

# SWOT Analysis

## Status of the Creative Industries in Ljubljana

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## 1. Executive Summary

Slovenia has a good geographical position on the crossroads of trade and cultural routes. Through the history, this has had an important influence on the development of its culture and economy. Today, Slovenia is a small open economy, which currently also struggles with the economic and financial crisis. The capital of Slovenia is Ljubljana, which has a population of 279.653 people (1.1.2010). Municipality of Ljubljana (MOL) is one of the 26 municipalities in the Osrednjeslovenska region, also called the Ljubljana Urban Region. This region produces more than one third of the national GDP. The special focus of this analysis is put on the MOL, within the national and regional context.

Slovenia has a well developed network of cultural institutions, organisations and associations, which is comparable to the most developed European countries. A relatively colourful cultural life exists not only in bigger cities, but also in more rural areas of Slovenia. Despite the polycentric organisation of cultural institutions, the most important source of funding (around two thirds) in Slovene culture is governmental. Public funds, reserved for culture present a bit over 0,5% of the total GDP or 204 million euros in 2009.

Even though the National Programme for Culture 2008-2011 mentioned the potential of cultural and creative sector in the economic sense, it did not include any support for this kind of activities in the cultural policy. According to this central document of cultural policy in Slovenia, culture that should be supported is culture, which is perceived as public good and mostly provided by public bodies. Over the recent years the issue of creativity has been in and out of policy discussions in Slovenia. While the subject has been introduced in strategy papers, there is still no specific policy papers on this subject or support measures. There is also no widely accepted definition of the creative industries in Slovenia, nor any specific overall policy framework within which the Slovene creative industries can be promoted and developed. There is no programmed and systematic support for the creative industries. Just recently, however (4.11.2010), architecture and design have been additionally included into the National programme for culture.

In 2008, the 9<sup>th</sup> Development Group for Creative Industries was established by the Government. Its mission was to prepare content starting points for forming a state strategy for more successful enforcement of the creative sector (design, architecture and marketing communications) at creating added value of Slovene economy. The 9<sup>th</sup> Development Group's recommendations present the first and only document which is focused on creative industries. The main findings of the group were that Slovenia is lagging behind, that professional infrastructure exists, but is not closely linked, that non-programme financing does not motivate and that researches and analysis are needed in order to provide support for an efficient strategic plan of measures.

A special focus of the analysis was put on Ljubljana, which is a city of culture. There are more than 10.000 cultural events and 10 international festivals going on each year. For the size of its population, Ljubljana has, on the European scale, an above-average number of museums (22), galleries (53), theatres (10), and artistic and cultural events. In 2010, Ljubljana also became the World Book Capital.

About 5-8% of the MOL budget (16-25 million euros in the studied years) is reserved for culture. The biggest share of that (more than 35%) presents librarianship, followed by cultural programmes. A significant share of MOL budget for culture is also dedicated to the cultural heritage, which is however not the central topic of the creative industries analysis. In Ljubljana, there is a record of 47 non-governmental organisations dealing with culture. MOL finances the non-government organisations, which play a very important role in the field of culture in Slovenia, on a project basis (through public tenders) and on a three-year programme basis, which enables a more continuous work and concentration on the content. An important share of creative activities in Ljubljana is financed also by the state through the Ministry of Culture, Slovenian Film Fund, Slovenian Book Agency and The Public Fund for Cultural Activities of the Republic of Slovenia. Since Ljubljana is the capital of Slovenia, most national cultural institutions are located here as well. The estimation is that around 60% of all Slovenian cultural events, infrastructure and also people, working in culture, are concentrated in Ljubljana.

The National Programme for Culture is very important for Ljubljana as the capital of the state and capital of culture. However, Ljubljana did not have a specific strategy for culture until 2007, when the Strategy of the cultural development in the Municipality of Ljubljana was developed. This document at the same time became the first document where also the developmental potential of culture was at least partially recognised.

Creative industries in Slovenia and Ljubljana are strongly hindered by the small domestic market. Because of that, one of the specifics of Slovenia is, that publishing is a non-profit, and therefore partially subsidised industry. Other CI sub-branches struggle due to the lack of the critical mass as well. Difficult conditions on the market in general result in market concentration and competition based on price. There is a lack of collaboration of the cultural sector with other sectors (e.g. tourism, education, S&T) and there is also a general lack of the cooperation culture.

The quantitative analysis of the creative industries' private sector was based on the occupational data, acquired from the Statistical register of employment, and the final accounts data (AJPES). While analysing the final accounts data, NACE Rev. 1.1. on a 3-digit level was followed, according to the projects' common methodological guidelines. This means, that in some cases also other activities, which are not creative, are included, and subsequently, the number of creative firms can in some cases be a bit overestimated.

The analysis of the private sector shows, that creative industries present an important part of the economy in Ljubljana and Slovenia. Taking the number of firms into account, CI present a share of 18% in Ljubljana, while taking the number of employees into account, CI present a 12% share. These shares are a bit lower in Osrednjeslovenska region (Central Slovenia) and in the whole country.

The industrial statistics show that architecture is the most important of the CI branches in terms of number of firms with the number of firms being almost twice as high as in retail of cultural goods which is following. In Osrednjeslovenska region the situation is almost identical, while in Slovenia the only difference is that architecture is a bit more closely followed by the retail of cultural goods. The number of the firms was increasing in architecture as well as in all other creative sub branches. Museum shops and arts exhibitions, artists' and performing art, and design experienced the highest growth in number in the period

2001-2007. In terms of the number of employees the retail sale of cultural goods, architecture and software/games industry employed the most people in all the studied years in Ljubljana. The same holds true for Osrednjeslovenska region and Slovenia. The number of employed grew in all sub branches in the period 2004-2007, except in design. The analysis of the firms' size shows, that firms with 0 or with 1-5 employed present the main share of the firms in all of the sub branches in Ljubljana, Osrednjeslovenska region and Slovenia. Only in architecture followed by retail sale of cultural goods and software/games industry, the share of the firms with over 6 employed is more notable. Comparing the data for the years 2001 and 2007 shows, that the share of firms with 0 employed increased enormously.

The occupational analysis results show, that among the creative occupations in Slovenia, authors, journalists and other writers are the most frequent, followed closely by decorators and commercial designers. In general, the occupational statistics did also not reveal any major differences between the distribution of specific creative occupations in Ljubljana, Osrednjeslovenska region and Slovenia. However, the comparison of the shares of all creative occupations in all occupations indicates a preference of individuals employed in creative occupations to be settled in Ljubljana.

Public sector plays a very important role for the CI in Slovenia and Ljubljana. Privately owned firms present only a minor part of the cultural sector. Furthermore, even generally privatised sectors (e.g. publishing, film, music distribution and production) generate a significant share of budgets from public sources. A very important role in the field of culture play also the NGOs.

The qualitative part of the analysis was based on secondary data and interviews with anonymised representatives of different sub-branches. Based on this, short descriptions of specific sub-branches were elaborated, and in the next step also a CI SWOT analysis was created. With regard to the methodology used, it should be noted, that specific arguments, presented in the qualitative analysis, and summarised also in the SWOT matrix below, are based on the subjective views of the interviewees.

**Creative industries SWOT**

<p><b>STRENGTHS:</b></p> <ul style="list-style-type: none"> <li>• Concentration of institutions and firms (LJ capital)</li> <li>• Strong public sector</li> <li>• Quality education and training programmes in some sub-branches</li> <li>• International cooperation (NGOs)</li> <li>• Events, awards</li> <li>• Tradition</li> <li>• Internationally recognised individuals</li> </ul>	<p><b>WEAKNESSES:</b></p> <ul style="list-style-type: none"> <li>• Small market</li> <li>• CI policy not existing</li> <li>• Insufficient funding</li> <li>• Missing infrastructure in some sub-branches</li> <li>• Lack of specialised educational programmes</li> <li>• Everybody doing everything</li> <li>• Poor business management skills</li> <li>• Lack of promotion</li> <li>• Uneven relations in the value chain</li> <li>• Competition based on price</li> <li>• IPR problems</li> <li>• Lack of critical mass (orientation on domestic market only)</li> </ul>
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<p><b>OPPORTUNITIES:</b></p> <ul style="list-style-type: none"> <li>• Increasing demand for creative products</li> <li>• Comprehensive policy support of CI on national and local level</li> <li>• Linking culture with other sectors</li> <li>• Use of CI for restructuring of Slovenian business sector</li> </ul>	<p><b>THREATS:</b></p> <ul style="list-style-type: none"> <li>• Economic crisis (problems in private sector &amp; lack of public funds)</li> <li>• Rapidly changing technologies</li> <li>• Fierce competition from other countries</li> <li>• Migration of talents to abroad</li> <li>• Contents are easy to copy</li> </ul>
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The results of the analysis show, that further efforts should be put in the promotion of the term creative industries and its content, promotion of the importance and potential of CI, and promotion of cooperation and its benefits.

Architecture steps out in the analysis as one of the most developed CI sub-branches with strong tradition, internationally recognised architect bureaus and faculty, and with both demand and supply concentrated in Ljubljana. Furthermore, fragmentation is one of its biggest weaknesses and one of the main reasons for uncompetitiveness on the international markets. Subsequently, there is a great need for fostering cooperation among different specialised actors. Design (mostly industrial design), on the other hand, seems to have the biggest and the most overlooked potential not only as a CI sub-branch, but also as a mean for restructuring of the wider business sector. Compared to the more developed countries, and also to other CI sub-branches in Slovenia, (industrial) design is lacking some of the basic support (e.g. national design centre, national design strategy and support policy). Based on the results of this study, architecture and design were selected as the two sub-branches of further interest for the analysis and CI cluster development. This decision is further supported by the fact that there is a clear interest of the state and local authorities for the support and further development of these two sub-branches.

## 2. Introducing the national context

### 2.1. Brief presentation of the national context

Slovenia covers 20,256 square kilometres stretching between the Alps, the Adriatic and the Pannonian Plain and is only larger than Cyprus, Malta and Luxemburg. It borders with Austria in the north (324 km), Italy in the west (235 km), Hungary in the northeast (102 km) and Croatia in the south and southeast (546 km). Slovenia's coastline on the Adriatic Sea in the southwest is 47 km long. Due to its small size more than half of Slovene population and territory are accounted for by the bordering regions.

For millennia, Slovenia has been at the crossroads of trade and cultural routes leading from north to south, from east to west. A favourable geographical position is one element facilitating economic growth. A diverse industrial history, a tradition of openness to the world and a well-managed state economy policy all contribute to the fact that Slovenia is among the most successful countries in transition from a socialist to a market economy. Nowadays there is general agreement that Slovenia is a stable democracy with an open economy based on competitive markets. Until the middle of 1991, Slovenia was a part of Yugoslavia. Slovenia, being the most developed region of Yugoslavia, had had its specific development also because of the relative autonomy of the Yugoslav republics. Slovenia's population accounted for 8% of the Yugoslav population. Slovenia's GDP exceeded Yugoslav GDP for 20% and Slovenian firms accounted for more than 28% of the total country's export, especially to West European countries.

Today Slovenia is a small open economy with a population of just 2 million and it is one of the most developed new EU-12 members. Slovenia gained its independence in 1991 and is EU member since 2004. On 1 January 2007 Slovenia adopted the euro and became part of one of the world's largest currency areas.

In the economic sphere, Slovenia's level of development is relatively quickly catching up with that of the EU. In the year 2008 Slovenia achieved 91.4 per cent of the EU-27 average GDP per capita and has had a high rate of GDP growth since 2000. After the significant decline of economic activity in 2009, the level of GDP per capita in purchasing-power parity declined in comparison with the EU average. Recording a much steeper GDP decline than the EU as a whole, Slovenia slipped further behind the EU average to the level of 2007.

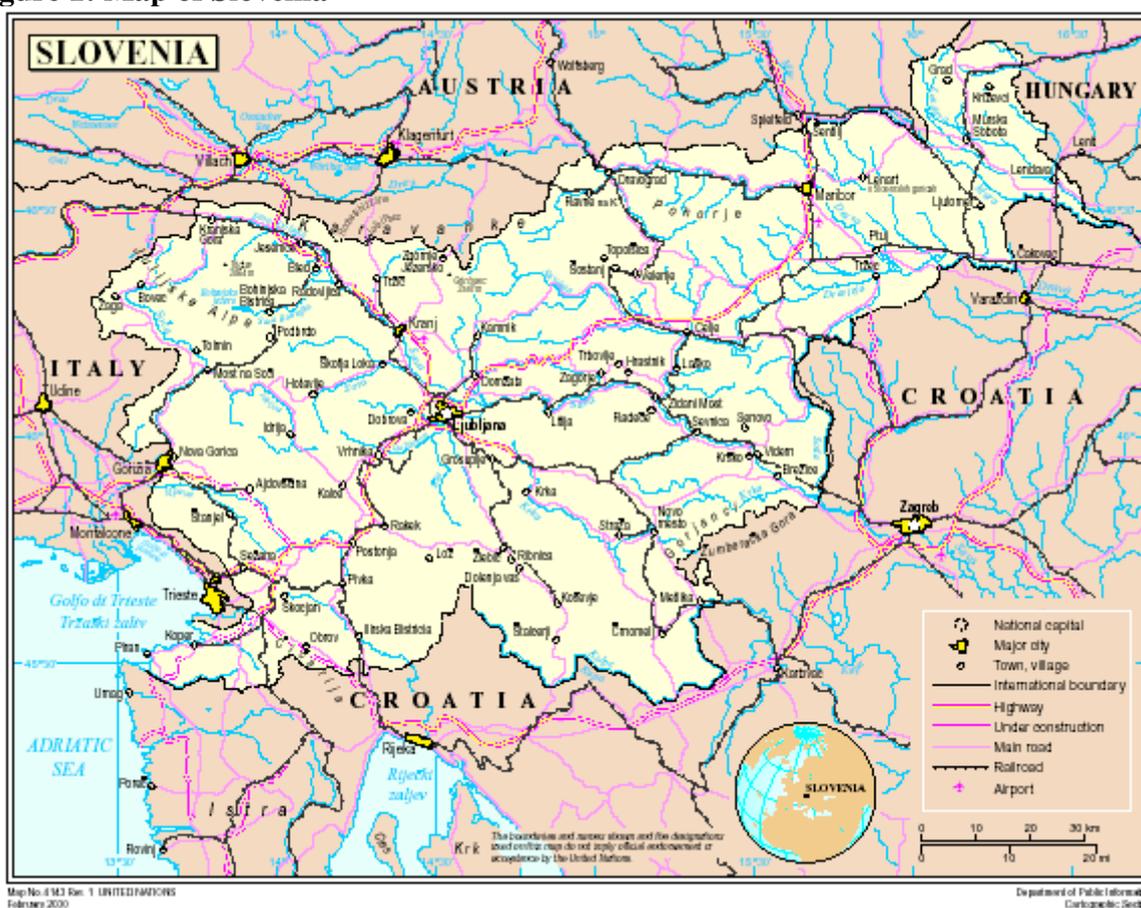
**Table 1: Main economic indicators**

MAIN INDICATORS	2005	2006	2007	2008	2009
GDP (real growth rates, in %)	4.5	5.9	6.9	3.7	-8.1
GDP in EUR million (current prices and current exchange rate)	28,750	31,055	34,568	37,305	35,384
GDP per capita, in EUR (current prices and current exchange rate)	14,369	15,467	17,123	18,450	17,331
GDP per capita (PPS)	19,700	20,700	22,100	22,800	20,300
GDP per capita (PPS EU27=100)	87	88	89	91	86
Rate of registered unemployment	10.2	9.4	7.7	6.7	9.1

Standardised rate of unemployment (ILO)	6.5	6.0	4.9	4.4	5.9
Inflation, 2 year average	2.5	2.5	3.6	5.7	0.9
Exports of goods and services (real growth rates, in %)	10.6	12.5	13.7	3.3	-17.7
Current account balance, in EUR million	-498	-771	-1646	-2489	-526
As a per cent share relative to GDP	-1.7	-2.5	-4.8	-6.7	-1.5
Gross external debt, in EUR million	20,496	24,067	34,752	38,997	40,008
As a per cent share relative to GDP	71.3	77.5	100.5	104.5	113.1
Ratio of USD to EUR	1.244	1.254	1.371	1.471	1.393
Private consumption (real growth rates, in %)	2.6	2.9	6.7	2.9	-0.8
As a % of GDP	54.2	52.8	52.7	53.0	55.4
Government consumption (real growth rates, in %)	3.4	4.0	0.7	6.2	3.0
As a % of GDP	19.0	18.8	17.3	18.1	20.3
Gross fixed capital formation (real growth rates, in %)	3.7	10.1	12.8	8.5	-21.6
As a % of GDP	25.5	26.5	27.7	28.8	23.9

Source: Slovenian Economic Mirror, July-August 2010, p. 29.

**Figure 1: Map of Slovenia**



## 2.2. Brief presentation of the economy

Slovenia is a small open economy with a population of just 2 million and it is one of the most developed new EU-12 members. In the economic sphere, Slovenia's level of development is relatively quickly catching up with that of the EU. In the year 2008 Slovenia achieved 91.4 per cent of the EU-27 average GDP per capita and has had a high rate of GDP growth since 2000. Slovenia's economic structure has gradually been approaching the structure of the developed market economies in the last twenty years, as the significance of agriculture and industry has diminished, while the significance of services has increased. After the significant decline of economic activity in 2009, the level of GDP per capita in purchasing-power parity declined in comparison with the EU average. Recording a much steeper GDP decline than the EU as a whole (-8.1 %), Slovenia slipped further behind the EU average to the level of 2007 (87 %). In the year 2009 economic activity dropped more notably in Slovenia than in the EU average was to a great extent attributable to the strong economic cycle in previous years (particularly in construction), followed by a relatively steep decline as a result of the crisis, as well as to the structural weaknesses of the Slovenian economy (especially a relatively large share of low- and medium-technology industries), which contributed to a larger contraction of exports in the time of crisis and tougher international competition. The large decline in export activity at the onset of the economic crisis also translated into a loss in export competitiveness (a decline in market share), which was expected, given the insufficient technological restructuring of the economy in the period of strong economic growth and the relatively high lag behind the more advanced countries in terms of productivity. During the economic crisis, we have therefore witnessed what is called passive restructuring, i.e. intensive changes in the economic structure brought about by the failure of less competitive sectors of the economy, rather than planned efforts aimed at restructuring and creation of high value-added jobs. The insufficient competitive capacity of the economy has also been a consequence of insufficient consolidation of factors relating to efficient use of knowledge in economic development.

The structure of Slovenia's economy is gradually approaching that of the well-developed economies as the significance of agriculture and industry is diminishing, while the significance of services is increasing. The economic structure of Slovenia is comparable with East European countries. The service sector generates the largest share of economic performance with roughly 60%, followed by industrial firms with approx. 25% and construction with 8 %. The once flourishing agricultural sector now plays only a marginal role with slightly more than 2%.

**Table 2: Value added by activities**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Agriculture, forestry, fishing (A+B)	3.0	3.3	2.5	2.7	2.7	2.4	2.5	2.5	2.4
2. Industry and construction (C+D+E+F)	35.5	34.8	35.1	34.5	34.1	34.4	34.6	33.8	31.1
- Industry (C+D+E)	29.3	28.8	28.9	28.3	27.4	27.2	26.7	25.5	23.2
- Construction F	6.2	6.0	6.2	6.3	6.7	7.2	7.9	8.3	7.9
3. Services (G...P)	61.5	61.9	62.4	62.8	63.2	63.2	62.9	63.7	66.5
<b>TOTAL VALUE ADDED</b>	<b>100.0</b>								

Source: Autumn forecast of economic trends 2010, 2010, p. 55.

Services' share of the Slovenian economy is still much lower than on average in the EU. In terms of competitiveness, the main problem is the gap to the EU average in market services (G-K). The gap declined significantly after 2005. However, in knowledge-based services such as financial, business, communication and information services, the catching-up was less pronounced. Apart from directly affecting economic growth due to their high and growing share of GDP, their indirect impact on competitiveness through the intermediate consumption of services in the manufacture of goods and other services is becoming increasingly important. Public services (L-P) also account for a lower share of GDP than in the EU as a whole. The gap in this area was relatively narrow until 2005, but it widened in the period 2006–2008, largely due to relatively weak growth in the value added of public services related to the slowdown in employment growth, and the low growth of wages in the public sector in the period preceding the elimination of wage disparities. The share of non-financial market services in total employment also surged, to 33.8%. Slovenia's gap to the EU average in terms of the share of non-financial market services in value added narrowed to the lowest level ever (3.4 p.p.) in 2008, the latest year for which data are available. As was the case in the entire period after 2000, this was a consequence of the expansion of retail and wholesale trade, which has already exceeded the EU average for many years. To a much lesser extent, the narrowing of the gap was also the result of robust growth of business services, where Slovenia has the largest structural gap to the EU average. In this area, Slovenia did approach more developed countries for the second year running in 2008 (after an intermission in 2004–2006), but the gap is still relatively wide (4.8 p.p.), wider than it was in 2004, when it was at its narrowest. But it is positive that knowledge-based business services (various consultancy, research and computer services) saw the biggest growth in the business-services sector.

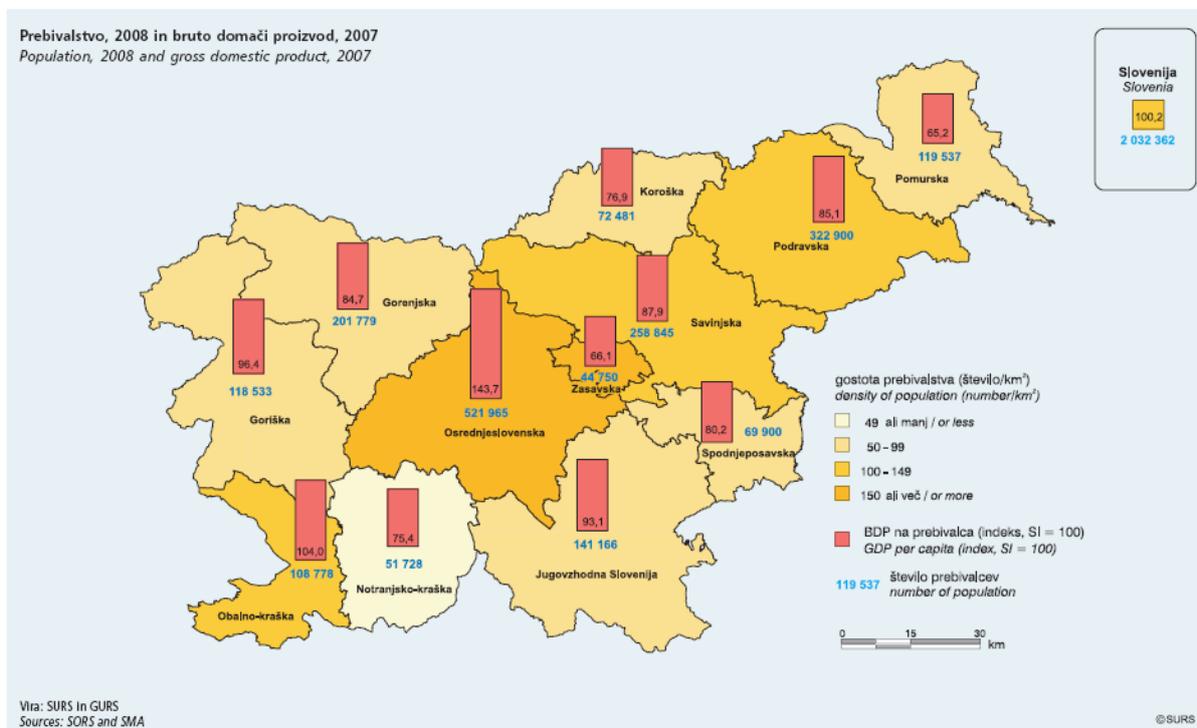
The industry's share in the GDP in Slovenia is still much higher than the EU average, so the industry still represents an important part of Slovenian economy. In the framework of industry the importance of the manufacturing sector is falling most rapidly. Structural shifts of manufacturing are positively aimed at strengthening technology – intensive industries. Unfortunately they are carried out too slowly, because Slovenian enterprise (corporate) sector is facing significant structural problems. Considerable share of the added value in the manufacturing sector is still created by low technology activities. In order to make a breakthrough in competitiveness and keep economic growth in the state sustainable in the long run, it is necessary to make important shifts based on technological restructuring, higher investment in R&D, ICT, innovation in general and the increased role of the knowledge-based services.

