. Unlike in bigger cities, where functionally specialized sub-centers can flourish, those sub-centers rather lead to an atmosphere of fragmentation in Vittorio Veneto which - as a city - seems to decompose into rather disintegrated parts. Thus, even the mayor states in an interview: „Vittorio Veneto è una ‘non-città’“, also referring to the other two boroughs of San Giacomo di Veglia in the south and Longhere in the north which used to be independent municipalities before they were included in the new city Vittorio Veneto.

Approaching the city by train, one has to change trains in Conegliano where the regional traffic hub is and enter a regional train that stops in Vittorio Veneto on the line to Ponte nelle Alpi-Polpet. The feeling of arriving in a peripheral city by using this train coincides with the self-descriptions found among Vittorio Veneto's inhabitant to refer to it in interviews as a “bypassed” city or in the GAP analysis as a city that is “engulfed” or “marginalized” (p. 4). Looking back at his childhood in Vittorio Veneto, the internationally renowned contemporary performance artist Nico Vascellari who lives in Rome today speaks about his birth town in the “middle of nowhere”¹¹² with a feeling of “isolation and provincialism”¹¹³. Likewise, journalists who visit Vittorio Veneto for a feature about the artist tend to write about it as “a forgotten Italian town”¹¹⁴

¹¹¹ The diocese was founded in the 6th century as the diocese of Ceneda and renamed the diocese of Vittorio Veneto on 13 May 1939.

¹¹² In Fantastic Men, <http://www.nicovascellari.com/wp-content/uploads/2019/12/FM28-Nico-Vascellari-LR.pdf> [Last accessed 11th August 2021].

¹¹³ See <https://elephant.art/nico-vascellari-on/> [Last accessed 11th August 2021].

¹¹⁴ See <https://www.neroeditions.com/king-of-shit/> [Last accessed 11th August 2021].



or a “sleepy town”¹¹⁵. Ettore Bottoli, a young entrepreneur in the sixth generation in the Bottoli company of wool fabric millers who just came back from studies in New York, characterizes his hometown as follows in 2020: “Let’s say that Vittorio Veneto is the opposite of fun. It does not offer much, but I think you should always look at the bright side.”¹¹⁶

Thus, by inside as well as by external observers, the city’s atmosphere is perceived in rather negative terms. These negative subjective impressions may become reinforced by the many vacant residential and industrial buildings of different sizes even in those parts of the city where the traditional Venetian mainland architecture (Palazzi, Loggia, Piazza) has the potential to elicit feelings of romanticism and beauty when narratively framed in a positive way like in Venice where even rather morbid looking buildings and places are still perceived as romantic and beautiful.

The city is rather calm, it is difficult to walk, and the young generation can be missed on the streets. Furthermore, the city suffers from the so-called Donut-Effect, where much retail infrastructure is now operating in the city’s periphery drawing spending power and livelihood out of the center.

Taken together, Vittorio Veneto has an atmosphere that feels rather calm and townish even so we can find strong and vibrant economic activities in the industrial sector that provide the potential for a livelier and more urban atmosphere which can be felt more strongly in the neighboring town Conegliano where an intact single historical city center exists. An important part of the city is the industrial area to the south which hosts quite a few bigger manufacturing companies operating on world market level that connect Vittorio Veneto with economic networks of the world society build around specific topics like keys, packaging, glass production, design furniture. Seen from the point of view of the build environment, Vittorio Veneto has multiple dispersed semi-centers of which no one really feels like a city center where all the precarious urbanity that may be present can be felt in a single central place. Thus, Vittorio Veneto does not feel like a medium sized city but rather like an agglomeration of a few rather smallish towns.

In the interviews we noticed that the decision makers in Vittorio Veneto, stemming from political and economic networks, are in constant alertness that the city might lose touch with technological, economic, and social developments that evolve rather in world society’s global metropolises. Especially the large industrial wastelands in the city are a constant reminder that the ageing city might lose out in the context of the emerging disruptive changes of the world society because it is losing certain preconditions and locational competitive advantages at an accelerated pace. Compared with Amberg, we can say that Vittorio Veneto’s decision makers don’t fear a tipping point at which the city loses the ability of providing the feeling of both being a home to its inhabitants and being able to keep up with modernity. Rather, the city’s decision makers think that they must revert a negative development that has already started by turning the atmosphere of provincialism into one of being part of a networked knowledge society no matter the place with the help of activating cultural resources.

City’s identity

Comparable to Amberg, the city of Vittorio Veneto had initiated a discourse about its identity even before the StimulART project has started. Similar to Amberg, it did so triggered by the question how to rebrand the city for the improvement of its visibility for external observers, and especially for the improvement of the tourism sector in the city. Analysis shows that the city lost its function as a touristic resort location in Venice’s hinterland with the building of the highway A27 that connected Venice directly with the Dolomites which led to the gradual demise of the city’s hotel sector in particular and of its touristic infrastructure in general because the Venetians increasingly bypassed the city. The remaining tourism was mainly connected to the industrial area in the south and the Museum of the Battle which commemorates the end of the Great War 1918 for Italy while there is the widespread feeling that the city has rich, yet undiscovered cultural and

¹¹⁵ See Dust Magazine, Issue 14, 2018, http://www.nicovascellari.com/wp-content/uploads/2019/12/DUST_2019_low_compressed.pdf, [Last accessed 11th August 2021].

¹¹⁶ See <https://www.italianist.com/2020/12/17/lanificio-bottoli-contemporary-menswear-fabrics/> [Last accessed 11th August 2021].



heritage resources which can be more effectively used in tourism marketing. With the help of a cultural and heritage spin of the city image marketed to external stakeholders, so goes the thinking according to the GAP analysis and the interviews, Vittorio Veneto can profit from the many current world tourism hubs in the Veneto region by diverting attention from them by “raising the volume” (p. 3). Thus, the city created a discourse context in which its cultural resources and the cultural and creative industries have been used for the aim to make the city’s image more attractive in the eyes of international tourists. In this context the question was asked by the city itself: “Do we want Vittorio Veneto to be remembered mainly for the events related to the First World War or do we want Vittorio Veneto to be known also for its great cultural, environmental, industrial and social heritage?” (p. 3). This rhetorical question and the answers to it are of utmost importance for the city’s identity but for more fundamental reasons than just to make the local offer to tourists more visible.¹¹⁷

In preparation of the 100th anniversary of the Great Battle in 2018, a significant investment in urban furniture and a new system of public signs was made. The urban furniture publicly designated every site or building of public interest redefining the sites’ and buildings’ historical meaning in terms of the meaning (usage) they had had during the WW I. For example, information signs on concrete blocks are even standing in front of the *Oratorio dei Battuti*¹¹⁸ overwriting the historic meaning of the building and hiding the cultural heritage within. Since those WW I related exhibits on almost every historic building are standing on concrete blocks they seem to communicate that Vittorio Veneto’s World War I identity is forever unchangeable. Thus, Ceneda’s and Serravalle’s long and eventful history is reduced to just one relatively recent, though important, event, thereby cutting off and devaluing more than two thousand years of history, suggesting to see Vittorio Veneto solely through the WW I lense.

One reason for the one-sided city identity is the artificial formation of the city Vittorio Veneto and its naming process with the two dates 1866 and 1923 which are both closely related to the Italian identity as a unified nation. Hence, Vittorio Veneto’s identity as a city has not been formed independently from the political meaning it has for the Italian nation: It is the place where the Italian nation building process (coincidentally) culminated symbolically in two events. The first event was the foundation of the new town of Vittorio, uniting Ceneda and Serravalle, to celebrate and to commemorate the beginning of the successful nation building process under Vittorio Emanuele II who successfully reclaimed some parts of Veneto from Austria in 1866. The second event was that Vittorio, by coincidence, became the decisive Italian operational objective of the 3rd Piave battle in WW I, which was also achieved and, thus, marked the end of WW I for Italy. As a result of the Italian victory, the defeated Austria lost most of the Italian-speaking areas of northern Italy that had belonged to Austria-Hungary (Trentino and the regions of Dalmatia and Istria - the so-called *terre irredente*) as well as the mainly German-speaking South Tyrol to Italy in the Treaty of Saint-Germain of 10th September 1919. For many Italian observers, this treaty is synonymous with the completion of the *Risorgimento* because all hitherto claimed territories now belonged to Italy. The name Vittorio was complemented by the addition “Veneto” in 1923, amalgamating the city’s name and identity almost indistinguishable with just one moment in the city’s history, Italian’s victory in the WW I, that has been gained in the battle of Vittorio in Veneto and that, for some observers, resulted in the finalization of the Italian national building process. At the same time, the identity defining event of the ‘last battle’ is strongly connected to positive values such as victory and peace.

When two distinctive settlements with their own names and identities are merged into a new administrative unit, then there will inevitably arise the problem of a new social entity’s name and identity. In Vittorio Veneto this problem has been solved by creating a new name that was bound up with higher causes (the

¹¹⁷ For the sake of the argument: What are the odds for the city to become a center of world tourism when even the Venetians had bypassed the city as soon as it became convenient for them using the A27 to the Dolomites for a weekend retreat and when even the Museum of the Battle connected to a historic event with a great importance for the Italian nation, the whole of Europe and the world failed to create significant tourist numbers? Not to forget that the celebrations of the 100-years anniversary of the end of the Great War in 2018 and the Museum’s recent restauration and modernization failed to create a significant increase in visitor numbers either.

¹¹⁸ See for more information <http://www.oratoriodeibattuti.it> [Last accessed 24th September 2021].



personalization of a king, the victory in WW I and the fulfilment of the Italian nation building process) and by imprinting and symbolizing the new city's identity in the built environment by the new city center, connecting streets, monuments, and museums. Part of this solution are the many events organized around the higher causes such as the 100th anniversary of the end of the Great War in 2018 which publicly affirm and re-emphasize the city identity on a regular basis. Thus, the artificially born city has found a unifying identity in relation to events after its artificial foundation. However, the solution found to the identity problem had many more side effects, among them are the following at least:

- The specific name Vittorio Veneto and its meaning has been determining many important decisions in the city up to today including the allocation of resources in the cultural sector.
- By connecting the newly formed city with a historic event which, by definition, was important for the whole Italian nation, the whole of Europe and even the whole world, the city's name also defined the aspirational level about the city's visibility and name recognition which stills prevails today.
- Name and identity are not only shaping the municipality's decisions but more generally also those of the city's civil society. For example, Confartigianato Vittorio Veneto, the local association of SMEs and artisans, is the organizer of the International Wrought Iron Prize "Premio Prima Linea" which aims to continue the tradition of blacksmiths and wrought iron in the city of Vittorio Veneto while the main motive being World War I. All eligible participants are students at artistic high schools from the countries involved in the fourth year of World War I, whose artworks about the motive of war and peace become selected by the organization.¹¹⁹
- Vittorio Veneto's name and identity overwrote the cultural, political, and religious identity of the towns of Ceneda and Serravalle and rendered their over 2000 years long and winding history almost meaningless.
- While there has been a positive image effect of the symbolic and political meaning of Vittorio Veneto in the beginning, the discourse about the city identity clearly shows that this effect is gradually vanishing. Initially, the positively valued past event equally entailed a positive future for the city. But it seems to be the case that the more the event of the 'last battle' is travelling into an ever distant past, the less it has relevance for answers to the questions of the present. The end point of this development is a city that feels like a sacralized museum which enshrines the remembering of the 'last battle' year after year by rituals that feel increasingly empty while the city rather needs an identity rooted in a history that can help by imagining positive futures.

Meanwhile, the GAP analysis report states "the scarce capacity of the city to get rid of the 'Great War marks'" and a "lack of efforts to redesign an alternative cultural and creative portfolio, more suitable to the new emerging needs of 4.0 economy and modern tourism" (p. 4). It also points to ideas and initiatives aimed at changing the city identity thereby indicating the feeling that the city needs a history that has a bigger potential for a positive future. However, even those ideas for changing the city identity show how strongly the current identity is imprinted. We find two ideas for identity change in the report. The first idea is to broaden the historical perspective and to embed the last battle of the WW I in a narrative of the "art of war" (p. 9). The second idea is to broaden the narrative by linking the strategic geographic location to "serious geographical, cultural, social and human conflicts" (p. 4). Thus, even when the discourse about the fate of Vittorio Veneto is explicitly trying to overcome the 'WW I and its last battle identity' it still tends to frame its identity in terms of wars, battles, and conflicts. While the city did certainly have a strategic geographic position, this position was not only strategic in terms of military conflict but also in cultural, religious and economic dimensions. To frame the city identity by emphasizing (potential) conflicts (like wars and battles) rather overlooks how Ceneda and Serravalle have been an important nod in a communication network connecting the Veneto region and Venice with Europe and with the development of the European civilization (one of the first public tower clocks in Europe, the place where prices for the world market has been set, a summer retreat for wealthy Venetian families, the continuity of the seat of powerful Bishops ...).

¹¹⁹ See for more information <https://premioprimalinea.com/> [Last accessed 24th September 2021].



However, the discourse about the city identity reveals at the same time how Vittorio Veneto has gradually lost its once strategic geographic position due to the contingencies of political, social, economic and technological developments while the digitalization of society is speeding up the process of decoupling time and space beside fast and cheap transport, electronic communication networks, and the change of the meaning of territorial borders with free flows of capital, goods, services, and people. Hence, the current discourse about the city identity signifies a challenge Vittorio Veneto shares with many other cities: the challenge to redefine its position in a new time-space framework shaped by modern technology, cultural, economic, and socio-political forces in relation to a dynamically changing urban hierarchy on a regional, national, and global scale.

To sum this discussion up, one reason why Vittorio Veneto is taking part in the StimulART project seems to be that the city has been searching for an updated city identity in the face of an artificially created one that has been becoming more and more outdated and unattractive, increasingly losing touch with the citizen's minds and hearts and with contemporary social developments.

One dimension of a city identity is the identity as a city as such while this cityhood tends to be attached for SMSC to the very city centers and to the centrality functions that are served there. With the semi-centers of Ceneda, Serravalle, the new town center, the urban sprawl and the industrial area in the south, not only Vittorio Veneto's atmosphere does not feel very urban, but the identity of Vittorio Veneto as a city as such is constantly challenged either. However, even though Vittorio Veneto does not feel very 'centrist' it fulfills very important roles of a middle-center for its citizens and the neighboring municipalities (work and economy, education, health, retail, administration). In order to emphasize and reassert its cityhood, the city has started recently to consider itself being a part in an integrated inter-communal "system" that it builds together with 10 neighboring municipalities in its hinterland.

Very often, an identity of a SMSC is defined partly by a comparison with neighboring cities of the same size. Those comparisons take place in the perception of the people living in the region which brings the SMSC cities in a competitive relationship with each other regarding the residents' decisions of where to live, where to start a family and raise kids, where to start up an enterprise, where to party, where to go shopping etc. The explicit comparison with the neighboring city of Conegliano, 15 kilometers to the south, seems to be very important for the residents and has been named many times by interviewees. The result of this comparison has always been that Conegliano seems to be more attractive. It is not only a traffic hub, but it also has an intact and vivid city center which lets the city feel more urban. Especially young people report that they have decided to move to Conegliano even when born and working in Vittorio Veneto. More experienced residents remember the times when the comparison with Conegliano concluded in favor for Vittorio Veneto, thus, adding to today's atmosphere in Vittorio Veneto of losing out and losing touch with contemporary developments.

The Meschino River plays a very important part in the city identity. In a sense, the Meschino River gave Serravalle and later Vittorio Veneto its shape and a lifeline as a source for waterpower, cooling water for the sword making craft and input resource for the fabric mills along its banks back in the past. But here again, the river has lost its role it once had for the city: The city economy used to depend on it until recently, but the old industries along the river are decaying today while the industrial area in the south is rather independent from the river demonstrating the shift of location competitive advantages and the rise of the knowledge economy.

Beside the ongoing discourse about the city identity and the challenged cityhood, the city's identity is deeply determined by its strong industrial base with hubs for key technology, packaging, and glass production. Connected to this industrial base is a rather technological and synthetic knowledge base of the city's inhabitants, entrepreneurs and workers. The experiences of a strong family based entrepreneurship and of its results in the form of 'creative destructions' in the local economy over centuries, and, thus, the experience of the continuity of discontinual business models leads to a belief in self-efficacy of the acting players at the one hand and to the knowledge that successful adaptation to socio-economic change is historically contingent and a never ending task with the potential to erase economic and craftsmanship traditions at the other hand.



Culturally, the city still feels connected to Venice, but the connections to Treviso are strongly felt, too.

Due to the experience of the Italian centralized political system, a belief in self-efficacy in the political governance of the city is not so strongly developed as in Amberg. Since the 90ties of the 20th century, the Lega Nord has gained ground among the electorate as a political party with their programs for independence of the northern parts of Italy from the central government in Rome or the federalization of the Italian regions respectively. The Lega Nord won three out of four communal elections since 1999, and the current mayor, Antonia Miatto, has been in office since 2019.

3.6.2. Cultural and Creative Industries and the creativity of the economic sector

Activity level of the producers of cultural and creative products and services

In Vittorio Veneto, we can find economic activities in all CCI sub-sectors (according to the Italian methodology: audiovisuals, visual arts, music, publishing and press, performing arts, design, games & software, architecture, advertising, including museums and libraries, heritage and tourism). Interestingly, the structure of the sector is more diverse. At the one hand, we find small businesses and freelancers catering mostly for a local market: locals, tourists, small businesses, and public or non- profit organizations are being served with basic products and services with rather low degrees of artistic value and aesthetic newness. Since the general industrial and economic activity level is relatively high in Vittorio Veneto, the local market niche for cultural products and services is rather large meaning that there are quite a few companies and freelancers with viable traditional business models operating in each of the CCI sub-markets.

Based on a relatively strong domestic economic base, Vittorio Veneto seems to be home for a rather mature CCI sector. The big industrial players in the city, however, tend not to belong to the local CCI's customers but rather source input from CCI from bigger companies located in the regional hub cities such as Treviso and Venice, in national hub cities such as Milano and Rome, or even internationally.

At the other hand, we find quite a few companies that follow a specialization strategy aimed at regional, national, or even international customers who are served with more advanced services and products in terms of their degrees of artistic value and aesthetic newness. Interestingly, there exist quite a few companies in the design sector that operate internationally.

In the publishing market we find Kellerman Editore¹²⁰, founded in 1991, which blends illustration with literature and has gained a reputation for its notebooks and with publications related to the Great War as a second specialization. A second publishing company is De Bastiani Editore¹²¹ which specializes in the folklore and history of the Venetian republic with a particular eye on gastronomy and collaborates with Il Gazzettino with collateral editions of the newspaper, counting as one of the most important publishing houses in the Veneto region.

With the Accademia Teatrale Lorenzo da Ponte¹²², we even find a theater company, school, and actor agency with a national reputation in the market for performing arts. The theater school, founded by Edoardo Fainello educates pupils of all ages and from all Italian regions in acting in the Shakespeare tradition. Its alumni tend to get jobs in the film industry after successful graduation. The theater company also stages plays on a regular basis in the open air Piccolo Teatro Dante. The ensemble members also tend to get jobs in the region for smaller performances.

Also, the international performance artist Nico Vascellari, though living in Rome, still maintains the studio place "Codalunga" in Serravalle which serves as a platform for collaborations with other artists.¹²³

¹²⁰ See <https://kellermanneditore.it/> [Last accessed 11th August 2021].

¹²¹ See <https://www.debastiani.it/> [Last accessed 11th August 2021].

¹²² See <https://web.accademiadaponte.it/> [Last accessed 11th August 2021].

¹²³ See <http://www.nicovascellari.com/> and <https://www.codalunga.org> [Last accessed 11th August 2021].



At the music market, Michele Della Giustina is an internationally acclaimed guitar maker from neighboring Revine Lago.¹²⁴

With respect to Amberg, we could establish the insight that the presence of local artists who can make a living by selling their art at the local markets for the Core Cultural Expressions (mostly in the visual arts and music) can be seen as an indicator for the general economic strength of a SMSC and the identification of the wealthy social strata and the local entrepreneurs with the territory. Measured against this yardstick, we have to recognize that Vittorio Veneto does not reach this level. Interviewees from the Core Cultural Expressions report that no artist can make a living just on the income earned in the local arts market. All active artists either must top up income with non-art related jobs or they top up income from other sources with occasional sales at the arts market. Some artists rely on family income. Many artists have given up art as a professional occupation and are practicing it only as hobby. Artists also report a lack of support from both the municipality and local entrepreneurs. They miss a general valuation of the arts as something valuable among the citizens.

The design sector is the strongest in Vittorio Veneto and its hinterland when it comes to bigger companies with a specialized quality strategy. Here we find the ABS Group that together with its sister company Kora Communication is among the leading companies in Italy for the use of fabric in the field of fitting-out installations.¹²⁵ MAVV Design is active in the interior design markets of Central and South America selling furniture and design elements. Interestingly, Spazio MAVV, the cultural spin-off of the same company, is a cultural space offered for exhibitions of creative products and cultural events located in an old industrial building at the banks of the Meschino river.¹²⁶ The international award-winning industrial design consultancy company EMO Design¹²⁷ has started up business in Vittorio Veneto where its headquarter is still located today while two subsidiaries have been established in the meantime in Poland and China. Capodopera is an interior design company located in neighboring Revine Lago with international clients.¹²⁸ Ditre Italia from neighboring Cordignano designs and produces high quality furniture that is sold in international stores and own flagship stores in global cities. Interestingly, it is doing so by cooperating with many renowned Italian freelance designers or design offices.¹²⁹ The company Varaschin Spa from Vittorio Veneto cooperates with many national and international designers in designing high-class outdoor furniture for the international market.¹³⁰ Falmec produces cooker hoods, cooking systems and air purifiers with a design edge for the national and international markets with its headquarter in Vittorio Veneto. It engages with many emerging and professional designers from Italy and has won many design awards for its products since its inception in 1981.¹³¹ Diemmebi, also located in Vittorio Veneto's industrial zone, evolved from a supplier of metal structures for industrial furniture into a design and production company for well-designed industrial furniture that exports 70% of its output. The company designs, develops, and manufactures the industrial and metal furniture products completely in Vittorio Veneto in cooperation with Italian and international designers.¹³² Beside the success at international markets, many of the design companies above have been awarded national and international design prizes for their products and services as a measure of their creativity and innovation.

¹²⁴ See <http://www.micheledellagiustina.com/> [Last accessed 11th August 2021].

¹²⁵ See <https://www.absgroupsrl.com/> and <https://www.koracomunicazione.com/> [Last accessed 11th August 2021].

¹²⁶ See <https://www.mavvdesign.it/> and for Spazio MAVV <https://www.facebook.com/groups/39134332484/> [Last accessed 11th August 2021].

¹²⁷ See <http://www.emo-design.it/en/> [Last accessed 11th August 2021].

¹²⁸ See <https://www.capodopera.it> [Last accessed 11th August 2021].

¹²⁹ See <https://www.ditreitalia.com/en/> [Last accessed 11th August 2021].

¹³⁰ See <https://varaschin.it/> [Last accessed 11th August 2021].

¹³¹ See <https://www.falmec.de> [Last accessed 11th August 2021].

¹³² See https://www.diemmebi.com/diemmebi_eng/ [Last accessed 11th August 2021].



However, even when we find all those bigger companies in the design market, it would be a misinterpretation if we would speak of a cluster. Rather, we can see how local design companies entrepreneurially exploit a strong Italian design culture and national design educational infrastructure with many design alumni from national design courses at university level with whom they cooperate while the designers rather don't live in Vittorio Veneto but in metropolises. Interestingly, all firms rather communicate their Italian origin for marketing purposes, evoking the reputation of Italian design capabilities achieved and valorized in the metropolises such as Milano, Rome or Torino as well as the reputation of Italian manufacturing and craftsmanship. For example, Famec stresses its Italian origin while avoiding explicit reference to Vittorio Veneto at the same time: "From initial design to finished product, all Falmecc's creations are achieved through a multi-step process that is entirely run onsite in the company headquarters, located near Venice. Our products offer an absolute quality in design, materials and construction, as per the best Italian manufacturing tradition."¹³³ Thus, there is only a weak connection to the Vittorio Veneto territory. Since the design sector seems to be the strongest among the CCI sector in the Vittoriese area, it is safe to say that there is no sign of a cluster in other CCI sub-sectors either.

The international aspiration in the CCI market is reflected in at least five cultural institutions in the area which make Vittorio Veneto outstanding in the StimulART partnership. The Lago Film Fest, taking place annually in Revine Lago, is an independent film festival for experimental independent short movies and documentaries and includes a special prize for screenplays, workshops, artistic and live music performances.¹³⁴ The Vittorio Veneto Film Festival, organized by a voluntary association, is an international and competitive festival for children and youth films.¹³⁵ The Zavřel Foundation in Sàrmede with its museum and an annual International Exhibition of Illustration for Children, named "Le immagini della fantasia", is an international reference point in the field for children illustration, founded by the Czech painter, graphic designer, and children book author Štěpán Zavřel who came to Sàrmede in 1968.¹³⁶ To underscore the national and even international aspirations of Vittorio Veneto, two more events shall be listed here organized by the municipality's cultural department: first the national choral competition, "Concorso Nazionale Corale Trofei Città di Vittorio Veneto", taking place for the 54th time in 2021,¹³⁷ and the biannual international violin competition for young violinists, "Concorso di Violino Città di Vittorio Veneto, Premio Internazionale Prosecco Doc", which will be in its 32nd edition in 2021.¹³⁸

When Amberg can demonstrate the upper limit of the CCI development potential in SMSC in terms of a local market niche created by the strength of the local economy, then the design sector in Vittorio Veneto can demonstrate the opportunities for a specialization and quality strategy aimed at national and international markets in the design market. With the help of a specialization and quality strategy particularly some of Vittorio Veneto's design sector related firms become independent from the limits of the local market enhancing the viability of their businesses.

Activity level of the producers of traditional trades and crafts

Traditional trades and crafts are strongly represented in Italy which is also reflected in Vittorio Veneto and the Vittoriese area, where there are many craftsmanship firms or freelancers that can be counted as belonging to the arts and crafts. Again, we see some firms that operate rather independent from the local market, following a specialization and quality strategy aimed at regional, national or international markets, thereby relying on the strong reputation Italian craftsmanship has in the world. For example, the goldsmith Inn Oro, founded in 1996, designs and produces fine jewelry with single pieces up to 60.000€ and more for

¹³³ See https://www.falmecc.uk/en_gb/company/ [Last accessed 11th August 2021].

¹³⁴ See <http://www.lagofest.org/> [Last accessed 11th August 2021].

¹³⁵ See <https://www.vittoriofilmfestival.com/> [Last accessed 11th August 2021].

¹³⁶ See <http://fondazioneZavřel.it/> [Last accessed 11th August 2021].

¹³⁷ See <https://www.comune.vittorio-veneto.tv.it/home/tematiche/vivere/musica/cnc2021.html> [Last accessed 11th August 2021].

¹³⁸ See <https://www.violinovittorioveneto.it/en/concorso.html>



international customers and especially for the Chinese market thereby applying traditional craftsmanship techniques fused with modern technology.¹³⁹

Another expression of the strong art and crafts presence at the Vittoriese territory is the summer festival Artigianato Vivo in Cison Valmarino where artisans from all over Italy, Austria and Slovenia show and sell their artworks to the more than 200.000 visitors over the duration of 10 days.¹⁴⁰ Interestingly, many abandoned houses have been bought by visiting artisans who have decided to move to Cison Valmarino which suffered from population loss due to work migration before, thus, demonstrating the potential of CCI stakeholders to capture and revitalize abandoned spaces and buildings.

Level of creativity in the traditional economic sectors

The level of technological creativity is relatively high in the traditional economic sector given the strong presence of industrial players with own development departments for products and manufacturing processes in different industrial sectors such as key technology¹⁴¹, glass façade and curtain wall production¹⁴², packaging¹⁴³, laser bridge cutting systems and embroidery software¹⁴⁴, yarn production¹⁴⁵, or food and beverage technology¹⁴⁶. All these firms stress creativity and innovation as their main competitive strategy. As a result of these developments, more than 30 patents from different companies located in the Vittoriese area are currently registered at the Official Site of the Italian Minister of Economic Development.¹⁴⁷

Vittorio Veneto has been a location for wool mills for the last centuries. Though there are some abandoned wool mills along the banks of the Meschino river in the northern part of the city, Lanificio Bottoli¹⁴⁸ is still operating in a market in which many Italian wool mills already vanished in the stiffening competition with China. The family business in the fifth generation has managed so by upgrading the quality of its products and services in terms of more specific textile designs, customer specifications, innovations in fibers and fabrics, and innovations in the supply chain such as sourcing sustainable wool from Italian sheep. The owner maintains that his company is the world market leader for fancy merino wool designs for menswear jackets. This includes a high rate of aesthetic innovation per season with more than 1500 new designs and a carry-over rate of less than 10% per year. Because of the closing of the other wool mills in the area there exist momentarily no shortage of labor, however, he claims that, there is a shortage of technicians with the right qualification profile for the local vocational school has changed their educational offers recently towards more theoretical knowledge and away from more practical knowledge. At the same time young people with the required technical qualification profile wouldn't come to Vittorio Veneto because it is "far from everything".

There is another wool mill, Lanificio Paoletti, in Follina, a small town of 3800 inhabitants in the Vittoriese area, founded in 1795 and run as a family business in the 10th generation which has adapted to changes in the competition using the same formula as Lanificio Bottoli: high vertical integration of production from wool to fabric, high level of customer specification, high levels of design innovations each season, close cooperations with high class fashion houses, and a sustainability strategy fusing with technological

¹³⁹ See <https://www.innorojewellery.com/> [Last accessed 11th August 2021].

¹⁴⁰ See <https://www.artigianatovivo.it/> [Last accessed 11th August 2021].

¹⁴¹ See <https://keyline.it/it> & <http://www.silca.biz/> [Last accessed 11th August 2021].

¹⁴² See <https://www.permasteelisagroup.com/> [Last accessed 11th August 2021].

¹⁴³ See <https://www.sipasolutions.com/en/> [Last accessed 11th August 2021].

¹⁴⁴ See <http://www.gmi.it/en/> [Last accessed 11th August 2021].

¹⁴⁵ See <http://www.mbtsrl.it/index.html> [Last accessed 11th August 2021].

¹⁴⁶ See <https://www.tmcigroup.com/en/> [Last accessed 11th August 2021].

¹⁴⁷ See <http://brevettdb.uibm.gov.it> [Last accessed 11th August 2021]. See also Vittorio Veneto's GAP analysis, p. 21-22.

¹⁴⁸ See <https://www.lanificiobottoli.com/> [Last accessed 11th August 2021].



innovations in yarn.¹⁴⁹ However, the owner reports similar problems with human resources: a lack of technicians and an unwillingness of young people to come to and to stay in Follina and the region, especially among textile designers from universities. Interestingly, Paolo Paoletti has chosen a different approach to human resource management in order to tackle those problems. He is trying to build a community feeling among his employees and partly wants to achieve this by employing a cultural strategy in order to make the place more attractive. For example, he includes his factory in cultural initiatives in the region, rents out space to artists in the factory for free, and even organizes a cultural festival on an annual basis. Thus, revitalization strategies known from urban development strategies in global cities are adapted in Follina not by the municipality but by a company that tries to keep its location attractive for its actual and potential employees.

Both wool mills are examples for the embedded mode of symbolic creativity where people employed in occupations defined as belonging to the creative industries are working outside the creative industries.¹⁵⁰ They are proof for the fact that we do find not only technical and technological creativity in the area's traditional industrial sectors but also embedded aesthetic or symbolic creativity. In contrast to the design companies mentioned above which tend to cooperate with designers located elsewhere the traditional industrial sector companies include those members from the creative occupations in their employment structure who then tend to live in the area too. Based on anecdotal evidence, it becomes increasingly harder for those companies to find and to bind members from the creative occupations, particularly from the younger generation with a university degree. This anecdotal evidence may indicate that an increasing shortage of creative skills in the Vittoriense area threatens some local companies' competitive strategy to increase the value added and the level of specialization of its products and services by employing design skills to differentiate the final products and services aesthetically.

Interviewees report a similar pattern regarding creativity in entrepreneurship. According to them, a start-up mentality is only weakly developed in the city even though there is existing a strong culture of family entrepreneurship in the Vittoriese area in particular and in northern Italy in general. Hence, we find a significant contrast between a high level of corporate technological creativity and innovation of the big industrial players at the one hand and a low start-up and founding rate with mostly traditional business models at the other hand. Although many of the existing companies in Vittorio Veneto have been evolving into research- and design intensive companies only over time, the interviewees report that this pattern might become outdated. When the previous generations of entrepreneurs could found their businesses without formal university degrees or analytical knowledge, often based just on a secondary education in a vocational school, and a synthetical knowledge base coupled with strong learning capabilities, the general increase in knowledge intensity in the economy seems to have made it obligatory for entrepreneurs to command over a deep technological and business knowledge at university level right from the start in order to succeed. Since there is lack of universities in the area, there is a widening lack of potential entrepreneurs adequately qualified for the knowledge intensive economy because university alumni tend to stay in larger university cities after graduation and won't return to their home cities when they originated from smaller cities such as Vittorio Veneto.

Interestingly, some of the vineyards in the territory market their wine as a cultural product which might become even more emphasized in the context of the recent award of the World Heritage Status for the Prosecco Hills by the UNESCO in 2019.¹⁵¹

Level of consumption of locally produced cultural and creative products and services

The patterns of the economic activity level of the producers of cultural and creative products and services are mirrored by the level of consumption of their products and services: those that don't have a large share

¹⁴⁹ See <https://www.lanificiopaoletti.it> [Last accessed 11th August 2021].

¹⁵⁰ See for the embedded mode of creative occupations the creative trident model in Higgs and Cunningham 2008.

¹⁵¹ See: <https://www.visitproseccohills.it/en>, [Last accessed 22nd June 2021].



of artistic values - standard products and services, souvenirs, crafts and folk products - do have a local market while those cultural products and services with a larger share of artistic values are hardly consumed on a local level. There is no art gallery in Vittorio Veneto, selling art pieces from contemporary local artists. As already noted, we can't find the level of local consumption of locally produced art in Vittorio Veneto that would allow artists to make a living by just selling their art pieces. Artists report in interviews that the local inhabitants buy art pieces from them only occasionally and often for motives not related to the art field. However, the wealthy and educated strata of Vittorio Veneto's inhabitants do buy art on a regular basis rather from more known artists on a national or international level in national or international hub cities for the art market. Interestingly, even though the internationally renowned contemporary performance artist Nico Vascellari still has a studio "Codalunga" in Serravalle, which serves as platform for cooperations with other artists, he does not sell his art pieces here. Rather, the Codalunga studio is marked outside by aggressive tags which show the hostile reactions of some local inhabitants to the artist's provocative art. In the same vein, the local museum won't stage an exhibition of contemporary artists from the territory because it fears either lack of interest for or a lack of understanding of contemporary art pieces. The lack of support for the contemporary local artists by the municipality and the inhabitants is even more visible as there is the Civic Gallery of Medieval, Modern and Contemporary Art 'Vittorio Emanuele II' which hosts the art collection of Giovanni Paludetti (1912 - 2002) who was interested in artists from the Veneto region covering a period from the 14th to the 20th century.¹⁵²

Vittorio Veneto is a location for an important cultural consumption infrastructure for the region. There is a Cineplex center with several screens which shows blockbuster movies beside art house productions¹⁵³. There are nine museums altogether operating in Vittorio Veneto. The municipality runs the theater building Teatro Lorenzo Da Ponte¹⁵⁴ and a "system" of museums including the gallery already mentioned¹⁵⁵ while to the Museum of Cenedese also belong the Oratory of the Battuti and the Palazzo Minucci De Carlo. The Bishopry of Vittorio Veneto runs three museums, the Diocesan Museum of Sacred Art "A. Luciani", the Diocesan Museum of Natural Sciences "A. De Nardi" and the Diocesan Museum of the Cathedral. There is also an extensive library system with four libraries in the Vittorio Veneto municipality which belong to the library system of the Treviso Province.

Even when the level of the local consumption of the visual arts is rather low, we find higher consumption levels of the performative arts, surprisingly, but in peculiar forms. The theater school Accademia Teatrale Lorenzo da Ponte, thanks to its national reputation earned for its quality and specialization strategy, even draws in a regional and national wide demand for acting lessons, thus, importing purchasing power for cultural products to Vittorio Veneto. Likewise, the two international film festivals create partly a regional, national, and even international demand in the Vittoriese territory, however, only temporarily so. Viviana Carlet, who holds a university degree in fine arts, the founder and organizer of the Lago Film Fest, reported that she switched to the festival model after giving up on setting up on a project of a permanent cultural center in a physical space in Vittorio Veneto due to a lack of critical mass of an audience. Today, she realizes her vision of an inter-disciplinary cultural center in the temporal form of the independent Lago film festival taking place in Revine Lago for fifteen years that had more than 15000 visitors over 9 days in 2019. Meanwhile the interior design company MAVV design has developed with "Spazio Mavv" a space for exhibitions and cultural events adjunct to its headquarter in a previous industrial site at the river Meschio in the city's south.¹⁵⁶

Interestingly, we find shops for high fashion and interior design in Vittorio Veneto indicating a relatively high purchasing power and discretionary income found in the local economy. However, those shops indicate

¹⁵² See https://www.museivittorioveneto.it/galleria_civica/ [Last accessed 22nd June 2021].

¹⁵³ See <https://multisalaverdi.it> [Last accessed 22nd June 2021].

¹⁵⁴ See <http://www.teatrodapontevittorioveneto.it> [Last accessed 22nd June 2021].

¹⁵⁵ See <https://www.museivittorioveneto.it/home.html> [Last accessed 22nd June 2021].

¹⁵⁶ See <https://www.facebook.com/groups/39134332484/> [Last accessed 22nd June 2021].



a certain level of consumption as well of cultural products that were not locally produced. Hence, we find evidence that Vittorio Veneto's inhabitants do consume cultural products with a high ratio of cultural and avant-garde content but tend to select for this purpose rather products that had been validated and valorized in global metropolises before.

3.6.3. Creativity Enabling environment

Networks in the CCI sector

Existing networks in the CCI sector are mostly informal. They are rather tightly knit within the CCI sector across both all CCI sub-sectors and the Vittoriese territory while relations to the players from the traditional industrial sector are rather weak or nonexistent.

Role of Educational Institutions

Vittorio Veneto's educational sector is well developed for a SMSC with two public gymnasiums with different educational profiles, a private school comprehending a gymnasium level and starting from early childhood education, and three vocational schools at secondary level. However, while this infrastructure offers good prospects for families to locate and stay in Vittorio Veneto, the young people interested in an academic education tend to leave the city after secondary education for good since there is no educational institution in the tertiary sector. This tendency is especially strong for those young people who are looking for an education in the CCI occupations at tertiary level. Thus, there is not only an outward brain drain of the creative spirited minds in the cultural and creative occupations between 18 and 30 years from the city such as in Amberg, but more generally a brain drain of the well-educated and aspirational strata of the young generation to the university cities nationally and internationally.

The educational infrastructure for developing economic and entrepreneurship creativity is existing with the FAB LAB.¹⁵⁷ Interviewees report that alumni from the Beltrame vocational school for gastronomy and tourism (HORECA) have set up businesses in Vittorio Veneto and the wider territory.

At the same time, representatives from the business community report an increasing qualification gap of the alumni from the vocational schools for Industries and Craftmanship (IPSIA) and for Technical & Technological Institute (ITIS & ICT)¹⁵⁸ due to a higher level of knowledge formalization at the cost of practical skills which has recently developed because of curricula changes. Instead, they would prefer a vocational education according to the German system of dual vocational training with a supposedly better integration of formal knowledge with practical skills.

The municipality of Vittorio Veneto recognizes both the increasing importance of education in the knowledge society and its role as educational center for the Vittoriese region by focusing its investments on the educational infrastructure. In this regard, it could inaugurate a newly build school center recently which assembles all public schools at secondary level in Vittorio Veneto.

Zavřel Foundation in Sàrmede

The Zavřel Foundation in Sàrmede, a village with roughly 3000 inhabitants, 10 km away from Vittorio Veneto, lying on the slopes of the nearby mountains, acts as an internationally renowned hub for the creative sub-discipline of children illustration with its museum, an annual International Exhibition of Illustration for Children, named "Le immagini della fantasia", an international school, archive and research activities. It was founded by the Czech painter, graphic designer, and children book author and illustrator Štěpán Zavřel who came to Sàrmede as a political immigrant in 1968 and decided to buy an abandoned farmhouse and to settle there permanently. While the location of the Zavřel Foundation in Sàrmede is the result of a historical coincidence without any specific preconditions in the territory except a certain attractivity and good

¹⁵⁷ See <http://www.fablabvittorioveneto.it> [Last accessed 12th August 2021].

¹⁵⁸ See <http://www.iisvittorioveneto.edu.it/2018/index.php> [Last accessed 12th August 2021].



accessibility, today it contributes to a creativity enabling environment locally, regionally, nationally, and even internationally. Starting out as a meeting place for a personal network of children book illustrators centering around Štěpán Zavřel the foundation has evolved into a hub for the international children book illustration community and profession, thus, bringing not only the world to Sàrmede but creating a space for the imagination of an endless number of potential worlds: “The Štěpán Zavřel Foundation is like a slender yet strong silk thread connecting Sàrmede to the rest of the world. Thanks to its work, every year this corner of Italy becomes a fantastical place, where imagination is a right to be exercised, taught and learned”, so that the village becomes a “‘fairy-tale land’”¹⁵⁹ itself. Every year more than 22.000 visitors are attracted by the International Children’s Book Illustration Exhibition, and more than 500 students come to Sàrmede to attend courses of the International School of Illustration held by international teaching staff throughout the year. Sàrmede became a meeting place for the children book illustration profession in 2016 when illustration symposia started “with the aim of promoting research and studies on the mechanisms of creativity, in order to create a grammar of illustration”¹⁶⁰. When the Accademia Teatrale Lorenzo Da Ponte manages to attract pupils regionally and nationally, the Zavřel Foundation shows the potential to attract pupils internationally independent from city size by leveraging a quality and specialization strategy in the CCI field.

The Zavřel Foundation is very visible in Sàrmede where the museum is located in the town hall morphing from there into a newly designed museum building and where many murals painted by Štěpán Zavřel and other illustrators, artists and students from the Sàrmede International School of Illustration can be found on walls all over the place. Thus, it stands as an example for the potential that members of the creative professions might even transform whole places and communities including their identity under favorable circumstances.

The existence of the Zavřel Foundation in the village of Sàrmede is similarly surprising as the existence of the KIKstarter start-up incubator in Kamnik - not only for external, but also for internal observers. Even the foundation’s official declarations state that “this small village in the hills near Treviso, with only 3,000 inhabitants, became a ‘fairy-tale land’”¹⁶¹ so much so that Sàrmede is called the “town of fairy tales” thereby indicating that the internal observers find it somehow magical, too, that of all villages Sàrmede became the place for this development to happen. However, the semantics of magic and fairy tales raise the question of how to account explicitly for the success factors that help in transforming a rather unlikely development into reality to help similar projects like the Die DAS in Saaleck near Naumburg to become successful, too.¹⁶²

As already noted, Sàrmede and the Zavřel Foundation are an example for the potential of members of the creative professions to transform whole villages and places with the help of imagination, determination, perseverance and intrinsic motivation as well as an example for a specialization and quality strategy in the CCI field. However, it has been a historical coincidence that Štěpán Zavřel has chosen Sàrmede as his residency as an artist when he came to Italy as a political immigrant. In the same vein, there are many untold projects by artists who settled in villages without leaving lasting marks. One success factor surely was the attractiveness of the landscape and the surrounding in the artist’s eyes and his preference to settle in the countryside. But what used to be a far-flung place when Zavřel settled there in 1968, soon became a place very well accessible by the road network not only for the Veneto region but for the whole world with two airports in Treviso and Venice reachable in short travel time.¹⁶³ Another success factor was the openness

¹⁵⁹ See <https://fondazioneZavrel.it/en/mission/> [Last accessed 12th August 2021].

¹⁶⁰ See <https://fondazioneZavrel.it/en/courses-on-offer/> [Last accessed 27th August 2021].

¹⁶¹ See <https://fondazioneZavrel.it/en/stepan-Zavrel/> [Last accessed 27th August 2021]. Elsewhere, the official text speaks of a “magical” place.

¹⁶² See <https://www.die-das.de> [Last accessed 27th August 2021].

¹⁶³ The founder and organizer of the Lago Film Fest in Revine Lago, another cultural institution in the territory with an international aspiration and appeal, Viviana Carlet, reports that the two airports and, thus, a good accessibility of places and



of the village to the creative emigrant and his works so that there was little resistance by the municipality and the insiders against the creative will and spirit. Another important success factor was not only the lack of resistance but rather the readiness to cooperate in institutionalizing the Zavřel Foundation with the help of a Public Private Partnership. Today, the Foundation is financially supported by the Veneto Region, the Province of Treviso and Sàrmede Town Council. Thus, the Foundation is also an example of how the private, the public, and the intermediary sector of cultural production operate together interdependently rather than independently from each other.

This list of success factors is far from complete. The single factors define rather necessary than sufficient conditions for the success of the Zavřel Foundation. There are many conditions not under control of the local actors such as an emerging and unfinished professionalization process of the young profession for children's illustrations, and the established artistic career and reputation of Štěpán Zavřel before he came to Sarmede. However, the Zavřel Foundation does exist in Sarmede and is proof for the fact that limits to the development of CCI as a function of city size may be overcome under certain favorable circumstances.

Facilities for Local Economic Development

According to Vittorio Veneto's mayor, Mr. Antonio Miatto, to support the development of the local economy is not high on the agenda for municipalities and communal self-government under the Italian jurisdiction but rather belongs to the functions executed by central national, regional, or provincial government agencies. However, the Vittorio Veneto municipality has been trying to support the local economy by urban planning measures in the past. Unfortunately, the financial means for urban planning have been cut by the central government in 2013 in the context of a new law further centralizing taxes which has led to a 40% cut in the municipality's budget and a 30% cut in the staffing consequently. Even though Vittorio Veneto is one of the biggest Italian hubs for business taxes with its industrial area it is less and less able to act strategically on its further local economic development. It even struggles to maintain the basic municipal tasks in a municipality that is spread out across a large area meaning high maintenance costs of hardware infrastructure. In this context, "It's a miracle to do more than the basic needs", according to Mr. Miatto. Rather than relying on "occasional money from Rome that changes plans erratically according to national opportunities", the municipality is trying to raise external funds such as EU funds for developmental tasks in order to act more strategically and to avoid an incremental opportunism in urban planning and economic development.

In this context, to take on the StimulART project directed at the economic development of a particular economic sector resembles the chance for the municipality to gain experiences with an economic development agency. However, the awareness for the CCI sector is rather low in the municipality as is the understanding of the specifics of the CCI sector and its role in urban and regional development. Thus, the municipality tends to think of the CCI sector rather instrumentally as a means to leverage the city's cultural resources to develop the tourism sector and does not value it for its own sake. For example, the municipality has discovered the international design firms on their territory only recently long after the StimulART project has started and even after the explicit task to map the CCI sector locally.

Civil Society

Vittorio Veneto has a vivid civil society, meaning a self-organized structure of the public realm where the people organize their heterogeneous interests not only in political parties but also in more or less formalized initiatives such as associations with their capacity to select purposes freely and relatively spontaneously and with their democratic and egalitarian structure.¹⁶⁴ As we have already seen above on several occasions, especially entrepreneurs have been trying to revitalize abandoned industrial sites such as the Spazio MAVV

events of the world art society were a precondition for her to settle in Revine Lago and to establish and organize the Lago Film Festival there.

¹⁶⁴ See for an incomplete list of (non-sport related) associations <https://www.comune.vittorio-veneto.tv.it/home/tematiche/vivere/associazioni.html> [Last accessed 27th August 2021].



or the ABS Group and its sister company Kora Communication. In the same vein, there was the Comodamente Festival between 2007 and 2013, organized by the architect Claudio Bertorelli with the specific aim of valorizing abandoned spaces of the city. The festival came to a halt due to conflicts between the organizers and the municipality.¹⁶⁵ Here we witness an interesting relationship between the CCI stakeholders and civil engagement for urban development matters: The level of civil engagement particularly for urban development issues seems especially high with CCI stakeholders whose aesthetically trained perception and experience seems to lead them to recognize shortcomings in urban development and to engage in initiatives directed at correcting them at the one hand and whose creativity has the potential to produce innovative utilization concepts for abandoned industrial sites and wastelands, at the other hand.

However, considering the many abandoned or unused industrial sites as well as vacant residential buildings present in Vittorio Veneto, we see a decrease in civil engagement in the city at the same time. Interviewees report that the owners of the unused industrial sites neither are prepared to sell or rent them to interested parties nor are they willing to invest capital in order to revitalize them or to set up new businesses. These phenomena point to rather low levels of identification with the city and its community and of accountability for property among some entrepreneur groups and long-established entrepreneur families.

Much civil engagement is directed toward the intermediary cultural sector as such in Vittorio Veneto. We find many cultural associations in the area, there is even some kind of an umbrella association with the “Consulta Associazionismo Vittoriese”.¹⁶⁶ Some of the many cultural associations cooperate with the municipality in public private partnerships for maintaining basic services in the public cultural sector such as in the local ‘system’ of public museums.

3.6.4. Potentials for a cultural-led social and economic development and its obstacles

We have already seen that Vittorio Veneto scores relatively high in the sample of the five StimulART small and medium sized partner cities on a continuum of realized development potentials for the CCI sector. However, compared with Amberg that also scores high on that continuum, it is not the size of the local market for cultural products and services which nourishes the local CCI sector here. While Amberg’s CCI sector can thrive on the local market, some of Vittorio Veneto’s companies operating in the CCI sector are exploring and exploiting rather regional, national, and even international markets with the help of a specialization and quality strategy, particularly in the design sector. However, these fact does neither mean that the city has already realized the full potential existing today nor that there could not be developed further potential for both the development of favorable conditions for the development of the CCI sector and the future development of Vittorio Veneto by help of the CCI sector using the city’s cultural resources. Rather, the relatively high development level of the city in terms of its CCI sector gives us a chance to see the development limits of the city’s CCI sector when no further development programs will be realized and when the municipality will not tackle the obstacles to further development. Then, quite contrary to the logic of a GAP analysis, highlighting the potential development limits of SMSC in the case of Vittorio Veneto can reveal the potential risks to economic and urban developments of SMSC more generally. In what follows, therefore, we will also take the chance to highlight those risks of the potential development trajectory of SMSC in the post-industrial knowledge society using Vittorio Veneto as an example. However, before we will discuss those limits and risks in more detail, we will first list untapped potentials and obstacles to Vittorio Veneto’s further development.

