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# Orienting east Naples' new special economic zone (SEZ) towards circular economy (CE) and creative industry (CI) for sustainable economic development

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## Abstract

**Objectives.** *This paper proposes a post-covid-19 reconstruction strategy in the designated Special Economic Zone (SEZ) of East Naples by proposing a local economy oriented towards circular economy in combination with socio-economic activities that are part of the creative industry. The objective of this exploratory research is to provide alternative redevelopment strategies going beyond “business as usual” but are more aligned with sustainable development of tomorrow.*

**Methodology.** *Applying a policy analysis approach, the authors map and analyze the emerging SEZ policies of Naples and provide a review of concepts through a series of targeted literature reviews on circular economy and creative industry that are considered to have direct bearing on the objective of the paper as stated above.*

**Findings.** *The implementation of such an integrated three-prone development strategy and its potential contribution to sustainable development has not been undertaken so far. Therefore, the authors' elaborations remain at this stage theoretical. In view of the wealth destruction and downward economic pressure, innovative strategies, such as the one proposed, are bound to become part of the post-covid-19 reconstruction discourse and experimentation.*

**Research limits.** *The plan of setting up a SEZ in East Naples was only decided in late 2017 and no direct implementation of Circular Economy and Creative Industry policies in SEZs have been attempted so far in East Naples nor elsewhere in Italy. Therefore the policy proposal contained in this paper cannot be backed up with field evidence.*

**Practical implications.** *The authors' novel contribution to regional development scenarios can serve as information source and inspiration for implementation of development projects following similar inclusive, sustainable and participatory forms of regional development.*

**Originality of the study.** *Exploring the synergistic potential of simultaneously applying a three-prone urban development strategy that aligns SEZ policies with a creative industry and circular economy nexus has not been done so far.*

**Key words:** *Creative Industry, Circular Economy, Special Economic Zones, Naples SEZs, Sustainable Socio-Economic Policies, Creating Shared Value*

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## 1. Introduction

Globally there have been 5.934.936 confirmed Covid-19 cases and 367.166 deaths as reported by the WHO dashboard on May the 31<sup>st</sup> 2020, including 232.664 cases and 33.340 deaths in Italy.<sup>1</sup> This pandemic has resulted in unprecedented loss of lives and related human suffering and is causing enormous disruption and slow-down of the economy in all countries, not only those societies directly impacted due to large number of infected residents.

More than 2.2 billion of workers live in countries where workplaces have been closed. According to ILO estimates, 436 million enterprises (including 389 million independent workers) are in high-risk sectors (manufacturing, food and lodging services, real estate, wholesale and retail trade). ILO estimates a total loss of 305 million jobs worldwide and most will not be recovered post COVID-19.

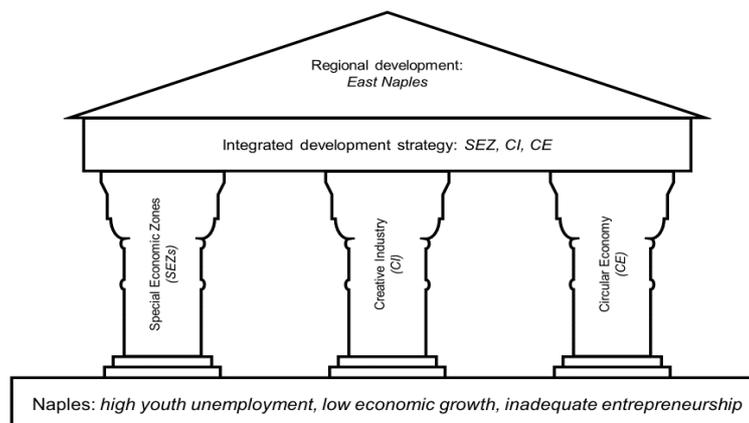
This situation clearly depicts the worst crisis, on a humanitarian, social and economic level since World War II. The key question now is, once the health emergency ends, do we want to return to the world before COVID-19? What future do we want? Things are not going to be the same anyhow; it will be up to us to find answers that will guide us to a world that offers all women and men, for many generations to come, a better future<sup>2</sup>.

A number of economic actors call for a return to pre-covid-19 conditions but “business as usual” is considered by many others as unrealistic, not achievable, nor desirable. Instead, new forms of economic activities will be required offering basic services in a different way, recovering and creating decent employment through diverse and complementary organizational models of production.

A transformative vision following the Agenda 2030 appears more called for with a sustained reconstruction strategy requiring the adoption of a new paradigm of sustainable production and consumption as indicated by SDG 12 of the 2030 Agenda<sup>3</sup>. This paradigm must value issues such as the circular economy, social innovation, short circuits and food security (UNCTAD, 2013), innovative financial mechanisms (ILO, 2019) such as local currencies and the care for common goods. Public policies that aim to create and strengthen sustainable ecosystems are needed for the realization of such a transformative agenda.<sup>4</sup>

What follows are deliberations of key features of a regional (re-)development strategy composed of a Special Economic Zone (SEZs), Circular Economy (CE) and Creative Industries (CI). The three policy choices will be examined to show how the three policies are relevant and complementary to create a sustainable development in East Naples (see Figure 1).

*Fig. 1: three-prong development strategy for East Naples*



<sup>1</sup> See WHO Dashboard available at <https://covid19.who.int/>, last accessed on May the 31<sup>st</sup> 2020

<sup>2</sup> See <http://unsse.org>, last accessed on May 2020

<sup>3</sup> See <https://sustainabledevelopment.un.org/sdg12>, last accessed on June the 1<sup>st</sup> 2020

<sup>4</sup> See footnote 2

Circular economy requires imagining a design process that sustainably affects the product, services, production process and ultimately business models of a business ecosystem. Imbuing creativity in a local space could attract creative talents and enrich the locality with greater creative capital (creative class as described by Florida, 2002). Creative place making via clustering of features of creative industry is thus a new form of urban regeneration and constitute the third pillar in this strategic mapping of economic revival options after COVID-19.

In this context, East Naples was selected to test this three-prone regional development strategy. The choice of focusing on the SEZ of East Naples was due to the following reasons. The first relates to the fact that government SEZ regulation gives priority to new forms of organizing productive interactions by creating circular relationships of economic actors thereby creating a circular economy. Secondly, data on the SEZ of East Naples were available and the SEZ administration were more easily accessible for follow-on inquiry. Thirdly, the territory of the East Naples SEZ which is characterized by abundant empty buildings due to de-industrialization makes it easier to imagine out of box thinking, such as applications of CE and CI concepts.

## 2. East Naples: overview

To help the less developed regions of Italy, the Italian government started to establish Special Economic Zones (SEZs) through the so-called “Decree for the South” (Decree n. 91 June the 20<sup>th</sup> 2017) converted into law in August 2017. According to EU Regulation No. 1315/2013 of the European Parliament and of the Council on December the 11<sup>th</sup> 2013 on Union Guidelines for the Development of the Trans-European Transport network and repealing No. 661/2010/EU, the only locations eligible for SEZ programmes are those nearby, or strongly connected to, port areas.