The process of economic restructuring, integration and growth is geographically not even. Osrednjeslovenska region is the most developed part of Slovenia with the capital city Ljubljana. In 2007 this region alone produced more than one third (36.1%) of the total Slovenian GDP, and together with the Podravska region one half of the total Slovenian GDP (49.6 %) <sup>1</sup>. It should be noted, however, that in some regions the GDP per capita figures are significantly influenced by commuter flows. Net commuter inflows in these regions push up production to a level that could not be achieved by the resident active population on its own. The result is that GDP per capita may be overestimated in these regions and underestimated in regions with commuter outflows. It is estimated that 80.000 people commute to Ljubljana every day. Regional imbalances in the registered unemployment rate in Slovenia are relatively high and increasing.

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<sup>1</sup> [http://www.stat.si/eng/novica\\_prikazi.aspx?id=2788](http://www.stat.si/eng/novica_prikazi.aspx?id=2788).

Figure 2: Population and GDP per capita



Source: Slovenske regije v številkah 2010 (Slovenian regions in numbers 2010)

Regional imbalances in registered unemployment rate in Slovenia are relatively high and increasing. After several years of decline, which varied from region to region, regional unemployment rates rose again in 2008 after 2001, whereas the gap between regions recording the lowest and highest unemployment rates narrowed slightly. In the year 2007 the unemployment rate increased in Spodnjeposavska, Podravska and Pomurska region, which replaced Podravska as the region hit hardest by unemployment. Goriška region still has the lowest registered unemployment rate, but the other four regions (Koroška, Zasavska, Spodnjeposavska, and Pomurska) are specialized in agriculture and especially labour-intensive industries such as textiles, which are increasingly exposed to competitive pressures, so that further major reductions in employment could be seen.

According to the studies done in the last years and according to the strategic documents as Strategy of regional development in Slovenia (SRDS) adopted in 2001 the main problems are the following: i) a lack of endogenous development factors (human capital, entrepreneurship, lack of domestic or foreign investments) in less developed regions; ii) increased competition in the Single Market - those areas that depend on low to medium technology industries may see further business closures; iii) Slovenia has not been able to implement comprehensive regional policy on the basis of existing legislation.

### 2.3. Brief presentation of the administrative system

In accordance with the Civil Servants Act and the Salary System in the Public Sector Act (2002), the public sector in Slovenia is regarded as the entirety of government bodies and local self-government units' administrations, public agencies, public funds, public institutes, and other legal persons of public law, when they are classified as national or local communities' budget spending units. Taken together, they have approximately 150,000 employees and perform administrative tasks under public authorisations. The public sector therefore covers the systems of public education, public health, social welfare, R&D, the judiciary system, etc. The public administration in the narrower sense encompasses government bodies and local self-government units' administrations. There are around 46,000 employees (four percent of the active population) working in the public administration, about 33,000 of them within the state administration (the police and army included) and about 4,000 within municipalities. It is worth mentioning that, in Slovenia, there is a large difference between the state administration (at central and local level) and the local self-government (municipalities). In the current governmental term, the state administration is represented by 15 ministries and 16 supporting common governmental services, about 50 autonomous units within ministries (such as the Tax Administration) and 58 local administrative units, while the local administration is represented by 210 local communities and their services (Kustec Lipicer and Kovač, 2008).

### 2.4. Overall attempts to promote culture and creative industries

Shaped by historic encounters between Romanic, Germanic and Slavic cultures, Slovenia has long been a crossroads between east and west. It lies in close proximity to a range of important cultural centres and it is possible to reach Vienna or Venice by road in just three hours. Art and culture have always played an important role in the Slovenian history, since they were in a way a substitute for the lack of national, political and government institutions.

Slovenia has a well developed network of cultural institutions, organisations and associations, which are comparable to the most developed European countries. A relatively colourful cultural life exists not only in bigger cities, but also in more rural areas of Slovenia. Despite the polycentric organisation of cultural institutions, the main share of resources for culture (around two thirds) presents the state budget; public funds, reserved for culture present a bit over 0,5% of the total GDP. The local communities or municipalities contribute only a minor share. This includes the programmes and projects in the field of international cultural cooperation, an important share of the publishing industry, cultural activity of the Italian and Hungarian minorities and Slovenians, which live abroad. Local communities are mostly responsible for libraries and some other cultural institutions (local museums, galleries and cultural centres), and NGOs which are active in the field of culture.

So far, there has been no extensive analysis on creative industries, so it is not known what revenues this sector generates or how many people does it currently employ. However, there is a data that 33.329 people were working in culture in 2008, and that this number has been constantly increasing since 2004 (by 4,7% in 2008). There is a high number of freelancers and micro businesses who move fluidly between commercial and non-commercial contexts. A

significant data is also, that the consumption of cultural and recreational goods in 2008 has decreased for 0,5 percentage points, which is more than the EU average (0,2 pp).

After Slovenia gained its independency in 1991, a new legal framework was adopted in 1994 (Exercising of the Public Interest in Culture Act) to replace the old socialistic cultural model with a democratic one. Despite this, the cultural system has not yet experienced significant structural changes. The cultural market is weak and the support schemes and tax incentives are underdeveloped, which does not present a good alternative to the traditional model. Culture is not placed in the centre of social development and its economic potentials are not mobilised.

Even though the National Programme for Culture 2008-2011 mentioned the potential of cultural and creative sector in the economic sense, it did not include any support for this kind of activities in the cultural policy. According to this central document of cultural policy in Slovenia, culture that should be supported was culture, which is perceived as public good and mostly provided by public bodies. Over the recent years the issue of creativity has been in and out of policy discussions in Slovenia. While the subject has been introduced in strategy papers, there is still no specific policy papers or support measures. There is also no specific definition of the creative industries in Slovenia, nor any specific overall policy framework within which the Slovene creative industries can be promoted and developed. There is no programmed and systematic support for the creative industries. Just recently (4.11. 2010), however, architecture and design have been additionally included into the National programme for culture.

In 2008, the 9<sup>th</sup> Development Group for Creative Industries was established by the Government. Its mission was to prepare content starting points for forming a state strategy for more successful enforcement of the creative sector (design, architecture and marketing communications) at creating added value of Slovene economy. The 9<sup>th</sup> Development Group's recommendations present the first and only document which is focused on creative industries. The main findings of the group were that Slovenia is lagging behind, that professional infrastructure exists, but is not closely linked, that non-programme financing does not motivate and that researches and analysis are needed in order to provide support for an efficient strategic plan of measures.

Even though the National Programme for Culture is very important for Ljubljana as the capital of the state and capital of culture, Ljubljana did not have a specific strategy for culture until 2007, when the Strategy of the cultural development in the Municipality of Ljubljana was developed. This document at the same time became the first document where also the developmental potential of culture was recognised.

### 3. Introducing the city

#### 3.1. Brief presentation of the geography and major socio-economic changes

Figure 3: Ljubljana in numbers



Population (2010):	279.653
Population density:	1017 preb./km <sup>2</sup>
Surface area:	114,90 km <sup>2</sup> (160.2 sq mi)
Geographical position:	46°03'20" N / 14°30'30" E
Altitude:	298 m (623 ft)
Average annual temperature:	11,4°C
Average temperature (jan):	-1,6°C
Average temperature (jul):	23,6°C
Number of students (2006):	43.989 (16%)
Number of tourists (2008):	1.120.000
Number of overnight stays (2008):	3.210.000
Average gross wage:	1.745 EUR
Unemployment:	23.210 (6,4%)
Average price for m <sup>2</sup> :	2.520 EUR

([www.ljubljana.si](http://www.ljubljana.si), Statistical Office of the RS)

Ljubljana is the capital of Slovenia and as such, it presents not only the centre in the political sense, but also the centre of culture, education, science, economy and transport.

Looking at it with a global perspective, Ljubljana, with its population of 279.653 (on 1.1.2010), presents a medium-sized city, even though it is the largest city in Slovenia and is home to a quarter of Slovenia's population. At the same time, Ljubljana offers all the facilities a metropolis does yet it preserves a small-town friendliness and relaxed atmosphere.

Ljubljana spreads on the surface area of 114,90 sq. km, with the population density of 1017 people per sq. km. Its geographical position is not only in the centre of Slovenia but also in the centre of Europe, in a basin between the Alps and the Adriatic sea. Since it is situated on a natural passage from Central Europe to the Mediterranean and toward the East, this has historically determined it as a crossroads and a meeting place for merchants and soldiers as well as peacemakers. The position of Ljubljana also defines its climate, which is central, with the average winter temperature of -1,6 degrees Celsius and the average summer temperature of 23,6 degrees Celsius, affected by warm air streams moving from the Mediterranean.

The municipality of Ljubljana is also the centre of the Ljubljana urban region, which coincides with the Osrednjeslovenska statistical region (Central Slovenia) that consists of 26 municipalities and spreads on the territory of 3546 square kilometres with the population of a

bit more than 500.000. This is the region with the highest density of population in Slovenia (199,1 people per square km) even though in European and global terms this is a very low figure.

The first impression a visitor gets of Ljubljana is that it is an exceptionally young city, according to its population. It is home to about 50,000 students, who give the city a special vibe. Also scientists are drawn to the city because of its high-calibre institutes and university, as are artists due to its world-famous graphic biennial, art academy and countless art galleries. International businessmen, economists and experts from all fields frequently attend the city's many business and congressional meetings, exhibitions and trade fairs.

In Ljubljana the old meets the new. Ljubljana has managed to retain traces from all periods of its rich history; from the legacy of Roman Emona to the modern Ljubljana, which was shaped by the strong personal style of Jože Plečnik, a well-known European architect who was a local. Here eastern and western cultures met; and the Italian concept of art is combined with the sculptural aesthetics of Central European cathedrals.

Ljubljana is a city with high quality of life. It is a very green city and an ideal departure point, which enables a person to ski in the Alps and bathe in the Adriatic Sea in the same day.

Ljubljana has recently undertaken and completed numerous major projects to further modernize the city: the reconstruction of the central railway station (the new central bus terminal is still in the planning stages), the renovation of Ljubljana Castle, the rebuilding and expansion of the central heating plant, and several others. All new projects are strictly adapted to ecological criteria. Many restored period buildings and urban spaces in the old city core enrich Ljubljana's appearance as the result of a continuing project called Ljubljana, My City.

The standard of living in Ljubljana is 23% higher than the national average, which is mostly due to the favourable sectoral structure of the economy. In comparison with other regions, the unemployment rate in Ljubljana is below, whereas level of education attained and the number of higher education students per resident are above the national average. The inhabitants of Ljubljana enjoy the highest life expectancy in Slovenia. Although today the majority of population are Roman Catholics, the share of followers of other religions, apart from the Evangelical, is larger as in other parts of Slovenia. Ljubljana is increasingly becoming a culturally diverse and heterogeneous city. It is expected that in the next years, the natural population growth in Ljubljana will be negative, but accompanied by an influx of new residents, especially foreigners.

In the last decades, Ljubljana also underwent many socio-economic changes, which affect the everyday life of its citizens. The industry has moved out of the centre to the suburbs and left behind many decayed areas. Also the lively trade and service sector has been moving to the outskirts of the city into the new commercial centres. The daily work migrations are constantly increasing, the labour market is expanding and at the same time, it is less predictable. The number of unemployed in Ljubljana has been decreasing from 10651 in 2005 to 7515 in 2008. The city population is ageing.

As in Slovenia in general, also in Ljubljana the social segregation is increasing. A lot of the wealthier people are moving to the outskirts or specific areas of the city. In certain residential areas the people with lower socio-economic status prevail. The increase of segregation also

lead to an increase in crime rates, however, Ljubljana is still considered to be one of the safest cities in Europe.

### 3.2. Brief presentation of the economy

Ljubljana has the leading position in Slovenia in terms of economy, which is mostly due to its traffic connectivity, density of industry, science and research institutions and tradition.

From the times of the first settlers right down to the present day, the transit character of this area has stimulated the constant growth of economic and cultural ties with other cities and nations. Ljubljana stands at the intersection of the national expressway system, which is oriented in two general directions: Vienna - Graz - Maribor - Ljubljana - Nova Gorica - Trieste - Venice and Munich - Salzburg - Jesenice - Ljubljana - Zagreb - Belgrade - Athens - Istanbul. Ljubljana's ring road and major streets offer convenient access to the expressway. Ljubljana is also the junction of rail routes to Austria, Italy, and ports along the Adriatic Sea as well as eastwards. Ljubljana's International Airport at Brnik, twenty five kilometres from the city, has contributed to the development of modern passenger and cargo air transport linking Ljubljana with many centres in Europe and other continents on the basis of daily flights. Adria Airways, Slovenia's national airline, has its headquarters in Ljubljana.

Ljubljana's economy has always been quite heterogeneous, enabling it to adapt rapidly to the ever-changing environment of the world economy. Economic sectors in Ljubljana have a good structure. There are more than 15,000 firms in Ljubljana, most of them in the tertiary sector. Specially well developed are commercial activities, while the tourist and catering sector is becoming increasingly comprehensive and high-quality. Industry, however, remains the city's most important employer, notably in the pharmaceuticals, petrochemicals and food processing. Ljubljana's industrial firms are among the major Slovene exporters. Industry is followed by retailing, financial and other business services, transport and communication, construction, skilled trades and services, and tourism and catering. In the public sector, employment is found in the fields of education and culture, followed by health care and social security, social organizations, and local administration. The Ljubljana Stock Exchange (Ljubljanska borza), purchased in 2008 by the Vienna Stock Exchange, deals with large Slovenian firms. Some of these have their headquarters in Ljubljana, for example, the retail chain Mercator, the oil firm Petrol d.d. and the telecommunications concern Telekom Slovenije.

Ljubljana produces about 25% of Slovenia's Gross Domestic Product and has maintained a constant orientation toward long-term international business cooperation. The level of active working population is 64% and out of the total employed, 50% are women; 64% work in the private sector and 36% in the public sector. The unemployment rate in the last year has been increasing in Ljubljana more than in other regions, although it is still lower than the national average, which is 10,6%. The groups with the highest unemployment rates in Ljubljana are aged 25-39 and over 50. The number of people employed in micro and small firms is growing in comparison with numbers of people employed in medium-sized and large firms. The sum of the working population, average gross wage, revenues of businesses and number of people employed in businesses have all been constantly growing in the period 2003-2008.

Nowadays, Ljubljana is also an important commercial, business, exhibition and congressional centre in European terms. The outstanding scientific potential generated by the Ljubljana University and fourteen scientific institutes (the Jozef Stefan Physics Institute, the UNESCO Centre of Chemical Studies, the University Clinical Centre, etc.), the active participation of Slovenian scientists and other experts in international associations, the inclusion of Slovenia and its representatives in international, intergovernmental, and professional organizations, the opening of our economy to the world, and the stable political, economic, and social situation of the country represent strong assets when outlining the advantages of Ljubljana as a venue for meetings and conferences of all types. The Ljubljana Fair, established in 1921, was among the founders of UFI (Union des Foires Internationales), the International Fairs Association. Today, Ljubljana's major trade exhibitions include the Wine Fair, Modern Electronics, Medilab, and Lesma, all quoted in the UFI calendar. Since 1990, Ljubljana has been the site of a World Trade Centre, enabling even more efficient business networking.

In 2007, the Technology Park Brdo Ljubljana was built. It offers support environment for high technology businesses, which are the basis for economic and technological development of the city and region. The business environment is very favourable also if we take into account the university, research institutes, international context, financial institutions and infrastructure.

Ljubljana is planning an economic policy, which will encourage firms to make use of their specific advantages internationally, specially in the EU. The city will use its capabilities to strengthen above all their business, administrative, organisational and technological capabilities. MOL (Municipality of Ljubljana) will give businessmen, researchers and innovators more help and encouragement with marketing, investment loans, providing a location, acquiring land, protecting the environment and negotiating with partners, to make it easier for them to create a firm based on their product. To achieve economic development it is also important to revitalise the city centre by encouraging suitable activities and shops, restaurants, cultural activities and services which are particularly suited to the old centre (Ljubljana in numbers: 2003-2007).

The aim of the economic development in Ljubljana is to increase the wealth of the MOL population, which is defined as the balanced sum of its economic efficiency, social justice and quality environment. The main development task is to increase competitive capabilities and the innovativeness of the economy, which demands restructuring the business sector and developing information technology and economic infrastructure.

MOL is connecting the other 25 municipalities of the Osrednjeslovenska region into one whole, while respecting their particularities. The advantage of this region is the high education level of the human capital, the activities of the university and research institutes and a favourable geographic position.

### **3.3. Brief presentation of the position in European networks and hierarchy**

Ljubljana is a city that puts much emphasis on communication and is connected to many European cities and also a Chinese city Chengdu. Ljubljana is included the European city network and through the national municipality association Ljubljana is also active in the EU

Board of Regions, Congress of local and regional governments of the EU Council and in the Council of European cities and regions.

Ljubljana is connected with two Italian and Austrian cities and three Croatian and German cities. The rest of the associated European cities are in Slovakia, Russia, Russian Federation, Bosnia and Herzegovina, Belgium, Macedonia and Greece. Outside Europe Ljubljana is also associated with cities in Tunisia, Georgia and China.

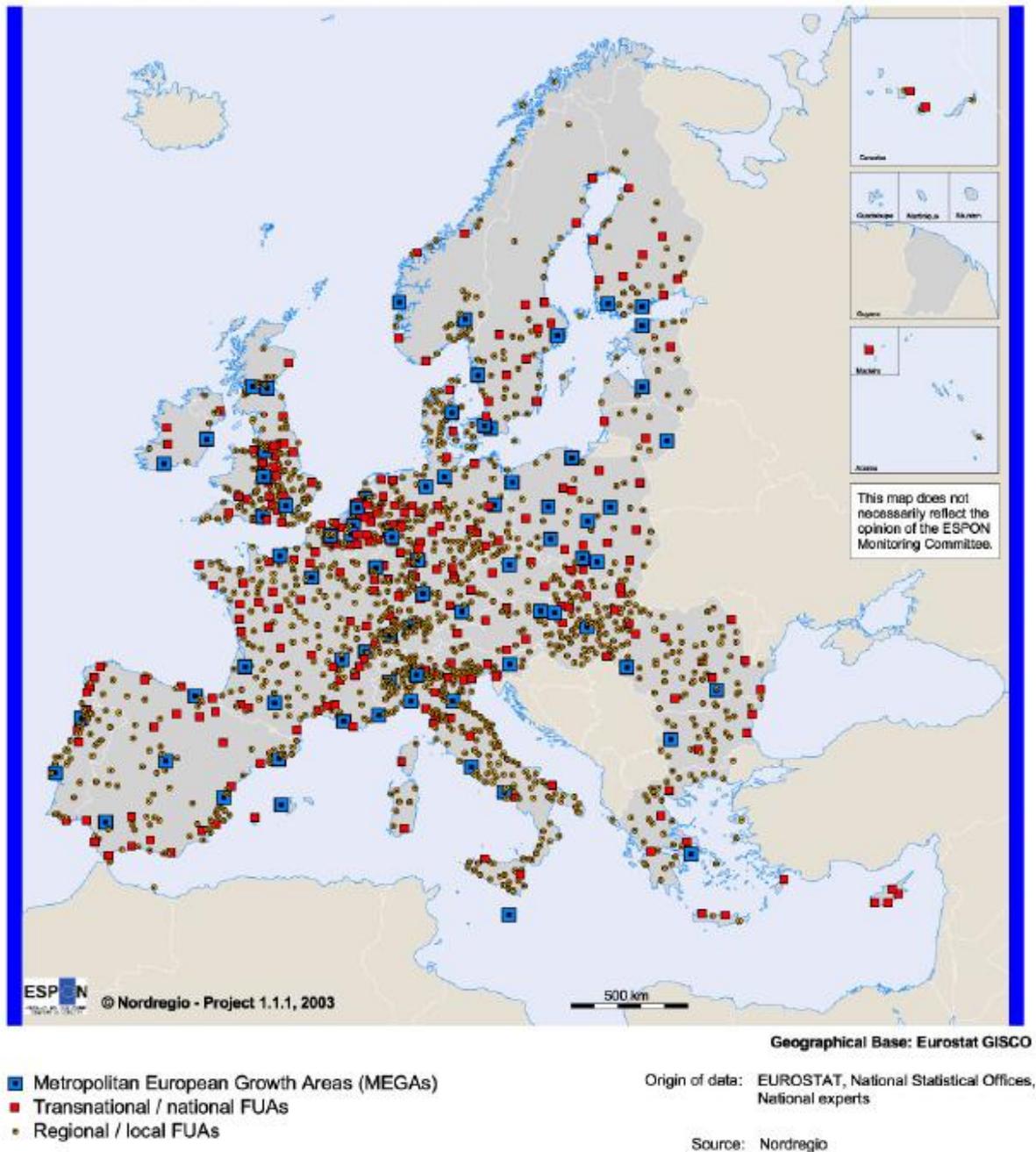
Ljubljana is a member of the following city associations: UCLG (United Cities and Local Governments), UCUE (Union of Capitals of the European Union), Eurocities and the Association of Middle and Southeast Europe capitals.

The city networks, in which Ljubljana is included are the following: URBACT - SecurCity, WHO Healthy Cities Network, CIVITAS FORUM, Les Rencontres, ASCE (association of Significant Cemeteries in Europe), Global Cities Dialogue, City Mayors, Strasbourg club, conference "Capital Cities for EU-Enlargement".

Through the national association of municipalities, Ljubljana is also included in the work of: EU Council of Regions, CLRAE (The Congress of Local and Regional Authorities) and CMRE (Council of European Municipalities and Regions).

The project ESPON 1.1.1 (2004) considered functional urban areas (FUA) as travel-to-work areas of the main urban centres according to the common criteria implemented for approximately 1600 FUA in 29 European countries. The FUA consists of an urban core and the surrounding area that is economically integrated with the centre, and represents the (sub)regional labour market area. The analysis of FUA in Slovenia was prepared firstly according to the proposed methodology without any special modifications. As a result, six FUA of European importance were selected: Ljubljana (with Kranj), Maribor (with Ptuj), Celje (with Velenje), Novo mesto, Koper-Izola-Piran and Nova Gorica. According to the weighted results of ESPON 1.1.1. indicators (2004), Ljubljana FUA is the only urban area in Slovenia with the status of »weak« MEGA (Metropolitan European Growth Area) as one of 76 MEGAs in Europe. Due to the sea port function of international importance Koper-Izola-Piran FUA was given the status of transnational/national FUA while Maribor (with Ptuj), Celje (with Velenje), Novo mesto, Nova Gorica were identified as regional/local FUA.

**Figure 4: Typology of Functional Urban Areas**



Source: ESPON 111: Potentials for polycentric development in Europe: revised version 2005.

### 3.4. Brief presentation of the cultural profile of the city

Ljubljana is a city of culture. For the citizens, culture is a way of living and thinking and very much a part of everyday life and it is not regarded as the concern of an elite minority. More than 10.000 cultural events take place in Ljubljana each year, among which there are also 10 international festivals. The inhabitants of Ljubljana and its visitors can admire artists from all the different fields - from music, theatre and fine arts to the alternative and avant-garde.

