

Monitoring and evaluation plan of the
Matera Basilicata 2019 Foundation

Evaluation area:
LIFE SATISFACTION APPROACH

Sub-area: **SOCIAL INNOVATION AND
ENTREPRENEURIAL DEVELOPMENT OF
THE CREATIVE AND CULTURAL
INDUSTRY**

REPORT

Project leader & Matera 2019 - experience, impact on
business model and social innovation.
Analysis of some case studies



REPORT

PROJECT LEADER & MATERA 2019 - EXPERIENCE, IMPACT ON BUSINESS MODEL AND SOCIAL INNOVATION. ANALYSIS OF SOME CASE STUDIES

University of Basilicata

Department of European and Mediterranean Cultures, Environment, and Cultural Heritage (DiCEM)

Matera Basilicata 2019 Foundation



Research team

Assistant Professor Daniela Carlucci (responsible) UNIBAS

Dr. Rosaria Lagrutta - UNIBAS

Dr. Margherita Artese - UNIBAS

The report uses the data collected through interviews with the organizations listed below that we thank for their availability:

Gommalacca Teatro - Theater production, training and research company

Cultural Association Teatro dei Sassi

Social Cooperative Il Sicomoro

Cultural Association La luna al Guinzaglio

Cultural Association Allelammie

Executive summary

Co-creation is one of the value dimensions declared in the Matera 2019 bid book that the Matera-Basilicata 2019 Foundation wanted to satisfy by developing 1/3 of the Matera 2019 cultural program with creative and cultural organisations operating in Basilicata. In particular, the local creative and cultural organizations were involved in the realization of 27 projects out of a total of 77 projects included in the cultural program.

In 2017, through a public call, 27 local creative and cultural organizations were selected. They were interested in being involved in an experimental process of artistic and cultural production and social innovation, in becoming Project Leader (PL) of as many projects (partially co-funded by the same PLs), and undertaking unique growth paths.

The call included two phases. In the first phase, the potential PLs were selected on the basis of their skills and the attractiveness of the project idea.

In the second phase the PLs started a capacity building programme (i.e. Build Up project) with the Matera Basilicata 2019 Foundation. The programme focused on several themes such as European dimension, artistic facet, management, production of outputs for audience and productions' sustainability. During the Build Up the PLs had the chance to work together, share experiences and plan an in-depth executive project.

In 2018 PLs had the opportunity to meet the public and to evaluate the technical and economic feasibility of their projects in occasion of the so called crash tests. This allowed them to refine and calibrate their projects' objectives and activities.

So overall, the PLs embarked on a two-year journey that included capacity building activities, project co-creation paths, tests (in particular crash tests) and the accomplishment of cultural productions that involved local communities and interested large audiences. During this journey the PLs got involved in an experimental process of artistic and cultural production and social innovation, working for and with citizens, collaborating with institutions, organizations and other actors of the local, national and international creative panorama.

Citizens had a central role in the PLs' artistic and cultural production.

This is a very positive result if we consider that the citizens' involvement in the creation and implementation of cultural events is a fundamental trait of an ECOC (European Capital of Culture).

The success of an ECOC and its legacy strongly depend on, indeed, the broadest and most active participation of citizens in cultural events, as well as on creating opportunities for a wide range of people to proactively and actively participate in the development of cultural projects and events.

Creative and cultural organizations, through their activities and projects, facilitate and increase citizens' access to culture, acting as a powerful engine of the ECOC event.

For their part, the creative and cultural organizations involved in the implementation of an ECOC program are themselves overwhelmed by the wave of this great event and are affected.

In this regard, in recent years, an interesting debate has developed on the role played by ECOCs in the development and growth of creative and cultural organizations operating in designated capital cities, or their region and beyond (see, e.g. Burnham, 2009; Campbell, 2011; Garcia et al., 2009; 2010).

Although it is understandable that the ECOC designation of a city has a wider impact on its profile and potentially induces a better credibility of its creative and cultural offer (Impact 08, 2009), there are different experiences regarding the impact on creative and cultural organizations directly involved in its development (Garcia et al., 2009).