Campania was the first Italian Region to complete the procedure for the establishment of a SEZ in May 2018. It consists of four provinces (Avellino, Benevento, Caserta, Salerno) and one Metropolitan City (Naples) that is also the capital of Campania. Overall, 29 SEZs have been established within the region, and East Naples is one of them.

East Naples consists the neighborhoods of Barra and San Giovanni a Teduccio, accounting for an overall population of around 110.000 inhabitants. It has been set up as an Enterprise Zone (EZ)<sup>5</sup> with the precise aim to reinvigorate its depleted industrial and socio-economic fabric. Typically, the EZ is focused on increasing the productivity of the poorest zones/territories, through the start-up of new enterprises and the relocation or expansion of already operating firms within the country by offering favorable business conditions. Thus, the final scope is encouraging companies to employ more of both labor and capital in the zone, with the aim to eradicate high-rate unemployment or to bridge the developmental gap between rural and urban areas (Leslie E. Papke, 1993).

East Naples holds a strategic location advantage since it is relatively close to the historical city centre of Napoli (9,3 km), a seaport (8 km), an airport (6,7 km), a train station “Napoli Centrale” (6,3 km), and a modern business centre, “Centro Direzionale di Napoli” (CDN)<sup>6</sup> (5,7 km).

This district is characterized by large availability of unused spaces, particularly suitable for renewal or repurpose programmes. For example, in 2016, in the former industrial area of Cirio, the Federico II University Technology Campus had been inaugurated. This campus contributed significantly in kicking off the East Naples' urban rejuvenation, luring investments of renowned IT companies such as Apple, Cisco and Telecom Italia (TIM) to the adjacent areas in East Naples. Already before its official inauguration, the area witnessed a significant boom of collateral activities like bars, B&Bs, cafeterias, photocopy shops, markets. Thus, East Naples embodies a clear example

<sup>5</sup> Enterprise zones (EZs) aim to revitalize underdeveloped urban or rural areas through the provision of tax incentives and financial grants. These zones are primarily used in developed countries (United States, France and the United Kingdom) although even some developing countries are to adopt similar mechanisms (South Africa).

<sup>6</sup> CDN is a set of those modern skyscrapers, built in Poggioreale district, designed by the Japanese architect Kenzō Tange. The whole area has become an attractive nucleus towards companies that can effectively interface with each other in a single structure.

of how reuse programmes can contribute positively to the relaunching of an economy of a whole area, attracting investment for innovation and technology as well as stimulating a wide range of commercial activities.

Moreover, this area also sustains a strong cultural heritage. A good example could be “*La Festa Dei Gigli*” of Barra that, each year (in the last weekend of September), thousands of people gather from nearby districts. This festivity was inspired by the original Nola’s, one that has been included (since December 2013) in the Oral and Intangible Heritage of UNESCO. “*La Festa Dei Gigli*” of Barra is slightly different from Nola. Deriving its origin from the Cibeles and Attis’ myth, it consists of a folkloristic parade of 25-meters-tall wooden structures adorned with colorful garments. Eventually, the event brings to end with the symbolic election of the best-dressed up “*Giglio*”. Overall, this festival shows how its territory has much more to offer apart from its manufacturing vocation.

### 3. East Naples’ new SEZ: actors, policies and objectives

SEZs are created for *zone users*. Investors are the direct beneficiaries of regulatory regimes instituted in these zones. Everything within SEZs is built to attract investments. Since the SEZ programme’s objective is economic development, investors and entrepreneurs, together with their resources (capital and knowledge), fulfil a pivotal role.

A multitude of actors (public and private) are involved in the institutional set-up of SEZs. In the East Naples’ case, the actors involved are:

- The national *government* is the lead-actor. It sets-up the economic development goals, pointing at the industrial policies that must be followed and implemented through the establishment of SEZs. To ensure reaching its targets, central government coordinates SEZ policies in compliance with its international obligations and allocating necessary resources. As already seen, East Naples SEZ has been created through the “Decree for the South”. The government is also responsible for the overall administration of the SEZ regime, but it is not the only institutional stakeholder involved since regional and local governments may also play essential roles. The latter often have a better knowledge of local conditions, for example concerning the infrastructure, availability of land and utilities, and the specific geographical, or local investment needs. (UNCTAD, 2019)
- Cabina di regia per la strategia regionale, Comitato di indirizzo, Agenzia per la coesione territoriale, and Sportello unico regionale per le attività produttive (SURAP), embody the *local authorities*. They uphold the national government directives in the SEZ development programme. These authorities are physically present within the SEZs, through branches, representatives and specialized agencies. They are in charge of: 1) the strategic and operational planning; 2) proposing SEZ policy adjustments; 3) cooperating with local administrations, utility companies, tax officials and other entities to guarantee the correct functioning of SEZs. In particular, SURAP plays a critical role since it represents the local helpdesk that provides precious information to people interested in running new activities in SEZs. SURAP was established by regional law n. 11 dated October the 14<sup>th</sup> 2015 for the following purposes: 1) provide local administration with helpful hints to steer them to be more adaptive to investor’s needs; 2) pursue the development of a more favorable enabling conditions for the establishment and development of businesses and business networks; 3) guarantee the right of companies to operate in a simplified regulatory framework, to ensure maximum transparency of the procedures, as well as to reduce bureaucratic times and eliminate any non-essential requirements; 4) encourage the attraction of investments on the regional territory; 5) provide information on settlement opportunities and promote the regional production system and business activity.
- East Naples municipalities and “Aree di Sviluppo Industriale” (ASIs) hold the leading *zone developers’* function. The latter are public benefit entities, established to promote new

industrial initiatives in a designed provincial district. Municipalities and ASIs are responsible for the arrangement and provision of infrastructure essential for the success of SEZs. In general, zone developers can be both public and private entities. They are responsible for the construction of infrastructures, utilities and facilities useful to connect zones users to the national fabric. Technical capacities and expertise of the private sector become critical, especially to bridge over the lack of public resources.