For the size of its population, Ljubljana has, on the European scale, an above-average number of museums (22), galleries (53), theatres (10), and artistic and cultural events. It is home to one of the oldest philharmonic orchestras in the world. The first music society in Slovenia, the Academia philharmonicorum was founded in 1701 and included some renowned honorary members, such as Joseph Haydn, Ludwig van Beethoven, Johannes Brahms, Niccolò Paganini, etc. It facilitated the development of the music production in this area and was a vehicle for baroque music. Besides the Slovene Philharmonic, Ljubljana also has three other orchestras, a ballet firm and drama theatres. The driving force behind many of the cultural events in Ljubljana is the Cankarjev dom, which annually hosts more than 1200 cultural events. Cankarjev dom is the largest cultural and congress centre in Slovenia. It is situated in the heart of Ljubljana and provides over 36,000 square metres of events space.

Ljubljana's identity is also linked to the fine arts. The two central institutions in this field are the National Gallery and the Museum of Modern Art. The National Gallery of Slovenia is the main art museum in Slovenia. It exhibits the works of Slovene and foreign artists from the Gothic period to Impressionism. The National Gallery regularly prepares temporary thematic and monographic exhibitions and events in order to present certain themes from Slovene art and bring selected phenomena of art history closer to the public. The gallery is also appreciated for its educational activities and the National Gallery of Slovenia Library, which gives visitors access to the latest periodicals and published books on Slovene art and the art of the east Alpine region and also loans its artworks and photo material for exhibitions and publications following international standards. The Museum of Modern Arts is the Slovene national museum of modern and contemporary art that also manages Mala Gallery, which is an exhibiting platform for artists' personal presentations and for innovative presentation methods. The Ljubljana School of Graphics, a creative style that represents the most significant basis of the Slovene post-World War II modernistic art, and the International Biennial of Graphic Art established in 1955, have placed Ljubljana on the world map as an important art center. As contemporary alternative rock music was marked by the band Laibach, the IRWIN group made a significant impact on the Ljubljana art scene from the 1980s onwards and became one of the most provocative and fascinating groups to exhibit in several prestigious galleries in Europe and the United States. The Irwin group expanded its visual projects to the intermedia field, especially in the form of interactive web projects, for example the East Art Map project and the project Like to Like at the Cornerhouse, Manchester.

Ljubljana residents are passionate about the performing arts. Especially in spring and summer, café tables don't just line but rather fill the narrow streets of the Old Town, and street musicians entertain passers-by along the pedestrian-only streets and squares. The major event in Ljubljana's summer cultural calendar is the Ljubljana Festival, which is held in various venues throughout the city and featuring music, theatre, and dance performances by leading domestic and international artists. A series of other events round out the lively cultural tempo of the summer season, when Ljubljana could hardly be called lethargic. The Jazz Festival Ljubljana, for example, with its 50 year old tradition, is among the oldest in Europe; Ana Desetnica international festival of street theatre festival; Druga Godba international festival of world and ethno music; Ex Ponto international modern theatre festival; Gibanica festival of Slovenian contemporary dance; Mladi levi festival, as a part of Junge Hunde Network, is dedicated to the presentation, promotion, exchange and development of young contemporary performance artists, etc.

In addition, around 50.000 students at the University of Ljubljana fuel an active alternative art and entertainment scene that ranges from street theatre and postmodernist art galleries to music clubs featuring fusion jazz, vintage punk, and techno. The most notable alternative venue is probably the ACC Metelkova Mesto. Metelkova is the former empty military barracks, which were squatted by individuals and groups, and became a multicultural centre with rich and inspiring activities, which range from different forms of activism and lectures, to art exhibitions, sports, concerts, theatre plays, performances, etc. Metelkova mesto (mesto=city), like any other real city, embraces public spaces intended for association, amusement, flow of information and inspiration.

Since Slovenians are among the few nations who have a "Culture Day" as a national holiday, we should stress that our "temple" of the written word, the National and University Library, which is also situated in Ljubljana, stores around two million titles and is complemented by four other major libraries, 115 specialist libraries, and six general education libraries scattered across the city.

According to everything mentioned above, it is not a mere chance that Ljubljana became the venue for the European Month of Culture between May and July in 1997. During this period, more than two thousand artists from all over Europe and Slovenia presented 250 performances featuring theatre and street theatre, opera and operetta, concerts, exhibitions, video arts, and film along with various symposia and seminars. In April 2010, Ljubljana became the World Book Capital.

The most important source of funding in Slovene culture is governmental. In 2006 public cultural expenditure (distributed by the Ministry of Culture and the municipalities) amounted to 0.86 per cent of GDP. Public cultural expenditure *per capita* in the year 2006 was € 128. The share of the state in public cultural expenditure in 2006 was 60 per cent, the remaining portion being provided by local government. Nearly a third of the expenditure of the Ministry of Culture (28.6 per cent) was spent in the field of cultural heritage, followed by music (15.8 per cent), drama, dance and puppetry (13.8 per cent), libraries (6.9 per cent), visual arts (4.5 per cent), media (3.1 per cent), film (3.7 per cent) and publishing (3.2 per cent). As in many other small countries, sustainable domestic cultural development presents quite a challenge in Slovenia (small audiences, a limited number of larger venues etc). In the years 2004-2007, the municipality of Ljubljana spent 6-8% of its budget, that means approximately 15-19 million euros, on culture. Out of this, most of the budget was spent on libraries (6-7,5 million). Also most of the largest cultural institutions are public (for example Cankarjev Dom Culture and Congress Centre, Slovene Philharmonics, Slovenian Cinematheque, National and University Library, museums, theatres,...). 68.287,78 square meters of the premises, owned by the municipality of Ljubljana, serve cultural activities, most of which represent theatre activities (16.732,11 m<sup>2</sup>), library activities (14.323,75m<sup>2</sup>), activities of intermediaries (14.904,46 m<sup>2</sup>) and museum activities (12.132,05). A very important role for the Slovenian culture play also the NGOs, which consist of different cultural associations and institutions, to a large extent founded by the state or the municipality. The privately owned firms present only a minor part of the cultural sector in Slovenia and Ljubljana. Even generally privatised sectors, such as publishing or film and music distribution and production, generate funds from a variety of sources, including public funding.

Cultural policy in Slovenia has been affected by the transition from a communist state to a democratic and free market economy. The accession of Slovenia to the EU has also brought about internal changes in the economic and cultural system in order to harmonise with the pan-European market. Up to now, culture was traditionally looked upon mostly in the context of individual spiritual growth. In contrast to the traditional view, the modern view recognizes also the wider role of culture. This puts culture, as a generator of economic and social development, also on the agenda of developmental discussions. Development orientation of culture presents the need for closer collaboration of the cultural sector with other sectors, such as tourism or education, since it is only in synergies with those sectors, that improved and sustainable developmental effects can be achieved. This is recognised also in the Ljubljana's strategy of cultural development 2008-2011

## 4. Strands of development in the city until 2000

### 4.1 Socio-demographic structures and trends

The population represents both a condition of and a target for economic and social development. The population is the main source of the labour force, but at the same time, various contingents of the population are the main targets of social, health, employment, education and other policies affecting quality of life and consequently also demographic development. While demographic development is a consequence of past actions in the economy and of policies for balancing the quality of life, it is also a precondition for further economic development and a framework for setting policy goals.

After a constant rise for several years, Slovenia's population was 2,042,335 persons in June 2009. The main reason behind the rise was high net migration, which was largely of seasonal nature. It was spurred by the high economic growth after Slovenia's accession to the EU in 2004, and additionally after the adoption of the euro in 2007. Owing to skill shortages in specific occupations, especially in construction, companies increasingly hired foreign workers, which in turn led to a doubling of the number of foreigners working in Slovenia in this period. High economic growth, which contributed to a cut in registered unemployment numbers by one third in the period 2004–2008, was also one of the likely reasons behind the change in birth dynamics. In 2006, the number of births exceeded the number of deaths for the first time in ten years; since then, the rise in population has also been fuelled by a positive natural increase. In the period 1991–2004, Slovenia's population grew slowly and only exceeded 2 million in 2005.

The same is true for Ljubljana. After serious decrease in the number of population between 1991 and 1996, the number of population remained stable or slightly increasing since then. The problem is, that population is getting old, especially in the city centre. Nevertheless the number of inhabitants is unofficially much higher, taking into account more than 50.000 students and ca 70.000 daily commuters.

**Table 3: Population of Ljubljana**

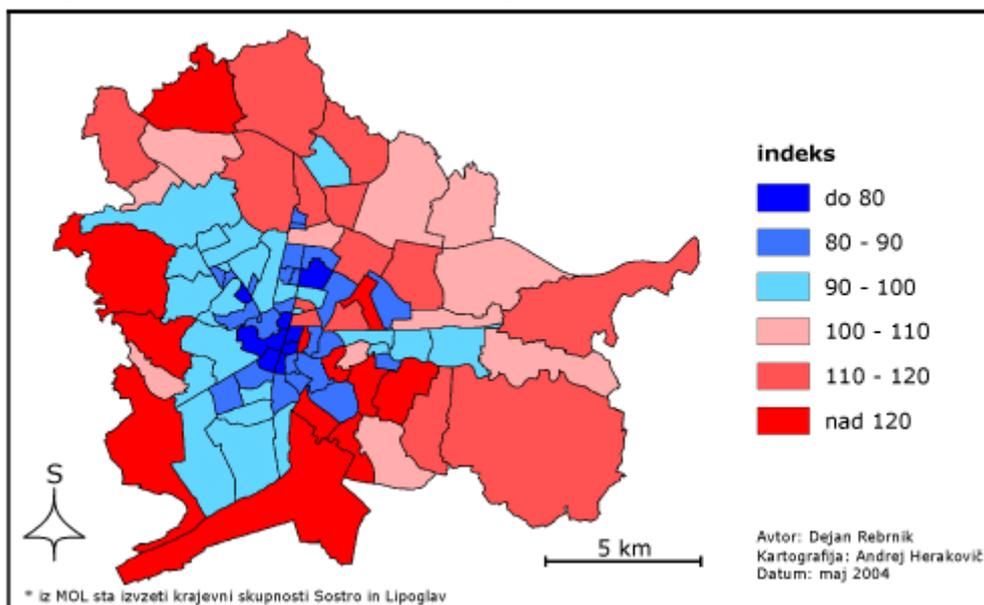
	1991	1996	2002	2004
Total Resident Population (number)	272650	265901	265881	267563
Male Resident Population (number)	127712	123612	126237	127747
Female Resident Population (number)	144938	142289	139644	139816
Total Resident Population 0-4 (number)	15372	12241	11052	11106
Total Resident Population 5-14 (number)	37922	32218	25343	24110
Total Resident Population 15-19 (number)	19007	19713	15860	15524
Total Resident Population 20-24 (number)	18682	18339	19377	18638
Total Resident Population 25-54 (number)	121467	118005	122982	123552
Total Resident Population 55-64 (number)	29952	29939	29953	31095
Total Resident Population 65-74 (number)	17819	23020	24500	25068
Total Resident Population 75 and over (number)	12245	12426	16814	18470
Residents who are Nationals (number)	...	265901	255298	255518
Residents who are Nationals of other EU Member State (number)	...	...	284	...
Residents who are not EU Nationals (number)	...	...	9807	...

Nationals born abroad (number)	...	40522	32714	38983
Nationals that have moved into the city during the last two years (number)	...	...	6653	4434
EU Nationals that have moved into the city during the last two years (number)	...	...	44	...
Non-EU Nationals that have moved into the city during the last two years (number)	...	...	751	...
Total Resident Population 25-34 (number)	...	...	38666	39217
Male Resident Population 25-34 (number)	...	...	19464	20138
Female Resident Population 25-34 (number)	...	...	19202	19079
Total Resident Population 35-44 (number)	...	...	40931	40950
Male Resident Population 35-44 (number)	...	...	20037	20262
Female Resident Population 35-44 (number)	...	...	20894	20688
Total Resident Population 45-54 (number)	...	...	43385	43385
Male Resident Population 45-54 (number)	...	...	21037	21156
Female Resident Population 45-54 (number)	...	...	22348	22229
Number of 'moves' into the city during the last two years (flow) (number)	...	...	7143	8094
Number of 'moves' out of the city during the last two years (flow) (number)	...	...	8566	9197

Source: Statistical Office of the RS

Up to the end of the seventies fast population growth was a consequence of strong immigration from rural parts of Slovenia and the rest of Yugoslavia. In the eighties and nineties deconcentration of population within the region with intense suburbanisation and depopulation of inner city and older residential neighbourhoods were the main urbanisation processes. In the second half of the nineties the highest population growth was recorded in dispersed rural settlements in the periphery of the region. In some parts of the inner city reurbanisation and gentrification occurred.

**Figure 5: Population development in Municipality of Ljubljana between 1991 and 2002**



Source: Rebrnik, 2004, p. 96.

## 4.2. Economic structures and trends

Slovenia, being the most developed region of Yugoslavia, had had its specific development also because of the relative autonomy of the Yugoslav republics. Slovenia's population accounted for 8% of the Yugoslav population. Slovenia's GDP exceeded Yugoslav GDP for 20% and Slovenian companies accounted for more than 28% of the total country's export, especially to West European countries. In the late 80's and especially after independence the situation changed. The newly established state faced the loss of its former traditional markets, its structurally inadequate economy, and significant decline of the GDP with increase of unemployment.

Slovenia continued the transition process after independence in a situation of a still-existing specific market-decentralised socialist economic system, with socially-owned enterprises. Rapid trade liberalisation and the collapse of the domestic market, together with the necessity of establishing a market economy through privatisation and restructuring processes, forced the economy to move onto the path of an outward-looking, export-oriented development strategy. As a consequence of transition many industrial companies got bankrupted, including some large manufacturing companies located in Ljubljana (Litostroj, Avtomontaža, Dekorativna, et al.), however, political changes had a favourable influence on the growth of small businesses, public administration, services, especially financial ones. That is how long-term tendencies of deindustrialization and the transition into service society, which enveloped the whole world, were promoted to the extent of uncontrolled extensions. Ljubljana became a capital city of a new state and has remained its role as a financial centre of Slovenia. Ljubljana is the seat of the central government, administrative bodies and all government ministries of Slovenia. It is also the seat of Parliament and of the Office of the President.

Economic structure of Ljubljana has changed as the significance of agriculture and industry has diminished, while the significance of services has increased. Among the latter, public services are growing, the same is true for retail, tourist and transport services and financial services. In manufacturing industry the restructuring process is continuing mainly in the direction of strengthening high technology activities.

## 4.3. Spatial structures and trends

Ljubljana is the largest and the most important city in Slovenia, located at the cross-roads of Central Europe, the Mediterranean, and South-East Europe. Ljubljana, the historical cultural capital of Slovenia was exposed in the 1990s to the international challenges of globalization, Europeanisation (or rather "EU-isation"), political, economic and institutional reforms that have shaped inter and intra-city transformation of Ljubljana, increased city competitiveness in the (inter)national context with different impacts on economic and social cohesion.

The independence of Slovenia from the former Yugoslav Federation in 1991 was an important »trigger« for the capital city formation – strengthening administrative, financial and business functions, and internationalisation of Ljubljana, - strengthening of cross-border links with cities and regions in Central Europe, the emergence of the new political, economic and cultural links with (capital) cities in the EU member states, and (re)establishing contacts with other cities and in the former Yugoslavia. But the overall spatial development and land use

management of Ljubljana since 1991 was not a result of the spatial development strategy and land use plans adopted in 1980s, but due to the:

- macro-economic reforms and sectoral development policies in 1990s, that led to fully-fledged Slovenia's membership of the EU in year 2004,
- location of economic activities and public services in the capital city of Ljubljana, as a result of capital city formation and enhanced city competitiveness;
- privatisation of housing and land in public ownership, restitution, de-industrialisation, de-regulation, etc. as a result of market and structural reforms;
- ad-hoc development decisions of investment-led public authorities in the city of Ljubljana and in municipalities in the Osrednjeslovenska region – to accommodate private demands of population and commercial activities for new housing, offices, shopping centres, enterprise zones, etc, not taking in consideration urban identity or urban design recommendations;
- new spatial and land use planning regulation since 2002 with new strategic documents, laws, by-laws and standards but lack of effective land use policy instruments with negative consequences on property development;
- demands from capital investors and landowners for property investments irrespective of regulations to protect public vs. private interests;
- inadequate participation of civil society in the process of spatial and land use planning especially in the case of large (state) investments in infrastructure.

In Ljubljana coherent land use planning and strategic spatial development activities were neglected in 1990s because of the priorities of macro-economic reforms, and the negative connotation of the planning system with the former socialist regime. The most important urban land use projects in 1990s were mainly related with new multi-dwelling private housing development on brownfields (e.g. former military sites of the Yugoslav Army) or on unused urban land (mainly reserved for industrial development in 1980s), development of new shopping centres, completion of the circle motorway around the inner-city of Ljubljana, and residential and commercial sprawl at the periphery of the inner-city area or in suburban municipalities, etc. Most of these new urban projects occurred not according to the spatial development and land use plans from 1980s but through changing land use of particular land plots in existing spatial and land use planning documents to accommodate new demands of the population and capital investors.

In July 2010 the Ljubljana City Council has approved a new spatial plan for the capital – the first since the mid-eighties. The plan represents a number of firsts: the first comprehensive, long-term urban plan since the mid-eighties; the first plan created for an independent Slovenia that is a European Union member; the first to factor in the need for sustainable development. It also serves as a sort of pilot for the rest of the country since it is the first test of the new legal framework set by the spatial planning act. The changes the plan proposes are numerous. It foresees, for instance, changing the four city thoroughfares – Celovška, Šmartinska, Dolenjska and Tržaška – into avenues, with the road between Črnuče borough and Ljubljansko Barje becoming the main city road. It also proposes renovations to areas of cultural heritage and areas which have fallen into disrepair. The primary aim of the plan, though, is to create a compact city which spreads inwards rather than outwards. This is in contrast to recent developments: increasing numbers of people have chosen to move to nearby municipalities and then commute into the capital for work.

## 5. Status of the private sector – status of the creative industries in Ljubljana

### 5.1. Defining creative industries

In this analysis, creative industries were defined with regard to one of the most spread definitions of CI, as “those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property” (UK Department of Culture, Media and Sport, 2001).

While conducting the analysis, we focused on the “common” sub branches, which are identified as creative in general (in different countries). These are: Artists' and Performing Arts, Broadcasting Industry / Film industry, Journalists / News Agencies / Press / Publishing, Museum Shops, arts exhibitions, Retail sale of cultural goods, Architecture, Design Industry, Advertising Market and Software / Games Industry. While specific creative representatives of the “flexible” branches (branches, which can be defined as creative in specific cases, cities or countries, e.g. food in Italy) are present also in Ljubljana, we did not identify any of these sub branches to play a significant part of the creative industries.

While collecting and analysing statistical data, as recommended, the NACE Rev. 1.1. on a 3-digit level was followed. Some of the relevant data were unfortunately not available on the city or regional level (such as GDP). In the final accounts database also the data for 2001 were not complete. Besides the industrial data for the years 2001, 2004 and 2007 (acquired from the annual reports database), also the occupational data for the year 2008 were analysed (acquired from the Statistical register of employment).

### 5.2 Status of creative industries

The tables below demonstrate the economic importance of the creative industries in the context of other sectors, specially in Ljubljana, where the share of full-time accounted employees and self-employed in CI is 12 % of the total employed. In the Osrednjeslovenska region this share is 11%, while for the whole country it is 7%. Comparing the number of employed growth rate it is evident, that the average growth rate in the CI sector has been higher than the average growth rate of all sectors by around 10 percentage points, in the whole country the difference is even 15 percentage points in favour of the CI.

The data about the number of firms shows, that the CI firms account for as much as 18% of the total firms in Ljubljana. Similarly as with the number of employees, this share is a bit lower for the Osrednjeslovenska region (15 and 16%), and the lowest for Slovenia (13%). The share of persons employed in culture has been increasing for several years. In 2008, 33.329 persons were employed in culture, which is 4,7% more than in 2007. In the period 2000-2008 the number has increased by almost 10% (UMAR, 2010). Also, the growth in number of firms has been much higher in the CI sector as in the whole economy, the difference being from 12 percentage points in Ljubljana to 22 percentage points in the whole country.

Looking at the size of the firms, the share of the CI firms in Ljubljana is distributed by size very similarly than in all sectors.

**Table 4: Number of full-time accounted employees as well as self-employed entrepreneurs and number of firms**

NUMBER OF FULL-TIME ACCOUNTED EMPLOYEES AS WELL AS SELF-EMPLOYED ENTREPRENEURS						
	Ljubljana		Osrednjeslovenska		Slovenia	
	2004	2007	2004	2007	2004	2007
CI sectors	15844	18050	18063	20818	34913	39193
All sectors	127109	146018	169065	193448	526961	564478
<i>Share of CI in all</i>	<i>0,12</i>	<i>0,12</i>	<i>0,11</i>	<i>0,11</i>	<i>0,07</i>	<i>0,07</i>
NUMBER OF FIRMS OF THE TOTAL SECTOR						
	Ljubljana		Osrednjeslovenska		Slovenia	
	2004	2007	2004	2007	2004	2007
CI sectors	3558	4356	4711	5967	12238	15073
All sectors	19968	23755	31692	38209	97264	112026
<i>Share of CI in all</i>	<i>0,18</i>	<i>0,18</i>	<i>0,15</i>	<i>0,16</i>	<i>0,13</i>	<i>0,13</i>

Source: AJPES, Annual accounts database

**Table 5: Size of firms of the total sector (by number of employees)**

Number of employees	2001					2004					2007				
	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+
<b>LJUBLJANA</b>	<b>20</b>	<b>23</b>	<b>19</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>15</b>	<b>18</b>
CI sectors	454	1279	146	96	103	1269	1534	185	97	133	2083	1761	236	107	154
All sectors	2213	5611	784	486	614	7402	7758	1060	582	748	11398	9390	1198	733	866
<b>OSREDNJESL. REGION</b>															
CI sectors	578	1681	189	114	116	1752	2038	225	124	148	3000	2367	281	140	171
All sectors	3035	8067	1142	665	846	12371	12453	1649	859	1034	18795	14836	1875	1070	1202
<b>SLOVENIA</b>															
CI sectors	1112	3298	446	258	189	4849	4716	540	299	254	8246	5509	629	334	307
All sectors	6451	17234	2781	1640	2511	40581	33832	4680	2476	3040	59589	40453	5440	3069	3445

Source: AJPES, Annual accounts database

**Table 6: The number of employed and number of firms growth rates**

THE NUMBER OF EMPLOYED GROWTH RATE 2004/2007			
	Ljubljana	Osrednjeslovenska	Slovenia
CI sectors	0,24	0,26	0,22
All sectors	0,15	0,14	0,07
NUMBER OF FIRMS GROWTH RATE 2004/2007			
	Ljubljana	Osrednjeslovenska	Slovenia
CI sectors	0,31	0,39	0,37
All sectors	0,19	0,21	0,15

Source: AJPES, Annual accounts database

### 5.3 Status of common branches of creative industries

In the Table below, the occupational statistics is presented, which is based on the data for 2008, acquired from the Statistical Registry of Employment (SRDAP). Occupations are classified according to the Standard Classification of Occupations (SKP-V2) occupational categories and are comparable to the categories of Art and Cultural occupations defined in “The Warhol Economy” by E. Currid (2007), except for the Optical and electronic equipment operators not elsewhere classified, which are a missing category in this classification.