Untapped potentials for CCI sector development

The discussion about the CCI and creativity in Vittorio Veneto has shown that the city’s portfolio of CCI firms and freelancers and their economic activity level differs much across sub-sectors. At the one hand we find

¹⁶⁵ See <https://www.facebook.com/fest.comodamente/> [Last accessed 27th August 2021].

¹⁶⁶ See <http://www.parcofenderl.it/> [Last accessed 27th August 2021].



sub-sectors with a rather low economic activity level serving predominantly a small local market. At the other hand there exist some sub-sectors in which companies are operating which serve regional, national, or even international markets with their cultural products and services thereby gaining independence from the small local market. Also, much of the city's cultural life is still dependent on cultural offers provided by the public sector and by the non-profit sector of cultural production.

In the following the most obvious untapped potentials for the CCI sector that are specific to Vittorio Veneto are listed whereas the potentials the city shares with the other StimulART partner cities will be attended to in the discussion and the conclusions chapters.

- The CCI sector can benefit from a heightened awareness of the sector as such so that it becomes more visible for local firms as their potential supplier, thus potentially enlarging the local market.
- The CCI sector can become more densely networked within across all sub-sectors to strengthen visibility, self-organization, interest articulation and lobbying. Internal networking may particularly highlight the internationally successful design firms and may lead in turn for the further diffusion of their business models and strategies across the territory.
- The CCI sector can become more densely networked with the traditional industries in order to tap new local market potentials and to facilitate cross-sector spillovers. The internationally successful design firms may act as role models highlighting the potential spin-offs from the design sector to the traditional industries, not only regarding their strategy that realizes higher value added by higher differentiated products and services but also regarding new ways and strategies to innovate such as design thinking.¹⁶⁷
- The CCI actors could benefit from consulting services specialized in the sector's structures and needs and provided on a regular basis, best realized in cooperation with regional agencies specialized for this task.
- A physical place and CCI-hub in the city could become a symbol for the CCI sector where all those potential measures noted above could become realized. Such a physical hub could function as a space where all CCI stakeholders can meet and network internally as well as externally.
- It would be an experiment if such a physical cluster management entity like a physical hub can become supplemented by a cluster manager for the CCI who is supposed to help the sector to develop more strongly by providing specialized services and by building up expertise. Another important benefit of such a newly established institution would be an operable 'interface' that could help in lowering access barriers for the CCI stakeholder, in translating between the different mindsets in the municipality and the CCI milieu, and in furthering mutual understanding, thus reducing conflicts and avoiding mutual stereotypes in their interaction. It must be noted that such an experiment could fail due to a lack of critical mass in the CCI in SMSC. However, a CCI cluster manager who is responsible for more neighboring municipalities and SMSC - such as Conegliano and the integrated inter-communal system with 10 neighboring municipalities - could be a solution to the critical mass problem by aggregating CCI actors dispersed across the region.
- The administration should develop a stronger awareness about the CCI sector and its special needs and learn to appreciate the sector for itself rather than for its potential beneficiary side-effects for other sectors such as tourism. Those beneficiary side-effects will come only into effect when the CCI sector thrives which might become reality partly due to suitable municipality's support programs whose suitability, in turn, depends on the degree to which they are shaped according to the CCI sector's specific needs. In other words, the municipality tends to instrumentalize the CCI sector for the development of the touristic sector. There is a potential when the municipality learns to recognize and appreciate the potentials of the CCI sector as such.

¹⁶⁷ See the company self-description of Diemmebi at https://www.diemmebi.com/diemmebi_eng/ [Last accessed 30th September 2021] where it is explained how the company transformed itself from a supplier of metal structures for metal furniture into a design company for furniture for community settings by implementing the agile innovation method design thinking.



- The administration should become more open generally to the idea to engage in public-private partnerships with CCI stakeholders where the municipality develops and rents out suitable buildings for cultural projects to CCI stakeholders who become responsible for the utilization concepts in turn, thereby relying on the potential of the CCI stakeholders to act as so-called space pioneers who are capable of the creative exploration and transformation of abandoned spaces into attractive places.
- In general, the local economy could greatly benefit from an economic development agency which could provide the framework within which a cluster manager for the CCI sector could work. Far beyond the narrow focus of the CCI sector such an agency could provide for better conditions for setting up or relocating businesses in the city and for a better communication between the companies in the industrial zone and the municipality. The local economic development agency could benefit from a cooperation with regional or national level economic development agencies particularly for the support for internationalization programs of local businesses.

Based on these potential measures and instruments, there is the potential that the local CCI firms and freelancers together with the traditional trades and crafts can grow and exploit a growing local economy in Vittorio Veneto in the coming years, thus gaining market share disproportionately. At the same time, the companies already operating at regional, national, or international levels can serve as role models whose business models and strategies could inspire other companies to regionalize, nationalize or even internationalize their offers more strongly thereby becoming more independent from the local market.

Untapped potentials for a cultural-led urban development agenda

Beyond the narrow confines of a CCI sectoral development strategy, this report also looks more generally at Vittorio Veneto's cultural resources. Since any potential for a cultural-led urban development is related to the city identity, we will turn to this issue first.

- One of the greatest potentials for a cultural-led urban development is the ongoing public debate about Vittorio Veneto's city identity which has started before the StimulART project. The current identity is tightly connected to the last and victorious battle of the 1st World War that ended this war, overrunning and out shadowing every other identity building aspect. In order to valorize the great cultural potentials connected to Vittorio Veneto's long running history, but also to open the city up for more recent, contemporary, and mundane events and developments the debate about the city identity should come up with a broader story. A new identity should embed the fact that Vittorio Veneto has been the location where the 1st World War's last battle took place in a much broader temporal sense, covering a period of more than two thousand years while pointing to the future. This debate should avoid the pitfall to look only for those identity defining anchor points that could possibly appeal to outside observers because of their potential world historical and national importance. The search for a new city identity seems to be triggered not only by the fact that the story about the 'last battle' is increasingly ageing and thus losing relevance for the new generations, but also by the widespread feeling, that the city is increasingly losing a strategic position it once had. Hence, it is one of the challenges for Vittorio Veneto to redefine its position in a new time-space framework shaped by modern technology, cultural, economic, and socio-political forces in relation to a dynamically changing urban hierarchy on a regional, national, and global scale. One of the potentials of the city's cultural heritage is that it can easily be related to the role Vittorio Veneto had played as a strategically positioned city in past centuries, thereby emphasizing its importance as a hub in an emerging communication network connecting the Veneto region and Venice with Europe and with the emergence of the European Western civilization.
- Compared with the neighboring city of Conegliano, Vittorio Veneto has lost important centrality functions in the perception of the region's inhabitants over the last decades. Therefore, one important dimension of future city development is the question how to regain territory lost to Conegliano in the past in terms of the city's centrality functions for the region in the perception of its residents. There are potentials for the city's future development when finding a strategy that manages to gradually restore centrality functions.



- The current debate about the city identity is not only focused on conflict and war and directed towards the search for identity anchor points that can serve the desire for importance at an international and national scale, but also oriented towards external observers. Interestingly, those external observers are thought of as international tourists who should be allured to temporarily come to the city for its cultural attractiveness.¹⁶⁸ While this debate ignores the role a city identity has for the city's residents, it opens the potential to focus the city identity on those aspects that matter the most for the residents living there. The city should overcome the one-sided bias of a narrow cultural tourism strategy when thinking about changing the city identity with the help of culture and, instead, focus stronger on the role of culture in the everyday life of its citizens.
- Because earlier attempts at changing the city identity failed - one of the interviewees called Vittorio Veneto in this respect even „a city of lost occasions“ - and because the city does not strongly believe in its own capabilities and endogenous resources, it now tends to look rather outwards in order to change its identity by participating in potential cultural advantages of which it is not in the center but rather in the periphery of developments such as the UNESCO Prosecco Hills title. However, the municipality has engaged in some initiatives recently which are clear indications that Vittorio Veneto has also been trying to focus on its own strengths such as the application for Capitale Cultura 2018 and the recognition of European Capital for Sport in 2018. While the earlier, outward oriented attempts about changing the city identity mainly ignored the city's capabilities and endogenous resources, this ignorance opens the potential to redirect the city identity debate's focus on endogenous urban development in future attempts.
- Strongly connected to the potential that lies with redirecting the debate about the city identity towards the local and regional level, endogenous cultural resources and inside observers, steering it away from ideas of international importance, external observers, and a narrow focus on tourism, is the potential connected to urban development strategies that stress inner city development over the development of the city periphery and fringes. In this context, there is a great potential to address the many industrial and housing vacancies and abandoned buildings in Vittorio Veneto using the CCI stakeholders as a developmental resource.¹⁶⁹ At present, the industrial wasteland and the abandoned buildings in the city communicate rather a city in decay without a vision for a prosperous future thereby not only hampering the city's attractiveness but also emphasizing an ageing population and contradicting any attempt to stress the quality of life or to communicate a healthy life in a “healthy city”¹⁷⁰. When the city succeeds in tackling inner city development then these achievements could serve as a basis for communicating quality of life in Vittorio Veneto on the back of its “mountain environment” (p. 33). Indeed, it might well be the case that Vittorio Veneto can regain a sense of strategic position when it can actively strike the balance between the right amount of cityhood (urbanity) and the right amount of rural life close to nature, or, to put it in other words, when it can reposit itself as a city that sits on a sharp border between city life and close nature uniting the advantages of both while avoiding their disadvantages. In the context of such a potentially rejuvenated city identity, the river Meschio and its importance for the city for today and in history together with the many sights along its banks could become more fully explored for urban development programs. Though the Meschio River has shaped the city to a certain degree in the past when the local economy was once dependent on it, it has lost this role under the contemporary circumstances of the knowledge society. There is existing a significant potential for cultural-led development when the city manages to find a story that also integrates the river in the city's identity at the one hand and when new roles for the river could be found which can include, for example, creative ways to use its constant temperature of 11 degrees Celsius or to use it as a decentral source

¹⁶⁸ See for evidence the Local GAP Analysis Report 06/2020, pp. 3-4.

¹⁶⁹ For example, ABS group's relocation to Vittorio Veneto or the initiative of MAVV Design are local good practices in revitalizing vacant and abandoned buildings or industrial wasteland.

¹⁷⁰ Local GAP Analysis Report 06/2020, p. 39.



of renewable energy, or, for that matter, to construct a standing surfing wave such as the Eisbachwelle in Munich¹⁷¹, at the other hand.

- With respect to what has already been said about the “European Capital for Sport”, there is a strong amateur sports culture present in the city connected to a culture of leading an active live. In terms of the city’s identity there is the potential to include the culture of sports in particular and the culture of leading an active live in general in the city’s updated story and identity.
- Having pointed to and criticized the one-sided and narrow focus on tourism as a development strategy, be it understood as a cultural-led, a purely economic, or an urban development strategy, one must recognize nevertheless that Vittorio Veneto does have untapped cultural potentials to be discovered and explored for tourism. Since the city is already aware of those potentials and is trying to realize them together with regional government agencies this report will not further discuss those potentials except from stating once again that the city must come to terms about the relationship between the tourism sector and the whole sector of cultural production (including non-commercial and commercial cultural production). The recommendation is to develop an integrated strategy for both sectors.
- There is a potential in a strengthening of the inter-communal cooperation initiatives not only with the municipalities in Vittorio Veneto’s hinterland but also with neighboring regional centers particularly regarding regional marketing and economic development politics.
- The participation of the city’s population and of its civil society associations in the processes of city development should be intensified. Such a process could emphasize that the city has a strong interest in nurturing endogenous over exogenous resources in city development, thus, providing a much-needed impulse for the rejuvenation of the inner city. In this respect, the city could reconnect to the “Comodamente” initiative mission and develop projects which include culture, education, third places and, above all, the further strengthening of the civil society.
- There is a considerable potential in working on a traffic concept that can make the inner city more attractive for pedestrians.
- Rejuvenating the administration together with setting a new focus on the needs of the younger generations holds important potentials for city development.
- The municipality could open itself up for the support of contemporary artistic perspectives, particularly in the visual and performative arts. With Nico Vascellari, Vittorio Veneto is connected to an outstanding performative contemporary artist who is internationally renowned and who still values his connection to his birthplace highly. Although his works are often met with rejection by the natives, there is a significant potential when Nico Vascellari could be convinced to act as mentor or patron for supporting young creatives from Vittorio Veneto, particularly originating in youth culture like skating and street art. Such a development should become embedded in a broader context of supporting the development of ‘new’ cultural creativity as opposed to a narrow focus just on the preservation of the products of accumulated ‘old’ creativity and the maintenance of cultural heritage which seems to be the prevailing mindset in the city to date.
- There is the potential of a closer cooperation between the municipality and the Accademia Teatrale Lorenzo Da Ponte regarding the management of the facility Teatro Da Ponte which could be managed and curated by the management of the former cultural institution. Besides, a permanent theater company with regular performances can strengthen the city society as such thereby contributing to a unified city identity. Theaters are important meeting points for any city society in which it can constitute and articulate itself.
- In terms of business culture, Vittorio Veneto has potentials to nourish the start-up culture in the city to revitalize the entrepreneurial spirit in the city.
- The cultural heritage related to the Catholic Church and the Bishopric of Ceneda is neither integrated in Vittorio Veneto’s cultural offer nor city identity. The potentials connected to that cultural heritage

¹⁷¹ See <http://www.eisbachwelle.de/> [Last accessed 30th September 2021]. Note, that the construction of a standing surfing wave would also benefit the young generation.



are obvious and could be gradually realized by a stronger inter-organisational cooperation between the municipality and the diocese.

- Many cultural offers in Vittorio Veneto are made possible only by the strong ecosystem of voluntary associations in the non-commercial sector of cultural production. For example, the public museums can only be kept open to the public with the help of public-private partnerships between the municipality and cultural associations. While it is understandable that the municipality wants to transform some of those associations into sustainable businesses, it is important to see here the limitations to do so which exist at least in two dimensions: the small size of the local market for cultural products and services, and the missing capacity to turn the membership motivation to participate in cultural associations into a business motivation, this is to turn an intrinsic motivation into a profit motive. The potential lies here rather with a professionalization of the work of civil associations and the education of the young generation in matters like community service and the value of culture and cultural heritage for the community building in the city society. As the example of the StimulART partner city Kamnik can demonstrate, cultural associations work sometimes as seed beds for creativity, cultural activities, and at times even business ideas that are then realized in spin-off businesses. The development potential for Vittorio Veneto is connected to the capability for identifying and selecting those cultural associations for support by public money which become then good practices for an efficient use of public money.

On balance, Vittorio Veneto's potential cultural resources are significant thanks to the long settlement history of the region, the architectural and cultural heritage, the intact cultural landscape, the long economic history of 'creative destruction', the hidden champions including the highly internationalized design companies, the educational infrastructure, the Bishopry, and a vivid civil society. To further realize and unleash the cultural potentials in the city, the CCI should be supported more strongly and should become better connected to the traditional local economy. Vittorio Veneto seems to exemplify a particular relationship between the CCI and the traditional economy where traditional companies turn into design companies by following a specialization and quality strategy trusting in the power of design. Rather than looking for a mass production strategy, design companies add high value to their products and services by differentiating them with the help of intensive design efforts thereby leveraging Italy's strong national reputation for both design and quality manufacturing. Thus, the design companies make use not so much of the cultural potentials of the territory or the city itself but rather of the Italian national design culture. In another respect, the design companies show the potential the CCI sector holds for the traditional industrial sectors in terms of spin-off effects.

In sum, there is a potential for a cultural-led urban development in Vittorio Veneto when the development strategy for the CCI sector serves as a nucleus for a much broader Creative City development strategy, this is, when a narrower CCI sector development strategy is embedded in a broader city development strategy drawing on the creative and cultural resources of the territory in general.

Obstacles to CCI sector development and to a cultural-led urban development agenda

There are already many local good practices existent in the city that show how cultural resources have been tapped by creative and entrepreneurial efforts in the past. They are proof that all obstacles there might be in Vittorio Veneto can be overcome by creative problem solving. However, there are some obstacles existing in the city at present who are hindering the development of individual creativity, of the CCI sector, and of the city more generally. The obstacles are often directly related to the untapped potentials discussed above. Some obstacles that are hindering the further development of creativity and the CCI sector specific to Vittorio Veneto are listed below whereas the obstacles the StimulART partner cities are sharing with each other will be attended to in the discussion and the conclusions chapters.

- The relative strength of some CCI sub-sectors and companies in Vittorio Veneto such as the design sector has developed in recent years not because of support from the city, but despite the lack of support and understanding of the sector by the municipality. Accordingly, one obstacle to the further development of the sector is the maintenance of this current status quo on the part of the city. A low



level of understanding for the CCI actors, a partial lack of competence for the support of the CCI sector, a partial hostility towards the CCI actors, a lack of contact persons in the administration, and the lack of jurisdiction for the CCI sector in the municipality can be counted as significant obstacles. One important dimension for a city's attractiveness for CCI stakeholders is its atmosphere of tolerance for people who do not fit in into the common norms and of open mindedness to different cultures. Tolerance serves as an important prerequisite for the free expression of creativity and innovative behavior. How the city handles the CCI stakeholders serves as a highly visible symbol for how tolerant and open minded the municipality is. Even a partially hostile take by the municipality will be seen as a clear sign for its lack of a tolerant and open-minded attitude in general by the CCI stakeholder with negative effects for their perception of the city's overall attractiveness.

- The relatively low visibility of the CCI sector for the local hidden champions is a potential obstacle to the CCI sector's further development so are the rather weak network relations which connect the local CCI sector to the local traditional industries.
- Regarding the building up of an internal network structure between the CCI sub-sectors, it is difficult to organize such a network at all because the sub-sectors are very heterogenous with respect to their needs and economic interests. Based on anecdotal evidence, there is only a weak cooperation culture existing in the region which might it render particularly difficult to build a local sector organization in a strong individualistic environment with negative effects for the sector's future development.
- The city lacks capabilities for the support of the local economic development which hampers the development of specific sectors such as CCI at the one hand and the potential to govern strategically its urban, cultural, and economic development at the other hand.
- The experience of repeated conflicts with specific persons from the CCI sector who combine a creative mindset with entrepreneurial skills has resulted in the municipality's perspective not to cooperate with those persons any longer to avoid conflicts on occasions of public-private partnerships. At the same time, conflicting political views ascribed to these CCI actors have contributed to those personalized conflicts. This may have led to a perspective in the municipality that certain CCI actors belong to the political opposition while this perspective acts as an obstacle for supporting the CCI actors in question which may lead, in turn, to an obstacle for the development of the CCI sector and the cultural life in the city because the potential of skillful, capable, and motivated CCI actors is rather limited in SMSC. Thus, existing potentials for creative utilization concepts for cultural infrastructure or industrial wasteland and abandoned buildings may not become realized while the municipality lacks creative potential and capacities to create utilization concepts by its own while cooperation with CCI stakeholders seems not feasible any longer.

When one thinks about obstacles to the city's future cultural development beyond the narrow confines of a CCI sectoral development strategy, the city's most pressing obstacles for developing cultural resources are listed below. Again, the obstacles are often directly related to the untapped potentials pointed to further above, for example, the obstacles may entail implications for untapped potentials.

- Vittorio Veneto is host to a highly developed economic sector which is proof that the city could enjoy competitive location advantages in the past. However, together with the rise of the networked knowledge society and knowledge intensive production and services based on capabilities for creativity and innovation those locational advantages are changing. Regarding the increasing importance of creativity and innovation, Vittorio Veneto is too much relying on its current knowledge base which is mostly synthetic and engineering-based in character while it becomes increasingly harder for its companies to find and bind professionals with an analytical and science-based or symbolic and arts-based knowledge base that are important for disruptive creativity and innovations. There is a tendency that professionals with different knowledge bases also have different location preferences. Professionals with the much sought after analytic or symbolic knowledge bases tend to settle, live, and work in metropolitan cities, while engineers and entrepreneurs with a synthetic knowledge base often settle in smaller cities and rural regions. Thus, there exist not only a shortage of skilled experts in quantitative terms in Vittorio Veneto, rather this shortage is of a qualitative



nature, too, meaning that the much needed symbolic and analytic knowledge competences for creativity and innovations are missing which slowly but surely erodes the human resource infrastructure for a sustainable competitiveness on global markets for the companies in Vittorio Veneto which tend to operate on those international markets.¹⁷²

- According to interviews with entrepreneurs, the shortage of skilled experts also occurs with respect to alumni of the recently reformed vocational schools, and thus for skilled worker with a synthetical knowledge base. However, while the number of vocational school alumni is still sufficient, their type of practical knowledge and skills does not fit into the occupational requirement profiles any longer. According to the entrepreneurs, the young workers increasingly lack practical skills for “making things” what they attribute to the increasing formalization during the vocational training. In this way, theoretical knowledge would replace practical knowledge and skills. This skilled expert shortage can act as an obstacle to the territory’s further economic development since the local economy is highly dependent on the manufacturing sector, and to the development of the CCI sector because many of its products and services still rely on the input of skilled manual labor and craftsmanship.
- In addition to the erosion of a competitive human resource infrastructure, Vittorio Veneto is an ageing and slightly shrinking city with the proportion of the population aged between 20 and 35 years particularly shrinking, according to the local CCI mapping report.¹⁷³ Thus, Vittorio Veneto is not only losing out as an attractive location for economic activities but more generally as a location for individuals and families as such, particularly for the young generation in education or early career stages. A shrinking human resource base and a shrinking and ageing population may become a progressively growing obstacle for the development of cultural resources which, in turn, are important to keep the city attractive for people and businesses.
- Closely related to the population development are the inner cities vacancies. There are many vacancies of flats and houses that partly shape the city’s atmosphere. However, there are many reasons for those vacancies, the loss of inhabitants is just one among them. According to an interviewee, a significant share of the real estate in Vittorio Veneto is owned by people or companies located outside of the city. External owners are not affected by the aesthetic decay vacant flats and buildings emit since they don’t live in the city on a regular basis. In other words, external real estate owners may lose the emotional relationship with the place and may not act as community members. What may be even more worrying is the fact that, according to interviews, many of the industrial wasteland areas are owned by local entrepreneurial families who, after having made a fortune with traditional industries, are no longer interested in keeping up the business, modernizing it, diversify businesses, putting the wasteland areas to other uses or selling it. While this insight may be also interpreted as an indication for a slackening entrepreneurial culture, it is another cause for the many vacancies in the city. If the vacancies remain at the current level or if a further increase occurs in the city’s vacancies, this may pose an obstacle to the development of cultural resources.
- There exists only a low level of start-up activity, and low levels of innovativeness in the business models at present due to a low level of start-up culture in the city. Interviewees report in addition that there is an ever-growing lack of entrepreneurial knowledge which becomes ever more complex, sophisticated, analytical, and symbolical in nature increasingly requiring university level knowledge which is not taught in the city.
- There is the danger that all those obstacles might cluster and mutually reinforce each other: the one-sidedness of the knowledge base in academic jobs, the skilled labor shortage in manufacturing and craftsmanship, particularly the increasing misfit between industry job’s requirement profiles and vocational school alumni profiles, the slackening of the entrepreneurial spirit and culture, increasing

¹⁷² See Asheim/Hansen 2009 for the distinction between synthetic, analytic, and symbolic knowledge bases and their relevance for creativity and innovation in the current global knowledge society.

¹⁷³ The population has been shrinking about 0,34% annually between 2007 and 2018. The proportion of the population aged 20-35 years has dropped from 17,9% in 2007 to 15,5% in 2018.



knowledge demands for successful entrepreneurship, and a brain drain of the young, talented, and motivated generation.

- Historically, Vittorio Veneto has developed a strong self-centered mindset at the expense of the formation of capabilities for inter-organisational, especially inter-communal cooperation which will become more important in the future such as in regional marketing concepts for example.
- The city identity as discussed further above may constitute an obstacle to a cultural-led urban development when it will persist unchanged. There is the risk that the city identity may remain unchanged because an identity is hard to change, particularly when seemingly more easy solutions appear to be within reach. For example, the Local GAP Analysis contains the idea that the city's significant cultural heritage constitutes a "hidden treasure" (p. 4) that when redesigned could be better marketed to appear more easily on the map of international tourism "between a number of powerful and world-wide recognized attractions (Venice, Dolomites, the Venetian Seaside, Verona, Palladian Villas in the area of Vicenza and recently, the Prosecco hillsides UNESCO Heritage sites), all of them at less than 100 kilometers range" (p. 4). In particular, the title of World Heritage Site awarded by UNESCO to the Prosecco Hills could pose a difficult decision in this regard. Since this title is related to the old city identity - the pursuit of worldwide fame and name recognition - it could tempt the city to invest much of its scarce resources in this strategy of creating a new regional tourist destination, at the expense of neglecting the development of endogenous resources in the city, while the city is only a part of the Prosecco Hills on its eastern border. However, this development adds the question to the agenda of how to utilize this title to catalyze a cultural development that not only benefits the Prosecco Hill region but rather the city's CCI sector, the local economy, the local ecosystem for creativity, and the city, under the condition of scarce resources. This question would become an obstacle if it were to dominate the city agenda as the main issue for a cultural-led development that eclipses all others.

Having pointed to all those potential obstacles above, the report wants to stress that they all can be overcome by the local actors. Beside this, it should be noted, that we are talking about social and cultural obstacles rather than ones of technical infrastructure.

3.7. GAP analysis for the city of Amberg

3.7.1. Town's profile

Geographic Location

The County City of Amberg (DE: "Kreisfreie Stadt Amberg", district free city) is located in Eastern Bavaria, about 68 km northwest of Regensburg, 68 km east of Nuremberg and 64 km west of the Czech Republic. With a population of around 42,000 inhabitants Amberg is the third largest city in the Upper Palatinate District (after Regensburg and Weiden i.d. Obf.) and part of the Nuremberg Metropolitan Region (NMR). The cities of Regensburg, Weiden and Nuremberg as well as Nuremberg Airport can be reached almost all roughly within an hour via the nearby federal highways and train connections (Regensburg 56 min by train and 59 min by car; Weiden 52 min by train and 38 min by car; Nuremberg 54 min by train and 58 min by car; Nuremberg Airport 1:17 h by train and 57 min by car).

Amberg is the regional center in the middle Upper Palatinate and is completely surrounded by the district (DE: "Landkreis") of Amberg-Weiden. In terms of natural space, Amberg is located between the Franconian Alps and the Upper Palatinate Forest along the river Vils.

Role as an administrative unit and position in the national urban hierarchy

The medium-sized city of Amberg comprises 25 city districts, including two industrial estates, over a total area of 50.14 square kilometers with a population density of 842 inhabitants per square kilometer. The number of inhabitants has developed positively in recent years (2019: +1% since 2011), while the population is ageing with the proportion of people over 65 increasing from 22.3% in 2011 to 23.7% in 2019. The average age of the residents of Amberg in 2019 was 45.7 years.



As a regional center, Amberg has a very high supply function for the rural surroundings. The old town is the central area of activity for the administration, for shopping, for social urban life and for events throughout the year. In addition to the authorities of the city, Amberg is also the seat of the district administrator, the district administration office, and the district assembly of the Amberg-Sulzbach district. Furthermore, it is a location of the East Bavarian Technical University Amberg-Weiden. The Technical University has around 3,500 students in 4 faculties (including around 1,000 in Amberg) and offers around 20 specializations. Moreover, Amberg is located near some of the largest American barracks in Germany (Vilseck - 22 km, Grafenwoehr - 38 km, Hohenfels - 41 km).

With several (large industrial) companies, numerous SMEs and a positive labor market, the high economic performance (measured in terms of GDP) of Amberg compared to the cities in Upper Palatinate is an important location factor for all areas of urban development. The export quota in 2018 was 81.2% in Amberg (compared to 56.6% in Upper Palatinate and 63.9% in Bavaria) and the industrial density (measured in industrial employees per 1,000 inhabitants) in Amberg is 217.3 (compared to 129.8 in Upper Palatinate and 102.3 in Bavaria).

Recent Economic History

In the 12th century Amberg was already an important place of trading merchants. However, Amberg owes its economic rise not only to trade, but also to iron ore mining and the further processing of the mined raw iron in so-called hammer mills, in which the ore was forged using waterpower. The economic foundation of Amberg in the age of Industrialisation was laid not only by the rifle factory, which had already been relocated to the town in 1801, but above all by the Baumann company, which began producing enamelware in Amberg in 1869. The mining importance of the town diminished during the Thirty Years' War, came back in the 19th century, and ended after the Second World War because of cheaper iron from other countries and the exhaustion of the known ore deposits. During the Nazi-era, Amberg was one of five sites of the Reichswerke Hermann Göring. The last iron ore was mined in Amberg in 1964.

The historic center of Amberg was spared from the bombardments of the Second World War. The city faced major problems after the collapse in 1945, when the number of inhabitants increased from 32,000 to 44,000 due to the arrival of refugees. Only a committed demonstration building program at the beginning of the sixties was able to alleviate the housing shortage. In the 1970s, the city tackled the redevelopment of the old town.

Today, metal and mechanical engineering as well as electronics technology are particularly well represented in the city. 35 large industrial companies and 68 industrial SMEs have an important company location or their headquarters in Amberg (e.g., Siemens, Grammer, Baumann, Lüdecke, Mickan, etc.). Over 3,500 companies are registered in Amberg, which together generated a GDP of €2,595 Mio. in 2018 and which translates into a GDP per capita of €61,617 (2018), above the German average of €40,485 for that year. The employment rate has reached 62.5% in 2019.

City's Cultural Resources

Amberg is part of the "Bayerische Eisenstraße" network, which connects historical industrial and cultural monuments between the cities of Pegnitz and Regensburg. As the "festeste Fürstenstadt" (EN: "most stable Prince-residence City") and with its historic buildings Amberg is one of the very well preserved medieval city complexes in Germany. The city wall and its distinguish feature "Stadtbrille" (EN: "City Glasses") was surrounded by a moat which was later transformed in a green belt that is used as a local recreation area. Centrally located is the large market square with the largest of the six inner-city churches, the Basilica of St. Martin and the historic Town Hall. The old town center is host to the City Theatre, the City and Provincial Libraries, the City Museum with the City Gallery "Alte Feuerwache" and the Air Museum, which stands out as a special feature. Amberg has been a "Place for Aerial Art" (DE: "Luftkunstort") since 2009 and the so-called "Luftnacht" (EN: "Air Night") takes place every two years with various events throughout the old town.



Long forgotten and only open to the public for the 100th Bauhaus anniversary in 2019 is the so-called Glaskathedrale (EN: "Glass Cathedral") on the south-eastern outskirts of Amberg. This is an industrial building by Walter Gropius and Alex Cvijanovic, built in 1970 in the Bauhaus style - the last building by Walter Gropius. The city of Amberg has applied with the Glaskathedrale for recognition as a UNESCO World Heritage Site.

Amberg, like many other cities in Bavaria, has a very long tradition in brewing beer. In 1860 there were 40 breweries in the city. Nowadays Amberg markets itself as a beer city, even if there are only five medium-sized and one home brewery left. An important festival at which all Amberg breweries are represented is the so-called Bergfest (EN: "Mountain Festival") at the pilgrimage church on the Mariahilfberg. In addition, every five years the city organizes the so called "Amberger World Theater" on the Mariahilfberg. Other cultural events include the Hexennacht (EN: "Witches Night") on Fat Thursday, the Old Town Festival, the Krügel market, the Medieval Market, the Duck Race on the Vils, the Campusfest of the OTH Amberg-Weiden, the Fountain Festival, a Children's Festival, a Street Food Festival, a Pentecost and Autumn Markets, parties in the Casino Hall, film screenings in the Ring Theatre, concerts, shows and other events in the Amberger Congress Center (ACC) and the Christmas market. In addition, throughout the year there are weekly markets and many shopping opportunities in Amberg, with two to three open Sundays.

City's Atmosphere

The city's atmosphere is strongly determined by the historical Old Town center which shows not only a pretty ensemble of intact historical buildings, but which is circumscribed by a town wall that is almost completely intact and has the peculiar shape of an egg, the so called 'Amberg Egg'. The central market place feels populated during summer times especially during market days, except on Sundays when the city is calm. While there are only a few tourists most of the traffic comes through the city's citizens, guests from the hinterland and business guests. However, even the main pedestrian street shows parts with vacant shop windows and even vacant buildings although we also find outlets of larger national branded chains there at the same time. The inhabitants - according to the participatory Integrated Urban Development Concept (ISEK) that took place in October 2018¹⁷⁴ - report many empty living houses and shops, the empty Forum Department Store, the 'Bürgerspital' wasteland in the old town as harming the potential attractive atmosphere in the city. Taken together, Amberg, based on strong and vibrant economic activities in the industrial sector, shows an atmosphere that can feel urban at the one hand while revealing the limits to 'buzz' and urban feeling for SMSC at the other hand. In a sense, Amberg signifies the upper limits of the development potentials of a typical SMSC with respect to an urban atmosphere where you have pockets of urban life in everyday life which are embedded in a fabric of social relationships of smaller scale while this pattern is transformed for short periods of time during festivals and events when the city feels temporarily more urban.

Outside the Old Town we find the OTH campus where the student life is happening without much connection to the city live since most of the students commute to the campus from the region by car. An important part of the city are the industrial areas which host quite a few hidden champions from automation and automotive supply beside the SIEMENS Electronic Factory that produces and develops automation and process control technology such as programmable controllers with 4500 employees in Amberg since sixty years.¹⁷⁵ The SIEMENS factory is the best practice factory for Digital Enterprise and Industry 4.0 Applications in SIEMENS' global factory network and thus a "Mekka" for visitors from state guest to leading experts with

¹⁷⁴ See <https://www.amberg.de/isek> [Last accessed 11th August 2021].

¹⁷⁵ Amberg profited together with many other Bavarian cities from SIEMENS' decision to reorient from Berlin to Bavaria after the German separation in 1949. See <https://new.siemens.com/de/de/unternehmen/standorte/fertigungs-und-entwicklungsstandort-amberg.html> [Last accessed 11th August 2021]



its visitor center “The Impulse”.¹⁷⁶ The industrial players are technological hubs that connect Amberg with economic networks of the world society build around specific topics like Industry 4.0.

Interviewees report that they highly value the feelings of home, belonging, shelter and security and human scale. In an official declaration the city describes itself accordingly as one that “combines innovation with creativity and security [DE: Geborgenheit]”¹⁷⁷. However, in the interviews we noticed that the decision makers in Amberg, stemming from political and economic networks, are in constant alertness that the city might lose touch with technological, economic, and social developments evolving rather in world society’s global metropolises. They lament that innovative solutions and innovative business models are not developed in Amberg but rather copied if at all. Thus, the perception of a fast and accelerated social, technological and economic change at the one hand and of a slower adaption process in which solutions invented elsewhere are just copied leads to a strongly felt fear of losing out. In addition, the decision makers look for solutions to the city’s problems to external sources since they don’t expect the solution potential to be found within the city. Thus, the city’s atmosphere can be described as a contradictory one: There exist a high level of alertness and a certain restless pragmatic readiness to change and to adapt in order to preserve past success at the one hand which is challenged by the strongly felt fear that the city nevertheless might lose out in the context of the emerging disruptive changes of the world society because it is lacking certain preconditions at the other hand. The shock the city experienced during the world financial crisis after 2008 when the local business tax dropped from ca. 30 Mio € in 2008 to ca. 10 Mio € in 2009 due to the city’s strong dependency on the export oriented industrial economic base is still noticeable and determines much of the political decision making up to today.

Part of this alertness to critical changes in the city’s socio-economic environment among the decision-making networks is the responsiveness to buzzwords like smart city, creativity, innovation, or, for that matter, creative city which signify progress and the keeping up with changes in the world society in a rational manner. Or, to put it in metaphor: The decision makers are worried that their city loses the self-confident identity of providing for both being a home and being able to keep up with modernity and that this identity could be transformed into one that is too provincial. This fear of a tipping point is best exemplified in the awareness that the population is ageing, that the young creative minds tend to leave the city for good and that the skilled labour shortage and lack of specialists is worsening for the economic sector. Those processes point to the fact that even the attractiveness of jobs with reputable companies cannot compensate for the locational disadvantages of Amberg in the eyes of the young bright and creative minds while ideas for solutions to these predicaments are missing.

City’s Identity

Interestingly, Amberg considers itself not to be a city that has something unique to offer which could symbolize its identity, even though it can look at a history of almost 1000 years. The people believe that there is no single sight, no historic event and no single person of more than only regional importance that could serve as such an identity marker. Its Old Town is less important than the ones of the UNESCO world heritage sites of Regensburg and Bamberg nearby. There is no industrial or craftsmanship tradition the city could connect to, and no cultural tradition which is outstanding either. Even the century long tradition of beer brewing is second to many other Bavarian cities. Many people even in Bavaria don’t know the city’s name which is confused with Bamberg on a regular basis. Even though there is no single identity marker its inhabitant identify strongly with the city.

¹⁷⁶ See for the newly build visitor center “The Impulse” <https://new.siemens.com/de/de/unternehmen/themenfelder/impulse-visitorcenter.html> [Last accessed 11th August 2021].

¹⁷⁷ See <https://amberg-digital.de> [Last accessed 11th August 2021]. See also the official ISEK report p. 34 & 207 where it is reported that Amberg will develop its brand strategy around this “Triad’: security, innovation and creativity (...)”.



Source: <http://www.luftkunstort.de/uebersicht/> [Last accessed 11th August 2021]

Under the condition of a commonly assumed absence of an identity marker rooted in the city's history, Amberg markets itself as "Aerial Art City Amberg" [DE: "Luftkunstort Amberg"] in the context of the city marketing driven project to make the city better recognizable for external observers by using identity markers with a strong unique selling point (USP).¹⁷⁸ In a sense, to define Amberg as an "Aerial Art City" could well have been the result of an urban development process according to the vision of the Creative City. What does it mean when a partner city already had a feature before the StimulART project has started that could have easily been a potential result of the very same project?

The USP "Aerial Art City" is not so much an expression of a strong embeddedness of the CCI in the culture and identity of the city. Indeed, neither has Amberg become more recognizable by this USP for external observers than under its historic name, nor do the inhabitants strongly identify with the USP. Rather the USP is itself an expression of Amberg's insecurity about which single identity marker could symbolize the city as a whole.



Source: <https://www.stadtmarketing-amberg.de/events/was-ist-amberg-markenenentwicklung/ergebnisse-markenpyramide/> [last accessed 11th August 2021].

The illustration above shows the results of a participatory process involving 170 citizens that tried to define and to prioritize the core elements of the city identity with the help of the instrument of the brand pyramid taking place in November 2017.¹⁷⁹ The first level „Aerial Art City“ is backed up by the keywords: aerial art, aerial art city, air, air museum, air night (a bi-annual festival dedicated to aerial art and curated by the air museum). This USP gained 44% of the votes for the pyramid's top which is supposed to "be seen and perceived from a distance" with the USP category "Other" with 25% coming second, "Art and Culture" with 14% third, "Old Town and History" with 9% fourth, "Tradition and Modernity" with 5% fifth, while "Beer" came last with 3%. The second level "Art & Culture" is backed up by the keywords art, culture, creativity, events and gained 22% of the votes for the pyramid's second level (Note: The category "Other" gained with 29% the highest score in this voting round.) The third level "Innovative Economy" is backed up by the keywords economy, industry, innovation, progress, craftsmanship and gained 22% of the votes in the voting round for the pyramid's third level with the category "Other" in the lead with 24%. "Education" was voted

¹⁷⁸ <https://www.stadtmarketing-amberg.de/events/was-ist-amberg-markenenentwicklung/ergebnisse-markenpyramide/> [Last accessed 11th August 2021]

¹⁷⁹ See for the following discussion <https://www.stadtmarketing-amberg.de/events/was-ist-amberg-markenenentwicklung/ergebnisse-markenpyramide/>; last accessed 11th August 2021.



for the fourth level with 20% (while “Other” won this vote with 27%) and was backed by the keywords education, schools, OTH University of Applied Sciences. Finally, the “Historic Old Town” won the vote for the pyramid’s basic level with 48% and was associated with the keywords Old Town, history, Amberg Egg (referring to the typical and recognizable shape of the Old Town and its wall), market place, and town wall. Other categories competing for placement in the brand pyramid at different levels were “Green”, “Mentality and People”, “Tradition and Modernity”, “River Vils”, “Quality of Life”, “Living”, “Shopping”.

Interestingly, most of the categories and their keywords quoted in the process denote rather general qualities such as creativity, culture, modernity, quality of life, living, innovation, industry, progress, education, which are normatively desirable but cannot define a city’s USP. Other qualities are either not specified or they are deemed too insignificant for the purpose of being well renowned. However, the qualities which have the potential to define a USP because they are deeply rooted in the history of the city such as the historic Old Town, its unique and recognizable egg like shape, the Old Town wall and the long history in beer brewery weren’t voted for the city’s USP despite the fact that Amberg’s citizens can strongly identify with them. The reasons for not voting for the city’s historic peculiarities were that there exist already well preserved old towns in the nearby cities of Bamberg and Regensburg that have even been awarded an UNESCO world heritage title, that there are well preserved Old Town Walls in other cities which are either longer or fully preserved (as opposed to Amberg where a small piece of the wall is missing), and that there are bigger and much more renowned cities in Bavaria with a beer brewing history such as Nurnberg, Bamberg or Traunstein. All reasons given point to the fear that its historic qualities will not distinguish Amberg enough in the eyes of distanced external observers while they show a certain disregard for the role an explicitly formulated city identity potentially has for its own and its hinterland’s inhabitants.

Given this situation, the participants of the city brand pyramid process which has defined Amberg’s USP have taken resort to the field of art, a field which is defined by its objects of originality and, thus, lends itself rather easily to answers to the question for uniqueness. Amberg has been the location of the “Air Museum” since 2006 when the designer, Wilhelm Koch, could convince the municipality to provide a building to host his collection of art objects dedicated to the perception medium air, including his own works. Koch, who runs a successful graphic design agency in Amberg, speaks about his career as an artist as one who has “successfully failed economically”¹⁸⁰ referring to the fact that he could not sell his art at the art market but has established a museum instead. However, the Air Museum constituted for the city marketing process a USP exactly because it provided an anchor point for uniqueness. As a result, the city has chosen a very specific and narrow topic within the art field as an identity marker for external recognition which has only a very recent history and which is not embedded within the city’s other distinguishing qualities very well yet while the long history of the city has been dismissed. This result is somewhat paradoxical because instead of choosing longstanding historic characteristics that remained identical over longer time periods as a local identity marker significant for the people’s collective identity the city has chosen a very recently, rather artificially created identity marker in order to follow an imported standard template whose implementation is everything but identity creating.

Beside this recent formal city marketing driven identity defining process, the city’s identity is deeply determined by its strong industrial base with hubs for industrial automatisisation and automotive suppliers. The specialization of the OTH in technological and business study subjects amplifies the rather technological and synthetic knowledge base of the city’s inhabitants and workers. The experiences of a strong family-based entrepreneurship and its results in the form of ‘creative destructions’ in the local economy over centuries, and, thus, the experience of the continuity of discontinued business models leads to a belief in self-efficacy of the acting players at the one hand but also to the knowledge that successful adaptation to socio-economic change is historically contingent and a never ending task with the potential to erase economic and craftsmanship traditions.

Culturally, the city belongs to the region Upper Palatinate (DE: “Oberpfalz”) with Regensburg as its main city, while Amberg has become a part of the Metropolitan Region Nurnberg in administrative terms since

¹⁸⁰ See <https://www.sueddeutsche.de/kultur/ausstellung-oben-bleiben-1.4350866>; last accessed 11th August 2021.



2005. Still, its inhabitants are stronger oriented towards Regensburg than to Nurnberg that is culturally defined as belonging to the region Franconia (DE: “Franken”).

Another important aspect of the city identity is the continual experience of communal self-government over many centuries that has led to a belief in self-efficacy in the political governance of the city while the concrete political programs for the communal self-government stem from conservative parties since 1946 as does the political personnel. Since the federal state of Bavaria has been governed by the CSU since 1947 with a short interruption between 1954-1957, there is a continuity of consensus about political programs between the level of federal and Amberg’s communal government since more than 70 years.

3.7.2. Cultural and Creative Industries and the creativity of the economic sector

Activity level of the producers of cultural and creative products and services

In Amberg, we can find economic activities in all CCI sub-sectors (arts, games & software, design, architecture, advertising, music, performing arts, books, press), while the structure of the sector is typical with small businesses and freelancers catering mostly for a local market: locals, tourists, small businesses, and public or non- profit organisations are being served with basic products and services with rather low degrees of artistic value and aesthetic newness. Since the general industrial and economic activity level is comparably high in Amberg, the local market niche for cultural products and services is rather large meaning that there are quite a few companies and freelancers with viable traditional business models operating in each of the CCI sub-markets. We can even find a local TV broadcaster that is based on advertising revenue from companies that market their products and services to the local and regional audience.¹⁸¹

Based on a strong domestic economy, Amberg seems to embody the upper limit of the development potential of the CCI in SMSC. The big industrial players in Amberg, however, tend not to belong to the local CCI’s customers but rather source input from CCI from bigger companies located in the national hub cities like Munich and Berlin or even internationally.

On the back of the firms and freelancers that cater mainly for the domestic market, we can also find a few companies that follow a specialisation strategy aimed at regional, national, or even international customers that are being served with more advanced services and products in terms of their degrees of artistic value and aesthetic newness. For example, the Design Office Wilhelm runs a book publishing branch that has specialized in architecture, photography and art and has customers throughout Germany.¹⁸² With the help of a specialization and quality strategy those firms become independent from the limits of the local market, even when this market is strong and offers niches that allow selected companies a business development potential beyond sheer survival. By approaching a specialization and quality strategy those firms enhance the viability of their businesses.

The strength of Amberg’s local market for cultural products and services is underlined by the fact that we can even find artists who can make a living by selling their art at the local markets for the Core Cultural Expressions, mostly in visual arts and music. Of course, we find also artists in Amberg that can’t make a living just based on their creative market activities alone, but have to rely on other sources of income for their existence. However, the existence of artists who can make a living based just on the local market can serve as an indicator for the general economic strength of a SMSC. In Amberg we can even find local entrepreneurs from the traditional industries who act as philanthropists and patrons of the arts, a role which is rooted in their strong identification with the city and their commitment to it.

When Amberg can demonstrate the upper limit of the CCI development potential in SMSC, then the absence of economic activities in certain sub-sectors can count as an indicator for a critical mass which is presupposed for certain business models in SMSC. For example, there is no private theater existing in Amberg. Instead, there is the Amberg city theater run by the municipality just as a building for performances

¹⁸¹ See <https://www.otv.de> [Last accessed 11th August 2021].

¹⁸² See <https://www.buero-wilhelm-verlag.de/startseite/> [Last accessed 11th August 2021]



without an ensemble which is being played by guest performances from outside theater and music ensembles. Likewise, there is no movie film production company located in Amberg.¹⁸³

Altogether, even when some CCI sub-sectors are strongly represented in Amberg, there is no sign of a cluster building in the CCI sector.

Activity level of the producers of traditional trades and crafts

In Amberg, there are some craftsmanship firms or freelancers that can be counted as belonging to the arts and crafts. However, there is no regionally significant craftsmanship tradition.

Level of creativity in the traditional economic sectors

The level of technological creativity is high in the traditional economic sector given the strong presence of industrial players with own development departments for products and manufacturing processes. Even the SIEMENS Electronic Factory is not only a location for manufacturing electronic goods but develops factory automation devices, products, programmable controllers, and factory process layouts with up to product and process 800 engineers.¹⁸⁴

However, a start-up mentality is only weakly developed in the city. The representative of the Chamber of Commerce remarked: “The supporting structure is very good, however, the output of start-ups is weak”. Hence, we find a significant contrast between a high level of corporate technological creativity and innovation of the big industrial players at the one hand and low start-up and founding rate with mostly traditional business models at the other hand. For example, even when there is a Digital Start-Up Incubator managed by the OTH, the number and the aspiration levels of its operating start-ups are low. Many founders from Amberg with innovative ideas leave the city for Regensburg, Munich, Nurnberg or even Berlin in order to found and develop their businesses there because they think that they find better conditions for the development of their businesses in bigger cities with a better developed start-up culture and infrastructure.

Level of consumption of locally produced cultural and creative products and services

The pattern of the economic activity level of the producers of cultural and creative products and services is mirrored by the level of consumption of their products and services: those that don't have a large share of artistic values - standard products and services, souvenirs, crafts and folk products - do have a local market while those cultural products and services with a larger share of artistic values are hardly consumed on a local level. For example, there is even an art gallery in Amberg, Kunstgalerie Graf, which is rather unusual for a city of this size and may be taken as proof for the high level of purchasing power in the city and its hinterland. Beside works from several artists, it offers services like commissioned paintings especially for business clients, framing and restauration of old paintings.¹⁸⁵ As already noted, we find local consumption of locally produced art in Amberg to an extent that allows artists to make a living. However, the wealthy and educated strata of Amberg's inhabitants do buy art on a regular basis rather from more known artists on a national or international level in national or international hub cities for the art market.

Amberg is a location for important cultural consumption infrastructure for the region. There is a Cineplex center with 8 screens, a privately run Congress Center, as well as a theater, a museum and a gallery all run by the municipality. The municipality supports the “Annual Exhibition of the Group of Amberg Artists”.

Interestingly, we find shops for high fashion and interior design within the old town indicating again the high purchasing power and discretionary income found in the local economy. However, those shops indicate the high level of consumption as well for cultural products that are not produced locally. Hence, we find evidence that Amberg's inhabitants do consume cultural products with a high ratio of cultural and avant-

¹⁸³ It would require additional research to find out more information about those thresholds in SMSC.

