

InHeriT is an international interdisciplinary ERASMUS+ project.

InHeriT promotes the idea that cultural heritage may serve as a generator of sustainable development.

InHeriT project team includes the National Kapodistrian University of Athens, Middlesex University, Neapolis University of Paphos, Maniatakeion Foundation, Fondazione Flaminia, the Center for Mediterranean Architecture – KEPPEDIH KAM and is coordinated by the Technical University of Crete.

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Ημερίδα Ενημέρωσης για το Πρόγραμμα Erasmus+ Αθήνα, 8 Δεκεμβρίου 2017 – DIVANI CARAVEL

Οργάνωση: IKY

[1] Building InHeriT in the Context of ERASMUS+ KA2 and the EU Sustainable Development and Culture Priorities, or *Be Careful What You Wish For...*

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[2] “The capacity to build a new future depends on our ability to see a fundamental continuity with the strengths of the past”

Nietzsche, Friedrich,

On the Advantage and Disadvantage of History for Life

“Nowadays people know the price of everything and the value of nothing.”

Oscar Wilde, *The Picture of Dorian Gray*

Cultural Heritage is a complex concept, constantly evolving through time, and combining historical, cultural, aesthetic, symbolic, spiritual, but also economic, social and political dimensions. It includes a wide range of archaeological sites, monuments, objects, traditions and culture, but not only. As a concept, it brings to mind monuments, buildings and artifacts inherited from the past, but today it includes many other aspects of human creativity and expression, even photographs, documents, books, instruments, towns and natural sites. It is both tangible and intangible. It is much more than preserving, excavating, displaying, or restoring a collection of old things.

Furthermore, cultural heritage is today considered an activity with far-reaching economic and social impact. Whilst it is a part of the historical past, it is an element of the living present, as well as a constituent of the future to be created. It should be the subject of

public reflection and debate on what is worth saving, what priorities should be put on preservation and what the economic effects of heritage activities are. Cultural heritage can operate as a platform for local recognition, as a medium for intercultural dialogue, as a means of

aesthetic reflection, and as a generator of sustainable development; it is a component of urban and regional planning, a factor of economic development at regional and local level, a generator of identity and branding for places and a viable basis for a new generation of tourism investments.

[3] “InHeriT: Promoting Cultural Heritage as a Generator of Sustainable Development” is a joint interdisciplinary ERASMUS+ project aiming to increase public awareness on the economic value of heritage and its crucial role in generating regional and local development.

[4] InHeriT partnership

InHeriT involves a series of seven partners from Greece, Cyprus, Italy and the UK: TU Crete Architecture School (coordinator), UoA Dept. of Economics, Middlesex University Business School, Neapolis of Pafos Architecture School, Maniatakeion Foundation, Fondazione Flaminia from Ravenna and the Center for Mediterranean Architecture, Municipality of Chania.

About us:

1. Universities, public and private culture and development foundations, local administration. In that sense, InHeriT is a **Cultural Heritage Cluster**.
2. Local and European Added Value
3. Proved experience and interest in the field.
4. Identification with the project’s scopes and objectives.
5. Wider networking (other stakeholders and expertise holders).

[5] Starting with an international conference last May in Athens

[6] InHeriT intended to collect relative international expertise and best practices.

[7] InHeriT is now preparing three public seminars in Messinia, Pafos and Chania, a second international conference in Chania and a series of relative intellectual outputs documenting

and supporting the above. [8] All InHeriT work is constantly updated and shared online with the public while also communicated at the occasion of press conferences, tv talk shows and articles in the local, national and international press, as well as in the social media and the web. This presentation is going to shortly share the above ideas and findings in an attempt to highlight a much needed new sustainable development strategy investing on cultural heritage.