In the first column, the number of persons employed in specific creative occupation in the whole country is presented. It can be seen that among the creative occupations in Slovenia, authors, journalists and other writers are the most frequent, followed closely by decorators and commercial designers. This is the same for Osrednjeslovenska region and Ljubljana.

Comparing the shares of specific creative occupations, which are also graphically presented in Attachment 1, shows that there is no big differences between Ljubljana, Osrednjeslovenska region and Slovenia. The biggest difference is in the share of authors, journalist and other writers, which is by 5 percentage points greater in Ljubljana as in Slovenia. In Ljubljana there is also a bit more composers, musicians and singers (by 3 p. p.), but on the other hand less decorators and commercial designers (by 3 p. p.) and less street, night-club and related musicians, singers and dancers (by 4 p. p.). The comparison between the share of creative occupations and all occupations in the case of Ljubljana, Osrednjeslovenska region and Slovenia indicates a preference on the part of creative people to be settled in Ljubljana. The share of individuals with a creative occupation living in Ljubljana is twice as large as the share of individuals with a creative occupation on the national level. Moreover, the share of individuals with a creative occupation living in Ljubljana (with regard to individuals with all kinds of occupations living in Ljubljana) is significantly larger than the share of individuals with a creative occupation working in Ljubljana (with regard to individuals with all kinds of occupations working in Ljubljana). Therefore, it can be concluded that creative people tend to concentrate in Ljubljana; however, there is no single creative sub-branch that would that would stick out in Ljubljana, in relative comparison to other creative sub-branches.

Data about the foreigners employed in specific creative occupations shows that there is less than 1% of foreigners employed as authors, journalists and other writers, film, stage and related actors and directors, broadcasting and telecommunications equipment operators, radio, television and other announcers, musical instrument makers and tuners and handicraft workers in textile, leather and related materials. On the other hand, as much as 50% of street, night-club and related musicians, singers and dancers, and 69% of clowns, magicians, acrobats and relater associate professionals are foreigners.

**Table 7: Number of persons employed in creative occupations**

OCCUPATION	NUMBER OF PERSONS EMPLOYED					
	SLO	CENTRAL (residence)	CENTRAL (work)	LJ (residence)	LJ (work)	Foreigners SLO
Architects, town and traffic planners (2141)	1670	801	840	625	699	27
Authors, journalists and other writers (2451)	2907	1371	1659	1044	1547	18
Sculptors, painters and related artists (2452)	829	426	443	338	375	13
Composers, musicians and singers (2453)	942	456	602	354	583	35

Choreographers and dancers (2454)	180	92	100	82	93	14
Film, stage and related actors and directors (2455)	479	269	281	230	262	3
Photographers and image and sound recording equipment operators (3131)	1102	454	541	286	467	13
Broadcasting and telecommunications equipment operators (3132)	451	198	299	116	290	4
Decorators and commercial designers (3471)	2771	1138	1279	740	1057	33
Radio, television and other announcers (3472)	81	31	32	29	31	Z*
Street, night-club and related musicians, singers and dancers (3473)	642	96	93	68	73	323
Clowns, magicians, acrobats and related associate professionals (3474)	39	8	11	Z*	Z*	27
Fashion and other models (5210)	Z*	0	0	0	0	0
Musical instrument makers and tuners (7312)	71	17	18	5	5	Z*
Jewellery and precious-metal workers (7313)	308	52	54	27	40	16
Glass, ceramics and related decorative painters (7324)	109	8	9	5	6	5
Handicraft workers in wood and related materials (7331)	167	47	59	21	31	7
Handicraft workers in textile, leather and related materials (7332)	104	22	27	6	5	Z*
Total creative occupations	12852	5486	6347	3976	5564	538
Total occupations	847069	226314	279690	118610	209804	56163
% of CI occupations in total occ.	1,5	2,4	2,3	3,3	2,6	0,9

\* The frequencies lower than 4 cannot be presented in the table due to the protection of information regulations.  
Source: Statistical Office of the RS, SRDAP (Statistical Registry of Employment)

In the tables below, the industrial statistics is presented, which is based on the data for 2001, 2004 and 2007, acquired from the AJPES (Agency of the Republic of Slovenia for Public Legal Records and Related Services ) annual reports database.

It can be seen that the most firms in the CI in Ljubljana are in architecture branch, which holds true for all the studied years, with the number of firms being almost twice as high as in retail of cultural goods which is following. The least firms, on the other hand, are in museum shops, arts and exhibitions branch, but also the number of firms in artists' and performing art and in broadcasting industry/film industry branch is very low. The number of the firms increases in architecture as well as in all other creative sub branches. Museum shops and arts exhibitions (1,66), artists' and performing art (1,56) and design (1,42) experienced the highest growth in number in the period 2001-2007. The relative number of firms and trends in Osrednjeslovenska region are almost identical as those presented for Ljubljana. In Slovenia, the situation is again very similar, the only difference being that architecture, which is still number one, judging by the number of firms, is followed more closely by the retail sale of cultural goods.

**Table 8: Number of firms by specific CI sub-branches**

	Ljubljana			Osrednjeslovenska			Slovenia		
	2001	2004	2007	2001	2004	2007	2001	2004	2007
Artists' and performing arts	85	133	218	117	189	316	276	481	780
Broadcasting industry / film industry	78	119	178	105	149	230	231	333	519
Journalists / news agencies / press / publishing	181	251	268	215	300	332	345	514	632
Museum shops, arts exhibitions	3	6	8	6	10	17	25	32	47
Retail sale of cultural goods	487	643	702	725	957	1035	2386	3398	3482
Architecture	933	1133	1268	1263	1505	1757	3101	3820	4480
Design industry	303	520	733	413	689	996	1043	1761	2406
Advertising market	225	362	447	282	435	567	544	842	1110
Software/games industry	224	391	534	274	477	717	625	1057	1617

Source: AJPES, Annual reports

**Table 9: The number of firms growth rate by specific CI sub-branches**

	Ljubljana			Osrednjeslovenska			Slovenia		
	2001/04	2004/07	2001/07	2001/04	2004/07	2001/07	2001/04	2004/07	2001/07
Artists' and performing arts	0,56	0,64	1,56	0,61	0,67	1,7	0,74	0,62	1,83
Broadcasting industry / film industry	0,34	0,5	1,28	0,42	0,54	1,19	0,44	0,56	1,25
Journalists / news agencies / press / publishing	0,39	0,07	0,48	0,39	0,11	0,54	0,49	0,23	0,83
Museum shops, arts exhibitions	1	0,33	1,66	0,66	0,7	1,83	0,28	0,47	0,88
Retail sale of cultural goods	0,32	0,09	0,44	0,32	0,08	0,43	0,42	0,02	0,46
Architecture	0,21	0,12	0,36	0,19	0,17	0,39	0,23	0,17	0,44
Design industry	0,72	0,41	1,42	0,67	0,45	1,41	0,69	0,37	1,31
Advertising market	0,61	0,23	0,99	0,54	0,3	1,01	0,55	0,32	1,04
Software/games industry	0,75	0,37	1,38	0,74	0,5	1,62	0,69	0,53	1,59

Source: AJPES, Annual reports

From the tables below it is evident that in Ljubljana, the retail sale of cultural goods, architecture and software/games industry employed the most people, while museum shops and arts exhibitions and artists' and performing art employed the least people. The number of employed grew in all sub branches in the period 2004-2007, except in design. The situation in Osrednjeslovenska region and Slovenia is very similar.

**Table 10: Number of full-time accounted employees as well as self-employed entrepreneurs by specific CI sub-branches**

	Ljubljana			Osrednjeslovenska			Slovenia		
	2001	2004	2007	2001	2004	2007	2001	2004	2007
Artists' and performing arts	/	90	138	/	111	170	/	225	400
Broadcasting industry / film industry	/	349	511	/	405	586	/	811	1062
Journalists / news agencies / press / publishing	/	2364	2469	/	2449	2521	/	3189	3309

Museum shops, arts exhibitions	/	6	9	/	6	9	/	33	36
Retail sale of cultural goods	/	4450	5393	/	5389	6528	/	11862	13278
Architecture	/	4100	4149	/	4768	4961	/	10438	11174
Design industry	/	972	839	/	1239	1217	/	2983	2855
Advertising market	/	869	1074	/	932	1163	/	1351	1654
Software/games industry	/	2644	3468	/	2764	3663	/	4021	5425

Source: AJPES, Annual reports

**Table 11: The number of employed growth rate by specific CI sub-branches (2004/2007)**

	Ljubljana	Osrednjeslovenska	Slovenia
Artists' and performing arts	0,53	0,53	0,77
Broadcasting industry / film industry	0,46	0,45	0,31
Journalists / news agencies / press / publishing	0,04	0,03	0,04
Museum shops, arts exhibitions	0,5	0,5	0,09
Retail sale of cultural goods	0,21	0,21	0,12
Architecture	0,01	0,04	0,07
Design industry	-0,14	-0,02	-0,04
Advertising market	0,23	0,25	0,26
Software/games industry	0,31	0,32	0,35

Source: AJPES, Annual reports

In the tables below, the distribution of firms by size (number of employees) is presented. As expected, the results show that small firms predominate by far in all creative sub branches. Looking at the data for Ljubljana, it can be clearly seen that that firms with 0 or with 1-5 employed present the main share of the firms in all of the sub branches. Only in architecture (2001, 2007) followed by retail sale of cultural goods (2001, 2007) and software/games industry (2007), the share of the firms with over 6 employed is more notable. Comparing the data for the years 2001 and 2007 shows, that the share of firms with 0 employed increased enormously. While in 2001 the firms with 1-5 employed were prevailing in all sub branches, in 2007 the situation turned and in many sub branches, the firms with 0 employees are in greater number. Despite this turn in relative terms, also the number of firms with 1-5 employed grew in absolute terms from 2001 to 2007, as did in general also all the other size classes. The comparison with the data for Osrednjeslovenska region and Slovenia show, that the situation and trends are very similar.

**Table 12: Size of firms by specific CI sub-branches, Ljubljana**

Number of employees	2001					2004					2007				
	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+
Artists' and performing arts	22	43	0	1	0	68	48	2	0	0	153	57	1	2	0
Broadcasting industry / film industry	22	42	3	2	3	64	42	4	3	2	110	53	8	4	4
Journalists / news agencies / press / publishing	48	82	12	10	17	93	88	14	10	21	118	101	11	8	23
Museum shops, arts exhibitions	1	2	0	0	0	1	4	0	0	0	5	4	0	0	0
Retail sale of cultural goods	63	242	31	18	23	185	319	32	19	33	263	347	38	21	38
Architecture	159	536	60	38	34	354	568	61	30	36	531	584	81	33	37
Design industry	43	113	7	3	7	242	179	12	4	11	457	239	17	4	8
Advertising market	48	106	18	12	5	131	137	21	18	7	215	174	32	13	13

Software/games industry	48	113	15	12	14	131	149	39	13	23	231	202	48	22	31
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Source: AJPES, Annual reports

**Table 13: Size of firms by specific CI sub-branches, Osrednjeslovenska region**

Number of employees	2001					2004					2007				
	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+
Artists' and performing arts	28	54	0	1	0	100	62	2	0	0	236	75	1	2	0
Broadcasting industry / film industry	28	50	6	3	3	86	54	5	5	2	148	67	10	6	4
Journalists / news agencies / press / publishing	58	99	14	10	17	121	108	16	11	21	161	121	13	8	23
Museum shops, arts exhibitions	1	2	0	0	0	3	4	0	0	0	12	5	0	0	0
Retail sale of cultural goods	78	341	41	24	28	280	472	43	28	39	387	515	58	31	45
Architecture	211	716	81	47	40	498	757	76	39	42	763	815	93	44	43
Design industry	62	145	10	5	8	327	230	17	8	12	651	303	22	9	11
Advertising market	55	136	20	12	5	163	166	24	18	7	294	208	35	14	13
Software/games industry	57	138	17	12	15	174	185	42	15	25	348	258	49	26	32

Source: AJPES, Annual reports

**Table 14: Size of firms by specific CI sub-branches, Slovenia**

Number of employees	2001					2004					2007				
	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+	0	1-5	6-10	11-20	21+
Artists' and performing arts	51	85	2	2	0	289	114	3	1	0	619	152	2	3	2
Broadcasting industry / film industry	49	85	21	12	5	176	96	23	14	4	338	132	28	14	7
Journalists / news agencies / press / publishing	78	152	22	14	23	208	171	26	17	28	316	199	23	16	30
Museum shops, arts exhibitions	4	3	0	1	0	17	9	0	1	0	36	10	0	1	0
Retail sale of cultural goods	201	808	117	63	48	982	1589	164	75	70	1398	1712	197	87	92
Architecture	437	1450	197	120	76	1507	1619	186	117	81	2260	1800	209	123	89
Design industry	114	263	16	9	10	857	470	37	18	27	1682	640	41	18	24
Advertising market	84	201	32	15	6	363	278	36	24	8	674	353	50	18	14
Software/games industry	94	251	39	22	21	450	370	65	32	36	923	511	79	54	49

Source: AJPES, Annual reports

## 5.4 Summary

The quantitative analysis was based on the occupational data, acquired from the Statistical register of employment, and the final accounts data (AJPES). While collecting and analysing the final accounts data, NACE Rev. 1.1. on a 3-digit level was followed, according to the projects' common methodological guidelines. This means, that in some cases also other activities, which are not creative, are included, and subsequently, the number of creative firms can be a bit overestimated.

The results of the quantitative analysis based on the statistical data show that creative industries present an important part of the economy in Ljubljana and Slovenia. Taking the number of firms into account, CI present a share of 18% in Ljubljana, while taking the number of employees into account, CI present a 12% share. These shares are a bit lower in Osrednjeslovenska region and in the whole country.

The industrial statistics show that architecture is the most important of the CI branches in terms of number of firms with the number of firms being almost twice as high as in retail of cultural goods which is following. In Osrednjeslovenska region the situation is almost identical, while in Slovenia the only difference is that architecture is a bit more closely followed by the retail of cultural goods. The number of the firms was increasing in architecture as well as in all other creative sub branches. Museum shops and arts exhibitions, artists' and performing art, and design experienced the highest growth in number in the period 2001-2007. In terms of the number of employees the retail sale of cultural goods, architecture and software/games industry employed the most people in all the studied years in Ljubljana. The same holds true for Osrednjeslovenska region and Slovenia. The number of employed grew in all sub branches in the period 2004-2007, except in design. The analysis of the firms' size shows, that firms with 0 or with 1-5 employed present the main share of the firms in all of the sub branches in Ljubljana, Osrednjeslovenska region and Slovenia. Only in architecture (2001, 2007) followed by retail sale of cultural goods (2001, 2007) and software/games industry (2007), the share of the firms with over 6 employed is more notable. Comparing the data for the years 2001 and 2007 shows, that the share of firms with 0 employed increased enormously.

The occupational analysis results show, that among the creative occupations in Slovenia, authors, journalists and other writers are the most frequent, followed closely by decorators and commercial designers. There are no major differences between the distribution of specific creative occupations in Ljubljana, Osrednjeslovenska region and Slovenia. The only slightly bigger difference was revealed with the comparison of the shares of all creative occupations in all occupations and it indicates a preference of individuals employed in creative occupations to be settled in Ljubljana.

## 6. Status of the public sector and NGOs – economic development and cultural affairs

### 6.1. Defining the public sector and NGOs

The public sector in Slovenia has several definitions, presented below:

- 1.) Organisational definition: all bodies, governed by public law
- 2.) Public-finance definition: all direct and indirect national budget users
- 3.) Functional definition: subjects which conduct activities of public interest
- 4.) Economic definition: all subjects, established or majority owned by the government or a local community
- 5.) Combined (functional and economic) definition: all public entities and public firms

NGOs (non-governmental organisations) in Slovenia are presented by a wide spectrum of organisations which are neither governmental or market, and are often referred to also as non-profit, voluntary, independent, or civil-society organisations.

Their common characteristics are the following:

- 1.) They are privately owned, meaning that they are institutionally separated from the government and founded by a legal or natural person
- 2.) They are non-profit, meaning that the main purpose of their existence is contributing to the public good
- 3.) They are organisations, meaning that they have a basic organisational structure and rules established
- 4.) They are voluntary, meaning that the membership in them is not mandatory, while they attract smaller or bigger contributions of time or money from volunteers. (Kolaric et al., 2006)

The NGOs include sheltered workshops, church organisations, institutes, foundations, cooperatives and associations. However, the associations and institutes play a major role in the creative industries.

### 6.2. Status of the public sector and NGOs – policy framework

Over the recent years the issue of creativity has been in and out of policy discussions in Slovenia. While the subject has been introduced in strategy papers, there is still no specific policy papers or support measures (Pro Inno Europe, National and regional policies for design, creativity and user-driven innovation). There is also no specific definition of the creative industries in Slovenia, nor any specific overall policy framework within which the Slovene creative industries can be promoted and developed. There is no programmed and systematic support for the creative industries. There were however many discussions on the subject of design. The Reform programme (2005) proposed the formation of a National centre for industrial design as a project of national importance, the idea of the SLO-DESIGN centre was even included in the Resolution on development projects – 2023, which is a Government

long-term strategy paper produced in 2006. However, to date, no specific information on the time frame for the implementation of this has been published.

In 2008, a horizontal Development Group for Creative Industries was established within the Competitiveness Council of the Government's Office for Growth. This group was to cover the fields of design, architecture, market communications and trade marks and prepare content starting points for forming a state strategy for more successful enforcement of the creative sector. The main findings of the group were that Slovenia is lagging behind, that professional infrastructure exists, but is not closely linked, that non-programme financing does not motivate and that researches and analysis are needed in order to provide support for an efficient strategic plan of measures

While the National Programme for Culture 2008-2011 mentioned the potential of cultural and creative sector in the economic sense however, it did not include any support for this sector in the cultural policy. According to this central document of cultural policy in Slovenia, culture that should be supported was culture, which is perceived as public good and mostly provided by public bodies. Just recently (on 4.11. 2010), however, architecture and design have been additionally included into the National Programme for Culture.

Even though the National Programme for Culture is very important for Ljubljana as the capital of culture, Ljubljana did not have a specific strategy for culture until 2007, when the Strategy of the cultural development in the Municipality of Ljubljana was developed. This document was at the same time the first strategic document where also the developmental potential of culture was being recognised.

### 6.3. Size of the public sector and NGOs

In the table below, the budget for culture in the Municipality of Ljubljana is presented. In the second table this budget for culture is presented by structure.

**Table 15: The budget for culture in the Municipality of Ljubljana**

	2007	2008	2009	2010
<b>Total MOL budget</b>	253.172.591€	323.373.864€	305.300.629€	355.388.399€
<b>Budget for culture</b>	16.742.091€	24.726.458€	17.391.445€	22.986.635€
<b>Share</b>	6,61	7,65	5,70	6,47

	2007	2008	2009	2010
<b>CULTURAL HERITAGE PRESERVATION</b>	<b>485.541</b>	<b>353.169</b>	<b>450.416</b>	<b>2.879.480</b>
- immovable heritage	435.541	313.169	410.416	2.861.180
- movable heritage	50.000	40.000	40.000	18.300
<b>LIBRARIANSHIP</b>	<b>7.502.618</b>	<b>7.331.490</b>	<b>7.438.331</b>	<b>7.629.935</b>
- staff costs	5.176.944	5.060.920	5.167.761	5.301.740
- material, current maintenance costs	1.485.175	1.430.071	1.430.071	1.485.000
- library material	840.499	840.499	840.499	843.195
<b>ART PROGRAMMES</b>	<b>2.386.523</b>	<b>2.750.000</b>	<b>3.091.673</b>	<b>4.647.400</b>
- performing arts	958.963	0	0	0
- music arts	805.119	0	0	0
- visual arts	440.925	0	0	0
- youth culture	84.485	0	0	0
- intermedia culture	97.031	0	0	0
- public cultural programmes and projects	97.031	2.750.000	3.091.673	4.647.400
<b>AMATEUR CULTURE</b>	<b>382.692</b>	<b>420.000</b>	<b>420.000</b>	<b>560.000</b>
<b>OTHER CULTURAL PROGRAMMES</b>	<b>5.984.718</b>	<b>13.871.799</b>	<b>5.991.025</b>	<b>7.269.820</b>

<b>GENERAL BUDGET RESERVATION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROGRAMMES IN CULTURE EARMARKED FUNDS</b>	<b>31.920</b>	<b>310.000</b>	<b>0</b>	<b>1.110.000</b>
- "Scene" project	31.920	0	0	
- Kino Šiška	0	310.000	0	1.110.000

Source: www.ljubljana.si

In average, the budget for culture presents around 6% of the total MOL (Municipality of Ljubljana) budget. The most notable share (more than one third) of this presents librarianship. Comparing the data for years 2007-2010 does not reveal clear trends, since the budgets per budget lines are increasing and decreasing from year to year. In 2010, almost 2 million euros (1.919.000) of the "other cultural programmes" fund are reserved for the World Book Capital.

In the last 50 years there was hardly any new infrastructure in Ljubljana built by the Municipality of Ljubljana for the cultural purposes. Most of the cultural activities took place on the premises which were nationalised or confiscated after the Second World War.

In accordance with the national law about the realisation of public interest in the field of culture, accepted in 1994 (Ur. List RS, n. 75/94), all the public real-estates in the area of the Municipality of Ljubljana, which were on 17.12.1994 managed by the city, municipality or local communities and were predominantly intended for cultural activities, were turned into public infrastructure for culture.

The list of public infrastructure in the field of culture in Ljubljana includes:

- 44 premises managed by public institutes working in the field of culture
  - 12 premises for houses of culture and other houses for cultural activities and halls for cultural events
  - 36 premises for art studios,
- in the total of 68.287,78 square meters.

In the table below, the public infrastructure in Ljubljana is presented by the structure of different cultural activities.

**Table 16: The public infrastructure in Ljubljana by the cultural activities**

ACTIVITY	AREA in sqm
Library activities	14.323.75
Theatre activities	16.732.11
Gallery activities	4.757.62
Art studios	2.412.00
Artists' residence	418.00
Museum activities	12.132.05
Agent activities	14.904.46
Cinematography activities	2.308.96
Total	68.287,78

Source: Analiza stanja na področjih kulture v Mestni občini Ljubljana, (Analysis of culture in the Municipality of Ljubljana), p.9

Besides that, also several premises owned by MOL are let free of charge to the non-governmental organisations dealing with culture. Still, there is a lack of premises which would serve cultural purpose, specially ateliers, studios, artist's residence, big exhibition hall,... There are some potential locations in the city centre and elsewhere. While the location of new cultural activities in the city centre would contribute to the revitalisation of the old

centre and cultural tourism, the location in other city parts on the other hand, would contribute to better image and content supply of those areas. Another issue is the lack of finance for adequate equipment of several non-governmental institutions, whose activities depend on information and communication technology.

Besides the Municipality, also the state plays an important role, in Ljubljana even more than in other cities, since 16 out of the 27 national cultural institutions in Slovenia are located in Ljubljana. These are: Slovene National Theatre (SNG) Ljubljana - Opera and Ballet, Slovene National Theatre (SNG) Ljubljana - Drama, the Slovene Philharmonics; the Cankarjev dom Culture and Congress Centre; the National and University Library (NUK); the nine museums - National Museum of Slovenia, Museum of Natural History of Slovenia, National Museum of Contemporary History, Slovene Ethnographic Museum, National Theatre Museum of Slovenia, National Gallery of Slovenia, Museum of Modern Art Ljubljana, the Institute for the Protection of Cultural Heritage of Slovenia (ZVKDS); the two film institutions Slovenian Cinematheque and Viba Film Studio, and the regional archive in Ljubljana, while the Archives of the Republic of Slovenia (ARS) has a special status as a body under a responsibility of the Ministry of Culture. 3 additional national cultural institutions are located in the Osrednjeslovenska region: Arboretum Volčji Potok, Technical Museum of Slovenia and Museum of Christianity in Slovenia. Several other larger cultural institutions also receive state funds, although management of these institutions generally rests at the local rather than national level.

