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**Drawing Value from Culture and the Territory**

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## **Drawing Value from Culture and the Territory**

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### **Abstract**

As is well-known, the holistic value of art work is a set of values connected to different but, at the same time, complementary scientific and humanistic areas: historical-humanistic, philosophical-philological-social, technical-economic-managerial, identity-legal. Despite the fact that cultural heritage, with its many issues of conservation and management, represents a driving force for different countries, it is often not fully valorized. This is an aspect relating to the need for professional figures who can manage in an informed, innovative and sustainable way the various convergent aspects in the sector of cultural heritage. Education considers culture as a tool for basic training and preparation for employment in a society based on meritocracy and skills that can be remunerated. From this perspective, lack of culture leads to socio-economic decline and a decline in creativity: a situation existing in today's society. But if culture is the basic instrument for training and preparation for employment, it naturally follows that Business and Cultural Units (industries, banks, etc. and museums, libraries, ministries, etc.) have to be involved in these educational activities. In particular, territorial and cultural forces must communicate and correspond reciprocally with the needs of the territory, i.e. those living, training and operating in respect of the conservative and identity principles of cultural heritage in a complementary way, based on a relationship of knowledge and cooperation.

**Keywords:** protection; valorization; management; internationalization

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## **The Holistic Value of Heritage**

Without being aware of it, people are born into a world of culture. They are part of a community based on traditions and a legacy that has been left to them from the past. A community grows and develops with its culture; it is nourished and flourishes as a result of creativity and progress, innovation and amelioration. It is a reference point and a driving force without which a community would falter and lose vitality. Heritage therefore, as a part of this culture, whether tangible or intangible, provides a store of wealth for the present and the future and for this reason must be protected and preserved.

In this context, culture or rather the expression of culture can be found in objects that have been created for practical purposes or simply for embellishment, in other words, art. Going beyond the actual form, art is a reflection of our culture, beliefs, identity, etc., implying that a value, or values, can be attached to each heritage artifact and should not be viewed merely as a group of meaningless objects without worth. The term “cultural significance” is often used to describe the importance given to values associated with all forms of heritage and is generally used in connection with heritage protection and conservation.

Considering heritage holistically, artifacts can, therefore, be associated with a set of values connected to a wide range of areas which include:

- the historical-humanistic area, which includes cultural, historical, artistic and aesthetic values;
- the philosophical-philological-social area, which includes symbolic, spiritual and social values;
- the technical-economic-managerial area, which includes technical, economic, financial, mercantile and marketable values;
- the identity-legal area which includes values of identity, authenticity, internationalization and interdisciplinarity.

To these can be added political value, as Randall Mason (2002) states in one of his essays. In his opinion, political value brings together most of the above values as they “*form part of the power struggles and exertions that determine the fate of heritage.*” When decision-making about cultural and environmental heritage conservation and its management take place at a governmental level, all these values come into play. It can build community relations, provide legitimacy or give rise to protest or ideological causes.

A number of the above values are, however, inherently present in cultural and environmental heritage and do not remain stationary, but generally evolve and change with the passing of time. This is a particularly significant issue when speaking of material heritage because the study of its conservation state not only determines specific values connected to the technical-economic-managerial area; it also influences values in other areas. Preserving the readability of material heritage and preventing its deterioration is therefore of

paramount interest to any nation, when considered from an economic standpoint.

However, preserving cultural and environmental artifacts from deteriorating is not the only problem facing heritage specialists. It is essential not to forget that today, as in the past, due to war, political issues, illicit trafficking, and simple acts of vandalism and of course natural catastrophes, the survival of this cultural heritage is in jeopardy at a global level. To deal with this issue and the many risks that material heritage is exposed to, measures must be taken to protect and preserve it - an essential but complex task, fraught with many difficulties.

The above factors have also contributed to expanding the horizon of the heritage field, due to the need to involve people from other specialist areas which were previously excluded from the sector. Education and training can play an important role in this regard, with research acting as a way and means of finding and implementing the most effective methods and procedures to ensure heritage is preserved.

### *Cultural Heritage as Material Heritage*

Giulio Carlo Argan, an Italian art critic, politician, academic and manager claimed in the 1980s that “All works of art are artifacts, but not all artifacts are works of art”. Their artistic value is recognized through a judgment that is made, not only on the basis of expression of the aesthetic pleasure or emotion that the work arouses in the spectator, but also on the basis of the given parameters. The legitimacy of the judgment depends on the mental process through which it is reached and therefore, on method. Judgment however, derives from experience and in speaking of mental process, method and judgment, education, and consequently, teaching and research, inevitably form an integral part of it. In turn, teaching and research, in relation to the preservation of cultural heritage, include method or methodology, i.e. the study of methods. Applied to material cultural heritage, it refers to the various operative steps used in interventions to protect and preserve artifacts. They include:

- history
- diagnosis
- restoration
- conservation
- prevention
- valorization

These specific steps also imply knowledge of the material typology of heritage artefacts and, evidently, the involvement of both the scientist and the humanist who must make value judgments (objectively and subjectively).

