Heritage-led positioning and growth for Italian cities and towns

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Built heritage is usually intended broadly as ‘the human-made historic environment, historic buildings, ancient monuments and archaeological sites, historic gardens and designed landscapes, battlefields, industrial buildings and historic wrecks’ (Casey et al., 1996: 140). It hence encompasses archaeological, modern and contemporary built heritage, generally valuable for the sense of place, identity character and uniqueness it brings to towns and cities (Throsby 2001, Settis 2002). In recent years, there has been an increasing attention to built heritage and its preservation and enhancement, not just as a way to strengthen local identity but as a driver for economic as well as social growth. Such a debate is part of a broader discussion on urban configuration (Gospodini 2002; Hammett and Whitelegg 2007), on the role of specific categories of players on urban setting and growth - as it is the case of creative cities (Florida, 2005; Scott, 2000; 2004; 2006) - and on the impact of urban characteristics on the different constituencies operating within a given territory (Sennet 1969; Butler and Robson, 2003; Dutton 2005). Both academics and policy makers have been looking at heritage as a driver for urban and territorial positioning and developed several theories and policies aiming at linking the endowment of cultural resources to growth.

In this paper, we are interested in exploring the relationship between heritage and economic development in fourteen Italian cities; the richness, variety and distribution of heritage across the country make Italy an ideal setting to discuss critical issues such as:

- the nature of heritage as a resource from an economic point of view (Barney 1991; Mahoney Pandian 1991) and the possibility to leverage on their uniqueness as a driver for growth;
- the value associated with heritage (Bryan et al 2000; Throsby 2001; de Varine 2005);
- the value created by heritage for the different stakeholders insisting on a given territory (Hutter Rizzo 1997, Evans 2005; Klamer 1996; Throsby, Navrud Read 2002; Van den Berg et al 1999);
- under which conditions can heritage be leveraged to generate growth.

The paper is structured as follows. We first look at how heritage has been incorporated in urban development related policies; we then examine the
extent to which it can be considered a resource to be leveraged to generate growth and what is the value associated with it. After having described the cases analysed, we then present propositions regarding the elements to be taken into consideration for the successful and sustainable management of heritage as a driver for territorial growth.

Heritage in policies for urban growth

Cultural policies have been traditionally “ignored” by public policies (Throsby, 2001); as soon as culture was given both a symbolic and an economic value (Cappetta et al., 2003; Ford, Gioia, 2000), however, the issue of leveraging on culture to address spatial and economic problems became increasingly important. As Bianchini and Parkinson (1993) suggest, three types of dilemmas are being addressed:

- spatial dilemmas deal with tensions between city centers and peripheries and with the gentrification risk;
- economic development dilemmas with the problem of balancing production and consumption and with the prevalence of the first dimension;
- cultural financing dilemmas deal with the decision to support one spot cultural projects or long term ones.

Within this framework, heritage has been taken into consideration from at least three streams of literature, that are here taken into consideration: urban regeneration, creative cities, destination management.

1. Urban regeneration can be defined broadly as ‘the comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an area that has been subject to change’ (Roberts & Sykes, 2000). While the definition is very broad and encompasses a big variety of situations, in practice urban regeneration projects have so far been almost only applied to former industrial towns and cities, which deploy brownfield industrial sites rather than a stock of historic heritage. Most of the literature draws on cities with a strong Fordist economic base and industrial built heritage, in which cultural policies included development of new cultural complexes (Manchester/Salford, Bilbao) or the conversion of former industrial buildings (Tate modern, Mackintosh Glasgow). This is where big events like the European Capital of Culture and the Olympics have concentrated since the early 1990s (Garcìa, 2004) but also where European funding has concentrated with its URBAN programmes (see for example for the Italian case (EUKN, 2007).

Typically, urban regeneration projects originate from a problematic situation from the economic or from the social point of view, with the two being often interrelated. The various cases can be synthesised into three main categories: in the first instance, relocation of factories, a sudden shift of the economy, or the reduction in the number and variety of companies – following the abnormal growth of one big player (as it has been the case of Wal Mart, or the location of big factories in a once rural area) generate unemployment and
poverty; in other cases, the area – often located in the suburbs - suffers from
the presence of huge concentrations of people from different ethnic and
cultural backgrounds, who have been relocated in a short time span, do live in
an area, but perform production and consumption activities elsewhere. In the
last case, the center of gravity at the territorial level has shifted from the city
center to more modern areas, gradually leaving older people with fewer
services available to live in a highly gentrified area increasingly meant for
tourists or for real estate speculators. In all cases, the issues at stake relate
to wealth redistribution, increased economic poverty, but also a challenge to
the complex network of social links and interdependencies at the micro level
that make up the identification with the territory. The result is that neither
neighbourhoods invest in the relationship with their inhabitants, nor do the
citizens invest in the relationship with the area.