- Invitalia, *national agency for the attraction of investments and business development*, actively participates in attracting FDI into the SEZs. Invitalia is owned by the Ministry of the Economy. The latter named Invitalia as being responsible for the creation of a call for bids for SEZ development programmes, such as “Concorso internazionale di idee per il disegno del nuovo paesaggio di bagnoli, compresa la definizione planivolumetrica del nuovo edificio di cui al programma di risanamento ambientale e rigenerazione urbana” (International competition of ideas for the design of the new bagnoli landscape, including the planivolumetric definition of the new building referred to in the environmental remediation and urban regeneration programme)<sup>7</sup> and “Concorso internazionale di progettazione in unico grado per la realizzazione di interventi infrastrutturali con sistemazione aree verdi e realizzazione tram o riqualificazione Napoli Est 2.0” (International one-level design competition for the realization of infrastructural interventions with arrangement of green areas and construction of trams or redevelopment of Naples East 2.0).<sup>8</sup>

Overall, Campania’s government, having better knowledge about issues that must be solved locally, prepared the Regional Strategic Development Plan (RSDP). The latter represents the operational plan that kicks off the establishment of SEZs in East Naples after the central government’s approval. In 2018, East Naples’ new SEZ was launched officially. To ensure its success, the regional government adopted different types of regulations. They consisted of the following:

- Bureaucratic simplifications
- Funds and incentives for investments
- Incentives for employment
- Incentives for energy efficiency improvement
- Tax credits

And after having finalized the institutional framework, Campania’s government established the goals that it expects to achieve through SEZ programmes. These are:

- a. Attracting big investment in sectors considered as strategic, given the regional vocation (aerospace, agriculture, automotive, tourism);
- b. Increasing employment and re-qualify workers who are not engaged in the labor market;
- c. Promoting circular economy and bio-economy principles in the following sectors: agriculture, zootechnics, fishing, aquaculture, forestry, packaging, chemicals, renewable energies;
- d. Re-qualifying and modernizing infrastructure to uphold the development of productive activities;
- e. Improving the energy efficiency of SEZ infrastructure
- f. Upholding scientific research to empower knowledge and human capital. (Piano di Sviluppo della Regione Campania, 2018)

#### 4. SEZ: more than an investment attractor

According to the latest UNCTAD definition (2019) “SEZs are geographically delimited areas within which governments facilitate industrial activity through fiscal and bureaucratic incentives,

<sup>7</sup> See <https://gareappalti.invitalia.it/tendering/tenders/000145-2019/view/detail/1>, last accessed on January the 7<sup>th</sup> 2020

<sup>8</sup> See <https://gareappalti.invitalia.it/tendering/tenders/000112-2019/view/detail/4>, last accessed on March the 17<sup>th</sup> 2020

*particular regulatory framework and infrastructure support, with the purpose to boost the economy.”* (p.128)

Traditionally SEZs were designed to enable countries to exploit more effectively their comparative advantages, mainly low-cost labor and greater availability of raw materials. Not surprisingly, SEZs have a well-established role in international trade (FIAS, 2008). Examples include Gibraltar (1704), Singapore (1819), Hong Kong (China; 1848), Hamburg (1888) and Copenhagen (1891).

Improving the domestic business climate and ecosystem seems essential to ensure economic development on a long run. (Meadows et al, 1992). When the business environment appears too complex, entrepreneurs are unlikely to invest their money in it. Entrepreneurs are always open to profitable opportunities; it is their job. Improving the business climate means clarifying all those legal aspects which make them hesitant, especially topics concerning how to start a business, get construction permits, employ workers, register property, get credit, pay taxes, trade across borders, close a business. Unsurprisingly, without the right policies, an attractive investment environment cannot be built up. Thus, the policy framework plays a fundamental role since it sets the rules of the game for all stakeholders involved and encourages investments.

Successful SEZ programmes make available short-term improvements but keep in mind the long-term developments as well. Critical to this process is the degree of integration of SEZs in the domestic socio-economic fabric. SEZ programmes' success is measured by the quality and quantity of benefits that the zone is eventually able to provide to zone operators. According to Farole Thomas & Akinci Gokhan (2011), those benefits are *static* if directly measurable (such as employment creation, income generation, FDI, revenues); *dynamic* if not quantitatively measurable (such as skills upgrading and technology transfer).

The diffusion of both static and dynamic benefits requires policies that go beyond the scope of SEZ programmes (Farole Thomas & Akinci Gokhan, 2011). Employment creation is often a primary target and expected deliverables of a SEZ (UNCTAD, 2019). Sazzad Parwez, with its work on economic development in India (2018), highlighted how SEZs also has done well in terms of employment creation for large skilled workforce: between 2011 and 2014, SEZ employment increased more than 51 per cent, passing from 844.916 to 1.283.309 employed individuals.

Innovation and technology transfer appear also as targets of the highest importance. (Douglas Zhihua Zeng, 2011) Increasing domestic technological means boosting national firms' capabilities, making them able to produce goods more desirable on the global market. However, the assimilation process of new technologies is not so easy. It requires a first-rate learning ability, without which knowledge and technology cannot be either effectively absorbed or used domestically. (Fagerberg, Srholec & Verspagen, 2010) Training and education fulfill critical roles in enhancing the learning process at an individual level. Hence, upgrading the national education system can impact the overall skill level. A good example is linked to Campania NewSteel that is the only certified incubator in the Campania region. It is located in “Città della Scienza”.<sup>9</sup> The incubator offers both logistical support with spaces dedicated to start-ups to incubate and co-working, but also business development services such as: networking events, tailored mentoring, support for internationalization through the European EBN network, and advanced prototyping laboratory on digital manufacturing and Industry 4.0, thanks to the presence of D.RE.AM FabLab of “Città della Scienza” and CESMA of Federico II.

However, in the last decade, sustainability has become one of SEZs' objectives worldwide. In 2001, China became the first country to establish a SEZ programme aimed to go beyond the mere economic development. The Ministry of Environmental Protection (MEP) launched the national demonstration programme for Circular Economy Pilot Zones (CEPZ), designing zones within which enterprises can run activities close to circular economy patterns. Although the global financial crisis, occurred in 2008, slowed down the programme (IISD, 2015), in the same year, the

<sup>9</sup> “Città della Scienza” is an area of promotion and dissemination of science managed by the IDIS “Città della Scienza” Foundation and located in the district of Bagnoli (Naples area).

Chinese government, extremely determined in pursuing its ecological development strategy, passed the Law for the Promotion of the Circular Economy, that came into effect on January the 1<sup>st</sup> 2009. Thanks to its persistence, China has been able to set up a consistent number of Eco-Industrial parks (EIPs), expressly designed to accelerate the circular economy transition. Indeed, at the first stage of its project (CEPZ) in 2005, China launched 13 EIPs, spread over ten provinces and involving 42 enterprises. In 2010, a programme established by the Ministry of Environment Protection, in conjunction with two other ministries, designated a total of 50 EIPs across the country (11 approved for completion and 39 approved for construction). (John A. Mathews & Hao Tan, 2011) Moreover, in 2014, the World Bank conceptualized a new economic zone as: Low-Carbon Zone. Such specialized zones expected to lower the carbon footprint of the industrial and related operations within the zone and provide a testing ground for pilot projects and policies for reducing the environmental footprint of industrial operations. (World Bank, 2014)

## 5. Circular Economy: a key driver for economic and sustainable development

The first conceptualization of Circular Economy (CE) dates back to the 1970s. Since then it has kept gaining momentum and mobilizing the attention of academia, business, civil society and public institutions. One of the first to sketch the circularity's backbone was Walter R. Stahel, who in the late 1970s started to develop a closed-loop approach to production processes. Afterwards, several other concepts have been developed including: Natural Capitalism (Paul Hawken, Amory B. Lovins & L. Hunter Lovins, 2003), Cradle to Cradle (William McDonough & Michael Braungart, 2003), Performance Economy (Walter R. Stahel, 2006), and the Blue Economy (Gunter Pauli, 2010).

