**Training Fiche Template**

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| **Title** | **The cultural economy: how to enhance cultural heritage in a new sustainable economy** |
| **Keywords (meta tag)** | **Economic impact, cultural heritage, economic valuation, cultural tourism, cultural entrepreneurship** |
| **Provided by** | **University of Oviedo** |
| **Language** | **English** |
| **Area** | CULTURAL SECTION |
| **Objectives / goals / learning outcomes** | |
| The main goal of this course is to show how valuing cultural heritage can contribute to local and regional economic development. | |
| **Description** | |
| At the end of this module, a student will be able to understand how cultural heritage can help to promote regional and local economies and to identify strategies to enhance cultural heritage and make it sustainable | |
| **Contents arranged in 3 levels** | |
| 1. **Introduction: importance of Cultural Heritage**   Cultural heritage has been gradually perceived as a key part for the sustainable development of the territories. Not only because of its potentialities to help to economic growth, but also because of its role in preventing conflicts and creating a cultural identity. The next two subsections describe how cultural heritage is perceived within the EU and, more generally, how cultural heritage can be considered and studied as an economic resource that, if conveniently employed, can be helpful to promote economic growth.   * 1. **Importance of Cultural Heritage in the EU**   Culture, in general, and cultural heritage in particular are targeted as high priority policies within the European Union. This classification is given based on the perceptions that EU citizens commonly have about cultural heritage and it is reflected in the design of specific EU policies   * + 1. **Perceptions of EU citizens**   The presence and preservation of cultural heritage seems to be a relevant and important issue for most of European citizens. The Eurobarometer survey conducted on December 2017 showed that more than 80% European citizens thought that policies regarding cultural heritage were important both personally and for the EU as a whole.   * + 1. **EU policies on cultural heritage**   Based on these perceptions, the European Commission designed the program Creative Europe 2021-2027 to be launched in the near future, which intends to give support to many aspects of cultural activity in the EU, including cultural heritage on its scope.  In the recent past years, Europe’s cultural heritage has been supported by several EU policies, programmes that have provided funding for cultural heritage under Horizon 2020, Erasmus+, Europe for Citizens and European Structural and Investment Funds.  Networking and collaboration on cultural heritage issues among EU Member States is articulated through the Council of Ministers for Education, Youth, Culture & Sport, and through the Open Method of Coordination. Additionally, the recently created (2019) Commission expert group on cultural heritage provides analysis and advise on the implementation of policies involving cultural heritage to the EU Member States, associated countries and other EU institutions. Within this context, the European Framework for Action on Cultural Heritage (2018) is perhaps the most important feature of the EU countries and it reflects the design and organization of activities related to cultural heritage at European level.   * + 1. **EU policies for Cultural Heritage**   Cultural and creative sectors are important for ensuring the continuous development of societies and are at the heart of the creative economy. Knowledge-intensive and based on individual creativity and talent, they generate considerable economic wealth. More importantly, they are critical to a shared sense of European identity, culture and values. In economic terms, they show above-average growth and create jobs - particularly for young people - while strengthening social cohesion.   * 1. **Cultural heritage as an economic resource: some general issues**   Cultural heritage can be considered as a multi-dimensional, multi-value and multi-attribute economic good (Mazzanti, 2002). It is multidimensional in the sense that its presence is connected with several dimensions of modern societies, not only in cultural terms, but also in terms of their national or regional identities, or with the form of urban-rural relationships, or with the economic potential of the territories. It is multi-attribute, since it can be used with several functions and not only for the purpose it was originally designed for (e.g., an antique theatre can be currently used for showing theater plays but also as a museum). And it is a multi-value economic good, which means that its use does not only generate “private” or “excludable” utility, but also a “public” use.  From an economic viewpoint cultural heritage can be included with the rest of economic inputs (such as labor, and physical, natural or human capital) that contribute to increase economic production. However, it has some particular characteristics that make cultural heritage a particular economic resource: first, it can be classified as a public good, which means that one user can consume without this menace and the consumption of other users. Additionally, it is a non excludable good, which means that nobody (in principle) can be excluded from consuming it.   1. **Cultural Heritage as an engine for cultural tourism**   These previous characteristics make cultural heritage an attractive way of attracting tourism. The touristic activity that cultural heritage can attract is not necessarily based on 3S formula (Sand, Sun and Sea), but on the 3E pillars (Excitement, Entertainment and Education). This opens possibilities for business activities on those areas where cultural heritage is located. Preservation of cultural heritage can be perceived as a barrier to economic development, but a large body of research has shown the positive relationship between CH preservation and economic development: not only because of cultural tourism but due to the revitalization of historical city centers.  