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Published online: 11 Feb 2022.

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Strategic mapping of cultural and creative industries. The case of the Veneto region

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ABSTRACT

Issue and Argument: What are the real and potential boundaries of cultural enterprise? How can we restore economic value and, at the same time, cultural value through the definition of a sector that seems to have no fixed borders? This paper intends to open up a reflection on the boundaries of the cultural industry, the nature of the chosen business and how the sector can become the hub in the dynamics of local development, innovation and competitiveness within the territory of reference. The concentric circles model will be the basis for a strategic mapping of the cultural and creative sector, realized starting from the funding calls for the sector in the Italian Veneto region. The Throsby's model is derived from the principle that cultural content is free from incorporating creative ideas into the production of goods, and that such ideas arise from the primary arts (music, theatre, dance, visual arts and literature). These make up the heart of the cultural industries, while the surrounding circles represent the ideas and influences that these creative activities radiate. The results of the strategic mapping will be put into dialogue with a new idea of entrepreneurship, which in part excludes the Core creative arts, i.e. the primary arts.

1. Theoretical framework

Cultural and creative industries have a central role in growth and competitiveness—they are bearers of innovation, factors in local development and drivers of industrial change (European Union 2010, 4). In the relevant Green Paper (a document reflecting on a specific political issue published by the European Commission), 'cultural industries' are defined as those that produce and distribute goods or services and that incorporate or transmit cultural expressions, regardless of their commercial value. Besides traditional sectors (performing arts, visual arts, cultural heritage), the goods and services included in this category are films, DVDs and videos, television and radio, games, new media, music, books and the press.

'Creative industries' use culture as an input even if their outputs have a mainly functional character. They include different sectors that integrate creative elements

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into wider processes, and many sub-sectors based on the production of content, interdependent to a certain extent with other cultural and creative industries (European Union 2010). Cultural activities have theoretically been grouped by the UNESCO Institute for Statistics in order to define cultural and creative industries (or CCIs) from the point of view of enterprises, employment and products, and integrate them with the UNESCO (United Nations Educational, Scientific and Cultural Organisation) convention on the protection and promotion of the diversity of cultural expressions (UNESCO, UIS 2010).

The first point to clarify here is that there is no shared definition of cultural and creative industries, of the sectors and functions of reference of which they consist and, above all, of the primary criterion to be adopted to fully designate the boundaries. The traditional definition of the cultural industry includes activities related to the management and enhancement of cultural heritage, visual arts and entertainment, including cinema, TV and radio, print, photography, music and forms of reproduction (a classification best known as the cultural industry *à la Adorno,* as planned by Adorno and Horkheimer in 1944) (Horkheimer & Adorno, 1966). The British Labour Party introduced the notion of the creative industry in 1997 in order to circumscribe the phenomenon politically and economically. Only in 2010 did the European Union, in its Green Paper, combine the two definitions to express a single concept, shared from an operational point of view (European Commission, 2010). The growth of the economic impact of the entire sector has increasingly forced policy makers to redesign the boundaries of territorial systems to build an alternative path of development stemming from cultural production.

The difficulty of providing a comprehensive definition of CCIs makes it necessary to choose a model that considers the nature of the business analysed and the entrepreneurial structure, a model that can best represent at the end the difference between what is creative, what is cultural and what is so only in part.

Normally, we speak of creative industries regarding those companies that produce, at the end, goods and services with a culturally significant artistic content. There are therefore two elements of this definition: production on an industrial scale and cultural content. The latter may derive from the presence of artists within the organisation or from the social and artistic significance that accompanies the goods produced (Towse 2003, 170).

In reviewing the literature dealing with the topic in question, it is of fundamental importance to mention the contribution of the US economist Richard Caves. In 2000, Caves drafted a text in order to highlight the economic nature of the creative industries—that is to say he listed seven 'general properties' that define an industry as creative. His study, however, is distinguished by a very narrow view of the notion of 'creativity' (Hesmondhalgh 2008). The characteristics highlighted by Caves refer only to those activities aimed at achieving artistic and cultural outputs—those that, to be clear, are considered traditional arts and cultural industries (Caves, 2000).

Certainly, the entire sector of cultural and creative industries generates artistic value, but it is possible to separate creative enterprises into two categories (Caves 2001, 466): small and medium-sized enterprises, dedicated to the development of creative resources, and larger companies, which deal largely with the packaging and

distribution of creative goods. If the first are entirely involved in the activity of the artists and of the entire creative process, the second employ tried and tested creative inputs. Moreover, when fixed costs are high, there is a tendency, for both, to transform into a non-profit organisation form more easily financed by donations.