CE and all those approaches, directly or indirectly, gravitate around the same principle: *self-sufficiency*. The best example of a self-reliant system is nature. CE takes inspiration from one of the well-known natural functioning mechanisms: the first principle of thermodynamics. This principle posits energy is neither created nor destroyed, but is transformed, passing from one form to another. So, by the latter, nature converts all resources into other forms of energy; similarly, the CE model does as well by turning goods at the end of their service-life into new outputs. Although, at first sight, it may look like a recycling-centered model, the CE model does not only aim to recycle old products and materials. It has more to do with an efficient management of resources; and to make it work, CE requires a radical change of mind. Each product represents a reserve of value that might be used again to produce new goods. It is a new paradigm, based upon preserving natural capital, optimizing resource yields and fostering system efficiency (Ellen MacArthur Foundation, 2015).

Ellen MacArthur Foundation, on its website, portrays CE as a system *“based on the principles of designing elimination of waste and pollution, keeping products and materials in use, and regenerating natural systems”*.<sup>10</sup> Thus, the ultimate scope of the CE is to keep goods in the system for as long as possible and at their highest service-use. To do that, both consumers and producers need to change their behavior patterns. The former must re-think their consumption practice, while the latter must shape their business models to enable the reuse of resources already in the system, possibly infinitely. To create a joint commitment against unwise environmental exploitation is difficult but not impossible to achieve.

Since the direct beneficiaries of SEZ programmes are investors and entrepreneurs, they can also contribute to the CE transition starting from the SEZ. The best way they can do that, is to redesign their products. A circular-able design is crucially important to keep the values of goods high. In fact, without a design that makes goods (or their parts) eligible for re-usage, no circularity can be pursued due to the depletion may make impossible their re-introduction into the productive loop (Walter Stahel, 2019). And it is here that creativity comes into play.

<sup>10</sup> See <https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy>

## 6. Circular and Linear Economy: two opposite models

Circular economy concept in all its forms gravitates around the same fundamental principle: self-sufficiency. The question becomes: How?

Nature is a self-organized system, within which the majority of the organisms can live in symbiosis. There are two ways in achieving this self-sufficiency. Some species are equipped with bio-mechanisms that allow them to process resources and wastefulness coming out of other living beings, ensuring their survival; whereas, other species institute intimate relations with other organisms. This relation can assume two different connotations: 1) *commercialistic*, when only the guest takes advantage from the symbiosis, but without threatening the life of its host; 2) *mutualistic*, when both receive benefits from the cohabitation.

Example of the clownfish may help to explain the concepts. This species is particularly interesting due to its mutualistic relationship with the sea anemone (a solitary polyp shape, sometimes of considerable size, with an extreme variety of shapes and colors). The clownfish, dwelling among anemone tentacles, protects the anemone from predators, and in turn, the stinging anemone tentacles protect the clownfish from its hunters. This symbiosis is possible thanks to a special mucus on the clownfish's body that protects it from the stinging tentacles. But that is not all. For ages, scientists believed that the two partners were only a joint self-preservation entity. More recently, Joseph T. Szczebak et al (2013), from Auburn University in Alabama, showed that their relationship is more in-depth, due to the clownfish also fertilize the anemone with its ammonia-rich waste.

Overall, the circular economy model is founded precisely on this idea. It is a model in which all actors partner with each other to collect mutual benefits. A model in which specific features can serve to strengthen, improve and develop the features of others. A model in which everything produced, wasted and disposed of by someone can be re-used by someone else.

Looking at the Philips' business model, Circular Economy works by emulating the following motion of return-make-use-return-make-use-return.<sup>11</sup>

- Return

*Procurement of all the resources necessary to produce goods and provide services, from waste, discarded and disposed of items, without abducting any new stock;*

- Make

*Processing and transforming these resources (inputs) into final products (outputs), through renewable energies with less environmentally impact;*

- Use

*A new way of consumption, where consumers look at goods as services useful to satisfy their needs rather than items to own.*

In contrast the current economy model, which is linear, has run quite efficiently for centuries in the following fashion of take-make-waste:

- Take

*Supply from nature all those materials necessary to produce goods and provide services;*

- Make

*Transform these resources (inputs) into final products (outputs) will be sold to consumers for the immediate satisfaction of their needs and desires;*

- Waste

*Dispose of damaged items, but even those that consumers do not need or want no longer to use.*

Unfortunately, this model has a weak point. It needs infinite availability of resources to keep working. Due to heightened awareness of climate warming, it has become unequivocal a radical change is necessary. A new economic model which reduces the environmental impact of human doing. An alternative model that allows men to finally live in symbiosis with nature, instead of

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<sup>11</sup> See <https://www.philips.com/a-w/about/sustainability/circular-economy.html>

acting as a parasite that receives sustenance out its host without giving anything in return is called for.

## 7. How to promote circularity

To arise collective commitment against environment exploitation is easier said than done. But it is possible.

*Consumers* can contribute to the circularity promotion the following way:

- Abandoning the idea of ownership and embracing the concept of leasing. Today, “ownership” refers to the legal right of possession. The “dominium ex iure Quiritium” is the oldest example of property right and was recognized only to the “cives” (roman citizens). It designated the full and exclusive belonging of a “res” (asset) to an individual, as a situation recognized and protected by law. (George Mousourakis, 2007) During the Renaissance, this concept was vigorously debated by Hobbes, Locke and Rousseau. With the passage from the “state of nature” to the “state of rights”, men voluntarily accepted to lose part of their freedom, to enter in a society organized to guarantee security and peace among its members (citizens). The entrance is signed with a social contract, limiting the signatory's freedom, making him formally accepting rules established by a single or a group of individuals. However, according to Rousseau, the development of agriculture and metallurgy, and the consequent creation of private property and the division of labor, led to a growing mutual dependence of individuals and inequality among men. Putting aside all the juridical discourses and implications, the latter excursus makes clear a point: the evolutionary process the concept of property has gone through. The ultimate step is "leasing", that is the temporary possession or use of assets to another, behind a monetary compensation. The main leasing advantages comes out of the opportunity to frequently change assets, without causing premature waste. Consumers are just renters while producers become owners-providers of assets that, once got back, can be used again to produce new ones.
- Enjoying goods emotionally. Usually, enter in the grandparents' house makes a strange effect. It looks like clock hands stuck, and everything is in a good state of preservation. Talking with them makes clear why it happens, and why they love to surround themselves with old stuff instead of replacing them with the latest and better-performing items. The latter represents something more than just things. There is a story behind each of those objects, and they take care because they do not want to lose memories associated with them. Nowadays, people lost this emotional contact. They are continuously longing for the newest without considering that their story is, most of the time, connected with little objects. Thus, individuals need to learn from the older generations the take-caring aptitude for keeping the value of things high. On the other hand, *producers* can do the following for the ascent of circular economy:
- Redesigning their products. A new design is crucially important to keep the values of goods (especially the value of resources used to produce them) high. Without a design that makes goods eligible for re-usage, no circularity can be pursued by their re-introduction into the productive loop. For example, a plausible solution might be designing products with components easy to be replaced. Overall, it might ensure to: 1) avoid accidental waste; 2) encourage and speed up the restoration; 3) enhance and standardize production.
- Adjusting marketing campaigns. Advertising and marketing play a central role in directing consumer choices to certain goods rather others. Moreover, they contribute to rising an unnatural desire for things that consumers do not need. If marketing campaigns begin to present, clearly, how circularity works, consumers might truly understand why it is so essential moving towards this model. The benefit would be mutual: consumers might have the freedom to change goods whenever they want, and producers might save significant amounts of money derived from reuse of resources. Overall, everything might occur without abducting new natural stocks.