A few months after the conclusion of Matera 2019, this study aims to analyse the impact generated by the Matera 2019 experience on the PLs and their way of creating, distributing and capturing value, i.e. on their business model.

The research involved 5 PLs proposed by the Matera Basilicata 2019 Foundation. The 5 proposed PLs are organizations with different organizational configurations (1 social cooperative, 1 theater company and 3 cultural associations), coming from different territories (2 from Matera, 2 from Potenza and 1 from Pisticci) and operating in various creative-cultural sectors (2 theater, 1 visual arts and education, 1 audiovisual and 1 integration of migrants and disabled).

The analysis was developed according to a multilevel approach, which starting from the cultural project developed by the PL, analyzes its effects at different levels, i.e. the level regarding the organization that conceived and developed the project, the level regarding the citizens actively participating in the project, and the society level.

The first level of analysis concerns the project and its development evaluation according to the PL's perspective.

The second level concerns the impacts produced by the project on the PL with particular reference to the strengthening of its management skills, development of business model and positioning on the creative and cultural scene.

The third level of analysis goes beyond the organizational boundaries, and it concerns the effects produced by the project on the citizens who took part in the project.

Finally, the fourth level concerns society. It regards the effects produced by the project in terms of social innovation. An evaluation of these effects is not part of the scope of this study. Cultural projects can, in fact, generate positive waves that intersect with each other and can actually initiate processes that see citizens as actors of social and cultural changes. However, these are "positive waves" whose effects occur in the medium-long term and to date they can be only desired, expected. In this perspective, the study reports the expected effects in terms of social innovation as described by the PLs.

With reference to the first and second level of analysis, the study addressed various issues, such as:

i) what was the experience lived by the PLs? ii) what criticalities did they experience? iii) what effects has the projects' development generated on the PLs? iv) what has changed in their business model and positioning? v) how is the post-2019 perceived by the PLs? vi) what are their expectations for the future? what are their directions of growth?

From a methodological point of view, the study was developed as an exploratory research using a qualitative approach. The exploratory nature is mainly justified by the fact that for the investigated topics, to date, the research is still in its initial stages. As regards the adoption of the qualitative approach, it is justified by the fact that the problems investigated i) are focused on "specific meanings, emotions and practices that emerge through interactions and interdependencies between people" (Hogan et al., 2009, p. 4); ii) they are "pragmatic, interpretative and rooted in people's lived experiences" (Marshall and Rossman, 2006, p. 2); iii) they concern "the discernment of human participation regarding what happens to them" (Fischer, 2005, p. 411).

The research was carried out through an extensive documentary research and in-depth interviews conducted with each of the PLs in the period from September 2019 to early March 2020. The research was then developed before the outbreak of the SARS COV 2 pandemic crisis which unfortunately is still affecting us and which is severely hitting many production sectors, including the cultural and creative sectors.

It is important to underline that the results described in the report refer exclusively to the analysis of the interviews conducted in the period indicated above. Furthermore, the limited number of the analysed case studies does not allow to extend the results of the study to all PLs involved in Matera 2019.

All the interviews were - with the consent of the PLs- recorded and transcribed. This allowed to have a reliable information base that perfectly reflected the interviewees' thoughts. These latter are widely reported in the in-depth analysis of the case studies (see Chapter 3 of the report).

The main results for each of the issues investigated are summarized below. Please refer to the full report for more information.

i) What was the experience lived by the PLs? ii) What criticalities did they experience?

The analysis of the 5 projects – carried out on the basis of interviews and documentary data - through the 6Ws approach (Why / How / What / Where / Who / When) offers an articulated and rich picture of the experiences lived by the PLs.

Only the in-depth analysis of each case study can describe these experiences with the appropriate level of detail (in this regard, please refer to chapter 3 of the report).

Each project has, indeed, peculiar characteristics and the joint analysis of the cases allows to have an overall but not completely exhaustive view of the Matera 2019 experience for each PL.

Whilst bearing in mind that each project has its own specificity, it is, however, possible to identify some critical issues in the development of projects, commonly detected by the PLs. They concern i) the organization of passports, ii) relations with the Public bodies during the project development, iii) the availability of adequate spaces during/after the cultural project development; spaces that are necessary for the realization continuation/further development of the project, iv) timing, rules and methods of the reporting.

