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Field Research Final Report on Confidi System in Puglia



**GREAT
THINGS
TOGETHER**

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INTRODUCTION



3C4SME Project, funded by European Cross-Border Interreg Cooperation Programme Italy-Albania-Montenegro 2014-2020, has the main objective to trigger the competitiveness, the cooperation and the expertise of the Small and Medium sized enterprises involved in the Programme area, promoting a regulatory framework that can facilitate the implementation of financial guarantee instruments. In this regard, an introductory Desk research was carried out in order to frame Status Quo from a regulatory point of view and to portray the real application and efficacy of the guarantee instruments (for example: Confidi).

After, the examination has been carried on by a Field Research aiming at highlighting:

1. Apulian SMEs inclination to cooperate with operators located in albanian and montenegrin area;
2. Awareness about european cross-border cooperation programmes that concerne Puglia;
3. Analysis of the potential barriers to cross-border economical cooperation;
4. Investigation of the possible previous cooperation experiences with economic operators within the Programme area;
5. Study of the characteristics of the potential economic partners;
6. Overview of the required technical information;
7. In-depth analysis of the favourite economic cooperation modalities;
8. Investigation on the knowledge and the practice of credit guarantee instruments (ex. Confidi);
9. Investigation on the financial instruments that might be used to promote the future economic cooperation with cross-border operators;
10. Analysis of the reference market and the information requirements.

Field Research has facilitated the analysis through several questions related to the needs of the SMEs and Associations entrepreneurs, putting in evidence the acquired expertise in two economic macro sectors, that are handicraft and creative industries, furthermore carrying out n. 2 distinct but linked studies:

- **Case Study n. 1** has allowed the exploration of the level and of the modes of operation of Confidi system;
- **Case Study n. 2** has examined the inclination to cross-border cooperation of enterprises operating in Puglia towards other enterprises and bodies from adriatic-ionic area, particularly from Albania and Montenegro.

Note on Methodology



Field Research had the purpose to detect, profile and map the needs and the basic necessities of Apulian economic and business scenario composed of very small, small and medium sized enterprises, in relation to financial instruments, information about reference markets and cross-border cooperation opportunities. Very representative stakeholders of all the Apulian areas have been involved in the Research, in order to guarantee sample representativeness, with particular attention to the involvement of the key actors and of the operators of the sector.

Therefore, in the Research it was examined the Apulian SMEs development potential, the implementation level of instruments and credit services available in the involved territories; it was also taken notice of their unsatisfied needs and requests. Their proposals and hints were also underlined to achieve possible shared development and cooperation strategies to be realized.

For this purpose, some investigation tools were developed and applied, in order to be shared with the local stakeholders, such as:

- Surveys distributed to the local stakeholders;
- Interviews consisting of open-ended and closed-ended questions, for more in-depth evaluation and investigation;
- Focus Group and brainstorming sessions with the SMES representatives.

In order to carry out Field Research in the best way, specific investigation tools were developed, that made possible to collect qualitative and quantitative data useful to shed some light on the topics listed earlier and that were given to samples composed respectively of n. 47 (Study 1) and n. 93 (Study 2) economic operators, selected in accordance with relevancy and representativeness criteria in the apulian territory.

Following the assignment of these questionnaires, some brief Focus Groups took place, in order to deepen all the topics handled in the questionnaire.

Focus Group is a peculiar qualitative survey method: it consists in submitting, to a group of subjects informed about the facts and willing to collaborate, several discussion topics, encouraging them to share and to confront their opinions.

This method allowed to gather ideas, observations, hints and criticisms, submitting, to the involved subjects, issues about topics which were significant for the purposes of the survey.

All the observations and the evaluations, expressed by each single participant, trigger a spontaneous discussion that leads to the sharing of even more opinions.

The topics taken into consideration were mostly about the knowledge, from the subjects operating in the apulian territory, of the european cross-border cooperation programmes to whom Puglia

participates, or of public fundings that European Commission makes available for the Interreg Programmes supporting sustainable development of the involved territories, and of the guarantee instruments to access credit disposable in Puglia.