The spread of non-profit companies is also linked to the research conducted by experts and art lovers into improving the quality of creative products offered on the market. For most artists, this entails individual and independent work. For the preservation of artistic heritage, the non-profit organisation is an essential tool in raising the quality of creative output by making activities with high fixed costs viable (Caves 2001, 467).

In the same way (Hesmondhalgh 2008), it is possible to encompass within the cultural industries not only those businesses based on profit, but also public enterprises and non-profit organisations directly involved in the production of socially shared meanings. This category includes television and film productions, newspapers, periodicals, publishing houses, record companies, advertising and the performing arts, making an important distinction between 'central' (having as their main objective the production and industrial circulation of creative products) and 'peripheral' (dedicated to the production of these products in a predominantly non-industrial way) cultural industries.

Almost contemporaneously, however, Howkins (2001) presents a more 'enlarged' vision of the concept of creativity. He studies how creativity can affect the economy positively, considering all activities that produce creative goods and/or services to be an integral part of the 'creative economy'. In the introductory pages of his text, his broad conception of 'creativity' is presented, seen more as a concept of 'innovation'. The author defines a product as creative when: 'it results from a creative activity and has recognisable economic value' (Howkins 2001, X). In his study, therefore, the author criticises other notions of creativity which exclude highly innovative activities such as those related to the invention of new and unconventional industrial products (Hesmondhalgh 2008). In fact, he includes a greater number of activities within the ambit of the creative industries, provided that they are protected by intellectual property rights, patents, trademarks or distinctive symbols, including, therefore, design, research and development, software, etc. (Howkins 2001). Once again, the frontiers of the creative sector change according to the theories explored and the definition criteria adopted.

David Throsby's model, or the 'concentric circles model' (Throsby 2008), arises from the division of activities based on their cultural content (or value), instead that each circle identifies homogeneous classes of activities and content.

It is therefore the cultural value of the goods and services produced that give cultural industries their distinctive features: value stems from the heart of the model and, as one moves outwards it, becomes more and more commercial. The two central circles become, therefore, the main receptacles of creative ideas, while the two outer ones gather it ideas which are more market orientated.

Throsby splits his definition of culture into two areas: on the one hand, habits, customs and values of society; on the other, intellectual and moral activities, and artistic products. The latter are classified according to three criteria:

1. They are created and produced in a creative way;
2. They have a symbolic meaning;
3. Their result implies some form of intellectual property.

An activity can be defined, in no uncertain terms, as 'cultural' only if these three elements are present. Moreover, cultural value can generate economic value: a consumer is willing to pay more for a specific good or service if this incorporates cultural content. This is the concept of cultural capital, defined by Throsby as a 'capital good' that incorporates, preserves and provides cultural value in addition to any economic value.

Throsby's model has recently been reconfigured into different variations (Sacco 2012) and applied more broadly to the structure of Italian cultural and creative enterprises. Furthermore, the consulting company KEA European Affairs developed its own definitions, later adopted by the Directorate General for Education and Culture of the European Commission, from Throsby's model, revealing its profound timeliness and compliance with the general criteria of the sector.

We have employed these models to provide a complete and exhaustive classification of the cultural and creative industries of the Veneto, which is the subject of this study.

The reasons behind the choice of Throsby's model for our analysis are twofold: on the one hand, it was mainly because of the need to enhance artistic activities in the strict sense; on the other, however, the intention was to amplify the partial absence of these activities from the entrepreneurial structure of the Veneto regional context. The Concentric Circle Model places the arts at the center so that cultural policies strengthen the sector as a guide to creativity, the fulcrum of innovation, and stimulus for the economy (Throsby 2010, 28).

In the Veneto region, there are about 23,353 businesses belonging to the Core culture (Symbola, 2019) but we map only them and only through the ATECO codes as it registered them in the Chamber of Commerce. In Italy, there are 336,275 non-profit institutions (Istat 2017), of which 29,871 only in the Veneto region. As many as 286,942 of them are cultural associations, many of which are not recognized. Of these non-profit organizations, 64.9% have culture as their main activity. We are talking about 218, 281 associations, with an 11.5% growth rate since 2011. These artistic activities do not have an ATECO code and are not included in the official statistics; just as they are not among the beneficiaries of the POR-FESR calls dedicated to the cultural and creative industries covered by this work.