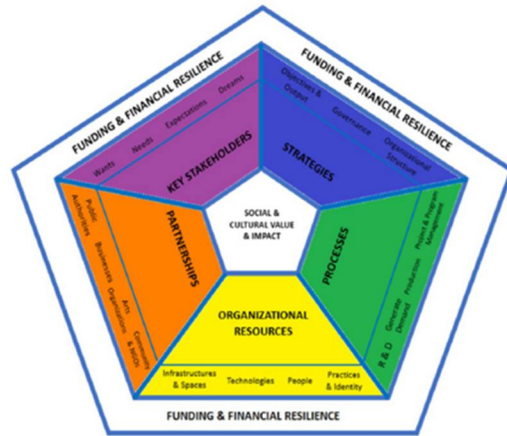
However, these critical issues are offset by various opportunities/benefits that the projects' implementation has produced for the PLs.

These are opportunities / benefits that emerge clearly from the analysis of the impacts that Matera 2019 has generated on the different dimensions of the PLs' business model, i.e. the ways they create, distribute and capture value. These impacts are described below.

iii) What effects has the projects' development generated on the PLs? iv) What has changed in their business model and positioning?

The analysis of how Matera 2019 experience and the project development have helped strengthen and innovate the PLs' business model was developed referring to the Business Model Prism (BMP) (Schiuma and Lerro, 2017).

The Business Model Prism is a multidimensional framework that allows to analyze the business models of creative and cultural organizations both for descriptive and prescriptive purposes. It is a three-dimensional prism that includes seven faces. The two upper and lower faces of the Prism describe respectively the social and cultural value & impact and the funding & financial resilience. The other five faces of the Prism describe the other five key dimensions of a business model of arts and cultural organizations, namely stakeholders, strategies, processes, organizational resources and partnerships.



The Business Model Prism

The joint analysis of the cases allowed to identify the common impacts generated by the Matera 2019 experience and the project development on the BMP dimensions.

IMPACT ON BUSINESS MODEL	
<p style="text-align: center;">STRATEGY</p> <p>The overall analysis of the case studies has highlighted that there is a common tendency of the PLs to define new strategic objectives or to remodel the existing ones to capitalise the Matera 2019 experience and the developed project. The specificity of each project experience has obviously led (and it is leading) to the formulation of some specific objectives for each PL (in this regard, please refer to the description of each case study). However, by analyzing the objectives as a whole, it is possible to identify some strategic macro objectives common to the PLs, from which the remaining more specific objectives are partly declined. These macro objectives are:</p> <ul style="list-style-type: none"> • to establish and strengthen collaboration at national / international level; • to participate in international (European) calls; • to scale up and capitalize on the methodological framework underlying the project carried out for Matera 2019; • to assure continuity to the project carried out for Matera 2019 at regional but also at national and international level; • to expand and further improve the project carried out for Matera 2019, by involving also new audiences; • to achieve financial sustainability in the medium / long term; a sustainability that has to be 	<p style="text-align: center;">ORGANISATIONAL RESOURCES</p> <p>Matera 2019 has enriched the wealth of tangible and intangible organizational resources of each PL. These resources include physical project outputs (e.g. artistic works, film productions, books, games, etc.); improved communication sites and channels, specific technological equipment for the realization of projects (e.g. apps, technologies for augmented reality, advanced equipment for filming, etc.) but also reputation, image, managerial, organizational and accounting knowledge, databases, methodologies underlying the projects, etc. The Build Up project was an important step in the development of organizational resources. It was perceived by the PLs as a practice - which revised - can represent an interesting innovation in ECOC processes, a sort of legacy also for the next European Capitals of Culture.</p> <p>Its efficacy was heterogeneously evaluated by the PLs. Generally, the Build up has supported them in developing, to some extent, skills related to communication, event organization and digital content management. Furthermore, the co-creation / cooperation activity developed during the Build up with the help of artists and experts, acted as a turbo boost for the development of the PLs projects.</p>

