

Cultural Heritage, Creativity, and Local Development: A Scientific Research Program



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Abstract The present chapter reviews the recent studies of the ABC department surrounding the role of cultural heritage and creativity on local economic development. The research line covers the interpretation of culture as a territorial asset, its multifaceted dimensions, and impact on local development. An innovative definition of cultural capital was provided, jointly with empirical evidence on the relationship between cultural heritage and intangible cultural elements. The most interesting finding shows that culture, embedded within cultural heritage, plays a role in promoting prosperity only when tangible heritage is matched with intangible cultural assets. Among such intangible assets, creativity is particularly analyzed in terms of its link with the cultural heritage of places and their economic development. The assumption, both conceptually and empirically investigated, is that culture promotes creativity through emotional, esthetic, and inspirational mechanisms, driving individuals' ability to doubt, innovate, and think critically. In other words, creativity is an important mediator of the relationship between culture and socioeconomic development. Empirical evidence from Italian regions strongly supports this hypothesis. Future research directions are presented in the concluding section.

Keywords Cultural heritage · Creativity · Local development

1 Introduction

The economic role of culture nowadays is well recognized. From this perspective, culture does not just hold an esthetic and recreational value, as was the general opinion for a long time, but also an economic value, which makes culture a territorial asset of places.

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S. Della Torre et al. (eds.), *Regeneration of the Built Environment from a Circular Economy Perspective*, Research for Development,
https://doi.org/10.1007/978-3-030-33256-3_2

From the seminal work of Throsby (1999), a long stream of research analyzed the mechanisms through which culture may influence economic development. These studies define culture in very distinct ways. The majority of them focused on tangible cultural heritage and the effect of these resources on the attractiveness of tourism flows (Fainstein et al. 2003). Other works, however, defined culture in different ways, concerning, for instance, the so-called cultural industry, the growth of which has outperformed, over the last decades, the more traditional sectors of the economy. Finally, other authors (Guiso et al. 2006) defined culture as the values shared in a community, such as religion, finding a positive effect on the reinforcement of trust and cooperation.

The research group in regional and urban economics developed a research program on the role of cultural heritage on economic development mainly due to two motivations, both concerning the nature of culture as an economic asset.

The first one, as suggested by the studies mentioned above, is that culture is a multidimensional asset. In other words, very different elements coexist under the label of “culture.” Heritage represents a tangible form of culture, while other aspects are intangible, such as the values shared within a community. Moreover, other tangible forms of culture, like cultural industry, are conceptually different from cultural heritage, being private resources rather than public ones. It is therefore necessary, in order to fully understand the potential economic impact of cultural heritage, to develop a comprehensive and exhaustive definition of culture, embracing all its possible elements. The recognition and systematization of these multidimensional elements of culture will allow for the study of the joint effects through which cultural heritage generates economic prosperity. While several works, including the key CHCfE report (2015), recognize that cultural heritage affects economic development through various channels, it does not consider the role of intangible elements stemming from culture, like creativity, identity, sense of belonging in cultural heritage and its effects on the local area. We developed the impression that this position was underestimating the role of cultural heritage on local development, convinced that cultural heritage is able to generate a positive effect on local socioeconomic conditions in the presence of other cultural characteristics, like the shared values of the community.

The second reason of interest for this topic refers to the high differentiation of culture across space. The nonreplicability of cultural heritage, for instance, makes it unique and exclusive resources of each place. Therefore, the analysis of culture and economic development needs to adopt a regional perspective, able to compare territories characterized by different combinations of cultural elements of different varieties. Due to the difficulty in measuring culture and its different dimensions, such an approach is relatively rare in the literature, which is mostly focused on case studies analyzing single regions or cities.

Stemming from these considerations, the research program of the research group concentrated on:

1. *a definition and measurement of culture and the role of cultural heritage on local development.* The scope of this part is to provide a conceptually grounded definition of culture and its multidimensional elements, jointly with an empirical

measurement of these resources on a small territorial scale. The role of cultural heritage on local development was also measured;

2. *creativity as a mediator of the economic impact of cultural heritage*. A further element which is assumed to foster the economic role of culture is created. While creativity itself is not an element of culture, the two concepts are strictly related, being culture an expression of human creativity. Similarly to culture, creativity is also a rather vague concept, treated in the literature in several different ways, often without a conceptual framework on which a research hypothesis can be founded. The goals of this part of the project are therefore to conceptualize creativity and its connection with cultural heritage and to empirically test a set of assumptions on the mechanisms through which creativity can reinforce the effect of cultural heritage on local development.

The following sections review the two steps of the research program, pointing out the results achieved.

2 Culture as a Multidimensional Territorial Asset: Definition and Empirical Evidence

The recognition of a multidimensional nature of culture calls for a conceptual systematization of the different cultural elements. Inspiration came from the work by Camagni (2008), who systematized the elements constituting the territorial capital of places along two dimensions: materiality and rivalry. This approach is well suited for culture. The latter, in fact, is made up of both tangible and intangible components. At the same time, a number of cultural elements are close to public goods and therefore present a low level of rivalry, while others are comparable to private goods, as is the case of the cultural industry.