### *Cultural Heritage as Economic Heritage*

It is clear then that in spite of the aesthetically pleasing sensations that art arouses in the beholder, together with its cultural significance, heritage can be considered economic heritage. From this perspective, several relevant qualities can be applied to material art works in economic terms and may be defined as follows:

- scarce - because each individual object constituting cultural heritage is characterized by its uniqueness and the fact that it cannot be reproduced or renewed and is subject to deterioration;
- useful - because it not only satisfies an individual's desire for enjoyment, but also responds to the community need to enjoy culture, a need arising from the necessity to recreate a sense of belonging and social cohesion;
- durable - since its existence very often spans centuries and millennia, accompanying whole generations eager for knowledge and culture and needing to find something to identify themselves with;
- meritorious - because it is capable of satisfying such high expectations as to justify the support of public financing for culture;
- a refuge - (or store of value), in other words a way of preventing inflation, an alternative investment, especially in economically difficult times.

These points, in part, reflect the situation in the art market system in both the private and public sector, due to the fact that heritage is becoming increasingly recognized as an investment and important source of revenue, both for individuals and private-public bodies.

### **The Economic-Managerial Value of Cultural Heritage**

Statistical data currently show that cultural heritage represents an important productive sector. As an example, one paper published in Italy<sup>1</sup>, which has the highest number of protected UNESCO sites, the economic system linked to cultural heritage and activities generates about 167 billion euro of added value, employs 3.8 million persons and in addition to public operators, there are 900,000 businesses.

On 20 January 2016, EY (Ernst & Young) presented a document entitled "Report on the Cultural and Creative Industry in Italy" in Milan, specifying the eleven productive sectors with positive effects and benefits for the country, as shown in Table 1 below.

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<sup>1</sup> *Il sistema economico integrato dei beni culturali* (2009), Italian Union of the Chamber of Commerce, Industry, Crafts and Agriculture(Unioncamere) in collaboration with the Italian Ministry of Cultural Heritage and Activities (MiBACT).

**Table 1. The Eleven Cultural and Creative Sectors in Italy (2014)**

| <b>THE ELEVEN CULTURAL AND CREATIVE SECTORS</b>  | <b>NUMBER OF EMPLOYEES</b> | <b>VALUE</b><br>(in billions of euros) |
|--|----------------------------|--|
| <b>VISUAL ARTS</b> – an immense legacy to be valorized   | 241,607                    | 11.2                                   |
| <b>PERFORMING ARTS</b> – a sector of great excellences   | 151,280                    | 4.5                                    |
| <b>ARCHITECTURE</b> - in search of sustainability  | 69,489                     | 2.6                                    |
| <b>CINEMA</b> – the creativity of the present to return to the excellence of the past                              | 74,014                     | 1.7                                    |
| <b>MUSIC</b> – moving towards access rather than possession  | 160,598                    | 4.3                                    |
| <b>VIDEOGAMES</b> - great potential for the future   | 15,420                     | 2.9                                    |
| <b>RADIO</b> - going digital, already social and mobile  | 7,917                      | 0.8                                    |
| <b>NEWSPAPERS and MAGAZINES</b> – a business model going through a phase of transformation to move into the future | 100,949                    | 5.1                                    |
| <b>BOOKS</b> – a sector undergoing digitization  | 140,173                    | 3.1                                    |
| <b>TELEVISION and HOME ENTERTAINMENT</b> – towards new forms of enjoyment  | 95,885                     | 12.2                                   |
| <b>ADVERTISING</b> – providing space for the creativity of the digital generation                                  | 94,741                     | 7.4                                    |

*Source:* Italia Creativa, Primo studio sull’Industria della Cultura e della Creatività in Italia (2015) Ernst & Young Financial-Business Advisors S.p.A. (available at: <http://www.Italiacreativa.eu/pdf/ItaliaCreativa.pdf>).

The report covers a wide range of art and entertainments, providing a picture of Italy’s position from a European as well as a global perspective. Examining the figures, it highlights how culture has an important social and economic value both in terms of turnover and employment. It also underlines how culture is one of the key drivers in the economic growth of a country. In the future, if used to its full potential, the management of the heritage sector could become even more central to its development.