¹⁸⁴ According to an interview with the subsidiary's CEO conducted in Summer 2019.

¹⁸⁵ See <https://www.kunstgaleriegraf.de> [Last accessed 11th August 2021]



garde content but tend to select those products that have been validated and valorized already in global metropolises.

3.7.3. Creativity Enabling environment

Networks in the CCI sector

Interestingly, there has been founded an association for the self-organisation of the whole CCI sector in Amberg, the CCI association Middle Upper Palatinate, even before the StimulART project started.¹⁸⁶ The association was founded on the basis of a vivid informal network of CCI actors that has existed for some years already and that was in close contact with the CCI sector association Regensburg, founded in 2016, whose foundation process has been used as a model for Amberg. The purpose of the association is to represent the economic interests of the CCI sector as a whole vis-a-vis the local politics, to raise the awareness of and to enhance the socio-economic environment for the CCI sector.

There is another association in the CCI field, though rather specialized in the visual art sub-sector, with the A.K.T., Art Association Amberg, founded in 2008. Beside those formalized network structures, we can find more informal networks in the CCI sector which tend to be focused on single sub-sectors.

Role of Educational Institutions

Amberg's educational sector is exceptionally well developed for a SMSC with four Gymnasiums with different educational profiles, a University for Applied Sciences, and a healthy mix of public and private schools starting from early childhood education up to vocational education at the secondary level. However, while this infrastructure offers good prospects for families to locate and stay in Amberg, the young people interested in an education in the CCI occupations at tertiary level tend to leave the city after secondary education for good since there is no educational institution in the tertiary sector which would offer this kind of education. So, while the OTH draws in students with an interest in technological and business study knowledge, there is an outward brain drain of the creative spirited minds in the cultural and creative occupations between 18 and 30 years in the city.

The educational infrastructure for developing economic and entrepreneurship creativity is existing but rather underused. As a result, we can find only a low level of entrepreneurial and start-up culture in Amberg.

Facilities for Local Economic Development

To support the development of the local economy is a voluntary task for municipalities according to the German and Bavarian law for communal self-government. In Amberg, the communal company, Gewerbebau Amberg GmbH¹⁸⁷, has been founded by the municipality and three shareholding companies (Volksbank, Sparkasse, Stadtbau) in 1991 with the mayor as the chairman of the supervisory board which consists of nine board members of which five are city councillors. As the name 'commercial construction' suggests, the purpose of the communal company is to help resident and relocating companies from industry, trade, commerce and the service sector to buy, build or find suitable real estate. Beside this, Gewerbebau also gives advice to start-ups about the selection of suitable funding programs and setting up business. Despite its strong focus on the traditional industries, the real estate sector and own activities as a developer of real estate and land management, Gewerbebau cooperates with the Bavarian Center for the CCI (Bayern Kreativ), a federal state funded agency for the support of the CCI in Bavaria: It is host for the CCI specific consulting service Bayern Kreativ provides where CCI stakeholders can receive advice by CCI sector specialists about their business development.¹⁸⁸ While Bayern Kreativ is located in Nurnberg and offers their consulting services in different SMSC throughout Bavaria, Gewerbebau Amberg did provide office space in

¹⁸⁶ See <https://www.facebook.com/groups/1387898361536637/> [Last accessed 11th August 2021]

¹⁸⁷ See <https://www.gewerbebau-amberg.de/home/> [Last accessed 12th August 2021].

¹⁸⁸ See <https://bayern-kreativ.de/unserangebot/beratung/bayernkreativstunde/> [Last accessed 12th August 2021].



their headquarter. However, during the interviews in July 2019, Gewerbebau Amberg were no longer playing host to Bayern Kreativ in providing office space. The reason given for this decision was that the CCI sector is too difficult to invest in since it is composed of too many sub-sectors that are too heterogeneous to manage with different needs and many conflicts between its stakeholders.

Gewerbebau had 14 employees in 2019 and a balance sum of 30 Mio €. It is one of the most important decision-making agencies and, thus, a power center, in Amberg beside the municipality with respect not only to economic development but also to city development as such. Besides, by way of the board structure it is an important network node in the city that connects the local networks of political and economic decision makers while rather excluding the local networks both from the CCI except architecture and from the cultural sphere. Thus, Gewerbebau is an important part of the economic development support structure in Amberg with a long and successful history that has proven its efficacy and that can't hardly be undervalued. At the same time, however, this support structure is one sided and tends to bypass the CCI with its strong focus on the traditional industries and real estate and the relatively low awareness for the CCI sector.

Civil Society

Amberg has a very vivid civil society meaning a self-organized structure of the public realm where the people organize their heterogeneous interests not only in political parties but also in more or less formalized initiatives such as associations with their capacity to select purposes freely and relatively spontaneously and with their democratic and egalitarian structure.¹⁸⁹ An important association that is tightly connected to the cultural milieu and the CCI stakeholders in Amberg is the "IG Menschengerechte Stadt" whose purpose is to support "sustainable and modern urban development".¹⁹⁰ This association is active in the field of urban development by mostly organizing resistance against municipality's city development plans that favour functionalist city development criteria and investor projects. In this sense, 'IG Menschengerechte Stadt' is a network that gets action by blocking action (see White 2008: 297ff.). For example, its successful resistance against the construction of a multi-storey car park within the Old Town at the ground of the historic Maltese Gardens in 1987 led to the rejuvenation of those Gardens and a revalorization of the Old Town as well as to a discussion about new criteria for city development for Amberg. Interestingly, the 'IG Menschengerechte Stadt' and some of its members were constitutive parts of a new local party, 'Die Liste Amberg'¹⁹¹, founded in 2019, that transformed an opposition to many of the municipality's urban development projects into a party based political action program which further institutionalized a conflict between the municipality and a certain milieu with a strong representation of the CCI stakeholders.

Many interviewees stemming from CCI stakeholder Amberg report that while they are well networked within the cultural scene in general and within the CCI sector in particular there exist only very few network connections to the local networks of political and economic decision makers. Correspondingly, the political decision makers in the ruling political party and the municipality tend not to support the CCI stakeholders and their interest organization strongly since they associate them with grass root political resistance against municipality projects which comes on top of a low awareness of the CCI specifics, a low level of preparedness to change the existing policies regarding economic development and cultural policy, and a tendency for misunderstandings between the members of the different networks rooted in different mindsets between 'creative minds' and 'humdrum resources' (see Caves 2000). For example, the CCI association Middle Upper Palatinate has not longer been supported by the municipality after the former head of the cultural department who also has co-written the application for the StimulART project left office for another position shortly after the project has started in Autumn 2019. Besides, the heads of cultural department and the Gewerbebau explicitly rejected the proposal to include the Amberg CCI sector association in the local best

¹⁸⁹ See for an incomplete list of (non-sport related) associations <https://www.amberg.de/leben-in-amberg/freizeit-und-sport/vereine-verbaende> [Last accessed 27th August 2021].

¹⁹⁰ "Interest Group Humane City" (translation mine). See <https://mgs-amberg.de/index.php> [Last accessed 27th August 2021].

¹⁹¹ See <https://www.dielisteamberg.de>. [Last accessed 27th August 2021].



practice repository of the StimulART project even though the self-organization of the whole CCI sector is nationally and internationally considered a best practice in science and regional economic politics. These phenomena among others can be interpreted as an ossified structural conflict which has led the municipality to observe the CCI stakeholders with stereotypical political categories. This leads, in turn, to a paradoxical situation. The CCI association is a sign for the strength and maturity of the CCI sector based on a strong local economy at the one hand, while the growth potentials of the CCI sector cannot become fully developed because the municipality - the most important external addressee of the association - tends not to recognize the association as an asset to the city and to support its future growth because it observes it along the distinction of support for the municipality's policies and opposition to it. Hence, the potential strength of the civil society in Amberg can neither become fully exploited for the CCI sector nor the urban development, hampering the city's developmental potential.

3.7.4. Potentials for a cultural-led social and economic development and its obstacles

We have already noted, that Amberg scores the highest within the sample of the five StimulART small and medium sized partner cities on a continuum of realized development potentials for the CCI sector. So, for example, we have referred to the comparatively strong local CCI sector, the pre-existing formalized network of the CCI sector as a whole in the form of an association, and the intensive usage of creativity and art in the city marketing campaigning. But these facts do neither mean that Amberg has already realized the full potential existing today nor that there could not developed further potential for both the development of favorable conditions for the development of the CCI and the future development of Amberg by help of the CCI, using Amberg's cultural resources. Rather, the high development level of the city gives us a chance to see the development limits of the city's CCI sector when no further development programs will be realized and when the municipality will not tackle the obstacles to further development such as, for example, not changing its attitude and mindsets towards the city's CCI stakeholders and their association. Then, quite contrary to the logic of a GAP analysis, highlighting the potential development limits of SMSC in the case of Amberg can reveal the potential risks to economic and urban developments of SMSC more generally. In what follows, therefore, we will rather take the chance to highlight those risks of the potential development trajectory of SMSC in the post-industrial knowledge society using Amberg as an example. However, before we will discuss those limits and risks in more detail, we will first list untapped potentials and obstacles to Amberg's further development.

Untapped Potentials for CCI sector development and for a cultural-led urban development agenda

The discussion about the CCI and creativity in Amberg has shown that the city's portfolio of CCI firms and freelancers and their economic activity level is comparatively strong, even though they serve predominantly a local market for cultural products and services. This means in turn, that the purchasing power and the level of discretionary income that can be spend on those products and services is comparatively high in the city and its hinterland based on a strong domestic economy. However, much of the city's cultural life is still dependent on cultural offers provided by the public sector and by the non-profit sector of cultural production which in turn are subsidized by the local economy's revenues.

In the following the most obvious untapped potentials for the CCI sector that are specific to Amberg are listed whereas the potentials the city shares with the other StimulART partner cities will be attended to in the discussion and the conclusions chapters.

- There is a heightened awareness in the city that Amberg is too much dependent on export-oriented industrial production and, thus, needs to further diversify its economic base into services with the CCI sector as a part of it.
- The CCI sector can benefit from a heightened awareness of the sector as such so that it becomes more visible for local firms as its potential clients, thus enlarging the local market.



- The CCI sector can become more densely networked within across all sub-sectors using the existing local CCI association as jumping off point in order to strengthen self-organisation, interest articulation and lobbying.
- The CCI sector can become more densely networked with the traditional industries in order to tap new local market potentials and to facilitate cross-border spill overs.
- The CCI actors could benefit from consulting services specialized in the sector's structures and needs and provided on a regular basis, best realized in cooperation with the initiative Bayern Kreativ.
- A physical place in the city, like the Ringtheater, could become the symbol for the CCI sector where all those potential measures noted above could become realized. Such a physical hub could function as a space where all CCI stakeholders can meet and network internally as well as externally.
- The music and performative arts sector could be strengthened by the Ringtheater, too, because it could provide infrastructure for live performances, thus, exploiting the strong music culture and educational resources in the city more effectively
- It would be an experiment if such a physical cluster management entity like the Ringtheater can become supplemented by a cluster manager for the CCI who is supposed to help the sector to develop more strongly by providing specialized services and by building up expertise. Another important benefit of such a newly established institution would be an operable 'interface' that could help in lowering access barriers for the CCI stakeholder and in translating between the different mindsets in the municipality and the CCI milieu, thus reducing conflicts and stereotypes. It has to be noted that such an experiment could fail due to a lack of critical mass in the CCI in SMSC. However, a CCI cluster manager who is responsible for more neighbouring SMSC - such as Weiden, Neumarkt, Schwanfeld, Burgenlengenfeld - and neighbouring counties such as Amberg-Sulzbach could be a solution to the critical mass problem when aggregating CCI actors dispersed across the region.
- The purpose of the Gewerbebau GmbH, the communally owned limited company in charge for the local economic development projects, should be interpreted in terms more suitable for the CCI. For example, Gewerbebau could develop and rent suitable and affordable studio spaces for CCI stakeholders in the inner city, thereby not only supporting economic structures but also developing the inner city. Beyond this, such an initiative could be used for city marketing purposes in Regensburg and Nurnberg, too, trying to convince CCI stakeholders that struggle in those cities with high rents to relocate their businesses to Amberg.
- The administration should become more open generally to the idea to engage in public-private partnerships with CCI stakeholder where the municipality develops and rents out suitable buildings for cultural projects to CCI stakeholder who become responsible for the utilization concepts in turn, thereby relying on the potential of the CCI stakeholders to act as so called space pioneers who are able to creatively explore and transform spaces into attractive places.

There is the potential that the local CCI firms and freelancers together with the traditional trades and crafts can grow and exploit a growing general economy in Amberg in the coming years, thus gaining market share disproportionally. However, beyond the narrow confines of a CCI sector development strategy, the city's most obvious untapped cultural resources for Amberg's future development are listed below:

- The river Vils and its importance for the city for today and in history together with the many sights along its banks such as the Amberger Stadtbrille are not fully explored yet for city development programs or even city marketing.
- A better integration between the Amberg municipality with the surrounding county, Amberg-Sulzbach, especially with regard to regional marketing and economic development politics, could strengthen the city with its hinterland while being able to use a greater resource base.
- The purpose of the Gewerbebau GmbH, the communally owned limited company in charge for the local economic development projects should be widened towards a more general understanding of economic



development, including cultural aspects of economic life, moving away from its current narrow focus on real estate development.

- The city could make stronger use of the Old Town, the typical egg shape of its town walls and the many sights accommodated within the Old Town together with the strong tradition of beer brewing in its city marketing.
- City marketing campaigns and cultural policy should become better integrated since the USP “Place for Aerial Art” is based on a perceptual art medium already. A better integration of city marketing and cultural policy could include a better balancing of the public support for the Aerial Art Museum and the festival Aerial Art Night and the public support for other art forms and artists.
- The OTH’s subject portfolio should become expanded to include artistic and design subjects with an interface to the technical and media studies already taught.
- The participation of the city’s population and its dense civil society associations in the processes of city development should be intensified. Such a process could emphasize that the city has a strong interest in nurturing endogene over exogene resources in city development, thus, providing a much needed impulse for the rejuvenation of the inner city and its many empty houses, shops and flats.
- The city should refocus its strategy for inner city development from a pure retail strategy and external investor related project development programs to initiatives which include culture, education, third places and, above all, the further strengthening of the civil society.
- There is a considerable potential in working on a traffic concept that can make the inner city more attractive for city goers.
- Rejuvenating the administration together with setting a new focus on the needs of the younger generations holds important potentials for city development.
- In terms of business culture, Amberg has potentials to further the start-up culture in the city.

On balance, Amberg’s potential cultural resources are significant thanks to the long settlement history of the region, the Old Town, the intact cultural landscape and the long economic history of ‘creative destruction’, the many important hidden champions, the SIEMENS factory and the educational infrastructure. To further realize and unleash the cultural potentials in Amberg, the CCI should be supported more strongly and should become better connected to the traditional local economy. While Amberg seems to be an example of the classical relationship between the CCI and the traditional economy where the former is a function of the latter, the CCI still has potential to exploit the local market niche for cultural products and services more fully which could feedback into the traditional sector in stronger spin-offs effects. This requires a change in the municipality’s approach toward the CCI sector as such. Instead of seeing the CCI stakeholders as a political opposition it should think of the sector in strict economic terms and act accordingly. Besides, Amberg should take its fears of losing touch with the socio-economic, cultural and technological changes in the world society seriously for reasons I will turn to right now in the section about obstacles to both CCI sector development and a cultural-led urban development agenda.

Obstacles to CCI sector development and to a cultural-led urban development agenda

There are already many local best practices existent in the city that show how cultural resources have been tapped by creative and entrepreneurial efforts in the past. Those best practice examples are proof that all obstacles there might be in Amberg can be overcome by creative problem solving. However, there are some obstacles existing in the city at present who hinder the development of individual creativity, of the CCI sector, and of the city more generally. The obstacles are often directly related to the untapped potentials discussed above. Some obstacles that specifically hinder the further development of the CCI sector and creativity specific to Amberg are listed below whereas the obstacles Amberg shares with the StimulART partner cities will be attended to in the discussion and the conclusions chapters.



- The relative strength of the CCI sector in Amberg has developed in recent years not because of support from the city, but despite the lack of specific support programs and an understanding of the sector's specific needs by the municipality. Accordingly, one obstacle to the further development of the sector is the maintenance of this current status quo on the part of the city. The low level of understanding for the CCI actors, the lack of competence for the support of the CCI sector, the partial hostility towards the CCI actors, the lack of contact persons in the administration and the lack of jurisdiction of the Department of Culture as well as the Gewerbebau for the CCI sector can be counted as significant obstacles. One important dimension for a city's attractiveness for CCI stakeholders is its atmosphere of tolerance for people who do not fit in into the common norms and open mindedness to different cultures. Tolerance serves as an important prerequisite for the free expression of creativity and innovative behavior. How the city handles the CCI stakeholders and its interest association might serve as a symbol for how tolerant and open minded the municipality is which is highly visible. A hostile take by the municipality will be seen as a clear sign for its lack of a tolerant attitude in general by the CCI stakeholder with negative effects for the city's overall attractiveness.
- The low visibility of the CCI sector for the local hidden champions is a potential obstacle to the CCI sector's further development so are the rather weak network relations the local CCI connects to the local traditional industries.
- Regarding the building up of an internal network structure between the CCI sub-sectors, it is difficult to organize such a network at all because the sub-sectors are very heterogenous with respect to their needs and economic interests. Although there already exists a local CCI association in Amberg which has somehow managed to overcome the high barriers to founding an interest organization for the whole CCI sector, the further networking is severely hindered by the lack of support from the municipality for the association.
- The Gewerbebau Limited, the communally owned company responsible for economic development, even though it is a very important partner for the traditional industries in Amberg, can be counted as an obstacle to the further development of the CCI sector because its identity is rooted in real estate and the traditional economy creating a blind spot for the CCI sector. As long as the Gewerbebau does not change its identity to include more service oriented and creative branches of the economy, as long there might exist obstacles to many of the projects pointed to above with the potential to help the CCI sector grow.
- The traditional mindset in the municipality towards inner city development favouring retail and external investors is an important obstacle for projects like the Ringtheater or public investments in culturally utilized, communally owned real estate projects.
- Historically and from the point of view of the ruling party and the municipality, a considerable large part of the CCI network is connected with political activities that have been in opposition to city development projects set by the city. This may have led to a perspective in the municipality that the CCI actors belong to the political opposition while this perspective acts as an obstacle for supporting the CCI sector.

When one thinks about obstacles to the city's future cultural development beyond the narrow confines of a CCI sector development strategy, the city's most pressing obstacles for developing cultural resources are listed below. Again, the obstacles are often directly related to the untapped potentials pointed to further above.

- Amberg is host to a highly developed economic sector which is proof that the city could enjoy competitive location advantages in the past. However, together with the rise of the networked knowledge society and knowledge intensive production and services based on creativity and innovation locational advantages are changing. With regard to the increasing importance of creativity and innovation, Amberg is too much relying on its current knowledge base which is synthetic and engineering based in character while it becomes increasingly harder for Amberg based companies to find and bind professionals with an analytical and science based or symbolic and arts-based knowledge base that are



important for disruptive creativity and innovations. It happens that professionals with different knowledge bases also have different location preferences. Professionals with the much sought after analytic or symbolic knowledge bases tend to settle, live, and work in metropolitan cities, while engineers with a synthetic knowledge base often settle in smaller cities and even rural regions. Thus, there exist not only a shortage of skilled experts in quantitative terms in Amberg, rather this shortage is of a qualitative nature too, meaning that the much needed symbolic and analytic knowledge competences for creativity and innovations are missing which slowly but surely erodes the human resource infrastructure for a sustainable competitiveness on global markets for the companies in Amberg.¹⁹²

- In addition to the erosion of a competitive human resource infrastructure, Amberg is expecting a prospective population development in 2039 with a negative balance of -4,2% while its neighbouring bigger cities will have positive population balances with Nürnberg 0,3% and Regensburg 4,5%, and while the federal state of Bavaria will have gained 3,2% in population in 2039.¹⁹³ These different regional development paths for the population projection point to the fact that Amberg is not only losing out as an attractive location for economic activities but more generally as a location for individuals and families as such. A shrinking human resource base and a shrinking and ageing population may become a progressively growing obstacle for the development of cultural resources which, in turn, are important to keep the city attractive for people and businesses.
- Closely related to the population development are the inner cities vacancies. There are many vacancies of shops, flats, and houses even in the Old Town that partly shape the city's atmosphere. However, there are many reasons for those vacancies, the loss of inhabitants is just one among them. According to an interviewee, approximately 40% of the real estate in Amberg are owned by people or companies located outside of the city. Sometimes, those external owners accept vacancies when the enforceable rents are lower than their expectations which have been built with external reference points such as metropolitan cities. External owners are not affected by the aesthetic decay vacant shops, flats and buildings emit since they don't live in the city on a regular basis. In other words, external real estate owners may lose the emotional relationship with the place and may not act as community members. If the vacancies remain at the current level or if a further increase occurs in the city's vacancies, this may pose an obstacle to the development of cultural resources.
- There exists only a low level of start-up activity, and low levels of innovativeness in the business models due to a low level of start-up culture in the city. Interviewees report that entrepreneurs have to justify themselves to other members of their personal networks for starting their own business because the local economy promises risk-free high incomes under the current conditions even for newcomers. Ironically, the strong local economy seems to be hindering start-up culture and activity, while the digital start-up incubator run by OTH has seen little activity. The mostly missing embeddedness of the digital start-up incubator within the network of local company leaders might work as an obstacle to the development of stronger start-up activities.
- Because the city marketing has chosen the topic of 'Aerial Art' as the city's USP this decision has a lasting influence on the cultural policy since it presupposes the allocation of funds to 'Aerial Art' activities without being grounded in firm cultural policy criteria. The city marketing topic 'Aerial Art' focusses attention and resources on a very small niche topic to the neglect of broader general topics and activities in cultural policy. This may lead towards a mono topical communication and over specialization as well as growing conflict potential with the representatives of cultural fields that are comparatively underfunded.

¹⁹² See Asheim/Hansen 2009 for the distinction between synthetic, analytic, and symbolic knowledge bases and their relevance for creativity and innovation in the current global knowledge society.

¹⁹³ See https://www.e-statistik.eu/mam/statistik/gebiet_bevoelkerung/demographischer_wandel/%C3%9Cbersicht_indikatoren_gerundet_regbvb_2019-39.xlsx [Last accessed 29th August 2021].

- Amberg's synthetic and engineering-based knowledge base may lead to an overestimation of technology and technological solutions to social problems such as the smart city vision and to the underestimation of the solution potential of the development of cultural resources for social problems such as the creative city vision. Thus, a mindset in Amberg's decision-making networks that is shaped by a synthetic knowledge base and political conservatism may become an obstacle to a cultural-led development.
- Historically, Amberg has been a district free city entitled to communal self-government since a very long time. While this institution has strongly contributed to Amberg's capacity to act in general, and to their potential to govern strategically their urban, cultural and economic development in particular, it has also led to a strong self-centeredness and independence of the municipality at the expense of the formation of capabilities for trans-organisational cooperation which might become more important in the future for example for inter-communal cooperations such as in regional marketing concepts.

Having pointed to all those potential obstacles above, the report wants to stress that they all can be overcome by the local actors. Beside this, it should be noted, that we are talking about social and cultural obstacles rather than ones of technical infrastructure.

3.8. GAP analysis for the city of Naumburg

3.8.1. Town's profile

Geographic Location

Naumburg is a mid-sized city in the southern part of the state of Saxony-Anhalt, in East-Germany, with a population of around 33,000 inhabitants. Geographically, it lies in the middle of a triangle build by the three university cities Halle/Saale (39km in the north-west), Leipzig (44km in the north-east), and Jena (30km in the south-west, all cities being in a convenient commuting distance to Naumburg which is easily approachable by car or train (Halle 39 min by train and 59 min by car; Jena 39 min by train and 40 min by car; Leipzig 38 min by train and 54 min by car). The next airport Leipzig/Halle (38 km in the north-east) is easy to reach as well (52 min by car and 1:20 h by train), as are the two airports in Berlin (2:30 h by car or train). Seen from a regional perspective, Naumburg is located within a wider region that shows urbanization features with respect to its settlement structure while Naumburg's immediate spatial environment is rather rural in character.

Role as an administrative unit and position in the national urban hierarchy

The Naumburg Municipality comprises the core city of Naumburg with a population of around 25.000 inhabitants and 31 settlements (Ortsteile), among them the small spa town Bad Kösen with a population of around 4.000 inhabitants. While the structure of the core city is rather dense with a maximum east-west extension about 6.5 km and a maximum north-south extension about 5.5 km, the municipality's settlements are strongly dispersed over an area of 130 square kilometers. The population density is 249 inhabitants per square kilometer only. The population of Naumburg has declined in recent years (2019: -2.8% since 2011), with the proportion of 65- to 79-year-olds and 80-plus, especially the latter, growing steadily (share of over 65-year-olds in 2019: 29.5%). The populations' average age in 2019 was 49 years.

Naumburg has been accorded the role of a middle center within the German national urban hierarchy (Zentrale Orte System). As a middle center it is an important node in the supply network with goods, services and infrastructure for the surrounding smaller towns and villages. Beyond the role of a middle center, Naumburg is also the seat of the higher regional court and of the senior public prosecutor's office for Saxony-Anhalt. The German Armed Forces run an education center in an old barrack in the city, too.

Naumburg city is the seat of the Burgenland district, the most southern district of the federal state of Saxony-Anhalt to which two other municipalities of a similar size belong, Weißenfels and Zeitz, that also act as middle centers. While Weißenfels and Zeitz and their respective hinterlands are characterized by open pit mining for brown coal, Naumburg is located in a pictorial cultural landscape at the confluence of the rivers Saale and Unstrut. The river valleys together with a mild climate have made wine cultivation



possible since more than 1000 years. Seen from a district perspective, the Burgenlandkreis belongs to the district type with a peripheral location.



Recent Economic History

Naumburg has been a residential city by choice, actively avoiding industrialization during the Wilhelminian era when the socio-economic and socio-cultural conditions for a residential city were present. However, during the more than 40 years of authoritarian socialism in the 20th century, the socio-economic and socio-cultural conditions for a residential city disappeared. During those years, many of its economically active inhabitants commuted to the big petrol chemical factories in the north, thus, Naumburg served as a type of a socialist “Schlafstadt” (sleeping city). When the wall came down in 1989, many inhabitants lost their jobs and left the city. Since then, the city has been in the process of transformation from authoritarian socialism to liberal capitalism in the context of accelerated globalization.

When the former GDR collapsed, especially Naumburg’s inner city was marked by vacancies, ruined buildings and areas of inner-city wastelands. However, Naumburg managed to become a model city for urban redevelopment in 1991. Since then, more than 100 Mio. € of public funding from the German federal government went into the upgrading of the inner city with its rich historical architectural heritage. Over time, the city has been successful in urban redevelopment and in increasing the attractiveness of the area as a residential location up to now.

Today, Naumburg has only a few small industrial companies, the biggest is a manufacturing site of the Gehring group domiciled in Ostfildern, Western Germany, and specialized in honing technology that has been re-established in Naumburg in 1991. There are some vineyards within the municipality that are visible by their marketing initiative “Breitengrad 51” that tries to market the vine as a cultural product in a collective effort on a national level following a quality strategy. By far the biggest economic sector is the tertiary sector with the hospital as the biggest employer in the city and with many professionals belonging to the law profession. Beside this, many small businesses in the social and health sector have been established reacting to a growing demand for social work and care services.

In Naumburg, the employment rate in 2019 was 63.7%, the gross domestic product of the Burgenlandkreis amounted €4,556 Mio., which represents a GDP per capita of €25,284, which is below the value for Saxony-Anhalt (2018: € 27,872) as well as for Germany (2018: €40,485).

City’s Cultural Resources

Naumburg is a culturally rich city with an above-average density and high quality of cultural offerings compared to other mid-sized cities. Most visible is Naumburg’s landmark, The Naumburg Cathedral that became an UNESCO World Heritage site in 2018. At the same time there is the visible historical division of the city in “Domstadt” (Cathedral City) and “Bürgerstadt” (Citizen City) while the latter has its built expression in the city church St. Wenzel. Further cultural offerings include the Naumburg City Theatre, run by the municipality, the city’s concert series (Klangzeit, Nine Naumburg Nights, Music for Children, Organ Summer), concerts in the Cathedral, museums and exhibitions. In addition, there are other actors with their own offerings (e.g., art society, sponsoring association for the Hildebrandt-Organ, events of other sponsors, etc.). Every year, the city hosts one out of two larger festivals. These alternate between the organ festival “Hildebrandt Days” in one year and the street theatre days in the other. There are also folk festivals (Cherry-Festival, Wine Festival etc.). The Hildebrandt organ has a worldwide reputation, thus, it is also a tourist “highlight” besides the Cathedral.

Those cultural resources are complemented by the city’s embeddedness in a rather bucolic cultural landscape shaped by wine cultivation, churches, monasteries and castles of the High Middle Ages.

City’s Atmosphere

The city’s atmosphere feels rather calm. The core city shows a pretty ensemble of intact historical buildings. However, one can still find vacant buildings in the inner city. Thus, the city’s appearance is characterized by a change of renovated, vacant and still to be renovated buildings. The locals tend not to come often into the city center. Since the cathedral has been recognized as UNESCO world heritage in 2018, there have been ca. 20% more tourists, especially more international tourists coming to the city. The city goers tend to



belong to the older generations, there is a felt lack of both young people and a lively youth culture in the streets. There is no notable nightlife either, though cultural events make the city feel more lively occasionally.

City's Identity

Surprisingly, Naumburg's citizens don't seem to identify strongly with the city's landmark, the Cathedral, they rather show some diffuse longing for "Heimat" which they find in the region. They feel especially privileged in a comparison with the neighbouring industrial cities Weißenfels and Zeitz because the core city is rather intact as it was not destroyed in the second world war, and has been restored in the past 30 years. Both cities serve Naumburg as points of reference against which the own identity is positively defined leading to a self-perception of "bourgeois" (bürgerlich) in contrast to "industrial". There is a substantial share of the population which is open to culture, art, and the 'new' since it belongs to the well educated strata. Though there is no visible LGBT-culture in the city, gay couples report that they can live their sexual orientation openly, which shows a certain openness of the city. Since Naumburg has never been an industrial or trade city but rather a residential city its identity is not connected to any specific products, crafts, or a particular craftsmanship tradition - except to a tradition of wine cultivation of more than 1000 years.

3.8.2. Cultural and Creative Industries and the creativity of the economic sector

Activity level of the producers of cultural and creative products and services

One can find economic activities in all CCI sub-sectors (arts, games & software, design, architecture, advertising, music, performing arts, books, press) in Naumburg, but mostly freelancers and small businesses catering mostly for a local market: locals, tourists, small businesses, and public or non-profit organisations are being served with basic products and services with rather low degrees of artistic value and aesthetic newness. Since the general industrial and economic activity level is rather low in Naumburg, the local market niche is rather small meaning that there are only a few companies and freelancers with a viable traditional business model operating in each sub-market if at all.

However, we can also find a few companies that serve as an exception to this basic pattern by following a specialisation strategy aimed at regional, national, or even international customers that are being served with more advanced services and products in terms of their degrees of artistic value and aesthetic newness. With the help of a specialization and quality strategy those firms become independent from the limits of the local market thereby securing the viability of their businesses: a software company that develop integrated software-hardware solution for cash register systems for bigger customers from the gastronomy sector and software solutions for the municipal sector; a software company that develops software solutions for the municipal sector; an advertising agency that is specialized in advertising for businesses from the chemical industry which has a more strategic approach and has bigger firms as customers that operate on a national and international level (and, thus, is not dependent on the local market at all); a company that designs and manufacturers soft toys for the national and international market based in Bad Kösen.

In the markets for the Core Cultural Expressions (visual arts, performing arts, music, books) we find still another pattern: Almost none of the active artists on those markets can make a living just based on their creative market activities alone, but many of them have to rely on other sources of income for their existence.

Although the Theater Naumburg as a public institution does not belong to the CCI sector in a strict sense it has to be highlighted here since it has a great importance for Naumburg's culture and its identity as a city with not only providing significant numbers of jobs, income, performances, and visitors in the cultural sector as such, and with not only setting standards for the quality of cultural offers, but also with lending Naumburg an urban character.



Activity level of the producers of traditional trades and crafts

In Naumburg, there are some craftsmanship firms or freelancers that can be counted as belonging to the arts and crafts, especially ceramists and glass painters. The crafts concerned were not part of a regionally concentrated craftsmanship tradition. However, there is a certain tradition of pottery in Naumburg with several representatives of this craft economically active in Naumburg. Interestingly, there are some companies in the building trade that can be counted to the CCI as well because they operate in the restoration business connected to the Naumburg Cathedral.

Level of creativity in the traditional economic sectors

Since Naumburg has never been an industrial or trade city but rather a residential city the level of economic activity and entrepreneurship and, thus, the level of economic creativity is rather low. The one important exception from the industrial sector, Gehring, operates only a manufacturing site in Naumburg while the innovation and development functions remain at the headquarter in Ostfildern. Surprisingly, the most creative activity in the traditional economy can be found in the primary sector, namely in wine cultivation where a collective of winegrowers from Naumburg and the wider region have set up the marketing initiative “Breitengrad 51” that markets vine as a cultural product on a national level following a quality strategy. Entrepreneurial activity can also be found in the classical law profession, the social, health and educational sectors.

In accordance with the above, the economic development activities of the municipality are only weakly developed. The chamber of commerce, the IHK, does not have an office in Naumburg. There are no formal programs to support entrepreneurship in the city. Service clubs are only weakly developed

On conclusion, the level of creativity in the traditional economic sectors is rather low. We don't see any innovative or disruptive business models in the city. The level of entrepreneurial activity in the city's economy is low measured in terms of the number of start-ups and the start-up rate in the overall economy which hasn't changed over the last ten years.

Level of consumption of locally produced cultural and creative products and services

The patterns of the economic activity level of the producers of cultural and creative products and services are mirrored by the level of consumption of their products and services: those that don't have a large share of artistic values - standard products and services, souvenirs, crafts and folks products - do have a local market while those cultural products and services with a larger share of artistic values are hardly consumed on a local level. For example, locals and visitors buy only very seldom art pieces from local artists, and if so, mostly at a rather low-price level, though, the wealthier and educated strata of Naumburg's inhabitants do buy art on a regular basis but rather from more known artists on a national or international level. There is a shift in the architecture market currently towards family houses or apartment buildings with the demand coming from local families and private investors who show interest in new architectural houses with a higher share auf cultural, creative and artistic value which might spill over in other CCI sub-sectors in the future.

Naumburg is a location for important cultural consumption infrastructure for the region. There is a Cineplex center, a privately run cultural center, Turbinenhaus, as well as a theater and a gallery both run by the municipality.

The role of the municipality as a buyer of cultural and creative products and services should be mentioned here, especially its role in the housing market respectively the role of the municipal housing company that has built modern apartment houses within the old city walls. The design of the apartment houses is a realization of a public architectural competition. Those modern apartment houses with flat roofs and a modernistic appearance symbolize the need for creativity and progress in the build environment. However, in the arts market the municipality does not play a role as buyer of local artists yet, though, it supports the ‘Kunstmesse’ as well as it displays pieces of locally produced art in the town hall and the library. The city museum does not have any budget to buy locally produced art neither.

3.8.3. Creativity Enabling environment

Networks in the CCI sector

Existing networks in the CCI sector are mostly informal with the exception of the Architektur- and Umwelthaus which is, however, directed at the formal networking of a sub-sector and the connections to outside stakeholders, especially children who are educated in matters of architecture and urban development. With the decline of the architectural sub market in Naumburg this initiative lost momentum possibly indicating the problem of a lack of critical mass in just one single CCI sub-sector.

Role of Educational Institutions

Naumburg's educational sector has a healthy mix of public and private schools at every level starting from early childhood education up to vocational education at the secondary level. There are some projects in the city that are aimed at stimulating and developing the imaginary power in children and youth. Most notably are the educational projects of Theater Naumburg, the musical education at the Evangelical Cathedral School St. Martin for kids in primary school, and the public music school Heinrich-van-Veldeke. However, while this infrastructure offers good prospects for families to locate and stay in Naumburg, the creative minded young people tend to leave Naumburg after secondary education for good since there is no educational institution in the tertiary sector and only one vocational school with a limited offer. Hence, there is an outward brain drain and a felt lack of young people aged between 18 and 30 in the city.

Education in business and entrepreneurship is almost non-existent. Beside this, there is no formal entrepreneurship program for adults who want to set up a business. Hence, the educational infrastructure for developing creativity in the economy is weak. This condition is mirrored in the low level of entrepreneurship in the city's economy as well as in the low level of entrepreneurial and start-up culture in Naumburg.

3.8.4. Potentials for a cultural-led social and economic development and its obstacles

Untapped Potentials for CCI sector development and for a cultural-led urban development agenda

The discussion about the CCI and creativity in Naumburg has shown that the municipality's portfolio of CCI firms and freelancers is rather weak, that their economic activity level is rather low, and that they serve predominantly a local market for cultural products and services that is rather small. Beside this, much of the city's cultural life is dependent on cultural offers provided by the public sector and by the non-profit sector of cultural production.

There is a widespread notion in the city that Naumburg has a huge cultural potential for a cultural-led development. However, at the same time, the inhabitants are relying too much on outside actors to realize those potentials. The most obvious cultural potential is the UNESCO World Heritage Title recently awarded to the Naumburg Cathedral, which puts the question at the forefront of how to make the most out of it: How can this UNESCO World Heritage Title be utilized to catalyze a cultural development that not only benefits the CCI sector but the whole local economy, the local ecosystem for creativity, and the city as a whole? This question can be boiled down to the challenge of how to change the city identity in order to creatively and entrepreneurially explore the huge potentials in cultural resources for urban development. In a sense, this challenge resembles bootstrapping because entrepreneurialism and creativity is the precondition for the realization of the city's cultural potential while this very precondition has to be pushed and developed to a higher degree at the same time. One of the questions to be addressed in this context is if Naumburg is prepared to change their city identity of a residential city and "Pensionopolis" and to focus stronger on an urban development strategy aiming at strengthening the economy as such rather than at location decisions of wealthy individuals and families utilizing sub-urbanisation forces.



In the following the most obvious untapped potentials for Naumburg's CCI sector that are specific to Naumburg are listed whereas the potentials the city shares with the other StimulART partner cities will be attended to in the discussion and the conclusions chapters.

- Developing economic activities in the traditional sectors with a corresponding infrastructure on the side of the municipality (department for economic development);
- Support of the specific part of the CCI that has a clear linkage with the spa town Bad Kösen
- There is the potential that the local CCI firms and freelancers together with the traditional trades and crafts can grow in Naumburg in the coming years together with a cultural tourism based on both the boost provided by the UNESCO World Heritage Title for the Naumburg Cathedral and the trend towards sustainable quality products made locally by hand.

However, beyond the narrow confines of a CCI sector development strategy, the city's most obvious untapped cultural resources for Naumburg's future development are listed below:

- Setting up a working structure to better promote and utilize the Naumburg Cathedral as UNESCO World Heritage, integrating the efforts of the Domstifter, the Naumburg municipality, the district Burgenlandkreis, and the world heritage association in a trans-organisational task force, aligned with the efforts of the state of Saxony-Anhalt, building upon the successful application process.
- Stronger integration of the many cultural resources of the city and the region as a unique cultural landscape with the tourism concept "Stein und Wein" ("Wine and Stone"), which has so far been formulated for the Saale-Unstrut region and propagated above all by the city of Weißenfels (<https://www.weissenfels.de/de/saaleunstrut/saale-unstrut-land-aus-wein-und-stein.html>). In this context, it is important to strengthen cooperation between the communities in the district Burgenlandkreis on many levels as well as to improve the conditions for cultural, leisure, and wellness tourism. The integration could start with the World Heritage Cathedral acting as a point of attention and identification for the whole region.
- Establishing vocational schools with subjects connected to the city's and the region's resources: tourism, hospitality, gastronomy, hotel industry, wine, social and medical care
- Establishing an institution of tertiary education (Fachhochschule, University of Applied Science) with subjects connected to the city's and the region's resources: tourism, hospitality, gastronomy, hotel industry, health, wine, social and medical care
- Becoming a location for branches of the surrounding universities such as an institute for Oenology as part of the Faculty of Agriculture of the Martin-Luther-University Halle
- Establishing a "Vereinshaus" (clubhouse) for the many voluntary associations to support the civil engagement and participation and strengthening of the city's identity
- Working on the greater visibility and inclusion of the Nietzsche-Dokumentationszentrum and the Museum Nietzsche Haus in the city
- Working on a stronger city identity including the spa town Bad Kösen and its cultural resources (spa town infrastructure "Gradierwerk", Käthe Kruse Puppet Museum, Old Town Hall)
- Introducing procedures for citizen participation in the processes of city development
- Improvement of the green infrastructure, particularly the city park
- Working on a traffic concept that can make the inner city more attractive for city goers
- Rejuvenating the administration together with setting a new focus on the needs of the young generations.

Naumburg's potential cultural resources are significant thanks to the UNESCO world heritage status of the Naumburg Cathedral, the long settlement history of the region and its unique cultural landscape. One of



the preconditions for realizing the obvious cultural potentials in Naumburg is to raise the economic activity in the city to a higher level by promoting economic development, by supporting industrial and commercial settlements, and by trying to set up a more entrepreneurial spirit in the city. This requires a change in the city's identity and attitude. It should think of itself not only as a place where families and the elderly like to live but rather as a city that is open to creative minds, creative entrepreneurs, and new technologies. It should set itself more ambitious aims that are defined not by what the neighbouring cities Weißenfels and Zeitz are not, but rather by what Naumburg wants to become.

Obstacles to CCI sector development and to a cultural-led urban development agenda

There are already many best practices existent in the city that show how cultural resources have been tapped by creative and entrepreneurial efforts in the past. Those best practice examples are proof that all obstacles there might be can be overcome by creative problem solving. However, there are some obstacles existing in the city at present who hinder the development of individual creativity, of the CCI sector, and of the city more generally. The obstacles are often directly related to the untapped potentials discussed above. Some obstacles that specifically hinder the further development of the CCI sector and creativity specific to Naumburg are listed below whereas the obstacles Naumburg shares with the StimulART partner cities will be attended to in the discussion and the conclusions chapters.

- The relatively low level of economic activity in the city limits the local market size for locally produced CCI products and services while most of the CCI actors lack the aspiration and other preconditions to have success on the national market.
- During consumption, artistic and cultural products and services become valorized. Valorization of cultural and creative products and services is very low in Naumburg. On the producer side we can observe a low level of self-valorization when artists don't even ask for money for their products and services as long as they are allowed to perform and as long as there is an audience for them at all.
- There is a notable lack of entrepreneurial and start up culture in the city while a mentality of entitlement is prevalent which is probably partly due to the large sums of public subsidies that have been pouring into the city's redevelopment. Hence, people expect the realization of Naumburg's cultural potentials from outside actors or from the municipality. Or they expect to do it themselves, but with the help of public subsidies rather than to think of themselves as entrepreneurs relying just on the own resources.
- Up to now, the rental policy of the communal housing company which tries to hold commercial rents up although there are many vacancies in the city is an obstacle for the establishment of CCI related businesses in Naumburg. CCI businesses often need space for a comparatively low rent while enjoying inner city conditions. By artificially maintaining high rents the city may harm itself.
- The buying policy of the municipality with respect to creative and cultural goods and services has not incorporated the aspect of the valorization of the local CCI and the support of the local market for cultural products and services yet.

When one thinks about obstacles to the city's future cultural development beyond the narrow confines of a CCI sector development strategy, the city's most pressing obstacles for developing cultural resources are listed below. Again, the obstacles are often directly related to the untapped potentials pointed to further above.

- Generally speaking, the identity of the city as a residential city has still a great influence on the decision making of the municipality. For example, this identity is an obstacle to a self-understanding as a city with mixed-use urban structures (work, produce, trade, living in the city) and may have hindered a more strategic approach to and a pro-active policy of economic development.
- The current self-understanding of a residential city may lead to an ongoing misunderstanding of the potential of CCI as just "culture" which is a nice-to-have for the attractiveness of the city and the



quality of life and may hinder a more contemporary understanding of CCI as a business sector in its own right which is connected to the new development perspective of a creative city at the same time.

- Another problematic part of the city's identity is a certain lack of ambition which results from a comparison with the neighbouring cities Weißenfels and Zeitz. Naumburg, given its heritage, history, and cultural resources, should rather look beyond its region and start to compare and benchmark itself with more similar cities that are more advanced and forward looking.
- The division of tasks and responsibilities across independent organizational units regarding the UNESCO World Heritage Naumburg Cathedral can act as an obstacle to realize the Cathedral's full potential for the future cultural development of the city because structures, capacities, and capabilities to work effectively and efficiently in trans-organisational and cross-departmental projects are currently missing.
- Missing structures, capacities, and capabilities to work effectively and efficiently in trans-organisational and cross-departmental projects are also an obstacle to the development of the city and the wider region according to the tourism concept "Stein und Wein" (Stone and Wine) which requires a strategic and coordinated effort among many heterogeneous stakeholders and the institutionalization of a professional structure to become realized.
- A failure to motivate private entrepreneurs or public decision makers to establish vocational schools or institutions of tertiary education in the city may become an obstacle because the city would lose many of their young and creative people, thus, the ageing process in their population would continue making the city more unattractive for CCI actors for setting up or relocating businesses.
- Stripped off economic hidden champions and tertiary education institutions, Naumburg is cut off from networks that can connect the city with the world society and its cutting edge developments. In this sense, Naumburg's cultural institutions (Naumburg Cathedral, Nietzsche Documentation Center, Hildebrand Organ) and the tourism bound to them are also the medium in which a network could form that has connections to the world society. The emphasis is here on two aspects: First, we are talking about a future potential. Second, to rely on just one network connection with world society that is limited in scope and size is a rather risky strategy. It is too much of a specialization since it contradicts the developmental strategy of "diversified specialization" (Grillitsch/Asheim 2018: 1639).

Having pointed to all those potential obstacles above, the report wants to stress that they all can be overcome by the local actors. Beside this, it should be noted, that we are talking about social and cultural obstacles rather than ones of technical infrastructure.



4. Discussion: Peculiarities of a cultural-led urban development and CCI sector strategy for SMSC

- 4.1 Place as key attractor and productive factor in the CCI sector of SMSC
- 4.2 SMSC as locations for CCI actors and firms, creating jobs and wealth?
- 4.3 Sustainable business models of CCI actors and firms in SMSC
- 4.4 Local CCI as a dynamic force in the local economies of SMSC, driving growth in and adding high-value jobs to the local knowledge economy?
- 4.5 Can the local CCI sector change the innovation systems in SMSC and their hinterlands, leading to renewal and modernization?
- 4.6 SMSC as context for a CCI sector strategy
- 4.7 SMSC as context for a cultural-led urban development
- 4.8 The role of the public cultural sector and of the civil society cultural sector for a cultural-led urban development in SMSC in SMSC
- 4.9 Local systems of cultural production and the role of national models of cultural production for the CCI in SMSC
- 4.10 The role of informal networks in CCI sector strategies and cultural led-urban development in SMSC
- 4.11 SMSC as context for a creativity enabling environment
- 4.12 The arts field and creative industry related reputation hierarchy of city images and its role for the valorization of cultural products and services made in SMSC
- 4.13 The CCI field related reputation hierarchy of country images and its role for the valorization of cultural products and services made in SMSC
- 4.14 The role of sport in cultural-led urban development programs in SMSC
- 4.15 SMSC as a context for the knowledge intensive economy

After the introduction to this project level GAP analysis synthesis report we had a look at the scarce academic literature about the relationship SMSC has with cultural-led development programs and CCI sector strategies. There, we could already learn that the discourse about these relationships mirrors the discourse of the creative city and the creative class which is particularly designed for global and metropolitan cities. While the rhetoric of this discourse is strong and persuading and may lead to much exaggerated expectations when applied to SMSC, the empirical data about the state and development trends of the CCI sector in SMSC points toward a below national average stock of CCI firms and freelancers and corresponding lower employment levels in the CCI sector. In order to avoid to dupe ourselves by establishing high hopes and exaggerated expectations that lead in turn to inappropriate strategies for SMSC and their CCI sectors, the literature review has tried to lay the ground for realistic expectations about the developmental potentials for a cultural-led urban development and CCI sector strategies in SMSC. Before this background, the previous chapter has presented the findings about each StimulART partner city, using a case study approach and focusing on one city after the other. In the following section we will discuss these findings by comparing SMSC with bigger cities at the one hand and with each other at the other hand to arrive at more general insights about SMSC as a size-dependent city type rather than just making statements about specific StimulART partner cities and their developmental potentials.

The StimulART partner cities are located in different EU-countries, namely Germany, Hungary, Italy, Slovenia, and are, thus, subject to different institutional settings, legal regulations and policies of communal



self-government, communal funding, spatial planning, urban hierarchies, urban development, industrial and economic development including innovation, and culture, at the national level. While all those differences surely have a potential impact on SMSC capacity to act in general, and on their potential to govern strategically their urban, cultural and economic development in particular, the following discussion cannot take account of these differences and their impact, unfortunately, for practical reasons. However, this report will carve out some similarities of and differences between the StimulART partner cities at city level that are detectable for phenomenological and subjective empirical observations carried out during the GAP analyses in each partner cities.

4.1. Place as key attractor and productive factor in the CCI sector of SMSC

Richard Florida has challenged the traditional view in regional and urban development that people follow jobs in the new, globalized knowledge society where a new social class, the so called ‘creative class’ becomes the main driver of economic dynamics. Florida claims that it is the other way round, that jobs follow people: Members of the creative class have the potential to create their own jobs and to found companies providing further jobs for other people wherever they decide to live, set up businesses, and raise kids. In addition, creativity becomes the most important production factor in an economy where to innovate at an accelerated speed becomes the most important strategic challenge for firms. Therefore, creative talents are the scarce resource most sought after by those firms at a worldwide scale. When the existence of a strong labour market is not a precondition for the creative class members’ location decisions any longer, other criteria for choosing a certain place as home location can become important. It is before this backdrop that SMSC are hoping that a substantial share of the creative class may choose them as places for living and working, thus, rendering the attractive attributes and amenities of a particular place into a production factor for its economic and urban rejuvenation.