Most of the creative sub-branches (also those which are not included in the MOL budget for culture), are co-financed by the state. The yearly budget of the Ministry of Culture was around 204 million euros in 2009, and from that budget a large share goes to different institutions and activities in Ljubljana. The Slovenian Environmental Public Fund (founded by the Ministry of the Environment and Spatial Planning) is co-financing investments in sustainable construction. The Slovenian Film Fund (founded by the Ministry of Culture) supports the Slovene film production, post-production, and distribution as well as organises film festivals and grants awards for outstanding achievements in Slovene cinema. Due to the specific and very small market, in Slovenia, also publishing is one of the subsidised branches (Slovenian Book Agency), since part of its activities is non-profit. Software and games industry are financed through R&D funds. The Public Fund for Cultural Activities of the Republic of Slovenia (JSKD) is funding mostly widespread youth and amateur activities.

## 6.4 Recipients of the public sector

According to the research for the year 2004 (Kolaric et al., 2006), the most important share of revenues in the NGOs is acquired by the local municipality donations (28,7%), while in general a 5,2% share is donated by the government.

In 2008, there were 20131 associations in Slovenia, 14% of them in the field of culture and art. Among those, associations dealing with other cultural and art activities and associations dealing with music presented the biggest shares, while only other cultural and art associations also presented a significant share in terms of the number of employees (124 employees or 4,3%). The total revenue of cultural and art associations accounted for 11% of the total

associations revenue. Comparing this share (11%) with the share of number of associations in culture and art (14%) tells us, that this revenue in this category is below average.

**Table 17: Associations in Slovenia**

Type of association	Number of associations	Share (%)	Number of employees	Share (%)	Total revenue (in 000)	Share (%)	Share of revenue from profitable activities in total revenue (%)	Assets (in 000)	Share (%)
Drama	123	0,6	16	0,5	4464	0,9	64,3	3822	0,5
Music	900	4,5	19	0,7	9310	1,8	38,0	10217	1,4
Dance	177	0,9	15	0,5	3104	0,6	29,4	992	0,1
Art	99	0,5	3	0,1	756	0,1	37,2	729	0,1
Literature	61	0,3	9	0,3	1353	0,3	70,1	4129	0,6
Film	36	0,2	0	0,0	234	0,0	46	136	0,0
Other cultural and art activities	1459	7,2	124	4,3	35708	6,9	67,3	38846	5,3
<b>TOTAL CULTURAL A.</b>	<b>2855</b>	<b>14,2</b>	<b>186</b>	<b>6,4</b>	<b>54929</b>	<b>10,6</b>		<b>58871</b>	<b>8</b>
<b>TOTAL ASSOCIATIONS</b>	<b>20131</b>	<b>100</b>	<b>2878</b>	<b>100</b>	<b>518254</b>	<b>100</b>	<b>51,9</b>	<b>733995</b>	<b>100</b>

Source: AJPES, Information about the operation of associations in the Republic of Slovenia in 2008

Almost 25% of all associations were located in the Osrednjeslovenska region and possessed 47% of total assets and 47% of total associations' revenue.

Besides the associations, there were 192 other non-profit organisations active in the field of culture, entertainment and recreational activities in Slovenia in 2008. Their total generated revenue was 12.919.000 euros (AJPES, 2009).

In Ljubljana, there is a record of 47 non-governmental organisations dealing with culture.

In the field of performing arts, four public institutes (theatres) have been established by the MOL in order to ensure sustainable provision of cultural goods in this field. From 2004-2006 MOL has co-financed programmes of 26 non-governmental institutions, among which 21 defined performing arts as their principal field of activity. Up to 2001, all non-governmental institutions have been financed on the project basis, from 2001 financing for a three-year period was established, which enables continuous work and easier planning of the receivers.

In the field of visual arts, two public institutes have been established by MOL. The City Art Museum (4 locations, 10 employed) and International Centre of Graphic Arts (13 employed). The City Art Museum is financed by the MOL, but it can also apply for the state funds for specific projects. The Centre of Graphic Arts is on the other hand financed mostly by the state, while the MOL covers maintenance costs and specific projects. Besides the public institutes, MOL is also financing projects of different associations in this field. In 2007 this was in amount of 248.505 euros.

In the very heterogeneous field of music arts, MOL supports the part that is publicly presented in the area of MOL. Among the supported performers we should distinguish between the public institute Festival Ljubljana and non-governmental organisations such as associations

and private institutes, independent artists and private organizations, established with the purpose to create cultural goods and organisation of cultural events. Festival Ljubljana is the only public institute in the field of Music that was established by MOL. It organizes different cultural and artistic events in the field of music, dance, art and theatre, but also different symposiums, lectures, workshops, etc. In Ljubljana there are many artists dealing with music. MOL made a three year contract about financing the cultural programmes with twelve of them. Among them are private institutes and associations, dealing with very different genres of music, from classical music and jazz to pop music. Besides those, there are also many other associations and artists which are funded by MOL on project basis.

In the field of multimedia there have been no public institutes founded by MOL so far. However, due to the interdisciplinarity of this field, the actors are often in contact or cooperate with public institutes from the field of visual and performing arts. The major part of activities in this field is however carried out by non-governmental organisations, which are financially supported by MOL through three-year programme financing (9 in years 2004-2007) and also project financing in the total amount of a bit over 100.000 euros per year.

A significant share of MOL budget for culture is also dedicated to the cultural heritage, which is however not the central topic of the creative industries analysis.

## 6.5. Summary

Public sector and NGOs play an important role in the CI in Ljubljana. NGOs include organisations which are neither governmental or market and are most often referred to as non-governmental, non-profit, voluntary, independent or civil-society organisations. When speaking about the CI, associations and institutes play the most important role among them.

The issue of creativity and CI has been in and out of policy discussions in the last years. Recently (on 4.11.2010), architecture and design have been additionally included into the National Programme for Culture. However, there is still no specific overall policy framework within which the Slovene creative industries can be promoted and developed. There is no programmed and systematic support for the creative industries.

In 2007, the Strategy of the cultural development in the Municipality of Ljubljana was developed which recognises also the developmental potential of culture.

About 5-8% of the MOL (Municipality of Ljubljana) budget (16-25 million euros) is reserved for culture. The biggest share of that (more than 35%) presents librarianship, followed by cultural programmes. Since Ljubljana is the capital of Slovenia, most national cultural institutions are located here as well. An important share of creative activities in Ljubljana is financed also by the state through the Ministry of Culture, Slovenian Film Fund, Slovenian Book Agency and The Public Fund for Cultural Activities of the Republic of Slovenia.

Non-government organisations play a very important role in the field of culture in Slovenia. MOL finances the NGOs on project basis (public tenders) and three-year programme basis, which enables a more continuous work and concentration on the content.

## 7. Short descriptions of specific creative sub-branches

The following descriptions of specific creative sub-branches are based on secondary data and interviews with anonymised representatives of different sub-branches. Therefore, it should be noted, that specific arguments are based on the subjective views of the interviewees.

### 7.1. Artists' and performing art

Performing arts in Ljubljana can be divided in two major groups. One is presented by public institutes, which programmes are financed mostly by the state budget, while the other one is presented by non-governmental organisations (NGOs), which are financed on project or programme basis. MOL (Municipality of Ljubljana) supports both of them, therefore high quality and diverse artistic production in the field of performing arts is available to different age and social groups of people.

The most important institutions in the field of performing arts are presented by: Theatre for Children and Youth, Puppets Theatre Ljubljana, Theatre for Youth, Ljubljana City Theatre. One of the key problems in this field is co-financing of those public institutes which were established by MOL and are co-funded by the state, since none of them provides them with sufficient funds for the investments and acquisition of equipment. The outdated technology presents a barrier for the quality realisation of more ambitious theatre projects, and therefore also a problem for the Slovene directors which would like to compete in the international theatre scene. A specific problem regarding the Puppet theatre is also the staff, since there are no faculty programmes in Slovenia for puppeteers and only few decide for the study abroad.

NGOs in the field of performing arts offer a wide variety of performances, from contemporary dance, ambient, street or puppet theatre, to special shows for children, etc. Of great importance for Ljubljana are some of the established festivals of performing arts, such as the Exodos festival, Ana Desetnica, Mladi levi (Young Lions), Ex Ponto, Mesto žensk (City of Women), Gibanica (Moving Cake), etc., which enrich the cultural scene in the city. In Ljubljana there is also a notable trend of increasing number of shows targeted at the youngest audience, since there is a bigger demand for this kind of shows and they are more profitable and successful.

In the field of visual arts, here are two public institutes established by MOL: Ljubljana City Gallery and the International Centre of Graphic Arts (MGLC), the former being financed fully by the MOL, and the latter mostly by the state funds. Both are facing similar problems, two of the most important being: the lack of funds and the lack of a big exhibition hall. MOL also supports NGOs and individuals, which are active in this field, through project and programme funding.

The field of music is very heterogeneous since it includes concerts and individual music performances, concert cycles and festivals and music publishing of all different genres of music. In this field MOL co-finances public institutes Festival Ljubljana (which covers more established and classical music) and Kino Šiška (which covers mostly upcoming bands and music performers, alternative and experimental music). Trying to support the musical

pluralism, maintain traditional music and at the same time ensure openness to new musical flows, MOL co-finances also several NGOs. One of the major problem in this field is the lack of acoustic and technically equipped premises. An additional problem presents the lack of promotion of specific projects. NGOs are lacking funds for extensive promotion of events, while the labels can not anymore to invest significant funds into the promotion of their artists, due to difficult conditions on the market. In the field of music, as well as in other fields, fragmentation of funds due to high number of projects. To improve this situation, a three year programme funding for NGOs was established (besides the project funding), which enables them to receive larger amounts of funds and makes planning of bigger projects a bit easier and safer. Another important issue in the field of music present the copyrights. The association SAZAS is collecting the royalties, and there are strong arguments about the unfairness or even illegal aspects of their operation.

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. Therefore, it is very important for the local artists to be able to present their works on important international fairs and to promote and gain recognition of their art abroad. In the last years, the participation on international art fairs is also co-funded by the Ministry of Culture. Another problem for the artist presents the lack of affordable art studios and also available premises for exhibitions, installations, events or social gatherings. Several artist therefore search for half-legal ways to resolve these problems, by using squatted places like Metelkova Mesto and Rog. Independent artists and non-government organisations also have support by the association “Asociacija”, which is trying to improve their work conditions. Furthermore, there is also a forum for self-organisation of individuals and groups in the field of contemporary art, called The open chamber of visual arts, which operates as an informal syndicate.

#### **Strengths:**

- High quality and diverse production (high quality and diverse artistic production in the field of performing arts and visual arts, diverse music scene)
- Events (established festivals of performing arts in Ljubljana)
- International cooperation (artists and producers in the field of performing arts are well included in the international networks)
- Increasing demand and supply of shows targeted at the youngest audience
- Support measures (this field is included in the cultural policy of the city and the state, therefore several support measures exist)
- Funding of NGOs on a three year programme basis (besides project funding)
- Concentration of different actors in MOL

#### **Weaknesses:**

- Lack of financing (co-financing of those public institutes which were established by MOL and are co-funded by the state presents a problem, since none of them provides them with sufficient funds for the investments and acquisition of equipment; fragmentation of funds for NGOs due to high number of projects)
- The outdated technology presents a barrier for the quality realisation of more ambitious theatre projects which would be internationally competitive)
- Lack of premises (lack of premises for performing and rehearsal; lack of acoustic and technically equipped premises for music; lack of a bigger exhibition hall which would

enable more ambitious exhibition projects, host international art festivals; lack of studios for not commercial price and also available premises for exhibitions, installations, events or social gatherings)

- Lack of specialised educational programmes (no faculty programmes in Slovenia for puppeteers)
- In the field of contemporary dance, the shorter, productionwise, technically and artistically less demanding projects are increasing in number
- Lack of recognition of specific musical projects due to unsuitable promotion
- Unresolved issue of copyrights and royalties in music
- Lack of market for contemporary art

## 7.2. Film and broadcasting industry

Since its beginnings, the Slovenian film demonstrated the influence of social realism, while over the years its aesthetics oscillated between entertainment and politics, art and industry, aesthetics and ideology. The first 50 years of Slovene film is characterised mostly by the documentary (non-fiction) tradition. After the WW2, the so called “partisan film” was developed on one hand, and on the other a tradition of films for youngsters also started in the 50s. Later on, numerous films were created based on Slovene literary classics. The 1900s were marked also by a wave of socially-critical films. The second half of the 1960s is considered the “Spring of Slovene film”, marked again by two very different films: “Ekspres Ekspres” by Igor Šterk, which won awards at several European festivals and “Outsider” by Andrej Košak, which was a major box office success. More recently, Slovene film has shown a great deal of creative vitality and also international recognition. The Jan Cvitkovič’s debut film “Kruh in Mleko (Bread and Milk)” for example gained much praise for its originality, inner poetics and innovative use of light and won the Golden Lion of the Future award at the Cannes Film Festival in 2001. In international terms, Slovenian short film is of the highest quality. In the 2008 and 2010 Slovenia had two student films nominated for the Student Academy Award.

The first major presentations of Slovene films for the professional public took place at the Cannes 2004 Marché du Film, where for the first time a dedicated Slovene stand presented seven films and a few of Slovene film festivals. The first extensive retrospective of Slovene short film abroad after 1995 was at the 11th Siena Short Film Festival in 2006. Classical retrospectives of Slovene film have also taken place in Barcelona, New York, Rome, Stockholm and Cannes. In 2006 Slovene film was shown at the Bradford Film Festival, in Katowice, Valencia and Helsinki and at the Slovene Film Week in Budapest.

In recent years, Slovene film industry has produced around seven feature films each year. Approximately 150 Slovene feature films have been made so far, plus a few hundred documentaries and short films. There are several support organisations, which are facilitating this production. Among them, the most important (and at the same time also the most criticised) is the Slovene Film Fund, which is responsible for allocating subsidies. The Fund places emphasis on products intended for release in cinemas and supports the production, distribution and promotion of short and full-length films, documentaries, animated films and video productions. The Slovene Film Fund also co-funds international co-productions, however, a Slovene producer has to apply for the funding. In 2004, mediadesk.si was created,

distributing information and providing assistance for the EU Media funding programmes. Because of its ideal position at the heart of Europe and the great diversity of its landscape, Slovenia is well suited to developing co-productions with foreign countries. Slovenia's main partners are Italy, Austria, Germany, Croatia, Hungary and France.

There are more than 30 production firms in Slovenia, the most important include E-motion Film/Vertigo, Studio Maj, Arsmidia, A-Atalanta, Gustav Film or Forum Ljubljana. Radio-Television Slovenia (RTV Slovenia) and the Academy of Theatre, Radio, Film and Television (AGRFT) were quite important film makers and co-producers, however recently their focus has been TV film production. Several production houses were established by the film makers themselves, for example Franci Slak (Bindweed Soundvision), Igor Šterk (A A C), Janez Burger (staragara), etc. Two film studios are indispensable for Slovene film production: the public institution Viba Film Studio and the Video Production Kregar Studio (VPK Studio). Viba Film Studios cover an area of 10,000 square metres and provide everything a filmmaker needs, including the infrastructure required for production and post-production. These new studios not only ensure better conditions for the work of respected Slovene artists and creators, but are also an important Slovene contribution to European film production and co-production

Films are screened in around 55 cinemas. In Ljubljana there is one huge cinema centre (Kolosej), one more intimate cinema (Vič), one cinema, dedicated to art film (Kinodvor) and the Slovenian Cinematheque. The Slovenian Cinematheque is funded by the government and it aims to collect, preserve, systemise, catalogue and present museum items relating to the history of film and world cinema and cinematography and to establish and maintain contacts with international organisations and associations. Cankarjev Dom Cultural and Congress Centre organizes The Ljubljana International Film Festival (LIFFe). Ljubljana also hosts the oldest gay and lesbian film festival in Europe, and new festivals emerge constantly. There are three associations in the field of film: the Association of Slovene Film Workers, the Slovene Film Directors Association and the Association of Slovene Film Producers. EKCRAN is the only magazine which deals with film besides Premiera, which is focused mostly on current cinema programme.

Most Slovene film makers are trained at the Department of Film and Television, Academy of Theatre, Radio, Film and Television (AGRFT) at the University of Ljubljana, although a number of Slovene film directors were trained at the FAMU Academy in Prague. The reason for this is the fact, the AGRFT is concentrated more on theatre, not so much film, and does not have specialised study programmes for example for production, screen writing, etc. Besides AGRFT, Ljubljana hosts The Autumn Film School, International Colloquium of Film Theory, an international film theory and criticism seminar.

Besides film, also video productions, animated and experimental film production is developed. The Slovene animated film has also been marked by innovativeness (often due to the lack of infrastructure and money), experimental techniques, fresh ideas and approaches. The infrastructure for animated film is underdeveloped. Most animation artists work from their homes and there is no school or department for animation filming. A very important role in video productions and experimental film was however played by ŠKUC (Students' Centre for Culture), since they were very active in production and exhibition for more than 20 years.

There were 87 registered firms dealing with radio activities and 48 registered firms dealing with TV activities in 2009 in Slovenia. With only a couple exceptions all of these firms are micro firms. The radio activities employed 345 people altogether, while TV activities employed 178 ([www.gzs.si](http://www.gzs.si)). In the last decade, many new suppliers emerged in this market. After the liberalisation of the media market, the radio frequencies were being distributed with no strategy or criteria. This resulted in a high number of emerging radio stations, which later underwent the process of market concentration. This resulted in a few (mostly commercial) radio networks with very similar programmes and bigger media power. The content of these radio stations is subject to the owner's personal interests and interests to its most important advertisers.

The situation regarding TV stations in Slovenia is very similar. Today there are 4 TV programmes, 2 national and 2 commercial (SLO1, SLO2, POP TV, Kanal A), which cover most of the Slovenian territory. A lot of territory is covered also by the third national programme (SLO3) and TV3 commercial programme. Besides that, there are also many regional or local programmes. As much as 41 programmes (APEK, 2008) are covered only by specific cable operators. The market is lacking segmentation, which would lead to higher quality of programmes. The similarity of TV programmes can be attributed to the smallness of the Slovenian media space and also to the fact that the size of the audience is often the only or the key criterion for defining programme orientation.

Since Slovenia is a small country, the problem present also radio and TV stations from other countries, which cover also part of the Slovenia; a specific problem here present Italian radio stations (due to too strong radio signal which overrides Slovenian frequencies) and tv programmes such as sport events, since part of people watch foreign programme, even though they do not have rights for transmission in Slovenia.

#### **Strengths:**

- Diverse and quality production (several very different genres developed, short film of the highest quality in international terms)
- Creative approaches
- Tradition, specially in the documentary films
- Support for international cooperation in co-productions
- Film infrastructure available, most of it in Ljubljana
- Promotion on domestic and international film festivals and fairs
- Organised additional trainings, work-shops, seminars...
- The film industry in Ljubljana has the advantage of the central location with easy access to different kinds of scenery
- Concentration of different actors in the film and broadcasting industry in Ljubljana

#### **Weaknesses:**

- Lack of specialised study programmes
- Strong criticism about the work and distribution of funds by the Slovene film fund
- Infrastructure is not optimally used (Quite some potentially useful places for film broadcasting are completely unused even though most of them is located in the inner city of Ljubljana. To name just a few: old municipal cinemas, several cinemas in the downtown of LJ, summer cinema of Cinemateque LJ)

- After the liberalisation of the media market, the radio frequencies were being distributed with no strategy or criteria.
- High concentration of radio and TV activities which results in high dependency of the content on the owner's personal interests and interests to its most important advertisers.
- Most of the owners had no experience and knowledge in the field of radio activities when establishing radio stations; they merely saw it as an additional business opportunity
- The influence of the small number of big sponsors and advertisers on the content of TV and radio stations is increasing

### 7.3. Journalists, news agencies, press, publishing

Publishing industry in Slovenia is very specific. Due to the small market, publishing is not a profitable, but a partially subsidised industry. Book publishing support is intended for original works and translations of fiction and humanistic sciences works. The average number of copies in these fields is a bit over 600, while the break-even point is considered to be over 3000 copies. Also, the publishing of non-commercial magazines in the field of culture is subsidized, and so is the publishing of quality and non-commercial music by Slovene artists. Subsidised are also libraries, which are an important buyer of books. Slovenia is in the top countries by the number of books borrowed, however, the problem is that the share of quality literature in this is very low.

The number of published books is increasing. In 2009, there were 6586 new books published in Slovenia; 1765 fiction, out of which a bit more than 50% were by Slovenian authors. In European terms, these are very high numbers, if calculated per capita. Around 400 books were co-financed by the state funds. The average number of copies was 1098 for fiction and 1543 altogether. These numbers are in the bottom, compared with other countries. A person in average buys 2-3 books per year, which is also in the bottom, and borrows 15 books in the libraries.

The number of titles is very high, since practically anyone can publish a book (authors in general do not have agents), but the numbers of printed copies are very low. Since the production costs are high, consequently the books are (too) expensive. Six years ago, two of the biggest newspaper agencies started offering very cheap books along with the newspapers. This received a great response from the readers, and changed the perception of books being too expensive. At the same time, this increased the price pressure on the book publishers, who answered with more paperback and pocket editions, which contributed to the price reduction of books. The average book price in 2009 was 20,9 euros, however, the average cost per one book is around 30 euros. In 2010, Ljubljana has become the new World Book Capital (WBK). In the context of WBK, the project "Books for everyone" is running, which supports the publishing of 21 quality books in edition of 8000 copies each, which are sold in 220 places (not only book stores) for the price of 3 euros.

There are many firms that are publishing works despite the fact, that they are not registered as a publishing firm. In the 90s, many of the publishing firms were privatised under the false pretence that book is a market good. Consequently, almost all of them (except Mladinska knjiga and Cankarjeva založba) dropped the publishing activity and started operating in different fields. A couple of years ago Mladinska knjiga took over Cankarjeva založba as

well, and is today not only the far biggest publisher but also has a monopoly as a book trading firm. Some of the smaller commercial publishers are trying to survive on the market by expanding their selling channels (post offices, gas stations,...) and cutting costs, which reflects on the quality of the published works (no proofreading, etc.). Slovenia just recently got also its first publisher of electronic books.

The suggestion of the publishers to resolve the issue of a small market is, to drop all the co-funding in exchange for the guaranteed purchase of a certain amount of original literature, and to leave pop literature completely to the market. Another possible solution is also to concentrate on foreign markets, however, the problem is that in Slovenia almost nobody is dealing with the book promotion. In order to penetrate the foreign markets, extensive and organised promotional efforts would be necessary. An additional problem on the market is, that “everybody is doing everything”, meaning for example that publishers develop their own marketing channels (door-to-door, book clubs, selling to libraries), consequently often putting book trading firms in a position of competitors, instead of partners. On the other hand, due to difficult situation on the market, it is understandable that also not so big publishers try to develop their own distribution channels (mostly internet shops), which are much cheaper for them.

The number of newspapers and periodicals is decreasing from year to year. In 2008 there were 1554 serial publications (4,2% less than in 2007), among which there were 208 newspapers and 1346 other publications (periodicals, magazines, journals, calendars, almanacs, etc.)