The reasons that led to favor Throsby's model are to identify the existence and strength of the relationships between the companies in the first circle with those in the others. The model's key characteristic is, for Throsby, 'the proposition that the cultural content of the output of the cultural industries declines as one moves outwards from the core' (Throsby 2008). And Throsby used empirical data for Australia, Canada, New Zealand, the UK and the US to illustrate this proposition. To proceed with the test, he used the proportion of creative labour employed in production as a proxy for cultural content.

The application of Throsby's model to a region requires, first, that the region's cultural and creative system is a 'closed system'; that is, that the firms of each circle are related only to those of the other circles in the same administrative area. The levels of compliance of the Throsby model with the actual structure of the Veneto cultural and creative sector–and with the Italian regions - could be explained through the table below, showing the importance in numbers of the employment in the industries related to Core Creative Arts regarding the others.

Table 1. Number of employees of companies active in the arts, sports, entertainment and leisure sector by geographical breakdown and economic activity – Year 2016 (absolute values).

Economic activity	Nord-west	Nord-east	Centre	South	Islands	Italy
Total artistic, sporting and entertainment activities	**48,751**	**38,627**	**43,857**	**28,429**	**13,421**	**173,085**
Creative, artistic and entertainment activities	*12,899*	*8,476*	*11,356*	*4,325*	*1,852*	*38,908*
Artistic performances	4,147	2,453	3,846	1.458	865	12,770
Support activities for artistic performances	2,596	2,440	2,007	1.006	354	8,403
Artistic and literary creations	5,709	3,267	5,071	1.546	594	16,187
Management of artistic structures (theatres, concert halls and other)	448	316	431	315	39	1,549
Libraries, archives, museums and other cultural activities	*1,442*	*2,097*	*3,460*	*575*	*3,050*	*10,623*
Libraries and archives activities	804	319	621	157	526	2,428
Museum activities	136	160	1,405	124	188	2,013
Management of historical places and monuments and similar attractions	57	1,419	1,252	195	2,262	5,185
Activities of botanical gardens, zoos and nature reserves	444	198	182	100	74	997
Activities concerning lotteries, betting, casinos	11,533	7,498	10,178	9.082	2,850	41,142
Sporting activities	12,640	8,864	6,946	4.614	1,956	35,019
Leisure and entertainment activities (a)	*10,237*	*11,693*	*11,917*	*9.833*	*3,713*	*47,393*
(Total economic activities - ATECO 2007)	**5,649,871**	**3,919,135**	**3,626,917**	**2.476.984**	**1,011,611**	**16,684,518**

Source: Istat, Statistical register of active companies.

In Table 1, Istat 2016 data show a clear predominance of industries (and the number of employees in them) dedicated to creative, artistic and entertainment activities over others (what Throsby defines as 'Core'). The other activities illustrated in the ISTAT data concern Cultural industries (library, archives, museums and other cultural activities) and Creative industries added to related industries - of which there are no separate data.

The data in the table shows that the proportion of artistic work, used as an indicator of the cultural content of the output of the industries included in the model 'declines as one moves outwards from the centre of the concentric circles' (Throsby 2008, 153).

The industries considered as potential beneficiaries of the funding are the same as in the ISTAT data, i.e. enterprises with ATECO code. It is only by considering this type of market firms as beneficiaries of the financing, the same ones counted in the ISTAT data, that we have carried the analysis out. In both cases, it is not possible to trace back to non-market firms and to establish whether the Throsby model is effective, since they do not include these firms among the beneficiaries of the financing.

For all these reasons, Throsby's model was chosen to enhance the importance of a sector, such as the artistic one, and show how this sector is unfortunately not very present in political choices and regional funding.

2. Methodology

2.1. Sample tested

As part of our research project[1], we analysed the data related to the POR-FESR calls for tenders (ERDF–European Regional Development Fund) in the Veneto Region that involved the cultural sector in the last year.

These calls after 'encourage' the set-up of new cultural and creative industries, and on the other, their growth to strengthen their technological facilities – were aimed mostly at those cultural and creative industries resulting from the register of companies, therefore equipped with an ATECO code. These parameters have, in fact, excluded all cultural associations.

Examining the results, however, allowed us to better understand the nature of the cultural industries, especially those which, with an entrepreneurial form, represent the Core Creative Arts.