However, it is somewhat ironic that many of the amenities to which Florida has pointed that have the potential to attract the creative class are associated with metropolitan places, if not global cities, for example, a creative atmosphere based on openness, tolerance, and technological buzz, a strong cultural life, major sport events, a 24/7 always on service orientation, etc. This raises the question, in turn, if SMSC have any amenities at all that are as attractive in the eyes of the creative class to draw it to SMSC and to retain their members there. The Gap analyses in StimulART have shown that there is a high share of CCI stakeholders in the partner cities who have consciously chosen their respective locations with regard to certain criteria specific of either their particular cities or the size of the city (SMSC as a size defined city type). The following reasons for their location decisions could be identified:

- Affective relationships with particular places: Family traditions and ties as well as supportive friends’ networks connected to the territory, family property, emotional attachment to the territory of their upbringing and their ancestors, including its specific regional culture, nature, and landscape.
- Advantages of SMSC: Quality of life and potential for a good work-life balance, especially for families, closeness to nature, human scale, short distances, social peace, low criminality, and community spirit.
- CCI related advantages of SMSC: Potential of good working conditions as a creative mind, favourable conditions for freedom and autonomy in self-expression, better conditions for contemplation or inspiration, retreat from the buzz and competition of metropolitan cities, to avoid pressures to economic growth looking for more sustainable and slow artistic practices.
- Prerequisites SMSC should have: Good international accessibility (digitally and physically) as a precondition for a regional, national, or international audience and for staying connected to the art world including easy travelling options to major world art society events and exhibitions for information, inspiration, and networking.
- Pragmatic reasons: Availability of space for reasonable costs; relatively low costs of living; displacement in bigger cities by gentrification while the new location in a SMSC is still relatively close to the previous metropolitan area so it is easy to access for existing and potential customers and cooperation partners living in this area such as in Kamnik and Naumburg; family support for younger CCI stakeholders who try



to establish themselves as professionals; partner's job position and career with the partner being the family's bread winner while the creative can contribute additional income only.

On balance, we can identify quite some specific characteristics of SMSC that influence the location decisions of the members of the creative class. When Florida is right with his assumption that the attractiveness of place becomes more important for the CCI actors' location decisions then it is safe to say that SMSC have their own specific amenities compared with metropolitan cities. However, we have to add that the appeal of non-metropolitan places to members of the creative class differs across life stages, paralleling the ageing process of the StimulART partner cities' populations. Many CCI stakeholders in the StimulART partner cities have children and/or belong to older population strata. We also see the phenomenon of returners in the CCI sector who have come back to their home cities in later life stages, or the phenomenon that semi-retired CCI actors have decided to spend their life in SMSC after having had a career in metropolitan cities. Many of the observations above are not new insights into the creativity in SMSC or into the so-called peripheral creativity. Rather they confirm the traditional appeal of the countryside especially for arts and crafts.

4.2. SMSC as locations for CCI actors and firms, creating jobs and wealth?

In all StimulART partner cities there are healthy firms and freelancing CCI businesses existing. Instead of clusters of market participants in certain CCI sub-markets, there are market activities identifiable in almost each of the CCI sub-sectors almost in each city. However, we can't identify a specialized CCI profile or cluster for any of the StimulART partner cities. The heterogeneous set of CCI stakeholders is highly adapted to the respective local CCI sub-market niches based on local demand and the residential economy which is comparably small in size, thus, leaving room only for very few CCI stakeholders which are limited in their size. Most CCI stakeholders in the StimulART partner cities sell their products and services to locals, tourists, small local businesses, and local public or non-profit organizations. Most of their products and services have rather low degrees of cultural content and aesthetic newness and fulfil aesthetic needs and desires on a rather basic level only.

The size of the local market for CCI products and services seems to depend on the cities' industrial and economic activity level at the one hand and the level of tourism at the other. Since the level of tourism is rather low in all StimulART partner cities, we find a stronger developed CCI sector in Amberg and Vittorio Veneto only. In Amberg we can even find artists from the 'Core Creative Expressions' who report that they can make a living from their sales on the local market without having to earn additional money in second jobs while we find no such artists in the other StimulART partner cities. However, even in Amberg, the city with the biggest local markets for CCI products and services as defined by their overall economic potency, we see an oligopolistic market structure with strong competition in all local CCI sub-markets that are stagnating and saturated. Relatively small local market niches mean that there are only a few, mostly small companies and freelancers with a viable, mostly traditional, business model operating in each sub-market if at all.

However, we can find some exceptions to the general pattern of CCI firms and freelancers adapted to the rather small and conservative residential economy: firms with specialized business models that follow a product differentiating and qualitative strategy catering for regional, national, or international markets. These firms manage to become independent from the local market demand and its limits and face regional, national, and international competition.

In this regard, Vittorio Veneto is particularly interesting because it is the location of quite a few international design firms. However, even though many of the international players there can be subsumed under the label design, it would be wrong to view them as a design cluster. Rather the Vittorinese design firms point to national preconditions for successful internationalizing strategies in the CCI sector in SMSC. They demonstrate that design companies can entrepreneurially exploit the strong international reputation of the Italian design culture and educational infrastructure in any Italian SMSC by qualitatively and aesthetically differentiating their products with the help of collaborations with nationally and internationally renowned designers who have graduated from national design courses at university level. At the same time, those companies draw on the Italian manufacturing infrastructure and international



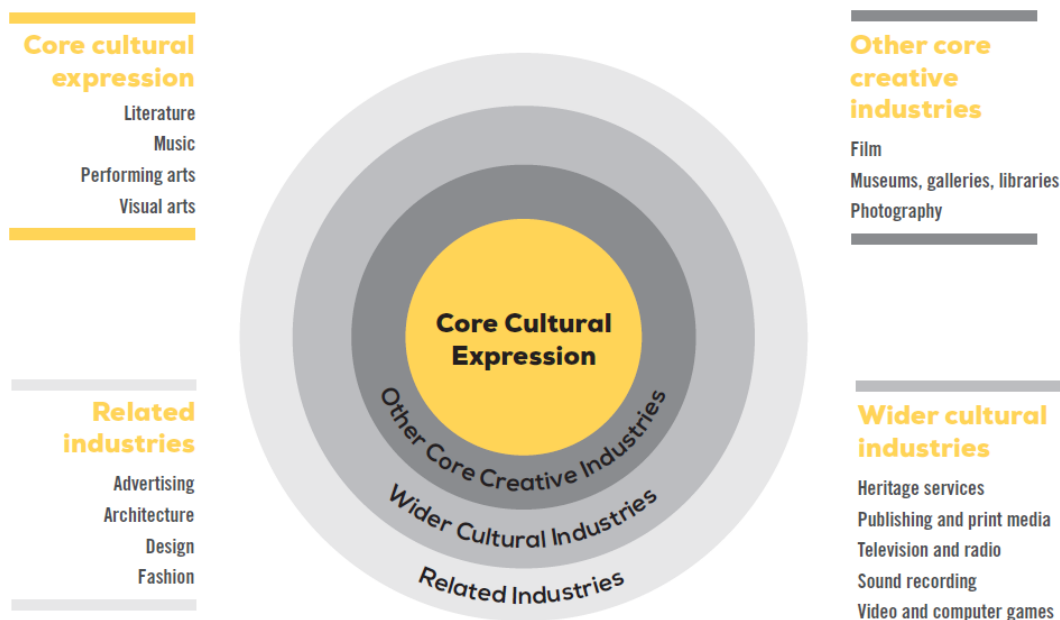
reputation for high quality products made in Italy. Then, rather than exploiting local cultural and creative resources this strategy relies on Italian national resources such as a national design culture which are valorized on an international scale. While the design sector in Vittorio Veneto can demonstrate the opportunities for a specialisation and quality strategy of high value added by design induced product differentiation aimed at national and international markets, it also makes clear that such a strategy depends on certain preconditions on a national level which are difficult to deliberately fabricate when missing. However, when such national preconditions are present, to support local CCI companies in internationalizing their business models to make them more independent from the limits of the local market, to boost their growth, and to enhance the viability of their businesses requires a cooperation between the local economic development agencies with regional or national level economic development agencies.

But even when we take those specialized firms into account, we cannot find any sign of clusters specialized in CCI sub-markets that could serve as a basis for a CCI led economic growth process. Consistent with the empirical data about the geography of creativity presented in the introduction, the StimulART partner cities are characterized by a national average or below national average stock of CCI firms and freelancers whose businesses are threatened by stiff local competition, centralization of service industries in metropolitan areas, and the secular trend towards online shopping on major platforms.

At the same time, in four StimulART partner cities we can find both traces of hitherto existing industrial clusters and still existing clusters in the secondary economic sector, pointing to the fact that the conditions for cluster building are different regarding its preconditions and requirements when we compare traditional second sector industries with the CCI sector. While SMSC have clearly possessed location advantages for second sector's industries in the past, this may have changed for knowledge intensive industries and services in general and for the CCI sector in particular.

The "Concentric Circle Model of the Cultural and Creative Industries" (Unesco 2013) is used in the following to arrive at a more systematic explanation for the report's observation of small oligopolistic local markets. The basic idea behind this model is the assumption that the cultural products and services from different CCI sub-sectors are typically characterized by different mixes between cultural values and utility values with the cultural values being purest in products and services coming from disciplines in the center of this model ('Core Cultural Expression'). As the creative disciplines move from the center towards the model's periphery ('Other Core Creative Industries', 'Wider Cultural Industries', 'Related Industries') their products' and services' cultural or artistic value decreases while the utility value increases at the same time. To put it differently: The proportion of artistic to utility content in the products and services declines as the disciplines moves from the center further outwards.

**Figure 1.2 Modelling the Cultural and Creative Industries:
Concentric Circles Model⁶**



Source: UNESCO 2013: 23, adapted from Throsby 2008

When we apply this model to the supply and demand patterns in StimulART's partner cities we can make two general statements at least. First, at the level of the different creative disciplines we can recognize the pattern that the 'Core Cultural Expression Industries' have the weakest economic basis in their local markets while the local demand for locally produced cultural products and services increases the wider the respective CCI sub-market moves from the center towards the periphery. However, this is not to say that there weren't operating any sustainable businesses in the CCI sub-markets of the 'Core Cultural Expression' type in StimulART's partner cities.

This latter objection brings us to the second general statement. At the level of firms and their business models, irrespective of the different sectors in the 'Concentric Circle Model of the Cultural and Creative Industries', we can recognize the pattern that locally produced cultural products and services with a larger share of artistic values are those that have hardly any chances to find local demand. This means that sustainable business models can hardly become established when the producer of those products and services is dependent just on the local market then. At the same time, cultural products and services that don't have a large share of artistic values - standard products and services, souvenirs, crafts, and folks' products - do find a local market. On balance we can say that the more cultural and artistic values are incorporated in a cultural product or service the more unlikely it becomes to find local demand and that this tendency is the stronger the closer the cultural products and services represent the 'Core Cultural Expressions'. Or to put it another way: SMSC are very seldom the site where avant-gardist art becomes valorized in consumption.

When we distinguish between the 'creatives' and the 'creative act' at the one hand and the so called "humdrum resources" (Caves 2000) that utilize and exploit creative input along the value chain of cultural goods and services up to the end consumer at the other hand, we can recognize that SMSC have a certain infrastructure for the consumption of cultural goods and services like bookshops, cinemas, shops for interior design and fashion, (public) theatre halls, live clubs and so on which trade in products and services that are to the most part not created locally in the SMSC. This cultural consumption infrastructure is important for



the cultural participation of the SMSC inhabitants. It can serve as an index to what extent and on what level cultural consumption is existent in SMSC.

4.3. Sustainable business models of CCI actors and firms in SMSC

How do local producers of cultural products and services in the StimulART partner cities cope with small local markets for locally produced cultural products and services and with their prevailing conservative tastes? Firms and freelancers operating in the CCI sub-sectors adapt their business models to the demand patterns in their local market niches. The following adaption patterns are observable.

- Firms and freelancers in the CCI sector differentiate their product and service range and offer predominantly functional wares while they display more cultural products as their show pieces, or they redirect the production of cultural expressions to a personal hobby.
- Local markets for cultural products and services in SMSC open up chances to freelancers and firms without a formal education in the CCI disciplines. Some craftsmen firms and self-employed craftsmen refine their portfolio of rather functional products and services and add artistic value to it, thus becoming part of the CCI as arts and crafts.
- Firms and freelancers in the CCI sector adapt the content of aesthetic newness in cultural products and services and offer more decorative or folkloristic cultural expressions that have no or only small degrees of avantgarde content. Some of them do so by integrating cultural local resources of the StimulART partner cities into their products and resources, thereby creating a local flavour.
- Especially CCI freelancers in the 'Core Cultural Expression' sub-sectors often hold multiple jobs, freelancing in other areas like teaching.
- Another coping strategy for CCI freelancers is to top-up income from traditional employment with marginal self-employment in the CCI sector.
- Some CCI freelancers live from family and household income earned by other family members that is topped-up by their additional income from marginal self-employment in the CCI.
- Quite a few CCI firms domiciled in the StimulART partner cities, especially those who offer cultural services like musical schools or dance classes, try to pool a multitude of segmented local markets of different SMSC and their respective hinterlands in the region either to arrive at a critical mass of demand for a sustainable business model at all or as a growth strategy. However, where such a pooling of different SMSC demand potentials is necessary, local CCI firms often face competition from firms that come either from other neighbouring SMSC or even from neighbouring larger cities (that try to consolidate the demand potential of their own catchment area) with the latter having location and centralization advantages over the local firms from SMSC.
- Only comparatively few CCI firms and freelancers in the StimulART partner cities follow a specialisation and quality approach in CCI sub-market niches to try to find customers in non-local markets (region, nation, international). Particularly successful is the competitive strategy to increase the value added and the level of specialization of a firm's products and services by employing design skills to differentiate the final products and services aesthetically while the design skills are sourced from external labour markets for temporary projects rather than employed.

At the level of business models, are the CCI firms and freelancers in the StimulART partner cities innovators of business models? Rather than innovating business models we see the diffusion of successful creative business models from metropolises and larger cities to our SMSC. This can take the form of franchising contracts or by copying business models and adapting them to the local market and local conditions.

It is an empirical question if digital communications technology, electronic networks, and the trend to online shopping enables CCI firms and freelancers in the StimulART partner cities to loosen their dependence on their local markets and to gain a greater flexibility in accessing regional, national, and international markets.



4.4. Local CCI as a dynamic force in the local economies of SMSC, driving growth in and adding high-value jobs to the local knowledge economy?

One powerful and persuasive argument for the political support of the CCI in the mainstream discourse is that the CCI sector has above average growth rates, provides high value-added jobs in the knowledge economy, and acts as growth drivers for the rest of the economy due to its high dynamic based on high levels of innovativeness. This may well be the case for advanced national economies or metropolitan cities, however, can the same argument be applied to the partner cities in the StimulART project?

For the StimulART partner cities we cannot observe this relationship, at least not based on the data collected during the GAP analysis period. Here, the relationship between the traditional economy and the CCI is rather characterized by the classical pattern that the size as well as the growth rate of the local CCI markets are a function of the growth and the size of the local economy, or the regional economy respectively. As we can deduct from a direct comparison between Amberg and Naumburg, the stronger the local or regional economy the stronger is the demand for locally produced cultural products and services. At the same time, we cannot reverse this relationship as we haven't found evidence for a tendency where a growth in the CCI sector could spur growth in the traditional sectors of the local economy. So, it seems to be the case among the StimulART partner cities that the growth of the local CCI sector is dependent on the growth of the local or regional traditional economy. Likewise, many jobs in the CCI sectors in the StimulART partner cities are of a precarious kind throwing doubt on the assumption that the CCI sector can provide for a substantial or disproportionally larger share of high value-added jobs in SMSC. Even when CCI firms cater for the non-local markets with a quality and differentiating strategy for which they source input from the CCI to refine their products and services, they do so mostly by sourcing those inputs from CCI firms and freelancers not located in SMSC but rather in metropolises. For example, the design firms in Vittorio Veneto cooperate with nationally and internationally renowned designers who do not live in the territory.

As already spelled out further above, our findings are consistent with the empirical data about the geography of creativity presented in the introduction where the CCI sector in SMSC and in rural areas tend to shrink because of centralization tendencies of service industries, the trend towards consumption of higher status goods in metropolitan areas, and the secular trend towards online shopping on major platforms that seem to disadvantage SMSC while metropolises absorb some of their functions (ÖIR et al. 2007: 106). Hence the main challenge of a local strategy for the CCI sector in SMSC is not so much the one global creative cities face, namely, how to attract CCI actors and the creative class in larger numbers in a global competition for global talents. Rather, the challenge is how SMSC can avoid that they lose more and more of their CCI stakeholders and how SMSC can stabilize their local CCI sectors. The questions a local development strategy for the CCI sector should ask therefore are about the stabilization of the sector: can the local CCI stakeholders become supported in their capacity to fully exploit the market niche size defined by the size of the local or regional economy and to (dis-)proportionally benefit from the growth of the local or regional economy. The stabilization of the CCI sector is important since a high proportion of the CCI actors are SME which are highly linked to the location in terms of both traditions and networks. Only when those questions could be answered first, SMSC should ask in addition how to lure more CCI actors into their cities and how to set-up more CCI businesses, especially in local market niches not catered for yet such as the performative arts. In parallel with securing the stabilization of the CCI sector, the local CCI stakeholders should be supported by measures that aim at improving their professional levels and at specializing their business models so that they become more independent from the local market by catering to regional, national, or even international levels, thus, finding ways for growth independently from the growth rates of the local and regional economy. However, the CCI sector will profit from a growth of the local economy in general, that enlarges the demand for locally produced cultural products and services. A specific strategy directed to the general growth of the economic sector in SMSC is to support the tourism sector since more tourists will enlarge the local market by bringing additional discretionary income to the city, from which locally produced cultural products and services may profit disproportionally.



However, this is not to say that a local CCI sector strategy would be irrelevant or that the local CCI sector is best being served by a general strategy for economic development. The call for stabilization, professionalization, specialization, and spin-off induced growth for the endogenous local CCI sector cannot but has to be realized by CCI strategies and action plans that are adapted to both the sector's specific needs and requirements and the local circumstances and cultural resources. Otherwise, the bleeding out of the CCI sector would continue, leaving SMSC with less and less cultural amenities provided by the local CCI stakeholders whose presence is an important location criterion for professional workers and families, contributes to the perception of the quality of life, and serves many non-economic functions for community building and social integration. It is very likely that SMSC will never become able to provide the kind and density of cultural amenities that are typical for metropolitan cities and sought after by the global creative class. However, the local CCI sectors in the StimulART partner cities are able to provide a surprisingly rich and heterogeneous cultural live every day.

4.5. Can the local CCI sector change the innovation systems in SMSC and their hinterlands, leading to renewal and modernization?

Another important argument for supporting the CCI sector in national level industrial policies is the assumption that it changes the national innovation systems making them more innovative, disruptive, and agile by spin-off effects such as the diffusion of the Design Thinking innovation method. Industrial development policy aimed at the CCI, so the argument goes, can then be equated with innovation policy. Can the same argument be applied to the partner cities in the StimulART project? Based only on the GAP analyses data, the following remarks draw on interviews and phenomenological observations in the partner cities.

In the StimulART partner cities Amberg and Vittorio Veneto we find quite a few hidden champions operating in the secondary economic sector which are successfully adapting to globalization, knowledge intensive production and digitization. For example, in Amberg, beside many other knowledge intensive production sites in automotive supply and automatisisation, there is a large SIEMENS factory manufacturing electronic control technology as world market leader. At the same time the factory itself is setting the standard in Industry 4.0 production technology in the EU being a benchmark for similar factories and a much-visited industrial site for high-ranking international politicians, leading production technologists, scientists, students, and pupils. Likewise, in Vittorio Veneto, there is a cluster of world leading key and lock manufacturers (Keyline, Silca), and the headquarter of one the world leading specialists for glass facades for skyscrapers (Permaste Elisa Group). In both partner cities, thus, we find a high level of technological creativity and innovation which is in Amberg additionally furthered by the presence of a University of Applied Sciences. However, we couldn't find any signs of local innovation patterns with co-operations between the CCI sector and the traditional economic sector or spin-offs of changed innovation patterns diffusing from the local CCI sector into the local economy.

Again, we find that the pace, methods, and patterns of change are set in the knowledge intensive industries sector in the StimulART partner cities with the CCI sector profiting from the growth of the local economy brought about by technological innovations. This may be due to the fact, that the CCI sector shows different stages of development in metropolitan cities and in SMSC with respect to its potential to inspire other industries or to change their innovation systems due to its different market level references. As pointed to further above, the CCI sector in the StimulART partner cities mainly caters for the demand of a local market with products and services which have typically only low levels of artistic values and aesthetic newness. Hence, even the degree of innovativeness of the CCI sector is rather low. Contrary to SMSC, the CCI sector in metropolitan cities does not only cater to a local market but typically to national and international markets, too, thereby developing nationally and internationally competitive products and services with a high artistic-utilitarian value ratio and with high levels of avant-gardist contents. Typically, the hidden champions located in SMSC are customers of those highly reputable CCI firms which positions themselves at national and international market levels and which are being located mostly in metropolises where the CCI agglomerate. To put it another way: Neither procure the hidden champions in the StimulART partner cities



their demand for cultural products and services from the local market nor do they learn from them new or different innovation methods. Even when the hidden champions collaborate with CCI firms and freelancers for innovations such as when they collaborate with designers for the aesthetic differentiation of their products or when they procure external innovation agencies for Design Thinking they will most likely collaborate with designers and innovation agencies coming from metropolises or national hub cities rather than with ones from the territory.

However, the value of the presence of a strong local CCI sector in SMSC, even if it does not contribute to a higher local innovation dynamic, lies beyond purely economic reasons, the potential for disruptive change, or an amenity logic in the city development for the creative class. The visible presence of the CCI sector and its actors is an important symbol for creativity and entrepreneurship in the cities itself, stimulating a creative atmosphere, inspiring imagination in the population, making a creative place and furthering an entrepreneurial culture in the city. CCI actors embody in their everyday practices values like intrinsic work motivation, self-efficacy beliefs, self-actualisation, and a diverse life style beside many other important trends of societal modernization and value change. Beside this, SMSC act as an important bridge between the metropolitan areas and the rural or peripheral hinterlands by diffusing trends emerging in the former to the latter. They play such a modernizing role also for aesthetic and cultural trends, introducing the middle centers and their hinterlands to avant-gardist trends, new lifestyles, and mindsets in forms adapted to local tastes, thus potentially diffusing tolerance and open-mindedness.

4.6. SMSC as context for a CCI sector strategy

The StimulART project aim is to develop CCI sector strategies in each of the partner cities to develop and modernize their economic sectors, to stop brain drain (especially of the young generation and the creative class), and to start a cultural-led development by enabling the CCI sector to utilize the local cultural resources of their respective cities. Cultural-led city development strategies that focus on the CCI sector had been introduced to the urban development agenda first for the economic revitalisation of de-industrialized cities in the UK back in the 80ies of the last century, and later in the 90ies in the German Metropolitan Ruhr Area and have been diffusing across the whole of the EU territory and beyond since then. This strategy has seen its heydays with the concept of the ‘creative city’ coined by Charles Landry and the concept of the ‘creative class’ coined by Richard Florida at the beginning of the 21st century. Interestingly, both concepts as well as earlier cultural-led urban strategies have been engineered for metropolitan cities and areas in mind, where the CCI tend to cluster and where most of the projects of urban revitalisation have been taken place indeed. Therefore, these concepts show a ‘big city’ bias with many unquestioned assumptions based on metropolitan city case studies while SMSC are in their blind spot. Of course, there are some exceptions, where these concepts have been applied to SMSC, too. However, in most of these applications the metropolitan based biased assumptions have been unconsciously taken over, even though the protagonists claim otherwise (for example see Rivas 2011 & Selada et al. 2012 for the EU Urbact Network). In this way, the same expectations as for the metropolises have been set up for the development of SMSC, thereby exaggerating the CCI sector’s developmental and growth potentials for SMSC.

Very recently, the interest of national and EU-level policies in SMSC and their role for territory cohesion, spatial and regional development has risen enormously as has the interest in academia. Quite understandably then, the interest in an adaptation of cultural-led urban developmental concepts from metropolises to SMSC has been risen as well. Ironically, this development takes place at a point in time when these concepts go out of fashion in the metropolises for which they have been developed in the first place, and where they become replaced by smart city visions. What sense does it make, then, to adapt a seemingly outworn concept to the context of SMSC that can only be described as an adverse environment for a CCI sector led urban development strategy based on local cultural resources?

In contrast to the praxis of copying developmental strategies designed for big cities, it is of utmost importance to develop realistic expectations about the cultural-led development of SMSC. One of the main insights of this project level GAP analysis synthesis report is that the clustering assumption about CCI in metropolises is ill suited for SMSC as are many expectations and hopes about growth potentials of the CCI



drawing on this assumption. So, when setting up local CCI sector strategies and action plans, the StimulART partner cities should avoid becoming trapped in ill-suited assumptions about the role of the CCI sector in SMSC and their urban development. The main consequence of this insight is that a local CCI sector development strategy should aim at the CCI sector rather than encouraging clusters in just one or just a few of its sub-sectors. One of the first and most important actions, then, should be to make the CCI sector visible, to foster a sense of belonging to a unified CCI sector among its heterogeneous stakeholders from the different sub-sectors, and above all, to promote networking among the sector. One way to realize these aims together is to make the CCI sector visible in the city by setting up a physical CCI hub, for example by establishing a co-working space that utilizes the lower rents in SMSC as a locational advantage compared with metropolitan cities and areas.

Another consequence of the insight that CCI stakeholders do not cluster the same way as in metropolises is that an urban development strategy for SMSC should not rely on a local CCI sector strategy only, but try to align it with an Integrated Urban Development Strategy as has been done in the StimulART project framework.

When SMSC are equipped with realistic expectations about the size of their CCI sector and its developmental potential as a function of the size of the local economy, then they can introduce measures that support the CCI stakeholders to fully exploit the potentials of the local market niches for cultural products and services in each CCI sub-market at the one hand and that enable them to become more independent from the limited local demand by specialization and professionalization at the other hand.

With respect to the local market, municipalities should carefully deploy their own buying behaviour for cultural products and services to support their local CCI sector, valorizing their offers by consuming them and thus highlighting their visibility and symbolizing their value. They should ask themselves, how the local CCI sector can be stimulated, and how the city can be made more creative and outward looking by a smart allocation of public money in the local CCI sub-sectors. Beside this, networking activities with national and international professional CCI sub-sector networks should be supported to up professionalization, quality, and specialization for national and international market access.

One important prerequisite for the success of a CCI sector development strategy is the awareness for this specific sector and its specific needs and requirements among both the decision makers in local government and administration and the local CCI stakeholders. In all StimulART partner cities it was only for the StimulART project that the awareness for the CCI among the political decision makers has been risen. Even in Amberg, the StimulART city where the CCI are developed the strongest comparatively, the awareness for the CCI was very low. For example, the StimulART project has been initiated by the cultural department there instead of by the department for economic development. Similarly, the partner cities prepared a schedule of interviews and meetings in their respective cities for the field research visits with most of them related to stakeholders and institutions of the classical cultural policy instead of to CCI stakeholders and CCI sector support institutions. Even though the general understanding of the specific characteristics, dynamics and needs of the sector and its actors is still rather low, the actors in the StimulART partner cities become increasingly conscious about the CCI sector and are willing to learn. They start to see the CCI sector as a chance to develop their cities economically and culturally. There is a growing preparedness to support this sector, though, there is still insecurity about suitable measures and programs.

The awareness among the CCI stakeholders about their sector was very low in all StimulART partner cities, either, except for Amberg where a formal association for the advancement of the local CCI has been founded by CCI activists two years before the StimulART project has started. With the StimulART project's help the awareness for the CCI among the CCI stakeholders is rising in all its partner cities, while the general understanding of the specific characteristics, dynamics and needs of the sector is still rather low. Beside this, the CCI actors tend to underestimate the importance of self-organization and networking across the CCI sector. Since the business conditions are rather difficult for the CCI actors in SMSC - the competition in oligopolistic markets in small local market niches is rather strong, traditional business models become increasingly challenged, and the resources of small firms and freelancers are rather scarce in general -, the CCI actors and businesses are rather self-centred and not very much inclined for networking yet.



Existing networks are mostly informal within sub-sectors except for the association for the CCI sector in Amberg. Former projects of self-organization at sub-sector level such as the Architecture- and Environmental House in Naumburg haven't been sustainable in the past, which is in line with our insight that cluster approaches at sub-sector level lack the necessary critical mass in SMSC. There exist no formal or strong informal networks between the traditional economic sectors and the CCI sector in the StimulART partner cities now, either. As a result, the StimulART partner cities' CCI sectors have a low visibility for both the actors inside and outside the CCI sector at present.

However, there seems to be a large potential for support measures that help to make the CCI sector more visible, to nurture self-organized networks within it and to rise the general awareness about it. Those initiatives should start at the level of the whole CCI sector, treating the whole sector as a cluster. One of the biggest potentials lies probably with networking initiatives between the traditional industrial sector and the CCI sector that could produce a stronger visibility for the locally produced cultural products and services for the local economy. Such networking measures could utilize a comparative advantage of SMSC - their tightly knit multi-functional networks between decision makers from different fields, the potential for short cuts in information channels and the short distances to political and economic decision makers.

Another characteristic all StimulART partner cities share is that neither of them has had structural positions functionally specialized for the CCI sector within the local administration or other structures for accommodating the CCI sector and its special needs within the municipality. As a consequence, no specific department feels responsible for the support of the CCI yet, so that the CCI sector tend to 'sit between chairs'. While the economic departments tend not to feel responsible for the CCI sector and its 'cultural issues' because they associate rather non-economic values with it, the cultural departments tend not to feel responsible for the CCI sector and its 'commercial and economic aspects' either, because they associate rather non-cultural values with it. The economic departments don't consider the CCI sector to be a real economic sector and associate it with public subsidies for culture for which they are not responsible. Meanwhile the cultural departments don't consider the CCI sector to be of cultural significance measured against the professional values of high culture and pure artistic values in traditional cultural policy, and hence don't include them in their support measures. The combined effect of these different departmental mindsets about the CCI sector is that the CCI sector does not have any formal contact persons in the administration, that their sector specific needs and requirements are neither heard nor understood, and that no specific support measures are in place. This predicament is enforced by a lack of mutual understanding between the mindsets of employees working in administration and the entrepreneurial and artistic mindsets of the CCI stakeholders. Unsurprisingly, in each of the StimulART partner cities exist severe conflicts and distrust between administrative or political decision makers and the CCI stakeholders.

A measure to reconcile these lacks of structure, support, mutual understanding, and mutual trust would be to create a cluster management for the CCI sector including specialized coaching and mentoring facilities. It is important to stress again that the term cluster should refer to the whole CCI sector and not only to one or only a few of its single sub-sectors because a cluster management should be directed at a critical mass of CCI stakeholders. However, the cluster management needs addressees in the CCI sector and its sub-sectors who can speak not only for themselves but are able to represent the sector and/or its sub-sectors. For this reason, a cluster management should become established only together with networking structures within the CCI sector providing interfaces and spokespersons to the municipality. In the same vein, it is important that all action programs established to support the CCI sectors should actively involve the CCI stakeholders right from the idea creation over the planning processes up to the execution to secure the legitimacy, acceptance, and efficiency of support measures.

There exists another important aspect that should be considered when establishing a cluster management for the CCI sector in SMSC that is related to its limited size. SMSC should work together with other neighbouring SMSC in intercommunal cooperation, sharing their resources for such a cluster management program to pool the different local CCI market's potentials for reaching a critical mass by combining their local CCI stakeholders as the program's addressees and beneficiaries.



According to Richard Florida, an atmosphere of both tolerance for people who do not fit in into the common norms and open mindedness to different cultures is especially important for a city's attractiveness in the eyes of the creative class. Tolerance serves as an important prerequisite for the free expression of creativity and innovative behaviour. Such a tolerant atmosphere is for many metropolitan cities a by-product of their sheer size while SMSC may struggle to create it because it is difficult to create a sense of anonymity there due its small size. Therefore, SMSC will have to strategically fabricate an atmosphere of tolerance. But how to do so? Learning from the conflict cases in the StimulART partnership ex negativo, one important aspect is exactly how a municipality handles the CCI stakeholders and their interest association or networks. The way in which a municipality treats the local CCI stakeholders can serve itself as a highly visible symbol for how tolerant and open minded the municipality is. Contrary, a hostile take by the municipality will be seen as a clear sign for its lack of a tolerant attitude and open mindedness in general by the CCI stakeholder with negative effects for the city's overall attractiveness.

4.7. SMSC as context for a cultural-led urban development

The StimulART project is not only focusing on potentials to develop the CCI sector in SMSC. At the same time the project is looking for ways to exploit the interdependencies between the StimulART partner cities' specific place-based cultural resources which might play a role as amenities drawing members of the creative class in the cities at the one hand, and the CCI sector that can utilize those cultural resources for cultural products and services, thus, contributing to the cities' cultural and economic development at the other hand. Again, concepts of a cultural-led urban development strategy have been developed with bigger cities and metropolitan areas in mind and have been applied mostly there in the past. One avenue for the widespread diffusion of this strategy has been the increasing competition for attention and reputation between global and metropolitan cities in order to attract talents, investors, and tourists on a worldwide scale. The leading assumption seems to be that a city's cultural resources are place-specific, unique, sticky and hard to copy, and can therefore be used for building a unique and attractive city identity that serves in turn as a unique selling point (USP) in city marketing initiatives. To transfer city identity marketing approaches based on cultural resources from global cities down the urban hierarchy to middle centers and SMSC is especially tempting on the EU territory, given the rich urban history, cultural heritage, and cultural differences specifically embodied in the European SMSC. Accordingly, we can already find city marketing driven programs to strategically shape city identities in Amberg and Naumburg. In doing so, especially Amberg has drawn on its cultural resource of the "Luftmuseum" (Aerial Museum) and is marketing itself under the moniker "Luftkunstort Amberg" (Place for Aerial Art, playing with the German term "Luftkurort" meaning health resort).

However, none of the StimulART partner cities is well known beyond its region even when there are city marketing initiatives at place and/or even when they command about rich cultural resources, except for Vittorio Veneto due to very specific historic reasons. This may change for Naumburg in the future due to the UNESCO world heritage title for the Cathedral in Naumburg. However, while one characteristic of global cities seems to be that their names and images are known worldwide, it is safe to assume that only very few SMSC will become known nationwide or even internationally, given their sheer numbers and the rich texture of cultural resources and heritage in the EU.

The problem of how to stand out as a SMSC in the international, national, and regional competitions for attention and reputation between cities of all ranks of the urban hierarchy by way of marketing a city identity using a (culturally defined) USP is taken up and highlighted for two reasons at the beginning of this section.

1.) Marketing driven city identity initiatives directed at external observers are taken from the rulebook for cultural-led urban development written for global cities. When SMSC copy them, they invest scarce resources in a competition where they are structurally disadvantaged. Moreover, they run the risk of overstressing their already weak resources by trying to realize an unrealistic or even unobtainable goal set by the global city agenda. Therefore, this particular problem of city identities is exemplary for the issue that a cultural-led urban development agenda might overstretch the resources of SMSC more generally. The



resources of the StimulART partner cities might not only be too weak to compete with bigger cities in an unfair battle, but also too weak to exploit and develop their cultural resources wholistically.

2.) City identities are an important aspect of urban life of SMSC, too, that can hardly become overestimated. They shape how their inhabitants and external observers perceive them, think and feel about them, make decisions about them and act towards them. Nevertheless, the transposition of the marketing driven concept of city identities from bigger cities to cities of smaller sizes is based on unquestioned assumptions built for the global city context, such as the assumption that a city identity matters the most for agents external to the city. This assumption about external observers assumes further, that the global city is already well known so that only its image must be polished up in order to become more attractive to draw in external resources that are thought to complement endogenous resources which are rather not in the center of this strategy's attention. When SMSC copy this concept, they may unconsciously copy those underlying assumptions. In this way, they don't adapt the concept to the specific conditions and requirements for SMSC. Here, the question should be asked first what role a city identity can play in cultural-led urban development in SMSC when it is not the particular aspect of attention maximizing for external observers. Are there aspects of city identity that matter, above all, for their inhabitants and for the cities' endogenous development, and that should preferably become strategically developed or changed?

The following sections will discuss first why a cultural-led urban development agenda runs the risk of overstressing the resources of SMSC and what can be done about this, and then, second, what aspects of the city identity could be approached in a cultural-led urban development adapted to SMSC.

4.7.1. Weak resources for a cultural-led urban development in SMSC

Let's consider the first aspect that the resources of the StimulART partner cities are too weak to fully exploit and develop their cultural resources in general. This topic has several factual dimensions. While the cultural resources of the StimulART partner cities are surprisingly rich, even when compared to bigger cities, they seem to be still too weak to constitute a critical mass that could possibly draw the attention of external observers to SMSC, away from bigger cities that set the standard.

This problem becomes probably most obvious in Vittorio Veneto's case. The city has enjoyed a high visibility and name recognition due to the specific relationship between the city's name and 'the last battle of the World War I', a historic event which was important not only for the whole Italian nation, but the whole of Europe and even the whole world. As a result, the city could punch above its weight during the last 100 years due to the symbolic meanings connected to this event: it was much better known on a national and international level compared to the average SMSC. This experience has shaped the city's aspiration level for national and international attention and name recognition up to now when the city's WW 1 identity is increasingly losing relevance the further the historic event of 'the last battle' travels into the past. Vittorio Veneto thus provides an example of how the resources of an SMSC are not sufficient to permanently compete on equal footing with larger cities for attention and recognition, even when a city has a strong identity marker such as 'the last battle' of World War I.

In this context, Vittorio Veneto is looking for new city identity defining characteristics which can fully substitute for the 'last battle' to meet its existing expectations and aspiration level for national and international attention and recognition. However, while the importance and relevance of the 'last battle' city identity is rapidly decreasing, the city is almost unknown outside the Veneto Region today even though it can command about many major cultural resources due to its traditional bonds with Venice, its role as an important trade city during the Renaissance, a many centuries old bishop's seat of the Catholic Church, and its strategic position for military defense throughout human history. In a sense, Vittorio Veneto lies in an 'attractiveness shadow' of regional bigger cities and cultural or tourism hot spots such as the world-renowned cities of Venice and Milano, and the tourist hotspots of Cortina d'Ampezzo and Jesolo, which even dwarf cities such as Verona, which, meanwhile, is much better known for their cultural heritage than Vittorio Veneto. Because Vittorio Veneto has been holding up to the expectation and aspiration level for national and international reputation, and because it has made the experience that their own cultural resources are not sufficiently large to create a critical mass that could possibly compete with the main attractors and



much bigger cultural hubs in the Veneto region, it is thinking about combining their own cultural resources with those of their hinterlands, their neighbouring SMSC and its region to assemble a competitive critical mass of cultural resources. By joining the Prosecco Hill initiative related to the UNESCO World Heritage Title, Vittorio Veneto becomes an example for applying a logic of destination building from tourism to the question of city identity that also tends to include surrounding natural resources and the cultural landscapes. In other words, it refers to cultural or natural attractions or amenities outside their administrative boundaries to become part of a touristic destination even though it has already too little resources to develop their internal cultural resources.

The city's rationale is very well understandable: To succeed in the competition for attention among cities of all sizes it tries to build a critical mass of attractions and amenities. However, when many of the attractions and amenities that are a constitutive part of a touristic destination are located external to the city, then this will create at least two risks. First, already scarce resources will have to be allocated for the development of cultural resources external to the city in their own peripheral catchment area and in the wider region. This means that the perspective of internal city development will be challenged by an external developmental perspective leading to a neglect of the development of the city center and its subsequent further desertification. The latter experience is already often the case with shopping malls at a city's outskirts drawing away consumer traffic and purchasing power from the centers. The second risk is that a city's specific cultural resources may get overlooked through the overall destination's attractiveness. In other words, there is the risk that the specific cultural meaning of a part of the whole will be overlooked when the cultural meaning of the whole is in the center of interest. This risk may be less relevant when a SMSC can manage to remain in the center of attention of the destination. For example, Naumburg with the UNESCO cultural heritage title for its cathedral has a good chance to become the attention hub for a cultural tourism destination "Stein und Wein" ("Stone & Wine"). However, this risk of gradually sliding out of a destination's attention center may become more relevant in the case of Vittorio Veneto and the UNESCO title for the "Prosecco Hills" because Vittorio Veneto is located rather at the eastern fringe of the Prosecco Hills territory. The first sentences of the central websites for the Prosecco Hills Destination read accordingly: "Are you looking for a holiday in Veneto, on the Prosecco hills? Perhaps a wine tour, travelling between vineyards and wineries by Vespa? Or maybe a spa where you can relax after a day full of sporting activities? You're in the right place, in the Prosecco Hills between Asolo, Valdobbiadene and Conegliano."¹⁹⁴

While Vittorio Veneto is the most visible case for this development, the same risks apply for other cities in the StimulART partnership, too: Jászberény is the center for the Jász region, Naumburg is part of a "Stone and Wine" region, Kamnik is the entrance point to the Kamniške Alpe. By reaching out beyond their material, geographic, and administrative boundaries, the cities run the risk of further overstressing their resources which are already too weak to fully develop the cultural resources within the city. However, one potential way to overcome this problem of overstretched resources when trying to assemble a critical mass is inter-communal cooperation either with villages and small cities in the hinterland or more regionally with neighbouring SMSC cities. As already mentioned in the context of the establishment of a cluster management, organizational capabilities of municipalities for inter-communal cooperation become a critical resource for the establishment and execution of a cultural-led urban development strategy, too. Unfortunately, those organizational capabilities are rather weakly developed in the StimulART partner cities. Typically, we rather find patterns of inter-communal conflicts and competition between neighbouring SMSC as is also the case in all StimulART partner cities, sometimes referred to as parochial thinking in the interviews ("Kirchturmdenken", "Campanilismo", "Krajevno razmišljanje"). This observation is in line with the scarce empirical research about inter-communal cooperation between SMSC in rural areas: Inter-communal cooperation, although necessary and normatively desired by regional policy, is the very rare exception that presupposes certain requirements, for example, the presence of functional specialization

¹⁹⁴ See: <https://www.visitproseccohills.it/en>, accessed 22nd June 2021. The website also makes vividly clear the logic behind the destination building: "Join us as we discover the wonders of the Prosecco Hills! We're in Veneto: the land of Prosecco, Palladio and Italian culture and art. No fewer than five UNESCO World Heritage Sites are dotted throughout the region: magical Venice and its Lagoon, the stunning Dolomites, Vicenza and Andrea Palladio's masterpieces, the botanical garden in Padua and the city of Verona with its Arena amphitheatre."



between neighbouring cities (micro-regional centers for housing market, labour market, and education), the absence of a mayors' self-image as generalist as well as the absence of the territorial self-image of the actors as "territorial princes" (Kühn/Milstrey 2015).

Another organizational capability that is needed for a cultural-led urban development is a municipality's capacity for trans-organisational cooperation. This requirement becomes most obvious in the case of Naumburg whose biggest potential for a cultural-led urban development lies with the UNESCO World Heritage title for the Naumburg Cathedral that is the property of the "Vereinigte Domstifter", an ecclesiastical foundation under public law. Clearly, to unleash the Naumburg Cathedral's potentials for the city requires closely coordinated efforts between the foundation and the municipality and many other, here unnamed stakeholders on a continuous basis. Although not as obvious as in Naumburg, organizational capabilities for trans-organisational cooperation are a necessary requirement for all the other StimulART partner cities' municipalities, too, be it with respect to a cooperation with the ecclesiastical museums of the Bishoperly in Vittorio Veneto or be it with cultural institutions run by public private partnerships and partly financed by firm sponsoring in other partner cities. But then, again, those capabilities are not strongly developed in the StimulART partner cities.

Still another organizational capability that is a precondition of cultural-led urban development strategies is cross-functional cooperation across different departments in interdisciplinary teams in the cities' municipalities. This requirement becomes most obvious in all StimulART partner cities with regard to Integrated Urban Development Strategies. When the project aim in StimulART is to support the CCI sector and to initiate a cultural-led urban development then the departments for economic development and culture have not only to closely cooperate with each other but also with the urban development department.¹⁹⁵ As was the case before, the StimulART partner cities are not especially strong in cross-functional and interdisciplinary teamwork either.

On balance, we can identify a certain pattern of a lack of organizational capabilities for the StimulART partner cities' municipalities that are necessary for planning and executing cultural-led urban development agendas. This observation is in line with the general pattern that SMSC municipalities lack often specialized functional expertise, because the degree of specialization of an organization is a function of its size. Therefore, since SMSC have smaller municipalities than bigger cities measured in jobs and positions, they have a lower level of specialization. However, even though their municipalities are smaller and less specialized, they still face almost the same challenges and tasks bigger cities do. One consequence of this structural predicament is that SMSC' municipalities tend to develop generalist mindsets and practices, another that they have difficulties adapting when faced with unfamiliar challenges requiring highly specialized expertise as is the case with CCI sector support and its integration in a cultural-led urban developmental strategy.

One obvious solution to this problem is external expertise and external funding for which the StimulART project is itself an example. Another solution can be found in regional or supra-regional agencies set up by regional or national authorities that can provide expertise and resources for cultural-led urban developmental projects and local CCI sector support strategies. However, when SMSC want to develop and implement cultural-led urban development agendas they must modernize their administrative mindsets, practices, and methods to become capable of inter-communal, trans-organisational, and cross-organisational project-wise teamwork which can strategically coordinate the efforts of many heterogeneous stakeholders on a continuous basis. Thus, the realization of StimulART's project aims require a modernization of the partner cities' municipalities at the same time: they have to become more creative, too.

¹⁹⁵ See the Strategy Building Methodology Paper and Template for StimulART written by the author of this report.



4.7.2. The role of city identity in cultural-led urban development programs in SMSC

City marketing initiatives in bigger cities often use cultural identity markers in order to gain the attention of external observers in a global competition for talents, investments, and tourists. It is tempting for SMSC to copy this measure from bigger cities in their cultural-led urban development initiatives because they have rich cultural resources, too, which can be marketed as ‘sticky’ and unique city characteristics. However, as we have seen further above, by doing so, the StimulART partner cities run the risk of overstretching or wasting scarce resources. Are there other aspects of a city identity better suited for a cultural-led urban development project in SMSC? The GAP analyses in the StimulART partner cities can cast some light at some of the aspects how city identities impact a cultural-led urban development agenda. Interestingly, each city does cast light at different aspects of this complex social phenomenon.

The meaning of the name Jászberény is “Castle of the Jász people”, emphasizing that the city is the very cultural center of the cultural minority of the Jász people. Jászberény’s cultural-led urban development initiative under StimulART emphasizes the strengthening of the expressions of this cultural heritage around the folkloristic ecosystem already existing in the city as one pillar of its strategy beside other measures like supporting the contemporary art sub-sector. Rather than aiming at outside observers, this strategy builds upon the importance of cultural heritage for the identity of the inhabitants of the city and for building a community feeling around this identity. At the same time this approach of identity and community building based on cultural heritage is directed at the Jász people diaspora, hence towards outside observers who already have a certain bond to the city and the region.

Cultural-led urban development initiatives for SMSC can learn from Jászberény that cultural resources should not so much become used for city marketing campaigns directed at outside observers but rather at the inhabitants and at those people who already have a bond to the city and its region or who already know about the city. They should try to improve the cultural amenities, the cultural live, and the overall attractiveness of the city for their own inhabitants and the ones in their hinterlands first.

Another lesson SMSC can learn from the StimulART partner cities’ experiences is that a city identity cannot become easily changed nor can its components become artificially designed easily. Rather, the city identity plays the role of a framework for processes of change that itself changes only slowly on the base of collective experiences anchored in collective memory. The question, then, for a cultural-led urban development strategy becomes what are the aspects of city identity that influence the CCI sector development in particular and the development of the economic sector in general, how do they influence the city’s development, and how can they be changed if necessary.

Important aspects of a city identity that influence the development potentials of the private economic sector are the collective experiences made with respect to both a city’s economic history of industrialization and a city’s geographical and status position in the national urban hierarchy. Both aspects are deeply ingrained in the collective memory.

When comparing the StimulART partner cities with each other the most obvious difference is the discontinuation of entrepreneurship, liberal capitalism, democracy and local self-government through Socialism in Jászberény, Kamnik, and Naumburg in the 20th century, while Amberg and Vittorio Veneto could experience a continuity of economic entrepreneurship since its inception in Western Europe. So, we should neutralize the influence of this historical incision by comparing first Naumburg, Kamnik and Jászberény with each other to find other, less obvious aspects of their recent history that had a lasting influence on their city identities.

In Naumburg the history of a “Pensionopolis” or residential city has influenced many decisions towards its urban development in the recent history up to now. Based on a residential economy, we find only a comparatively low degree of economic activities and entrepreneurship there while Naumburg has been gaining only slowly attractiveness again as a residential city for the metropolitan areas to its north and south and for the region during the last 30 years since the Wall came down. Compared with Naumburg, Kamnik has a strong history of industrialization with many industrial factories and firms inside the city until 1989.



Since then, the city has experienced a process of strong de-industrialisation highly visible in the cityscape as well as highly noticeable in the minds and habitus of the inhabitants while it is increasingly becoming a sleeping or dormitory city in the suburban region of the Slovenian capital, Ljubljana. In contrast to these two ex-socialist suburban cities with a rather weak economic sector stands Jászberény. Jászberény is a relatively autonomous SMSC that profits from its geographical location close to the Hungarian capital and its airport, without exactly laying in Budapest's suburban rings. It has been experiencing an ongoing industrialization even after Socialism broke down based on being a location for manufacturing outlets of global corporations but increasingly also for local entrepreneurs who take advantage of the industrial hub, setting up businesses in the supply chain and leveraging growth potential. Its relative autonomy from Budapest has been established by its century long history of relative independence and regional self-government based in specific political minority rights that became culturalized over time. The cities' relative cultural homogeneity led to a strong community feeling and tightly knit networks that, together with the sense of autonomy, have been proven to be a fertile ground for the re-ignition of entrepreneurship after Socialism. However, due to its industrialization history this reawakened entrepreneurial spirit is directed rather towards the secondary economic sectors and technological developments, not so much towards cultural products and services except the folkloristic ecosystem.