<p>increasingly independent of the public contribution.</p>	<p>Overall, however, the PLs claimed to have improved their knowledge and skills mainly autonomously, working on field according to a "learning by doing" logic.</p>
<p style="text-align: center;">PROCESSES</p> <p>The joint analysis of the effects produced by Matera 2019 experience on the PLs' processes, highlights some improvements common to the interviewed PLs. They are:</p> <ul style="list-style-type: none"> • improvement of management of complex projects, with particular reference to cost and time management dimension; • increase in the sense of responsibility towards achieving the project objectives, paying particular attention to efficiency and time management; • improvement in the selection and planning of projects; • improvement in the simultaneous management of parallel processes and activities; • improvement of planning and management of advertising / promotion / marketing activities; • improvement of communication activities, especially through social media. 	<p style="text-align: center;">PARTNERSHIPS</p> <p>Generally, albeit with some exceptions, the impact on partnerships was limited. Undoubtedly, for all PLs, the development of the project has allowed to expand their network, getting in touch with other subjects operating in the creative and cultural sector and with public and private subjects at local, national and international level. However, these contacts, only in a few cases, are considered or translated in a stable partnership. More in particular:</p> <ul style="list-style-type: none"> • there was an increase in the network of contacts with artists and other organizations, at local, national and international level. The PLs want to invest in these new relationships in the immediate future. However, to date the expansion of the network did not mean the expansion of stable partnerships; • to date, the started up forms of partnership have, in most cases, involved the PL and an artist or organization in a narrow collaboration. However, these embryonic partnerships have a great added value for the PL and represent the soil where to invest with new projects.
<p style="text-align: center;">STAKEHOLDERS' RELATIONSHIPS</p> <p>The impact of Matera 2019 experience on stakeholders' relationships dimension was - to a certain extent - different depending on the PL (for more details, see chapter 3 of the report). All the PLs has expanded their stakeholder network thanks to their participation in Matera 2019.</p> <p>In particular, the PLs improved their stakeholders' relationships through the project development and the improvement of their reputation and image on the creative and cultural scene at local and national level.</p> <p>The changes occurred in stakeholders' relationships can be summarized as follows:</p>	<p style="text-align: center;">FUNDING & FINANCIAL RESILIENCE</p> <p>The Matera 2019 experience had a significant impact on the financial dimension of the interviewed PLs. The implementation of the project generated an exposure of the PLs to debt situations, albeit temporary (they had to advance one part of the capital required by the project). This produced a certain level of apprehension, amplified by the fact that the reporting mechanisms and rules have been changed several times during the course of the project. The changes in reporting system, indeed, have generated some problems for the PLs who generally do not have personnel properly skilled in the management of economic / financial aspects, able</p>

<p>At local level</p> <ul style="list-style-type: none"> • strengthening / expanding the PLs' relations with public organizations (e.g. schools, universities) and private organizations (companies that contributed to the project implementation). • strengthening of relations with local communities (citizens) affected by the project, but also with local PAs (this although often the relations with local PAs have been described by some PLs as a factor hindering the agile project development). • lack of a significant improvement in the relationships among organizations operating in the creative and cultural sector at regional level. • limited strengthening of networking among the PLs. According to most of the interviewed PLs, this depends, on the one hand, on the absence of clear programmatic lines aimed at driving all the PLs towards a common vision and mission, and network action, and, on the other hand, on structural characteristics of the sector (e.g. management style, low propensity to share information). <p>At national level</p> <ul style="list-style-type: none"> • establishment and / or consolidation of relationships with important associations and organizations operating in the creative and cultural sector, and with public entities such as schools. <p>At international level</p> <ul style="list-style-type: none"> • creation of relationships with artists or organizations with which to develop specific or European-wide projects. 	<p>of adapting and responding promptly to the changed reporting rules.</p> <p>To date, the main concerns of the PLs include:</p> <ul style="list-style-type: none"> • capturing financial resources to capitalize on what has been built through Matera 2019 projects, in terms of artistic and cultural outputs but also of organizational, tangible and intangible heritage; • the absence of public policies and programs engaging the PLs, aimed to guarantee the continuation and enhancement of the implemented projects. <p>Despite these concerns, the interviewed PLs are working for:</p> <ul style="list-style-type: none"> • over time relying less and less on public funds in favour of private funds (e.g. sponsors) and income related to their business; • participating in public calls, especially in European calls, and accessing new financial resources; • creatively identifying further ways of exploiting project outputs, in terms of profit.
---	---

SOCIAL AND CULTURAL VALUE & IMPACT

Participating in the Matera 2019 program has strengthened the Project Leaders' Value Proposition.