As different policies aimed at modifying the economic landscape and to
integrate different constituencies don’t have always proven successful, part of
the recent debate suggests that investments in cultural spaces and activities
may act as an effective lever to ease an often difficult transition at the micro
geographic level. Policies ultimately need to address problems which have
sedimented over decades, and which originate in well-established socio-
economic disruptive changes and policy mistakes. Old factories, buildings and
artifacts collections are to be preserved as icons of a past tradition. This
means to build a place-based identity that constitutes a common ground to
smooth social tensions from a recent past. This attention on different forms of
cultural activities parallels a growing respect to older buildings as elements of
heritage. Old factories, buildings and artefacts collections are to be preserved
as icons of a past tradition, as a mean to build identity and as a way to
smooth social tensions from a recent past. In these instances, the urban
landscape redefinition often includes institutions or iconic buildings, that are to
become part of heritage.

Historic built heritage is not necessarily the focus of culture-led regeneration
as is commonly intended among researchers and practitioners. The process
of culture led urban regeneration has been extensively studied with respect of
old industrial areas in suburban settings, or with regard of a city as a whole,
and often involves the building of new “icons” such as flabbergasting
contemporary art museums designed by prominent international architects.
Little has been researched on the possibility to develop culture led
regeneration policies in settings where heritage consists mainly of
archaeological and antique art, as it is the case of Italy and most of the
countries around the Mediterranean sea.

2. Another stream of literature looks at the so called creative cities, typically
big metropolitan cities (such as Los Angeles, New York, Mumbai, London,
Berlin) characterized by a strong presence of creative populations (both in the
production and in the distribution of cultural and artistic artifacts). They are
leveraged as a catalyst for physical and economical renewal in decayed areas,
through the joint effort of local government, real estate developers and other
entrepreneurs. At the same time, they fuel the so called creative industries
(visual art, publishing, music, video, performing arts, but also advertising,
design, fashion and so on) (Hesmondhalgh 2007), that tend to be spatially
concentrated and relatively protected from delocation processes, due to the fact that successful creative products require the integrated presence of a variety of highly specialized skills at the same time in the same place. Such a relative resilience of the job market makes the economy of creative cities quite stable over time, and attractive for real estate developers and art and culture related industries (Hall 2000; Scott 2000, 2004), while the presence of creative populations and the livelihood of the creative scene makes these cities attractive for tourists. The creative cities phenomenon (Florida, 2002; Scott, 2006) stresses the role culture and creativity play on the competitive scenario to orient urban development. Typically, creative cities are characterized by the presence of lively cultural industries, both in terms of production (creation of signs and selection of artists) and distribution (performing arts, festival and exhibitions bookstores, movie theaters and so on); often times, as in the case of Downtown Los Angeles, Berlin, the requalification process involves the localization of creative populations (artists, art galleries and so on) in a threefold experiment: restoration of old buildings, smoothening of social problems by encouraging art creators and dealers, progressive gentrification of once depressed areas and therefore attraction of economic activities. (Markusen, Shrock 2006). The downside of this phenomenon is the escalating prices of real estate, that pushes creative populations out of gentrified creative neighbourhoods – whose economic structure changes rapidly – in search of more affordable depressed areas. Thus, public policies often are introduced to either subsidize artists and art and culture related events in the territory, or to make sure that the speculation driven real estate development allows for temporary sheltering of studios or galleries even in upscale locations during times in between tenants move or buildings are being renovated (both New York and Los Angeles city councils have in place similar policies). In other cases, incentives and public investments are aimed at retaining companies associated with creative industries, as part of knowledge and innovation driven policies (Hospers 2004).

In gentrified cities and neighbourhoods, the class of artists is often substituted with the so called creative class (Florida 2002), consisting of young, middle class professionals working in the industries associated with media, glamour, design, fashion. Even though the creative-cities thesis rests precariously on a series of elusive ‘intangibles excitement, attitude, open-mindedness, buzz’ (Gertner, 2004: 88), its translation into urban-development practice involves investments in infrastructures, commercial activities, housing and schooling programs and – of course – requalification and restoration of artifacts and old buildings (Peck 2005).

Creative cities are never poor in heritage: as they are big metropolitan settings, it is likely that their development occurred over the years, and some of the memories from the past are always there, in the form of churches, old neighbourhood, flagship corporations and so on. More important for the development of the reputation of the territory as a creative city, though, is the presence of institutions (theaters, opera houses, museums, art galleries) that act as important “certifiers” of the quality of the creative scene and often are gatekeepers for the attraction and celebration of artists, thus significantly
contributing to the attraction of more creative people, the strengthening of the creative scene and of the economic network linking art business, finance, real estate, and media.