[9] InHeriT Concept

In line with the transversal policy priorities for education, training and youth, as defined by Europe 2020 & ET 2020, InHeriT aims at contributing to building a "smart, sustainable and inclusive economy" with high levels of employment, productivity and social cohesion. This overall concern is addressed by means of the sustainable, social-economic and environmental, positive effect of cultural heritage; a field entailing a dynamic potential touching all the aforementioned factors and highlighting a transnational common ground. EU has the largest number of worldwide cultural sites registered with cultural employment, estimated at 5.9 m people in EU-27 accounting for 3% of EU GDP.

The Strategic objectives of InHeriT are to promote public awareness for the sustainable development potential of cultural heritage and to establish social initiatives building new entrepreneurial partnerships investing on local and regional cultural heritage.

[10] InHeriT EU Context

In EUROPE 2020 Strategy, investing on entrepreneurial training is a clear strategic objective. On that ground, creativity and innovative thinking have been defined as the necessary step-by step prerequisites fostering social-economic and environmental sustainability. At the same time Culture in general and Heritage in particular, constitute the 4th pillar of EUROPE 2020 Strategy for "a smart, sustainable and inclusive growth". Similarly, many international and European organisations, such as the OECD , the World Bank, UNESCO and the EIB consider built cultural heritage especially as an important capital resource that can contribute to national, regional and local economic development. In that sense, culture and heritage define a holistic framework for investments with a proven added value, since according to EUROBAROMETER and McKinsey Consultants, investment in such activities generates income more than 3.5 times the amount spent.

[11] Challenges and Opportunities

In addressing this dynamic potential of cultural heritage as a development resource, at local and regional level in the context of the current European crisis, two important factors should be stretched:

(a) culture and heritage is still a 'dormant' capital that calls for more attention, and
(b) many of the areas suffering from high youth and general unemployment rates possess an equally impressive stock of cultural capital.

Thus a strong opportunity and an important problem are identified in the domain of cultural heritage. Attempting to address both, one realises a serious gap in the following: (a) lack of public awareness of the development possibilities underlying cultural heritage regarding society as well as public agents and private sector stakeholders; and (b) lack of social initiatives which would build, based on the previous tools, new entrepreneurial partnerships investing on local and regional cultural heritage.

[12] InHeriT Beneficiaries

Project outputs are expected to benefit: (a) participating transnational and local organisations for fostering social entrepreneurship and other economic development initiatives linked to cultural heritage at regional and local level; (b) individuals at local and regional level who will build on their new understanding and knowledge obtained new innovative ways of engaging with creative, income and employment generating, activities; (c) the entire regional and local societies from the indirect impact of the project on regional and local economic activity, and from the increase in employment and incomes, with particular attention to social inclusion; and (d) the authorities responsible for the development and implementation of relative institutional frameworks and initiatives via the rise of social interest and active engagement with the field.

[13] Heritage Economics at a Glance

Key Concerns from global experience

Balance conservation with an acceptable degree of change.

Promote a blend of regulation and incentives.

Ensure a dialogue between public and private sectors.

Our objectives are to build a public understanding regarding:

- (1) how investment in heritage assets creates jobs and
- (2) how the sense of place and uniqueness of a city can be maintained & enhanced.

[14] What Is the Economic Rationale Underpinning Heritage Investment?

In economics, **heritage can be seen as an asset**, with the theoretical basis in **capital theory**. Economists conventionally distinguish between physical or manufactured capital,

human capital and natural capital. The concept of capital has now been extended in order to include the definition of **cultural capital**.

Cultural capital is conventionally very close to the notions of **natural capital**, in the sense that they have both been inherited from the past, they should be passed to the next generations, and they might as well deteriorate or get depreciated, if not maintained. In that sense, there is a strong ethical parameter involved in their handling. **Lost cultural and natural capital may not be recovered.**

[15] Are there any city-wide benefits from heritage-related projects?

Heritage investments have been proven to contribute to the livability of urban conditions, attracting talent, and providing an enabling environment for job creation.

Cities should build their success in their inherent dynamics and assets. Cultural heritage is what makes a society special, and this is a way to build a development concept embedded in local potential.