Therefore, Field Research followed a precise methodology consisting of 3 distinct phases:

Phase 1: *Development of the investigation tools: Questionnaire and Focus Group;*

Phase 2: *Meetings for the submission of the Questionnaire and for the Focus Group management;*

Phase 3: *Data Analysis and Final Report writing.*

Case Study n. 1 - Handicraft Sector



Handicraft sector constitutes a crucial factor for enterprises competitiveness at european level. It represents a decisive sector for occupation, for the development of an entrepreneurial spirit and for innovation and it is essential to promote competitiveness and occupation. It establishes itself as a key point of european and italian manufacturing system, as well as a key indicator to evaluate the effectivity and the strength of the development actions experimented at european, national and local level. In Italy *“small and medium sized enterprises found an enviroment specially favorable for their growth and it has always represented the building block of our productive system, particularly for the manufacturing activites and for the services”*.

Moreover, SMEs are put in the position to take advantage as well as possible of the synergies that the territory offers. SMEs, even though representing a strong point for european and italian economy, still show some critical issues and weaknesses that limit their potential, such as credit access, high debts levels, long waiting times for the credit collection, acquisition of new customers, and modifications in the bank-enterprise business relationship.

The Field Research carried out in this scenario has the purpose to detect the inclination of the enterprises that wanted to start a growth path with business and productive subjects located in Albania and Montenegro and the interest in using guarantee instruments to access credit. After developing the investigation tools, the next step was Phase 2: the submission of the questionnaires to the selected stakeholders.

Questionnaire has been submitted to a 47 enterprises sample:

| | |
|----|------------------------------------|
| 1. | Eliotecnica Meridionale SAS |
| 2. | Ide Arbues SAS |
| 3. | La Pellicceria di Tedesco |
| 4. | Gianni Stea Import Export |
| 5. | General Impianti SAS |
| 6. | Site Impianti SRL |
| 7. | Pasta Apulia SRL |

| | |
|-----|---|
| 8. | Delfino&Giancaspro SRL |
| 9. | N.E.W.S. SRL |
| 10. | IA TRADE SRL |
| 11. | Soc Agricola Lama di Rose |
| 12. | Niteko SRL |
| 13. | Mastrodonato S.R.L. |
| 14. | Item Oxygen SRL |
| 15. | Pruvas Soc Coop Agricola |
| 16. | Vulcania SRL |
| 17. | Valle Fiorita Catering SRL |
| 18. | San Domenico Snc di Filippo Mancino & C. |
| 19. | Fratelli Coli SRL |
| 20. | Terradiva azienda agricola biologia |
| 21. | Fiveup |
| 22. | Planetek Italia |
| 23. | Slow Travel Rete di Imprese |
| 24. | Grape&Grape Group |
| 25. | Silvercoal SRL |
| 26. | Cronotime SRL |
| 27. | Lavit- Tercom Italia |
| 28. | Aryma |
| 29. | Pasticceria Super Bar |

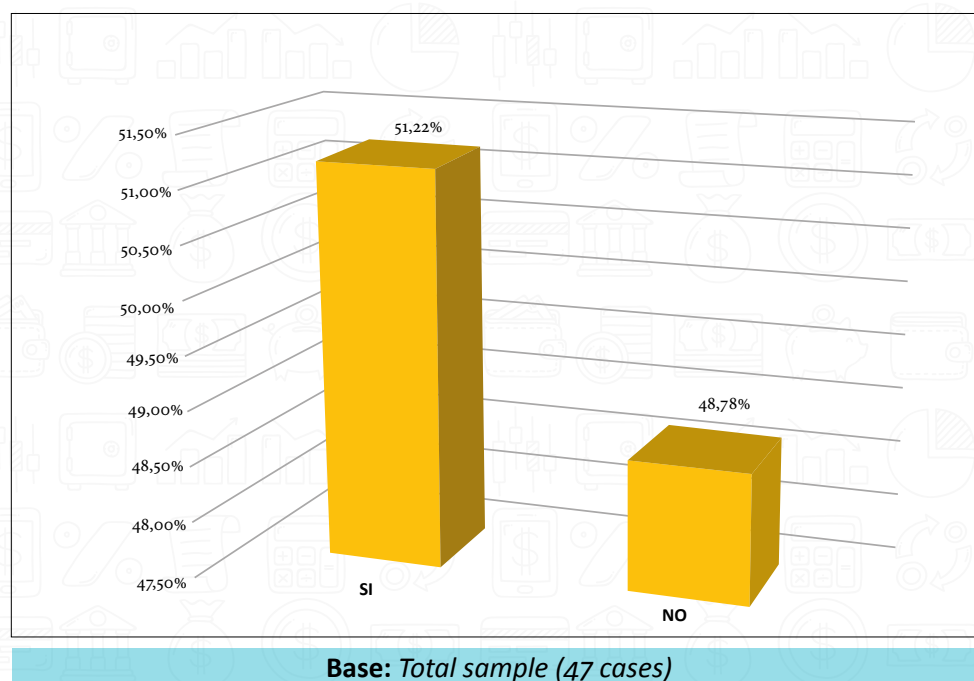
| | |
|-----|---|
| 30. | Le Deliziose Pasticceria SAS |
| 31. | Pasticceria Giotti |
| 32. | Pastificio il mastro pastaio |
| 33. | Esse Olive di Carone Angela e G. SAS |
| 34. | L' Arcobaleno delle tradizioni SRL |
| 35. | Antonio Memeo |
| 36. | Laboratorio Odontecnico Bardulos |
| 37. | De Cicco SRL |
| 38. | Francesco Porcaro |
| 39. | DenichiloInox |
| 40. | Lotito Leonardo Antonio |
| 41. | Intrex |
| 42. | VM Creation SRL |
| 43. | Omonima |
| 44. | La David SNC |
| 45. | Etek SRL |
| 46. | Edilizia Mattarrese SRL |
| 47. | AncheCinema SRL |