3. In his analysis of the reactions of cities to the deindustrialization process during the ‘80s Harvey (1989) portrayed the rise of interurban competition, in which cities put in place policies “not only to attract jobs and mobile corporations, but to reposition cities within the spatial division of consumption (..) In terms of the built form of cities, these moves were associated with the abandonment of comprehensive planning in favor of the selective and piecemeal development of ‘urban fragments’, particularly those with some kind of market potential, usually with the aid of gentrification and image makeovers” (Peck 2005). In parallel, the evolution of territorial marketing stressed the need for territories not only to differentiate but to develop brand value through appropriately targeted communication strategies. Destination management and marketing literature looks at territories as destinations, that is to say strategic and competitive players to be analysed in terms of meta – management structures and governance processes (Bramwell, Rawding, 1994; Buhalis 2000; Flagestad e Hope, 2001; Sainaghi, 2006). Just like any other social entity, territories may be affected by reputational issues (Tirole, 1996). Good image and reputation are important sources of firm competitive advantage (Rindova and Fombrun, 1999) because of the positive influence on the ability to both attract new key resource providers and retain the older ones (Rindova and Fombrun, 1999; Fombrun, 2002). Research on tourism management has developed the concept of destination image, and argued its relevance in understanding the destination selection process of tourists (Hunt, 1975; Bramwell and Rawding, 1996; Chon, 1991; Dann, 1996; Echter and Ritchie, 1993; Gartner, 1993; Goodrich, 1978, Mayo, 1973; Koncencik, 2004; Baloglu and Mangaloglu, 2001), because it affects individuals’ subjective perceptions and consequent behaviours and destination choices (Chon, 1990, 1992; Echter and Ritchie, 1991; Stabler, 1988; Telisman-Kosuta, 1989). Some of these studies focus on the effects of activities at destination level on performance of the destination as well as of individual institutions (Dwyer, Chulton, 2003), on the collaboration among stakeholders to develop policies for a destination (Sautter e Leisen, 1999; Bramwell & Sharman, 1999; Sheehan e Ritchie, 2005) and on tourist planning methodology (Pearce, 1995 and 2000; Gunn, 1994) and associated risks (Choy, 1999).

Given its highly symbolic value and capacity to attract, heritage seems a particularly useful resource to be leveraged in order to generate economic wealth through the exploitation of cultural and heritage tourism (Herrero et al., 2006). Policies aiming at attracting tourists in specific destinations often leverage on cultural resources and heritage endowment to stimulate cultural production and consumption (Apostolakis 2003; Chang et al 1996).

Heritage as a resource for growth
Although heritage is often not directly taken into consideration in the literature streams considered, it could fit into all of the discourses considered above. Urban regeneration literature stresses the importance of rooting as an element around which social and economic growth may take place; given the iconic and symbolic value associated with heritage, it seems an appropriate lever to create or recreate broken ties at the territorial level. Therefore, heritage is not necessarily providing wealth per se, rather driving social and economic growth.

Literature on creative cities suggests that cultural institutions play a key gatekeeping and certification role in the development of the artistic and cultural scene, thanks to their mission of selection, preservation and education. Moreover, the often sharp critiques to the creative class attraction policies (Gertner 2004; Kotkin, 2003; Malanga, 2004) suggest that urban policies addressing creative populations should not just consist of speculative real estate urban make up based on waterfront cafés and other forms of market-friendly urban placebo, but work on the complex set of ties leading to a rooting and commitment of people around a given territory (Peck 2005).

Last but not least, destination management literature suggests that once “the physicality of place has been shaken by the virtuality which enables people to take place vicariously in distant worlds” (Landry 2000; 37), heritage can have a tremendous attraction potential, making “actually being there the greatest experiential effect” (Landry 2000; 37).

All these contributions lead us to look at heritage as a strategic resource. Strategic management literature on the resource based view states that the competitive advantage of a company is ascribed to a limited set of resources and proprietary competences, combined with different assets (Amit & Schoemaker, 1993). Resources can be tangible (financial and physical) intangible (technology, reputation, culture) human (skills, know how, motivation communication and cooperation skills). Enrichment and combination of resources takes place through the utilization of general and specialised competences (Grant, 2002). The resources that are drivers of competitive advantage have the following characteristics (Wernerfelt 1984, Barney 1991):
- are rare and therefore determine a unique positioning and difficulty of imitation;
- last over time and therefore generate rents;
- can be exploited as features of the company’s offering and as drivers of diversification;
- are relevant from a strategic point of view.

It is quite clear that heritage and landscape can be viewed as resources for a given territory (Millar, 1989), particularly as far as uniqueness and durability are concerned. These resources need to be acknowledged, incorporated and exploited by at least three categories of stakeholders (Baia Curioni 2006): the “political” stakeholders, who need to grant an adequate flow of investment for their preservation, the international community of researchers, who need to invest in enriching the meaning of heritage, the various segments of visitors who embed heritage in a broader tourist experience, Citizens are a fourth major category of stakeholders, that need to deeply associate heritage with identity. Moreover, heritage can be exploited to segment the tourist market and to develop a big variety of cultural offerings (Dubini 2008). The non economic value of heritage (Throsby 2001) can be exploited only if its
relevance is collectively acknowledged and shared; otherwise, it is difficult to assess material (Mazzanti 2003) immaterial (Sacco e Zarri, 2004) and social advantages (Iannone, 2006) associated with their presence on a given territory. The “a priori” acknowledgement of the potential associated with heritage drives investments at the local level in the so called complementary assets (Tripsas 1997), that make it possible to generate economic wealth at the local level: infrastructures, accessibility, (Kresl, 1995, 1999) services agglomeration factors (Gleaser et al 1992), other hard and soft resources (Funck, 1995; Dziembowska-Kowalska, Funck, 1999) To give an example, a city like Verona owes its ability to attract several tourists to a variety of factors: great accessibility, adequate infrastructures, pleasant landscape around the Garda lake and the hills: it would be unfair to say that the economic value associated with tourism depends on the Arena or the house of Juliet, which are – by the way – unique and well known cultural attractions. In other words, heritage is indeed a strategic resource for a given territory, but heritage per se is not a sufficient condition to attract adequate numbers of visitors to create economic wealth at the local level. As a specific and distinctive urban resource, heritage can be addressed as a critical factor for attractiveness, being able to generate externalities and competitive advantage for the local organisations (Porter 1990, Putman et al 1993, Begg et al 2002), as well as identity (Van der Meer, 1990; Van den Berg e Klaasen, 1990; Van den Berg et al., 1990, 1999; Paddison, 1993; Kotler, Haider, Rein, 1993).