However, in this example, despite Italy’s prestigious historical past that has left the country with a unique treasure trove of cultural heritage, there is still a vast amount of work to be done to optimize its valorization.

In speaking of economic development and optimizing valorization, it is necessary to look at the links between the different stakeholders involved. Together they form a “new concept in the value chain of the cultural asset: making culture is directed not so much at giving as to receiving”.

It is evident then that an investment in cultural heritage goes far beyond sponsorship and patronage. Intervention in this sector is not only directed at a return on reputation or image, but also at the conviction that cultural heritage is to be considered a primary material in the value chain, a resource to be exploited, thus endowing it with economic significance.

This starts from the idea that in a virtual economy where what counts, together with the use value of the product or service, is its symbolic and evocative value. We can thus speak of cultural / immaterial capitalism that has replaced industrial / material capitalism which is capable of generating added value that goes beyond simple economic revenue.

Nowadays, businesses in the various sectors of manufacturing and credit services, alongside theories of business economics concerning productivity and

profitability, directed at the utility of the manufactured products, produce and subsequently sell the significance incorporated in and supplied by these products: the noble elements inherent in cultural products catalyze the 'memory' of the product, determining 'fidelity' in purchasing habits. The relationship between culture and economy has shifted from programming that once implied residual economic and financial resources allocated to culture, to the current situation where cultural aspects, meanings, intents and aims are used as business objectives.

### **The Territory Provides Value**

The territory, that is, the territorial forces – stakeholders - (businesses, banks, institutions) intervening in the protection and valorization of cultural heritage and the excellences present on it (historical and artistic, environmental, food and wine heritage) can generate value for it and, at the same time, draw value from it. As an economic asset, cultural heritage, if managed efficiently and effectively, can be instrumental in opening the way for stimulating territorial development and growth.

In the past, state support played an important role in the cultural heritage sector by providing liberal funding, in other words sponsorship and patronage, as an expression of the identity and tradition of the territory. In recent years, however, the progressively shrinking public funds allocated to culture have obliged operators in the sector to conceive new forms of financing; one example is represented by the assortment of fund-raising techniques that are now available.

The concrete possibilities of economic development offered by culture are manifold when managed effectively, as they can contribute to opening up new ways of adding value to the territory. For example, if the attractiveness of the historic heritage of a city is expertly enhanced and promoted, it will naturally strengthen values attached to the territory. These can include social values related to community spirit, identity, social cohesion and intercultural dialogue, which in turn will bring the territory economic benefits in terms of attracting visitors, businesses and various forms of investment as well as improving the quality of the environment. It follows then that valorizing cultural heritage and territorial excellences represent a driving force for the entire area and an economic benefit for the nation as a whole.

Nevertheless, care and attention must be given to not overexploiting the territory, as this can produce adverse effects. Increasing cultural heritage-related activities, means putting more strain on the territory which it may not be able to support. This can be seen in terms of heavier traffic (mass tourism, improved transport systems, etc.) and higher levels of pollution, leading to a greater risk of degradation to monuments, architecture and other artifacts. Intensifying urbanization (construction of infrastructures, facilities, etc.) can also have negative consequences and may spoil the original visual aesthetics of an area. Each aspect must be considered in order to draw value from the



territory. The principal aim is to balance and coordinate management, policies and strategies in all sectors of heritage activities to obtain the best result for the territory as a whole without damaging or threatening it in any way and without hindering its development. What is important is the quality of these activities which must be carried out using specifically established criteria.

### **Management Opportunities**

Management plays another key role in the world of cultural heritage. The conceptual term “management” implies the intervention of territorial forces, that is, the local, regional, national and international bodies. To operate effectively they must gain a thorough understanding of the theoretical and practical issues to be dealt with, i.e. political, legal, geographical, etc.. These, in turn, must consequently involve the appropriate infrastructures and service sectors, such as, hospitality, transportation, restaurant services, etc., but first and foremost the intervention of heritage specialists including restorers, conservation scientists, etc.

Only by following a well-defined line of action will any direct and indirect returns be obtained. Below are some of the advantages that may be gained in implementing the above.

- Creating awareness of the importance of cultural heritage and its preservation.
- Creating jobs in various sectors related not only to the valorization of the excellences present in the territory, but also to research (researchers, universities, research centers and institutions), organization (administrators, marketing and communication professionals, gardeners, guardians, hotels, etc.).
- Expanding tourism centered on heritage, both cultural and natural: entrance fees to sites and museums, guided tours and visits, sales of handcrafted products, documents and photos, thus boosting potential for economic development.
- Developing innovative technologies dedicated not only to the previously mentioned sectors, but also to the various fields of scientific research.