The questionnaire has been very useful also to gather experiences related to the special needs of the different business typologies, being considered:

1. The actual application or the type of guarantee instrument used;
2. Whether, or not, there was the possibility to access further fundings for other investments.

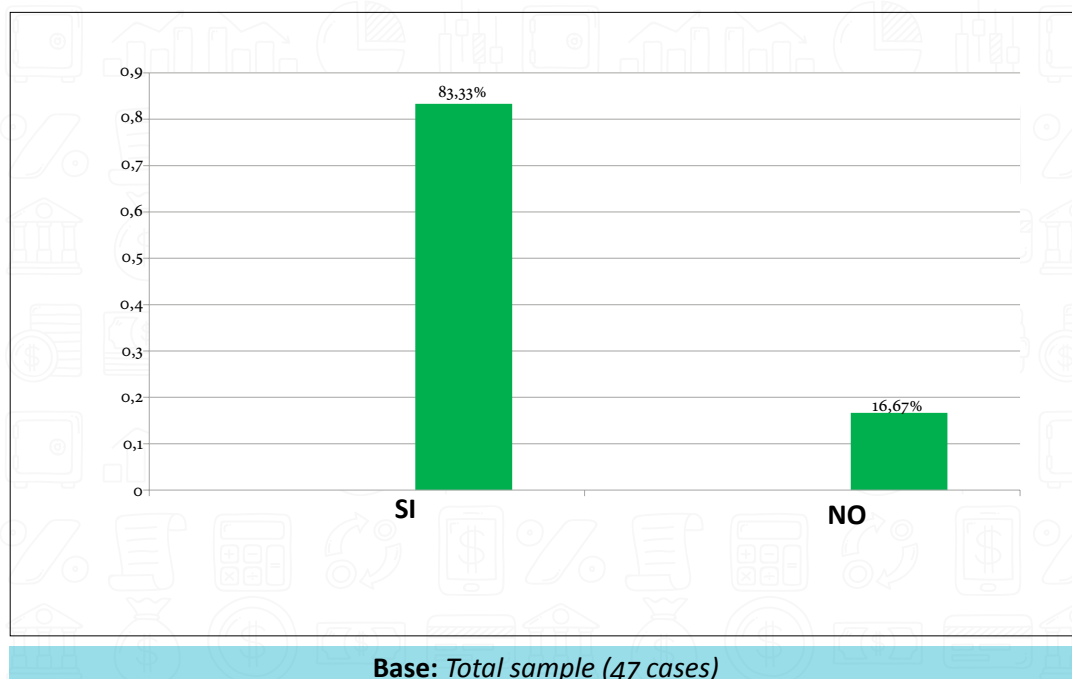
The analysis showed that 51,22% had already used before guarantee instruments to access credit, for the start-up or the purchase of facilities and equipments, and the 48,78% had never used those instruments because already capable of being self-financing (Picture 1).

Picture 1. *Your enterprise has used before guarantee instruments to access credit*



To the question, “Do you plan to carry out other investments for activities to be realized in Puglia in the next 3-year period for your own enterprise”, 83,33% of the sample gave an affirmative answer and only 16,67% denied this possibility (Picture 2).

Picture. 2 Do you plan to carry out other investments for activities to be realized in Puglia in the next 3-year period for your own enterprise?