**Heritage and value creation**

Once we acknowledge that heritage is a resource from an economic point of view, it then become necessary to assess the value associated with it. A vast body of literature has analysed the immaterial, social and cultural value related to heritage (Throsby 2001, Ready, Navrud, 2002, p. 7) both from the individual as well as the collective point of view (Moreschini, 2004) stressing the difficulties to quantify the value created, given that it is not only generated by the use of heritage, but also by its option value (Brooks 2004). Other authors have looked at heritage value assessment from a policy perspective, in terms of alternative allocation of public funding (Sirchia 2000; Pearce et al 2006; Rizzo Throsby 2006).

To assess the value created by heritage, it is useful to remind that it is a public good (Re 2006), generates externalities (Cozzi Zamagni 1999) due to the fact there is no or very limited rivalry in its consumption and lack of exclusion. Moreover, heritage is a merit good, as visitors need to be educated and experience it before being able to assess its value. This explains among other things the high variety of price elasticity for different categories of visitors.

Being a merit good, heritage needs to be preserved and studied as a prerequisite for any type of wealth to be created.

In any type of organization, availability of resources does not automatically translate into wealth and competitive advantage creation. Good management and ability to recognize the value potential and the necessary investments in complementary assets make it possible to conceive and deploy a sustainable strategy.
The following questions then arise:

- what is specific about management of heritage, and how can this specificity be incorporated in urban policies?

- under which circumstances and to what extent can heritage contribute to solve the common problems of cities: inclusion of different stakeholders in urban innovation projects (Landry 2000), differentiation and uniqueness (Markusen, Shrock 2006) sustainability of policies and solutions from a cultural, economic, social and environmental point of view (Landry 2000)?

**Methodology**

Italy seems a very good setting to study the relationship between heritage and economic and social development at the territorial level for a variety of reasons:

- it hosts an impressive amount of heritage from different historical times, ranging from archaeological sites to contemporary art institutions;
- heritage is dispersed all over the country and is part of the landscape of most towns and cities of big and small size;
- it has a long tradition of heritage preservation, in the name of identity; heritage and land protection is stated in the Constitution and the State is entitled to enforce it even on privately-owned assets with historic value; policy definition and enforcement are the main levers used to perform this activity; the State is required to authorize private intervention on heritage maintenance and exploitation and has the right to inspect and exercise control in the name of collective heritage preservation.
- Starting from 1992, legislation on heritage has gradually enabled local institutions as well as private ones to be involved in heritage enhancement. As of 2004, the State could be a partner of private-public partnerships for heritage management.
- There are already several cities and towns whose economy is related to tourism and heritage exploitation. For instance, Italy has a long tradition of cooperation with Unesco and has several “cities of art”.
- At the local level, several cities or territories have been progressively investing in their heritage preservation and enhancement and in the development of infrastructures and services around it. The Campania Region for instance (Dubini et al 2007) has defined heritage as a driver for economic wealth in the region thus orienting its funding strategy in this direction.

Fourteen cities or towns characterised by significant cultural heritage and the deliberate intention to use this endowment as a resource from an economic point of view are the empirical basis of our study. All destinations are Italian, in order to take advantage of homogeneity of legislation as far as heritage
conservation is concerned. Sample composition is aimed at maximising variety in terms of:

- **Location:** the chosen destinations are scattered across the country and show very different degrees of economic development;
- **Relative size:** some of the cities in our sample are big metropolitan settings with strong agglomeration factors (Rome, Milano, Torino), while others are extremely small locations (Murano, Acqui); half of the sample consists of midsized towns with a population ranging from nearly 50,000 to 160,000 inhabitants, the “typical” Italian art city.
- **Breadth and diversity of artistic and archaeological heritage, landscape and traditions:** some destinations are international superstars (Frey, 1998) (Florence, Pisa), have a concentration of heritage of a specific period (Lecce), a wide variety of less known attractions (Parma, Perugia, Mantova) or owe their fame to a living artisan tradition (Murano), the production of typical wines and foods (Parma and Acqui Terme) or to a unique landscape (Catania). The most accountable publication in Italy for heritage destinations is the series of guides published by Touring Club Italiano. We have selected the guide of the region in which each destination is located and counted the number of historical buildings, attractions, museums churches available. Natural resources were measured by weighing the size of natural parks, protected landscapes as a percentage of the total territory surface;
- **Reputation as cultural destination:** some of the destinations are major attractions of cultural tourism at an international level, experiencing problems of sustainability (Florence, Siena) Others have to deal with smaller fluxes of visitors (Lecce, Acqui Terme) or need to “free” themselves from other extremely visible destinations (Murano). This dimension was measured by counting the number of pages devoted to the specific destination as a percentage of the total pages of the local Touring Guide and by counting the number of highlights the guide offer to relevant and famous monuments within the destination.
- **Accessibility and availability of services:** some destinations are conveniently located (Pisa, Catania, Firenze, Acqui), while others are peripheral and hard to reach (Siena, Mantova). Also, the destinations in our sample have a different level of hospitality structures and – more in general – a lively economic milieu. Direct calls to local municipalities and tourist agencies gave us information on quantity and quality of hospitality structures and on the characteristics of accessibility services.
- **Enabling factors:** the relative importance of tourism for the local economy was measured by comparing the number of tourists to the local population. Moreover, events are often the means to attract an initial cohort of visitors that are the starting point of tourist attraction processes. The list of events came from the analysis of destination websites, as well as from interviews to local tourist agencies. The presence of economic activities associated with the local tradition was measured by counting protected/branded products and productions.

The destinations chosen for analysis and their characteristics are presented in table 1
Table 1: Sample characteristics

<table>
<thead>
<tr>
<th>Location</th>
<th>Acqui</th>
<th>Catania</th>
<th>Ferrara</th>
<th>Firenze</th>
<th>Lecce</th>
<th>Mantova</th>
<th>Mura</th>
<th>Pavia</th>
<th>Pietraia</th>
<th>Pisa</th>
<th>Pompelmo</th>
<th>Torino</th>
<th>Roma</th>
<th>Siena</th>
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<td>Size (thousands)</td>
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<td>N</td>
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<td>C</td>
<td>S</td>
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<td>C</td>
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<td>Cultural resources</td>
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<td>Natural resources</td>
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<td>Traditional economy</td>
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<td>International reputation</td>
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<td>Tourist services</td>
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<tr>
<td>Hospitality</td>
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<td>Enabling factors</td>
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<tr>
<td>Tourism attractiveness (arrivals/residents) 2000</td>
<td>1,29</td>
<td>0,47</td>
<td>1,07</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>1,14</td>
<td>2,48</td>
<td>3,21</td>
<td>0,66</td>
<td>2,45</td>
<td>6,38</td>
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<tr>
<td>Tourism attractiveness (arrivals/residents) 2006</td>
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<td>0,89</td>
<td>1,28</td>
<td>7,60</td>
<td>1,36</td>
<td>n.a.</td>
<td>n.a.</td>
<td>1,30</td>
<td>2,41</td>
<td>6,35</td>
<td>3,60</td>
<td>0,90</td>
<td>3,1</td>
<td>6,71</td>
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<td>++</td>
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We first identified the geographical boundaries in each case; a desk analysis was carried out for each case, based on data on available resources, infrastructures, hospitality facilities, the characteristics of the local economy and destination results.

We then classified the territories around two dimensions: on the one hand the size, variety and reputation of resources available (and therefore the ability of heritage to attract) on the other hand the possibility for the territory to extract wealth from it, thanks to the accessibility of the destination and the presence of different services and infrastructures at the territorial level.

Figure 1 shows the positioning of the destinations in our sample; as it can be noted, four groups of destinations can be identified:

- the first group includes destinations with an outstanding amount of well known heritage and a range of services and infrastructures, making it possible for the city to extract economic value from it. Heritage is a resource that can and is exploited from an economic point of view, but its non economic value needs to be enhanced in order to grant sustainability on the one hand, non trivialization of cultural offering on the other. Heritage is a resource from an economic point of view and a driver for local economy, but it has to be protected in its immaterial and non economic component.

- The second group of towns is characterised by outstanding resources, that are not generating economic wealth for the city. In this case, even though masses of tourists are attracted by extraordinary monuments, citizens are only affected by the negative consequences of such a peaceful daily invasion. This is a loose-loose situation: monuments risk to be damaged, tourists are likely not to appreciate the experience of a visit to the city, citizens live with the negative effects of masses of
tourists, without driving any benefit; their reaction is either highly opportunistic or of refusal of the identity elements associated with heritage;

- In the third group of cities, heritage is one of several elements to characterise the territory from an economic, social and cultural point of view. In this case, the main challenge for heritage as a resource is its inclusion in the portfolio of local strategic assets to characterise the destination and its visibility in the mind and the pocket of the different stakeholders. This is the case of the majority of cities in our sample. Complementarity of resources and integration of culture related policies with broader urban development policies are at stake in these cases.

- Finally, the fourth group of destinations is very small in size, relatively less rich of heritage and of possibilities to extract economic value from them, but potentially able to strongly differentiate on the basis of their heritage.