At the same time, evidence shows that investments in cultural heritage may enrich a place with new a new talented workforce and innovation-driven business environment.

[16] How is heritage investment related to tourism?

Tourism has emerged as one of the fastest-growing sectors of the world economy. The same applies to **culture**, as a **whole**, which is considered as one of the most **profitable investments possible**.

Heritage investment develops tourism, a labor intensive industry that provides proportionally more income opportunities for the cities low-skilled laborers and the poor. Tourism may provide for opportunities for all levels of economic activity.

Tourism has **spillover effects** to other sectors, such as new managerial skills and technologies. Relevant policies, addressing issues of security, stability and political openness, may enhance wider social and economic growth.

Still, tourism needs to be an integral part of more diversified overall economic policy.

[17] What about financing cultural heritage projects?

Development is by nature a joint public and private effort.

Four financial models have been applied so far.

1. **Public-private partnerships (PPP)**: There are three variations of PPPs, namely: ROT: rehabilitate, lease and transfer.

BROT: build, rehabilitate, operate and transfer.

RLT: rehabilitate, lease and transfer.

In most cases, these projects have been implemented through a special purpose vehicle (SPV), typically a consortium of financial institutions, private companies and public authorities, responsible for the project.

(2) **Land value finance mechanisms (LVF)**: also called land value capture finance, basically invests in recovering the capital cost by the resulting land value increases, directly or indirectly (eg. Fees, taxes or other fiscal means).

(3) **Urban development funds (UDF)**: bringing investors exposed to real estate market worldwide and engaged with projects with a different maturity date.

(4) **Impact investment funds (IIF)**: this new approach draws on investments actively placing capital in businesses that generate social or environmental gains, and not sheer economic profit.

[18] What's the history of cultural heritage investments?

- (1) Post war Europe's reconstruction.
- (2) Developing world's poverty conditions.
- (3) Need to conserve and upgrade specific endangered assets and monuments, in the phase of rapid urbanisation.
- (4) Cultural heritage as part of the wider inclusive green growth and sustainable development agenda.

The latter would mean **investing in**:

1. Heritage assets conservation and management;
2. Housing, infrastructure, and service delivery to involve local communities living in the surroundings of heritage assets; and
3. Institutional strengthening, capacity building, and promoting an enabling environment for job creation and local economic development.

[19] InHeriT pursued a series of **three horizontal studies** in Chania, Messinia and Pafos in order to map out the local cultural heritage dynamics as well as the public understanding of the developmental potential entailed. In this, we used the model of the CULTURAL DISTRICT.

[20] **Cultural District** is a territory with spatially allocated cultural assets and activities, which form a distributed spatial and immaterial network, where private and public stakeholders along with local communities aim to foster, revitalize and augment local development and to cultivate sustained value creation.

For InHeriT, a Cultural District is the result of a dynamic ongoing self-organizational process, rather than a finite, bottom up planned development scenario, thus the boundary of such district is not explicitly defined, neither needs to comply with administrative district borders.

[21] Public Opinion Survey

in Chania, Messinia and Pafos

“What does ‘cultural heritage’ mean to local people?”, “How do they perceive the role that heritage assets can play in generating sustainable development at the local level?”, “Are community expectations on the role of heritage assets in local development being met?”

“What is the contribution to the identity of place?”

[22] “What does ‘cultural heritage’ mean to local people?”, “How do they perceive the role that heritage assets can play in generating sustainable development at the local level?”,

“Are **community expectations** on the role of heritage assets in local development being met?”

“What is the contribution to the **identity** of place?”

[23] What are the **keys** to all the issues discussed above?

Design new development strategies based on an integrated spatial approach allowing to correlate economic, social and environmental parameters.

Adopt international best practices on the specific localities entailed.

Balance conservation with change.

Build social engagement and consensus, thus define the new social value of cultural heritage.

Construct the right blend of regulations and incentives.

Involve all sectors of society.

Thank you for your attention!

This project has been funded with the support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.