The goals were understanding the scope and the internal structure of the existing cultural landscape and verifying its ability to promote itself through the projects presented, to attract financing and recognition on the reference market, to measure itself against strategic planning documents and therefore to find a niche within the European cultural and creative industries which, in 2018 (the European Year of Heritage) proved to be an ideal and vital scenario in which to move.

Specifically, two calls for tenders were examined: one for the creation of new companies, the other aimed at supporting existing ones. For the first call, they received 78 applications, after 38 were admissible. They funded 18 for a total amount as a payable contribution (70% of eligible expenses) of €1,477,108.16.

Among these18 financed companies, only six gave consent to the processing of the data for the present analysis. the field of investigation for this call was not very wide, for the second 118 project proposals were submitted by interested companies in a two months span.

The results are as follows: out of 118 applications submitted, 62 interventions were financed, for a total of €4,613,421.33. Of these 62 companies, only 30 gave consent to the processing of data for this analysis. We were therefore able to examine, at the beginning, 36 applications for funding from cultural and creative companies (Table 2).

The total number of responses examined proved to be optimal for our research from an economic and strategic point of view. The two calls financed the cultural and creative industries of the Veneto Region for over €6,000,000: our work could analyse companies in receipt of €2,942,419 of funding, equal to roughly half of the amount disbursed.

2.2. Data preparation

The starting point was the re-elaboration of the data split into four categories. These categories belong to the model of concentric circles developed by David Throsby in 2008.

Table 2. Number of examined samples.

Call	Applications received	Applications funded	Sample available
351 – New companies	78	18	6
311 – Existing companies	118	62	30

Source: our own processing of Veneto Region 2017 data.
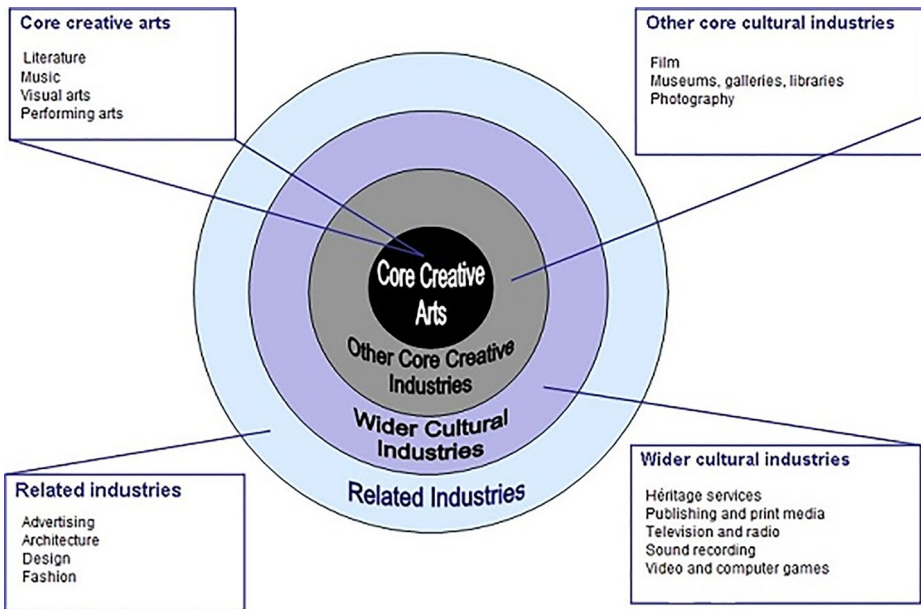
Figure 1. The concentric circle model by David Throsby.
Source: D. Throsby (2008).

The classification includes:

1. Core creative arts (literature, music, theatre and dance, and visual arts);
2. Other core cultural industries (cinemas, museums, exhibition spaces, libraries, and festivals);
3. Wider cultural industries (services for cultural heritage, publishing, recording studios, radio and television, animation and video games);
4. Related industries (technical services, communication, architecture, design, fashion, tourism and education).

This classification– the same as what stated at the beginning because of the Throsby's model (Figure 1) – allowed us to examine the projects presented by the Veneto companies regarding their specific area of belonging. We have therefore divided the totality of the cultural and creative companies examined into four categories in order to specify their core business and get comprehensive statistics about their entrepreneurial and growth dynamics.

2.3. Data analysis

The most relevant information (business promoters, entrepreneurs, corporate structure, employees, and prevalent legal forms) was then collected in a special database. This allowed us to make preliminary statistical elaborations in order to gather salient outcomes for the sector under study.