Figure 1: Heritage and wealth

Through a series of interviews to local government officials, we highlighted the key elements driving heritage related policies: the following issues were identified:

- in some cases (Acqui, Murano, Torino) the local economy had witnessed a progressive and dramatic change and it was therefore necessary to reposition
the territory from a social as well as an economic point of view. In Acqui, the Roman thermae had been used almost solely to address health pathologies. The nature of the services available at the city level made the thermae attractive for aging low income people with basic medical insurance; as skyrocketing health related costs made the national service reduce the number of pathologies to be covered by insurance, one of the major sources of income for the city declined. In Murano, the offering of low cost low quality glass products in the thousands of stores in Venice contributed to the cannibalization and the decline of the traditional glass industry that had flourished over the centuries, forcing Murano factories to close, to develop mass market productions to attract mass tourists or to focus on extremely high margin segments of artistic productions. The small island has been facing progressive urban decline, with increasing cost of real estate, migration of inhabitants, immigration of daily workers to the furnaces, reduction of the number of factories open, loss of identity. In Torino, the progressive outsourcing of production of Fiat and its main suppliers determined a generalised economic crisis in an industrial city that had attracted thousands of workers form the South in a big suburban area. Important managers of cultural institutions at the local level (museum directors, theatre directors, event managers) and local management office.

- In other cases (Catania, Parma), the local economy is characterised by the presence of a variety of industries, and the cities are known within their territory as important industrial settings. At the same time, though, they are characterised by nice surroundings and a wealth of monuments. Culture led regeneration thus seemed a way to increase the attractions of the urban setting, without necessarily transforming the city economy around tourism.

- Some cities in our sample (Torino, Roma) concentrate artistic populations or creative industries (publishing, film, TV, advertising and music production) or events (book fairs, movie festivals and so). Catania has been trying to develop an artist community around visual arts.

- Lecce, Ferrara, Perugia and Siena are lively University cities with a very well kept heritage setting that are progressively enriching their cultural offering in terms of events, festivals, cultural trails, rediscovery of typical products and traditions and so on, to attract more tourists, distribute them all year long and position themselves as pleasant destinations to visit and to live. Mantova has been following a similar path, with the goal of applying as capital of culture.

- Other destinations (Pisa, Pompeii) are characterised by extremely famous and renowned heritage icons that attract huge masses of tourists without generating parallel wealth for the territory, that - quite paradoxically – experiences several negative externalities from the presence of such important sites;

- Last but not least, Roma, Firenze and Siena are extremely well known tourist and cultural destinations in search of off season new segments of visitors.
We then interviewed the people in charge of the management of local heritage: Soprintendenti (government officials at the local level from the Ministry of Cultural goods and activities), culture representatives at the regional level (assessori alla cultura), directors of museums or local foundations in charge of the management of heritage, in order to highlight the biggest challenges in terms of management of heritage at the local level in association of heritage led regeneration or development policies.

The next step was to analyse through interviews to local player (city council representatives, museum directors, convention bureaux, hotel industry associations, event organizers and so on), the initiatives, structures and mechanisms specifically devoted to tourism attraction (De Carlo, Dubini 2008).

Managing heritage as a resource

Some countries host a built heritage stock that is prevailing archaeological and modern and equally representative of the most significant historic periods in European history and culture. This stock has accumulated incrementally over time and is the result of specific policies aimed at preservation; Italy is one of the few countries in which preservation has been the main goal of cultural policies in the name of identity.

Cultural economics and conservation scholars have long pointed at the significant trade-offs arising from the conservation of built heritage (see for example (Hobson, 2004; Klammer & Zuidhof, 1999; Larkham, 1996). Part of the conflict is related to the implications on real estate costs of the opportunity costs of preserving the built environment rather than comprehensively redevelop it (see also (Hobson, 2004). As Larkham claims, ‘(...) there is a clash of values: land and property exploitation for capital gain versus consideration of art, aesthetic and historical appreciation’ (Larkham, 1996). Those divergences are further exacerbated by current culture- and heritage-regeneration policies. Contemporary place-based competition calls for thematic quarters and strong distinctive identities for urban areas. This further increases the commodity value of built heritage as well as pressures for a selective and sanitised image of historic places (for a polemic argument on heritage see for example (Hewison, 1987), hence boosting pressures on land and historic buildings themselves. This leads to the rather paradoxical situation that while iconic and symbolic buildings are created ad hoc, landmarks and historic buildings are not viewed as desirable properties, rather as liabilities (Rowland 1997).

As the debate increases on how heritage can be leveraged as an economic resource for the regeneration of a city and its sustainable growth, it is worth focusing on the specific challenges related to the management of these resources, as a preliminary way to discuss the returns in social and economic terms that can reasonably be expected from heritage led regeneration and development policies.

In spite of the huge differences in settings, nature of heritage managed and characteristics of the towns and cities in our sample, our interviews highlighted some common challenges for effective heritage management:
Heritage as an asset has physical as well as immaterial value. From a physical point of view, heritage is unique and – according to the Italian tradition of conservation – is preserved in a way to be as similar as possible to the original. Its destruction determines an irreparable loss, as imitation, no matter how resemblant, is a fake. Therefore, not surprisingly, the first worry of whoever is in charge of managing heritage is to grant enough financial resources to preserve and to maintain the good, once the investment has been made.