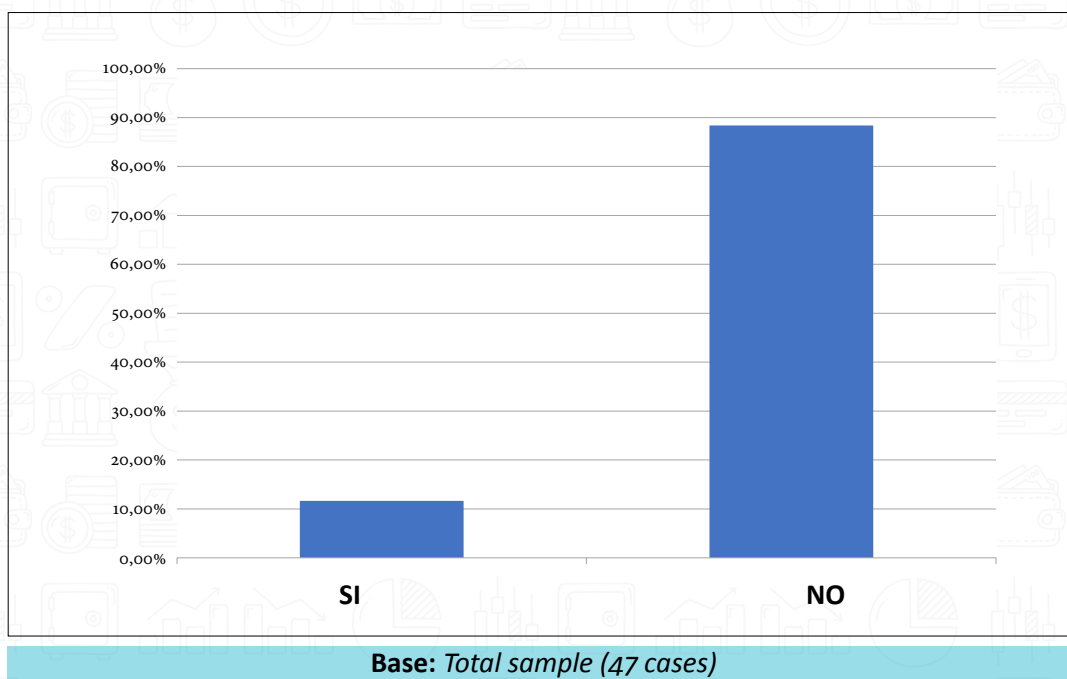


Related to this question, to the subjects that gave affirmative answer it was asked what typology of guarantee instrument they would have preferred using to access credit.

It emerged that the majority of people that decided to give an answer to this question, choose Artigianfidi as an instrument.

To the question concerning the possibility to set up a joint venture and/or cooperations with societies in Albania and/or in Montenegro in the next 3 years, 88,37% of the surveyed subjects said resolutely that they do not have any intention to realize these kind of investments, while only 11,63% gave positive feedback (Picture 3).

Picture 3. Possibility to set up a joint venture and/or cooperations with societies in Albania and/or in Montenegro in the next 3 years.



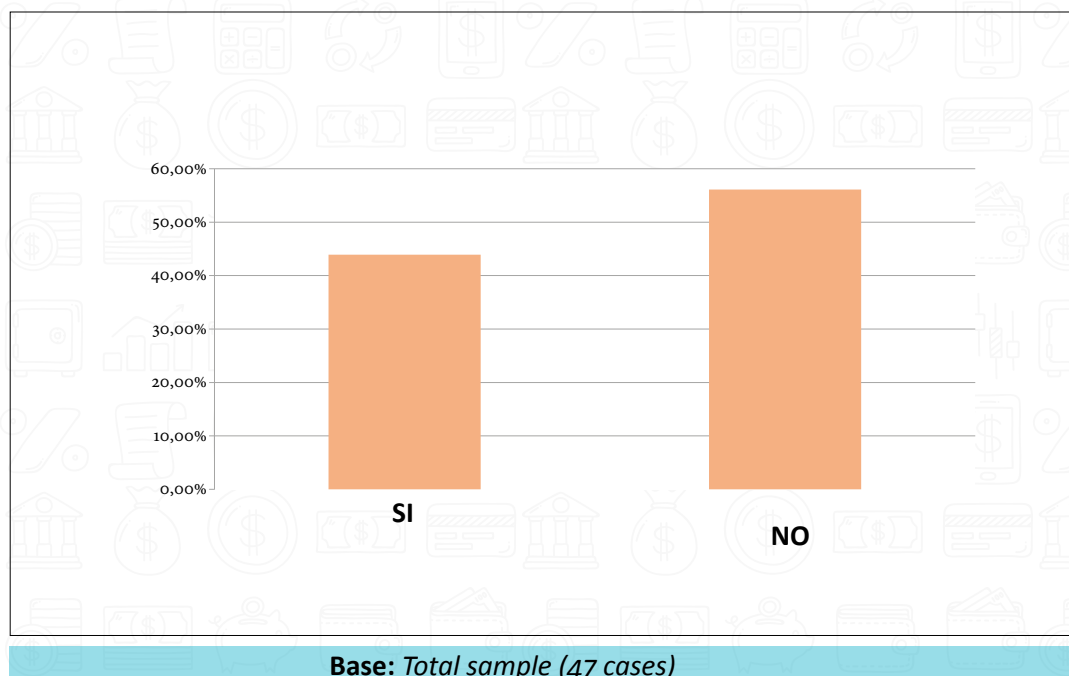
Concerning motivations related to the almost totality of people being negative about realizing investments in the next three years, it emerged that:

- 21% has a poor knowledge of the Country, of the market and of the territory;
- more than 25% doesn't know any reliable Partner;
- 16% has financial difficulties, also to access credit;
- 36,5% has other reasons.

The 11,63% that replied positively, also specified what typology of investment would like to realize (with commercial purpose, in touristic or international sector), what kind of Partner (SMEs, Retailer) what sort of services would be of any support (information and assistance, mutual interest context, promotions, exhibitions and events in the foreign and national territory, a service able to let them know better the selling strategies in that territory) and which financial instruments they would apply (public calls, national and international tender notices).

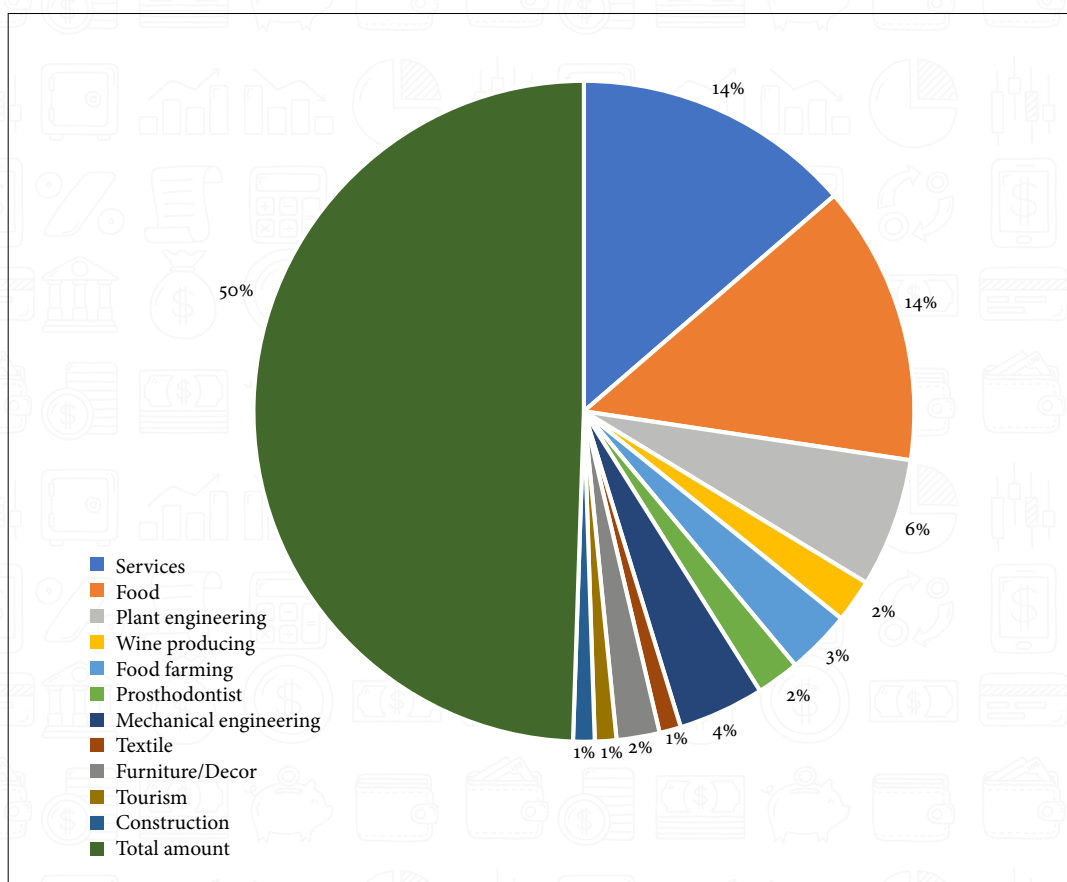
In the last question (Are you willing to give a brief interview in order to gather your experience and/or your observations about guarantee instruments to access credit - ex. Artigianfidi etc. - and the cooperation with enterprises from Montenegro and Albania), 43,90% the sample answered Yes and 56,10% No (Picture 4).