We dedicated the second stage of the work to the development of semantic analysis techniques on texts to reconstruct a first strategic mapping of the companies under analysis. We selected the parts of the text relating to the funding applications we considered most significant based on strategy, mission, value system, and competitiveness.

Each company responded to various questions representing their project idea, the objectives pursued, the operational capacity regarding the feasibility of the investment programs and the adequacy of the chosen methods for communication and dissemination of results.

The study of the responses– from a semantic point of view– of the different companies, analysed according to the 4 concentric circles of Throsby's model, reveals the mission and the vision of each identified sector, strategically illustrating its own pursuit of value.

Investigating these fields is important in understanding how each new company has built its own value chain, set its core business, and structured its competitive advantage. The texts also reveal how a company views itself and how it plans for the future: whether it has a knowledge of its reference sector, its market, its competitors and stakeholders. The exploration of the *corpus* got has allowed us to better understand the strategic behavior of each company and its positioning on the reference market.

We have added a semantic analysis of the terms used in the funded projects to the analysis of the frequencies, with particular attention to the keywords that circulate in the economy of cultural and creative industries. The regional strategic planning documents usually provide pre-established objectives as a criterion for measuring the performance achieved in matters pertaining to European cultural dictates: for an enterprise, reaching these parameters optimally means greater access to allocated resources.

There are some terms that best exemplify the correspondence of the financed companies to pre-established indicators: we have studied eight of them. These are: creativity, culture, digital, innovation, research, smart, technology, and territory.

We can assess creativity as a competitive factor through different development processes: among the most relevant are those that revolve around these words. We being tried to assess the behaviour of the companies under consideration in relation to these key terms, in order to analyse their competitiveness regarding the objectives set by regional strategic plans.

Finally, we applied a sentiment analysis to the texts examined to understand the prevailing tone with which each cultural company opts to present itself, its projects, and its value proposition.

3. Results

In order to examine the cultural and creative industries participating in calls for proposals in the Veneto region as a whole, we analyzed the data both separately (by call) and together.

The distribution of the total funding to the two calls was not even: 36% of the amount disbursed went to companies belonging to *related industries*, 33% to *other core cultural industries*, 29% to *wider cultural industries* and only 2% to *core creative arts*.

As far as the call dedicated to new companies is concerned, we can see that 48% of the total financing (namely €217,720) went to *related industries*, while *core creative arts* received about €30,938. Average financing by sector favoured *wider cultural industries* which, at €134,851, received the greatest sum disbursed.

As for the existing companies, 44% of the subsidies went to *other core cultural industries*, at a total of €907,617. *Core creative arts*, even in this case, received the lowest sum of approximately €96,152 (13% of the total disbursed). Average financing by sector shows that *related industries* are still those best supported by regional funds, with an average of €121,317 compared to €23,788 for *core creative arts*.

In comparing by year of foundation, the most recent companies were the greatest beneficiaries: 31% of the total went to industries established in the years 2000–2009 and 30% to those set up in the years 2010–2016. The *core creative arts* companies were mostly founded in the 1990s, the *other core cultural industries* and the *wider cultural industries* between the 1980s and 1990s, and the *related industries* in the years 2000–2016. This highlights the fact that this professional field is quite new and more accessible to younger generations.

The most highly-financed legal forms were S.R.L. (limited liability companies) (63%), followed by S.N.C. (general partnerships) and cooperative societies (8%), S.P.A. (joint stock companies) and others (7%), VAT numbers (6%) and S.a.s. (limited partnerships) (1%).

Regarding *sentiment analysis*, by aggregating the values of the individual sentences relating to both regional calls we have obtained an overall view capable of highlighting the *sentiment* prevalent in the individual observations/words (Figure 2).