The main problem of the media in Slovenia in general is the unresolved issue of the influence of politics on media, since the media are very important for someone who wishes to gain or keep his political or economic power. Therefore, in the last years the public has witnessed several changes in ownership together with changes in staff. Furthermore, the problem in the market of serial publications is that their income in a large share depends on only a couple of big advertisers – firms, that are also owned by or connected to the state. In 2007, the journalists started raising their voices about the political pressures on their autonomy and freedom of press. The abuse of media resulted in the loss of credibility, and consequently decrease of circulation of the printed media and loss of revenues from advertising. The lowered quality standards that followed the cost cutting, are not the way to the recovery of the newspapers. On the other hand, possible synergies, deriving from joining distribution or printing, have not been considered yet. The current situation and the problems with ownership as well as lower quality of journalism, is a consequence of the country’s transition process. While the professional, contemporary journalism has more than 40 years tradition in developed democracies, in Slovenia it only started developing 20 years ago. Furthermore, the local media owners’ do not have the knowledge to manage the media properly, besides, they were often only using media for their personal interests, which lied elsewhere. Clear rules in the field of media could increase the attractiveness of investments this field and possibly attract potential new owners, whose core business would in fact be media. The new media law is currently in the process of public discussion, however, its first proposition was subject of criticism from different parties concerned.

The Faculty of social sciences in Ljubljana offers a programme for journalism. The problem is, that the number of journalists that is produced by the faculty, is much higher as is the demand for journalists. High number of enrolled students is also decreasing the quality of the study. Furthermore, to acquire practical experience, students look for jobs already during their

studies. This results in additional pressure on the price of journalists' work, which is already underpriced, due to cost cutting. Furthermore, media houses often prefer for example economists or lawyers to journalists, since they have more knowledge about the specific fields, while journalists do not. A possible solution could therefore be in specialisation programmes for journalists. Due to bad work conditions in the field, it is difficult for a press agency to retain the specialists, so instead of them, unqualified and therefore cheaper personnel is often employed.

In 2008, the Slovenian book agency was established. Its aim is to handle literature in a coordinated and uniform way, however, the problem is that there are no publishers, librarians or booksellers among its representatives. There are also many associations in this field (Association of journalists, Association of journalists and publicists, Association of publishers, PEN - association of writers, poets and publicists, The Slovene media association) however, some of them reflect the issue of politics' interference. There is no united database of all books, available on the market. There is however The Slovenian book fair with long tradition and several awards for book authors.

#### **Strengths:**

- Policy measures (subsidised publishing; subsidised libraries, which are an important buyer)
- Infrastructure (libraries practically in every village)
- Many educated journalists
- Several awards for book authors
- Book fair with long tradition
- Diverse production (many different books published each year per capita)

#### **Weaknesses:**

- Small, unprofitable market (low number of copies printed per book title; "everybody is doing everything", meaning that a publisher is often also a distributor and has its own selling channels)
- Almost no promotion for published books (nationally or internationally)
- No united database of all books, available on the market
- Book shop network is not well developed
- One of the companies has a monopoly as a publisher and as a book trading firm
- Unresolved issue of the influence of politics on media
- Journalists are not properly protected in case of political pressures
- The periodical press depends on a few big advertisers
- Abuse of media resulted in the loss of credibility, and consequently decrease of circulation of the printed media and loss of revenues from advertising
- Inadequate quality (not long tradition of the professional contemporary journalism in a democratic system, pressures and cost cutting lead to low quality journalism; local media owners do not have the knowledge for good management; bureaucratic methods of work organisation are more frequent than up-to-date quality management tools)
- Higher supply than demand for journalists

## 7. 4. Museum shops, arts exhibitions

The first museum in Slovenia was established in 1821 and is today known as the National museum of Slovenia. Nowadays, there are 47 publicly funded museums and several private museums. Among the publicly funded museums are 12 national museums and 35 regional museums. The museums are categorised also as general museums (28), specialised museums (9) and art galleries (10). In 2008, the museums and galleries received the state funds in amount of almost 31 million euros and local funds in the amount of 4 millions, and attracted almost 1,25 million visitors. Private museums, which do not carry out public services, can also apply for the project co-funding if they are listed in the official museum registry. MOL (Municipality of Ljubljana) funded The City Museum and Galleries, International Centre of Graphic Arts and The Architectural Museum, but the later was this year transferred to the state. In MOL are located also many other important museums, since Ljubljana is the state capital.

School groups present as much as 40% of the museum visitors, which is a very high share, if compared internationally. In art galleries, however, this percentage is much lower (23%). The problem is that museums do not have good knowledge about their target groups of visitors and do not differentiate their services with regard to this. This can also be attributed to the fact that the management and marketing knowledge in museums is lacking. Museums in Slovenia do also not attract many tourists (around 15%). The tourist routes or guiding tours in general do not include museums. The main problem for the development of cultural tourism is the lack of cooperation between culture and tourism. Although culture is one of the key elements of any kind of tourism promotion, there is no body or institution that would foster and facilitate this cooperation, which is preventing the creation of complex tourist products.

Museums' own resources present only a small share of the total budget (around 10%). In the last years, the national museums managed to increase that share at least slightly, while in the regional museums this share has even significantly decreased. Many museums are not open to activities, which are beyond the classical museum activities, and do not have a business view on acquiring assets. The biggest share of own assets is acquired with the entrance fees. A bit over two thirds of the museums have a museum shop, which is in most cases combined with the ticket office and does not have a professional shop manager or coordinator. However, museum shops generally present only a sideline activity; the turnover created by the museum shops is much lower than the turnover created by the entrance fees. In average, the museum shop turnover per visitor is 0,7 euro. Still, the museum shops are in general the second most important source of own assets. There is much room for improvements left with regard to museum shops. Almost all museums offer educational activities. In the national museums, hosting of different events presents the second most important source of own assets, while in the regional museums, assets collected through donations, legacies, etc. are more important. In the galleries, rents and shops present a slightly bigger source of own assets.

Museums in Slovenia face many problems. Small budget does not enable museums to host top exhibitions, since a cost of a single such exhibition exceeds the total yearly budget of the biggest museums. Furthermore, the costs of insurance for such exhibitions are so high, that a museum cannot afford to pay them, and the state or local governments do not provide guarantees. An additional problem are also insufficient premises for such exhibitions. Many museums are located in historical buildings, which were not built for that purpose. Some of the museum buildings are in critical state due to old age, and several museums only have

dislocated depository units due to lack of space. Most of the bigger exhibitions are hosted by Cankarjev dom, which is not a museum but exhibition grounds, which cooperates with the foreign ambassadors in Slovenia in order to assure the lowest costs possible. An additional problem that museums face is inflexible employment policy in public services, which includes museums. While most of the employees are curators and many of them are acknowledged experts, there is a lack of other profiles and also their expertise is often questionable. Despite the fact, that disposition and digitalisation of museum documentation has been one of the priorities of the Ministry of Culture for years, up to now this problem has still not been resolved. There is no unified registry of the cultural heritage, furthermore, only 30% of documents are documented, only 10% of them in a digital way.

In Slovenia there are also several private museums, however, so far none of them is listed in the official registry of museums. The major constraint for the enlistment of private museums present the conditions with regard to the professional qualification of the employed staff. The biggest and most successful private museums are financed by private firms, for example the Brewery museum by a brewing firm, the Tobacco museum by a tobacco firm, etc. Despite the lack of public funds, the private museums are not more engaged in gainful activities, which are beyond the classical museum activities. Own assets present only a minor share of their budget structures as well, often even smaller as in public museums.

There are three associations in the field of museums: The Slovenian museum association (which also awards Valvasor's awards for achievements in the field of museums and organises Museoforum, where internationally acknowledged speakers), The Association of the Slovenian museums (has a strong pedagogic section and is also the organiser of the most popular museum promotional event Summer Museum Night), and ICOM Slovenia (international museum council which enables educational and other activities on the international level). The link between the Ministry for Culture and the museums presents The service for the movable heritage and museums was established with the purpose to develop strategies for the development of the Slovenian museums.

#### **Strengths:**

- The museums are visited by many groups and are seen as an educational resource
- Good expert knowledge (there are many internationally acknowledged experts working in Slovenian museums as curators)
- International cooperation and knowledge exchange (museums are well included in the international networks and the inflow of information is very good; several recognised speakers in this field are hosted in Slovenia)
- There are several opportunities for additional training of the museum staff
- Cooperation between the museums is fostered by the Ministry of Culture
- Summer Museum Night is a very attractive promotional event which takes place in many Slovenian towns

#### **Weaknesses:**

- Museum tourism is not well developed. There is a lack of cooperation between culture and tourism.
- Museums mostly rely on school groups. There is a lack of recognition of needs of other groups and targeting them
- Lack of management and marketing knowledge in museums
- Inflexible employment policy in public services

- Lack of funds and premises (museums can not afford to host top exhibitions due to small budgets, lack of premises and above all, no guarantees given by the state or local governments)
- Museums' own resources present only a small share of the total budget
- Museum shops are often combined with the ticket office, do not have a professional shop manager or coordinator and create very low turnover
- Inappropriate infrastructure (several museums only have dislocated depository units due to lack of space, and some of the museum buildings are even in critical state due to old age)
- There is no unified registry of the cultural heritage and the level of documentation is very low
- Private museums often have even smaller shares of own assets in their budgets

## 7.5. Retail sale of cultural goods

The specific of the cultural goods market in Slovenia is, that many of these goods are subsidised, due to a very small market and a desire to preserve the national identity. Consequently, also the retail sale of cultural goods is not a particularly profitable activity, not even for the major players on the market, if compared to other industries. The situation is however particularly difficult for the small players.

An important weakness for the retail sale of cultural goods plays the fact, that in Slovenian publishing industry, everybody is doing everything. This means that the publishers are developing their own trading channels (door-to-door, book clubs, selling to libraries), consequently often putting book trading firms in a position of competitors, instead of partners. There are no independent book distributors on the market. The two biggest book trading networks are owned by the publishers. DZS business units are actually more stationer's shops than they are book shops. Mladinska knjiga on the other hand owns the most bookshops in Slovenia (over 50) in all bigger towns, the biggest book clubs for adults and children and one of the most known Slovenian internet bookshops. It has a monopolistic position on the market and many other publishers complain that they are too expensive and that their conditions are practically unacceptable. Mladinska knjiga, on the other hand, argues that they try to provide the consumers with all a wide variety of most interesting books in accordance with their space limitations, but that there is just too many different books on the market, so that they cannot keep books which are hard to sell on stock or on display.

Small independent bookshops on the other hand mostly serve their own publishing activities or their local markets. Therefore, it is not at all an easy task to arrange the availability and distribution of the book, which is one of the obligations for the publisher who receives co-financing for a book. Bookshops are often not capable of successful selling due to their bad financial situation and lack of appropriate attitude towards more noble literature. Therefore, the Ministry of culture dedicated part of the book support budget also to the bookshops, however, only a small part of bookshops in Slovenia met their criteria. Many independent publishers opened their own bookshops just because they cannot sell their books elsewhere. Some of the smaller bookshops try hard in different ways to attract more buyers: by organising different exhibitions, literary evenings, book promotions, concerts, etc.

Since 2005, Slovenia has fixed book prices, meaning that the price of the book is printed on its back side and this price holds for one year for all the end buyers on all retail locations. This resulted in the improvement of the distribution of books in the whole country and lower price level. Furthermore, fixed price system is also more favourable to the independent bookshops and publishers. However, the situation on the market is still very difficult. The competition by other channels of trade is very tough, sometimes even unfair, book prices are high, city centres are empty, bookshops often have to deal with a lack of understanding by the local governments, lack of financial means and illiquidity, which results in a too narrow book assortment, etc.

Nowadays, there are around 80 bookshops in Slovenia, but the problem is that they do not cover the whole territory. Internet book sales have constantly been increasing, however, they can still not be compared with other selling channels. Furthermore, a bigger share of online book purchases is made abroad (for example on Amazon.co.uk) as there is in Slovenia. A person in average buys 2-3 books per year, which is in the bottom of European countries, and borrows 15 books in the libraries. Therefore, one of the aims of the booksellers is not only to improve the general reading culture, but also to improve the culture of book buying. In general, the crisis has made the consumers even more cautious with their purchases, their preferences being pocket or paperback editions and books on sale. Children's books, mostly, are available also in stationer's shops, supermarkets, toy stores, etc. If school textbooks are excluded, the best sellers are different handbooks, fiction, and in the summer pocket books.

The problems of smallness and »everybody doing everything« are present also in the music industry. There are a couple of big publishers, which also play the role of distributors and retailers. Unlike books, which are taxed by 8,5% rate, sound recordings are taxed by 20% tax rate since 2004. The increase of the tax rate had a very negative influence on the market that was already underdeveloped. There are no more audiobooks publishers, and quality original music has practically disappeared. The labels could not afford anymore to invest a lot into musicians and their promotion. A large share of musicians started publishing their own work. As in other countries, publishers and musicians on this already very small market are facing also the problem of high piracy. There are also a couple of specialised record shops, which mostly sell foreign music and are struggling to survive or redirecting their activities. Besides that, the best selling records are also being sold in the bookshops, book clubs, supermarkets, gas stations, etc. The number of sold albums is decreasing from year to year. Another important issue in the field of music present the copyrights. The association SAZAS is collecting the royalties, and there are strong arguments about the unfairness or even illegal aspects of their operation.

As far as the retail of other cultural goods is concerned, it presents a minor share of the cultural goods market. Everybody is however facing the problem of a very small market. Furthermore, promotional efforts home and abroad are not sufficient or even non-existent. Some promotion is however assured for artists, who are represented by private galleries. Since private galleries cannot survive on the domestic market due to too small amount of interested buyers, they are forced to focus their promotional activities also on foreign markets, and use different promotional activities to attract foreign buyers. Another thing in common is that certain players like agents or distributors are missing. The artist are therefore often left on their own.

**Strengths:**

- Some quality authors

- Small independent sellers are making an effort
- The retail network in Ljubljana is much better than elsewhere in Slovenia

**Weaknesses:**

- Small, unprofitable market
- “Everybody is doing everything”
- No independent distributors
- Dominating position on the market by one or a couple of key players
- High piracy rates
- Unresolved issue of copyrights and royalties in music

## 7.6. Architecture

Architecture in Slovenia has a rich tradition and can historically be characterised as dynamic and complex. After a big earthquake in 1895, Ljubljana was being renovated mostly by foreign architects. However, in the beginning of the 20<sup>th</sup> century, the development of the Slovenian architecture reached a crucial turning point. The University of Ljubljana was established in 1919, and within it a department for architecture was founded. An internationally recognised Slovenian architect – Jože Plečnik (who is responsible for much of the Ljubljana’s style and features), was invited to cooperate. The period from 1955-1960 is often considered another turning point for Slovene architecture, with the emergence of a new generation of Slovene architects under the leadership of Edvard Ravnikar. Ravnikar left a big impact not only with his own work, but also by passing his extensive knowledge to many generations of talented young architects.

At the end of the 1990s, after Slovenia gained its independence, the market relations and the structure of investors has changed and the new generations of architects were more successfully adapting to the new circumstances. Big architectural bureaus decayed, and several new architecture bureaus emerged in Ljubljana at that time, which became well known in Slovenia and also abroad. Many of those architects were studying abroad in prominent international architectural institutions and when they returned they linked Slovenian architecture with the global scene and concepts of temporal dimensions. Their achievements gave Slovenia the reputation as a country of great opportunity for young architects. However, it should be noted here that these cases do not reflect the general conditions for architects in Slovenia and that a large part of architectural community still does not demonstrate ambition or exceptional architectural achievements. In this generation also a new group of architects emerged, which started dealing with the architecture of already existing ambients and revitalisation of historical buildings. This was followed also by part of the study programme on the Faculty for Architecture.

An even younger generation of architects is emerging in recent years, however, the projects that were implemented by this youthful group are with some exceptions mostly limited to interiors and small urban interventions. However, in comparison to the previous generation, a deep sense of cultural responsibility can be sensed in their work. They consider what they do not as architecture alone but as activity within a broader cultural context.

The explosion of architecture in Slovenia led to a confusing multitude of values. A balance should be found between the necessity to affirm one's national identity and recognition, while at the same time opening to foreign influences. Also the issue of general responsibility of architecture not only as an aesthetic and economic responsibility but also as social and ethical responsibility is open. There is a need to revitalise the architectural criticism and to bring assessment of architecture to a higher level.

Due to its historically based connection with social development, architectural and urban planning and design are regulated by an extensive and complex legislation. Unfortunately, the status of the field and its organisation are not appropriately arranged within this legislation and are not completely compatible with the EU standards. Often, the architectural solutions are inappropriate or even illegal, which results in the gradual devaluation of the built environment due to the uncontrolled interventions of the real estate owners. Also the state is not setting the best example and does not always appreciate innovativeness and quality or supports overachievements and principles of sustainable development in its public tenders. Architecture should be perceived as an investment and not merely as a cost, which results in the decrease of architecture quality due to cost reduction efforts (in public and private investments).

In Slovenia, there are two faculties for architecture – in Ljubljana and in Maribor. As already mentioned the education in this field has a long tradition and is comparable with other EU countries. There is however still room for improvement, especially regarding the interdisciplinarity and cooperation with other study programmes. Also the international cooperation and student exchanges should be enhanced in order to ensure the influx of fresh ideas, the internationalisation and even higher of quality of the field.

The most important support organisations in the field of architecture are the Architects' Society of Ljubljana (DAL), the AB magazine publisher, Trajekt and IPOP. Besides that, there is also The chamber of architecture and space, Urban planning institute, Architectural museum, several architectural galleries, Zavod BIG (on-line newspaper, Hiše awards), Arhitekst (international symposium Days of Oris), Monochrome architects (International Architectural Biennale), Kubus engineering (professional conference Buildings, Energy and Environment), etc. The greatest national award for the arts is the Prešeren Fund Award, besides that, there are also more specialised awards such as the Plečnik and Piranesi Awards.

Due to unsuitable attitude of the government and also the public towards architecture, big architectural bureaus, which would be able compete on international markets, did not develop. Micro firms are prevailing in this branch. Despite the fact that there are many internationally recognised architectural achievements, the average quality of architectural projects is still pretty low. The perception of architecture in the society is changing to the better, however, promotional activities are still necessary. Better public awareness about the importance of quality architecture could be achieved through articles and contributions in everyday popular media, with the aim to bring architecture closer to the end consumer.

Compared to other CI sub branches, there are the most firms in architecture. In Ljubljana this difference is even more in favour of architecture (almost twice as high number as in retail sale of cultural goods, which is following). Architecture is also the second biggest employer among the CI in Slovenia and the fourth biggest employer in Ljubljana. Looking at the occupational statistics, architects, town and traffic planners present the third biggest group of

creative occupations (after the authors, journalists & other writers and after decorators and commercial designers).

### Strengths:

- Strong tradition
- Internationally recognised individual architects and bureaus and also the representatives of the younger generation
- Faculty with strong tradition and internationally compatible quality
- International cooperation (influx of knowledge and ideas through international exchanges of students, professors and architects)
- Knowledge of the young generation in the field of interiors
- Initiative and recognition of synergies which derive from cooperation (DESSA - The Association of Freelance Architects, Network for space development - IPOP)
- Existing awards for architecture
- Recently (4.11.2010), the Ministry of Culture has additionally included architecture into the National Programme for Culture
- Quantity (architecture employs the most people among the CI in Slovenia; the architecture production in Ljubljana is much stronger than elsewhere in Slovenia – there is a relatively high density of architects working or living here, and also the most important real estate market)

### Weaknesses:

- Lack of critical mass (micro firms, small bureaus and individuals, which are not capable of providing a full architectural service, but are specialized for its specific segments; Lack of large architectural bureaus which could compete on international markets)
- Despite some very talented individuals, the general quality level is average, a large share of architects has no ambition or achievements
- Lack of knowledge about the work organisation
- Lack of education, specialised for urban planners
- No balance between the need to preserve the national identity and openness towards influences from abroad
- The issue of social and ethical responsibility of architecture
- Lack of architectural criticism
- The architectural solutions are often inappropriate or even illegal
- There is no strategy or support measures for architecture
- Extensive and complex legislation which is not completely compatible with the EU standards and within which the field and its organisation are not appropriately arranged
- Lack of promotional activities aimed at raising awareness of general public
- Inappropriate general attitude towards architecture (architecture is perceived as a cost, not as an investment; the government does not provide a good example while conducting the tenders for public investments – often innovativeness, quality or sustainability of the solutions are not appreciated; architecture is not recognized as an important part of the national cultural identity)
- A functional relationship between architects and potential users of their architecture (general public, local inhabitants etc.) is rather rare in Slovenia

## 7.7. Design industry

The field of design in Slovenia has a tradition, and specific segments of the field had reached their golden eras in the past (for example the theatre poster in the 80s) but have later unfortunately lagged behind due to the market and technology changes. Still, different fields of design are relatively well developed. The potential of industrial design as a tool for increasing innovation, competitiveness and quality of life has however not been recognised in Slovenia in the past, not by firms or by the policymakers. Consequently, this sector has long been pushed out of the economic and business debates into the sphere of culture, where it was perceived as art and not as an important industry. In the recent years however, industrial design has been in and out of policy discussions. The Reform programme (2005) proposed the formation of a National centre for industrial design as a project of national importance, the idea of the SLO-DESIGN centre was even included in the Resolution on development projects – 2023, which is a Government long-term strategy paper produced in 2006. However, to date, no specific information on the time frame for the implementation of this has been published, there are still no specific policy papers on support measures for design and no analysis of the sector has been carried out. Slovenia is one of the few European countries which do not have an institution to coordinate the interests of the industry with the national strategic goals and the creative industries.

Part of the responsibility for the current state of industrial design in Slovenia and Ljubljana can be attributed to historical reasons. Slovenian firms were in the past not competing on highly competitive western markets and were often operating as subcontractors of multinationals or buying licenses for production and not valuing creativity and intellectual property. Even nowadays, when the conditions have changed, the prevailing opinion in firms is still that design services (industrial design and other) present only an additional cost and not an investment. The cost cutting and production orientation still predominates. Firms are used to waiting for orders and fulfilling them, instead of offering creative products and concepts to the end consumer market. Furthermore, only few firms are capable of stepping out of anonymity and creating recognisable trademarks. Due to all the above, Slovenia is losing important part of its production culture and is increasing the gap with the economies which assured themselves a long-term position on the markets.

There are however several educational institutions for design, such as The Academy of Fine Arts and Design, The Academy of Design, Secondary School of Design and Photography and Faculty of Natural Sciences and Engineering (Department of Textiles). Besides that, located in Ljubljana are also different institutions for support and promotion of design, such as The International Centre of Graphic Arts, Museum of Architecture and Design, Zavod BIG (Month of design, on-line newspaper), Brumen Foundation (Biennale of visual messages), The Designers Society of Slovenia, etc. However, since these institutions and organisations are not part of any national, regional or city strategy and are not recognised as an important factor of economic development, they operate uncoordinatedly. This affects also the supply market, where the prices are not consistent, intellectual rights are not respected and subsequently this reflects also in a bad image of the whole design industry. Besides that, the programmes in educational institutions are not up to date with the market demands, and design is often perceived only as an artistic discipline. The current circumstances on the Academy of fine arts and design threaten to make this situation even much worse. Moreover, the knowledge about the design management is lacking and so is specific, niche knowledge - the education institutions mostly provide “general practice” designers. Furthermore, industrial

design should be more present also in the engineering programmes. The graduates are left to their own after the studies, which with regard to the described circumstances means, that it takes a very long time for them to become recognised and be able to pass their knowledge to the firms. Another problem present unqualified individuals who work as designers.

Despite an unfavourable general picture, there are however several outstanding design achievements. Even though they are few, the firms that understand the importance of industrial design demonstrate a good example of the difference that design can make. In the last years, several firms received the Red dot design award, which is one of the most prestigious design awards in the world. Two firms even received this award second year (Elan & Gigodesign) or even third year (Alpina & Studio Jure Miklavc) in a row. Besides that, there are also some individuals who are internationally recognized, such as Nika Zupanc, Uroš Belantič (Oktober - fashion), Lara Bohinc (107 - fashion jewelry), Robert Lešnik (VW, KIA), etc.