When plans and policies are implemented positively, results can be significant. To obtain positive results however, operators in the sector have to work together, coordinate actions, converge on common themes, plan strategies, exchange experiences and learn from each other.

### **Return on Cultural Assets (Rac) for Preservation and Valorization**

Positive results can only be obtained, therefore, through the implementation of competent, accurate, far-sighted management.

Again, taking Italy as an example, Figure 1 shows a map of its 51 UNESCO heritage sites dotted throughout its 20 regions. As mentioned earlier, it is the nation with the most extensive cultural heritage in the world and also one of the European countries with the highest number of workers in the sector of culture, with a figure of approximately 550,000 employees. A survey of museums and similar institutions is carried out at intervals by Istat, the Italian National Institute of Statistics, in collaboration with the Italian Ministry of Heritage and Cultural Activities and Tourism, the Regions and Autonomous Provinces.

**Figure 1. Italy's 51 UNESCO World Heritage Sites**



Source: Lorusso S., Natali A. and Palla F. 2015. Risk Management in the Cultural Heritage Sector: Museums, Libraries and Archives (Mimesis Edizioni. Milano-Udine, 2015).

The information collected describes a wealth of institutions, many of them relatively new, disseminated throughout the country. They are characterized by great diversity in the type of structures (museums, galleries, collections,

archaeological areas and parks, monuments and monumental complexes) and the objects collected, in size, in the way they are managed and organized and in their relationship with the general public. The most recent census has, for the first time, made it possible to draw an overall picture not only of museums in Italy, but also other similar public-private, state and non-state museum-type institutions. Istat's statistics tell us there were 4,588 museums and similar institutions, public and private, open to the public in 2011: 3,847 museums, galleries and collections, 240 areas or archaeological parks and 501 monuments and monumental complexes.

In Italy, almost one out of three towns has at least one museum-type structure: a heritage scattered over the territory, estimated to be 1.5 museums or museum-type structures every 100 sq km, about one for every 13 thousand inhabitants. However, understanding the full importance of these statistics and measuring the store of wealth is a complex task.

It is only in recent decades that the different values attached to the heritage have come to be considered important from both a social and economic point of view, with attempts made to measure the diverse benefits and economic returns of these values. Nonetheless, it remains a difficult task, one which has not yet been satisfactorily addressed.

In one study carried out by PricewaterhouseCoopers, the RAC index (Return on Cultural Assets: i.e. the ratio between merchandising profits and UNESCO sites) was used to evaluate the profitability of cultural heritage in Italy. Results showed that although Italy has a wealth of cultural heritage preserved in the highest number of UNESCO sites in the world, the RAC index is very low when compared to that of the USA, which is 16 times higher, the UK 7 times higher and in the case of France 4 times higher.

The benefits of investing in cultural heritage are clearly evident, but for there to be positive returns, there must be competent management of cultural heritage, as well as the possibility for institutions to have access to adequate funding and the valuable support of experts in conservation, restoration, archaeology, urban planning and other relevant fields to carry out an integrated approach to the problem of improving the economic returns and other factors relating to the valorization of cultural heritage.

### **Training and Research Themes in the Sector of Cultural Heritage**

The long-established academic experience acquired by the Reference Author in the field of training and research in the sector of cultural and environmental heritage, at different Universities, has provided valuable information regarding the role of training and research in drawing value from heritage and the territory. Working together in a mutually beneficial relationship, institutions, businesses, tourist operators, etc. together with universities, research centers and other private-public academic structures can transmit valuable knowledge and skills to the younger generation. In this way, the right kind of professionals and specialists are fully trained for specific roles in the heritage sector, to continue drawing value from it and the territory, both

in the near and distant future. First, practical heritage management skills must be acquired theoretically. After, personal competences learnt from observing and on the spot training/in the field must be developed and subsequently applied to real-life case studies.

Below are described some of the activities and instruments that have contributed to training and education in the field of cultural heritage; they include two book series, a Master and a Diagnostic Laboratory for Cultural Heritage, founded and directed by the Reference Author, all of which have played an important part in preparing many young people for a promising future in the heritage industry both in Italy and abroad.

### *Training*

Designing appropriate educational methods and activities in the training of heritage specialists means providing the right tools from the beginning. From an academic standpoint, the two book series treat the specific themes of knowledge of materials, knowledge of the environment, scientific methodologies and interventions for the protection and valorization of cultural heritage, in addition to themes related to education, interdisciplinarity and internationalization in the same sector.