## 8. Technology and e-waste

It is undeniable that innovation has been instrumental to the progressive improvement in goods manufacturing and services provision. Yet, adoption of new technologies impacts severely consumer habits, creating extra waste and making worse ecological spillovers. The linkages between technology, production and consumption if not mitigated could exasperate the negative externalities of the technology.

New technologies prompt men to improve their knowledge in the areas where it is inadequate, stimulate researchers, scientists, and engineers to strive for goals more and more ambitious. This expanded knowledge enables societies to organize more and more efficient production systems, ready to guarantee the fulfilment of a broader range of goods, more and more sophisticated, in a shorter and shorter time. Then, the increased productivity leads consumers to expect that more “needs” and desires (became now more sophisticated) are met through the purchase of the latest and better-performing goods at an ever-lowering price.

In other words, technological progress enables greater production capabilities, delivering faster and faster goods for the satisfaction of consumers’ desires. The increasing availability and variety of products and services (made available by adopting new technologies resulting in increased productivity) raise the bar of consumer expectations higher and higher, with the consequence that search for new technologies becomes as essential to human well-being as air and water.

Today, however, consumers are witnessing a paradox. Technological innovation is gaining momentum, while service-life span of any goods are getting shorter than ever and becoming obsolete in ever quicker speed. On the other hand, every product exhausts its utility naturally after a specific time, ultimately zeroing its performance.

In the past, grandparent’s generation tended to take care of the objects they bought, using them up to the point of their full exhaustion or repairing them in case of damages; current generations instead tend to substitute still-working items with new ones early before the natural end of their service life. Consequently, the introduction of new technologies, often supported by marketing campaigns flawlessly projected to push consumers to purchase these new gadgets with higher performance, anticipates the disposal of goods which instead might be still used. In addition to this, many producers have begun to design products that wear out or become outmoded after limited use, to stimulate consumer demand even more (planned obsolescence). (Serge Latouche, 2015) The extra disposal of still-working goods comes to add to the natural displacement of devices that have already exhausted their utility, eventually fastening the environmental deterioration seriously from exploitation of resources to soil pollution (electronic waste or e-waste). This marketing strategy influences costumers to think they need more performing products to satisfy their needs and desires, thus generating a significant amount of waste which would not exist if companies would not have influenced their choices. According to ITU (International Telecommunication Union), in 2016, the global quantity of e-waste generation was around 44,7 million metric tons (Mt), and it is expected to grow to 52,2 Mt in 2021, with an annual growth rate of 3 to 4%.

The table below (table 1) shows the regional e-waste distribution in 2016 around the world.

*Tab. 1: E-waste regional distribution in 2016*

REGION	% of world e-waste generation	Million metric tonnes (Mt)	Documented to be collected and recycled (Mt)	Number of countries	Inhabitants (billions)
	40,70%	18,2	2,7	49	4,4
Americas	25,30%	11,3	1,9	35	1
Africa	5,00%	2,2	0,004	53	1,2
Europe	27,50%	12,3	4,3	40	0,7
Oceania	1,50%	0,7	0,04	13	0,4
<b>WORLD</b>	<b>100%</b>	<b>44,7</b>	<b>8,9</b>	<b>190</b>	<b>7,7</b>

Source: Global E-waste Monitor 2017 (ITU, 2017), p. 60-79

Notably, only 19,9% (8,9 out 44,7Mt) of e-waste was recycled globally. If this harmful mindset and corresponding behavior patterns are not modified, the next generations will keep perpetuating and spreading this wrong attitude to consumption and production, pushing humankind to the point of no return.

Consumer habits and choices also drives how companies produce their goods. Thus, humans have to be conscious how their behavior impacts the ecosystem in which they are living in. Technologies can promote human development, but it also needs to be carefully examined. As tools, if not used wisely, technology could heavily jeopardize human existence.

Circular transformation needs to deploy advanced scientific knowledge and technological capabilities. A SEZ with its innovation mandate could be a pioneering space to experiment with the purposeful design of circularity within chosen sector or sub-sectors. Lessons learned can then be replicated in other spaces when re-juvenation of the local economy is called for.

The crucial role of urban landscapes in promoting Sustainable Development (SD) is recognized in the 2030 Agenda for Sustainable Development identifying culture and creativity as one of the essential levers for action in this context. A good example thereof is the Creative Cities Network set up by UNESCO to promote cooperation among cities that have identified creativity as a strategic factor for sustainable urban development (Francois Duconseille & Raymond Saner, 2020)

Creation of circular economy requires also thinking out of box and innovative breakthroughs. Diversity of world perspectives as well as visioning promote a rich field in specific domains. Cross-fertilization due to dense social networks and social capital formation enhance the innovation capacity of a region and generate a positive feedback loop in terms of economic and social returns. East Naples with its presence of the Federico II University Technology and other renown high tech companies is particularly endowed with the potential for creative practices and economic dynamism.

## 9. Creative Industry: key vehicle for economic and sustainable development

According to Hans d'Orville (2019), "*creativity is at the heart of sustainability*". Creativity concerns the ability to sort out knowledge and information to deliver new ideas aimed to find a remedy to complex problems, as well as to implement already existing solutions, simplifying or empowering them. Robert J. Sternberg (1999) sees creativity as relevant for the economic development since it allows humans to come up with new products and services that, eventually, create jobs.

John Howkins (2001) was the first to theorize about the link between creativity and economic development in his famous work titled "*The Creative Economy: How people make money from ideas*". According to him, the latter is a system in which knowledge-based skills represent assets to run economically profitable activities. The output of those activities can take the shape both goods and services. In 2019, UNCTAD classified creative goods into the following categories (table 2).