From the interviews it emerged that participation in the Matera 2019 program has, in all cases, further reinforced the Value Proposition of each PL, corroborating their purpose to use art as a social activator, a tool for connecting people, a means of dialogue with reality, the city and its inhabitants, capable of promoting the cultural regeneration of communities, increasing and strengthening the place's identity where people live and giving life to peripheral places.

v) How is the post-2019 perceived by the PLs? vi) What are their expectations for the future? What are their directions of growth?

The participation in such a large and complex program as Matera 2019 had an overall positive impact on the examined PLs. As highlighted above, Matera 2019 represented a unique opportunity for growing and spreading their own action networks at national and international level.

However, in the opinion of the PLs post-2019 remains a grey concept, which in its time would have required important reflection and programmatic commitment on regional scale.

In this regard, most of the PLs complained about a lack of planning at a systemic level in the early stages of Matera 2019. This did not allow the development of a plan useful to guarantee a future for the cultural and creative sector. A lack of programming that, according to the PLs, must take off on the programmatic tables.

Nevertheless, the participation in the Matera 2019 program has also opened different perspectives and visions to the interviewed PLs, by leading them to reflect on concrete future opportunities to develop. Thus, from the interviews it emerges that each PL is autonomously formulating and planning different solutions to capitalize and enhance the project carried out for Matera 2019, even in the absence of a common vision and agreed development plan at the regional level.

However, the concerns, above highlighted, regarding the financial sustainability of the new projects remain, as well as the PLs' entrepreneurial and proactive attitude.

III level of analysis

With reference to the third level of analysis, art in its various forms, cinema, theatre, crafts, creation of artistic works and museums, has activated important dialogues between the PLs and the citizens directly involved in the projects as well as between citizens themselves.

The co-creation paths of the PLs' projects with the participating communities and citizens were fundamental. They triggered dialogues and reflections on the key themes of each project, but also unconventional emotions and situations.

The public response was excellent for all the analysed PLs (please refer to each case study for more details). All the PLs were enthusiastic about the active participation of citizens and public.

Undoubtedly, the analysed projects have contributed, thanks also to the wide participation of communities and citizens, to launch some seeds of change and reflections on problems, needs, expectations, overcoming immobility, problems of regeneration.

Certainly, art is an important social activator, but the effects of its action on people, communities and society in general are not immediately visible.

The processes of social innovation require time. The internal areas of our region are repositories of an important cultural heritage that lends itself well to processes of civic activation and paths of social innovation using culture as a driving force for change. In fact, they are an incredible wealth of cultural values, wisdom and know-how that can act as a driving force for change. But it takes time.

In summary, the results of the on-field analysis offer an overall positive picture. All the interviewed PLs have grown in all dimensions of their business model. Each PL has strengthened its value proposition, defined new strategic objectives to be pursued in the near future, enriched its wealth of tangible and intangible assets, partially modified its processes, woven new partnerships (albeit in a very limited way) and strengthened its own networks with stakeholders. Each PL has also changed its financial situation. The implementation of the

project generated an exposure of the PLs to debt situations, albeit temporary. This produced a certain level of apprehension, amplified by the fact that the reporting mechanisms and rules changed several times during the course of the project.

On the other hand, the Matera 2019 experience reinforced PLs' desire to acquire greater financial resilience, by making less and less use of public funding in the future and developing projects / activities that contribute to achieve greater financial sustainability.

Matera 2019 has, therefore, given PLs new strengths on which to leverage for growing in the near future, also from an entrepreneurial point of view. It pushed them to rethink, to improve themselves and in line with the "Open Future" logic - the slogan of Matera 2019 - to project themselves into the future.

Obviously today, in the light of Matera 2019 experience, PLs perceive also some weaknesses, as well as several threats and opportunities, as reported below.