Taken together, these elements define the cultural capital of places. Figure 1 shows the taxonomy developed in Capello and Perucca (2017).

Cultural heritage is represented in boxes *a* and *b*. On both cases, the level of materiality is high, because monuments, galleries but also landscapes and aggregate tangible heritage have a material nature. On the other hand, these two elements differ in terms of rivalry. While aggregate tangible heritage (as for instance, the historical center of a city) is a public good, single goods (a monument, a museum) can be subject to congestion effects and are, therefore, characterized by an intermediate level of rivalry.

Empirically, the measurement of the elements of the taxonomy for Italian NUTS3 regions allowed for the identification of the different typologies of intangible cultural environments. In a nutshell, the variation across regions of the intangible elements of cultural capital was analyzed, with the aim of identifying groups of regions that were similar in their characteristics. Three were identified: areas endowed with intangible cultural elements embedded within individual behavior, areas endowed with intangible cultural elements embedded within institutional behavior and areas which

Rivalry ↑	(High)	<i>c</i> <u>Private Cultural Capital</u> : stock of capital invested in the cultural industry	<i>i</i> <u>Private Mecenatism</u> : Arts patronage, foundations and agencies supporting cultural activities	<i>f</i> <u>Cultural capital embedded in human beings</u> : Human capital, individual cultural attitudes
	<u>Club goods</u> , <u>impure public goods</u>	<i>b</i> <u>Tangible Cultural Assets</u> : monuments, museums, galleries	<i>h</i> <u>Cultural Cooperation Networks</u> : Public/private partnerships in the provision of cultural goods and services	<i>e</i> <u>Cultural capital embedded in social relations</u> : cultural networks
	(Low)	<i>a</i> <u>Public, Aggregate, Tangible Culture</u> : landscapes, aggregate tangible heritage	<i>g</i> <u>Urbanization Economies</u> : Types of agglomeration	<i>d</i> <u>Cultural values embedded in the society</u> : Inherited cultural values shared within the community such as religion, folklore
		<u>Tangible goods (hard)</u>	<u>Mixed goods (hard + soft)</u>	<u>Intangible goods (soft)</u>
		Materiality →		
		(High)	(Low)	

Source: Capello and Perucca, 2017.

Fig. 1 A taxonomy of cultural capital elements

are poor in intangible cultural assets, i.e., with low values of intangible elements. While the first two groups characterize northern Italy, the latter is peculiar of southern regions (Capello and Perucca 2017).

Having categorized the alternative intangible cultural settings characterizing Italian provinces, the research question addressed concerned the way in which these settings mediate the impact of cultural heritage on economic growth. Economic growth is empirically defined by real GDP growth between 2004 and 2008 in Italian provinces.

The results of the estimates of an econometric economic growth model point out that the pure endowment of cultural heritage has no significant effect on regional economic growth. In other words, regions with a higher density of cultural heritage did not perform better than the others. However, the effects differ in different areas. In particular, areas that are poor in intangible cultural assets are not able to generate an economic return from their endowment of cultural heritage. The opposite applies to the areas endowed with intangible cultural elements embedded within institutional behavior; here, the impact of cultural heritage on economic growth is positive. Finally, in areas endowed with intangible cultural elements embedded within individual behavior, the effect of cultural heritage on economic growth is not statistically significant.

This result once again highlights the importance of a good, wise, and efficient governance of public monuments and cultural goods in general for their efficient exploitation. Without appropriate local conditions, investing in cultural heritage does

not necessarily generate an economic return; in order to achieve such a goal, investments must be coupled with policies enhancing and preserving the sociocultural environment in which cultural heritage and industries are located.

3 Creativity as a Mediator of the Economic Impact of Cultural Heritage

Particular attention has been devoted by the research group to a specific intangible element through which the role that could be played in socioeconomic development by cultural heritage could take place: creativity. In recent literature, the linkage between the impacts of socioeconomic development by cultural heritage on the one hand and by creativity on the other has been widely recognized at both academic and institutional levels.¹

The spatial dimension, specifically, has gained great relevance within these topics, through the emphasis on the importance of history and cultural heritage in shaping local systems and in affecting their economic outcomes.² Moreover, history, culture, physical setting, and overall operating conditions also shape the creative capacity of a place (Csikszentmihalyi 1988).

Two parallel theoretical traditions have developed, one regarding the link between cultural heritage and economic performance and the other focusing on creativity and economic performance. Up to now, however, they have remained mainly separate and overall inconclusive.

As for the relationship between creativity and regional development, the mixed empirical evidence is due to the objective difficulties in defining and measuring creativity. As for cultural heritage and regional development, on the other hand, the link is often just assumed. When a transmission channel is considered, this is often exclusively cultural tourism, according to a linear and mechanical “tourism → demand → income multiplier effect → production → development” model.