Tab. 2: Creative goods classification

Creative activities	Goods
Art crafts	Carpets, Celebration, Other art crafts, Paper-ware, Wicker-ware, Yarn
Audio-visual	CDs, DVDs, E-broadcasting, Film, Sound-production, Tapes
Design	Architecture, Fashion, Glassware, Interior, Jewellery, Toys
Digital fabrication	3D printers, 3D scanners, Laser cutters, CNC* milling, CNC* bots, Control boards
New media	Recorded media, Video games
Performing arts	Musical instruments, Printed music
Publishing	Books, Newspaper, Other printed matter
Visual arts	Antiques, Painting, Photography, Sculpture

Source: UNCTADstat platform, last accessed on March the 30<sup>th</sup> 2020

However, whereas goods can be considered as material outputs resulting from a creative (intellectual) process, the notion of service is linked to intangibility since it entails the performance of a particular task, rather than the provision of material goods. These tasks take the shape of all those outcomes of intellectual effort based on reasoning, data analysis, elaboration of information, or particular-skill-based activities. In 2018, UNCTAD carried out a useful creative services categorization (table 3).

Tab. 3: Creative services classification

Creative activities	Services
Advertising and marketing	Advertising, Market research, Polling services
Consultancy	Business analysis, management and orientation
Craft	Restoring antiques and handcrafts
Culture and heritage	Art (lessons, exhibitions), Event organization, Theatre manifestations, Tour guide
Design	Architecture, Digital content (apps, blogs, websites), Engineering, Fashion, Interior, Jewelry, Toys, Websites
IT and computer	Internet-based services (cloud, cybersecurity, server), IT equipment maintenance services, Software development
Media	Entertainment format (series, shows, radio programs)
Personal and recreational services	Mental coaching, Personal training, Performance-based activities (singers, actors, dancers)
R&D	Scientific research findings
Other services	All other services connected to intellectual efforts (reasoning, data analysis, elaboration of information), or technical knowledge applications

Source: Creative Economy Outlook: trends in international trade in creative industries 2002–2015 (UNCTAD, 2018)

A well-designed combination of SEZ, creativity and circularity could contribute to a brighter future and deliver tangible results in terms of jobs creation, sustainability promotion, and return on investment for investors. (Ellen MacArthur, 2015)

According to John Newbigin (2014), Chair of British Council Arts and Creative Economy Advisory Group members, policy makers generally think in terms of national policies, but the creative economy proliferates better with initiatives at a smaller scale level, that take the shape of creative hubs, clusters or districts. By this, what Newbigin meant that,

- *Hubs* are very specific locations, usually, a building or group of buildings, that provide affordable workspace, support, exhibition or sales space for creative entrepreneurs.
- *Clusters* describe a group of related or mutually dependent businesses and resources that are grouped together in a neighborhood or part of a city. A cluster creates a critical mass of skilled people, who exchange different ideas and techniques. The most famous example is Silicon Valley in the United States where a small group of digital technology businesses attracted talented individuals and other related companies until it grew to a cluster of world-class significance.
- *Arts or cultural districts* are demarcated urban areas intended to create a concentration of places for cultural consumption such as art galleries, dance clubs, theaters, art cinemas, music venues, and public squares for performances. Usually, in these districts, it is not so difficult to find cafes, restaurants, printers, fashion outlets, traditional craft shops.<sup>12</sup>

In the last decades, manufacturing companies have increasingly started relocating to places often overseas where labor was cheap and the costs of taxation, energy and environmental regulation were low. However, the same has not been true for creative industries because their success is mainly linked to human talent. It means the social and cultural environment in which creative industries are located fulfills a vital role in attracting the new type of industries, much more than the fiscal incentives.

<sup>12</sup> See <https://creativeeconomy.britishcouncil.org/guide/hubs-clusters-and-regions/>

Creative businesses and entrepreneurs, especially those with limited resources at the early stage of business development, tend to locate where work and living spaces are inexpensive and affordable. Disused industrial areas fit this selection criterion. If gathered in declining industrial districts, creative people, artists and entrepreneurs, bring with them an avant-garde mindset, may give birth to low-cost solutions for re-using abandoned buildings and deserted districts. These initiatives could overtime transform such places into neighborhoods both more desirable even fashionable to work and live. A good example comes from the city of Dundee. Dundee houses two world-class universities, University of Dundee that boasts Jordan-Stone School of Art and Design and Abertay University that is specialized in digital design and a world leader in computer games related teaching and research. Not surprisingly, Dundee is seen by many as the home of gaming, since one of the most famous videogames like Grand Theft Auto (GTA) was created there. According to the reporting of UNESCO Creative Cities Network (UCCN)<sup>13</sup>, game developers in Dundee are unlikely to move elsewhere since they know they have the higher chance of finding other comparable work or establishing their own businesses without relocating in another city. Dundee's story tells the success of university based creative capital in driving economic activities and knowledge-based employment.

## 10. SEZ policies supporting creative practices and activities in East Naples

In 2015, the Ellen MacArthur Foundation carried out a study to evaluate the Danish policy landscape aimed to trigger CE. It compared several policy interventions (i.e., business support schemes, public infrastructures, regulatory and fiscal frameworks) with existing ones, such as: 1) Fund for Green Business Development (EUR 27m 2013–2018) to support innovation and new business models; 2) Government Strategy on Intelligent Public Procurement contains initiatives to support circular procurement practices; 3) Strategy on waste prevention also contains an initiative to develop guidelines for circular public procurement; 4) Ambitious targets for recycling/incineration/landfill, updated every 6 years, e.g. recycle 50% of household waste by 2022; 5) Engagement at EU level to adapt existing or introduce new regulations relevant to the circular economy, e.g. product policy; 6) Taskforce for increased resource efficiency to review existing regulations affecting circular economy practices.

From this study, it has emerged that central government, thanks to its policies, is helping out Denmark to fulfil a leading role in biotechnological research and innovation, both in academia and in companies.

Naples is recognized worldwide as the place where pizza was first invented, and its people as the best pizza artisans. But this description is reductive and incomplete. Naples nurtured many great artists in the past. It gave birth to some of the most renowned Italian personalities in the art history, such as Luigi Vanvitelli, Giordano Bruno, Giambattista Vico, Torquato Tasso, Salvatore Di Giacomo and Salvator Rosa and warmly welcomed many others such as Giovanni Boccaccio, Caravaggio, Benedetto Croce, Giacomo Leopardi, Gabriele D'Annunzio and Pier Paolo Pasolini, just to name a few.

With its mild weather, beautiful scenery, open sea, friendly and open-minded people and *savoir vivre*, all conditions contributing to the creation of an environment in which creative ideas can proliferate are present. Neapolitans (especially whom belonging to the lowest classes) are also entrepreneurial and resilient who had to learn how to survive with extremely limited resources. A famous Italian movie, "L'arte di arrangiarsi" (Luigi Zampa, 1954) shows the people's ability to adapt to different circumstances even though sometimes their attitude verging on mere opportunism than longer terms thinking. Overall, this movie goes beyond this negative aspect and captures other important

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<sup>13</sup> UCCN was created in 2004 to promote cooperation with and among cities that have identified creativity as a strategic factor for sustainable urban development.

virtues such as people’s capacity to innovate and be creative and adaptive even when faced with extreme adversity.