Heritage is a resource that requires continuous investments in restoration and management, independent from the exploitation possibilities. From the point of view of urban development, the physical location of heritage within the urban setting, the availability of infrastructures and services, the destination of different spaces significantly influence the possibility to generate economic returns from restoration investments. From a cultural and historic point of view, obviously, setting restoration priorities on the basis of exploitation possibilities is clearly an unacceptable option.

From the immaterial point of view, the value associated to heritage as a resource is related to its presence in the collective memory. This requires specific investments and costs targeted to systematically generate and share know how on the heritage, on its meaning, on the relationship between heritage and visitors and citizens. This typically occur via research, publications, conferences, promotional activities targeted not just to specialists, but also to different categories of visitors and residents. Such a know how may refer to historical events (the First World War in the Dolomites), to techniques, materials and processes associated to heritage building (the last Supper), to a collective meaning that history, legends and ingenuity have contributed to create (Gladiators in the Colosseum). The higher the know how around heritage, the higher the possibility that more people will be fascinated by it and will contribute to keep our past lively and meaningful.

From an economic point of view, marginal utilities from heritage exploitation differ quite significantly; moreover, the presence of positive externalities generate economic returns in the short as well as in the long term (Bille, Schulze, 2006, pp. 1051-1099) and they can affect quality of life and urban development choices. If the economic effect on the territory may be quite significant (depending for instance on the number of visitors that can be attracted), revenues from management of heritage are not enough to cover operating costs, without the contribution of sponsors or donors (Mazzanti, 2003);

At the same time, the existence of market failure and free riding associated with heritage utilization, together with the difficulty for visitors to quantify the utility associated with the experience of heritage visit make it hard to determine the appropriate price for visiting heritage and to generate appropriate revenues.

The degrees of managerial freedom associated with heritage management are much fewer than those available to managers in corporations; just to give an example, companies facing economic downturns may decide to focus on their core business, divest non
strategic assets and reduce inventory level. All these moves are simply unavailable to managers of cultural institutions, whose assets and deposits cannot be sold and whose businesses are diversified even if the size is limited.

Therefore, heritage may indeed be a strategic resource for a given territory as an opportunity to be leveraged (Zan 1999); however, it is quite unlikely that management of heritage will succeed in generating adequate resources to cover its financial needs. It is therefore necessary to keep realistic expectations when attempting to measure the economic and social benefits associated with heritage related policies. At the same time, heritage is already part of the collective history of a territory, and this belongingness is the common seed that both regeneration as well as development policies need to be meaningful and eventually successful.

The contribution of heritage to sustainable growth at the local level

In countries like Italy, in times of overall tight public budgets, it is hard to imagine that cultural, economic and social policies should not be somehow coordinated. From the heritage conservation perspective, this is important for at least two reasons: first of all, a holistic approach to historic built heritage allows to overcome or at least mitigate the trade-offs and limitations outlined above between conservation and development that dominate the current debate around heritage and more generally the role of culture in modern societies. Secondly, given the role built heritage in its broader sense is playing both in regeneration as well as new metropolis development schemes, it is essential that historic built heritage is given full attention in contexts where it dominates the urban landscape.

The interviews we conducted to managers and officials in charge of heritage management and preservation suggest that we can expect heritage to contribute to regeneration policies and to growth policies only if it succeeds in being alive and embedded in everyday local life (ICOM 1986, de Varine 2005). This is true also for the big contemporary iconic buildings that need to become part of everybody’s landscape, but in case of heritage, history can be on policy makers’ side in their attempt to stimulate consumption and production in cities, while attempting to retain their real or artificial ‘unique local character’. As heritage is a rare asset, unevenly spread across Europe, little is written about heritage-led regeneration and development, while culture-led regeneration is a florid research field.

As we have highlighted in the previous paragraph, heritage is a resource that doesn’t always succeed in belonging to the collective meaning of a territory; this would explain the mixed results in terms of effectiveness of policies, efficiency in resource allocation and ultimately the contribution of heritage to local wealth and growth (Klamer and Zuidhof 1999; Casey, Dunlop and Selwood 1996; Ritchie, Crounch 2000; Russo 2002; Caserta, Russo 2002; Santagata 2006). The analysis of successful attempts in embedding heritage into urban development policies in our sample highlights the following:
- The value of heritage is not merely of a financial nature but also stems from the experience that different players have of a particular asset. Accordingly, the value of heritage can be increased not only through its physical conservation but also by investing on boosting the related body of knowledge, which will make the assets more valuable to the community as a result.

- Heritage is a resource and policies set goals, boundary conditions and provide public funding to start regeneration and development processes; the possibility for resources and policies to generate sustainable growth is related to successful implementation of a variety of activities by a variety of actors. Behind successful recipes are individual cases of best practices.