	<ul style="list-style-type: none"> • Improved knowledge and skills in managing complex projects • Improved skills in managing parallel projects/activities • Improved communication skills also through social and web based solutions • Greater reputation at local and national level (limited to international level) • Project outputs such as artistic and cultural products in which to continue investing with new projects • Strengthened planning activities that goes beyond local borders, to interest European ones • Search for new models of sustainability, which enhance the projects carried out and the activities related to them, as well as the activities pre-existing to Matera 2019. These activities should make it possible over time to achieve greater financial sustainability • Improved marketing/promotion/advertising skills • Scalability of the methodologies underlying the projects • Strengthened relations with local communities (some PAs, schools, citizens, associations) • New relationships with artists/creative and cultural organizations/public organizations with which to capitalize the Matera 2019 project and/or develop new projects
	<ul style="list-style-type: none"> • Lack of adequate physical and financial resources to capitalize on Matera 2019 projects • Weak and limited relationships with other PLs • Limited relations with local PAs • Partnerships and national and international relations still limited • Uncertainties inherent in the effects of project reporting • Availability of adequate space necessary for the continuation and further development of Matera 2019 projects
	<ul style="list-style-type: none"> • Great recognition - in the national and international circuits of Matera 2019 • Attractiveness of Matera for new private investments, thanks also to the ECOC experience • Recognition of Matera in the "Plan for the South", as a place where to live and produce culture, innovation, good practices, and to activate new dynamics of economic development • Exploitation and experimentation of the potential of 5G in Matera, also in the creative-cultural field • Matera as a cornerstone of regional and non-regional tourism dynamics
	<ul style="list-style-type: none"> • Network of PLs scarcely involved in policy actions planning and limited collaboration between all PLs • Lack of clear policy guidelines aimed at guiding all the PLs towards a common vision and mission, and network action • Absence, to date, of policies and programs formulated also with the participation of the PLs - regarding the continuation and capitalisation of the implemented projects, and more generally the "post 2019" • Uncertainty about the availability of public funding to capitalize on what has been built with the Matera 2019 projects, in terms of artistic and cultural outputs and to enhance the organizational heritage, tangible and intangible

In conclusion, the study shows that if, on the one hand, the Matera 2019 experience has contributed to PLs' growth, by enhancing their business thinking, opening them new potential development prospects and sowing seeds of cultural and social regeneration in the communities involved in their projects, on the other hand, it is essential, and not further postponable, to define and plan appropriate strategies and actions - according to a participatory approach - aimed to exploit and enhance what the Matera ECOC has generated in terms of tangible and intangible wealth for its main actors and for all Basilicata communities.

REFERENCES

Burnham, A. (2009). Five lessons from Liverpool's year as Capital of Culture. [online]. Available on http://www.culture.gov.uk/reference_library/minister_speeches/6182.aspx (visited on may 2020).

- Campbell, P. (2011). Creative industries in a European Capital of Culture. *International Journal of Cultural Policy*, Vol. 17, No. 5, pp. 510-522.
- Fischer, C.T. (2005) *Qualitative Research Methods for Psychologists: Introduction through Empirical Studies*, Academic Press, Boston, MA.
- Garcia, B., Melville, R., & Cox, T. (2010). Creating an impact: Liverpool's experience as European Capital of Culture. *Impacts 08*.
- Garcia, B., Melville, R., Cox, T., & Rodenhurst, K. (2009). Liverpool's Arts Sector – Sustainability and Experience: how artists and arts organisations engaged with the Liverpool European Capital of Culture, *Impacts 08*.
- Hogan, J., Dolan, P. and Donnelly, P. (2009). *Approaches to Qualitative Research: Theory and Its Practical Application*, Oak Tree Press, Cork.
- Impact 08 (2009), Liverpool's Arts Sector – Sustainability and Experience: how artists and arts organisations engaged with the Liverpool European Capital of Culture.
- Marshall, C. & Rossman, G.B. (2006). *Designing Qualitative Research*, Sage, Thousands Oaks.
- Schiama, G., & Lerro, A. (2017). The business model prism: Managing and innovating business models of arts and cultural organisations. *Journal of Open Innovation: Technology, Market, and Complexity*, 3(3), 13.