Picture 4. Are you willing to give a brief interview in order to gather your experience and/or your observations about guarantee instruments to access credit and the cooperation with enterprises from Montenegro and Albania



The enterprises that showed an interest in wanting to follow a future business path with Albania or Montenegro mostly belong to the food and the services sector.

Picture 5. Percentage by sector



Base: Total sample (47 cases)

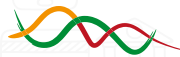
Final Considerations

To sum up, it emerges that the biggest enterprises interest, among the ones surveyed, is to realize future investments in Puglia in the next three years. Moreover, the analysis showed that, even though there was a low percentage of positive responses about the possibility to set up joint venture and/or cooperations with societies in Albania and/or Montenegro in the next 3 years, enterprises gave negative answers about a collaboration with Albania and Montenegro just as a consequence of a poor knowledge of the territory, of the potential Partners and of the reference markets in the two Countries.

On the contrary, the willingness to grant a short interview by 45% of the sample revealed that, over the time, guarantee instruments have become effective instruments that draw SMEs interest also in the perspective of a future potential cooperations with the above Countries.

Lastly, the most interested sectors in having a future cooperation have turned out to be food industry and services sector.

Case Study n. 2 – Creative Industries



Creative industries sector is the subject of an intense debate both in scientific and political fields; infact, the interest about connections among culture, economic development and innovation doesn't involve exclusively economists, but also sociologists and urban planners (Lazzaretti, 2009).

Creative industries take their origin in individual creativity and talent and they have the potentiality to produce wealth and occupation by the use of their intellectual property. It represents a fast-growing sector, characterized by a huge potentiality for economic and social development.

Creativity is, indeed, the driving force of economy and it is source of competitive advantage for the enterprises. In turn, culture is the driving force of creativity and creativity is, in its turn, at the foundation of social and economic innovation (Santagata, 2009) and it triggers research and investments in the technology field, as well as it allows enterprises to diversify the products offering, in a already crowded market that has similar technologies and prices, an intangible added value (KEA, 2009).

Creativity is influenced and fed by culture and art and it is deeply connected to people ability to think imaginatively and in metaphors, to break with traditional convensions and common way of thinking, making it possible the development of a new vision, a new idea or a new product. But, to let creativity arise, personal abilities and technical skills are not enough, because it is also important to have a social context that triggers it and an economy that invest on it (KEA, 2009). It is a whole process that pieces together ideas, skills, knowledge and talent with technology and culture. In this context, culture is used as a creative input to develop new products (KEA, 2006). From an artistic perspective, creativity is meant as the capacity di create something brand new and original thanks to imagination, opinion and taste. From an economic perspective, it refers to innovation and represents a never ending and dynamic process that combines artistic creativity and economical and technological innovation elements (KEA, 2006), triggered by human, social, cultural and istitutional factors (KEA, 2009).

However, creativity is not a prerogative only of the creative industries but it influences all economical fields (KEA, 2006). Creative economy, based on expertise and talent, is also known as *"New Economy"* and it includes creative industries, creative cities and creative classes (Lazzaretti, 2009).

Although the above scenario shows positive elements, creative industries appear to have some problems, for example their scarce capacity to do business, the difficulty in finding a strategical position both in the manufacturing and the delivery of the products, poor management skills.

The strategic role in the economical and social growth of the creative and cultural industries - in addition to the issues about business development and cooperation - makes operators working in this economical sector a great subject on which to focalise Desk Research, in order to catch some important insight.

For this purpose, investigation tools were submitted, in order to get a more precise picture of the

knowledge and of the gaps concerning the regional and interregional funding system.