The enabling conditions and framework that often created by intentional policies of the government can also be seen in East Naples. An initial mapping and analysis of existing policies in East Naples SEZ, the following policies were found favorable for the incubation of creative industries either as a hub, cluster or districts (see table 4). It is also foreseeable that these policies could also help steer the launching of circular economy where social capital will be essential in developing a collaborative relationship between firms in order to foster this eternal motion of return-make-use-return-make-use-return cycle of economic activities.

*Tab. 1: SEZ policies supporting creative activities and contributing to the formation of circular economy*

<b>Policies</b>	<b>Creative activities</b>
Regional law August the 8 <sup>th</sup> 2016 n. 22	○ Crafts
ROP ESF 2014-2020 (Regional Operative Programme of European Social Fund 2014-2020)	○ Consultancy ○ IT ○ R&D
ROP ERDF 2014-2020 (Regional Operative Programme of European Regional Development Fund 2014-2020)	○ Crafts ○ IT
Law September the 14 <sup>th</sup> 2004 n. 26	○ Advertising & Marketing ○ Consultancy ○ Crafts ○ Culture & Heritage
Law May the 15 <sup>th</sup> 1989 n. 181	○ Advertising & Marketing ○ Consultancy ○ Culture & Heritage
Development Contracts	○ Consultancy ○ Culture & Heritage ○ IT ○ R&D

Source: realized by authors after an in-depth analysis of Piano di Sviluppo della Regione Campania (2018)

## **11. Creative activities that support transition towards a Circular Economy**

The contribution that business, and in particular creative business, can offer to the CE transition could be invaluable.

Creative Industries also includes alternative ways to organize platform related enterprises such as for instance cooperative platform companies which are not exploitative as are mainstream platform companies like Uber or Airbnb. (Raymond Saner, Lichia Yiu & Melanie Nguyen, 2019)

Overall, these creative industry enterprises embody activities that could be successfully reproduced within East Naples SEZ.

Table 5 below shows how they can trigger CE.

Tab. 2: Creative industry contribution to CE

Creative activities	Creative services	Major contributions to CE
Advertising & Marketing	<ul style="list-style-type: none"> <li>○ Marketing and advertising campaign in promoting an alternative consumption patterns</li> </ul>	<ul style="list-style-type: none"> <li>● Help people to pass from the ownership to leasing concept</li> <li>● Spread knowledge about and desire for sustainability</li> </ul>
Consultancy	<ul style="list-style-type: none"> <li>○ Business services in management, organization and communication for developing local supply and value chains that co-evolve into circular economy domain</li> </ul>	<ul style="list-style-type: none"> <li>● Adjust marketing campaigns</li> <li>● Develop eco-friendly business models and business plans</li> <li>● Propose and catalyst new partnerships and collaborative networks</li> </ul>
Crafts	<ul style="list-style-type: none"> <li>○ Handicraft customized products</li> <li>○ Restoring antiques</li> <li>○ Sustainable materials</li> <li>○ Energy efficiency</li> <li>○ Environmentally friendly packaging</li> </ul>	<ul style="list-style-type: none"> <li>● Develop a sense of caring</li> <li>● Increase the quality of human capital and human centered working conditions</li> <li>● Maintain high value and efficiency of goods</li> <li>● Regenerate and reuse materials and items</li> <li>● Engage in a circular production system</li> </ul>
Culture & Heritage	<ul style="list-style-type: none"> <li>○ Art exhibitions</li> <li>○ Local events and manifestations</li> <li>○ Tourism</li> <li>○ Community building especially after COVID-19</li> <li>○ Waste recycling and reduction</li> <li>○ Cultural story telling that supports mindful living</li> </ul>	<ul style="list-style-type: none"> <li>● Develop a sense of belonging</li> <li>● Maintain high value and efficiency of cultural legacy and heritage memorabilia's</li> <li>● Empower recycling</li> <li>● Support mindset shift and alternative storytelling</li> <li>● Produce new artifacts that are aligned to the circular lifestyle</li> </ul>
Design	<ul style="list-style-type: none"> <li>○ Eco-design patterns</li> <li>○ New ways of using wasted or sorted materials</li> <li>○ Design thinking as a methodology and a way of working</li> </ul>	<ul style="list-style-type: none"> <li>● Redesign products</li> <li>● Empower recycling</li> <li>● Inclusive public spaces</li> <li>● Co-design and mutual engagement for public service delivery</li> </ul>
IT	<ul style="list-style-type: none"> <li>○ Digital platforms (websites, apps) supportive of collaborative teamwork, cross-organizational boundary planning and place making</li> </ul>	<ul style="list-style-type: none"> <li>● Enhance sharing systems and platforms</li> <li>● Empower recycling</li> <li>● Data visualization and mapping for accountability and learning</li> <li>● Knowledge management for transformative projects</li> </ul>
Media	<ul style="list-style-type: none"> <li>○ TV spots</li> <li>○ Advertising</li> <li>○ Radio programs</li> <li>○ Newspaper article</li> <li>○ Interactive communications</li> <li>○ Media events</li> </ul>	<ul style="list-style-type: none"> <li>● Spread knowledge about sustainability</li> <li>● Reinforcing change</li> <li>● Storytelling of the “heroes”, the frontline change makers and the everyday innovations</li> </ul>
R&D	<ul style="list-style-type: none"> <li>○ Research applied industry</li> <li>○ New materials</li> <li>○ New tools</li> <li>○ New measurements</li> <li>○ New technology</li> </ul>	<ul style="list-style-type: none"> <li>● Investigate new solutions</li> <li>● Empower recycling and reuse</li> <li>● Empower knowledge about sustainability</li> <li>● Enable new learning</li> </ul>

Source: realized by authors

East Naples SEZ's laws and policies that encourage creative activities (table 4) are linked to the potential contributions to CE that could be brought to the mix by the creative industries (table 5). Table 6 draws the “fil rouge” (red threads) that could support East Naples economic and sustainable

development by reviewing policies pertaining to both creative industries and circular economy. In other words, table 6 aims to show how creative activities and circular economy transition can be empowered by existing SEZ polices, such as funds, business incentives and tax reliefs.