The post-graduate Master in “*Planning and promotion of artistic and cultural events*”, covers a series of themes which include the analysis, control and monitoring of the system: environment-artifact-biota, the efficiency of managerial processes, communication using information systems, internationalization, fund-raising, organization of human resources and others. On the completion of the taught lessons, an internship/job placement is programmed to complete training from a practical perspective, an extremely important tool in providing a diving board from the academic world into the working world.

Research themes are covered by the historical-technical journal “*Conservation Science in Cultural Heritage*”, which has obtained international quality certification and is present on platforms worldwide.

Finally, the Diagnostic Laboratory for Cultural Heritage, which carries out study and experimentation on the system: artifact-environment-biota and has been indicated as an “Institute of excellence” in Italy.

These are just a small part of the possible tools that can be provided for preparing young people to work in this special field. Furthermore, the fast-growing field of digital media is also providing an array of cutting-edge instruments for educators to apply in the heritage sector. Learning to digitize cultural heritage, implementing virtual and augmented reality to visit museums and historical-monumental complexes and nature reserves are all additional skills that need to be acquired to help in preserving and valorizing this valuable legacy from the past.

*Research Themes and Consequent Benefits*

The result of various research and the different fields addressed over the years have led to the following summary of themes relating to the protection and valorization of cultural heritage artifacts.

- Appropriate methodologies and analytical techniques for the characterization of cultural heritage.
- Air pollution and deterioration of monuments within their historical and artistic urban settings: preservation and consequent benefits.
- Micro and macroclimatic monitoring in confined spaces: Museums, Libraries, Archives.
- Art diagnostics and verification of authenticity: a currently critical problem.
- Evaluation of the suitability of products used for restoration, conservation and maintenance of cultural heritage.
- Economic evaluation of cultural heritage: drawing value from culture.

The motivation behind these research themes are not only related to the preservation of indoor and outdoor cultural heritage, they also demonstrate the value of their teaching in the Master, because they reflect the importance of the meeting point and reciprocally constructive relationship that can be built between the academic community and cultural and business units. This is evident in the importance of the business world in culture, which is at the basis of its valorization; the importance of educating and training human resources; knowledge of the cultural and business units in the territory to foster cooperation; the diffusion and communication of results for experts, scientists, political representatives and the general public.

**Conclusion**

On the basis of the above and the condition and urban situation of the artifact, management, planning and decision-making must all take into account the different values that are an intrinsic part of cultural and environmental heritage. For successful implementation of management policies and strategies however, the involvement of political cooperation in financing, resource allocation, legal and regulatory frameworks, investing in education and human resources is essential. The result is the production of services, deriving from the cultural asset itself (admission fees, events, etc.), which in turn produces economic growth in terms of tourism (hospitality, entertainment venues, etc.). Growth may of course be steady or not, but largely depends on several factors such as location, season and the importance of the attributed values mentioned earlier. Valorization of heritage can therefore result in positive economic

benefits for the territory and for the heritage industry at a national level bringing with it improvements in the employment market and well-being for many members of the population.

Nevertheless, several factors exist that can negatively affect material heritage. This may happen if planning is implemented without careful thought or is badly coordinated. Other negative consequences can stem from a variety of sources including negligence, lack of financing, vandalism, looting, pillage, unregulated urbanization on ancient sites and necropolises, illicit trade. They can consequently result in the loss of a people's or a nation's testimony and cultural identity, including that of individual citizens; adverse effects not only relating to costs arising from degradation and the poor management of assets, but also to the state of malaise involving life and human activities.

To prepare an overview of the final result, a cost-benefit analysis must be made by economic experts and will include measuring demand and supply. Examining the data obtained will help understand the precise nature of benefits and drawbacks deriving from heritage investment and management, in addition to monetary calculations and so to assist in improving future planning of policies and strategies.

The worlds of culture and economics have become inextricably intertwined.

In conclusion, protection and valorization of the cultural artifact and site must be undertaken in relation to the history, identity and willingness of the country where the cultural artifact and site are found: this position must be in respect of the specific logistics of the individual case and just as specific geographic situation, also taking into account the availability of resources and capacities. There is therefore also a great need for ongoing dialogue and cooperation between the various stakeholders. There is no doubt that habitat and historical memory in an urban and territorial context represent not only how and what man has been and his interaction with materials, it is also a testimony of the evolution across time of peoples' spirit and culture, a message for the future and future generations to pass on to the next.

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