To carry out Case Study 2, there were organized 7 meetings with the economical operators selected for the collection of data:

- **Tuesday, March 19th** - San Vito dei Normanni (BR) c/o Ex Fadda, 6 p.m.;
- **Wednesday, March 20th** - Corato (Ba) c/o Sala Verde di Palazzo di Città, 6 p.m.;
- **Thursday, March 21st** - Putignano (Ba) c/o Ex Macello, 6 p.m.;
- **Friday, March 22nd** - Massafra (Ta) c/o Teatro Comunale, 6 p.m.;
- **Tuesday, April 2nd** - Gallipoli (Le) c/o Biblioteca Comunale, 6 p.m.;
- **Wednesday, April 3rd** - Manfredonia (Fg) c/o Palazzo Celestini, 6 p.m.
- **Tuesday, April 9th** - Bari c/o Officina degli Esordi, 6 p.m.

Special attention was reserved to the sample representativeness, assuring the most possible wide-spread coverage of the Apulian territory.

Furthermore, the questionnaire was submitted to a sample composed of 79 operators, subdivided in 3 categories:

- 30 Enterprises
- 29 Associations
- 20 Single Individuals

Shown below, the list of the surveyed enterprises:

| ENTERPRISES | |
|-------------|---|
| 1. | World Music Academy |
| 2. | Qualcosa di Diverso Soc.Coop.Soc |
| 3. | Cir.Mandolinistico/Liuteria del Circolo |
| 4. | Petrolio Hub |
| 5. | Thalassia Soc.Cooperativa |
| 6. | Vacanze in Puglia S.r.l |

| | |
|-----|----------------------------------|
| 7. | Fanelli Gabriele |
| 8. | Destination Makers SRLs |
| 9. | Vacanze in Puglia SRL |
| 10. | Torre Sansanello |
| 11. | Impresa Individuale |
| 12. | Prore Soc. Coop. |
| 13. | L'ulivo Affittacamere |
| 14. | Pellegrino 1890 SRL |
| 15. | Peggy Creazioni |
| 16. | Spore Società Cooperativa |
| 17. | Bella Vita SRL |
| 18. | Cooperativa Ulixes |
| 19. | Never before Italia |
| 20. | Il Sole al Sud Case Vacanza |
| 21. | Nuova Hellas |
| 22. | Forme Studio |
| 23. | Antonio Dellisanti Editore SRL |
| 24. | Antonacci Domenico Sergio |
| 25. | Benni Strategie Digitali |
| 26. | Coop. Bottega degli Apocrifi SRL |
| 27. | Le giravolte Soc. Coop |

| | |
|------------|---|
| 28. | Marconi Web SRL |
| 29. | Weave SRL |
| 30. | Agenzia del turismo per la promozione del territorio |

| ASSOCIATIONS | |
|---------------------|--|
| 1. | ASS. Cult. Teatro Menzati |
| 2. | A.S.D. New Group Animation |
| 3. | Associazione culturale musicale Euterpe |
| 4. | Associazione Lo Stradone Editrice |
| 5. | Pro loco Bisceglie |
| 6. | Quadratum culinariae e teatro |
| 7. | Room to ply |
| 8. | CICRES |
| 9. | Centro studi politici “Aldo Moro” |
| 10. | Ass. culturale per pluralismo e la pace |
| 11. | “Il tempo di Serapide” |
| 12. | Polo musicale Puglia |
| 13. | ASS. Turistica Pro loco “Quadratum” |
| 14. | Alephtheatre ass. culturale |
| 15. | ASS. Cult. Elena D. |

| | |
|-----|---|
| 16. | Fondazione carnevale di Putignano |
| 17. | Ass.Promoz. sociale "Lavori dal bassoAPS" |
| 18. | Ass. Musicale "Tebaide d'Italia" |
| 19. | Associazione culturale teatrarsi |
| 20. | A.P.S. Salento Slow Trave |
| 21. | Teatro le Forche |
| 22. | Teatro Le forche società cooperativa |
| 23. | A.P.S. La Bottega delle Idee |
| 24. | Associazione culturale "Il serraglio" |
| 25. | Associazione La Fenice |
| 26. | Anime del Sud |
| 27. | Ass. Emys -Centro Marea |
| 28. | Amart Ass. Culturale |
| 29. | MURGIA HUB associazione culturale |

SINGLE INDIVIDUALS

| | |
|----|----------------------|
| 1. | Cataldo Montanaro |
| 2. | Ancitelliana Antizzi |
| 3. | Enza Leo |
| 4. | Cataldo Tarantini |
| 5. | Anna La Monica |
| 6. | Mariangela Positano |

| | |
|-----|----------------------------|
| 7. | Valeria Notarnicola |
| 8. | Nicla Muolo |
| 9. | Giuseppe D'Aprile |
| 10. | Marica Insalata |
| 11. | Girolamo Russo |
| 12. | Cosimo Maraglino |
| 13. | Giovanna Spinelli |
| 14. | Giancarlo Luce |
| 15. | Giuseppe Spera |
| 16. | Matteo Palumbo |
| 17. | Michele D'Errico |
| 18. | Nicolò Petrafesa |
| 19. | Antonella Contento |
| 20. | Hélène Damiani |

Below, a graph recaps all the data collected from each team of the questionnaire.