Tab. 3: SEZ policies, creative activities and CE contributions

SEZ policies	Creative activities	CE contributions
Regional law August the 8 <sup>th</sup> 2016 n. 22	<ul style="list-style-type: none"> <li>○ Crafts</li> </ul>	<ul style="list-style-type: none"> <li>● Develop a sense of caring</li> <li>● Engage in a circular production system</li> <li>● Increase the quality of human capital and human centered working conditions</li> <li>● Maintain high value and efficiency of goods</li> <li>● Regenerate and reuse materials and items</li> </ul>
ROP ESF 2014-2020 (Regional Operative Programme of European Social Fund 2014-2020)	<ul style="list-style-type: none"> <li>○ Consultancy</li> <li>○ IT</li> <li>○ R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>● Adjust marketing campaigns</li> <li>● Data visualization and mapping for accountability and learning</li> <li>● Develop eco-friendly business models and business plans</li> <li>● Empower knowledge about sustainability</li> <li>● Empower recycling</li> <li>● Empower recycling and reuse</li> <li>● Enable new learning</li> <li>● Enhance sharing systems and platforms</li> <li>● Investigate new solutions</li> <li>● Knowledge management for transformative projects</li> <li>● Propose and catalyst new partnerships and collaborative networks</li> </ul>
ROP ERDF 2014-2020 (Regional Operative Programme of European Regional Development Fund 2014-2020)	<ul style="list-style-type: none"> <li>○ Crafts</li> <li>○ IT</li> </ul>	<ul style="list-style-type: none"> <li>● Data visualization and mapping for accountability and learning</li> <li>● Develop a sense of caring</li> <li>● Empower recycling</li> <li>● Engage in a circular production system</li> <li>● Enhance sharing systems and platforms</li> <li>● Increase the quality of human capital and human centered working conditions</li> <li>● Knowledge management for transformative projects</li> <li>● Maintain high value and efficiency of goods</li> <li>● Regenerate and reuse materials and items</li> </ul>
Law September the 14 <sup>th</sup> 2004 n. 26	<ul style="list-style-type: none"> <li>○ Advertising &amp; Marketing</li> <li>○ Consultancy</li> <li>○ Craft</li> <li>○ Culture &amp; Heritage</li> </ul>	<ul style="list-style-type: none"> <li>● Adjust marketing campaigns</li> <li>● Develop a sense of belonging</li> <li>● Develop a sense of caring</li> <li>● Develop eco-friendly business models and business plans</li> <li>● Empower recycling</li> <li>● Engage in a circular production system</li> <li>● Help people to pass from the ownership to leasing concept</li> <li>● Increase the quality of human capital and human centered working conditions</li> <li>● Maintain high value and efficiency of cultural legacy and heritage memorabilia's</li> <li>● Maintain high value and efficiency of goods</li> <li>● Produce new artifacts that are aligned to the circular lifestyle</li> <li>● Propose and catalyst new partnerships and collaborative networks</li> <li>● Regenerate and reuse materials and items</li> <li>● Spread knowledge about and desire for sustainability</li> <li>● Support mindset shift and alternative storytelling</li> </ul>
Law May the 15 <sup>th</sup> 1989 n. 181	<ul style="list-style-type: none"> <li>○ Advertising &amp; Marketing</li> <li>○ Consultancy</li> <li>○ Culture &amp; Heritage</li> </ul>	<ul style="list-style-type: none"> <li>● Adjust marketing campaigns</li> <li>● Develop a sense of belonging</li> <li>● Develop eco-friendly business models and business plans</li> <li>● Empower recycling</li> <li>● Help people to pass from the ownership to leasing concept</li> </ul>

SEZ policies	Creative activities	CE contributions
		<ul style="list-style-type: none"> <li>• Maintain high value and efficiency of cultural legacy and heritage memorabilia's</li> <li>• Produce new artifacts that are aligned to the circular lifestyle</li> <li>• Propose and catalyst new partnerships and collaborative networks</li> <li>• Spread knowledge about and desire for sustainability</li> <li>• Support mindset shift and alternative storytelling</li> </ul>
Development Contracts	<ul style="list-style-type: none"> <li>○ Consultancy</li> <li>○ Culture &amp; Heritage</li> <li>○ IT</li> <li>○ R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Adjust marketing campaigns</li> <li>• Develop eco-friendly business models and business plans</li> <li>• Propose and catalyst new partnerships and collaborative networks</li> <li>• Develop a sense of belonging</li> <li>• Maintain high value and efficiency of cultural legacy and heritage memorabilia's</li> <li>• Empower recycling</li> <li>• Support mindset shift and alternative storytelling</li> <li>• Produce new artifacts that are aligned to the circular lifestyle</li> <li>• Enhance sharing systems and platforms</li> <li>• Empower recycling</li> <li>• Data visualization and mapping for accountability and learning</li> <li>• Knowledge management for transformative projects</li> <li>• Investigate new solutions</li> <li>• Empower recycling and reuse</li> <li>• Empower knowledge about sustainability</li> <li>• Enable new learning</li> </ul>

Source: realized by authors

A central location, the presence of Federico II University Technology Campus, big-tech companies' investments, fair and supportive SEZ polices and existing human capital and infrastructure, all provide East Naples with a real chance to benefit from favorable conditions offered through the establishment of a SEZ. While the world economy is realigning itself to lead into the post-COVID recovery, East Naples SEZ with its three prone policy strategy could lead the way in regenerating an alternative economic model that would be sustainable and inclusive in the next future.

## 12. Limitations and future research

The decision to create SEZ is very recent (2018) and implementation has not yet fully started. Hence the analysis given and the suggestions given for adopting creative industry and circular economy to the SEZ of East Naples is exploratory. Implementation of such proposals, if accepted by the authorities, can only be started the earliest in 2021 and evaluated in the coming 4-5 years.

Organizational growth of new forms of entrepreneurial activities will be different than conventional growth of private sector companies. Lessons could for instance be applied from growth patterns of cooperatives for new creative industry organizations (Raymond Saner & Lichia Yiu, 2017) in other parts of Italy which are also faced with economic stagnation, environmental threats and ageing population.

A natural continuation of this paper could be an in-depth study on what may generate the most beneficial effects, in terms of sustainable development, for the SEZ of East Naples and, more generally, how such a novel tri-policy development strategy could be applied to other SEZs.

### 13. Conclusion

The goal of this paper was to show why it is relevant to integrate the policies of Special Economic Zone (SEZ) with Creative Industries (CI) and Circular Economy (CE).

East Naples is one of the 29 SEZs which were established after the approval in 2018 by the central Italian government. This district has been selected by the authors for an in-depth analysis because the district offers several important features like strategic geographical position, high availability of free spaces for re-use programmes, presence of both tech companies and university campus, and strong local cultural heritage.

Key concepts of SEZ, CI and CE have been presented and applied to the East Naples SEZ in the form of a hypothetical case study. The authors explain how an integration and joint application of the three policies can work and generate quality jobs, offer opportunities for sustainable growth and a return on investment for investors. In order to provide a solid base to validate the hypothesis, a detailed analysis of already existing SEZ policies (tax reliefs, bureaucratic simplifications and financial tools) were undertaken. The purpose was to show that creative entrepreneurs investing in the East Naples SEZ could find ample opportunities to create environmentally sustainable, economically viable and socially beneficial forms of investment.

Table 5 visualizes how SEZ policies can enable creative industry and attract creative capital and talents. Finally, table 6 show the linkage between such policies, creativity and circularity and propose possible benefits from such synergy.

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