Drawing on such limitations within the existing literature, this part of the research program suggests that an effort should be made to link the two streams. The added value of the research group work lies specifically in bringing the two theoretical traditions together, highlighting for the first time that cultural heritage and creativity do in fact interact on a territorial level and can concur to push economic development, mutually reinforcing their interpretative potential.

Cultural heritage could indeed inspire local creativity, which could—in turn—have a positive impact on economic development through the generation of new and original ideas (Cerisola 2019a, b).

In this sense, the main research question that this part of the research program attempts to answer is whether creativity mediates the effect of cultural heritage on economic development.

¹E.g. European Council ESDP (1999), Florida (2002) UNCTAD (2010).

²E.g. Pratt (2008), JPI (2014).

In order to address the issue, the general thought process starts by taking into account the (potential) direct relationship between cultural heritage and economic development, which is usually assumed in the existing literature. The idea is that the mere presence of cultural heritage is unlikely to be effective, but that there could be some more indirect channels through which cultural heritage could affect local development. Following this line of thought, the relationship between cultural heritage and creativity is subsequently explored, according to the idea that cultural heritage—through its *inspirational role*—can contribute to the shaping of the peculiar creativity of a local area. Finally, the—expectedly positive—relationship between creativity and economic development is investigated.

The overall reasoning is thus based on the potential *mediating* role of creativity between cultural heritage and economic development: cultural heritage could affect regional development through its *inspirational role* in shaping local creativity and, by this mechanism, influence economic performance.

This perspective is empirically tested using employment growth as the main dependent variable and Italian provinces as the units of analysis. Italy is in fact a country with a rich endowment of cultural capital, the exploitation of which strongly differs from one area to another. Thus, it is an interesting case study where this innovative framework can be applied.

To address, both conceptually and empirically, the research question presented above—*does creativity mediate the effect of cultural heritage on economic development?*—this part of the research program develops:

- i. an investigation of the potential direct link between cultural heritage and economic development;
- ii. an analysis of the effect of cultural heritage on (different types of) local creativity;
- iii. an exploration of the role of creativity in regional development; and
- iv. an overall comprehensive model meant to shed light on the cultural heritage → creativity → development nexus.

According to this logical framework, the work starts by analyzing the potential direct effect of cultural heritage on economic development. Drawing on Camagni (2008) and Capello and Perucca (2017), cultural heritage is considered a tangible and common element. In particular, its tangibility can be interpreted in terms of physical representation of the history of a given place and people, since immovable units of heritage also carry intangible meanings (Carta 1999). Moreover, cultural heritage is considered a public good, thus characterized by nonexcludability and by a low level of rivalry. In this sense, the variable representing cultural heritage refers to the presence of immovable tangible cultural heritage in the area, thus to the degree of residents' exposure to tangible cultural heritage.

Since this first step of the analysis shows that there is no generalized direct impact of cultural heritage per se on economic development, the work moves on with the line of reasoning, exploring some more sophisticated channels through which cultural heritage could indirectly affect regional performance. It could play, for instance, an inspirational role on local creativity.

To investigate this idea, the work provides a conceptual framework that allows for the identification and measurement of different types of creative talents (artistic, scientific, and economic) and all their possible interactions, according to the belief that it is the “mental cross-fertilization” (Andersson et al. 1993; Camagni 2011) between different creative talents that generate innovative and ground-breaking ideas and—through this mechanism—drives economic development. Creativity is thus defined as *ideation based on talents of different types, i.e., stemming from different domains* (Cerisola 2018a).

In an attempt to restrain the limitations of the different existing approaches (e.g., UK-DCMS 2001; WIPO 2003; Santagata 2009; UNCTAD 2010; Florida 2002), a new measurement of different types of creativity is proposed and the potential inspirational role played by cultural heritage on the different creative talents is econometrically explored, along with other possible determinants of different types of creativity (Cerisola 2018b). The initial expectations and previous results are confirmed in the empirical (econometric) studies: cultural heritage does not seem to play any generalized direct role on economic development, but it has an indirect effect on regional performance through its significant inspirational impact on artistic and scientific creative talents.

4 Conclusions: Future Research Directions

The research program does not stop at this level. Two additional new research streams are put forward and will provide interesting results over the upcoming years. The first one is to investigate in greater depth the idea of intangible elements mediating the link between cultural heritage and local development, by focusing on another very important element, i.e., sense of belonging in local communities (Perucca 2019). The results of this additional intangible element may give more robustness to the results obtained with creativity and to the general idea that intangible cultural elements are indeed important mediators of cultural heritage and local development. The results are crucial for the launching of successful cultural policies on a local level. The second stream of research relates to cultural and creative industries (CCIs), with respect to their location behavior and their support to local productivity. Despite the vast literature on the issue, a large effort in an operational definition of CCIs is required. Implications for the right strategies relating to such industries exist and call for effective and well-thought-out conceptual and empirical analyses.

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