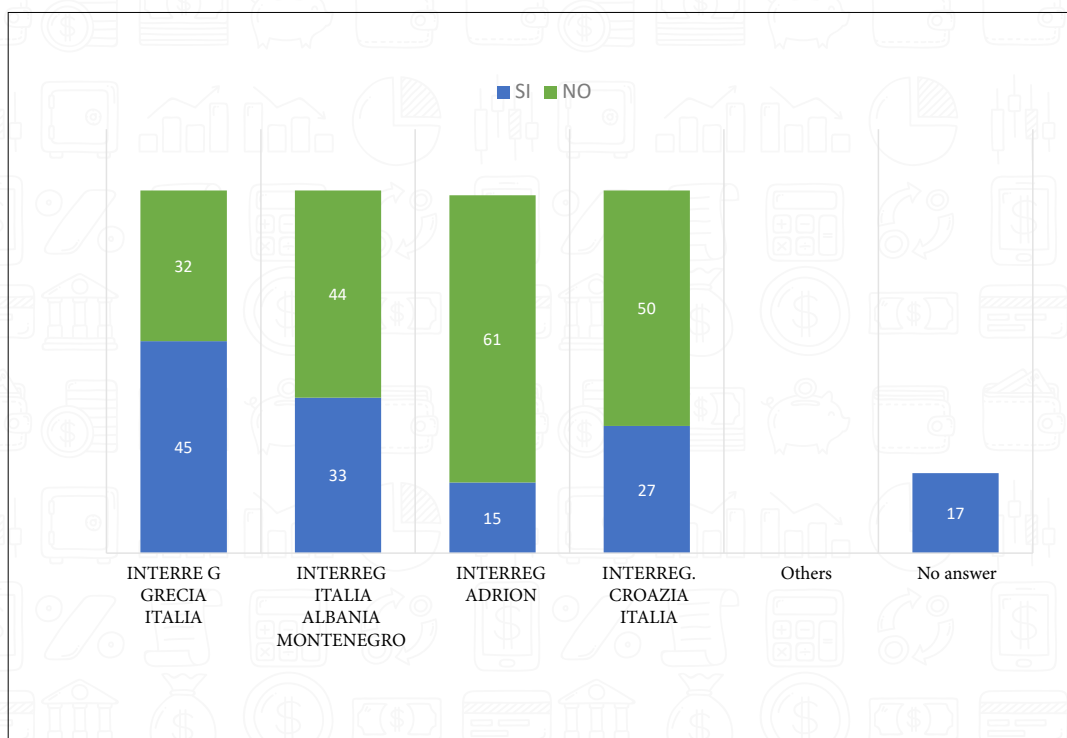
With the first two questions, the questionnaire analyses the economical operators awareness about European cross-border and cooperation Programmes activated in Puglia.

The question concerning the personal data allows a systematic data collection of the surveyed subjects in order to keep track of them for further contacts.

Analysing the question *“Which of the following European cross-border cooperation Programmes in Puglia are you aware of?”*, it emerged that almost the totality of the surveyed was aware of the Greece-Italy Interreg Programmes, Italy-Albania-Montenegro Interreg, Croatia-Italy Interreg and ADRION Interreg. In total, it emerged that involved operators have declared to be aware of the Programmes for different reasons. Only n. 17 operators said that they had absolutely no clue about any Interreg. Cross-border Cooperation Programme.

(Picture 1).

Picture 1. Which of the following European cross-border cooperation Programmes in Puglia are you aware of?



Moreover, it was specifically asked if there have ever been any collaboration with Adriatic-Ionian area enterprises. The “Not-collaboration” answers amounted to n. 69 versus the “Yes-collaboration” answers that amounted to n. 12. Most frequent collaborations took place with Greece and Albania, while the ones with Montenegro, Croatia, Slovenia, Serbia and Bosnia-Herzegovina resulted to be sporadic (Picture 2. - Picture 3).

Picture 2. Have you ever collaborated with Adriatic-Ionian area enterprises?