Design industry (74.8 Design activities) employed 2855 people in Slovenia, 1217 in Osrednjeslovenska region and 839 in Ljubljana in 2007. The occupational data shows that the number of persons employed as decorators and commercial designers in 2008 was 2771 in Slovenia, 1138 in Osrednjeslovenska region and 740 with residence in Ljubljana, while 1057 were working in Ljubljana. The number of design firms in 2007 was: 2406 in Slovenia, 996 in Osrednjeslovenska region and 733 in Ljubljana. Looking at the number of employees, micro firms are prevailing. Compared to other CI sub branches, design industry experienced the third highest growth in number of firms from 2001 to 2007 (after museum shops & arts exhibitions and artists' & performing arts) while on the other hand, it is the only one which experienced negative growth of employment between 2004 and 2007. Still, design is the third biggest employer among the CI in Ljubljana (data for 2004 and 2007). In Slovenia however, design industry only has the fifth highest number of employed, while the number of firms is the third highest in Slovenia as well as in Ljubljana. In 2007, firms in design sub branch (74.8) created 359.153.411 euros of revenue (0,4% of the total revenue) and 28.251.651 euros of profit (0,7% of the total profit) in Slovenia. In Ljubljana, design firms created 154.044.527 euros of revenue (0,5% of the total revenue in Ljubljana) and 9.813.663 euros of profit (0,7% of the total profit in Ljubljana).

#### **Strengths:**

- Quality (specific cases and individuals are internationally recognised)
- Quantity (looking at the number of firms and number of employed, design is an important sub-branch of CI)
- Certain support organisations exists (located in Ljubljana)
- Recently (4.11.2010), the Ministry of Culture has additionally included design into the National Programme for Culture
- Concentration in Ljubljana (most of the quality designers live, work and study here, most of the important design events are taking place in Ljubljana, and subsequently the design sector here has a better position)

#### **Weaknesses:**

- Tradition, specially in the field of industrial design, is not as strong as in other developed countries
- Specific fields of design, which were well developed in the past, have later lagged behind due to the changes in market and technology

- The importance and potential of industrial design has not been recognised
- Design is often perceived in firms as merely an issue of aesthetics and as a cost driver
- Lack of knowledge (educational programmes put too much emphasis only on artistic aspect of design and are too general – niche knowledge is lacking; the current circumstances on the Academy of fine arts and design threaten to increase the problems regarding inappropriate educational programmes)
- Lack of policy support (no strategies or support measures for design, no national design center)
- The existing support organisations operate uncoordinatedly and are based solely on enthusiasm of certain individuals
- The supply of the design services is very heterogeneous in quality and in price, low quality providers of design services cause bad image of the field
- Not all designers respect the intellectual property rights
- There is not enough cooperation with the activities which are going on in other parts of Slovenia (for example exchanges, travelling exhibitions,...) and also the exchange of information between Ljubljana and other regions is insufficient

## 7.8. Advertising market

A decade ago, the advertising market was predominantly a demand market, while these days it is turning more and more into a supply market. Consequently, the supply is still in the process of differentiation and the professional standards are only being established. While about 20 years ago, there were only few suppliers on the market, the quality and creativity of their work were relatively very high. However, the increase of new suppliers in the 90s' resulted in a decrease of professionalism and values. In the last years, the market is in the process of concentration. The biggest agencies are taking over more and more clients. Subsequently, the image of the whole market depends on the deals they make and on the couple of media with the biggest power.

On the demand side, there is also great asymmetry present. While there are some firms, which accept and understand how important marketing is and what it can bring, on the other hand, in the majority of firms they still confuse marketing with advertising or selling. This means that in the best case, they constitute the demand for advertising services, while the domain of marketing is not covered. Such demand is the cause for several problems: specific segments of marketing are not harmonised; promotion strategies are not connected with the marketing strategy, which results in lower efficiency of the advertising; sales take over marketing (and consequently also marketing communication, design and other creative processes in firm). The situation regarding the public sector demand is even worse (again, with some exceptions). The public sector in general does not recognise the need for marketing strategies due to: the fact that public sector still does not accept and understand the fact that it also competes on the market, similarly as the private sector; categorical refusal to »spend the taxpayers' money« on intellectual services; lack of knowledge about the benefits of marketing services for the public sector. As far as the demand for marketing communication services is considered an additional problem is the fact, that client firms often consider the cost of a campaign as the most important measure of its quality. They fail to understand that a very cheap campaign, which is not effective, is actually a very expensive one.

Slovenia lags a little bit behind the trends in the most developed marketing communication markets. The supply of promotion services is well developed. In the last years, also the suppliers of other marketing segments (sales, production processes management) are more actively participating on the market. In addition, the suppliers of strategic marketing services are emerging. The new suppliers constitute from the beginners in this industry, the existing suppliers, who transformed, and also information, IT, HRM and other services, which present a prerequisite for effective marketing. Although some of the new players on the supply market are very innovative and in touch with the latest trends on the market, it is very difficult for them to penetrate the market, where very strong and long-term partnership relations are present. Foreign suppliers of marketing services present a specific segment of the market. While the majority of them are classified as business consulting organizations, they in fact mostly offer marketing services. The most frequently this is the case of Slovenian branch offices of multinational firms.

In 2008, 522,5 million euros (gross amount) was invested in advertising, which was 15% more than in 2007. However, the growth trend was followed by the crisis, which resulted in a general decrease of budgets for advertising. Already before the crisis the pressure on agencies to cut prices was big, in addition, the market concentration pushed the agency provisions towards zero. Therefore, the deals with media are becoming more and more important. The crisis does however have a positive impact on the segment of direct marketing, since the share of the clients who wish to measure the results of its campaigns is increasing and are interested in the pay per effect (click, call,...) options that direct marketing offers. A slight recovery of the market is expected in the next year and a moderately optimistic view is prevailing, although it is clear that the full recovery will take a lot of time.

With regard to the type of media, the biggest share of the advertising turnover creates TV. Internet advertising growth rate was 75% in 2008, however, in the following years the expected growth rate was no longer achieved. The share of the outdoors advertising is growing and so are different types of innovative, daring and interactive advertising. The press media are facing the biggest difficulties (mostly the three biggest daily journals), which is also due to their loss of credibility (a consequence of the political take-over struggles) and subsequently also loss of circulation and a decrease in quality.

The most important educational institutions in Ljubljana in this field are the Faculty of social sciences and the Faculty of Economics, which offer marketing and communication programmes. However, since the knowledge, necessary for advertising and promotion, is not so restricted, an important source of advertising and promotion professionals also derives from other study programmes, such as psychology, linguistic studies, philosophy, sociology, culturology, law, statistics, etc.

The most important professional organisations in this field are:

- The Slovenian advertising chamber
- The Chamber of business consulting services
- Project Management Association
- Direct Marketing Association
- Marketing association

**Strengths:**

- Certain suppliers offer good quality services

- Some client firms understand the role of marketing and market communications and present a good example
- The existing support organisations (The Slovenian advertising chamber, The Chamber of business consulting services, Marketing association,...)
- Internationally recognised events, even though not located in Ljubljana (e.g. Golden Drum, Magdalena)
- Many educated professionals of different backgrounds
- Concentration of the most important clients and suppliers is relatively bigger in Ljubljana with regard to the rest of the country
- The market is expected to start recovering from the crisis
- The crisis pushed part of the clients towards greater awareness of the importance of the effects, not only price

#### **Weaknesses:**

- Inadequate average quality (an increase in the number of suppliers in the 90s resulted in the fall of the average quality and image of the field)
- The market is still developing (differentiation, professional standards,...)
- Market concentration (in the last years, four biggest agencies are taking over more and more clients; despite their quality and innovativeness, it is very difficult for the new suppliers to penetrate the market due to very strong and long-term partnership relations)
- The competition is too often based merely on costs; the crisis only increased the pressure to cut the provisions and decrease the costs
- Unsuitable attitude of the clients toward marketing and advertising (many clients still do not understand the role and importance of marketing and marketing communication; the public sector does not recognise the need for marketing strategies; specific segments of marketing are not harmonised)

## **7.9. Software, games industry**

Software industry plays a very important role for the creative industries, since it is not only a creative industry by itself, but it also has a huge influence on other branches of creative industries due to its inherent cross-disciplinary and cross-sector nature and new ways of producing, trading and communicating. Therefore, all CI branches can benefit immensely by cooperating with software firms and including them in their clusters. Due to the high importance of SW (software) industry, its development and competitiveness should be systematically supported by the government, otherwise the competitive edge of our firms will be lost, since the developed countries recognise the importance of this field and offer support, guidance and extensive R&D funds for it. The existing application procedures for R&D funds in Slovenia are too bureaucratic. Furthermore, the commissions are not able to understand the applications containing ideas about the latest and most innovative technologies, therefore they often opt for more safe alternatives or recognised firms.

While the citizens of Slovenia are more interested in the information society than the average EU citizen and are open towards the technological novelties, which enables their quick diffusion, the situation in the Slovenian firms is not the same; they introduce ICT novelties too slowly to improve their competitiveness. The market for SW in Slovenia is very small and

besides that, the buyers often prefer foreign SW solutions with more recognised trademarks. The market is very suspicious about innovative domestic solutions.

On the other hand, the supply market is very crowded. Besides that, the recession and the financial crisis, the appearance of multinationals on the market, and the entrance of HW (hardware) producers on the SW market, have increased the competition even further. In 2009, the highest growth rate was achieved in the development of custom-made applications (IDC, 2009). The Slovenian SW providers mostly lack symbolic knowledge, which reflects in not recognisable trademarks. On the other hand, their advantage is high flexibility and analytical knowledge. The foreign suppliers have a 75% share of the SW market in Slovenia. Therefore an important opportunity for the Slovenian SW providers lies on the southern markets, which are growing fast and where multinationals are not so present yet. A big problem for the suppliers presents also the usage rate of illegal SW, which is still very high, despite the fact that it is slowly decreasing (from 52% in 2003 to 47% in 2008). The economic loss in Slovenia due to the piracy was estimated on 51 million USD in 2008 ([www.ris.org](http://www.ris.org)). The described conditions on the market reflect in a very big market power of the buyers, especially public authorities but also individual buyers.

The most important institutions for the SW industry are:

- The ICT Association, with more than a thousand members
- The ICT technological network with 47 members
- Institute Jozef Stefan (IJS) is the most important research institution in this field. Its department for electronics and information technologies includes sectors for systems and management, open systems and networks, communication systems, computer systems, knowledge technologies and intelligent systems. IJS also has its own postgraduate school.
- Faculty for Computer Science and informatics in Ljubljana and Faculty of Electro Engineering and Computer Science in Maribor are the most important educational institutions

The education institutions offer quality knowledge base for programming. The problem is, that the enrolment into these faculties and programmes is not high enough to meet the needs for the technological breakthroughs. There is mostly the lack of synthetic knowledge and experts who would have good knowledge of software as well as of a specific line of business. An additional problem presents also the fact that quality programme developers are expensive. Therefore, software firms sometimes, in order to be able to offer competitive price, employ cheaper and less experienced staff, which leaves consequences on the quality of the end product. An important lack of knowledge is also on the side of the client firms and is one of the main causes for the reluctance to implement new SW.

There are around 5000 active programme developers in Slovenia, but only about one tenth of them are operating with the latest technologies. The Bleeding Edge conference is the most progressive event for the programme developers and IT-professionals in Slovenia and answers their needs. There are also several bigger IT events, but the problem is that the main speakers on those events are commercialists, not engineers. Since the market in Slovenia is very small, the development of the custom-made applications is very expensive. Therefore, most of the SW firms in Slovenia try to avoid the high development costs and buy licensed SW products which they only adapt and offer to the domestic market. However, since the licence agreements are geographically restricted, this means that those firms cannot export their products and compete on the international market, so they end up caught in their own trap.

Besides occasional Macromedia Flash games designers, there is only one firm in the gaming industry that is based in Ljubljana. Although small and the only one, ZootFly is very successful on the global games market and it exports 95% of its products and services. Unlike in most of the SW firms, ZootFly employs mostly young people without high education, but who are great enthusiasts. In gaming industry, designers and also other creative professionals (such as screenwriters, music writers, architects,...) are equally important as programme developers. In Zootfly they outsource most of those services in other countries and continents, while they keep only the core team (new technology development, creativity and art) in Ljubljana. Above all, they are lacking 3D designers. One of the goals of ZootFly is also to establish a study programme for game development, which is missing in Slovenia. They wish to attract students from other countries as well and establish an important development centre in Slovenia. As are in general all SW firms in Slovenia, Zootfly is also very flexible and their technology is used by forensics, architects and the army.

**Strengths:**

- Big number of SW firms
- Flexibility of SW firms
- Good analytical knowledge
- Education (quality knowledge base acquired in the faculties)
- Knowledge and information about the growing markets in the south
- People are open to new technologies

**Weaknesses:**

- Small market
- Lack of symbolic knowledge and recognised trademarks
- Lack of experts with knowledge about SW and specific line of business
- Foreign multinationals have a major share on the domestic SW market
- High costs of SW development
- High rate of piracy
- Lack of specialised education (no study programme for games development)
- The enrolment in the faculties does not meet the needs
- Big market power of the consumers
- Firms are reluctant to new SW implementation
- Mistrust in (too) innovative solutions offered by domestic producers
- Many SW firms base their products on licences
- Only few SW firms are dealing with the latest technologies and competing on the global market
- Qualified and experienced programme developers are expensive
- Existing application procedures for R&D funds are too bureaucratic and the commissions are not able to understand the applications containing the latest and most innovative technologies, therefore they often opt for more safe alternatives or recognised firms

## 8. Creative industries SWOT

<p><b>STRENGTHS:</b></p> <ul style="list-style-type: none"> <li>• Concentration of institutions and firms (LJ capital)</li> <li>• Strong public sector</li> <li>• Quality education and training programmes in some sub-branches</li> <li>• International cooperation</li> <li>• Events, awards</li> <li>• Tradition</li> <li>• Internationally recognised individuals</li> </ul>	<p><b>WEAKNESSES:</b></p> <ul style="list-style-type: none"> <li>• Small market</li> <li>• CI policy not existing</li> <li>• Insufficient funding</li> <li>• Missing infrastructure in some sub-branches</li> <li>• Lack of specialised educational programmes</li> <li>• Everybody doing everything</li> <li>• Poor business management skills</li> <li>• Lack of promotion</li> <li>• Uneven relations in the value chain</li> <li>• Competition based on price</li> <li>• IPR problems</li> <li>• Lack of critical mass (orientation on domestic market only)</li> </ul>
<p><b>OPPORTUNITIES:</b></p> <ul style="list-style-type: none"> <li>• Increasing demand for creative products</li> <li>• Comprehensive policy support of CI on national and local level</li> <li>• Linking culture with other sectors</li> <li>• Use of CI for restructuring of Slovenian business sector</li> </ul>	<p><b>THREATS:</b></p> <ul style="list-style-type: none"> <li>• Economic crisis (problems in private sector &amp; lack of public funds)</li> <li>• Rapidly changing technologies</li> <li>• Fierce competition from other countries</li> <li>• Migration of talents to abroad</li> <li>• Contents are easy to copy</li> </ul>

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Interviews with experts from the specific fields

## POVZETEK

Inštitut za ekonomska raziskovanja je v okviru projekta »Kreativna mesta - Razvoj in promocija potencialov kreativne industrije v srednjeevropskih mestih«, na katerem kot slovenski partner sodeluje tudi RRA LUR, opravil analizo kreativnih industrij<sup>2</sup> v Mestni občini Ljubljana. Analiza sledi enotni metodologiji in strukturi, dogovorjeni med partnerji vseh sodelujočih mest (Gdansk, Genova, Pécs, Leipzig in Ljubljana). V skladu s tem smo najprej predstavili nacionalni in lokalni kontekst ter dosedanje politike na področju kreativnih industrij. V nadaljevanju smo analizirali zasebni sektor ter javni sektor in nevladne organizacije, s poudarkom na Ljubljani. Izdelali smo kratke opise vseh panog, ki so bile definirane kot kreativne, ter opredelili njihove glavne prednosti in slabosti. Vsi omenjeni koraki analize so služili kot vložek za izdelavo SWOT<sup>3</sup> matrike KI. V nadaljevanju povzemamo glavne rezultate, ki sledijo strukturi analize.

Slovenija ima dobro razvito mrežo kulturnih institucij, organizacij in društev, ki je primerljiva z večino razvitih evropskih držav. Kulturno življenje je relativno pisano tudi v bolj ruralnih območjih države in ni skoncentrirano le na večja mesta. Kljub policentrični organizaciji kulturnih institucij, predstavlja država najpomembnejši (kar dvotretjinski) vir financiranja slovenske kulture. Javna sredstva namenjena kulturi znašajo okoli 2% celotnega BDP oz. 204 milijone evrov v 2009. Kulturna politika je tradicionalno še vedno osredotočena predvsem na neprofitne dejavnosti. V zadnjih nekaj letih se je tema kreativnosti in KI večkrat pojavila v domačih političnih diskusijah, a bila večkrat tudi ponovno potisnjena na stran. Medtem ko je ta tema sicer bila omenjena v nekaterih nacionalnih strateških dokumentih, ji še vedno niso namenjeni nobeni specifični strateški dokumenti ali podporni ukrepi. V Sloveniji ne obstaja definicija KI, ki bi bila splošno uveljavljena, prav tako ni političnega okvirja, znotraj katerega bi KI v Sloveniji lahko celovito podprli in razvijali. Kljub temu pa se prav v zadnjem času na tem področju kaže pomemben napredek. Konec prejšnjega leta (4.11.2010), sta v Nacionalni program za kulturo bila naknadno vključena tudi arhitektura in oblikovanje.

V letu 2008 je vlada ustanovila 9. Razvojno skupino za kreativne industrije, katere naloga je bila pripraviti vsebinska izhodišča za izoblikovanje državne strategije za uspešnejše uveljavljanje kreativnega sektorja (oblikovanje, arhitektura in trženjsko komuniciranje) pri ustvarjanju dodane vrednosti slovenskega gospodarstva. Priporočila 9. Razvojne skupine predstavljajo prvi dokument, ki je osredotočen na KI. Glavne ugotovitve skupine so bile, da Slovenija na tem področju zaostaja, da osnovna strokovna infrastruktura sicer obstaja, vendar pa je znotraj posameznih področij slabo povezana, da neprogramsko naravnano financiranje ne daje motivacije za povezovanje ter da so potrebne raziskave in analize, ki bodo priskrbele podlago za ustrezen strateški načrt ukrepov.

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<sup>2</sup> V pričujoči analizi kreativne industrije (KI) razumemo kot »tiste aktivnosti, ki imajo svoj izvor v individualni kreativnosti, veščinah in talentu ter imajo potencial za ustvarjanje bogastva in delovnih mest z generiranjem in eksploatacijo intelektualne lastnine« (UK Department of Culture, Media and Sport, 2001).

<sup>3</sup> SWOT analiza (oz. PSPN analiza), je metoda strateškega planiranja, s katero ocenjujemo prednosti, slabosti, priložnosti in nevarnosti za neko področje, projekt ali podjetje. Vključuje specifikacijo notranjih in zunanjih dejavnikov, ki so ugodni ali neugodni za doseganje določenega cilja. SWOT matrika je končni rezultat SWOT analize.

Pričujoča analiza se posebej osredotoča na Ljubljano, ki slovi kot mesto kulture. V njej se namreč vsako leto odvije več kot 10.000 kulturnih dogodkov in 10 mednarodnih festivalov. Glede na število prebivalcev, ima Ljubljana v primerjavi z drugimi evropskimi mesti nadpovprečno število muzejev (22), galerij (53), gledališč (10) in umetniških in kulturnih dogodkov. V letu 2010 je Ljubljana postala tudi Svetovna prestolnica knjige.

Približno 5-8% proračuna MOL (kar znaša 16-25 milijonov evrov v proučevanih letih) je namenjenega kulturi. Največji delež tega (več kot 35%) predstavlja knjižničarstvo, sledijo pa mu kulturni programi. Znatno delež proračuna MOL je namenjen kulturni dediščini, ki pa ni osrednja tema analize KI. V Ljubljani se po podatkih MOL s kulturnimi dejavnostmi ukvarja 47 nevladnih organizacij. Nevladne organizacije, ki imajo v Sloveniji zelo pomembno vlogo na področju kulture, MOL financira na projektni bazi (preko javnih razpisov) in tudi na triletni programski bazi, kar zagotavlja večjo kontinuiteto dela ter osredotočenost na vsebino. Pomembni delež KI v Ljubljani je financiran tudi s strani države in sicer preko Ministrstva za kulturo, Filmskega sklada, Javne agencije za knjigo ter Javnega sklada za kulturne dejavnosti. Ker je Ljubljana glavno mesto, se v njej nahaja tudi večina državnih kulturnih ustanov. Ocenjeno je, da se približno 60% vseh slovenskih kulturnih dogodkov, infrastrukture in kulturnih delavcev nahaja v Ljubljani.

Nacionalni program za kulturo ima za Ljubljano, kot prestolnico države in kulture, zelo velik pomen. Ljubljana sama pa kljub vsemu ni imela lastne strategije razvoja kulture do leta 2007, ko je bila razvita Strategija razvoja kulture v MOL 2008-2011. Ta dokument hkrati predstavlja tudi prvi dokument, v katerem je v določeni meri prepoznan tudi razvojni potencial kulture.

KI v Sloveniji in Ljubljani močno omejuje majhnost domačega trga. Ena od specifik Slovenije je tako tudi neprofitnost založniške dejavnosti, ki je kot taka tudi delno subvencionirana. Ostale panoge KI se prav tako spopadajo s pomanjkanjem kritične mase. Težke razmere na trgu se v splošnem odražajo v koncentraciji trga in konkurenci, ki temelji na cenah. Primanjkuje sodelovanja kulturnega sektorja z drugimi sektorji (npr. s turizmom, izobraževanjem, Z&T), prav tako pa je prisotno tudi splošno pomanjkanje kulture sodelovanja.

Kvantitativna analiza zasebnega sektorja KI, ki smo jo opravili, temelji na poklicnih podatkih, pridobljenih iz Statističnega registra delovno aktivnega prebivalstva, ter industrijskih podatkih, pridobljenih na podlagi baze zaključnih računov podjetij (AJ PES). V skladu s skupnimi metodološkimi izhodišči projekta so bili podatki iz zaključnih računov analizirani na podlagi SKD 2002 klasifikacije na 3. ravni. To pomeni, da so v nekaterih primerih v analizo vključene tudi dejavnosti, ki ne sodijo med kreativne, in posledično je število kreativnih podjetij lahko precenjeno.

Analiza zasebnega sektorja je pokazala, da KI predstavljajo pomemben del gospodarstva v Sloveniji in v MOL. Podatki o številu podjetij v MOL kažejo, da KI predstavljajo 18% delež, med tem ko sodeč po podatkih o številu zaposlenih, KI predstavljajo 12% delež. Oba deleža sta nekoliko nižja za Osrednjeslovensko regijo (16% in 11%) in precej nižja za celotno Slovenijo (13%, 7%).