The value distribution of the *sentiment* examined demonstrates that the terms used in funding applications by the Veneto cultural and creative industries express mainly positive concepts and attitudes, with an average value that oscillates around 0.5, expressing a non-homogeneous, discontinuous tone, with ups and downs towards the negativity of the discourse (an average, for example, around 3.5 would have
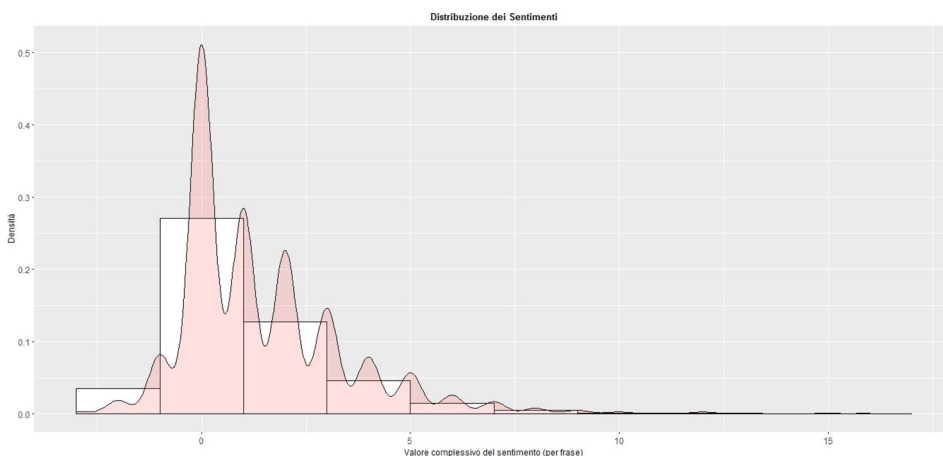
Figure 2. Sentiment analysis of the text of all the projects presented.
Source: our own processing of Veneto Region 2017 data.

instead made the modulation of the examined discourses more stable). Perhaps the participating companies have tried to emphasise the content presented using 'strong' or incisive terms in order to 'impact' or excite the recruiters as much as possible.

Through a *multiple linear regression* analysis[2], we have verified that there is no link between the positive sentiment of the responses examined and the overall score got[3]; instead, there is a weak relationship[4] between the number of words used in the projects and the positive sentiment expressed (perhaps a sign that a more discursive topic may be more convincing).

Within the single calls, *related industries* evoke all the key terms identified the greatest number of times, followed by *core creative arts*, *wider cultural industries* and *other core cultural industries*. For existing companies, on the other hand, *other core cultural industries* achieved the highest key term frequency, followed in order by *related industries*, *wider cultural industries* and *core creative arts*.

Therefore, the *core creative arts* companies are less well-financed (and less represented within the number of the overall terms examined) and also very uncompetitive compared to the other sectors of reference. The *related industries*, instead, reveal a heterogeneity and a multidisciplinary nature capable of building an optimal strategic position both regarding other companies in the market and in terms access to financing for culture provided in 2017 by the Veneto Region (Figure 3).

The *semantic analysis* carried out also allowed us to understand the specific features of each sector analysed. In particular, the characteristics of each area were:

Core creative arts: Theatrical performance as a core business; relationship with the local area and strong planning; production and creation of new innovative proposals; development of the relationship with its target audience.

Other core cultural industries: Innovatory nature of the design, production and relationship with the local region; video production and services sector; realisation of cultural content; relationship with audience.

Wider cultural industries: planning; world of production, cinema and video; equipment for shows and screenings.

Related industries: Services and events sector; relationship with the reference territory; project activities; services and equipment; tourism and cultural creation; operational terms; products and customers; market development.

When the companies examined are taken as a whole, the key features of the cultural and creative industries of Veneto are: innovatory nature of cultural enterprise; decisive planning; relationship with the services sector; production of content; realisation of products and events; supply of equipment; focus on management, the audience, and its reference market.

For a correct reading of these results, it is necessary to consider that the regional strategic planning documents, oriented towards pre-established objectives, are the same for all European regions: companies standardize the description of projects to these objectives to increase their probability of access to funds. This would make it possible to verify the Throsby's model in many European regions through semantic analysis, since each sector would have similar keywords.

To improve the semantic analysis, it would be necessary to distinguish, therefore, the terms used by companies to increase their probability of being financed regarding the real characteristics of Veneto cultural enterprises (profit or nonprofit). This would

Figure 3. Wordcloud of all the sectors considered.

Source: our own processing of Veneto Region 2017 data.

imply the need to perform this analysis within the specific company realities, their organizational dynamics, their mission and vision. Unfortunately, because of privacy reasons, it was not possible to bring our analysis to such a level of depth.

Using semantic analysis, we identified in which of the three circles the financed enterprises. We closely related the results to the destination of the funding. Only market firms–not even nonmarket firms (associations, etc.) - could access the financing, but the firms of all three circles are in the Veneto region and fully reachable in the call for funding dedicated, precisely, to industries registered with the Chambers of Commerce.