- From an economic perspective and from the point of view of local development, local wealth does not arise from the existence of heritage per se, but from the ability to develop products and services that make it possible for visitors to experience heritage in a meaningful way. Thus conceived, the body of knowledge around heritage needs to be embedded into products and services developed through a collaborative effort that brings together the players responsible for heritage conservation and those working in the tourism development industry. (De Carlo Dubini 2008).

- The result of such cooperation is the offering of different types of visits offered to different types of visitors. The history of the restoration and discovery of Duccio in Siena, for example, provided an opportunity to design educational workshops on restoration techniques and on the painting techniques used in different historical periods. At the same time, the site allows more superficial visitors to enjoy a rich experience and is a reason for those who are already familiar with Siena to visit the city again; it also allows researchers to have easier access to the restoration site. Similarly, the organization by Soprintendenza of the big exhibit on Parmigianino to celebrate his 5th centennial suggested to the local municipalities to organize a parallel theme-based itineraries around the castles around Parma, where the artist had worked. Both initiatives were marketed together, but the itineraries remained after the big exhibition was terminated.

- The risk to be avoided with an excessive expectation on economic results is the massification of the cultural offering and the trivialisation of the meaning of the asset when visits are rushed, not very respectful of the context, and in the final analysis, not sustainable for the territory, due to the well-known problems of congestion and the creation of high income for a few icons as opposed to a striving comprehensive cultural offering. The quality of complementary services and infrastructures (as in the case of Roma, Perugia and Lecce) significantly contributes to the reduction of the risks associated to massification.
- Time matters. Heritage led policies need time to be pursued. It took nearly 20 years for Torino to be acknowledged as a beautiful city from a cultural and heritage point of view and not just an industrial city centered in car and electronics production. It now seems obvious that – being the Italian monarchy located in Torino – there should be palaces, villas and monuments worth a visit from the tourist point of view and worth massive restorations from the Italian Ministry of Culture on the other. In a similar vein, Parma was very successful in managing in a systematic way a series of celebrations (Parmigianino, Verdi) as catalysts of resources and attention to be used to invest in restoration and awareness of the beauty and importance of the local heritage. An adequate planning interval is necessary to attract resources for conservation and meaning enhancement, develop cultural offerings for residents and visitors, design or redefine the image of the destination and put in place an effective destination branding (Bramwell & Radwing, 1996; Gilmore, 2002; Gallarza, Saura & Garzia, 2002; Morgan, Pritchard, Pride, 2004; Park, Petrick, 2006). In parallel, time is needed for local institutions to put in place integration and coordination mechanisms (territory master plans and strategic plans, shared databases on facilities availability, information on tourist behaviours and patterns, shared calendars of events, track record of joint programs).

- Size matters. Italy is blessed with such a variety of heritage that it is possible to envisage different heritage based positioning. At the same time, given the very delicate economic and financial balance of cultural institutions, it is important to set heritage led urban regeneration and development programs consistent with the characteristics of the town, whose size and attraction potential should not be overestimated.

- From the production point of view, only very few large cities in Italy (Rome, Milano and Torino) have the ingredients that make it possible to position themselves as creative cities in the sense that it is commonly referred to in literature: agglomeration economies, low cost real estate areas where lodging is affordable, lively creative industries or segments, adequate financial wealth and presence of markets sensitive to new artistic expressions, cultural institutions active in the promotion of new cultural events. This is not to say that other cities, particularly those with a strong University or with a strong presence of people from different cultural backgrounds, or with an active cultural institution cannot foster the concentration of young artists in specific industries (music, visual and performing arts, crafts), but these incubators need to be linked to bigger centers of artistic production.

- From the consumption point of view, a well preserved heritage, a sufficient size (in the range of at least 50-60.000 inhabitants) and a starting catalysing event or icon allow for adequate wealth mobilization around heritage and the progressive positioning of the territory. This process is two folded: on the branding side, events (big exhibits, festivals), international initiatives (Capital of Culture, Unesco patrimony...
of mankind), anniversaries (artists, scientists and so on) are fundamental pillars of a communication strategy of different initiatives associated with the progressive enhancement of the territory heritage; on the urban and heritage management side, sustainability is obtained by balancing icons with less known heritage and by progressively enlarging the geographical and cultural scope of the town.

Our research suggest that the initial positioning (both in terms of resource endowments and enabling factors) affects results and the necessary time frame to reach the desired new positioning. Moreover, the characteristics of the competitive and institutional environment are important determinants for heritage led positioning. We cannot ask heritage to magically take care of the common elements for successful policies at local level: recreation of social and communication ties, the effectiveness in enhancing the role of the city both at the local as well as at the global level, the ability to leverage on physical and immaterial assets to attract talents on the one hand, to keep and enhance resources, to assist the most unfortunate, to balance investments in physical and immaterial assets, to maximize present well being without jeopardizing future development.

We can expect though that heritage do contribute to provide the cities in which they are located a distinctive role in place based competition and – more importantly – the ability to integrate in the same place people who are rooted, people who are passing by and foreign people in search for a new home. This seems to be a far more important goal than provide creative globetrotters “ big suburban lots with easy commutes by automobile and safe streets and good schools and low taxes’ (Glaeser, 2004: 2).

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