Based on this strong degree of industrialization, we can compare Jászberény also with Amberg and Vittorio Veneto which have been experiencing a continuity of economic entrepreneurship since its inception in Western Europe. Also, Amberg, Vittorio Veneto and Jászberény can be described as rather peripheral autonomous SMSC, meaning that they are spatially neither fully integrated in a metropolitan region nor networked with other SMSC within their region, while Naumburg and Kamnik belong to the type of suburban SMSC.¹⁹⁶

With the help of the comparison between Jászberény, Amberg, and Vittorio Veneto, it becomes especially obvious that the geographical location of SMSC matters not only with respect to the national urban hierarchy but also with respect to the location of the respective nation state relative to the economic centers of the global economy. While Amberg and Vittorio Veneto belong to the central space of the western European economic system, the Liverpool-Milano axis, also called the "Blue Banana", that can be described as a mostly urbanized and highly industrialized spatial corridor across Western and Central Europe and as the economic backbone of the EU, Hungary and Jászberény are still located at the periphery of the Western European economic centers. Accordingly, Jászberény hosts mainly manufacturing sites with lower degrees of value added compared with the European center.

In Amberg and Vittorio Veneto we find strong entrepreneurial cultures in both cities that have managed to continuously come up with acts of "creative destruction", just to quote Schumpeter, over centuries thereby adapting their cities' economic base to technological, economic, political, and cultural change. This has led to a development in their city identities where no particular traditional industry could leave a lasting mark, leaving aside the musealization of some. For example, interviewees in Amberg pointed repeatedly to the fact that there is nothing special or characteristic about their city in terms of industrial sectors or branches which could be identified with the city: "The special thing is that we don't have anything special. We are very, very broadly positioned" (Representative of the Chamber of Commerce and Industry). In Amberg, the process of 'creative destruction' (and of the transformation of the economic base towards knowledge intensive production) is probably best exemplified by the entrepreneurial Baumann family which has run an enamelware business from 1869 onwards until it had to file for insolvency in 1986 with 113 employees. However, one of the Baumann family's offspring, Georg Baumann, founded an automation company in 1984 that has 820 employees today. In Vittorio Veneto we can find a strong entrepreneurial culture based on entrepreneurial families, too. Here, however, many more industrial heritage sites can be found along the Meschio river within the city which bear witness to its industrial past, for example to the hitherto strong wool milling industry of which only one mill has survived out of a cluster that comprised five wool mill companies in its heydays back in the 20th century. However, most of the industrial firms operate in the

¹⁹⁶ See for this functional typology of SMSC ÖIR et al. (2007) & Servillo L. et al. (2014).



industrial area in the south today, indicating that the dependence on natural resources like water has given way to a new dependence on knowledge as a production factor. Indeed, in both cities, in Amberg and in Vittorio Veneto, we find the development of an increasingly knowledge intensive production within the industrial sector.

On balance, we can identify that at least the economic history, the history of communal self-government, the spatial location relative to the economic centers of the global economy, and the position relative to the national urban hierarchy are partly influencing the city identities by shaping collective experiences and memories and establishing expectations about change, adaptation, and entrepreneurship in the StimulART partner cities. Thus, an important aspect for a cultural-led urban development strategy drawing on cultural resources and the CCI sector is the type of economic and entrepreneurial culture that already exists in the cities. The StimulART project raises indirectly two questions: What type of economic and entrepreneurial culture is a necessary precondition for remaining adaptable to economic and societal change in SMSC? And can a culture that favours adaptation to change by ‘creative destruction’ be strategically build, and if so, how?

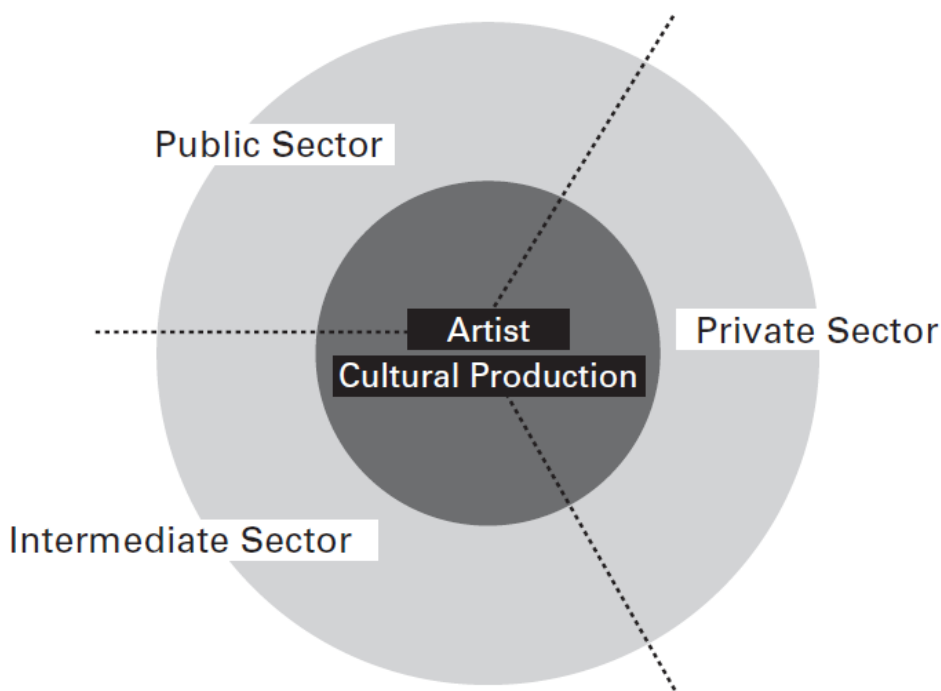
In this respect, the StimulART partner cities have different cultural preconditions for a cultural-led urban development strategy betting on the CCI sector and its potential to utilize local cultural resources. While Naumburg and Kamnik are both suburban cities with a socialist history, they differ much. Naumburg has always been a residential city which hasn’t been changed during socialism much with low levels of both activities in the private economic sector and entrepreneurship. Kamnik has only recently started to develop into a commuter city with a very recent past of industrialization and heavy marks of de-industrialization.

Amberg, Jászberény and Vittorio Veneto are autonomous peripheral cities with a high degree of industrialization. Amberg’s and Vittorio Veneto’s industrial base is progressively shifting to a high knowledge intensive production mode corresponding with its geo-economic location within the central spatial zone of Western European Capitalism. Jászberény’s industry is still based on manufacturing sites with higher labour and less knowledge intensity corresponding with its geo-economic location at the periphery of the central spatial zone of Western European Capitalism. While an entrepreneurial culture is deeply ingrained in Amberg’s and Vittorio Veneto’s family businesses, such a culture is only emerging in Jászberény based on a strong community and identity centered around the Jász culture.

Based on those cultural considerations alone, the biggest potentials for a CCI sector strategy lay probably in Amberg and Vittorio Veneto, followed by Jászberény. The smallest potential is with the two residential cities of Kamnik and Naumburg. However, these judgements are mediated by other factors not discussed in this section. For example, we find with the KIKštarter project a well working start-up incubator in Kamnik that is supporting already the development of an entrepreneurial culture in the city and its hinterland. The UNESCO World Heritage title for the Naumburg Cathedral holds a significant potential as cultural resource for Naumburg’s development. Very recently, the high-tech firms in Amberg and Vittorio Veneto report problems to find and retain ‘high potentials’ of the core creative class needed for their highly knowledge intensive production. Human resource specialists point to the relative greater attractiveness of metropolitan cities for the creative class as an explanation. In Jászberény exists the problem of a shortage for cheap labour which is solved by a high number of Ukrainian guest workers. There emerge rising tensions between those guest workers and the Jász community in the city which point to social limits of the growth path taken and the tightly knit community.

4.8. The role of the public cultural sector and of the civil society cultural sector for a cultural-led urban development in SMSC

Cultural products and services are produced not only by the private economic sector, but by the public cultural sector and the intermediate cultural sector with the latter made up to a significant share by non-profit cultural associations (see illustration below).



Source: The Swiss three-sector model of cultural production. First Culture Industries Report Switzerland 2003; Söndermann & Weckerle 2004: 7.

The public and the intermediate cultural sector combined can be called ‘non-profit oriented culture’ or ‘non-commercial culture’, whereas the private sector can be called ‘profit-oriented culture’ or ‘commercial culture’. Regarding the ‘Concentric Circle Model of the CCI’ described above, we can say that the three-sector-model has the best fit with the ‘Core Cultural Expressions’ and progressively loses this fit when moving from the center towards the periphery (‘Other Core Creative Industries’, ‘Wider Cultural Industries’, ‘Related Industries’). The higher the proportion of artistic to utility content in the cultural products and services, the higher is the share of the public and the intermediate cultural sector on its production. The lower the proportion of artistic to utility content in the cultural products and services the higher is the share of the for-profit CCI sector on its production. For example, while we might find ‘Heritage Services’ run by public institutions or by non-for-profit associations in the ‘Wider Cultural Industries’, we won’t hardly find any non-commercial culture in the ‘Related Industries’ of architecture, design, advertising, or fashion.

All StimulART partner cities play a role as peripheral centers in their national urban hierarchies with important supply functions for their respective hinterlands, including a responsibility for basic cultural supply functions. However, we don’t see major public cultural institutions in their cities like theatres, opera houses, concert halls, dance companies, big galleries etc., which can only be found in metropolitan agglomerations or much bigger cities. However, as an exception, Naumburg’s municipality funds a small public city theatre. The StimulART partner cities try to provide publicly funded high culture by way of festivals or guest ensembles in different cultural disciplines instead. Meanwhile, most of the demand for high culture coming from the StimulART partner cities’ inhabitants is satisfied in metropolitan and bigger cities.

Experiences from metropolitan and bigger cities with a rich layer of public cultural institutions show that the public sector provides important impulses for the commercial cultural sector. Those cities are the site where audiences with disposable income gather that are big enough to constitute an additional demand for cultural products and services which then can become satisfied by commercial culture providers from the CCI sector. Also, artists and freelancers can find jobs in the non-commercial sector which provides them with a basic income which can be topped up by additional income earned in the CCI sector or in the



intermediate sector (for example by public project funding). Thus, in those cultural and creative disciplines in which we can find both non-commercial culture and commercial culture, the three cultural sectors are tightly interconnected with each other in mutual exchanges. Mostly, public cultural institutions function as anchor institutions constituting local, regional, nationwide or even international demand for cultural products and services or providing job opportunities on the cultural labour market in a certain city. Therefore, the three cultural sectors are interdependent with each other based on a cultural milieu of artists and freelancers who are involved in the production of cultural products and services in all three cultural sectors (see Deutscher Bundestag 2007: 344ff.).

However, the level of publicly funded culture is much lower further down the urban hierarchy in SMSC, therefore its impulses for the CCI sector are much weaker here, too, as we can observe in the StimulART partner cities. When we combine the ‘Concentric Circle Model of CCI’ with the ‘Three-sector model of cultural production’ and with the notion of national urban hierarchy systems, we can see the following pattern at work: The higher up a city is in the national urban hierarchy the higher is its inventory and activity level of public cultural institutions. Since the CCI sector and the intermediary civil society sector of cultural production partly depend on the public sector, their inventory and activity level depend on the position of the city in the urban hierarchy, in turn. Hence, the lower a city’s position in the urban hierarchy, the less public cultural institutions we can find, and the less CCI actors we can find in the ‘Core Cultural Expressions’.

The discourse about the CCI and the creative city sometimes implies that the CCI sector will progressively gain market share from the other two sectors by complementing non-commercial cultural offers with commercial ones, thus, enlarging the total supply with cultural offers in the cities. Again, this assumption is based on a reasoning that is valid for metropolitan and bigger cities but might become misleading for SMSC. Consequently, in some StimulART partner cities we can observe the following problematic expectation connected to a cultural-led urban development strategy that is misguided by wrong promises of the notion of creativity: The CCI sector is supposed to gain market share by substituting non-commercial culture (in an overall stagnating or shrinking local cultural sector) or by turning non-for profit associations into businesses with sustainable business models by commercializing and monetarizing their cultural products and services. This is to say that some SMSC may hold the expectation that to develop the local CCI sector equals a substitution of publicly funded culture and provides therefore for a relief of the burden on public budgets especially since the provision with cultural services is defined as a voluntary municipal task in the national legal frameworks for communal self-government. However understandable such an expectation may be - especially for SMSC which are in budgetary distress with high debts and debt service - it is misled in at least two respects.

Firstly, since the CCI sector in SMSC is rather small compared to metropolitan cities and tends to be a function of the size and dynamic of the local economy as well as of the public cultural sector, the degree to which it can complement and enlarge the local cultural supply is rather limited. For example, we find a private theatre in Naumburg founded as a sole proprietor firm by an actor who was employed by the Naumburg city theatre previously. However, although additional cultural offers provided by the CCI sector can be seen in the StimulART partner cities, there is not enough potential at all that it could substitute public culture - nor should it, based on normative grounds. When the StimulART partner cities would stop to fund the public cultural sector, this would mean not the commercialization of culture, but rather the end of the provision of an offer in the ‘Core Cultural Expressions’ (with a high qualitative standard) to the SMSC’ inhabitants at all. For example, when Naumburg’s municipality would stop to finance the City Theatre this would mean the end of that theatre at this scale and quality.

Secondly, what should have become clear about the relationship between the CCI sector and the non-commercial civil society sector of cultural production by now, there is hardly any business case for substituting cultural products and services provided by non-profit associations of the intermediate sector with commercial ones, either. The local demand for cultural products and services is oftentimes too low in SMSC to provide a market opportunity big enough for sustainable local businesses, especially for products and services in the ‘Core Creative Expressions’ with a high degree of artistic value (and avant-gardist content). On the contrary, we rather observe a different relationship pattern between the three sectors of



cultural production in SMSC. Here, the share of the cultural production provided by the intermediate sector is larger than in metropolitan and bigger cities. For example, there operates a symphonic orchestra composed of hobby musicians and organized as a non-profit association in Kamnik. The fact of a relatively bigger size of the intermediate sector in SMSC may be rooted in the lack of cultural offers per se, motivating self-help and a vivid hobby scene, or simply in the higher visibility of the intermediate sector in SMSC lacking other cultural offers.

However, we can draw from the StimulART partner cities at least two important observations about the role of the intermediate sector of cultural production. Many cultural offers in SMSC depend on the functioning of non-profit associations and therefore depend on volunteers who support those associations based mostly or partly on their intrinsic motivations. Those intrinsic motivations may have different origins. In our StimulART partner cities we find, for example, a young man who organizes a charity rock festival to raise money for a non-profit leukaemia foundation. In other cities we find people who work unpaid for cultural non-profit associations in their free time because they want to become a part of the production of cultural products and services. Others do so because, this is the only way to practice a hobby in the arts. The important point here is to recognize that the expectation to turn those non-for-profit associations of the intermediate sector of cultural production into business models puts at risk the whole cultural offers provided by them because the volunteers' intrinsic motivation base becomes most certainly undermined by commercialization and monetarization and will erode. A commercialization of the intermediate sector of cultural production, therefore, would leave the cities not with a more and better, but rather with a less and worse cultural live.

Another important observation about the role of the intermediate cultural sector in the StimulART partner cities is that it is this sector that sets impulses for the CCI sector development in SMSC rather than the public sector of cultural production. For example, in Kamnik there exist a public house of culture together with a youth center financed partly by the national central government and the municipality. The Kotlovnic youth center is run by highly intrinsically motivated members of the cultural management profession who are well networked with other local and regional CCI stakeholders. It acts as a socio-cultural center which organizes concerts for bands, performances of independent theatre groups and stand-up comedians, exhibitions for artists, and even runs a radio program. Thus, it is an important place for cultural production providing performance and exhibition possibilities, early career experiences, and space to experiment and probe for young and aspiring creatives from different disciplines. Beside this, they co-organize the KAM Fest on a yearly basis, an open-air festival during the Summer with many different cultural offers. During the 2015 festival edition, the organizers set up a co-working space in an abandoned factory beside the youth center as a side project. This side project became independent after the festival and has been developing into the KIKstarter project, a hybrid between a start-up incubator, a co-working space, a fab lab, and an entrepreneurship education center run by a co-operative. In turn, the KIKstarter project supported many successful start-ups, thus, contributing to the development of an entrepreneurial culture in the city.

The youth center Kotlovnic in Kamnik can serve as a good practice of a publicly funded socio-cultural center in SMSC which provides many valuable multi-functional services to Kamnik's community, and which constitutes an important network hub within the cultural and sub-cultural scene as well as an interface with the more formal networks of the municipality and the national government. It can exemplify and make visible that public cultural funding of the intermediate sector equals indirectly an economic policy instrument. Hence, it is highly rational to support socio-cultural centers in particular and institutions of the intermediate sector in general in SMSC, even when seen from a purely economic point of view. When we look for more good practices of the excellent utilization of public money with high leveraging and a high dividend for creativity, we find examples in each of the StimulART partner cities, among them the Csángó Festival in Jászberény. The festival is organized by the Csángó dance house and the Jászság Folk Company. Beside cultivating the tradition of the many dance dialects found in Hungarian folkloristic dances, the festival is host for international folk-dance companies from all continents. Its manager, Gábor Szűcs, has managed to raise 70% of the funds necessary within the local community of entrepreneurs and firms year after year which is an outstanding entrepreneurial achievement even so the organization is operating in the intermediary sector of cultural production. With 30% of the funds coming from the municipality, the festival



is also an example of a cross-sector or public-private partnership. The value of this festival for Jásberény can hardly become overestimated in terms of its contribution to the attitudes of openness and tolerance to international cultural influences, visibility and attractiveness of the city, cultural education, and community building.

On balance, in SMSC, the publicly funded culture will become complemented by commercial cultural offers only to a rather moderate share, if at all. And only in exceptional circumstances will non-for-profit associations turn themselves into sustainable businesses. Rather, SMSC should fund associations of the intermediate sector after careful evaluation because they can provide valuable contributions to the cultural live, to the overall community, and sometimes, when certain coincidences come together, even to serendipitous outcomes such as economic development. Take Kamnik's KIKstarter as an example for the principle of serendipity that is present in the management of creativity in SMSC.

4.9. Local systems of cultural production and the role of national models of cultural production for the CCI in SMSC

In the previous section, using the three-sector model of cultural production, we have found that SMSC have a different pattern of how the three sub-sectors contribute to the total local cultural production compared with metropolitan cities: While the share of both the public sector and the private sector (CCI) on the total local cultural production is bigger in metropolitan cities than in SMSC, the share of the intermediate sector is much bigger in SMSC than in metropolitan cities (see also the illustration in Gnad et al. 2016: 43). These different patterns of sizes of the three sub-sectors of cultural production imply different interdependencies and exchange relations between the three sub-sectors. In order to better understand these interdependencies and exchange relations, this section goes beyond a statistical interpretation of the three-sector model of cultural production. The three sub-sectors are not understood as sub-units separated from each other for statistical reasons here but rather wholistically as one interdependent *local systems of cultural production* tight together by both the local informal cultural network between local authors of cultural products and services and by different types of cultural organisations. *Local systems of cultural production* are characterized by a particular constellation of the three sub-sectors of cultural production - the public sector, the intermediate sector, and the private for-profit sector (CCI) - and by the interdependencies and exchange relations by which these sub-sectors are locally tight together. Moreover, as above all the discussion about the case study of Kamnik can make clear, *local systems of cultural production* are embedded in *national models of cultural production* which will also become discussed in this section.

The three-sector model of cultural production has been introduced into the discussion about the CCI to better be able to distinguish statistically between the economic contributions of each of the three sub-sectors to revenue and job creation to exactly determine the share of the CCI on this production (see Söndermann & Weckerle 2004). Later, the interdependencies between the three different sub-sectors have been analysed in more detail together with the influences which national cultural policies may have on the development of CCI, using the term "tri-sectoral value creation network" (see STADTart et al. 2012).¹⁹⁷ However, those interdependencies have hardly been discussed up to now in the academic literature so that they are poorly understood yet even with respect to metropolitan cities or on a national level. Particularly the relationship between national cultural policies and local systems of cultural production are hardly discussed at all in the literature. We can identify another bias of the mainstream Creative City discourse here. This discourse seems to hold the implicit assumptions that there are many publicly funded cultural institutions existing in any metropolitan city, at least in the European tradition, which function as anchor institutions for the development of CCI, and that the development of the CCI is not much influenced by national cultural policy. However, the case study of Kamnik in Slovenia has made us aware of the possibility to use the three-sector model of cultural production as a heuristic model to discover and to describe both Kamnik's local system of cultural production and its embeddedness in Slovenia's national model of cultural

¹⁹⁷ In the German original: "Tri-sektorales Wertschöpfungsnetzwerk" (STADTart et al. 2012: 5, passim).



production. Thanks to a comparison with Slovenias capital city, Ljubljana, where we identified similar patterns in its system of cultural production, we found that both Kamnik's and Ljubljana's local systems of cultural production are rather a typical expression of a more general structure of the model for cultural production in Slovenia.¹⁹⁸

To recapitulate the results for Kamnik's system of cultural production: Kamnik's cultural live is surprisingly rich and heterogeneous which one would not predict based on the rather weak activity level of the CCI sector alone, particularly in the 'Core Cultural Expressions'. The strong cultural live can be explained by the particular role the non-profit sectors of cultural production plays in Kamnik depending on the Slovenian "national cultural model" (interview quote, former head of the Kamnik municipality's Institute for Tourism and Sport). Much of the cultural live going on in Kamnik is organized by cultural organisations founded and funded either by the government or by the municipality, or cultural events and programs are organized by non-profit cultural associations which are partly financed by public budgets. All three types of cultural organizations from the non-profit sector of cultural production - amateur cultural associations, public cultural institutions, and artistic cultural associations - draw on the particular Slovenian resource of the so-called 'cultural worker' to maintain and execute their programs and/or projects. At the same time, the 'self-employed persons in culture' face difficult market conditions: even the Slovenian market is too small for viable business models while cultural products and services originating in Slovenia have a lack of international visibility, recognition, and reputation and while the Slovenian valorization institutions have only a weak potential to valorize the works of Slovenian cultural authors for international markets. Therefore, many 'cultural workers' can't see a sustainable economic perspective for their artistic practices at all. At the other hand, the legal status of a 'cultural worker' entitles to some tax and health insurance privileges which is also the basis that cultural workers are frequently employed by public cultural institutions and non-governmental cultural association on the base of short-term civil-law contracts financed by public cultural funds. Since the 'cultural workers' build a reservoir of highly qualified and intrinsically motivated, yet cheap labour the non-commercial cultural sector is able to produce cultural programs and projects with a relatively high professional quality although there exists a structural underfunding by public cultural funds. However, the 'cultural workers' are faced with the decision to either run a high probability of failing by trying to build up a business in the CCI sector which has to be immediately established on an international level to become sustainable or to be able to pursue their creative profession either within the boundaries for entrepreneurial income set by governmental cultural policy regulations or by becoming precariously employed in the non-commercial sector temporarily financed by small public funds. This dilemma provides little incentives for 'cultural workers' to experiment with business models in the CCI and to develop business and entrepreneurial skills complementary to their creative mindsets. Rather, since 'cultural workers' are intrinsically motivated to work in the system of cultural production in their creative professions whatsoever, they tend to rationally chose to accept the option within the Slovenian model of cultural production to practice their learned profession beyond a hobby but without having a realistic chance towards a sustainable and commercially successful artistic career. The high barriers to develop (international) successful business models in the CCI seem to dis-encourage entrepreneurial attempts while the public support within the framework of the national system of cultural production can still provide for the possibility to pursue a creative profession and to follow an intrinsic vocation to create aesthetic innovations though on a low and precarious level of income.

On balance, we could demonstrate for Kamnik that the particular local constellation of the three sub-sectors is determined by certain characteristics of the Slovenian national cultural policy, by the embeddedness of

¹⁹⁸ Why could we identify a national model of cultural production and its influence on the specific workings of the sector of cultural production in SMSC in Kamnik of all places? The influence of a national model of cultural production on local system of cultural production is particularly strongly visible in such a small country like Slovenia where there is almost no market for cultural products and services with a high degree of symbolic and avant-garde content while culture plays a particularly important role for nation-building in Slovenia. The Slovenian national model of cultural productions seems to substitute for a market failure to a certain degree which is exactly the reason why it becomes so visible in the small town of Kamnik which lies in the suburban periphery of a rather small capital city of a small nation state which defines itself as a cultural nation by its language.



the local system of cultural production within the institutions of the Slovenian nation state as a whole, and by the embeddedness of the Slovenian model of cultural production within the global markets for cultural products and services. The Slovenian model for the production of culture compensates for a market failure for national cultural products and services by cultural policy measures which in turn intervene in the CCI sector with their subsidies for cultural production. In particular, a national model of cultural production partly shapes the contexts for the entrepreneurial behaviour of CCI actors and their firms, for the organisational or institutional form in which activities of cultural production are preferably carried out (i.e., self-employment, (precarious) employment, amateur, voluntary, preferences for the sector), and for the behaviour of the organisations in the public and the intermediate sector of cultural production. Thus, SMSC and their CCI sector are not only embedded in territorial and regional contexts such as national urban hierarchies and type of geographical location, but also in the context of national models of cultural production.

National models of cultural production in which local systems of cultural production are embedded and which itself are nested within international markets function as a framework which cannot be changed at the local level. The single dimensions of such a national model function locally as boundary conditions which gradually determine developmental conditions for the CCI and the production of culture. Far from claiming a complete list, what dimensions constitute such a national model of cultural production based on the insights from the comparative multi-case study research?

- *Domestic market size for cultural products and services:* The size of the national market for cultural products and services determines the capacity for CCI firms to find and develop viable business models without having to rely on more risky and costly internationalization strategies. Since the Slovenian market for cultural products and services is exceptionally small, the Slovenian national model of cultural production seems to substitute for a market failure to a certain degree with high levels of subsidies for public culture and amateur culture to secure a basic supply of cultural production in the 'Core Cultural Expressions' which is important for the national identity that is defined in linguistic and cultural terms. Cultural products and services seem to be rooted in specific national cultures, a fact that becomes particularly salient when a national culture is constituted by a national language. In turn, the domestic market size seems to depend partly on the audience directly addressable with national cultural products and services in terms of national language. The larger this domestic market is the less the success of CCI business models depends on internationalization strategies and the less determined is the influence of national cultural policy on local systems of cultural production.
- *Status rank of a country in the (imagined) reputation hierarchy of country images for cultural products and services:* Consumers' perception and valuation of cultural products and services are influenced by their country-of-origin labelling. The association of products and services with their country-of-origin acts as a cue from which consumers make inferences about their quality and desirability in terms of their place of ideation and manufacturing. The country-of-origin effect seems to be stronger for cultural products and services and luxury products compared with low involvement product categories. When provided with a range of cultural products and services from different country origins, consumers tend to resort to their (positive or negative) country stereotypes from which they infer characteristics they then attribute to the products and services at hand. Depending on how costumers perceive a country image, they may develop positive or negative biases towards domestic or foreign brands whose products and services they either prefer or dis-prefer to buy, sometimes even to a premium price (see Aiello et al. 2008). Based on a particular country's history, culture or lifestyle, some cultural product or service categories are even associated with particular countries, such as Italy is associated with design. Such a "product ethnicity" may consumers lead to perceive such products or services as 'premium' when they originate in the particular country such as design products originating in Italy (Usunier & Cestre 2007). A certain country's status rank in the (imagined) reputation hierarchy of country images for cultural products and services influences particularly international market chances for the cultural products and services ideated and manufactured in that country. For example, much of Slovenian consumer goods were massively devalued in the eyes of its domestic and international customers after the breakdown of the former Eastern Bloc when the masses in Eastern Europe strived to achieve Western European



standards, and when the reputation of the Eastern Bloc countries in general and of the Balkan countries in particular were damaged for the loss of the system conflict with the western capitalist democracies and for the Balkan civil wars particularly with respect to consumer goods. Seen from the centers of the art world, Slovenian cultural products and services don't have a high reputation for high artistic and avant-garde content because of their origin from a former socialist country located in the Balkan region. Those subjective reservations and prejudices may be utterly stereotypical and unfounded but they nevertheless exist even among the Slovenian citizens who aspire to western values, lifestyles, and cultural products and services and tend to think about the Slovenian's ones as relatively inferior. At the other hand, when a country does have a high reputation for their high quality and creative cultural products and services such as Italy, this potentially conveys a comparative advantage to CCI firms domiciled in these countries, particularly for internationalization strategies.

- *Strength and visibility of national institutions for the valorization of cultural products and services:*
The status rank in the (imagined) reputation hierarchy of country images for cultural products and services is closely connected to a country's potential to valorize these for international markets by national valorization institutions such as national galleries, exhibitions, internationally renowned publications, gatekeepers, tastemakers etc. Valorization institutions can valorize the works of individual authors of cultural products and services independently of the country image and in a dynamic manner. These national valorization processes take place almost exclusively in capital cities or in metropolitan hub cities for the CCI such as Milano in Italy, Berlin in Germany, Budapest in Hungary, and Ljubljana in Slovenia. However, while the national institutions for the valorization can most certainly valorize cultural products and services for their respective national markets, only a few valorization hubs have the capacity for the valorization for international markets such as Milano for design and fashion or Venice for arts, film, and architecture. Again, when major hub cities for the valorization of cultural products and services for international markets are located within a certain country, this constitutes a potential comparative advantage for the CCI firms residing in this country. The other side of the same coin is that many countries cannot dispose of strong national institutions for the valorization of cultural products and services for international markets which constitute a certain liability for their CCI firms when they want to internationalize. For example, we had to state a double liability for Slovenian cultural products and services: an exceptionally small national market forces Slovenian CCI firms to internationalize to find a sustainable business model, and yet Slovenia has only a weak potential to valorize national cultural products and services for international markets by national valorization institutions and country image. At the other side, Italy commands not only over a considerable large domestic market for cultural products and services, it has also a high potential to valorize cultural products and services providing the country with national locational advantages for internationalization in the CCI field that are sticky and hard to copy. Applied to the development potential of local CCI sectors, we can speak here of the location (dis-)advantages of product ethnicity, country-of-origin effects, and international valorization institutions for cultural products and services which can further or hinder the development of viable business models in the CCI at the local level and shape the inclination of CCI actors to set up businesses.
- *The value placed on culture and the specific meaning of the term culture in national cultures:*¹⁹⁹
National cultures differ, among other things, in the value they place on culture, if by the latter term culture here we may mean classical disciplines of 'high culture' such as literature, music, the performative and visual arts (i.e., the 'Core Cultural Expressions'). In this sense, culture is in competition with the economy, health, sports etc. in the value hierarchy of a national culture. The

¹⁹⁹ The term "culture" denotes the classical cultural disciplines of 'high culture' or the 'core Cultural Expressions' (music, literature, performative and visual arts). The term "national culture" does not denote high culture or any cultural discipline of the Cultural Industries. It is understood as a group-level phenomenon, defined in terms of the central tendencies of a group with respect to a range of attributes in the sense of C. Kluckhohn (1961: 73): "Culture consists of "patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values".



particular meaning of the term culture and the value it has been ascribed may explain to a certain extent the cultural policy of a country which in turn shapes incentives for authors of cultural works and activities to set up businesses in those Cultural Industry sub-sectors whose cultural disciplines are covered by cultural policy. For example, since culture has a constitutive meaning for the identity of the young Slovenian nation state which is defined as a linguistic community, the Slovenian government funds the national production of culture to a large extent and provides substantial subsidies for national artists form the 'Core Cultural Expressions' which may dis-motivate entrepreneurial behavior at the same time. As our Slovenian case study also shows, there are other important aspects of the nationally specific meanings of the term culture that influence the cultural policy of a country with subsequent consequences for the national model of cultural productions and for the developmental potentials of the 'Cultural Industries':

- the level of valuation of artistic autonomy and independence which influences, at the one hand, the differentiation of an artistic milieu and its relations towards the economic and the political field, for example by encouraging anti-capitalist and anti-establishment attitudes, and, at the other hand, the provision of public funds for independent cultural projects and the intermediate sector of cultural production;
 - the level of valuation of economic activities in the cultural field as such which influences the strength of critical attitudes towards the coupling of arts and aesthetic creativity with the economy and how the Cultural Industries are perceived and valued in the art world; how the Creative Industries are perceived and valued and how the relationship between the Cultural Industries and the Creative Industries is conceived of in the art world;
 - the level to which traditional cultural capital and contemporary cultural expressions are valued influences the extent to which cultural policy supports emerging artists and new outputs of contemporary aesthetic creativity rather than the conservation of cultural classics and heritage;
 - the importance and support given to amateur culture in the 'Core Cultural Expressions' or to youth culture influences the readiness to finance 'serendipity places' of cultural production in the intermediate sector such as cultural houses and youth clubs by public funds (not necessarily as part of traditional cultural policy).
- *The value placed on the Creative Industries relative to the Cultural Industries in national cultures:* National cultures seem to differ in the degree they value the Creative Industries relative to the Cultural Industries, provided ant-capitalist resentments are not strongly supported and both fields are rather culturally affirmed. For example, fashion seems to be valued as a deeply cultural discipline at the same level as the arts in France, particularly in the form of Haute Couture, while fashion has to fight for its recognition as a cultural product in Germany even today. More generally, there seems to be two kinds of empirical relationships at work here when principal reservations about the commercialization of culture are resolved: the aesthetic creativity in the Creative Industries is perceived and valued either as equal relative to the Cultural Industries or as inferior. How aesthetic creativity in the Creative Industries is perceived and how the relationship between the Creative Industries and the Cultural Industries is understood may influence the inclusion of the Creative Industries in cultural policy support measures, provided this policy field is already directed towards the support of the Cultural Industries as opposed to traditional cultural policies (Hesmondhalgh & Pratt 2005).
 - *The value placed on particular CCI sub-sectors in national cultures:* National cultures also differ in the way they value certain CCI sub-disciplines while others tend to be overshadowed. For example, France and Italy are known as countries with a highly elaborated fashion culture while fashion is rather dismissed as superficial, bigot, and frivolous in Germany and, thus, not counted as a cultural product and as belonging to the cultural disciplines at all. While these differences in national cultures are hard to change, they may explain different foci on certain CCI sub-markets in public support in different countries. Another channel of the influence of this dimension on the development of local CCI sectors is that consumers in nations who value certain CCI sub-markets such as fashion or design tend to



ethnocentric buying patterns meaning that they tend to preferably buy cultural products and services from domestic or even local brands which creates a domestic market that supports CCI firms in finding a viable business model domestically (see Shimp & Shama 1987). Applied to the development potential of the local CCI sector, we can speak here of the location advantages of ethnocentric markets for cultural products and services or the lack thereof which can further or hinder the development of viable business models in the CCI at the local level. In addition, national preferences or dis-preferences for the CCI sector in general or for certain CCI sub-markets in particular may influence the level of public support, awareness, and/or economic developmental policies. For example, in Slovenia there is only very limited appreciation and support for the CCI sector in general and for the Creative Industries and the design sub-market in particular. In fact, in many EU-countries there is a lack of public support for the Creative Industries: While, thanks to cultural policy measures, artists from the ‘Core Cultural Expressions’ may become supported in their creative activities and careers by public funds even when they don’t succeed commercially on the markets for cultural products and services, the members of the creative professions from the Creative Industries are neither included in cultural policy measures nor supported by economic development policy measures (due to a lack of political lobbying and a lack of understanding about the specifics of Creative Industries in the public administrations).

- *The value placed on aesthetic and symbolic creative expressions in the Creative Industries in national economic cultures:* National cultures also differ regarding their valuation of aesthetic and symbolic expressions of the Creative Industries in the economic field relative to technological and economic creativity (f.e., innovative business models). For example, aesthetic creativity is rather dismissed as inferior and neglectable compared to technological and business model innovation in the German national economic culture while UK, Italy, and France are building major segments of their national economies on the Creative Industries and on the culturalization of the economy (Lash & Urry 1994). The relative undervaluation for aesthetic creativity of the Creative Industry is also visible when there are certain economic support measures for the Creative Industries in place: Not seldom, those support measures are beneficial for the “humdrum inputs” (Caves 2000) of later stages in the value chains of the particular sub-markets only, while the members of the creative professions on whose creative input the whole value chain is build are not among the beneficiaries of those measures. For example, there are support measures for the publishers but not for the literature authors in Slovenia.
- *Governance of cultural policy in the national political system:* Local systems of cultural production in SMSC depend to a very large degree on public funding, much more so than metropolitan cities’ ones. Therefore, their dependence on how cultural policies are organized and implemented within the national political systems is much stronger. The sample of the StimulART partner cities was too small to build types of governance for this dimension. However, the case study discussions have provided some clues about features of the national political system which have a high influence on cultural policies and on the local systems of cultural production, including number of governance levels (state, regional/federal, local), the governance level responsible for cultural policies (unitary state or federal state). Moreover, as the case study of Jászberény has shown, the degree to which the annual determination and distribution of public funds for cultural policy are influenceable by central government’s ad-hoc decisions plays a decisive role for the local systems of cultural production as does the tax autonomy as the case study of Vittorio Veneto could demonstrate. Beside these features which determine degrees of the state’s dominance in decision making and fiscal decentralisation, how the state law regulates markets for cultural products and services, employment categories, and the dominant legal form of public cultural institutions exerts also a strong influence on local systems of cultural production. Finally, a state’s support measures for the development for intermediate organisations in the CCI sector such as professional organisations or business organisations which, in turn, support the development of networking, co-operative relationships, and trust within and between CCI sub-sectors, also affects local systems of cultural production.
- *Institutional support of cultural civil society organisations by the state and national cultures of self-organisation:* Much of cultural live in SMSC is highly dependent on the civil society sector in local systems of cultural production: Amateur culture associations in Kamnik, cultural associations in Vittorio Veneto



which support the municipality in the daily upkeep of the many local museums, the association for the support of the cultural world heritage in Naumburg (Friends of the World Heritage Site on the Saale and Unstrut e.V.), the associations building together the folk dance eco-system in (Csángó dance house, Jászság Folk Company, Vigano dance school), the A.K.T. associations for art in Amberg, just to name a few. How strongly the potential of the civil society to produce culture is realized depends on the one hand on the institutionalized public sector support such as the Slovenian Fund for Cultural Activities, JSKD. However, the development of the civil society is influenced by the value a national culture places on self-organization and civil engagement such as in the strong tradition of self-organisation in Slovenia.

- *National educational systems and curricula for cultural and creative professions:* An important institution which contributes to the emergence of the notion and valuation of culture in national cultures is the educational system. For example, the attitudes of artists towards the commercialization of the 'Core Cultural Expressions' is shaped during art studies at universities (Caves 2000: 21ff.). Likewise, since many creative professions of the Creative Industries are taught at art universities, too, anti-commercial and anti-capitalist attitudes can become developed even among their graduates while entrepreneurial skills and mindsets might become suppressed during education with implications for entrepreneurial motivations and activities later in the professional career. Besides, the presence of primary music schools and artistic gymnasiums in SMSC may influence the local supply of CCI entrepreneurs as well as the local demand for cultural products and services as Kamnik and Amberg can illustrate in particular. In these two StimulART partner cities we find clear evidence for the fact that public spending on cultural education is a precondition and impulse for the local private educational market in cultural disciplines with close connections to the CCI sector in SMSC and even for founding businesses in the CCI such as in the music sector in Amberg.

4.10. The role of informal networks in CCI sector strategies and cultural led-urban development in SMSC

The case studies about the StimulART partner cities have pointed to the importance of informal social networks for the cultural led-urban development in SMSC. By informal social networks we refer here to non-formalized personal networks which emerge as a particular social structure that connects certain persons with each other by social ties of reciprocity, which are constituted and reproduced in repeated social interactions between these persons and which are based on personal knowledge, some degree of positive emotions and friendship between the network members, feelings of mutual trust as well as reciprocal obligations, and shared values.

With respect to the urban development and CCI-sector development, the case studies have shown that there are different thematic informal social networks existing in each StimulART partner city based on and distinguished by the interaction density between their members. At the one hand, we find an informal social network between persons with a role in the local systems of cultural production who meet and communicate with each other on a regular basis be it in their professional roles, as representatives and members of their respective cultural organisations or also in private live: employees of the public sector of cultural production institutions, representatives, members and employees of cultural associations from the intermediate sector of cultural production, and artists and freelancers in the CCI. Interestingly, the members of the informal cultural network tend to live not only in the respective StimulART partner cities but also in their hinterlands, indicating the importance of these towns as a cultural center in the region.

At the other hand, we can identify an informal social network consisting of representatives of the municipality and the local political field (local party politics) as well as of entrepreneurs and managers from



local firms or subsidiaries of national and international firms. Both informal social networks, the cultural and the economic-political one, have different sets of shared values and different cultures.²⁰⁰

The members of the economic-political network tend to share values of entrepreneurship and the pursuit of personal careers based on economic capital, technological and economic innovation, and tend to engage in social exchanges to further their economic and political interests which includes socializing during social, cultural and sports events. Often, members of the economic-political network meet each other as representatives of their formal organisations (municipality and firms) in different roles on occasion of formal events such as in interlocking board structures of municipality owned public firms, in local politics, socializing events, business clubs and service organisations (Lions Club, Rotary Club etc.). Colloquially speaking, we could refer to this social network as the network of ‘Local Honourees’.

The members of the cultural network tend to share values of aesthetic beauty, aesthetic creativity, and individual self-actualization based on symbolic capital, and tend to engage in social exchanges to further their interests in professional self-development and mutual inspiration which includes socializing mainly during cultural events such as vernissages, exhibitions etc. but also the collective organization and production of such cultural events to present the results of their individual creativity. Members of the cultural network meet each other rather as individuals than as representatives of formal organisations while feelings of positive emotions and personal sympathy seem to play a stronger role in this network.²⁰¹

Interestingly, we can see rather two different thematic informal social networks within the cultural field in SMSC. At the one hand, we find the informal social network of the art scene with artists from the classical canon of the ‘Core Cultural Expressions’ as members such as painters, sculpturers, actors etc. This artist network is based on aesthetic values and symbolic capital in a relatively pure form. At the other hand, we find the informal social network of the ‘creatives’ from the Creative Industries such as designers, architects, and artisans which is based on aesthetic values and symbolic capital, too, but in a more pragmatic way that also includes more commercial values such as entrepreneurship and economic capital. From these different networks in the cultural field can emerge formalized network organisations such as associations with purposes such as collective will-building and decision-making, networking, and political lobbying on a local level. In Amberg, for example, there are two influential associations in the cultural field with the A.K.T., an association of artists, and Kukmo,²⁰² an association for the CCI mainly driven by freelancers from the Creative Industries. However, in other SMSC, due to a lack of a critical mass, we might find only one informal cultural network, such as in Kamnik where the informal cultural network comprises persons from all three sectors of cultural production and ‘creatives’ from the Creative Industries, or even no such phenomena as an informal network in the cultural field at all.

The different informal thematic networks are often highly differentiated from each other, membership is quite distinct and, thus, interaction density between members from different networks is rather low. Often,

²⁰⁰ To be sure, most of the SMSC’s inhabitants have roles in many more informal social networks which transcend the narrow boundaries of the towns, including internet-based social networks. However, there tend to emerge social informal networks specific for each SMSC with the inhabitants as potential members due to frequency, likelihood, and inevitability of encounters in everyday life. These informal networks are knit between persons who know each other quite well and who know about their ego-networks of relations with other inhabitants in addition. Therefore, these networks tend to lose their network character in a strict sense, when network may mean the potential contacts to acquaintances of acquaintances. In Emirbayer and Goodwin (1994) terms we can speak of so called ‘cliques’ in which each person is directly and strongly linked to all of the others or at least of so called ‘social circles’ in which each person is directly and strongly linked to most (e.g., 80%), but not necessarily all, other persons.

²⁰¹ Most of the CCI actors have roles in both informal and more formalized social networks which are related to their specific education and particular profession or occupation such as, for example, in architecture, which transcend the boundaries of their home towns, potentially stretching across the whole globe. Not seldom, informal social networks based on particular education, profession or occupation are much more valued and maintained by active networking by the CCI actors than the local informal networks in the local system of cultural production. The extent to which CCI actors are networked in more formal professional networks depends partly on the existence of official professional associations and their membership rules such as Chambers of architects.

²⁰² See <https://www.akt-kunstverein-amberg.de/index.php/de/> & <https://www.kukmo.de/de/startseite> [last accessed 30th September 2021].



members of the informal cultural network meet or communicate with members of the informal economic-political network only on formal occasions or along formal procedures. However, we find persons who are members of both informal networks and, thus, fulfil important bridging functions between them. Also, persons can change membership between these networks, as we could witness in Kamnik where persons changed membership from the informal cultural to the informal economic-political network with the consequence that the interaction density with members from the informal cultural network sharply declined despite close spatial proximity, personal knowledge, and near impossibility to avoid personal encounters in everyday live.

A high degree of differentiation between both informal thematic networks also means that the members of the informal cultural network seldom participate in political will-building, decision making, and local politics on an informal level more generally. Rather, the relationship between the informal cultural network and the informal economic-political network is characterized by conflict and stereotypical interpersonal perception due to the network's different value bases, thematic interests, and forms of capital. These tendencies of conflict and stereotypical interpersonal perception can be found in each of the StimulART partner cities. The members of both networks tend to view each other in stereotypical interpersonal perception categories: The members of the informal economic-political network tend to perceive the 'creatives' and 'artists' as non-rational and unpredictable and in mystified terms of aesthetic creativity while they see themselves as behaving reliably and rationally accountable and in terms of efficient decision-making. Accordingly, the members of the informal economic-political network tend to deny CCI entrepreneurs and freelancers the ability to act entrepreneurially while the relationship towards them is conceived of as a paternalistic or sponsoring relationship. The 'creatives' and 'artists' are quite openly portrayed as lacking important knowledge, skills, and abilities. For example, the most cited characteristic for CCI actors is their assumedly economic non-rational behaviour and lack of entrepreneurial and business skills (see f.e. the influential illustration in BMWi 2009: 142).

At the same time, the members of the informal cultural network tend to perceive the 'bureaucrats' and 'profiteers' as rigid, overly self-interested, and non-creative and in terms of micropolitical manoeuvring and an establishment that saves its power basis for self-serving reasons. In opposition to this, they see themselves in terms of make visions real, i.e., as behaving creatively and pursuing interesting projects with intrinsic motivation. Accordingly, the members of the informal cultural network tend to deny local politicians and the entrepreneurs and managers from the traditional economy the ability to act creatively while the relationship towards them is conceived of as a powerful establishment that has either to be challenged or with which one has to come to terms only when necessary. Not seldom, the relationship is conceived of as a power game in which the creatives don't want to participate at all.

Social interactions between members of the two informal networks tend to become characterized by mutual misunderstanding and feelings of a lack of appreciation and respect which regularly leads to open conflicts which become ossified because the person involved will meet each other on repeated occasions. Thus, structural conflicts between the two informal networks can be found in each of the StimulART partner cities, but in different degrees of ossification and in different forms depending on the local conditions and the history of cultural policy, economic sponsorship, and cultural projects.

Beside cultural policy and cultural projects, conflicts between the two informal social networks will most likely occur about issues of urban development. Starting in the 80ies of the 20th century, out of the informal local cultural networks there tend to emerge civic initiatives related to urban development issues when the aesthetic appearance and atmosphere of the cities deteriorates or is threatened to deteriorate due to industrial wastelands, vacant properties, investment driven developer projects, or infrastructure policies favouring car traffic. Often, these civic initiatives are connected to architects, designers, artists or other members of the creative professions living in the respective city, who, thus, are directly affected by the aesthetic decay and loss of quality of live which they want to stop and to reverse based on professional aesthetic judgements, knowledge, and skills. For example, in the case studies, we have found the Architektur- und Umwelthaus in Naumburg, the Barutana project in Kamnik, the Comodamente Festival in Vittorio Veneto, and the IG Menschengerechte Stadt in Amberg. Since these urban development related



bottom-up civic initiatives are sometimes directly opposed to official urban development projects of the municipality there exist some open conflicts between the informal economic-political social network and the informal cultural network. These developments may lead to the perception on the part of the informal economic-political network that the informal cultural network is not only differentiated by a particular network culture but that it also stands for a direct political opposition such as in the case of Amberg. Here, some of the members of the IG Menschengerechte Stadt whose purpose is to support “sustainable and modern urban development”²⁰³ acted as founding members of a new local party, ‘Die Liste Amberg’²⁰⁴, in 2019. This local political transformed the opposition of some fraction of the informal cultural network to many of the municipality’s urban development projects into a party-based political action program covering more political fields which further institutionalized the conflict between the municipality and the informal cultural network.

However, the more thematically specified conflicts about urban development projects add to the structural conflict between the two informal networks which is based in their different values, interests, and forms of capital and, thus, can be found in each StimulART partner city. This structural conflict has some rather obvious implications for the CCI-sector strategies and cultural-led urban development programmes in SMSC.

- The strong differentiations between the two informal networks can act as an obstacle for the CCI sector development because it leads to less communication and interaction between the networks’ members, and to the build-up of mutual distrust and stereotypical interpersonal perceptions which, in turn, lead to conflicts between their members. These conflict between the informal networks may contribute to the fact that the relations between the CCI sector and the traditional industrial sector are rather weak while the relations to the political field and the municipality are rather formal. As a result, instead of cross-sectoral fertilization of creativity, there is rather a drifting apart and differentiation of communication between the networks.
- The conflicts between the informal networks can be perceived by external observers as a low level of understanding for the CCI actors and even as partial hostility towards the CCI actors. One important dimension for a city’s attractiveness for CCI stakeholders is its atmosphere of tolerance for people who do not fit in into the common norms and of open-mindedness to different cultures. Tolerance and open-mindedness serve as an important prerequisite for the free expression of creativity and innovative behavior. How the city handles the CCI stakeholders serves as a highly visible symbol for how tolerant and open-minded the municipality and the city can be perceived. Even an only partially hostile take by the municipality can be viewed by external observers as a symbol for its lack of a tolerant and open-minded attitude in general with negative effects for their perception of the city’s overall attractiveness, particularly in the eyes of CCI actors contemplating about where to live and work.
- The strong differentiation and separation between the informal cultural network at the one hand and the informal economic-political network at the other, with the latter network shaping the decisions in the city, can lead to a partial exclusion of a cultural perspective in the municipality’s decision making in many decisions that have a cultural dimension. Empirically, we have found certain instances where professional actors from the local system of cultural production were not consulted early in relevant decision-making process about cultural projects and were only involved late during implementation.
- The negative stereotypes in interpersonal perception about ‘creatives’ held by the members of the informal economic-political network often lead to distrust, a feeling of a lack of appreciation on the part of the creatives, partial disregard of their organisational and entrepreneurial competences, and paternalistic attitudes and advocacy acting on behalf of the creatives in an assumed best interest. Before this background, many CCI related projects in the public interest with potentials for the cultural-

²⁰³ “Interest Group Humane City” (translation mine). See <https://mgs-amberg.de/index.php> [Last accessed 27th August 2021].