3.1. The entrepreneurial profile

The data on the new companies created with the help of regional funds allows us to build a partial entrepreneurial profile of the cultural and creative sector in Veneto. The average staff of *wider cultural industries* is larger than the others: at least 6 employees. For *other core cultural industries,* there are an average of about

three employees, which falls to just two in *related industries* and one for *core creative arts*.

Business promoters are around 50 years old in *other core cultural industries* and *core creative arts,* an average age that drops to around 40 for *related industries*. *Wider cultural industries* are confirmed as the 'youngest', being created in the main by those in their twenties. As far as *related industries* are concerned, 50% of corporate promotion is by women; for *other core cultural industries*, the female component is 100%. Only the organisations of the *core creative arts* and *wider cultural industries* see the male component as a determiner in creating a company. 39% of the total financed enterprises belong to *other core cultural industries*, 28% to *related industries*, 19% to *wider cultural industries* and only a residual 14% to *core creative arts*. On closer examination, we also see how the overall average funding per company is 37% for *wider cultural industries* (€119,102), 33% for *related industries* (€106,693), 22% for *other core cultural industries* (€69,992), and only 8% for *core creative arts* (€25,218). The total average contribution to the total disbursed in the two calls reaches 35% for *related industries*, 33% for *other core cultural industries* and 28% for *wider cultural industries*. Only a residual 4% goes to the *core creative arts*.

This means that the funds allocated by the Veneto Region to the cultural sector have been destined, crucially, to support services and equipment for cinema, theatre and visual arts rather than to finance those who actively and predominantly take part in the artistic process. Applying the same data to the starting model, that of Throsby, we have a central core composed mainly of *related industries* and *wider cultural industries*: it instead shifted the true core of artistic creation towards the periphery, registering almost marginal values. Why should this be the case?

We can explain this gap in different ways. First, the question relates not only to the commercial aspect of the chosen form of business (and therefore to profit and impact on the reference market) but above all to the real contribution of culture to the transformation of the economy and society. The importance of becoming involved in the dynamics of local development, innovation and competitiveness of the regional territory also makes itself apparent. What emerges from our analysis is an apparently inverted ecosystem of cultural and creative industries. Do we need to finance infrastructure or processes?

Is it the Veneto entrepreneurial spirit that is moving towards fewer 'cultural' activities, or are the regional funds unable to reach the *core creative arts* in a timely manner? Or is it the choice of legal forms adopted by the cultural and creative sector which are no longer suitable, not only for adequate financing, but above all to invest in its own growth? Is the associationist model still able to compete with new entrepreneurship? In order to investigate the reasons behind the choice of the entrepreneurial form adopted by cultural and creative companies, we addressed sector operators directly.

From semi-structured interviews conducted with representatives of the associationist world and, on the other hand, with Veneto-based entrepreneurs (in this case belonging to the theatre sector in particular), several reasons have emerged to support the transformation in business model or lack of such.

We have identified three principal ones: an administrative motivation, a political motivation and a cultural one (Table 3).

Table 3. The reasons for and against transformation into the entrepreneurial model.

	For transformation into the entrepreneurial model	Against transformation into the entrepreneurial model
Administrative motivation	Professionalism and transparency as growth factors	Bureaucratic burden and increased costs
Political motivation	Civil dignity of artistic work	Unwillingness to comply with market logic
Cultural motivation	Extended reach and greater audiences	Freedom of experimentation released from instantaneous and measurable feedback

Source: our own analysis of interviews with professionals from the Veneto theatre sector (2017).

By comparing the entrepreneurial model with the traditional one, we can see that they can finance directly the former as a proper business, develop performative spaces and contexts, and appeal to a vast and different audience. The latter incorporates financial support thanks to the help of local authorities and large theatrical organisations, which distribute resources to the various applicant associations. The context in which the traditional theatre moves is that of an independent theatrical research and the reference public is mainly the established one.

4. Conclusions

Overall, what emerges from our work is the partial absence of the non-profit cultural enterprise from the funding of the Veneto POR-FESR: the recipient of financing, in a nutshell, is what could be defined as the sector of services for cultural industries and not the artistic sector in the strict sense.

This result does not surprise us: on the opposite, it confirms how much of the Core creative arts rejected the entrepreneurial form but are configured as an association. It is being understood within the regional funding and the main sector policies.

This reality presupposes the need to use other methods envisaged by the thematic objectives of the ERDF in order to support effectively all those companies unaided by the calls in question and which constitute, in a true sense, the beating heart of the entire sector of artistic and creative production. In fact, it is in the *core creative arts* that the primary arts – painting, theater, literature – convey, with social as well as economic content, and which should be the primary beneficiaries of European funding for culture.