This section explains how Cultural Heritage can be used by national and regional authorities to promote economic growth and how local initiatives can benefit from this resource.   * 1. **How cultural tourism help to promote regional economies**   Cultural heritage can be classified by distinguishing between tangible and intangible resources. Tangible cultural heritage includes, following the definition given by the European Commission and the Council of Europe, “*physical artifacts that are produced, maintained and transmitted from generation to generation in society as products of human creativity that have cultural significance and can be represented by monuments, archaeological sites and objects; archive, library and audio-visual materials; objects of art, etc*.”. Examples of intangible assets within the umbrella of cultural heritage are “*as oral traditions, performing arts, or crafts and rituals*”. Following this classification, the cultural heritage embodied in the Roman routes can be defined as (mainly) tangible.   * + 1. **Cultural heritage and cultural tourism in EU**   On the report *Spotlight on the European Year of Cultural Heritage 2018*, the European Commission estimated that almost 70% or European citizens chose their tourism destination somehow depending on the presence or absence of some cultural heritage in the region to visit.  Complementarily to these estimates, and focusing on how the presence of cultural heritage generated cultural tourism, the World Tourism Organization estimated on its report *Tourism and Culture Synergies (2018)* that for the EU countries with the largest stock of cultural heritage assets, cultural tourism accounted for more than 30% of the total tourism on 2008, presenting also larger growth rates than other tourism activities.  By how much these cultural assets generated tourism? Although a precise measurement is difficult, the above-cited report *Tourism and Culture Synergies (2018)* produced by the World Tourism Organization surveyed its country members to know authorities’ opinions about the relationships between cultural heritage and cultural tourism. The results of this survey showed that in more than the 95% of the countries studied, both tangible and intangible heritage were crucial in defining and attracting cultural tourism.   * + 1. **Cultural heritage and economic growth in EU**   Once the relationship between the presence of cultural heritage and cultural tourism has become evident, the next logical question would be to estimate by how much this cultural tourism is contributing to economic development.  Continuing with the information contained in *Spotlight on the European Year of Cultural Heritage 2018*, the European Commission estimated that there were more than 300,000 people directly engaged with the activities related to European Heritage. This could seem like a modest estimate, but it should be supplemented by all the indirect and induced activities and employment (e.g., security or interpretation services) that the consumption of cultural heritage generated in the European Union. When this was considered, the estimates of the European Commission went up to more than 7.8 million jobs generated by the cultural patrimony. They identified a sizable multiplier effect of the sector as well: for each direct job generated in the cultural heritage sector, 26.7 jobs were created in the rest of economy, which represented a considerably larger result than the average of sectors.  Additionally, the estimates of the World Tourism Organization in the report *Tourism and Culture Synergies (2018)* were in the same line of highlighting the contribution of cultural tourism to economic growth. Considering the largest EU countries in terms of their cultural patrimony, this analysis estimated that cultural tourism represented more than 3% of 2008 GDP for countries like France, Italy or Germany, while for the case of Spain this contribution went up to 7.4% of the Spanish GDP on that particular year.   * 1. **Case of study: the Way of St. James (*Camino de Santiago*)**   Completing the general picture on how cultural heritage can contribute to economic development, this section presents a case of study directly related to the potential of the presence of Roman Routes to generate economic opportunities. The case reported here refers to the final part of the Way of St. James that crosses the Spanish region of Galicia. This case has been taken as reference due to its magnitude in terms of cultural presence in the North of Spain and because of its similarities with the cultural heritage associated to the Roman Routes.   * + 1. **Background**   Around the year 820, the alleged tomb of St. James the Greater was discovered in the city of Santiago de Compostela, in the Spanish region of Galicia. This discovery almost immediately generated the creation of a sacred place to venerate this tomb and created a pilgrimage (Way of St. James, or *Camino de Santiago* in Spanish) around all western Europe to visit the tomb and the subsequent cathedral, turning Santiago into a major pilgrimage site. One particularity of the Way is that it is not a unique path, but there are several routes that can be identified as part of the Way depending on the origin of the pilgrim.  Despite the medieval origins of this pilgrimage, one turning point on the economic exploitation of its potential occurred on recent times. In 1993 the regional government of Galicia promoted the creation of a Public network of Pilgrims’ hostels in the Way, taking as model the network of medieval hospitals that attended to the basic needs of pilgrims. Currently, there are 70 centres and more than 3,000 places connected to this network now and the most recent estimates (2019) of pilgrims visiting the cities connected to *El Camino* was of more than 350,000.   * + 1. **Economic activity and sustainability of rural communities linked to *El Camino***   A recent study financed by the regional government of Galicia and conducted by scholars at the USC (University of Santiago de Compostela) found that the economic activity linked to the pilgrims on the Camino de Santiago had a significant impact in terms of employment on the regional economy: for each 1 million EUR spent by these pilgrims, 2.7 million EUR of value were added and more than 20 full-time jobs were created; that is, an impact almost 18% larger than the expenditures made by local consumers.  The contribution of *El Camino* was important not only in purely economic terms, but it also generated synergies that helped to make more sustainable the small rural communities connected to some of its several routes. The same study cited before found that adverse demographics that characterized rural areas of this region of Spain were significantly less negative in those communities crossed by The Way of St. James. And the local respondents of a survey conducted in municipalities receiving pilgrims in El Camino indicated that the presence of this cultural asset was not seen as a threat to the traditional way of life, but rather a way to build more sustainable communities.   1. **Enhancing cultural heritage resources**   As a consequence of all the relationships between cultural heritage, cultural tourism and economic growth, it is relatively easy to infer that entrepreneur activities could benefit largely from the cultural tourism attracted by the presence of cultural heritage.  Generally speaking, entrepreneurship depends on multiple factors, such as the access to financial resources, the level of investment in technology or being surrounded by a positive environment defined by the entrepreneurship culture and the regulatory framework of the area.  Cultural heritage-related entrepreneurship requires, additionally, the presence of this resource in the territory. At first sight, one might think that cultural heritage assets are given in a fixed amount and that they cannot be expanded. However, this interpretation is not entirely correct, because it is true that the physical number of tangible cultural assets cannot be increased. However, there are some measures that public authorities and private initiatives can embrace to enhance its potential   * 1. **Strategies for public authorities**   Regarding the potential measures to be taken, decision makers and public authorities can enhance the economic activities related to cultural heritage mainly in two different ways:   * Preservation and restoration of cultural heritage. These policies are essential to keep cultural assets in good conditions and they need to be conducted with the support of public agents in most of cases. * Accessibility. Although the “amount” of tangible cultural assets is given, its capacity to be consumed depend partially on how accessible (both physically and digitally) these assets are for potential visitors. Accessibility policies are thus a way to increase the impact of cultural heritage.   1. **Strategies for private business**   Entrepreneur initiatives can be helpful regarding the enhancement of the business opportunities derived from cultural heritage as well. These initiatives should focus on making the cultural heritage resources available more:   * Visible to potential visitors through effective publicity campaigns. Although this does not truly change the amount of available cultural assets, it effectively affects the potential market size that can be reached. * Profitable by generating and specializing on high value-added related activities. Similar to the previous strategy, it is crucial to identify potential opportunities that generate higher value added. Such an identification is equivalent to increase the productivity of the cultural assets. | |
| Socrative Questions (n.3) | |
| 1. An example of “tangible cultural heritage” is? 2. **An ancient Roman theater.** 3. An oral tradition. 4. Any cultural heritage coming form acient times. 5. Cultural tourism mainly base on the formula 6. 3S (Sand, Sun and Sea) 7. **3E (Excitement, Entertainment and Education).** 8. 3C (Culture, Coasts and Cars) 9. European Commission estimated that the number of jobs directly and indirectly generated by the cultural patrimony on 2018 in the EU were: 10. **Around 7.8 million jobs** 11. Less than 300,000 jobs. 12. Slightly more than 300,000 jobs. | |
| **5 glossary entries** | |
| -TANGIBLE CULTURAL HERITAGE: physical artefacts that are produced, maintained and transmitted from generation to generation in society as products of human creativity that have cultural significance and can be represented by monuments, archaeological sites and objects; archive, library and audio-visual materials; objects of art, etc.  -INTANGIBLE CULTURAL HERITAGE: Traditions and living expressions inherited from ancestors. Examples are oral traditions, performing arts, or crafts and rituals.  -3S TOURISM FORMULA: Tourism based on the presence of Sand, Sun and Sea in the destination to visit.  - 3E TOURISM FORMULA: Tourism based on the presence of Excitement, Entertainment and Education in the destination to visit. Normally connected to cultural tourism.  -CONTRIBUTION TO GDP: Share of the Gross Domestic Product (the total economic value generated in an economy in a given year) that can be attributed to some specific sector or activity. | |
| **Bibliography and Further References** | |
| European Commission (2017), Spotlight on the European Year of Cultural Heritage 2018. Available at: <https://op.europa.eu/en/publication-detail/-/publication/22841c64-d96f-11e7-a506-01aa75ed71a1/>  Mazzanti M. (2002) Cultural heritage as a multi-dimensional, multi-value, and multi-attribute economic good: toward a new framework for economic analysis and evaluation. J Soc Econ; 31 (5): 529–558.  World Tourism Organization (2018), Tourism and Culture Synergies, UNWTO, Madrid. Available at: <http://www.e-unwto.org/doi/epdf/10.18111/9789284418978>.  Regional government of Galicia and Univerty of Santiago de Compostela (2018). The socio-economic impact of the Way of St. James. Available at (in Spanish):  <https://www.eixoatlantico.com/images/SIE/181129-sie-turismo-barcelos/informe_estudio_camino_santiago-esp_laura-dopeso.pdf> | |
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