²⁰⁴ See <https://www.dielisteamberg.de>. [Last accessed 27th August 2021].



led urban development in the StimulART partner cities have either not been realized at all or projects have been overly controlled by the municipalities, reducing their creative potential.

- The StimulART partner cities' knowledge base is characterized by a high share of synthetic and engineering-based knowledge while the analytical and symbolic base is comparatively less developed. This one-sidedness of the knowledge bases together with the dominance of the informal economic-political networks may lead to an overestimation of technology and technological solutions to social problems such as the 'Smart City' vision and to the underestimation of the solution potential of the development of cultural resources for social problems such as the 'Creative City' vision in the StimulART partner cities. A prevailing mindset in the cities' decision-making networks that is shaped by a synthetic knowledge base and the priming of private capital investor interests may become an obstacle to a cultural-led development.

4.11. SMSC as context for a creativity enabling environment

In a sense, each metropolitan or big city is a creativity enabling environment by default due to its density of social interactions and heterogeneity of people, milieus, cultures, organizations and firms created by sheer population size and density. Therefore, the term 'creative city' applied to metropolitan cities is a pleonasm in a sense. However, creative city agendas have been applied overwhelmingly to metropolitan and bigger cities in the past. Ironically, it might well be the case that measures to ameliorate the creativity of those cities are less effective when directed and applied to those metropolises while the discourse about the creative cities tend to disregard SMSC for which, however, it might be just more important to create a creativity enabling environment exactly because of their lack of a 'critical mass', high density, and urban 'buzz'.

Interestingly, even though the heydays of the 'creative city' vision seem to be gone in metropolitan cities, the topic seems still to be of highest importance for SMSC. For example, in each StimulART partner city, we found many high-ranking and top-ranking interview partners who agreed to interview appointments despite short notice. During the interviews, we noticed many signs for a strongly felt fear of losing touch with the important socio-cultural, technological and economic changes in the world society, especially with respect to knowledge intensive production and services as aspects of the networked knowledge society.

In our discussion we have already touched many aspects of a creativity enabling environment in SMSC, ranging from a municipality capable of inter-communal, inter-organisational, and cross-functional project-wise teamwork to a rich landscape of non-profit associations in the intermediate sector of cultural production. This section will not come back to those discussions and summarize them but rather focus on the aspects of the educational sector, the youth culture, and the entrepreneurial culture for a brief review, instead.

4.11.1. Arts Education

As we have seen earlier, all StimulART partner cities play an important role as peripheral centers in the national urban hierarchies providing a set of services to their own inhabitants as well as to the people living in their catchment areas. Accordingly, all cities are equipped with educational institutions ranging from early child education to secondary education and vocational schools. With regard to the artistic education, the specialization in music is especially strong in all cities across all ages. We find in all partner cities kindergartens as well as primary schools specialized in musical education. Interestingly, there are two primary schools in Jászberény that provide artistic education, one for music, the other for folk dance. Amberg hosts the Max-Reger-Gymnasium, specialized in artistic education with a focus on music, the arts, and German language. In Vittorio Veneto, we find the Artistic Gymnasium "A. Munari", which is, however, not specialized in music, but rather prepares its students for a professional career in certain CCI occupations with its educational program (visual art, performative arts, architecture and environment, design, graphics, audiovisual and multimedia). In all other partner cities, children and young adults who want to receive an artistic education at grammar school level must leave their home cities and attend artistic schools in bigger neighboring cities. All partner cities are hosting different kinds of secondary schools, including gymnasiums,



and vocational schools. Amberg hosts even four gymnasiums, the highest numbers of gymnasiums found in any of the partner cities.

Beyond secondary education, Amberg is the location of the East Bavarian Technical University Amberg-Weiden (OTH Amberg-Weiden).²⁰⁵ The Technical University has around 3,500 students in four faculties (including around 1,000 in Amberg) and offers around 20 specializations such as IT & automation, innovation-focused mechanical engineering, environmental technology, business administration, media production and media technology. Jászberény is the location for an elementary school's art teacher's college which belongs to the Károly Eszterházy Teachers Training University based in Eger (a nearby regional center ca. 80 km). The three other partner cities are not a seat of a tertiary education institution. However, Vittorio Veneto has with the "Accademia Teatrale Lorenzo da Ponte" an outstanding private theatre school providing acting classes to all age groups and aspiration levels in the Shakespeare tradition.

Within the educational systems of their respective nation states, the formal school curricula provide lessons in art subjects that also aim at the development of imagination in all children and young adults. Beside the national educational systems, we also find public and private music schools in all cities. Theatre classes are offered in public schools in all partner cities as well. Private drawing and painting lessons in all cities as well as dance classes in private dance schools ranging from classical ballet over jazz dance to folk dance complete the picture. Public libraries play an important role as portals providing general access to the knowledge society for all inhabitants in all of the StimulART partner cities.

On balance, we can easily recognize the imprint of the classical European tradition of humanistic education in this educational landscape in our sample of SMSC which builds a cultural resource for a cultural-led development itself. While we find a general artistic education in each city based on the national education systems' curricula, the intensity and quality of this education is a function of the respective national education policies. However, the supply of private education in the visual and performative arts is a function of the degree of differentiation of the public arts education at the one hand and the general wealth of the city at the other hand. The higher the degree of differentiation of the public arts education is, the higher is the degree of the local demand for private arts education. For example, the symphonic orchestra in Kamnik consists mainly of members of the public elementary music school, be they retired or active teachers or alumni. Connected to this orchestra is a demand for many heterogeneous cultural products and services like musical instrument and their repair and maintenance, sheet music, private music lessons and so on.

Beside this relation between the public art education and the CCI sector, there is the relation between a city's general wealth and the demand for private arts education. The higher the city's wealth, the higher is the disposable income of its families, and the higher is the demand for cultural products and services including the wants to practice arts itself as a part of the way of life, as a symbol for belonging to a certain social class or milieu, or as a symbol for a social aspiration to belonging to a higher social class or milieu.

In a more fundamental sense, we can say, that the public and private infrastructure for a lifelong arts education creates a market for cultural products and services especially in the 'Core Cultural Expressions' in the first place because arts education enables the establishment of a fundamental valuation for the arts among the people as such. But can this infrastructure establish a demand for locally produced cultural products and services (especially in the 'Core Cultural Expressions')? Many members of the Kamnik symphonic orchestra, for example, regularly attend classical concerts and the opera in Ljubljana. At the same time, the symphonic orchestra's concerts in Kamnik are attended by the locals for many non-aesthetic reasons like community building, showing social support, conviviality and entertainment, while many visitors attend classical concerts and the opera in Ljubljana, too, when they strive to fulfil their wants for 'high culture'.

We can identify a certain pattern here. The more refined aesthetic tastes become by education and experience, the greater is the demand for 'high culture' experiences in the 'Core Cultural Expressions' artistic disciplines which, however, can't become fulfilled at the local market in SMSC. This means, that the

²⁰⁵ See <https://www.oth-aw.de/> [last accessed 30th September 2021].



more SMSC succeed in building a creativity enabling environment by arts education, the more their inhabitants want to fulfil their more and more refined aesthetic wants while they will look for fulfilment less and less in local markets which, however, are thought to become the main beneficiaries of ameliorating the creativity enabling environment in SMSC in the StimulART project.

We can identify a similar paradoxical pattern regarding the question of how SMSC can try to stop their brain drain of creative talents. When young adults want to pursue a career in the professions of the CCI sector they normally will have to leave the city for tertiary education. Thus, the more successful a SMSC becomes in both to inspire young people to take up a career in the CCI sector professions and to provide young people with the necessary skills for successful applications at corresponding tertiary education institutions by ameliorating the creativity enabling environment of the local educational system, the more likely the young people will leave the city for tertiary education and a professional career for good.

Both observations can be boiled down to the paradox that the better the creative enabling environment becomes in SMSC the less attractive those cities become for core creative minds. Or to put it another way: To better the creativity enabling environment in SMSC supports exactly the same process that should become weakened - the brain drain of the young and talented people. However, to state those contradictory relationships is not a call to stop all measures to further develop the creativity enabling environment because they lead to results in SMSC that directly contradict the initial goals. Rather, to uncover and name those contradictory relationships should help in building realistic expectations for CCI sector development strategies and a cultural-led development in SMSC.

Like what we have already said about the intermediary sector of cultural production, the role of an education in arts and creativity in SMSC should not be considered only on narrow instrumental or utilitarian grounds. However, even when we apply a narrow utilitarian amenity logic, we can easily see that the good performance of an advanced educational system is a precondition for a city's attractiveness as a location for families. In addition, the (public) education in arts and creativity not only initiates the valuation of cultural products and services, it establishes a local market for private education in arts disciplines, too. Since many members of the creative professions can't make a living out of their revenues of their core professional activities in SMSC' local markets alone, local demand for educational services often provides a second income necessary for an artist's sufficient income, it often provides even the main income for artists. Comparable to the three-sector model of cultural production, we see an interdependence between public spending and the CCI sector where the public spending on cultural education is a precondition and impulse for the local private educational market with close connections to the CCI sector in SMSC.

With regard to the publicly financed educational system, Amberg stands out as an exception among the StimulART partnership. It is not only a location of some faculties of the OTH, a university of applied sciences, rather the institutional thickness of its educational system is the highest among the StimulART partner cities, with four gymnasiums, of which one is specialized in artistic education. In a sense, Amberg can exemplify the upper limits of a cultural-led development of SMSC, including the creativity enabling environment. Regarding the artistic gymnasium, we can identify the same pattern stated above: Its alumni who want to pursue a career in the CCI sector's creative professions leave the city for tertiary education and barely come back after. At the same time, the gymnasium produces a 'humus' for a lively artistic culture in the city with a focus on music. Based on this fertile ground, a lively music scene has emerged during the last decades with many bands and solo artists in different genres ranging from pop, rock, and jazz, over cover and brass bands to classical music. One interviewee from the music sub-sector recalled an analysis from memory that listed Amberg as the city with the second highest number of bands per inhabitants after Berlin in Germany back in the nineties of the twentieth century. Even when these numbers may have changed today, it is a telling expression about the lasting consequences and impact of an artistic gymnasium in a SMSC. Today, there are even several companies operating in the music sub-market in the city, for example agencies that organize national concert tours for international clients in Germany, produce music, or manage artists; a record studio; several music schools. Thus, Amberg has the highest level of economic activity in the music sub-market among the StimulART partner cities.



4.11.2. Institutions of tertiary education

Amberg stands also out from the StimulART partnership, because it is host to a tertiary education institution. The OTH Campus Amberg has about 1.000 students coming from the city itself and the region. It's curricula is adapted to the specific needs of the companies in the city and the region, and therefore characterized mainly by business studies, technical and technological subjects, which has been complemented by the subject media technology and production recently. Thus, the OTH caters mainly for regional students who become educated and socialized into an economic or technological mindset capable of adaptive innovations in professional contexts based on synthetic knowledge. However, as a CEOs of a knowledge intensive company in Amberg remarked in an interview, those qualification profiles don't suffice any longer in an environment where disruptive innovations and worldwide mobility are required while alumni from universities with higher analytical skills and higher levels of creativity are harder to recruit and to bind in Amberg. He added: "If I had to build this factory today, I would not build it in Amberg but rather go to Berlin. There, I can find and bind core creative talents from technical universities much easier who are increasingly needed for our edgy technological product range which changes faster and faster."

This anecdotal observation is in line with Florida's creative class hypothesis, but in the more refined version of Asheim and Hansen (2009) who emphasize that different creative occupations and industries emphasize different bases of knowledge: synthetic, analytical, and symbolic. While the CCI sector is based in symbolic knowledge and innovations in symbolic meaning systems, and while analytical knowledge is science based, using deductive processes and formal models for radically new inventions by creation of new knowledge, for example in biotechnology or nanotechnology, synthetic knowledge is generally emphasized in traditional industries, for example in automotive, oil and natural gas and typically formed in response to the need to solve specific problems through interactions with customers and suppliers. Synthetic knowledge finds solutions to problems by the application or novel combination of existing knowledge.

Interestingly, members of occupations embodying different knowledge bases favour different classes of amenities. Indeed, creatives who work in analytical and symbolic production prefer metropolitan area locations with a diverse, cultural tolerant multicultural milieu where they are exposed to constant innovations in signs, symbols, and images. However, professions working in the industries with a synthetic knowledge base, for example engineers, don't normally benefit from exposure to a culturally stimulating urban milieu for their work. They show also often relatively conservative values in work and live, tend to prefer a relatively peaceful environment, and are more likely to live in a suburban region. While the locational decisions of the creatives with a symbolic or analytical knowledge base are based on soft locational factors like 'urban buzz', tolerance, or cultural amenities, the locational decisions of the synthetic knowledge professionals are often based mainly on rather hard locational factors such as rent levels and technical infrastructure (Asheim and Hansen 2009).

Seen in the light of Asheim's and Hansen's research then, our anecdotal evidence raises the worrying question if highly developed SMSC that have become even locations for hidden industrial champions in the past lose increasingly competitive advantages as the intensity of the competition in the knowledge intensive industries increases while the technological 'super creative core' professions of the creative class tend to prefer metropolitan cities and employers in these cities to those in SMSC.

4.11.3. Entrepreneurial culture

In the previous section we could see that a strong music culture combined with a high level of entrepreneurial culture has led to a high level of market activity in the music market directed at local, national, and even international customers in Amberg. In Amberg and Vittorio Veneto we find a continuous history of entrepreneurship since its inception in early capitalism, thus, such a culture has had the possibility to build up in the collective memory by shared experiences of 'creative destruction' and continuous change, entrepreneurial families and role models over a long period of time. In the transitional post-socialism cities of Jászberény, Kamnik, and Naumburg, such a continuity of entrepreneurship has been interrupted for 40 years. However, an entrepreneurial culture was never completely lost there, it rather changed its shape,



preserving characteristics like risk taking and creativity among the people. Even small businesses and freelancers, especially in the creative professions, remained possible there during socialist times. Nevertheless, we find comparatively lower degrees of entrepreneurship activity and culture in the latter cities still today which makes the question most relevant here of how to build and sustain an entrepreneurial culture in SMSC under the condition of accelerated societal change.

Interestingly, we can identify two start-up incubators that already operate in the StimulART partner cities, one in Amberg, the other in Kamnik (with a third one, the fab lab in Vittorio Veneto, developing within the StimulART project framework). In Amberg the start-up incubator is a branch of the Digital Start-up Initiative Upper Palatinate (Digitale Gründerinitiative Oberpfalz) with the headquarter in Regensburg and another branch in the city of Weiden.²⁰⁶ The Federal Ministry for Economic Affairs and Energy (BMWi) is funding the initiative with around two million euros. The start-up initiative offers publicly funded office space, cross-sector networking with established companies and qualification programs. Technical start-ups in the OTH environment, but also non-OTH graduates can use these services that are managed from within the OTH Amberg. However, the capacities in this start-up incubator are not used fully, neither do we find disruptive or creative business models. Despite a strong entrepreneurial culture, a strong knowledge intensive industry, a Technical University of Applied Sciences and even a publicly financed start-up incubator, start-ups with technological ambitious products or services tend to leave Amberg for Regensburg, Nürnberg, München or Berlin after a while or right from the start for better developmental conditions even when their founders personally would rather stay in Amberg. In interviews, founders of start-ups reported about negative reactions towards their start-up activities coming from friends and families who could not understand why they would set up a business in an environment where they could earn high incomes as an employee without taking out risks. In addition, they pointed to the facts of a low jobless rate, shortage of professional workers at the local labour market, and good earning opportunities even for job entrants in the local and regional industry as an explanation for those resentments against setting-up new businesses.

Surprisingly, we find with the KIKstarter project a well-functioning start-up incubator in Kamnik, although the local conditions are rather adverse for such a project, given the town's small size, its rather rural geographic character, its suburban character and position in the urban hierarchy close to the capital Ljubljana, the history of socialist industrialization and a resulting prevailing industrial and employee culture, the recent history of rapid de-industrialisation, and its self-understanding as a city "where the railway ends" (Interviewee from the CCI sector). KIKstarter can be described as a hybrid between a start-up incubator, a co-working space, a fab lab, and an entrepreneurship education center. It has supported many successful start-ups since it was established in 2015, thus, contributing to the development of an entrepreneurial spirit in the city. Some of the companies that were incubated there have been runaway successes with high annual growth rates. However, bigger success stories force the start-ups not only out of the incubator but also out of the city soon because they have grown too big to find suitable facilities in Kamnik. So, companies which have started up in Kamnik tend to leave it when they become successful, and not so much because of a felt lack of support or a felt lack of necessary conditions for development as is the case in Amberg. This unexpected success story raises the question what its success factors are when compared with Amberg which - as a town - seems to have much better conditions for the sustainable operation of a start-up center at first glance.

KIKstarter's success is probably founded on the way it is organized, namely using the legal form of a co-operative. Interestingly, the members of the KIKstarter co-operative are other entrepreneurs and company representatives from Kamnik who want to support the town and its development by mentoring and supporting young businesses and young entrepreneurs. It seems that this communal community spirit is best served and preserved by a co-operative and its peculiar organizational characteristics: all members are shareholders which provides a sense of ownership, the governance system is based on the one share one vote rule, co-operatives focus on a specific factual goal and not on the principle of profit maximization.

²⁰⁶ See <https://www.oth-aw.de/forschen-und-kooperieren/partner-netzwerke/digitale-gruenderinitiative-oberpfalz-dgo/> [last accessed 30th September 2021].



However, one important success factor that results from this constellation seems to be the establishment of a formalized network that connects founders with established companies, managers, and entrepreneurs, thus providing a formalized mentoring network based on a community sense which, in turn, is rooted in both a sense of professional community and an emotional attachment to the territory while providing expertise and access to networks of regional, national, and international business communities.

4.11.4. Youth culture

Interestingly, youth culture is hardly mentioned as an aspect of a creativity enabling environment in the mainstream literature about the creative city. If it is mentioned at all, then in the context of high youth unemployment and programs tackling this problem (f.e. Landry 2008). In most creative city ranking instruments youth culture is not indexed either. A metropolitan and big city bias of the creative city agenda seems to be at play here again, overlooking youth culture which is treated as taken-for-granted because a critical mass and high density of the members of the younger generations seem to be always present in metropolitan and bigger cities. Due to tertiary education institutions, specialized secondary education institutions, and many vocational schools those cities are the receiving end of the brain drain of young people and creative talent (educational migration, “Bildungswanderung”). At the same time, youth culture is almost synonymous with ‘urban buzz’ or at least a very important aspect of it. Only when faced with ageing and shrinking populations and brain drain of the young generation such as in many SMSC it seems that the precariousness of youth culture and its potential as a creativity enabling environment does become visible.

Correspondingly, one of the explicit project aims of the StimulART project is to stop the brain drain by making the partner cities more attractive and appealing to the young generation with help of a cultural-led urban development and CCI sector strategy. Empirically, all StimulART partner cities are rather old and ageing cities with a decreasing share of the young generation, a felt lack of youth culture and a low visibility of young people.

There is an exception in the academic literature about the creative city that does emphasize the importance of youth and youth culture for creative cities. This exception is a report for the Beijing authorities who are faced with an ageing and shrinking population due to the national one-child policy in China. This exception, the “CCI Creative City Index (CCI-CCI)” (Hartley et al. 2012), emphasizes the importance of the young generation and youth culture for creative cities in the Chinese context. Hartley et al. (2012) point out that the (visible) presence of the youth cohort and of a youth culture are symbols of the future potentials of a city. In the ‘rush hours’ of their lives, the young are more willing to challenge established ideas, to create the new, and to change values and meanings as entrants to the professional life and, thus, to take risks and face uncertainty. They are also the generational cohort most open to experimentation in consumption, thus, early adopters of innovations. One of the most pressing questions for SMSC, therefore, is how they can develop specific attractors for the elusive and highly mobile young generation that rather tends to be attracted by metropolitan cities, at least in their more aspirational and creative sub-groups.

There are no clear-cut answers to this question to be found in the StimulART partner cities which all struggle with brain drain and ageing populations to different degrees. The topic of supporting the young generation and youth culture to create attractors for the young is not high on the local political agenda, since local policy tends to cater for an older demographic’s interests to please their voter base. However, the awareness of the problem of shrinking and ageing population is high on the agenda. Therefore, the StimulART partner cities’ municipalities seem to be caught between contradictory orientations in their decision making regarding the young generation. Hence, we find policies directed towards supporting youth culture that try not to violate the often contradictory interests of the elderly at the same time: for example a skater park in Naumburg that is located far away from the city center; a rock festival in Vittorio Veneto that takes place in the industrial area far away from the city center; the youth club Kotlonica in Kamnik that is housed in the basement of the House of Culture in darkish, small, and ill-equipped rooms; or a small festival of electronic DJ music in a bar’s backyard in Amberg that gets a permission to play music from 3pm until 10pm during the weekend only. The municipalities seem to make the distinction between policies that aim at



making the city more attractive for families including the educational offers and classical measures of cultural policy for the young at the one hand and those policies that give youth culture space for self-organisation and experimentation at the other hand. While the first policy measures fall into traditional local policy paradigms and mindsets, the latter which are closer to creative city agendas, are adapted only cautiously, if at all. In the meantime, the youth finds its own niches to experiment, for example the Alprem factory in Kamnik where young actors set up a skate park and a climbing center in an abandoned industrial site.

It is again Kamnik, where we can also see the very close connection between youth culture and entrepreneurship: The KIKštarter start-up incubator emerged initially out of a project set up by the Youth Club Kotlonica in the context of the KAM Fest festival in 2015, and only became institutionalized as a co-operative after the festival during which it acted as a temporary co-working space first. However, there is a certain potential for all StimulART partner cities to develop a coherent youth supporting policy that is specifically aimed at (sub-cultural) youth cultures. One suitable measure could be to support experimental spaces for (sub-cultural) youth cultures. Such a measure would mean nothing else than to support exactly the specific age-group of their own inhabitants who tend to be in their experimental live phase.

4.11.5. The factor of serendipity

We could find some serendipitous outcomes for the cultural urban development in the StimulART partner cities' case studies, for example the unplanned emergence of the KIKštarter start-up center and start-up accelerator which fosters the development of an entrepreneurial culture in Kamnik, the evolution of the city marketing strategy "Luftkunstort" in Amberg based on the lifelong enthusiasm of the designer Wilhelm Koch to found and maintain a museum for "Aerial Art", or the evolution of the folk dance ecosystem in Jászberény (Csángó dance house, Jászság Folk Company, Csángó Festival). The Oxford Dictionary defines serendipity as "the occurrence and development of events by chance in a happy or beneficial way"²⁰⁷. Scientific discoveries and creative innovations are often made unplanned with the influence of some lucky coincidences which cannot be manufactured. For example, pharmaceutical companies discover a drug to treat one disease while they search for another (see Pisano, 1997). For serendipity to happen a mixture of disciplined scientific procedures or persistent artistic and design methods with good fortune is necessary: Lucky discoveries are made only by the ones prepared (see Merton & Barber 2004). Thus, although the application of rational procedures and functional methodologies are the foundation for creativity, residual categories such as luck and chance are often a necessary factor to produce the sought-after scientific discoveries or creative results (see Roberts 1989). This leads to a contradiction in the management of creativity: How to intentionally organize for the chance juxtaposition of events producing unexpected outcomes in the urban development of SMSC?

Before we can give some tentative answers to this question, we will revisit and summarize the case study about the KIKštarter start-up center and start-up accelerator in Kamnik to draw some insights from it for the management of serendipity:

- Generally speaking, the KIKštarter story is about a one-time temporary youth project in the context of an annual cultural festival somewhat luckily turning into an institutionalized building block of the entrepreneurial ecosystem and culture in Kamnik based on shared values for creativity in the local community, yet in different forms.
- The initial one-time temporary youth project in 2015 received some public funds whose execution was not controlled and monitored too strictly. Also, during the refurbishment of the vacant and run-down industrial building which became the seat of KIKštarter not all applicable public laws were obeyed.
- The KIKštarter start-up center and the start-up accelerator are spin-off organisations of a project that was cooperatively organized by the cultural organisations Dom kulture and Kotlovnic youth center and by the artist-run non-commercial association Priden možic of Kamnik's local system of cultural

²⁰⁷ <https://www.lexico.com/definition/serendipity> [accessed 30th September 2021].



production. It evolved out of a mixture of experimentation, aesthetic creativity, intrinsic motivations of volunteers, professionalization in cultural management and youth policy, a strong community feeling, and cross-fertilization between different informal local networks with different value sets and cultures.

- KIKstarter's successful institutionalization was dependent on the contingent support of the local entrepreneurial community at the one hand and the legal form which was used to organize it, namely a co-operative. In turn, to organize a start-up center in the particular legal form of a co-operative was dependent on the (positively valued) experiences the Kamnik entrepreneurship community made during Socialism. To use the legal co-operative form to organize a start-up center is a somewhat surprising and innovative solution and might turn out to be a contingent discovery of a success factor to run a start-up center under adverse conditions in SMSC, provided strong senses of local community and an emotional attachment to the territory place are present in addition.

While we can clearly recognize how the factor of serendipity was present in KIKstarter's evolution, what are its implications for a cultural led development in SMSC? How can we intentionally create conditions that foster serendipity or contingent coincidences?

- In a sense, conditions that foster serendipity can be easily found in global cities where myriads of unplanned and inspiring encounters between people with different and most heterogenous cultural backgrounds, traditions, lifeworlds, professions and knowledge bases happen on a daily basis quite naturally. However, even in bigger cities, to create hubs for the creative cooperation between CCI actors and entrepreneurs is propagated as a suitable measure to catalyse serendipity in a planned way (see Dovey & Pratt 2016: 69). Physical hub infrastructures in bigger cities seem to be built on certain preconditions such as a critical mass of interested users from the CCI and other entrepreneurs which is seldom made explicit and for which we need to find substitutes in SMSC. Nevertheless, it is important to provide a physical hub infrastructure in SMSC, too, because those cities need serendipity places even more than bigger cities for their creative and cultural development.
- In SMSC, physical hub structures can become the home for actors of the local system of cultural production stemming from the non-commercial cultural sector rather than for CCI firms and freelancers. Initiatives, programmes, and projects organized by public cultural organisations and cultural associations have the potential to work as seedbeds for creativity, cultural activities, and at times even business ideas that are then realized in spin-off businesses.
- In SMSC, serendipity often evolves out of the civic society sector of cultural production which sets impulses for the development of creativity rather than the CCI sector or the public cultural institutions. The relationship between the non-for-profit intermediate sector and the private for profit-sector of cultural production can take on the form of a 'both/and' (complementary) rather than of an 'either/or' (mutually exclusive).
- For a cultural-led urban development, the municipality's management capability should be developed for identifying and selecting those cultural associations and projects of the intermediate sector for support by public money which become then good practices for an efficient use of public money by producing serendipitous outcomes.
- For serendipity to emerge in publicly funded projects more generally, these projects need a certain degree of freedom and room to maneuver which presupposes trust towards the actors in the local system of cultural production, the understanding of the value of strategical non-strategic action, and a conscious renunciation of too tight control measures for cultural projects by the public institutions.



4.11.6. The need for new organizational forms and professionalized human resources for the management of the interface between aesthetic, economic, and political field logics, networks, and values

With regard to New York, Elizabeth Currid (2007: 185) has emphasized that global cities need a vibrant creative economy to produce culture and that cultural policy has to change to accommodate for this new need.

“Policymakers must appreciate art and culture as collective strength and understand that it’s production does not always happen within the formal walls of institutions but instead in a very free-flowing synergy across all types of creative production and in all types of nontraditional places - and in that vein develop policy and an environment that nurtures and optimizes these dynamics”.

The discussion of the StimulART case studies above has shown that the local systems for the production of culture take on a different form in SMSC than in global cities. Cultural production in SMSC relies less on the CCI and the public cultural sector than on the intermediate sector and it is anchored in an informal network of cultural producers. In the course of cultural production, there occur regularly open conflicts between members of the informal cultural and the economical-political network in SMSC due to different values and cultures in the networks and the subsequent stereotypical interpersonal perceptions between the members of these two networks. These conflicts and stereotypes, in turn, lead to a very traditional cultural policy with paternalistic relationships between the municipality of SMSC and the local system of cultural production and to publicly funded projects which become overly controlled. In order to get ‘a very free-flowing synergy across all types of creative production and in all types of nontraditional places’ there is a need for new support formats allowing for serendipity beyond the existing traditional control paradigm. These new organizational formats should be staffed and executed by professional personnel that is able to resolve and transcend existing conflicts between the members of different networks by understanding the different field logics of the cultural as well as the economic and political fields and by translating the values and languages of the different fields into each other. At the time being, it is not clear yet how these new organizational forms should be shaped like since this question was beyond the StimulART project’s scope. Rather, this comparative international multi-case study could point to this problem and establish the need to dedicate highly specialized and professionalized human resources for the task to culturally develop SMSC such as a cluster manager for the CCI. However, the establishment of such a CCI cluster manager is subject to political legitimation that has to show that scarce resources are effectively and efficiently deployed given that there is a lack of a critical mass of CCI stakeholders in SMSC. Further above, I have already pointed into the direction of regional cluster strategies that are also aligned with regional economic development and innovation strategies as a solution to this problem. However, to develop a newly designed interface structure that allows for the better integration of aesthetic, economic, and political field logics, values and languages in SMSC is a new challenge that changes the character of traditional cultural policies and establishes the need to partly redefine its role.

4.12. The arts field and creative industry related reputation hierarchy of city images and its role for the valorization of cultural products and services made in SMSC

Introduction

There exists an intricate relationship between particular places and cultural products and services which has been discovered and described mainly for the global centers of the CCI, the global cities, with SMSC in the blind spot. This particular is tight to the problem of how people attach economic value to cultural goods and services. The economic success of any cultural goods and services is highly uncertain since the process of attaching economic value to these goods is taste-driven which is dependent on complex social processes. “Nobody knows” if a cultural good or service will satisfy consumer tastes and desires about which the customers don’t know that they exist before they see and experience the cultural goods and services (see



Caves 2000). Cultural goods and services may be consumed for a wide range of motives from unconscious libidinal desires up to trivial entertainment reasons. The economic value they get attached by consumers on markets derives from complex social processes of valorization, legitimisation and certification by tastemakers and gatekeepers (see Becker 1982) which preferably happen in particular social milieus in the cultural field (see Currid 2007a) bound to certain cities whose experience itself becomes a cultural product for producers and consumers of cultural products and services alike. Thus, a city can gain a reputation as a place where valuable producers of cultural goods and services live and ideate and create valuable cultural products and services, a reputation which reinforces itself such as in Paris which exercises a “gravitation artistique” (Menger 1993) for creative talents from all over the world who want to unleash their full creative potential. Particularly, the taste-driven cultural products and service which are rich in symbolic meaning and avant-garde content are sensitive to the influence of the social reputation of certain cities and cultural milieus. When an association between a particular place and cultural products and services can be established so that the name of the place can imbue the cultural products and services ideated and created there with economic value, then CCI firms and freelancers can use place-related makers as branding devices to exploit the desirable place-specific meanings to increase their competitive positions particularly for international markets (see Power & Scott 2004). This effect of ‘place in cultural product’ (see Molotch 2002) can even take on features of fetishism where we want to consume a city by consuming a cultural product which is associated with a certain city: “People desire goods associated with a specific place because they want, at a distance, the place itself. We cannibalize a place – take in some of its social and cultural power, its cachet – by consuming the objects from it” (Molotch 1996: 229). Indeed, there is a strong association of certain cities with particular branches of the CCI sector such as Hollywood with film, Paris with fashion, and Milano with furniture design. These cities can exercise a high level of cultural and symbolic capital for being the global centers of the respective branches which can even provide them with “monopolistic assets” which in today’s CCI sector “not only emerge from the productive strategies of individual firms, but also from their wider geographic milieu” (Power & Scott 2004: 7).

As we could see so far, the relationship between place and cultural goods is twofold. At the one hand cities can become cultural goods for themselves, while cultural goods and services can derive their economic value by an association with cities where they are ideated, created, and consumed. However, these relationships have been discovered and described for bigger cities, most notably for global cities with an emphasis of an ever-increasing process of agglomeration of the CCI sector and an associated accumulation of cultural and symbolic capital in just a few cities worldwide pointing to centralisation processes which are unknown in the traditional economy. Before this backdrop, the question occurs if the both processes of ‘place as cultural product’ and ‘place in cultural products’ exist also for SMSC and if so, in what form.

Both relationships rest on the symbolic and cultural capital of cities which are crucial resources in the competition between cities of all sizes for attention, visibility, and reputation. The symbolic and cultural capital about which a city can command is another important component of a city identity which has a particularly high importance for a city’s CCI sector. Therefore, we will take up the discussion above again where we have discussed the city identity phenomenon with respect to the roles a city identity plays for the perception, thinking and decision making of a city’s and its hinterland’s inhabitants. In this section, we will focus on the StimulART partner cities’ cultural and symbolic images and how they are perceived by internal and external observers from the CCI sector and arts field.

Any city identity becomes condensed into an image. City images are certain mental visual representations of an individual or a group that are evoked by the name of a city together with certain factual associations, values, and even emotions that characterize it further (see Lynch 1960). The valuation of certain assets a city possesses in the eyes of external observers builds the base for comparisons between city images whose results are brought into a reputation hierarchy in which the city images are ordered according to their reputation rank. In what follows we will have a closer look at the fact, that one dimension of the city image consists in a city’s position in the reputation hierarchy of cities as places for the valorization of contemporary cultural products and services. While this dimension may not be prominent with any external observers, it is of utmost importance for observers from the arts field and creative industries including consumers of cultural products and services. With respect to this particular observation dimension, we will

ask what consequences this specific arts field and creative industry related reputation hierarchy of city images has for the valorization of the cultural products and services made in SMSC by local CCI freelancers and firms.

The practice of borrowing reputation

Further above, we could identify some CCI firms in the StimulART partner cities that do not depend on the small local markets but operate rather at regional, national, or even internal markets with their cultural products and services while their offers are hardly consumed at the local markets. Particularly those firms among them which operate on the international market level do not actively create a positive reference to their home cities. Often, they even actively try to avoid becoming identified with the SMSC they are domiciled in.

The international design firms in Vittorio Veneto do not mention the city as the origin of their products and services. Instead, they evoke associations with places and regions in Italy whose images are internationally known and appreciated. In this respect we already quoted Famec's self-description as headquartered "near Venice" as an example further above.

We can find a similar pattern in Kamnik with the Arboretum Volcji Potok and the Golf Club located within the area of the municipality while both companies stress that they belong rather to the Slovenian capital city Ljubljana in whose catchment area they are located. Accordingly, the Arboretum Volcji Potok makes with the quote "the most visited botanical garden in Slovenia" a national reference at its website. The directions given for visitors manage not even to name Kamnik but locate the Arboretum Volcji Potok with respect to the national capital cities Wien, Budapest, Zagreb, and Ljubljana and to the world-renowned city Venice indicating not only its easy accessibility for international visitors, but also its aspirational level.



Only 20km from Ljubljana

The Arboretum Volčji Potok is a public park extending over 85 hectares, located close to Ljubljana. Access: the exit for the Arboretum from the motorway Ljubljana – Maribor is indicated on the signposts. Roads lead to the Radomlje and from Radomlje to Volčji Potok.

Illustration: Screenshot from the website <https://www.arboretum.si/en/> taken on 30th September 2021.

The Golf Club in Kamnik names itself "Arboretum Golf Course Ljubljana" to borrow from the Arboretum's reputation and to rather cut off any reference to Kamnik.²⁰⁸

We can call this practice 'borrowing reputation'. By this we mean the attempt to associate cultural products and services with a city of which the actors assume that it has a name recognition together with a more positive cultural and symbolic image in the eyes of a specific audience than the original SMSC whose name is eradicated, omitted, or canceled out at the same time to avoid the evocation of less favorable or even negative images connected to it such as provincialism.

Reputation can not only be borrowed in relation to cultural and symbolic images from bigger cities, but also in relation to highly reputable authors of cultural products and services who have already made themselves a name in the cultural field. The architect Nico Kralj (1920 - 2013) was the head of the design department of the Stol Furniture Factory in Kamnik for many years. Back in the 50ies of the 20th century, he designed many products that became design icons of the mid-century design style not only in Yugoslavia and the

²⁰⁸ See <https://www.arboretum.si/en/> [Last accessed 30th September 2021].



Eastern Bloc Countries, but in the western world, too.²⁰⁹ The company “Rex Kralj”, founded in 2010, attempts to build upon his design legacy and claims not only to reproduce and sell his iconic designs but also to design new furniture products inspired by Nico Kralj’s design legacy in cooperation with international designers.²¹⁰ However, the company is not located in Kamnik, but in Ljubljana. At its website and in its marketing communication there is no reference to Kamnik or the Stol Furniture Factory but just to the designer. When we focus not so much on the practice of ‘borrowing reputation’ but rather on the practice of ‘avoiding the reference to’ Kamnik even when it would have been rather obvious and highly expectable, we can see that this equals not a passive act of unconscious neglect but rather an active act of deliberate exclusion in a situation when one could have expected that a reference to Kamnik were made. In order to better capture this active act of deliberate exclusion we can speak of the practice of ‘dissociation from a certain city name and image’ to avoid becoming associated with that cultural and symbolic image deemed problematic. This practice of dissociation is even more visible as an active rhetoric practice in the case of Nico Vascellari and Vittorio Veneto.

The practice of dissociating oneself from a SMSC’s name and reputation

Something similar can happen regarding the way internationally successful artists and famous persons relate to SMSC as their birthplaces or former hometowns. Again, Vittorio Veneto stands out from the StimulART partnership as the birthplace of the internationally renowned contemporary performance artist Nico Vascellari. This gives us the opportunity to ask how he sees and portrays his relationship to his birthplace while he lives in Rome. According to several interviews in the international art and lifestyle press, he actively tries to avoid the impression that his birthplace ever acted or is still acting as his inspiration source. He depicts the role of Vittorio Veneto in the process of becoming an artist as neglectable or even in terms of negative experiences that had the power to motivate him to become creative nevertheless: “The isolation and provincialism I felt growing up in my small northern hometown of Vittorio Veneto pushed me towards activism in the punk music environment and the creation of a band with some friends.”²¹¹ It seems important for Nico Vascellari to stress that the city has not been formative for him, but that his creativity originated from within his own consciousness and gave him the capability to be formative himself: “I had to be the one to make things happen”. Instead, he cites influences from youth cultures of the world society to avoid the impression that his creativity originates from a small town and would be, thus, a small-town creativity: “it was punk and skateboarding that made me aware that I was, in fact, living in a small town.’ A glimpse of a board at the feet of an off-duty American soldier (there’s a Nato base near Vittorio Veneto) led the young Vascellari to acquire one of his own, and skating videos exposed him to the music known as hardcore.”²¹² Interestingly, the artist still has an active relationship with Vittorio Veneto and even runs a studio there. However, he stresses publicly that he lives in the global city of Rome where he also has his main studio. He claims: “My studio Codalunga in Vittorio Veneto was open to the public until recently and I used it mainly as a venue to collaborate with other artists, but not as my personal creative space.”²¹³ Thus, he maintains that the connection between his creativity and his birthplace is characterized rather by coincidence and that his initialization into an artist career is not related to his birthplace whatsoever. At the same time, his art is not appreciated locally, rather it elicits sometimes even hostile reactions from the local inhabitants.

²⁰⁹ See <https://www.designdaily.com.au/blog/2014/8/niko-kralj-the-king-of-slovenian-design> [Last accessed 30th September 2021].

²¹⁰ See <https://rex-kralj.com> [Last accessed 30th September 2021].

²¹¹ See the interview in the magazine Elephant <https://elephant.art/nico-vascellari-on/> [Last accessed 30th September 2021]. See also the interview with Tilda Swinton in DUST Magazine, Issue 14, 2018, where the same message is narrated: Vittorio Veneto did not inspire culturally but drove Nico Vascellari to activism out of boredom and void: “Boredom is a powerful trigger for imagination and fantasies.” See http://www.nicovascellari.com/wp-content/uploads/2019/12/DUST_2019_low_compressed.pdf [Last accessed 30th September 2021].

²¹² See the portrait in the magazine Fantastic Man in 2019 <http://www.nicovascellari.com/wp-content/uploads/2019/12/FM28-Nico-Vascellari-LR.pdf> [Last accessed 30th September 2021].

²¹³ See the interview in <https://elephant.art/nico-vascellari-on/> [Last accessed 30th September 2021].



For example, the walls of the Codalunga Studio situated on the main street in the old town Serravalle quarter are tagged with aggressive slogans.

Both phenomena just mentioned can be interpreted as indicators for the relationship between art that is created for the international art market in global cities and the level of the local market for art in SMSC. At the one hand, it becomes rather clear that the ‘l’art pour l’art’ of the world society is unlikely to become recognized, appreciated, valorized, or consumed at the local market in SMSC. At the other hand, we can call Nico Vascellari’s rhetoric practice ‘dissociation from reputation’. By this we mean the efforts by authors of cultural products and services who already possess a high rank in a CCI field related reputation hierarchy to actively disassociate themselves from a place or town of which they think that they have a less positive or even negative cultural and symbolic image in the eyes of a specific audience and of which they fear that their negative reputation could somehow damage their own reputation in the eyes of that specific audience. Or to put it another way, Nico Vascellari, who represents a prominent stakeholder of the world art society with an already high reputation ascribed to him personally, actively tries to dissociate himself from references to his birthplace Vittorio Veneto which is in his eyes small, mediocre, conservative, and provincial to avoid a feared potential reputation loss.

Reputation rising and maintaining practices of CCI stakeholders connected to a SMSC

No other of the StimulART partner cities is the birthplace (or hometown) of a contemporary internationally renowned artist or famous person. However, Naumburg runs a small city theatre with a standing company and regular plays. Hence, we can observe artistic practices related to the CCI field specific reputation hierarchy here, too. Since the theatre is a publicly financed city theatre, it can’t avoid the association with the city’s name. Its artistic director, Stefan Neugebauer, who came to Naumburg from Berlin in 2015, actively tries to avoid becoming involved in cooperations with local artists or art initiatives beyond the necessary instead. Rather he tries to occasionally set up unusual performances such as the Händel opera “Susanna” in the Naumburg Cathedral in 2019 which give him the opportunity to go beyond a rather conservative repertoire of what are normally acceptable plays for the Naumburg audience and to realize as well as to demonstrate his artistic ambitions, to cooperate with external artists, and to rise attention for his personal artistic work beyond the Naumburg region to reach a national theatre audience with his productions.²¹⁴

While neither the practice of ‘borrowing reputation from a city image’ nor of ‘dissociation from the reputation of a city image’ are possible for Stefan Neugebauer, or at least, only to a certain degree, he engages in the practice of ‘remaining visible and reputable despite being associated with a small-town image’ by trying to get the attention of a relevant theatre field audience of peers and critics at a national level. In this way he tries to maintain his existing reputation in the art field and to build on it. By trying to appeal to a regional or national level of the theatre field audience of peers and critics he also demonstrates that art field specific reputation can normally become built and maintained only at levels above SMSC because only at those levels one can find a critical mass of peers and critics who are able to socially valorize and legitimize the artistic content of contemporary cultural products and services.

Historical examples of authors dissociating themselves from SMSC’s images

Above, we have looked at art field related reputational practices of two contemporary artists in relation to their respective birthplaces or hometowns, namely at those of Nico Vascellari with respect to Vittorio Veneto at the level of international reputation building and those of Stefan Neugebauer with respect to Naumburg at the level of regional and national reputation building. Similar relationships between artists or famous persons with already established national or international reputation with a SMSC as their birthplace or hometown can also be found in the StimulART partner cities - but with respect to already deceased persons.

The famous German philosopher Friedrich Nietzsche (1844-1900) has been raised in Naumburg. He characterized the intellectual spirit of the city as “Naumburger Tugend” (“Naumburg Virtue”), referring to

²¹⁴ See <https://www.theater-naumburg.de/archiv.php?p=69> [Last accessed 30th September 2021].



the moral standards of his family members who represented for him a typical backward oriented mindset in the Christian-Protestant-Lutheran tradition consisting of prude work ethical values and hypocrisies. For Nietzsche, his relatives, especially his mother and his sister Elizabeth, embodied with their values and mindset a typical cultural-historical development according to which there was a "slave revolt" in the history of morality, which resulted in a first "revaluation" through "slave morality" and resentment: No longer the strong and healthy, but the weak and sick are now considered 'good', and their needs and judgments become authoritative. While Nietzsche thought of himself as already representing a "master morality" that reverses the Judeo-Christian 'slave morality' and defines a new morality, he held that the prevalence of the former led to the denial of the full self-development and self-actualization of the strong willed and creative people like himself. Thus, the term 'Naumburger Tugend' denoted in Nietzsche's view a certain morality judged as inferior that is closely connected to German small provincial towns such as Naumburg and from which creative minds of the emerging knowledge society had to emancipate and to distance themselves radically.

Clearly, we can identify here the practice of 'dissociation from reputation' in the form of discursively creating a negatively valued image of Naumburg. Nietzsche, with all his intellectual authority, contributes to a discourse that attributes negative values of inferior provincialism and of a creativity suppressing environment to Naumburg which must be understood as a typical SMSC at the same time. It is understandable, then, that the identification with Nietzsche is rather low in Naumburg, even though there exist a Nietzsche Documentation Center and Museum which is rather popular with external scientists, visitors, and tourists.

Amberg is the birthplace of the painter, illustrator, and caricaturist Michael Mathias Precht (1926-2003) who left Amberg for studying fine arts at the Academy for Fine Arts Nurnberg in 1950. He became famous internationally for his caricatures of politicians for magazine titles such as the New York Times or Der Spiegel later in life when he lived in Nurnberg. Precht never had an exhibition in Amberg and he resented to give his artistic heritage to the city of Amberg during his late years. However, the City Museum Amberg hosts a permanent collection dedicated to his live and work, today.

Interestingly, in the cases above we see how the relationship between SMSC and famous authors of cultural products and service is not only shaped by the authors' practices but by those of the SMSCs, too. We will turn to the SMSC's reputation borrowing practices later.

Practices of art field representatives to dissociate themselves from SMSC

Finally, let's consider the art field as such. How do people with a voice in the art field relate themselves to SMSC from which they originate?

There live some people from the art field in Ljubljana who try to hide or downplay their origin by birth from Kamnik in their contemporary discourses in the Ljubljana art scene, this is, they are engaged in the practice of dissociating themselves from the city. During the vernissage of the 9th Triennial of Contemporary Art U3 „Dead and Alive" in the Museum of Contemporary Art Ljubljana²¹⁵ on the 10th October 2019, the author of this report, at this time conducting field research, met several people from the Slovenian art field. Among them a distinguished professor from the University of Ljubljana Faculty of Fine Arts who responded to a short introduction of the StimulART project: "I've literally just arrived in Ljubljana from the Venice Art Biennale tonight. If it weren't for this vernissage where everybody must show up, I wouldn't be here. Anyway, I haven't been in Kamnik for ages!", and continuing while addressing one of the present Kamnik

²¹⁵ See for the museum and the exhibition <http://www.mg-lj.si/en/exhibitions/2713/9th-u3-dead-and-alive/> and see for the triennial https://www.culture.si/en/U3_Triennial_of_Contemporary_Slovene_Arts [Last accessed 30th September 2021]. The website states about the triennial: "The U3 Triennial of Contemporary Slovene Arts was established in 1994 by the Moderna galerija with the aim to provide a periodic overview of the current situation in contemporary Slovene art through the subjective eye of a curator/selector, drawing attention to works which are, according to the selector, the best and closest to the sensibility of the time. To assure a certain level of objectivity, the selector of every second U3 Triennial is a foreign curator, since this emphasizes the purpose of the event: to underline differences in aesthetic concepts as well as in professional, critical, cultural, political, and social positions."



artists, a former student of her, who made the introduction: “I can’t understand how you can still live there. I doubt that there is any culture in Kamnik at all.”

We could already identify different discursive practices that help the CCI actors to establish positive or negative evaluations of cities based on comparisons, to create rankings among the cities in the form of a status or reputation hierarchy according to the evaluations, and to manage their own reputations by either trying to associate their reputation with or to disassociate their reputation from cities’ reputations according to the established status or reputation hierarchy. Thereby, the direction of the comparisons as well as of the practices is clear: all actors aim at getting higher reputation and avoiding reputation loss.

However, in the light of the evidence above, we can go one step further in our interpretation and discern the structure of the CCI field related reputation hierarchy of city images in more detail and find answers to our question what the role of city images is for the valorization of cultural products and services made locally in SMSC. Let’s start with the interpretation of the quote from the last anecdote.