Industrijska statistika je pokazala, da je arhitektura najpomembnejša panoga KI sodeč po številu podjetij, ki je skoraj dvakrat večje kot v trgovini na drobno s kulturnimi dobrinami, ki

sledi. V Osrednjeslovenski regiji je situacija skoraj identična, če opazujemo celotno Slovenijo pa je edina razlika v tem, da se arhitekturi nekoliko bolj približa trgovina na drobno s kulturnimi dobrinami. V opazovanem obdobju (2001-2007) je število podjetij naraščalo v vseh panogah KI, pri čemer so najvišjo stopnjo rasti izkusile aktivnosti muzejskih trgovin in razstav, umetniško ustvarjanje in uprizarjanje ter oblikovanje. Trgovina na drobno s kulturnimi dobrinami, arhitektura ter proizvodnja programske opreme in računalniških iger, so tiste kreativne panoge, ki so v MOL v proučevanih letih zaposlovale največ ljudi. Isto velja za Osrednjeslovensko regijo in Slovenijo. Število zaposlenih je v obdobju 2004-2007 naraščalo v vseh proučevanih panogah, razen v oblikovanju. Analiza velikosti podjetij v MOL, Osrednjeslovenski regiji in Sloveniji kaže, da večinski delež podjetij v vseh panogah KI predstavljajo podjetja z 0 ali 1-5 zaposlenimi. Delež podjetij z več kot 6 zaposlenimi je nekoliko opaznejši le v arhitekturi, ki ji sledita tudi trgovina na drobno s kulturnimi dobrinami, ter proizvodnja programske opreme in računalniških iger. Primerjava podatkov za leti 2001 in 2007 pokaže ogromen porast števila podjetij z 0 zaposlenimi.

Rezultati analize poklicev kažejo, da je med kreativnimi poklici v Sloveniji največ avtorjev, novinarjev in drugih pisateljev, tesno pa jim sledijo dekoraterji in aranžerji. V splošnem tudi analiza poklicev ne kaže na večje razlike med MOL, Osrednjeslovensko regijo in Slovenijo. Kljub temu pa je primerjava deležev vseh kreativnih poklicev v vseh poklicih pokazala preferenco posameznikov s kreativnimi poklici po prebivališču v Ljubljani.

Javni sektor ima zelo velik pomen za KI v Sloveniji in Ljubljani. Zasebna podjetja namreč predstavljajo le manjši delež kulturnega sektorja. Poleg tega tudi podjetja v tistih panogah, ki so v splošnem sicer privatizirane (npr. založništvo, film, produkcija in distribucija glasbe) velik del sredstev pridobijo iz javnih virov. Zelo pomembno vlogo na področju kulture imajo tudi nevladne organizacije.

Kvalitativni del analize temelji na sekundarnih podatkih in intervjujih z neimenovanimi predstavniki različnih kreativnih panog (umetnost in umetniško ustvarjanje, film in radiodifuzna dejavnost, novinarstvo in tisk, trgovina na drobno s kulturnimi dobrinami, proizvodnja programske opreme in računalniških iger, aktivnosti muzejskih trgovin in razstav, oglaševanje, arhitektura, oblikovanje). Na podlagi teh podatkov so bili izdelani kratki opisi posameznih panog ter opredeljene njihove prednosti in slabosti. Gre za panoge, ki so sicer zelo heterogene, kljub temu pa smo v naslednjem koraku oblikovali tudi skupno SWOT analizo KI. V njej smo združili ugotovitve, ki v največji meri veljajo za večino proučevanih panog, ne pa nujno za vse panoge. Z ozirom na uporabljeno metodologijo opozarjamo tudi, da nekateri argumenti, predstavljeni v kvalitativni analizi in strnjeni tudi v spodnji SWOT matriki, izhajajo iz subjektivnih pogledov in mnenj intervjuvancev.

SWOT matrika kreativnih industrij:

PREDNOSTI:	SLABOSTI:
Koncentracija institucij in podjetij (LJ glavno mesto)	Majhen trg
Močan javni sektor	Celovita politika za podporo KI ne obstaja
Kvalitetna izobrazba in dodatna usposabljanja v nekaterih panogah	Nezadostno financiranje
Mednarodno sodelovanje (nevladne)	Pomanjkljiva infrastruktura v nekaterih panogah
	Pomanjkanje specializiranih izobraževalnih

<p>organizacije) Dogodki, nagrade Tradicija Mednarodno priznani posamezniki</p>	<p>programov »Vsak dela vse« Pomanjkanje poslovnih in managerskih znanj Pomanjkanje promocije Neenakovredni odnosi v verigi vrednosti Cenovna konkurenca Problematika zaščite avtorskih pravic in intelektualne lastnine Pomanjkanje kritične mase (osredotočenost na domači trg)</p>
<p><b>PRILOŽNOSTI:</b></p> <p>Naraščanje povpraševanja po kreativnih proizvodih Celostna podpora politika za KI na državni in lokalni ravni Povezovanje kulture z drugimi sektorji Uporaba KI za prestrukturiranje slovenskega poslovnega sektorja</p>	<p><b>NEVARNOSTI:</b></p> <p>Gospodarska kriza (težave v zasebnem sektorju in pomanjkanje javnih sredstev) Hitro spreminjajoče se tehnologije Močna konkurenca iz drugih držav Emigracija talentov Vsebine je enostavno kopirati</p>

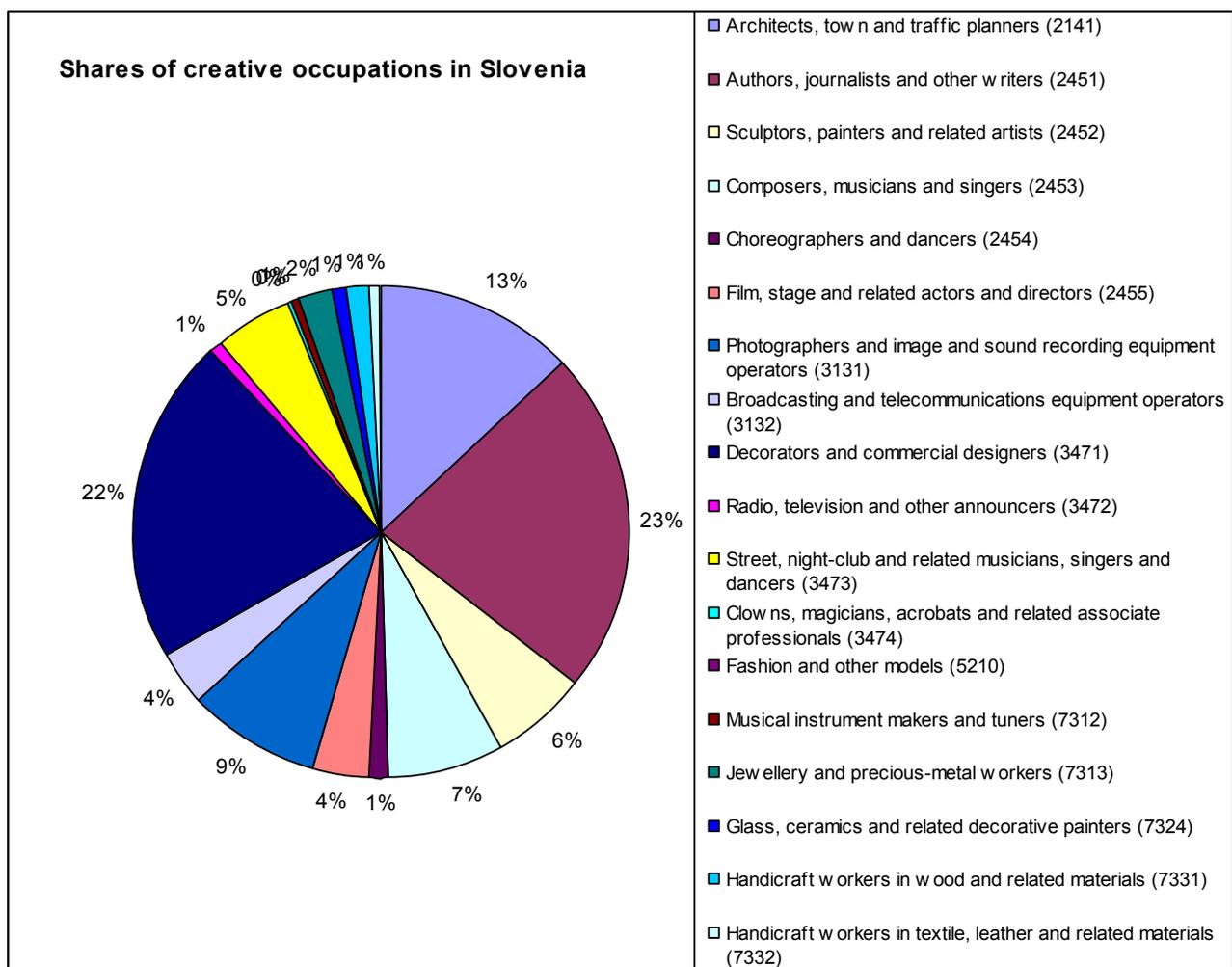
Rezultati analize kažejo, da bi bilo smiselno nadalje promovirati predvsem sam izraz kreativne industrije in razumevanje tega izraza, pomen in potencial KI ter sodelovanje in njegove koristi.

Arhitektura v analizi izstopa kot ena najbolj razvitih panog KI z močno tradicijo, mednarodno priznanimi arhitekturnimi biroji in fakulteto ter s povpraševanjem in ponudbo skoncentriranima v Ljubljani. Poleg tega je v tej panogi ena največjih slabosti in glavnih razlogov za nekonkurenčnost na mednarodnih trgih prav razdrobljenost. Posledično obstaja velika potreba po spodbujanju sodelovanja med različnimi specializiranimi akterji. Oblikovanje (predvsem industrijsko oblikovanje) pa ima na drugi strani velik potencial, ki je v veliki meri spregledan, in sicer ne le kot panoga KI sama zase, temveč tudi kot sredstvo za prestrukturiranje širšega poslovnega sektorja. V primerjavi z razvitejšimi državami in tudi v primerjavi z ostalimi panogami CI v Sloveniji, oblikovanju primanjkujejo nekatere osnovne oblike podpore (kot je npr. Nacionalni design center, državna strategija in podporni ukrepi). Na osnovi rezultatov analize sta bili arhitektura in oblikovanje izbrani kot tisti dve kreativni panogi, na kateri se je najbolj smiselno osredotočiti pri nadaljnjih analizah in oblikovanju grozda KI. Takšno odločitev podpira tudi dejstvo, da je tako s strani državne kot tudi lokalne oblasti bil izkazan jasen interes za podporo in nadaljnji razvoj teh dveh področij.

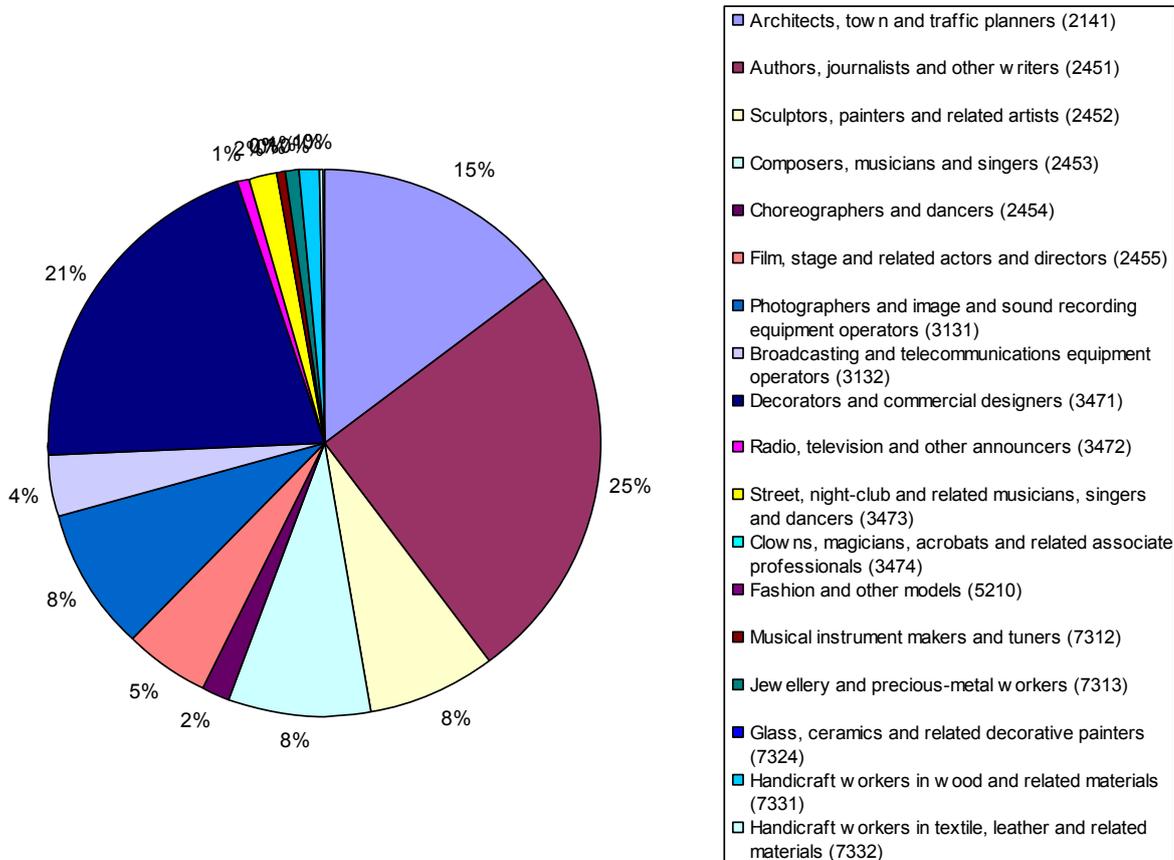
# ATTACHMENTS

## ATTACHMENT 1

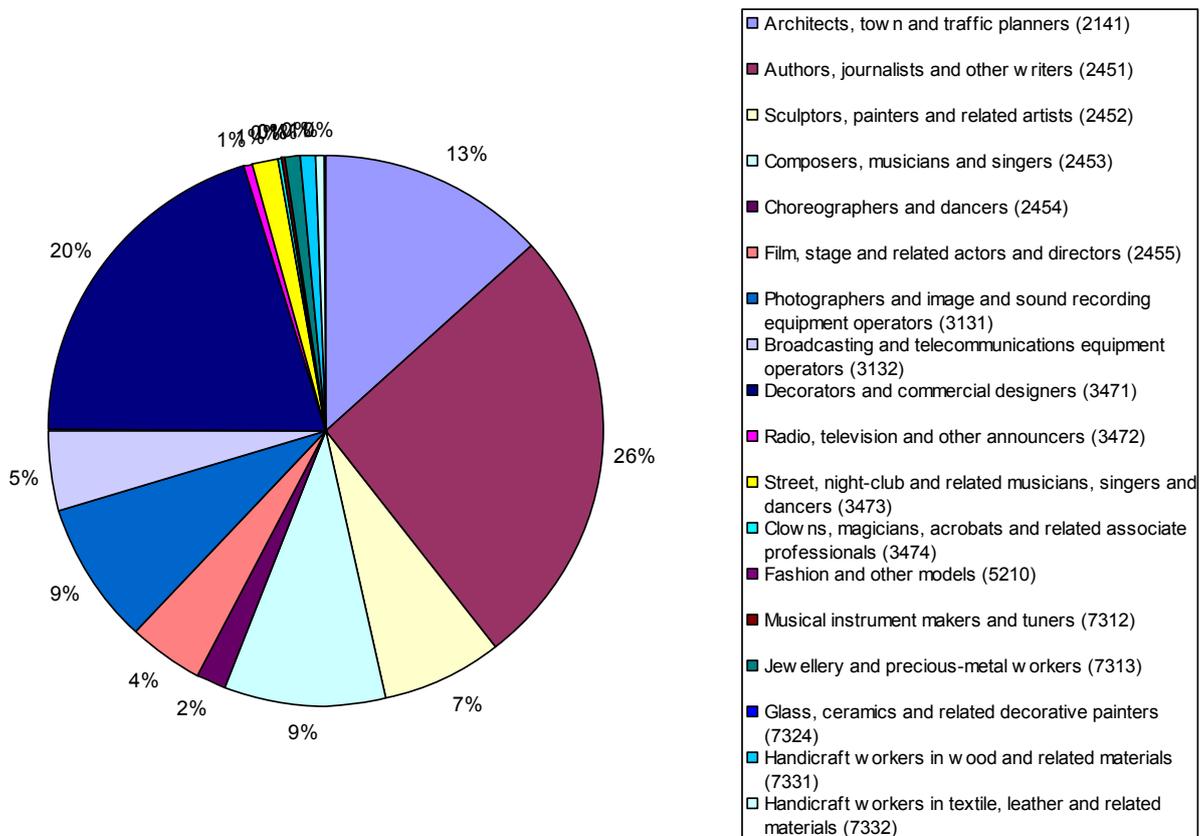
### Graphical presentation of occupational statistics for Municipality of Ljubljana, Osrednjeslovenska region and Slovenia in 2008



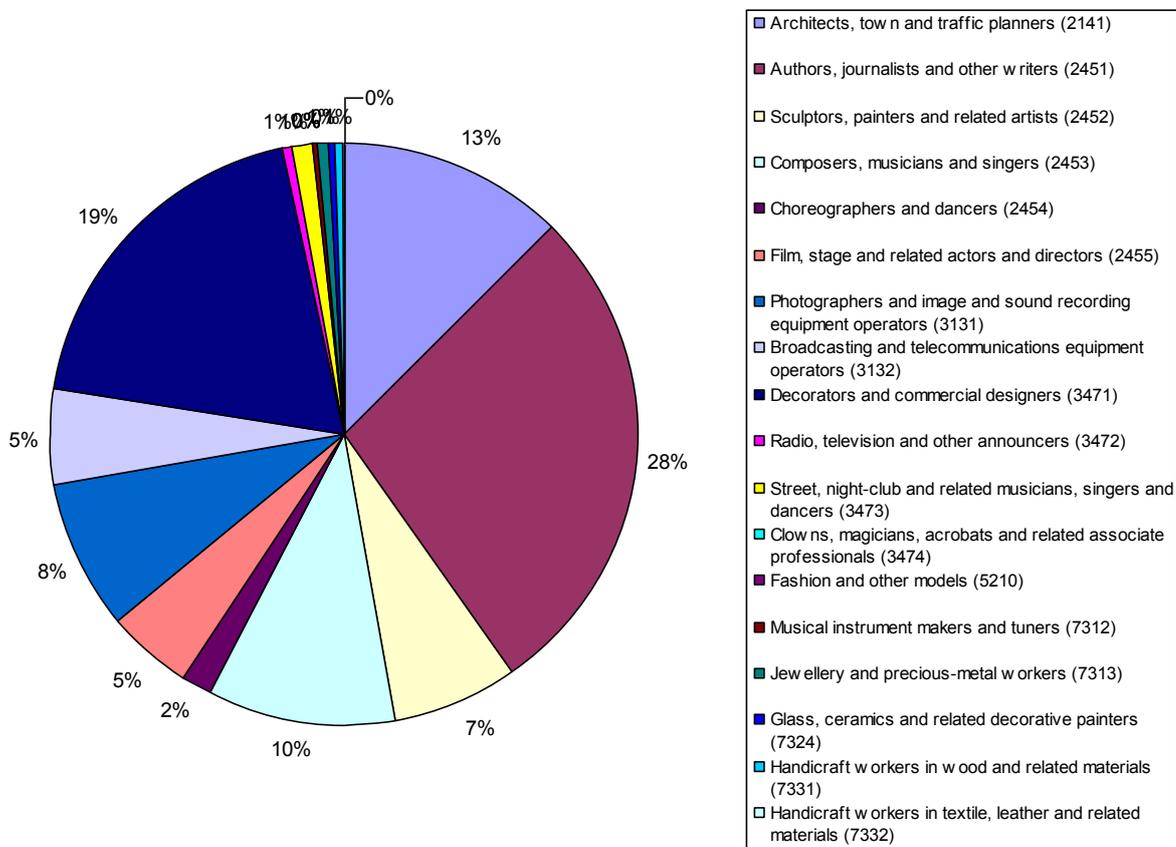
**Shares of creative occupations in Central Slovenia (residence)**



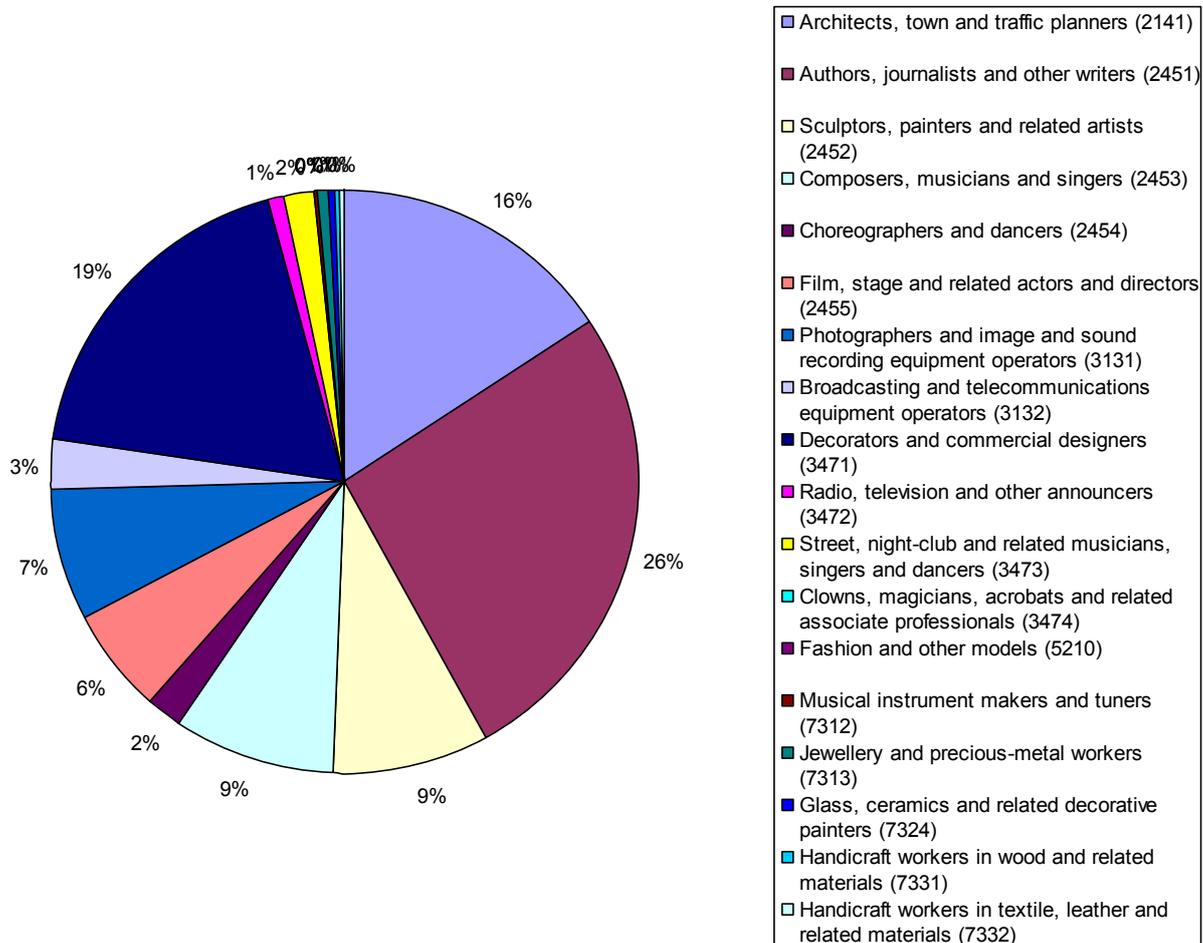
**Shares of creative occupations in Central Slovenia (workplace)**



**Shares of creative occupations in Ljubljana (workplace)**



**Shares of creative occupations in Ljubljana (residence)**



**ATTACHMENT 2**

**Graphical presentation of final accounts statistics for creative industries in Municipality of Ljubljana, Osrednjeslovenska region and Slovenia in 2001, 2004 and 2007**