The first need that emerges from this work is to fully define the boundaries of the cultural and creative enterprises: the lack of an exhaustive definition at the legislative level also compromises their recognisability and, therefore, the ability to support them and give them the economic value they deserve within public and market strategies.

Secondly, it would be desirable to apply ATECO codes (the Italian translation of the Nomenclature of Economic Activities (NACE) created by Eurostat and adapted by ISTAT to the specific characteristics of the Italian economic system) corresponding to the univocal definition of a cultural and creative enterprise to all CCIs that take an entrepreneurial form: if the sector generates an economy, it should be measured with an appropriate accounting system. Using ATECO codes (NACE) would not provide any contribution to the estimation of the robustness of the Throsby model – since, by definition, structural business statistics exclude non-profit activities. It is therefore

necessary to expand the reference databases in order to grasp some categories, such as artists, which escape statistics based on ATECO codes. The mechanisms regulating the non-profit sector should also be made more transparent in order to avoid imbalances in taxation and voluntary work not directly comparable to those who choose an entrepreneurial form to turn culture into their profession.

In conclusion, it would be advisable for the strategic planning objectives of public policies to include measures to support institutions and companies belonging to the *core creative arts*; develop effective indicators capable of measuring the contribution made by the cultural sector to innovation, both internally and regarding other organisations, public bodies and stakeholders; start mapping of cultural and creative industries in their own territories; and finally – seek to constantly monitor the results achieved, both in terms of objectives and results, carrying out benchmarking analyses in relation to the main competitors and further economic impact analyses on cultural enterprise initiatives in key places subject to financing.

5. Theoretical implications and suggestions for future research

An important reflection opened up by the research carried out concerns the very definition of the boundaries of the cultural and creative industry: does the theoretical model defined by Throsby still find a perfect correspondence in reality? Or are we facing a type of business that is constantly strengthening and difficult to confine to a specific theoretical model? And if the latter was to find a perfect correspondence in the cultural and creative industries studied, based on what criteria they should build? What is still because of *core creative arts* and how can its value be ascribed? Is it necessary to distinguish between profit and non-profit organisations?

Throsby speaks of *cultural capital* (Throsby 2005, 76) as an asset that embodies, preserves and provides cultural value besides whatever economic value it possesses. Cultural value –in its various forms of aesthetic, spiritual, social, historical, symbolic, and authenticity value) – contributes to that economic value.

How do we ensure that those things which have no explicit monetary value (such as the benefits of culture brings to people in terms of well-being) but which, as Throsby claims, constitute cultural value, are given due importance in the face of economic policy choices? What is the real potential of the cultural and creative industries and how can academic research contribute to improving the real perception of them within the context of international decision-making and to the choices made by governments in terms of resources, objectives and strategic planning? These questions, partially unanswered, open important challenges for the sector.

A suggestion for future research in this area could first of all concern the monitoring of cultural industries before and after the Veneto POR-FESR calls for tenders, to measure the positive benefit, if any, received through funding. For a complete mapping of the CCIs in Italy, the analysis could be extended to all the regions that have used the same sources of funding to nourish entrepreneurship and perhaps comprise an accurate benchmarking analysis in order to evaluate the best practices and strengths of those companies that have performed better in terms of certain indicators. Broadening the research to a European or international scale, for both public and private funding, would allow a more complete and exhaustive analysis.

From the point of view of scientific research, future studies could open a theoretical reflection on the model of cultural enterprise itself, built both at European and international level, to understand the direction in which the sector is moving and how to enhance it even more in terms of financial eligibility, management and public choices.

Finally, in the interest of extending and improving managerial approaches to the cultural industries sector, some studies could further investigate the use of *text mining*, *sentiment analysis* and *data mining* in general, to allow the definition of a methodology specifically designed for this sector, which takes into account its intrinsic nature and its peculiarities.

Notes

1. The research was carried out within the MACLab (Laboratory for the Management of Arts and Cultures) in the Management Department of Ca 'Foscari University of Venice and funded by the Veneto Region. The preliminary analysis was edited by Dr. Juliana Bernhofer.
2. Used to verify the existence of a correlation and therefore a link between several variables.
3. The R^2 (goodness-of-fit index of a statistical model) is only 0.08.
4. In this case, the R^2 is equal to 0.52.

Disclosure statement

No potential conflict of interest was reported by the authors.

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