The CCI field related reputation hierarchy of city images and the role of city images for the valorization of cultural products and services made locally in SMSC

With this conversation quote, the professor from the University of Ljubljana Faculty of Fine Art situates herself with respect to a reputation hierarchy of city images in the art field of the world society: While Venice with the Arts Biennale belongs for her to the major art cities and art events of the world society, Ljubljana and the Slovenian Triennale for Contemporary Arts are relegated to a lower rank in this hierarchy with Kamnik not even coming close to the category of a city worth to become included in such a hierarchy. What this quote can make clear, then, is that cities are compared with each other and evaluated also with respect to their status in the reputation hierarchy in the art field of the world society judged according to values typical in the art field. Here, the valuation at play seems to be if a city is a place where art is valorized in the respective art fields by tastemakers, gatekeepers, and intermediaries (curators, museum directors, gallery owners, critics, academics, journalists, and editors in museum or gallery exhibitions) in the press or in the ‘buzz’ at all, and at what level in the art world these valorization processes take place respectively - the international, the national, or the regional level. This means that not only art works have to become socially valorized and legitimized but that cities as such are also valorized in art field specific discourses of valorization and legitimization, namely as places where the valorization of art works can take place. The results of these ongoing comparisons become ranked in a reputation hierarchy for cities in the art field. In other words, for a city to become a place where processes of valorization of cultural products and services take place the city must first be socially valorized and legitimized as a city where such meaningful processes can take place at all. And this precondition will become a dimension of a city’s image at the same time.

On what features does the valorization of cities as international hubs for art valorization depend? The feature that matters here most is size of the local market for cultural products and services as a function of city size and wealth as well as the resulting agglomeration economies. Where the local market for cultural products and services is large due to the number of wealthy inhabitants with disposable income and strong tastes and desires for art and CCI products and services such as in the international hub cities New York, London, Paris, Tokyo, Hong Kong, and potentially Shanghai, then the city will become a place for the production, consumption, and valorization of cultural products and services and rank high in the reputation hierarchy for cities as places for the valorization of cultural products and services.

“Not only do particular geographies possess reputations as centers of art, fashion, film and so forth, but this claim is backed up by the increasing jobs, media, gatekeepers and so forth that make such a reputation possible in the first place (...) As such, place-specific cultural legitimacy is largely a function of the agglomeration economies located within one geography but not another (...) Thus the perceived value of producing culture in one geography over another is backed up by the tangible positive externalities of art/culture concentration.” (Currid 2007a: 389)



Interestingly, the valorization of cities as international hubs for art valorization does not depend on city size alone as the comparison between Venice and Ljubljana can make clear. In this comparison, Venice does punch above its weight due to the city's history long accumulated cultural, architectural, cityscape and symbolic capital which qualify it for being a place where a prestigious art event can take place. However, city size does matter. Venice belongs not to the international hub cities where valorization processes at an international level regularly take place in every art field and CCI sector. Rather, it is a city where valorization processes take temporarily place in specific art fields and CCI sectors such as in art (Art Biennale), architecture (Architecture Biennale), and film (The Lido Film Festival).

However, it seems save to conclude that the smaller the city is, the smaller is the local market for cultural products and services, the smaller are the agglomeration economies in the CCI sector resulting in a lower rank of the city image in the hierarchy of cities with a reputation for their capability of valorizing contemporary cultural products and services. The notable exception to this pattern are festivals or events which can temporarily enlarge the local market such as the Basel Art Fair. There seems to be a bottom line for cities to become included in this hierarchy: cities must qualify for inclusion by a critical mass of the art field or of CCI stakeholders.

Where are SMSC positioned in this art field and CCI sector related reputation hierarchy of city images given their position as middle centers in many national urban hierarchies with many important support functions for their hinterlands attached to this position such as the function to maintain a basic cultural life? As the empirical evidence presented above suggests, as seen from the world art society, most SMSC will probably fall completely off this hierarchy, apart from very rare exceptions such as Venice and Weimar. The artistic, aesthetic, or symbolic content of cultural products and services must become valorized as meaningful and desirable to find customers. Valorization work is mostly done by art field and CCI sector tastemakers, gatekeepers and intermediaries having already reputation in their respective fields that gives them the capability to make specific cultural products and services visible and imbue them with values of artistic, aesthetic, and avant-garde quality. Since there is a lack of (a critical mass of) persons and institutions in SMSC who already possess reputation in the CCI fields, valorization cannot take place there. For example, Nico Vascellari's artistic career started off in the cultural institution 'Fabrica' in Treviso, a bigger university city south-west to Vittorio Veneto, with the Fabrica financed by the Benetton company.²¹⁶ Thus, most of SMSC do not qualify for inclusion in this reputation hierarchy. They aren't even on the map that depicts the art field and CCI sectors related reputation hierarchy of city images and that is drawn in the cities that function as the very centers of these worlds.²¹⁷

Avoiding attributes of provincialism and conservativeness

But why do CCI actors and firms from SMSC operating at national and international markets try to avoid becoming associated with their SMSC, as our empirical findings presented above suggest? Practices of actively dissociating cultural products and services from a SMSC's name and image as well as practices actively associating them with the name and image of a city that accomplished to earn itself a position in the reputation hierarchy for cities in the art field and in the CCI sector suggest that the name and image of SMSC and, thus, the identity of a geographical origin seems to become a liability for the valorization of cultural products or services (unless their authors have already earned a reputation elsewhere). It matters if cities have a recognized name and position in this status hierarchy since every city that can't be found there will almost automatically become labeled as culturally provincial and aesthetically conservative. Seen from a world art society perspective, when cultural products and services are related to a SMSC that has such a provincial and conservative reputation almost by default, then this will it make more difficult to valorize them for the regional, national, or international CCI markets. This liability of provincialism and

²¹⁶ See <http://www.fabrica.it/about/> [Last accessed 30th September 2021].

²¹⁷ The mainstream discourse about the creative class and the creative city seems to have overlooked these processes and has tended to take for granted the valorization of global cities and metropolitan cities as places where the valorization of cultural products and services take place.



conservativeness may act as an explanation for why CCI firms and actors operating at national and international markets try to avoid becoming associated with SMSC.

When CCI stakeholders in SMSC try to actively associate themselves with cities which do have a position in the reputation hierarchy for art cities they ‘borrow’ attention and reputation from bigger cities for their cultural products and services. These practices of borrowing attention and reputation from bigger cities may be easier to accomplish for CCI stakeholders located in cities in the suburban belt of bigger cities or in metropolitan regions such as in the case of Kamnik and Ljubljana. However, in the case of the international design firms in Vittorio Veneto we could identify still another type of this practice, namely borrowing attention and reputation from regions and/or nation states, here particularly from the attention and reputation Northern Italy has for design quality and manufacturing competences.

To wrap this discussion up: Cultural products and services must become socially valorized and legitimated for the market level they are marketed for. The image and reputation of the places where cultural products and services are created and produced is an aspect that becomes an input of their valorization process. Most SMSC are perceived as being provincial and conservative by international, national, and even regional CCI markets. Therefore, cultural products and services originating from SMSC must typically overcome the liability of being perceived as provincial and conservative by these markets. The valorization of cultural products and services takes normally place only in a few selected cities that have accomplished to secure a position in the reputation hierarchy for cities as places for the valorization of contemporary cultural products and services. The constellations in the StimulART project may serve as an example here: At a regional level these cities are Nurnberg and Regensburg for Amberg, Leipzig, Halle, and Jena for Naumburg, Treviso and Venice for Vittorio Veneto. At a national level, these cities are the capital cities (Ljubljana, Budapest, Rome, Berlin), and in countries with a decentralized federal political system also some bigger cities such as Munich, Cologne, Frankfurt/Main and Hamburg in Germany. At the international level exist only a few selected cities where the valorization of cultural products and services for the international CCI markets happens, mostly global cities such as New York, London, Paris, Tokyo, Milano, increasingly Shanghai, and some smaller cities with a more specialized profile such as Venice for art, film, and architecture. Thus, in the competition for attention, visibility, and reputation between cities of all sizes one important comparative dimension is their perception as either belonging to the centers of the production and valorization of cultural products and services or rather to the periphery with subsequent judgements and rankings in a reputation hierarchy. Then, the differently valorized and ranked city images become an input in the valorization process for cultural products and services.²¹⁸

However, even the global cities are embedded in their respective nation states whose reputation as a nation of culture, science, and knowledge in general or for specific CCI sectors and art disciplines in particular is presupposed by those cities in their role as valorization places for cultural products and services. Thus, the potential for CCI companies located in SMSC to associate their cultural products and services with positive artistic and cultural values and to cut them off from the rather negative values of provincialism and conservativeness partly depends on the opportunity to create such a relation to a region or nation state that possesses a reputation for culture, science, and knowledge or for specific CCI sectors and art disciplines, and not only on the opportunity to construct a relation to a city that possesses a rank in the reputation hierarchy of cities for valorization in the CCI sectors. For example, Venice is ranked higher in the reputation hierarchy of cities in the art field than Ljubljana, and Italy and the Veneto region are ranked higher than Ljubljana and Slovenia in the reputation hierarchy for the design sector. This gives the CCI companies in Vittorio Veneto an advantage over those in Kamnik in the potential to borrow attention, reputation, and value for their cultural products and services from Venice, the Veneto Region, or the Italian nation and, thus, to overcome the liability of provincialism and conservativeness often attributed to cultural products and services originating from SMSC.

²¹⁸ Only cities that are places for the valorization of cultural products and services for the international market level are not perceived as provincial and conservative from the perspective of international markets.



Coping strategies of SMSC for their low rank in reputation hierarchies for city images

The municipalities of SMSC know that their cities normally don't have a position in the art field and CCI sector related reputation hierarchy for city images and that they are perceived from the centers as provincial and conservative. However, since cities are not mobile, it would be absurd, obviously, when they pretended that they would origin from a different city such as CCI companies can for their cultural products and services to not being associated with provincialism and conservativeness. Given the immobility of SMSC, what are the opportunities for SMSC to dissociate themselves from those negatively perceived values usually attributed to them by default?

Being not mobile at all, cities can take advantage of the reputation of the region and nation state they are in if any. However, as the example of Vittorio Veneto shows, when the region or nation state is too attractive it becomes even harder for SMSC to overcome the attractivity shadow of regional bigger cities and cultural or tourism hot spots such as the world-renowned cities of Venice and Milano, and the tourist hotspots of Cortina d'Ampezzo and Jesolo, which even dwarf cities such as Verona, which, meanwhile, is much better known for their cultural heritage than Vittorio Veneto. As much as those centers of attention and attraction contribute to making up the reputation of a region as much they profit from it, thereby making it harder for smaller and more peripheral cities to step out of their attractivity shadow into the limelight.

SMSC do engage in city marketing driven initiatives to sharpen their city identity and image for the competition for attention, visibility, and reputation between cities of all sizes. What are the chances of SMSC when they thereby try to sharpen their profile as places for art, culture, and the CCI? From the perspective of the art field and CCI sectors related reputation hierarchy for city images, we have to say that their chances for success are rather small. As long as those SMSC don't manage to earn themselves a position in this reputation hierarchy as places where cultural products and services are not only produced but also valorized for supra-local markets, as long will the chances be high that such city identity related initiatives of SMSC are perceived as conservative and provincial in the centers. Ironically, rather than avoiding the association with negatively judged characteristics those initiatives reinforce the connection with those characteristics then.

Long before marketing driven city identity initiatives became fashionable, SMSC's municipalities took advantage of the mobility of persons who were either born or lived some time in their cities and who became famous at supra-local levels thanks to valorization mechanisms operating in more central cities. SMSC try to associate themselves with persons who have an assumingly better name recognition and reputation to try to valorize their cities. They can do so by establishing museums or festivals for those personalities as we have already discussed for the Friedrich Nietzsche Documentation Center and Museum in Naumburg and the Michael Mathias Prechtl permanents exhibition in Amberg's city museum. Interestingly, we can observe similar development in each of the StimulART partner cities.

Although Vittorio Veneto does not want to associate itself with the contemporary artist Nico Vascellari of the world art society even though he originates from the city, it actively establishes an association with such already deceased persons and artists who were born in the region and who (assumingly) have an international reputation such as Giacomo Camillo De Carlo (1892-1968), a World War I hero and spy for whom the municipality even runs a museum²¹⁹, and Lorenzo Da Ponte (1749-1838), an opera librettist who wrote the libretti for 28 operas by 11 composers, including three of Mozart's operas, and who became a professor for Italian Literature at the Columbia College in New York later in live.

In a similar vein, the Jászberény municipality maintains the Ákos D. Hamza Museum in the house in which the husband and wife, the film director, painter and sculpturer Hamza and the fashion illustrator Maria Lehel Hamza, spent their late live together between 1989 and 1994 and where their legacy is exhibited.²²⁰

²¹⁹ See <http://www.palazzominuccidecarlo.it/index.html#> [Last accessed 30th September 2021].

²²⁰ See <https://www.hamzamuzeum.hu/> [Last accessed 30th September 2021].



In Kamnik, there is the Rudolf Maister Museum in his birthplace. Maister played an important role in the formation of the newly founded State of Serbs, Croats and Slovenes, which later became the Kingdom of Serbs, Croats and Slovenes in 1918.²²¹

In all these cases, we can observe the practice of ‘borrowing reputation’ carried through by the municipalities who want to take advantage of the assumingly higher reputation of more mobile persons who happened to have a temporary connection to the cities and whose reputation has been established elsewhere. The municipalities do so by establishing permanent associations in the form of museums or permanent exhibitions dedicated to single persons. While those deceased persons cannot longer object to becoming associated with these SMSC although they may have tried to dissociate themselves from them when they still lived (for example, Nietzsche from Naumburg and Prechtel from Amberg), this valorization strategy has its downsides for SMSC, too. For a start, the reputation of those persons may have been misjudged and overestimated by the municipalities or may have vanished in the meantime resulting in a lower reputation effect than initially expected. Or the other way round, the famous person’s reputation is much stronger than can be represented by the comparatively small resources of the municipality, resulting in the impression of provincialism and conservativeness of the SMSC which should be overcome in the first place. Also, a comparatively large share of a SMSC’s cultural budget is allocated to the commemoration of a certain deceased person for an undefined period and, thus, is not available for the support of contemporary culture. Since the deceased persons cannot contribute new cultural products and services to the cultural capital stock any longer, scarce resources are invested in the maintenance of cultural heritage in conflict with investments in the support of the creation of new cultural products and services resulting in a tendency to cater for increasingly conservative tastes.

Made in SMSC as valorization strategy for cultural products and services

At the same time, there are local CCI markets in SMSC where locally produced cultural products and services are consumed independently from valorization processes for higher market levels in more central cities. This must mean that there are practices of valorizing cultural products and services existing in SMSC and that these local practices differ from those found in bigger cities and metropolises.²²² As we could see above, CCI companies and freelancers adapt their product and service range to the more conservative tastes typically found at local CCI markets in SMSC. There is therefore a link between the level of (attributed) creativity in local CCI markets on the one hand, and the reputation hierarchy for cities as places for the valorization of CCI products and services on the other. When we measure the level of creativity as the ratio of cultural to functional content and the level of aesthetic newness attributed to cultural products and services, we can see that the lowest level of (attributed) creativity will typically be found in local markets of cities who couldn’t secure themselves a position in the art field related reputation hierarchy. Conversely, the highest level of (attributed) creativity can be found at the international market level in global cities that are at the top of the same reputation hierarchy with the national and regional levels in between.

With respect to Jászberény and its folk culture ecosystem, however, we see an interesting deviation from the pattern above. Cultural folk products and services are characterized by a strongly visible link to a certain territory. Thus, their authors don’t try to dissociate them from a city or a territory. Rather the opposite is true: they try to positively associate the folk products and services with a city or a territory because such an association confers to them the positively valued characteristic of authenticity. In other words, folk cultural products and services are valorized as cultural products and services on markets exactly because they are locally made. However, folk products and services may have a natural appeal for the local markets where their authenticity may directly create willingness to pay by quoting a positively framed group identity rooted in the local culture. The open question will become, then, how to valorize folk products for the supra-local markets when they are intimately linked to the city of Jászberény and the Jász-culture which

²²¹ See <https://www.muzej-kamnik-on.net/en/locations/rudolf-maisters-birthplace/> [Last accessed 30th September 2021].

²²² It would be subject to further research to identify the specific practices of valorization cultural products and services for local markets in SMSC.



will inevitably become an input in their valorization process together with the liability of provincialism and conservativeness.

Another deviation from the normal practice of dissociation from a SMSC to avoid the liability of provincialism and conservatism can be seen in the empirical evidence presented for Vittorio Veneto where we find four cultural institutions with an international aspiration which don't try to eradicate, omit, or cancel out their local references to Vittorio Veneto: the Lago Film Fest in Revine Lago, an independent film festival for experimental independent short movies and documentaries, the Vittorio Veneto Film Festival, an international festival for children and youth films, the Zavřel Foundation in Sàrmede with its museum and an annual International Exhibition of Illustration for Children in the field for children illustration, and the biannual international violin competition for young violinists, "Concorso di Violino Città di Vittorio Veneto, Premio Internazionale Prosecco Doc". The motivation for the producers of these festivals as well as for their participants is to valorize cultural products and services for supra-local markets with the valorization taking on the form of a prize. But how does a positive reference with a SMSC work for the valorization of contemporary cultural products and services in the context of the liability of provincialism and conservativeness for SMSC?

At first, we must acknowledge that none of these four festivals is well known beyond both the region and a very small community of practitioners defined by a very narrow and specific interest such as children illustration. Hence, the valorization of cultural products and services for supra-local markets that take place during those festival events is very narrow with respect to a very specific art discipline or CCI field. The festival prizes will also become compared with other prizes awarded during similar festivals in the specific art discipline or CCI field and will become subject to valuations and rankings in a corresponding reputation hierarchy for festival prizes. The valorization for specific cultural products and services taking place during festival events in Vittorio Veneto serves mostly as an entrance point for young talents in their respective art disciplines or CCI sectors who are looking for getting exposure and visibility early in their careers hoping that even a comparatively small and unknown prize may turn out to become a jumping off point and catalyst for their artistic career. For this purpose, the name of the city where the valorizing event takes place does not become a liability of provincialism and conservativeness provided it becomes clear that neither the artist's nor the curators' and jurors' creativity and professional expertise depend on the experiences accessible in Vittorio Veneto only. This is, that Vittorio Veneto and its attractive hinterland only serves as a temporary scenery or as a sort of time out for the creatives and not as the center of their lifeworlds. Under these conditions, an attractive natural environment can in combination with the temporary form of a festival serve as an attractive infrastructure for the producers, participants, and consumers of CCI related festivals who might even look for provincialism in terms of seclusion and the feeling of a close community on a temporary base.

4.13. The CCI field related reputation hierarchy of country images and its role for the valorization of cultural products and services made in SMSC

Further above, we have already touched upon the topic of the country-of-origin effect for cultural products and services in the context of the discussion of national models for cultural production. In the previous section, we have described that an association between a geographic entity and a cultural product and service can also be made in the consumers' minds with respect to certain cities and to certain types of cities. Cultural products and services are characterised by idiosyncratic features which reflect the specificities of their authors as well as of their places of origin. We have seen many practices by which CCI stakeholders and firms try to evoke or suppress place-specific features of their cultural products and services. For example, we have already discussed how the reputation of the Italian nation for design and manufacturing quality gives the CCI companies in Vittorio Veneto an advantage over those in Kamnik in the potential to borrow attention, reputation, and value for their cultural products to overcome the liability of provincialism and conservativeness often attributed to cultural products and services originating from SMSC. In doing so, however, we have talked about 'place in product' when referring to the phenomenon of a particular city's branding power instead of a city-of-origin effect. Rather, we have used the discussion to



point to the fact of a reputation hierarchy of city images and their role for the valorization of cultural products and services which, in turn, made us aware of the facts that SMSC are not even included in this reputation hierarchy leading to the attribution of the values of provincialism and conservativeness to cultural products and services originating there. Before this background, we will revisit the country-of-origin effect for the branding of products and services and interpret it as a CCI related reputation hierarchy of country images in the context of the problem how to valorize cultural products and services.

There seems to be at play a status hierarchy of country images for cultural products beside the status hierarchy of city images. This status hierarchy of country images for cultural products becomes particularly visible when we compare Italy with Slovenia and Hungary, the two countries from Eastern Europe in the StimulART project. Regarding the status hierarchy of country images, we can assume that companies from Italy will find it easier to borrow reputation for their cultural products and activities from the Italian country reputation than Slovenian or Hungarian firms from their respective country images which constitutes a considerable competitive advantage.

As the case studies of Jászberény and Kamnik could reveal, while companies based in Hungary and Slovenia have partly managed to become competitive in knowledge-intensive business fields with technological and functional products, they experience difficulties in the CCI sector where competitiveness is translated in creating desirability for cultural products and services or in cases when technological and functional products are upgraded by strategies of product differentiation such as culturalization and aestheticization. While there are certainly good practices identifiable such as the fashion label Nanushka in Hungary's capital city Budapest or the furniture design company Rex Kralj in Slovenia's capital city Ljubljana, these companies constitute an exception rather than the rule at the time being.

The case studies have shown that there are two types of liabilities at play in disadvantaging cultural products and services from Hungary and Slovenia compared with those from Italy. The first liability is the liability of smallness of the domestic markets for these products. Both countries define and legitimize themselves on the basis of a cultural national identity centred around relatively small linguistic communities. In addition to their relative smallness in terms of the number of potentially interested buyers, wealth, purchasing power, and the level of disposable income in these countries is still below the EU average. These conditions lead to the phenomenon that particularly artists from the 'Core Cultural Expressions' find it difficult to make a living just based on their artistic achievements even when they have national successes while their activity and career is actively encouraged by the state. Instead, much of the cultural production in these countries is funded by public budgets because of the importance of these core cultural expressions for the identity and political legitimisation of a nation state centred around national language and culture. This liability of smallness would require CCI companies to become successful at international markets in order to transcend the limits of small national markets. However, in order to become desirable, cultural products and services must become valorized while one input in the valorization processes is the feature where their authors live and get inspired which has an (imagined) influence on the ideation and production of these products and services. This question of where an author's inspiring lifeworld actually is refers not only to cities, regions, and country sides but also to countries and nations. Unfortunately, the reputation for the quality and desirability of cultural products and services from ex-socialist countries is not very high, not even among their own citizens. Much of consumer goods from ex-socialist countries were massively devalued in the eyes of its domestic and international customers after the breakdown of the former Eastern Bloc when the masses in Eastern Europe strived to achieve Western European standards and when the reputation of the Eastern Bloc and its 'way of life' were damaged for the loss of the system conflict particularly with respect to the de-valorization of consumer goods in general and for cultural goods and services in particular. Therefore, CCI actors and firms from Hungarian and Slovenian SMSC cannot use their home country of origin effect to overcome the liability of conservativeness and provincialism attributed to their products. It seems not to be accidental that the exceptions cited above for Hungary and Slovenia, Nanushka and Rex Kralj, are domiciled in their national capital cities which can convincingly claim to have 'buzz' at least.

On balance, the CCI field related reputation hierarchy of country images and its role for the valorization of cultural products and services made in SMSC becomes particularly visible when we focus on the problems of



the CCI companies from ex-socialist countries to internationalize their business operations. In these cases, CCI companies have not only to overcome the liability of provincialism and conservativeness but in addition the liability of origin from a country with low reputation for cultural products and services. Creativity and innovativeness are needed in economic restructuring of the East European economies in order to catch up with Western Europe in terms of competitiveness and value added. At the moment, we can see successful catching up processes on the basis of technological restructuring in information and communication technology, higher investment in R&D, and knowledge intensification in knowledge-based business services. However, in the field of cultural production where we rather deal with symbolic knowledge similar catching up processes are even more difficult to achieve for the Eastern European Economies since to become competitive in this domain requires the valorization of cultural products and services as desirable which is closely connected to the country images where they originate. Before this background, an activation of entrepreneurship and an increase in entrepreneurship activity might not be enough to close the gap in competitiveness with Western Europe competitors in this field. However, as the both examples of Nanushka and Rex Kralj can demonstrate, there already exist successful companies in Hungary and Slovenia that have managed to overcome the liabilities of the small domestic market coupled with the low cultural reputation of the country of origin. While we should study successful strategies for coping with these liabilities at firm level, at country level the ex-socialist East European countries should also become engaged in elevating their reputation for cultural production in terms of quality and desirability in the eyes of an international audience.

4.14. The role of sports in cultural-led urban development programs in SMSC

We have already seen that many expectations about CCI sector strategies and cultural-led urban development programs are shaped by the mainstream discourse about CCI and global creative cities, and we could uncover certain biases and taken-for-granted assumptions about metropolitan cities of this discourse based on the StimulART partner cities' experiences. We could identify certain biases that do not fit well with the preconditions found in SMSC such as the cluster thesis about the CCI sector while pointing to certain dimensions that are important issues for the further development of SMSC but which are missed out by the mainstream discourse such as youth culture and the young generation. Another dimension that is not addressed by this discourse is the role of sport in the everyday life of SMSC inhabitants and the associated developmental potential for a cultural-led urban development.

Comparable to the cultural live, the sporting culture is very rich in SMSC with many people valuing sport very highly in their everyday lives, and with many sport clubs in which their inhabitants lead an active sporty live. Some of the StimulART partner cities are even specialized in certain sports so that they can compete at a national or even international level. For example, Vittorio Veneto is known for their tradition in Judo, running, and rugby. The city is also host for training camps for football teams of the national league. In Jászberény, ice skating, ice hockey, basketball and volleyball are popular with teams that compete in the respective national leagues, in basketball and ice hockey even with professional teams. Kamnik is closely connected to outdoor sports like climbing and hiking and has a mountain rescue team that wins regularly in national competitions.

The relationship between sport and culture is mostly characterized by competition for the inhabitants' attention, time, and resources, but also by competition for support by public money or for sponsorship by local firms. However, sometimes we can find a mutually reinforcing relationship, for example, where a new subculture emerges around a certain new sport, oftentimes embedded within a youth culture which also emits (sub-)cultural products and services like in the HipHop culture (skating, rap music, graffiti). We can find those phenomena for example in Kamnik, where the young generation has established a skating park and a climbing center in the formerly abandoned Alprem factory.

Thus, a vivid sport scene and active live culture may become an amenity in SMSC when providing opportunities for practicing sports to its citizens. Indeed, to become known for good opportunities for practicing certain sports may figure as an important USP for SMSC that increases their attractiveness



especially for families and those persons who are trying to realize an active life style close to nature, or that, when coupled with a sub-culture, may make the city especially attractive to the young generation.

All StimulART partner cities, even Naumburg and Kamnik which are in the catchment area of metropolitan areas, are characterized by a geographic location where the cities are surrounded by an attractive natural landscape. Kamnik and Vittorio Veneto can even offer an easy access to mountains, Naumburg can offer opportunities for water sport like canoeing on the river Saale, while Jászberény is known for equestrian sports in the Great Hungarian Plain. Thus, a certain potential for the urban development of the StimulART partner cities lies in their specific opportunity to take advantage of their ambiguous character of neither being a big city nor belonging to the countryside in character by trying to unify the advantages of both while avoiding their disadvantages. Thus, SMSC can actively strike the balance between the right amount of urban and rural life close to nature when offering cultural amenities in close relationship with amenities bound to nature which also enable certain sports and the culture of an active life.

4.15. SMSC as a context for the knowledge intensive economy

Cultural-led urban development programs as well as the formation of the creative class, and the creative city discourse have been embedded in the overall societal development towards a knowledge society and an increasingly knowledge intensive economy. A.J. Scott (2008) has correctly termed this correlation between the increasing knowledge intensity of the economy at large and the ascendance of the CCI in larger metropolitan cities “cognitive cultural capitalism”. In this context, the focus of urban and economic developmental policies has been on metropolitan regions in which a critical mass of all fractions of the creative class could be presupposed as could critical infrastructure of the knowledge society such as universities and research institutes and diverse amenities for a high quality of life. The importance of cultural-led urban development programs and of the creative city semantics is twofold at least. At the one hand, those discourses have stressed the cultural fundament for any form of individual and collective creativity with the latter increasingly becoming an indispensable resource for the swift adaptation of cities to ever changing circumstances in general (i.e., for the cities’ ability to learn, innovation capability, adaptability, and resilience). At the other hand, those discourses have stressed the role the CCI and their occupations have for a city’s general adaptative capabilities and the role the CCI has as a locational factor to foster the attractivity of cities for the creative class. However, since the focus of those discourses has rather been on global cities or metropolitan regions SMSC’s specific conditions for keeping up with the development of the knowledge society have not been discussed much. The general understanding seems to have been that SMSC will easily find their place in the newly emerging division of tasks and labour in metropolitan regions by specializing in certain industrial sectors and, thus, by clustering.

The Gap analyses in the StimulART partner cities point to a less positive development, namely an ongoing erosion of the human resource base in SMSC as an erosion of both the CCI and its occupations and more generally of the creative class as such. We can distinguish four different processes of this ongoing human resource base erosion in SMSC, namely:

- a tendency to lose its analytical knowledge base beside a symbolic knowledge base,
- a tendency to lose entrepreneurial potential,
- a shortage of skilled labour in service industries and
- a shortage of skilled labour in manufacturing industries as well as the erosion of maker and practical skills in vocational trainings.

4.15.1. The tendency for SMSC of losing its analytical and symbolic knowledge base

Amberg and Vittorio Veneto are locations for technological world market leaders which have settled or established companies there many years ago, meaning that the cities must have had location advantages. Today, experts and graduates at university level can no longer be attracted to and retained in SMSC in sufficient numbers and quality, while the knowledge-intensive development and production of technology leaders at world market level require these qualification profiles on an increasing scale. At the same time,



even the human resources graduating from the OTH Amberg, a university of applied sciences, according to industry representatives, lack certain knowledge and skill profiles, especially the analytical and symbolic knowledge skills required for disruptive innovations together with corresponding individual aspiration levels. In other words, the findings from the StimulART project show that the partner cities have a knowledge base that is characterized by the form of synthetic knowledge. The forms of analytical and symbolic knowledge can be missed, which in turn are crucial for disruptive creativity and sustainable innovation capability. This one-sided distribution of the knowledge base will tend to worsen in the medium term because the carriers of analytical and symbolic knowledge - the members of the creative class - are increasingly tending to settle in larger cities and metropolitan areas. World market and technology leaders are gradually losing their competitiveness in SMSC because of this development.

It seems that in the new era of knowledge-intensive production and services, the long-known 'localization economies' or 'agglomeration advantages' - or as Michael Porter would say: 'clusters' - are no longer sufficient for locational advantages. Rather, we see the emerging pattern of knowledge-intensive industries and services as well as members of the 'creative class' (R. Florida) clustering in large cities, especially in 'global cities' (S. Sassen) and metropolitan regions. Thus, the question of how to achieve a sustainable development of regions and cities is increasingly about 'urban economies' and the preferences of the members of the creative class for where they want to live, work and play. In the face of strong centripetal forces, we see empirically how a new 'geography of the creative class' is successively and secularly forming, in which we find the creatives concentrated in the metropolises, while the share of creatives in the population of small, medium-sized, and peripheral cities as well as rural regions continues to decrease.

The creative class is not a homogeneous social class but is differentiated in several ways. On the one hand, we find different levels of creativity within the creative professions. The members of the group of the 'super creative core' work on new, often disruptive solutions for known problems as well as on the discovery of entirely new problems and related solutions without a model. The members of the 'creative professionals' group, on the other hand, merely apply existing knowledge to solve known problems. This distinction of creativity levels is related to the location preferences of the creatives. While creatives from the 'super creative core' are more likely to be found in metropolises and their dense 'creative milieus', in SMSC we are more likely to find members of the group of 'creative professionals' with a lower creativity level as well as lower aspiration level for their own career.

At the same time, the creative class can also be distinguished regarding the nature of their knowledge base. The work of creatives from the cultural and creative industries is based more on 'symbolic knowledge'. Scientific professions' knowledge base is 'analytic' in character, while engineering professions work more with a 'synthetic knowledge base'. Interestingly, the carriers of different knowledge bases also have different location preferences which adds to the already mentioned emergence of a new 'geography of creativity': Members from professions based on symbolical and analytical knowledge attach more importance to 'quality-of-place' and 'people climate' in their 'residential locational decisions' than members from professions based on synthetic knowledge, who rather prefer the criteria 'business climate' and 'access-to-place'. Or to put it another way: Artistically creative and intrinsically motivated academics with a cosmopolitan mindset prefer big cities.

To be sure, when we relate the two typologies of the creative class to each other, we can distinguish between different levels of creativity - the 'super creative core' and the 'creative professionals' in each of the knowledge dimensions - analytical, symbolic, synthetic knowledge. However, since there is a tendency in synthetic knowledge to find new solutions by combining existing knowledge rather than discovering completely new knowledge (analytic) or creating new aesthetic and symbolic meaning (symbolic), there is a tendency for occupations with a synthetic knowledge base to coincide with 'creative professionals' and creativity levels lower than in the 'super creative core'.

When we project the recent centripetal trends in the geography of creativity for SMSC, this may lead to a situation already described above: Creatives from all knowledge bases are increasingly clustering in large cities, especially in global cities and metropolitan regions, while the share of creatives in the total population is decreasing in (peripheral) SMSC and rural regions. The fractions of the creative class which



remain in SMSC and rural regions are, on the one hand, more likely to be members of professions with a synthetic knowledge base and, on the other hand, more likely to be among the creative professionals with lower aspirations and interest in innovative solutions and problems and a lower level of aspiration regarding their own careers. Thus, world market leaders that are in SMSC are increasingly faced with a shortage of skilled labour, more specifically with an increasingly one-sided and for innovation purposes ill-equipped knowledge base, with a decreasing total number of creatives who, on average, will have a rather synthetic knowledge base and represent a lower creativity potential and corresponding lower aspiration level.

Whereas before the knowledge intensification of production and services, cities such as Amberg and Vittorio Veneto could boast competitive locational advantages that could be cultivated by universities of applied sciences in the field of synthetic knowledge base and by the occupational group of 'creative professionals', these cities now seem to be subject to an insidious erosion of these locational advantages, which the existing educational institutions in SMSC in their current orientation can hardly change. If creativity and the innovations based on it are the engine of the current and future development of the economy, cities, and regions, then this engine can indeed further develop metropolitan regions and their companies in a sustainable manner, but especially the peripheral SMSC will increasingly be disconnected from this development resource unless suitable countermeasures are taken.

For example, there is a shortage of skilled labour with respect to the super creative core occupations in the technological fields necessary for the knowledge intensive manufacturing sites in Amberg and Vittorio Veneto. Thus, even hidden industrial champions in SMSC become increasingly unattractive as employer for the super creative core of the creative class despite their high employer reputation and excellent working conditions. As a result, hidden champions may be increasingly losing competitive advantages in SMSC as the intensity of the competition in the knowledge intensive industries increases. Will the hidden champions follow the technological super creative core professionals of the creative class soon, close down their operations in SMSC to build new company sites in metropolitan regions?

To avoid such a possible scenario, cultural-led urban development strategies for SMSC should emphasize not only CCI sector strategies but creativity enabling conditions more generally.

4.15.2. The tendency of SMSC to lose entrepreneurial potential

Regarding Amberg and Vittorio Veneto we could identify a strong entrepreneurial culture based in entrepreneurial families strongly connected to the territory which has been acting as the basis for the processes of 'creative destruction' since the onset of early capitalism. However, interviewees in all StimulART partner cities, except for Kamnik, where the KIKstarter start-up incubator is operating, report both the flattening of entrepreneurial activities and the weakening of entrepreneurial culture, although for each city with slightly different patterns.

According to interviewees in Vittorio Veneto, a start-up mentality is only weakly developed in the city even though there exists a strong culture of family entrepreneurship in the Vittoriese area in particular and in northern Italy in general. Hence, we find a significant contrast between a high level of corporate technological creativity and innovation of the big industrial players in the area at the one hand and a low start-up and founding rate with mostly traditional business models at present at the other hand. While many of the established companies in Vittorio Veneto which have been founded in the city itself have been evolving into research- and design intensive companies only over time, this pattern might become outdated. When the previous generations of entrepreneurs could found their businesses without formal university degrees or higher levels of analytical knowledge, often based just on a secondary education in a vocational school and on a synthetic knowledge base coupled with strong learning capabilities, the general increase in knowledge intensity in the economy seems to have made it obligatory for entrepreneurs to command over a deep technological and business knowledge at university level right from the start in order to succeed. Since there is lack of universities in the area, there is a widening gap of potential entrepreneurs adequately qualified for the knowledge intensive economy because university alumni tend to stay in larger university cities after graduation and won't return to their home cities when they originated from smaller cities such as Vittorio Veneto.



The perceived lack of creative innovation resources in the form of a human resources with analytic and symbolic knowledge bases is contributing to the hesitation to found knowledge intensive companies in the SMSC even in case when a founder commands over the necessary entrepreneurial skills as the example of Amberg can demonstrate. In Amberg, where even a start-up incubator for digital businesses exists that is run by the OTH, a university of applied science, the founding and start-up rate of companies is flattening, too, and ambitious start-ups leave the city shortly after foundation for bigger cities with supposedly better development conditions and environments for knowledge intensive start-ups.

When we take together both tendencies in SMSC's knowledge base, the gradual loss of super creative core professionals with an analytical and symbolic knowledge base and the gradual loss of entrepreneurial potential, we must say that the increasing knowledge intensity in the economy could lead not only to the relocation of existing knowledge intensive companies but also result in a situation where no companies are established from scratch which could replace the relocated companies in SMSC in terms of technology and knowledge intensity, providing for high value added, high profits, and high paying jobs. This potential stop of the century-long process of 'creative destruction' could lead to a negative downward spiral with the result that SMSC become further and further unattractive for the members of the creative class and for knowledge intensive companies and that the jobs and occupations left in these cities are those that are rather unattractive and low in the occupation status hierarchy except from the remaining jobs in the creative professions. In such a situation of a 'synchronized unattractiveness' with SMSC becoming increasingly unattractive for the creative class together with the companies and jobs still available, SMSC will have lost the location advantages they enjoyed during much of industrialization due to the strong centralization and clustering tendencies in the new urban economy of the knowledge intensive economy.

At the same time, we can conclude that SMSC may still command over locational advantages for less knowledge intensive economic activities with a lower level of value added in manufacturing, craftsmanship, and services. Interestingly, these remaining locational advantages are connected to particular challenges in the human resource strategy at firm level as an interview with an entrepreneur from Vittorio Veneto can make clear: Although his company relies on some creative input to survive - for creating new woven fabrics designs on a seasonal basis -, he is not looking for high potentials of the creative class with academic qualifications. Talented people would only use the offered job positions as a jumping-off point for their career. Rather he is looking for job applicants with lower than academic qualification, and with moderate aspirational levels paired with a willingness and ability to learn so that they potentially will stay long enough in his company to be able to slowly grow and develop the skills to master more demanding, but not too demanding jobs requiring many maker skills and much implicit how-to knowledge. In other words, the requirement profile he is looking for is for less ambitious people, content with average income and job conditions, preferably with strong family ties in the region and an emotional attachment to the territory.

This description of the looked after qualification profiles for creatives with symbolic knowledge base in Vittorio Veneto seems to cast a realistic scenario for SMSC even though it embodies the opposite of the creative class vision. However, in order to get a fuller picture of the development potentials for (peripheral) SMSC in a knowledge-intensive economy, we will look below the educational level of the academized creative professions and turn to the level of skilled labour and vocational trainings.

4.15.3. Shortage of skilled labour in service industries

In the interviews with entrepreneurs, CEOs and human resource managers in the StimulART emerged a third dimension of the erosion of SMSCs human resource base which is not directly related to the 'flight' of the creative class but rather to the lack of certain skill sets in the service industries and skilled labour in manufacturing.

In each of the StimulART partner cities exist a shortage of skilled labour in the service industries such as tourism and gastronomy which make up an important part of the local economies. The occupations and jobs in these sectors lose attractiveness in the eyes of the young generation compared with sectors and



occupations for which an academic qualification is needed. While there is a general shortage of service personnel in all these cities due to the academization tendencies, some skill profiles are particularly inadequate, especially in terms of English language skills for serving international guests. While the StimulART partner cities have some developmental potential in cultural tourism these potentials may not become fully realized because of this shortage of skilled labour and the inadequate qualification profiles.

4.15.4. Shortage of skilled labour in manufacturing and the erosion of maker and practical skills in vocational trainings

According to interviews conducted with entrepreneurs, CEOs and human resource managers in all StimulART partner cities, a shortage of skilled experts occurs also with respect to craftsmanship qualifications and skilled labour in manufacturing. For example, an entrepreneur in Amberg reported that he had to employ unskilled migrants for manufacturing jobs in the automotive supply industry for the severe skilled labour shortage in the region which is worsened by the high wages paid by the high-tech companies in the region. Another example found in the StimulART partner cities are the more than 3000 guest workers from Ukraine who work in the Electrolux factory in Jászbéreny.

Similar to what is happening in the service sector, education in craftsmanship and manufacturing occupations lose attractiveness and reputation in the eyes of the young generation compared with the academized occupations of the knowledge economy. While this trend is observable in all StimulART partner cities, there is another trend developing for which evidence is available only for Vittorio Veneto and Kamnik at present but which might be happening in the other cities, too.²²³ Although the number of vocational school alumni is still sufficiently high in Vittorio Veneto, their type of practical knowledge and skills does not fit into the occupational requirement profiles of the local manufacturing companies and craftsmanship businesses any longer. According to local entrepreneurs, the young workers increasingly lack practical skills for “making things” what the interviewees attribute to the increasing formalization during the vocational training. In this way, theoretical knowledge would replace practical knowledge and skills, thus, creating a difference between qualification profiles demanded by local companies which are specialized in manufacturing and craftsmanship at the one hand and the qualification profiles of the local vocational schools’ graduates at the other hand. A similar observation is reported in Kamnik where the Kikstarter start-up center also runs a maker space to foster and upgrade practical and maker skills of the younger generation to provide for a better fit between their qualifications profiles and the job profiles required by local firms.

This tendency of the erosion of maker and practical skills seems also to be connected to the increasing knowledge intensive economy and to digitization. An increased digitisation and dematerialisation of the lifeworld and the economy and a formalization and theorization of knowledge in the new curricula for vocational trainings which are reformed to keep up with the increased demands for knowledge in the contemporary economy seems to lead to a loss of maker and practical skills needed in manufacturing and crafts production. Thus, the dynamics of the knowledge intensive economy do not only put under pressure the structure of the creative class in SMSC, rather ‘maker and practical skills’ important for the manufacturing sector are also affected by an increasing academization, formalization, and theoretization of knowledge and by the dematerialization of practices during vocational education.

Thus, when we shift the focus of attention from the dynamics of the creative class to the level of occupations in manufacturing and craftsmanship and their vocational education, a worst-case scenario for SMSC comes into sight: The tendency of the erosion of maker and practical skills in vocational training results in a widening misfit between the qualification profiles of the new work force graduating from vocational schools at the one hand and the job requirement profiles in manufacturing, craftsmanship, and services asked for by employers in SMSC at the one hand. This would mean that the work force in SMSC will increasingly lose

²²³ The loss of practical and maker skills became visible in the analysis of the empirical data from the study visits after the fact since the focus of the study visits was on the creative class and its occupations in the context of SMSC. The insights reported and discussed here for Kamnik and Vittorio Veneto may be present in Amberg, Naumburg, and Jászbéreny, too. However, further empirical research is needed for these cities.



employability for the jobs and occupations still available in SMSC after the creativity requiring jobs in the knowledge intensive economy have left, resulting in both an ever-larger share of people excluded from regular income and degrading location factors for doing business in SMSC. This specific skilled expert shortage threatens to erode exactly the locational advantages SMSC may still have for companies specialized in manufacturing and craftsmanship when the creative class tends to cluster in bigger cities. On balance, these developments pose a challenge for the SMSC's further economic development since the SMSC's local economies are highly dependent on the manufacturing sector, so are the CCI sectors in these cities which are often crafts-based relying on the input of skilled manual labour and craftsmanship.

5. Conclusions

The StimulART project had two main goals. It aimed at the activation of the CCI sector by setting up CCI sector strategies and action programs adapted to the partner cities' particular conditions. At the same time the CCI sector was supposed to utilize, commercialize, and monetarize the partner cities' site-specific cultural resources and, thus, to start an urban development process driven by creativity and culture. Consequently, throughout this report, we have talked about a cultural-led urban development program and a CCI sector strategy as an overall smart specialization strategy for the StimulART partner cities that shall boost their competitiveness and increase their attractiveness especially for the young generation to stop the brain drain and to keep the creative human resources in the cities.

During the discussion, we have compared the StimulART partner cities with metropolitan and bigger cities at the one hand and with each other at the other hand. In this way, we could draw many inferences about *the specific conditions for* as well as *the specific potentials of* cultural-led urban development programs and CCI sector strategies in SMSC. The extensive discussion in the previous chapter has become necessary because the empirical and theoretical knowledge about cultural-led urban development programs and CCI sector strategies in SMSC is rather scarce and normative in character as is the knowledge about SMSC more generally. We could gain some of our most interesting and surprising insights by the comparison of SMSC with metropolitan and bigger cities. Cultural-led urban development programs in which CCI sector strategies and the utilization of local cultural resources play the central role have been designed with the latter city size type in mind. Still today, the best-known concepts are probably the notion of the 'creative city' in the sense of C. Landry and the notion of the 'creative class' coined by R. Florida. With the help of a comparison, we could unveil at least *two types of big city biases* in the creative city and the creative class discourse.

The *first big city bias type* in the creative city and the creative class discourse is *to take certain conditions for granted one can only find in metropolitan cities* such as New York, Tokyo, London, Paris, and Berlin. Among them is the important assumption that each metropolitan city has a big enough potential to become a location for a cluster of a certain CCI-sub-sector with unlimited growth potentials, or to become even a location to host clusters in every single one of the CCI-sub-sectors. This condition given, then, indeed, the task for a metropolitan or bigger city is merely to become attractive enough for the creative class to settle there and to stay. While this story may hold true for global cities, to apply this assumption to SMSC is rather misled because it ignores the limits to a critical mass of CCI stakeholders necessary for clustering, while those limits are mainly set by the size of the local demand for cultural products and services. Even in Amberg and Vittorio Veneto, the StimulART partner cities with the largest local markets for CCI products and services as defined by the overall local economic potency, we can't find clusters in the CCI sector or seeds for clusters, let alone CCI sub-sectors. Rather we find there on the local market level an oligopolistic market structure with strong competition in all local CCI sub-markets that are small and rather stagnating and saturated. This metropolitan bias type points to *assumptions about developmental potentials* like the clustering potential of the CCI sub-sectors that take certain preconditions for granted that are given in metropolitan cities but cannot be replicated in SMSC. A naïve application of the assumption that every city has cluster potential for the CCI sector irrespective size would set up wrong expectations for SMSC about related developmental and growth potential and, in turn, would lead to wrong guided policy measures.



A second type of metropolitan city biases can be identified in developmental challenges faced specifically by SMSC that are not discussed or visible in the mainstream discourse about metropolitan or bigger cities such as a lack of youth culture and the educational migration of the young generation. The metropolitan and big city bias of the creative city agenda treats youth culture as taken-for-granted because a critical mass and high density of the members of the younger generations seem to be always present in those cities. This second metropolitan bias type points to *overlooked potentials for SMSC* because the phenomenon in question is already highly developed in metropolitan cities, though based on conditions that cannot become replicated in SMSC.

On balance, it was for the metropolitan, if not global cities, that the concept of a cultural-led urban development by activating the CCI sector and by upgrading its capacity to utilize local cultural resources has been developed. The high expectations usually connected to this concept - the sheer endless growth possibilities unleashed by the unlimited resource of creativity - may not become fulfilled in SMSC. Rather, the risks are high that SMSC will fail and waste scarce resources when trying to live up to those high expectations.

However, very recently, the interest of national and EU-level policies in SMSC and in their role for territory cohesion as well as spatial and regional development has risen enormously as has the interest in academia. Quite understandably then, the interest in the transfer of cultural-led urban developmental concepts from metropolises to SMSC has been risen as well. Ironically, this development takes place at a point in time when these concepts have already been replaced in the metropolises, most visibly by smart city visions. What sense does it make, then, to adapt a seemingly outworn concept to the context of SMSC that can only be described as an adverse environment for a CCI sector led urban development strategy based on local cultural resources?

This sceptical question is highly relevant. It helps to become suspicious about the persuasive, and even sometimes blinding power of the creative city or the creative class rhetoric. It encourages to look behind their concepts to avoid overestimating their potentials in SMSC, and, thus, to help in building realistic expectations for appropriate strategies.

Cultural-led urban developmental programs and CCI sector-strategies are stronger connected to the concept of C. Landry's creative city concept than to R. Florida's creative class concept. Interestingly, the creative city concept is much broader than the creative class concept. Although CCI sector-strategies are an important pillar for the creative city concept, there are many more pillars as important for building a creative city which, however, draw on soft factors in urban development, too. The concept emphasizes the adaptability, flexibility, and agility of cities in a fast-changing global environment. In this sense the creative city concept formulates requirements for any city drawing on soft factors like human capital, city identity, the aesthetical appeal of a city, city culture, and organizational capabilities. Although the creative city concept has been gradually replaced by the Smart City concept as a vision for city development, the requirements of adaptability, flexibility, and agility for a city of any size are still existent while even those cities where the concept has been implemented are not fully a creative city yet. Indeed, the Smart City concept emphasizes hard factors and technical infrastructure over soft factors again, as was the case in urban development for most of the time before the creative city concept took some ground. It was the achievement of the creative city concept to introduce soft factors into urban development which are as important for SMSC as they are for metropolitan and bigger cities. Therefore, to apply the creative city agenda to SMSC might come two decades later than it could have, compared with global creative cities, but it does not come too late because its agenda is still up to date even in those cities where it was able to inspire urban development for a short period of time. In fact, the requirements of adaptability, flexibility, and agility in a fast-changing global environment are requirements that never gets old or expire.

It is clear from this discussion that the CCI sector cannot play the same role in a creative city strategy in SMSC that it had played in metropolitan cities because of a lack of a critical mass of CCI stakeholders and firms which is a precondition for clustering forces, spill-over effects and externalities. This obstacle will not be overcome even with the best strategies and the best of support. However, the less the CCI sector can be a driving engine in a creative city strategy the more the other important pillars in such a strategy have to



step in and play the role of the CCI sector or support it. Besides, the CCI sector can still make important and irreplaceable contributions to a creative city agenda even if it is not the driving machine. Seen from this point of view, a creative city agenda may be even more important for SMSC today than it has been for metropolitan and bigger cities in the past for which it has been invented. The latter city type is already a creative city in a certain sense by definition while the creativity enabling conditions that can be found in metropolitan and bigger cities quite naturally have to be artificially produced and reproduced in SMSC first. Hence, the biggest potential of all for a cultural-led urban development program for the StimulART partner cities and maybe for SMSC in general is probably the sound implementation of a creative city agenda that is adapted to the cities' size type while drawing on the site-specific cultural, but also territorial and social potentials of each particular SMSC.

Ironically, the answer to the question why to apply a creative city agenda in SMSC which generally lack the preconditions for its implementation is: Because it is more important for SMSC than for metropolitan and bigger cities, which have always been a creative city for themselves by themselves. However, it is important to implement creative city agendas in SMSC for the right reasons and with appropriate expectations. In the same vein: It is important to support the CCI sector in SMSC as an integral part of a cultural-led urban development program for the right reasons. In SMSC it is important to support the CCI sector to secure its activity, market and job level and to weaken the centripetal forces towards the metropolitan centers. The relevance of the CCI sector for SMSC and its urban development does not so much lie in its potentially limitless growth potential by way of cluster building forces but rather in its more traditional economic roles, its symbolic role for the modernization of the city, its potential for community building, and its role for the attractiveness of the city in a more regional meaning.

After having cooled down the exaggerated expectations about the adaptation of the creative city concept to SMSC while acknowledging the pressing need to make SMSC more flexible, adaptable, and agile in a global environment that changes at accelerated pace, the remainder of this section lists the general findings of the StimulART Project Level Gap Analysis Synthesis Report regarding the adaptations of the creative city concept to the special conditions of SMSC. The following list presents these generalized insights of the extensive discussion in the previous chapter in a condensed form.

Place as key attractor and productive factor in the CCI sector of SMSC

The creative class members' motives to locate in SMSC differ from those found in metropolitan or bigger cities. SMSC seem to have their own specific amenities compared with metropolitan cities seen through the creative class members' eyes. SMSC should find urban development strategies adapted to and aligned with what creative class members find attractive about their cities.

SMSC as locations for CCI actors and firms, creating jobs and wealth?

In all StimulART partner cities there are healthy firms and freelancing CCI businesses existing. Surprisingly, there are market activities detectable in almost each of the CCI sub-sectors almost in each city. The heterogeneous set of CCI stakeholders is highly adapted to the respective local CCI sub-market niches based on local demand and the residential economy. Most CCI stakeholders in the StimulART partner cities sell their products and services to locals, tourists, small local businesses, and local public or non-profit organizations. Most of their products and services have rather low degrees of cultural content and aesthetic newness and fulfil aesthetic needs and desires on a rather basic level only. The size of the local market for CCI products and services seems to depend on the cities' industrial and economic activity level at the one hand and the level of tourism at the other hand. Even in Amberg, the city with the largest local markets for CCI products and services as defined by their overall economic potency, we see an oligopolistic market structure with strong competition in all local CCI sub-markets that are stagnating and saturated. Relatively small local market niches mean that there are only a few, mostly small companies and freelancers with a viable, mostly traditional, business model operating in each sub-market if at all. However, we can find some exceptions to the general pattern of CCI firms and freelancers adapted to the rather small and conservative residential economy: firms with specialized business models that follow a product differentiating and qualitative strategy catering for regional, national, or international markets.



But even when we take these exceptional specialized firms into account, we cannot find any signs of clusters specialized in CCI sub-markets that could serve as a potential basis for a CCI-led economic growth process. The CCI sector strategies of SMSC should not aim at building clusters in specific CCI sub-sectors as a specialization strategy. Rather they should aim at stabilizing the whole CCI sector which is in danger of bleeding out and at gaining moderate growth.

Sustainable business models of CCI forms and actors in SMSC

Local producers of cultural products and services in the StimulART partner cities cope with small local markets for locally produced cultural products and services and with their prevailing conservative tastes by adapting their business models to the demand patterns in their local market niches. These business models are traditional in character rather than geared towards growth and business model innovation. We also find many examples of precarious business models build around marginal self-employment. The mostly low levels of cultural content and aesthetic newness in the cultural products and services offered to the local markets enable craftsmen, but also hobby-producers, to successfully enter the local market for cultural products and services without a formal (tertiary) education in CCI occupations.

Local CCI as a dynamic force in the local economies of SMSC, driving growth, and adding high-value jobs in the knowledge economy?

In SMSC, the size as well as the growth rate of the local CCI markets are a function of the growth and the size of the local economy, or the regional economy respectively. The questions a local development strategy for the CCI sector should ask therefore are about the stabilization of the sector: Can the local CCI stakeholders become supported in their capacity to fully exploit the market niche size defined by the size of the local or regional economy and to proportionally benefit from the growth of the local or regional economy. The stabilization of the CCI sector is important since a high proportion of the CCI actors are SME which are strongly rooted in the territory in terms of both traditions and networks. In parallel with securing the stabilization of the CCI sector, the local CCI stakeholders should be supported by measures that aim at improving their professional levels and at specializing their business models so that they become more independent from the local market by catering to regional, national, or even international levels, thus, finding ways for growth independently from the growth rates of the local and regional economy. A specific strategy directed to the general growth of the economic sector in SMSC is to support the tourism sector since more tourists will enlarge the local market by bringing additional discretionary income to the city, from which locally produced cultural products and services may profit disproportionately.

Successful internationalization strategies of CCI firms in SMSC are possible provided certain national preconditions are in place such as a national design culture and educational infrastructure which then can become leveraged. To support local CCI companies in internationalizing their business models to make them more independent from the limits of the local market, to boost their growth, and to enhance the viability of their businesses requires a cooperation between the local economic development agencies with regional or national level economic development agencies.

Important parts of the CCI sector in SMSC are made up of companies built on business models for the consumption infrastructure of cultural goods and services. This cultural consumption infrastructure is important for SMSC although the people employed here don't belong to the core creative class because it plays an important role for the cultural participation of its citizens. Besides, it can serve as an indicator to what extent and on what level cultural consumption is existent in SMSC in general.

Can the local CCI sector change the innovation systems in SMSC and their hinterlands, leading to renewal and modernization?

Regarding change in innovation patterns and cross-sector innovation, we find that the pace, methods, and patterns of change are set in the knowledge intensive industries sector in the StimulART partner cities with the CCI sector profiting from the growth of the local economy brought about by technological innovations. Typically, the knowledge intensive firms (hidden champions) located in SMSC are customers of highly reputable CCI firms which position themselves at national and international market levels and which are



being located mostly in metropolises where the CCI agglomerate. Thus, the hidden champions in the StimulART partner cities neither procure their demand for cultural products and services at the local market nor do they learn from them new or different innovation methods. However, the value of the presence of a stabilized local CCI sector in SMSC, even if it does not contribute to a higher local innovation dynamic, lies beyond purely economic reasons.

SMSC as context for a CCI sector strategy

A local CCI sector development strategy in SMSC should aim at the CCI sector as a whole rather than encouraging clusters in just one or just a few of its sub-sectors. One of the first and most important actions should be to make the CCI sector visible, to foster a sense of belonging to a unified CCI sector among its heterogeneous stakeholders from the different sub-sectors, and above all, to promote networking among the sector. One way to realize these aims together is to make the CCI sector visible in the city by setting up a physical CCI hub, for example by establishing a co-working space that utilizes the lower rents in SMSC as a locational advantage compared with metropolitan cities. Networking activities with national and international professional CCI sub-sector networks should be supported, too, to encourage ongoing professionalization, quality, and specialization for national and international market access. In addition, an urban development strategy for SMSC should not rely on a local CCI sector strategy only but try to align such a sector strategy with an Integrated Urban Development Strategy.

Municipalities should rise their awareness for the CCI sector and its specific needs and requirements. They should carefully deploy their own procurement behaviour for cultural products and services to support their local CCI sector, valorizing their offers by consuming them and, thus, highlighting their visibility and symbolizing their value.

One of the biggest potentials lies probably with networking initiatives between the traditional industrial sector and the CCI sector that could produce a stronger visibility for the locally produced cultural products and services for the local economy. Such networking measures could utilize a comparative advantage of SMSC - their tightly knit multi-functional networks between decision makers from different societal fields, the potential for short cuts in information channels, and the short distances to political and economic decision makers.

SMSC municipalities should create new positions and work roles for the CCI sector within the local administration such as a CCI cluster manager which can accommodate for the CCI sector's specific needs, requirements, logics, and mindsets and to nurture mutual understanding and trust between administrative and artistic mindsets. Such a cluster management for the CCI sector should also include specialized coaching and mentoring facilities. Once more, it is important to stress that the term cluster should refer to the whole CCI sector and not only to one or only a few of its single sub-sectors. A cluster management should become established only together with networking structures within the CCI sector that can provide interfaces and spokespersons of the different CCI sub-sectors to the municipality. SMSC should consider to work together with other neighbouring SMSC in intercommunal cooperation to share their resources for such a cluster management program and to pool their local CCI firms and stakeholders as the program's addressees and beneficiaries, thus, building up a critical mass.

SMSC as context for a cultural-led urban development

When SMSC copy marketing driven city identity programs directed at external observers from the rulebook for cultural-led urban development written for global cities they invest scarce resources in a competition where they are structurally disadvantaged. Moreover, they run the risk of overstressing their resources by trying to realize an unrealistic or even unobtainable goal set by the global city agenda. Instead of maximizing attention for external observers SMSC should emphasize and strategically develop those aspects of city identity that matter, above all, for their inhabitants and for the cities' endogenous development such as the importance of cultural heritage for the identity of the city's inhabitants and for building a sense of community around this identity. Besides, SMSC should target those outside observers who already have a certain bond to the city and the region or know about them already.



In order to compete with bigger cities for attention and reputation, SMSC try sometimes to implement a strategy that makes them a part in a regional touristic destination which is thought to assemble a competitive critical mass such as the Prosecco Region and Vittorio Veneto and the Stone and Wine Region and Naumburg. Again, while SMSC are already too weak to fully develop the cultural resources within the city they run the risk of overstressing their resources when following the destination building logic and extending their reach beyond city boundaries. However, one potential way to overcome this problem of overstressed resources when trying to build a touristic destination can be seen in inter-communal cooperation either with villages and small cities in SMSC's hinterland or more regionally with neighbouring SMSC. Then, organizational capabilities of municipalities for inter-communal cooperation become a critical resource for the establishment and execution of a cultural-led urban development strategy.

SMSC face almost the same challenges and tasks bigger cities face, however, they have comparably smaller municipalities measured in administrative positions and, thus, a lower level of specialization. As a consequence, SMSC municipalities tend to develop generalist mindsets and practices resulting in difficulties to adapt to unfamiliar challenges which require highly specialized expertise as is the case with CCI sector support and its integration in a cultural-led urban developmental strategy. A solution can be found in regional or supra-regional agencies set up by regional or national authorities that can provide expertise and resources for cultural-led urban developmental projects and local CCI sector support strategies. However, when SMSC want to develop and implement cultural-led urban development agendas they must modernize their administrative mindsets, practices, and methods to become capable of inter-communal, trans-organisational, and cross-organisational project-wise teamwork in which strategic and coordinated efforts among many heterogeneous stakeholders must be realized on a continuous basis.

City identities cannot become easily changed nor can their components become artificially designed easily. Rather, a city identity plays the role of a framework for processes of change that itself changes only slowly on the basis of collective experiences anchored in collective memory. On balance, we can identify that at least the economic history, the history of communal self-government, the spatial location relative to the economic centers of the global economy, and the position relative to the national urban hierarchy are partly constituting the city identities of SMSC. Those aspects of a city identity influence particularly the development potentials of the private economic sector by establishing collective expectations about change, adaptation, and entrepreneurship. Thus, an important aspect for a cultural-led urban development strategy drawing on cultural resources and the CCI sector is the type of economic and entrepreneurial culture that already exists in the cities. CCI sector strategies and action programs should take those aspects of a city identity into account, thereby making the necessary adaptations to potential path dependencies and rather mid- and long-term change perspectives.

The role of the public cultural sector and of the civil society cultural sector for a cultural-led development in SMSC

The relationships between the three sectors of cultural production differ in SMSC compared to metropolitan cities. We can observe the following pattern:

The higher up a city is in the national urban hierarchy the higher is its inventory and activity level of public cultural institutions. Since the level of publicly funded culture is relatively low in SMSC, its impulses for the CCI sector and the intermediate civil society sector are weak. Hence, the CCI inventory and activity level depend on the position of the city in the urban hierarchy, too: The lower a city's position in the urban hierarchy, the less public cultural institutions we can find, and the less CCI actors we find, particularly in the 'Central Cultural Expressions' (literature, music, performing and visual arts).

Since the CCI sector in SMSC is rather small compared to metropolitan cities and tends to be a function of the size and dynamic of the local economy as well as of the public cultural sector, the degree to which it can complement and enlarge the local cultural supply is rather limited. The local demand for cultural products and services is oftentimes too low in SMSC to provide a market opportunity big enough for sustainable local businesses, especially for products and services in the 'Core Cultural Expressions' with a high degree of artistic value (and avant-gardist content). Although additional cultural offers provided by the



CCI sector can be found in SMSC, there is not enough potential at all that it could substitute public culture - nor, based on normative grounds, should it. When SMSC would stop to fund the public cultural sector, this would not mean the commercialization of culture, but rather the end of the provision of an offer in the 'Core Cultural Expressions' (with a high qualitative standard) to the SMSC' inhabitants and the loss of the basic supply function.

The share of the cultural production provided by the intermediate cultural sector in SMSC is larger than in metropolitan cities. In all of the StimulART partner cities, many cultural offers depend on the functioning of non-profit associations and therefore depend on volunteers who support these associations based mostly or partly on their intrinsic motivations.

When we look at the relationship between the CCI sector and the non-commercial civil society sector of cultural production, we can recognize that there is hardly any business case for substituting cultural products and services provided by non-profit associations of the intermediate sector with commercial ones in SMSC. The local demand for cultural products and services is oftentimes too low in SMSC to provide a market opportunity big enough for sustainable local businesses, especially for products and services in the 'Core Creative Expressions' with a high degree of artistic value (and avant-gardist content). The expectation to turn non-for-profit associations of the intermediate sector of cultural production into business models rather puts at risk the whole set of cultural offers provided by them because the volunteers' intrinsic motivation base becomes most certainly damaged or destroyed by commercialization and monetarization. A commercialization of the intermediate sector of cultural production, therefore, would leave the cities not with a more diverse cultural offer, but rather with a less and worse cultural live.

In SMSC, it is often the intermediate cultural sector of cultural production that sets impulses for the CCI sector development rather than the public sector. Therefore, public cultural funding of the intermediate sector equals indirectly an economic policy instrument for the CCI sector: It is highly rational to support institutions of the intermediate sector in SMSC, for example socio-cultural centers, even when seen from a purely economic point of view. CCI sector strategies and action programs should ask, where public money can become excellently utilized when spent on the intermediary cultural sector measured against the criteria of high leveraging and high dividend for creativity. However, the principle of serendipity is also valid in the management of creativity in SMSC.

Local systems of cultural production and the role of national models of cultural production for the CCI in SMSC

The three sub-sectors in the three-sector model of cultural production - the public sector, the intermediate sector, and the private for-profit sector (CCI) - build an interdependent *local system of cultural production in each particular city* tight together by both the local informal cultural network between local authors of cultural products and services and by different types of cultural organisations. *These local systems of cultural production* are embedded in *national models of cultural production*, thus, they are typical expressions of a more general structure to a certain extent. National models of cultural production partly shape the contexts for the entrepreneurial behaviour of CCI actors and their firms, for the organisational or institutional form in which activities of cultural production are preferably carried out (i.e., self-employment, (precarious) employment, amateur, voluntary, preferences for the sector), and for the behaviour of the organisations in the public and the intermediate sector of cultural production. Thus, SMSC and their CCI sector are not only embedded in territorial and regional contexts such as national urban hierarchies and type of geographical location, but also in the context of national models of cultural production.

National models of cultural production in which local systems of cultural production are embedded and which itself are nested within international markets function as a framework which cannot be changed at the local level. The single dimensions of such a national model function locally as boundary conditions which gradually determine developmental conditions for the CCI and the production of culture. Far from claiming a complete list, the following dimensions constitute such a national model of cultural production:



- *Domestic market size for cultural products and services:* The bigger the size of the national market for cultural products and services is the bigger is the capacity for CCI firms to find and develop viable business models without having to rely on more risky and costly internationalization strategies and the less determined is the influence of national cultural policy on local systems of cultural production.
- *Status rank of a country in the (imagined) reputation hierarchy of country images for cultural products and services:* Market chances of cultural products and services are influenced by their country-of-origin labelling. When a country does have a high reputation for their high quality and creative cultural products and services such as Italy, this potentially conveys a comparative advantage to CCI firms domiciled in these countries, particularly for internationalization strategies.
- *Strength and visibility of national institutions for the valorization of cultural products and services:* The status rank in the (imagined) reputation hierarchy of country images for cultural products and services is closely connected to a country's potential to valorize these for international markets by national valorization institutions independently of the country image and in a dynamic manner. However, only a few valorization hub cities have the capacity for the valorization for international markets such as Milano for design and Paris for fashion. When major hub cities for the valorization of cultural products and services for international markets are located within a certain country, this constitutes a potential comparative advantage for the CCI firms residing in this country. Combined, the location (dis-)advantages of product ethnicity, country-of-origin effects, and international valorization institutions for cultural products and services can further or hinder the development of viable business models in the CCI at the local level and shape the inclination of CCI actors to set up businesses.
- *The value placed on culture and the specific meaning of the term culture in national cultures:* National cultures place different values on culture. The particular meaning of the term culture and the value it has been ascribed explain to a certain extent the cultural policy of a country which in turn shapes incentives for authors of cultural works and activities to set up businesses in the Cultural Industries sub-sectors whose cultural disciplines are covered by cultural policy. In addition, nationally specific meanings of the term culture also influence the cultural policy of a country with subsequent consequences for the national model of cultural productions and for the developmental potentials of the 'Cultural Industries' by the level of valuation of artistic autonomy and independence, the level of valuation of economic activities in the cultural field as such, the level to which traditional cultural capital and contemporary cultural expressions are valued, and the importance and support given to amateur culture in the 'Core Cultural Expressions' or to youth culture.
- *The value placed on the Creative Industries relative to the Cultural Industries in national cultures:* National cultures differ in the degree they value the Creative Industries relative to the Cultural Industries: The aesthetic creativity in the Creative Industries might either be perceived and valued as equal relative to the Cultural Industries or as inferior, influencing the inclusion of the Creative Industries in cultural policy support measures.
- *The value placed on particular CCI sub-sectors in national cultures:* National cultures differ in the way they value certain CCI sub-disciplines while others tend to be overshadowed, explaining different foci on certain CCI sub-markets in public support or the location advantage of ethnocentric markets for cultural products and services or the lack thereof which can further or hinder the development of viable business models in the CCI at the local level.
- *The value placed on aesthetic and symbolic creative expressions in the Creative Industries in national economic cultures:* National cultures also differ regarding their valuation of aesthetic and symbolic expressions of the Creative Industries in the economic field relative to technological and economic creativity, influencing the shape of policy support measures with respect to the difference between the creative act and human resources.
- *Governance of cultural policy in the national political system:* Local systems of cultural production in SMSC depend to a very large degree on public funding, much more so than metropolitan cities' ones. Therefore, their dependence on how cultural policy is organized and implemented within the national



political systems is much stronger, particularly when the degree of the state's dominance in decision making and fiscal decentralisation is high. In addition, the way the state law regulates markets for cultural products and services, employment categories, and the dominant legal form of public cultural institutions exerts also a strong influence on local systems of cultural production. Finally, a state's support measures for the development for intermediate organisations in the CCI sector also affects local systems of cultural production.

- *Institutional support of cultural civil society organisations by the state and national cultures of self-organisation:* How strongly the potential of the civil society to produce culture is realized depends on the institutionalized public sector support by public funds and the value a national culture places on self-organization and civil engagement.
- *National educational systems and curricula for cultural and creative professions:* The educational system influences the emergence of the notion and valuation of culture in national cultures, attitudes of artists towards the commercialization of the 'Core Cultural Expressions', entrepreneurial skills and mindsets. Besides, it may influence the local supply of CCI entrepreneurs as well as the local demand for cultural products and services.

The role of informal networks in CCI sector strategies and cultural led-urban development in SMSC

Informal social networks have a high importance for the cultural led-urban development in SMSC. Usually there are two thematically different informal social networks working in SMSC which have different sets of shared values and different cultures: The informal cultural social network is knit between persons with a role in the local systems of cultural production (employees of the public sector of cultural production institutions, representatives, members and employees of cultural associations from the intermediate sector of cultural production, and artists and freelancers in the CCI). The informal economic-political social network consists of representatives of the municipality and the local political field (local party politics) as well as of entrepreneurs and managers from local firms or subsidiaries of national and international firms. The different informal thematic networks are often highly differentiated from each other, membership is quite distinct and, thus, interaction density between members from different networks is rather low. The relationship between the informal cultural network and the informal economic-political network is characterized by conflict and stereotypical interpersonal perception due to the network's different value bases, thematic interests, and forms of capital. Social interactions between members of the two informal networks tend to become characterized by mutual misunderstanding and feelings of a lack of appreciation and respect which regularly leads to open conflicts which tend to become structural conflicts over time which can even become politicized. Conflicts typically arise regarding issues of cultural policy, cultural projects, and urban development projects. The structural conflict between the two informal networks which is based in their different values, interests, and forms of capital and, has implications for the CCI-sector strategies and cultural-led urban development programmes in SMSC:

- The strong differentiations between the two informal networks, low levels of communication and interaction between their members, the build-up of mutual distrust and stereotypical interpersonal perceptions, and structural conflicts contribute to the fact that the relations between the CCI sector and the traditional industrial sector are rather weak while the relations to the political field and the municipality are rather formal, missing potential of cross-sectoral fertilization of creativity.
- The conflicts between the informal networks can be perceived by external observers as a symbol for a partial hostility towards the CCI actors, thus, to a symbol of a lack of culture of tolerance, potentially hampering the perception of the city's overall attractiveness.
- The strong differentiation and separation between the informal networks can lead to a partial exclusion of a cultural perspective in the municipality's decision making in many decisions that have a cultural dimension.
- The negative stereotypes in interpersonal perception about 'creatives' held by the members of the informal economic-political network often lead to paternalistic attitudes and advocacy acting on



behalf of the creatives in an assumed best interest resulting in a strong control approach towards cultural projects by the municipalities, reducing their creative potential.

- A one-sidedness of the knowledge base characterized by a high share of synthetic knowledge together with the dominance of the informal economic-political networks may lead to an overestimation of technology and technological solutions to social problems and to the underestimation of the solution potential of the development of cultural resources for social problems.

SMSC as context for a creativity enabling environment

The StimulART project identified at least three important dimensions of a creativity enabling environment in SMSC, namely institutions of arts education, institutions of tertiary education, entrepreneurial culture, youth culture, and serendipity.

Strong institutions of arts education are a double-edged sword: They are a precondition for a city's attractiveness as a location for families, they initiate the valuation of cultural products and services, and they establish a local market for private education in arts disciplines. However, the better the creative enabling environment in arts education becomes in SMSC the less attractive SMSC become for core creative minds. Creative talents who want to learn a creative profession will have to leave the city for tertiary education for good. More refined aesthetic tastes lead to a greater demand for 'high culture' experiences in the 'Core Cultural Expressions' which can't become fulfilled at the local market in SMSC.

If any, tertiary education institutions in SMSC mainly cater for regional students who become educated and socialized into an economic or technological mindset capable of adaptive innovations in professional contexts based on synthetic knowledge. This education contributes to the continuation of the synthetic knowledge base already existing in SMSC while professions with an analytical or symbolic knowledge base study in bigger cities. This raises the question if highly developed SMSC lose increasingly competitive advantages as the intensity of the competition in the knowledge intensive industries increases while the creativity resources for their innovation capability tends to decrease.

For establishing an entrepreneurial culture in a SMSC, one important success factor seems to be the establishment of a formalized mentoring network that connects founders with entrepreneurs and managers from established local companies, preferably including hidden champions that operate on national and international markets. These networks can provide founders with access to expertise and regional, national, and international professional networks while they draw on a community sense that is rooted in both a sense of professional community and an emotional attachment to the territory.

One of the most pressing questions for SMSC is how they can develop specific attractors for the elusive and highly mobile young generation that rather tends to be attracted by metropolitan cities, at least in their more aspirational and creative sub-groups. Even though a policy that caters for the young generation should be made a priority in SMSC, we often find policies that rather prioritize the interests of the older voter groups in SMSC. Hence, we find policies that aim at making the city more attractive for families including the educational offers and classical measures of cultural policy. Providing space for youth (sub-)cultures and their self-organisation is only rarely found in SMSC, even though important potentials for the development of CCI and entrepreneurship are existing in this policy field.

One important issue in a culture-led urban development is how a SMSC organizes for serendipity or the chance juxtaposition of events producing unexpected outcomes in the urban development of SMSC. Conditions that foster serendipity need to be artificially produced in SMSC by setting up physical hubs for the creative cooperation between CCI actors and entrepreneurs. These physical hub structures in SMSC should be opened for actors of the local system of cultural production stemming from the non-commercial cultural sector besides those from CCI firms and freelancer because initiatives, programmes, and projects organized by public cultural organisations and cultural associations have the potential to work as seedbeds for creativity, cultural activities, and at times even business ideas that are then realized in spin-off businesses. In SMSC, serendipity often evolves out of the civic society sector of cultural production which sets impulses for the development of creativity rather than the CCI sector or the public cultural institutions.



For serendipity to emerge in publicly funded projects, these projects need a certain degree of freedom and room to maneuver which presupposes trust towards the actors in the local system of cultural production, the understanding of the value of strategical non-strategic action, and a conscious renunciation of too tight control measures for cultural projects by the public institutions. In other words, serendipity calls for new organizational forms beyond the existing traditional control paradigm in SMSCs' cultural policy. These new organizational formats should be staffed and executed by professional personnel that is able to resolve and transcend existing conflicts between the members of the different informal social networks by understanding the different field logics of the cultural as well as the economic and political fields and by translating the values and languages of the different fields into each other.

The arts fields and CCI sector related reputation hierarchies of city images and their role for the valorization of contemporary cultural products and services made in SMSC

Cities of all sizes are in a competition with each other for attention, visibility, and reputation in terms of their city images. External observers from the CCI sector and the arts field perceive a city's image using field specific criteria. These observers particularly look at a city's position in the reputation hierarchy of cities as places for the valorization of contemporary cultural products and services. For the international, national, and regional market levels it is important where the creative minds live who ideate cultural products and services. As seen from the centers of the arts field and the CCI sector, SMSC are almost automatically judged as provincial and aesthetically conservative. Therefore, the values of 'aesthetically provincial' and 'conservative' will be attributed to any cultural product and service whose ideation and production is connected to SMSC almost automatically, too. This 'liability of provincialism and conservativeness' for cultural products and services made in SMSC must be overcome to better the chances to find customers for those products and services at international, national, regional, and even the local market level.

CCI stakeholder and firms in the StimulART partner cities have found marketing strategies to cope with the liability of provincialism and conservativeness for their cultural products and services when accessing supra-local markets, most notably practices of dissociating themselves from the name and image of their hometown by associating themselves with cities, regions, or their nation with a better reputation for cultural products and services. For example, since Venice, Italy, and Northern Italy have a high international reputation for design quality and manufacturing competences, the international design firms in Vittorio Veneto stress those images in their marketing communication to take advantage of their reputation. Likewise, the Arboretum and the Golf Course in Kamnik associate themselves with the Slovenian capital Ljubljana and cut off any reference to Kamnik.

The status of a city image as a place for the ideation and production of cultural products and services with a cosmopolitan and avant-garde content can't hardly be influenced by a SMSC, neither can the cultural reputation of a region or a nation. Therefore, these status hierarchies of city and nation images rather constitute a boundary condition for cultural-led urban development programs in SMSC. It is usually not realistic to expect SMSC to be able to influence their rank in the cultural reputation hierarchy of city images, to transform their image into a cosmopolitan and avant-garde one, or to achieve name recognition in such a hierarchy at all. However, the cultural name recognition and reputation of nations, regions, and neighbouring cities can constitute a location advantage for CCI stakeholder and firms in SMSC. For example, CCI stakeholder and firms can borrow attention and reputation for cultural products and services from bigger cities. This practice may be easier to accomplish for CCI stakeholders and firms located in cities in the suburban belt of bigger cities or in metropolitan regions such as in the case of Kamnik and Ljubljana. Or, as the international design firms in Vittorio Veneto can demonstrate, CCI firms can borrow attention and reputation from nations or regions. Since Italy, the Veneto region, and Venice are ranked higher than Ljubljana and Slovenia in the reputation hierarchy for the design sector, the CCI companies in Vittorio Veneto have an advantage over those in Kamnik in the potential to borrow attention, reputation, and value for their cultural products and services from Venice, the Veneto Region, or the Italian nation and, thus, to overcome the liability of provincialism and conservativeness often attributed to cultural products and services originating from SMSC.



At the same time, there are local CCI markets in SMSC where locally produced cultural products and services are consumed independently from valorization processes for higher market levels in more central cities. For example, CCI stakeholders and firms adapt their product and service range to the more conservative tastes typically found at local CCI markets in SMSC. Cultural folk products and services, such as in Jászberény and its folk culture ecosystem, are characterized by a strongly visible, emotional, and positively valued link to the Jász territory and its traditional everyday culture which confers to them the characteristic of authenticity. Thus, when cultural products and services are connected with the value of being authentic for a certain traditional everyday culture typical for a region, then they can become valued and consumed exactly for the reason that they have been ideated and manufactured in a specific SMSC.

Although the chances for success are rather low that SMSC can positively influence their cultural city images as places for the ideation and manufacturing of aesthetically cosmopolitan and avant-garde content, we see city marketing driven initiatives, UNESCO world heritage related initiatives, and regional touristic destination related initiatives that are exactly trying to do so. Another strategy for SMSC to rise their profile, image and cultural reputation is to try to take advantage of the mobility of persons who were either born or lived some time in their cities and who became famous at supra-local levels thanks to valorization mechanisms operating in more central cities. SMSC try to associate themselves with persons who have a better name recognition and reputation to try to valorize their cities. Most commonly, they do so by establishing museums for those personalities such as the Friedrich Nietzsche Documentation Center and Museum in Naumburg, the Michael Mathias Prechtl permanent exhibition in Amberg's city museum, the Giacomo Camillo De Carlo Museum in Vittorio Veneto, the Hamza D. Akos Museum in Jászberény, and the Rudolf Maister Museum in his birthplace in Kamnik. In this way SMSC try to borrow reputation of mobile persons who happened to have a temporary connection to the SMSC and whose reputation has been established elsewhere. Furthermore, SMSC can take advantage of the cultural reputation of the region and/or nation state they are in if any.

The CCI field related reputation hierarchy of country images and its role for the valorization of cultural products and services made in SMSC

Cultural products and services are characterised by idiosyncratic features which reflect the specificities of their authors as well as of their places of origin. There seems to be at play a status hierarchy of country images for cultural products beside the status hierarchy of city images. Regarding the status hierarchy of country images, we can assume that companies from countries with a higher rank will find it easier to borrow reputation for their cultural products and activities from their home-country reputation which constitutes a considerable competitive advantage. Companies based in ex-socialist countries experience difficulties in the CCI sector where competitiveness is translated in creating desirability for cultural products and services. There are two types of liabilities at play in disadvantaging cultural products and services. The first liability is the liability of smallness of the domestic markets which requires CCI companies to become successful at international markets in order to transcend the limits of small national markets. The second liability is the liability that particularly cultural products and services from ex-socialist countries are devalued by origin. One input in the valorization processes of cultural products and services is the feature in which country their authors live and by which national culture they get inspired which has an (imagined) influence on the ideation and production of these products and services. The reputation for the quality and desirability of cultural products and services from ex-socialist countries is not very high. Therefore, CCI actors and firms from ex-socialist SMSC cannot use their home-country-of-origin effect to overcome the liability of conservativeness and provincialism attributed to their products. Before this background, an activation of entrepreneurship and an increase in entrepreneurship activity might not be enough to close the gap in competitiveness with Western Europe competitors in this field. While we should study successful strategies for coping with these liabilities at firm level, at country level the ex-socialist East European countries should also become engaged in elevating their reputation for cultural production in terms of quality and desirability in the eyes of an international audience.

The role of sports in cultural-led urban development programs in SMSC



Sports, sport culture, and the culture of leading an active live are dimensions that are not addressed by the mainstream creative city and creative class discourse about metropolitan cities even though they play an important role in the everyday life of SMSC inhabitants and may have an associated developmental potential for a cultural-led urban development in SMSC. Although the relationship between sport and culture is mostly characterized by competition for the inhabitants' attention, time and resources, and by competition for support by public money or for sponsorship by local firms, we can sometimes find a mutually reinforcing relationship, for example, where a new subculture emerges around a certain new sport which is embedded within a youth culture which also emits (sub-)cultural products and services like in the HipHop culture (skating, rap music, graffiti), Surf culture or in climbing. A vivid sports scene and active live culture may become an amenity in SMSC, that, when coupled with a sub-culture, may make a city especially attractive to the young generation. When one considers particularly outdoor sports, SMSC may have comparative advantages when surrounded by an attractive natural landscape. Thus, a certain potential for a cultural-led urban development of the StimulART partner cities lies in the specific opportunity to take advantage of their ambiguous character of neither being a big city nor belonging to the countryside. SMSC can actively strike the balance between the right amount of urban and rural life close to nature when offering cultural amenities in close relationship with amenities bound to nature (which may lend themselves more easily for sports and the culture of an active live).

SMSC as a context for the knowledge intensive economy

There is a close relationship between the overall societal development towards a knowledge society and an increasingly knowledge intensive economy at the one hand and the tendencies towards cultural-led urban development programs, the formation of the creative class, and the creative city discourse at the other side. The Gap analyses in the StimulART project partner cities point to an ongoing erosion of the human resource base in SMSC which may limit their developmental potentials in the context of the increasing knowledge intensity of the economy generally. This erosion of the human resource base in SMSC does not only refer to the CCI sector and its occupations, rather we can distinguish four different processes of this ongoing human resource base erosion in SMSC:

- a tendency to lose its analytical knowledge base beside a symbolic knowledge base,
- a tendency to lose entrepreneurial potential,
- a shortage of skilled labour in service industries and
- a shortage of skilled labour in manufacturing industries as well as the erosion of maker and practical skills in vocational trainings.

1.) Not only the carriers of the symbolic knowledge base, the CCI stakeholders and artists, tend to cluster in metropolises. Increasingly, they are followed by the carriers of the analytical knowledge base, the university graduates of the 'super creative core' professions from science, engineering, and management. These creative experts can no longer be attracted to and retained in SMSC in sufficient numbers and quality. Because of this development, world market and technology leaders are gradually losing their competitiveness in SMSC since sustainable innovation capability and the ability for disruptive innovations depends on creatives with analytical and symbolic knowledge profiles on an increasing scale. They are increasingly faced with a shortage of skilled labour and a for innovation purposes ill-equipped knowledge-base in SMSC with a decreasing total number of creatives and a lack of core creative people.

In the new era of knowledge-intensive production and services, the long-known 'localization economies' or 'agglomeration advantages' - or as Michael Porter would say: 'clusters' - are no longer sufficient for locational advantages. Rather, the sustainable development of regions and cities depends increasingly on 'urban economies'. We see strong centripetal forces leading to a new geography of creativity with the knowledge-intensive industries and services as well as the members of the creative class clustering in large cities, especially in global cities and metropolitan regions, at the cost of (peripheral) SMSC as well as rural regions in which the share of creatives in the population continues to decrease. If creativity and the innovations based on it are the engine of the development of the economy, cities, and regions, then this engine can indeed further develop metropolitan regions and their companies in a sustainable manner, but especially



the peripheral SMSC will increasingly be disconnected from this development resource unless suitable countermeasures are taken.

For example, there is a shortage of skilled labour with respect to the core creative occupations in the technological fields necessary for the knowledge intensive manufacturing sites in Amberg and Vittorio Veneto. Thus, even hidden industrial champions in SMSC become increasingly unattractive as employer for the core creative class despite their reputation and excellent working conditions. As a result, the hidden champions are increasingly losing competitive advantages in SMSC as the intensity of the competition in the knowledge intensive industries increases. Will the hidden champions follow the technological core creative professions of the creative class soon, close down their operations in SMSC to build new company sites in metropolitan regions? Cultural-led urban development strategies for SMSC should emphasize not only CCI sector strategies but creativity enabling conditions more generally.

2.) The GAP analyses also showed a flattening of entrepreneurial activity and the weakening of the entrepreneurial culture even in the StimulART partner cities Amberg and Vittorio Veneto, cities that had a strong entrepreneurial culture in the past. As a result, we only find a low start-up and founding rate with mostly traditional business models. The general increase in knowledge intensity in the economy seems to have made it obligatory for entrepreneurs to command over a deep technological and business knowledge at university level right from the start to succeed. Since there is normally no university operating in SMSC, there is a widening lack of potential entrepreneurs who are qualified adequately for the knowledge intensive economy because university alumni tend to stay in larger university cities after graduation and won't relocate to SMSC. In addition, the perceived lack of creative innovation resources in the form of a human resource base with analytic and symbolic knowledge is contributing to the hesitation to found knowledge intensive companies in the SMSC.

When we take together both tendencies in SMSC's knowledge base, the gradual loss of core creative professions with an analytical and symbolic knowledge base and the gradual loss of entrepreneurial potential, we must say that the increasing knowledge intensity in the economy could lead not only to the relocation of existing knowledge intensive companies but also result in a situation where no companies are established from scratch which could replace the relocated companies in SMSC in terms of technology and knowledge intensity providing for high value added, high profits, and high paying jobs. This potential stop of the century-long process of 'creative destruction' could lead to a negative downward spiral in which SMSC become more and more unattractive for the members of the creative class, for knowledge intensive companies, and for entrepreneurs. The jobs and occupations left in SMSC would be rather unattractive and low in the status hierarchy except from the remaining jobs in the creative professions. In such a situation of a synchronized unattractiveness of both SMSC and their companies, jobs, and occupations, SMSC will have lost the location advantages they enjoyed during much of industrialization due to the strong centralization and clustering tendencies in the knowledge intensive economy which turns out to become a new urban economy.

3.) SMSC may still have locational advantages for less knowledge intensive economic activities with a lower level of value added in manufacturing, craftsmanship, and services. However, the GAP analyses found a shortage of skilled labour in the service industries. While there is a general shortage of service personnel in all these cities due to the academization tendencies in education, some skill profiles are particularly inadequate, especially in terms of English language skills for serving international guests. This particular skill shortage threatens the realization of developmental potential in cultural tourism.

4.) The GAP analysis also found a shortage of skilled labour with respect to craftsmanship and manufacturing. Again, this general shortage of skilled labour seems to be connected to the attractiveness loss of craftsmanship and manufacturing occupations in the eyes of the young generation compared with the academized occupations of the knowledge economy.

Another developing trend points to the loss of maker and practical skills in the vocational training due to the increasing formalization and theoretical knowledge in vocational curricula and increased digitisation and dematerialisation of the lifeworld and the economy. This trend leads to a widening gap between



qualification profiles demanded by local companies which are specialized in manufacturing and craftsmanship and the qualification profiles of the local vocational schools' graduates.

These four tendencies taken together, a worst-case scenario for SMSC comes into sight: The tendency of the erosion of maker and practical skills in vocational training results in a widening misfit between the qualification profiles of the new work force graduating from vocational schools at the one hand and the job requirement profiles in manufacturing, craftsmanship, and services asked for by employers in SMSC at the other hand. This would mean that the work force in SMSC will increasingly lose employability for the jobs and occupations still available in SMSC after the creativity requiring jobs in the knowledge intensive economy have left, resulting in both an ever-larger share of people excluded from regular income and degrading location factors for doing business in SMSC. This specific skilled expert shortage threatens to erode exactly the locational advantages SMSC may still have for companies specialized in manufacturing and craftsmanship when the creative class tends to cluster in bigger cities. On balance, these developments pose a challenge for the SMSC's further economic development since the SMSC's local economies are highly dependent on the manufacturing sector, so are the CCI sectors in these cities which are often crafts-based relying on the input of skilled manual labour and craftsmanship.

Practical Implications

In the StimulART project we have talked much about the CCI in SMSC, how we can develop a local CCI sector strategy in order to boost its development, and how an improved CCI sector strategy can increase the attractiveness of SMSC and, in turn, boost their urban development, stop brain drain and an ageing population process and so forth. In doing so, we transposed a specific aspect of the script of the Creative City vision developed for global cities and metropolises to SMSC. By design, the project focussed on the CCI sector as the main intervention field under the assumption that it plays the most important role in the script of how to become a Creative City as proposed by the mainstream discourse. However, it was rather obvious to attempt to adapt measures for boosting the CCI sector taken from global cities to the specific city-size-dependent conditions found in SMSC. This "Project level GAP analysis synthesis report" has already discussed many of the taken-for-granted assumptions of the mainstream Creative City discourse that don't hold true for the specific conditions of SMSC and has suggested some adaptations to make for the related intervention measures in SMSC in order to build up realistic expectations and to avoid misguided strategies and action plans. In concluding this international comparative multi-case study, I will ask what the limits of the StimulART project were. I will ask: What if the assumption does not hold true for SMSC that underlay the StimulART project itself, namely that the CCI sector can play a central role in SMSC at all for them to become a Creative City.

While the CCI sector plays most certainly an important role in rejuvenating global cities and metropolises and has the potential to become a central pillar for their Creative City vision and strategies there, one of the central insights from the StimulART project is, that the CCI sector in SMSC cannot become the main driver and central pillar for dynamizing the local economy and urban development due to strong clustering forces for the CCI in global cities, metropolises, and metropolitan regions, drawing CCI resources from the periphery at the one hand and due to the complementary centripetal forces and a lack of a critical mass in the CCI sector in (peripheral) SMSC at the other hand. This insight does not mean that it would be meaningless to set up CCI sector strategies for SMSC and to integrate them into integrated urban planning strategies. Quite the contrary. It is of utmost importance for regional and urban developmental processes to keep and to strengthen the cultural, aesthetic and symbolic creativity and the design thinking capabilities in SMSC and their hinterlands. This insight points rather to two different conclusions: 1.) Cultural-led urban development strategies such as the Creative City visions for SMSC have to cope with a rather weak CCI sector and look for functional equivalents or substitutes who can take over the role this sector has played quite naturally in Creative City visions and strategies in global cities and metropolises. 2.) CCI sector strategies for SMSC should be set up at a regional level where a critical mass of this sector can be met by aggregation.

1.) The StimulART project discovered that the CCI sector cannot play the same role in cultural-led urban development strategies in SMSC that it had played in metropolitan cities because of a lack of a critical mass of CCI stakeholders and firms which is a precondition for clustering forces. This obstacle will not be



overcome even with the best strategies and the best of support. Does the lack of a critical mass of the CCI sector mean that cultural-led urban development strategies are not suited for SMSC generally provided that the CCI sector plays the central role in such strategies in global cities and metropolises? And given that the Smart City vision has already gradually replaced its predecessor - the Creative City vision - in global cities today, would it not be advisable to invest scarce resources in urban development in the Smart City vision rather than in cultural-led urban development programmes whose success seems to depend on pre-conditions that are not realizable in SMSC? We have to answer these questions first in order to establish the relevance of looking for functional equivalents that could potentially play the role of the CCI sector in cultural-led urban development programmes in SMSC.

Cultural-led urban developmental programs such as the Creative City vision are very broad and wholistic approaches that prioritize soft factors over hard factors such as infrastructure in urban and regional development for the first time. The CCI sector is such a soft factor and an important pillar for this concept. However, there are many more pillars as important for a Creative City which also draw on soft factors in urban development, such as human capital, knowledge base, city identity, the aesthetical appeal of a city, entrepreneurial culture, and organizational capabilities. On a more conceptual level, the Creative City vision emphasizes the adaptability, flexibility, and agility of cities in today's fast-changing global VUCA environment (Volatility, Uncertainty, Complexity, Ambiguity) which depend on these soft factors. In this sense the Creative City vision formulates requirements for any city. A Creative City agenda may be even more important for SMSC today than it has been for metropolitan and bigger cities in the past. The latter city type is already a creative city in a certain sense by definition while the creativity enabling conditions that can be found in metropolitan and bigger cities quite naturally have to be artificially produced and reproduced in SMSC first. When we speak of development potentials of SMSC, then the biggest potential of all lies probably with a cultural-led urban development program that is adapted to the cities' size-type while drawing on the site specific cultural, but also territorial and social potentials of each particular SMSC. To apply the Creative City agenda to SMSC does not come too late because its agenda is still up to date. However, emphasizing the urgency and importance of culture-led urban development strategies for SMSC to remain adaptive, flexible, and agile does not answer the question of how such a strategy can be implemented when its natural primary driver, namely the CCI sector, of all things, does not function in the same way as it does in global cities. The StimulART project were able to discover some practical implications that can point us in the direction of potential answers to this question.

The StimulART project discovered that the local models of cultural production in SMSC have different characteristics than in global cities. The lively and rich cultural live in SMSC is not so much produced by public cultural institutions or the CCI sector but rather by the intermediate sector of cultural production and the civic society, by cultural associations, informal cultural networks, sub-cultures and the local youth. Often, the cultural activities in the intermediate sector are started and organized by CCI actors, or they serve as seedbeds for emerging CCI actors, emphasizing the importance of the CCI sector for SMSC. Similarly, many bottom-up urban development projects in the StimulART partner cities originated with CCI stakeholders who were motivated to develop their home cities' atmosphere and aesthetic appearance out of their aesthetic sensibility and professional values. However, to stay adaptable, flexible, and agile, a SMSC does not only need creativity in the cultural realm but rather a broader based creativity including also creativity in entrepreneurship and the administration. When other important drivers and pillars in a cultural-led urban development strategy have to step in in SMSC and play the role the CCI sector has in global cities and metropolises, then we can point to these additional four different sources of creativity: the intermediate sector of cultural production, bottom-up urban development projects spontaneously originating from the civic society, entrepreneurship in the traditional economy, and the local administration itself. Besides, the CCI sector can still make important and irreplaceable contributions to a Creative City agenda in SMSC even if it is not the driving machine.

2.) A second important discovery in the StimulART project is the insight that CCI sector strategies for SMSC should be set up at a regional level where a critical mass of this specific sector can be found. Undoubtedly, the CCI sector plays an important and specific role for urban and regional development in SMSC and their hinterlands, even when there is a lack of a critical mass for developing clustering forces. To publicly invest



in the CCI sector equals a regional economic and industrial development and innovation policy in particular and a regional development policy for peripheral regions in general. However, to specifically support the CCI sector requires the investment of functionally specified resources such as the establishment of a CCI sector cluster manager. In order that these investments are not underutilized they must be addressed to a sufficiently large clientele of potential addressees and beneficiaries which can only be found on a regional level, possibly aggregating the CCI actors and companies of several SMSC and counties. Similarly, a CCI cluster management facility requires a complementary formal structure on the side of the self-organisation of the CCI sector such as the CCI association in Amberg, assembling all CCI-sub sectors and providing formally appointed spokes persons for each CCI-sub-sector to the cluster management. Again, the CCI sector in SMSC may be too small for such a formalized self-organisation of the CCI-sector to emerge, be it because not every sub-sector is represented by interested professionals or be it that a formalization of the informal CCI sector networks does not appear to be plausible for the CCI actors and companies. Both obstacles can be overcome at a regional level: Formalized network structures appear more plausible for a region in which a critical mass of CCI actors and companies aggregate. However, for both sides, the municipalities as well as the self-organisation of CCI sector networks, a regional cluster management for the CCI sector would mean increased demands for inter-organisational cooperation.

Before this background, this report concludes with the two most important lessons learned in the StimulART project:

1.) CCI sector strategies that are alone-standing in SMSC will not be sufficient to create a dynamic that leads to a sustainable cultural-led urban development process. Thus, CCI sector strategies need to be encapsulated in broader and more wholistic cultural-led urban development strategies such as the Creative City vision which is even more necessary for today's SMSC than it was for global cities in the past. Rather than just relying on the CCI sector, such a cultural-led urban development strategy should be built on at least four more forces in SMSC which are the municipalities, the entrepreneurship community, the intermediate sector of cultural production, and the civic society at large.

2.) For CCI sector strategies to become sustainable in a SMSC context, they have to become formulated and implemented at a regional rather than at city level at which a critical mass of CCI stakeholders and companies is existing which can be addressed as beneficiaries of these strategies and which can act as drivers and contributors of an urban and regional development process based on aesthetic, cultural, and symbolic creativity and design thinking capabilities. What exactly constitutes a regional level at which a critical mass of CCI stakeholders and companies is existing will be an empirical question and does not have to be identical with the regional administration boundaries already existing which may be too small or too big in terms of a necessary critical mass. However, in any case, the need to organize and manage the political support and self-organisation of the CCI sector at a regional level points to new frontiers in the governance of the CCI sector such as inter-communal or inter-regional cooperation worth to become tested and explored in future Interreg B programmes in Central Europe and beyond.

We have started this report by saying that we should develop realistic expectations about the development potentials of the CCI sector in the context of a cultural-led urban development program in SMSC by uncovering and breaking free of the taken-for-granted assumptions of the mainstream discourse of the creative class and the creative city aimed at metropolises. In this context, we have said good bye to overexaggerated expectations of economic growth, dynamisation, and innovation often connected to the Creative City and Creative Class rhetoric. For SMSC more often than not the main task in CCI sector strategies will be to find solutions to stop the bleeding out of their CCI, to rather stabilize the CCI, and to find ways how to provide the context for their - moderate - growth. Also, it becomes even more important for SMSC that the vision of the creative city must be realized by a more wholistic approach that not only includes cultural resources more generally such as the nurturing of an entrepreneurial culture but that also includes developmental potentials specific to SMSC as a size-dependent city type such as the emotional relationship with the territory among the CCI stakeholders or the cultivation of their ambiguous character of neither being a big city nor belonging to the countryside and the related amenities. To adapt the Creative City script to the specific conditions of SMSC does not only mean to identify the place-specific cultural resources of



any particular SMSC. It means most of all that we should become aware of SMSCs' size-dependent specific conditions, potentials and challenges for urban and regional renewal and that we should write a different script for this spe of how to become a creative city rather than adapting the existing one.



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