



THE VALUE OF CULTURAL HERITAGE

OVERALL AIM:

Gaining knowledge about the different values that cultural heritage can have



Erasmus+

The value of cultural heritage

- The "Economy of Culture" Report, presented by the European Commission in 2006, estimates that 5.8 million people work in the creative industries sector (3.1% of the total employed in the Europe of 25)
- In Europe the sector is worth 2.6% of GDP, compared to the contribution provided by the food industry (1.9%) or to the chemical industry (2.3%).
- In 2007-13 the European Union will allocate 57.7 billion euros to the cultural sector and to innovation: almost 19% of all the Structural Funds (European Commission, 2006).

The value of cultural heritage

- For the purposes of estimating the value of Cultural heritage, the definition used in the Council of Europe's Framework Convention on the Value of Cultural Heritage for Society (Faro, 2006) is a key reference:
- ***[Cultural] heritage** is a group of resources inherited from the past which people identify, independently of ownership, as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions. It includes all aspects of the environment resulting from the interaction between people and places through time.*

The value of cultural heritage

- However, in the context of the analysis of the value of cultural heritage, we can identify specialised activities involving heritage and related to other social or economic sectors. Consequently, two strands of analysis can be observed in the current studies:
 - a) **cultural heritage as a sector of activities on its own**, which provides jobs and generates growth (direct impact, mainly economic but which can include other dimensions of development as well);
 - b) **spill-over social and economic effects of cultural heritage** in other fields, such as agriculture, regional development, environment, science and education, tourism, technology, innovation, social cohesion, intercultural dialogue, etc.

The value of cultural heritage

- Heritage sector is sometimes considered a part of **cultural (or creative) industries**. In such cases, the analysis is not limited to the issues of heritage protection but stresses also the creative potential of heritage, including its spill-over effects in other creative sectors.

Types of heritage

- Harvey defines *cultural heritage* as the entire set of goods, real property, **tangible and intangible** assets, privately owned property, property pertaining to public and semi-public institutions, church property and national assets which have great historic, artistic, scientific and cultural value and which, therefore, are worthy of preservation by nations and peoples, serving as permanent features of people's identity down through the generations.

(E.R. Harvey, *Política cultural en Argentina*, Unesco, París, 1997).

Types of heritage

- These heritage and cultural goods range from:
 - architectural, historic and artistic **buildings** (monuments, buildings and historic ensembles)
 - **Moveable** assets such as works of art, crafts, documents, literary works and bibliographic resources, ethnological treasures and archeological remains,
 - **Intangible assets**, nonphysical features as oral traditions, unwritten languages, etc.
- to providing cultural, aesthetic and spiritual satisfaction, culture and heritage are of interest in terms of economics

Types of heritage

- An integrated approach leads to the formation of **historical landscapes** (sometimes **cityscapes**) – complex protected areas merging different types of heritage.
- In some studies, **natural heritage** is considered a part of cultural heritage
- There is also an ongoing discussion on the issues related to **recent heritage**, for example that originating in the period of the Cold War or in the legacy of Communist regimes in the Eastern European countries

Types of heritage

- Many features of cultural heritage may be classified as public goods, and despite the fact that there are insufficient public resources to guarantee their maintenance and preservation, cultural and heritage goods provide certain benefits and externalities to the areas in which they are located
- Culture creates significant economic flows, and may also be used as a means of transforming certain geographic areas, and forms part of many local and regional economic development strategies
- A greater cultural awareness, the rise in economic levels, the great amount of free time available today, and the improvement in transportation and communication have all favored an increase in the consumption of cultural goods

Types of heritage

- The economic evaluation of cultural heritage assets has become very critical according with the European Commission's impulse for the elaboration and subsequent approval of an international and European accounting standard for the public sector
- Among the issues analyzed a special attention as been dedicated to the economic evaluation of the cultural heritage which can have a relavant impact for forming richness and potentialities of a certain country.
- Estimating the value of these types of goods is not an easy task, though considerable work using a variety of methods has been done in the area of environmental goods, which share a certain similarity with cultural and heritage goods

Intrinsic and instrumental value of CH

- Many authors underline the difference between **intrinsic value** of heritage and its **instrumental value**.
- In the recent years, the instrumental value of heritage, as manifested in its **social** and **economic** implications, has been claimed by various advocates of heritage and recognised by many policy-makers.
- Culture (and heritage, as its indispensable part) is now considered by many authors as one of the four pillars of sustainable development on an equal footing with the others.

Intrinsic and instrumental value of CH

- As confirmed by multiple studies, heritage, if properly managed, can be instrumental in enhancing social inclusion, developing intercultural dialogue, shaping identity of a territory, improving quality of the environment, providing social cohesion and – on the economic side – stimulating tourism development, creating jobs and enhancing investment climate.
- In other words, **investment in heritage can generate return** in a form of **social benefits and economic growth**.

Intrinsic and instrumental value of CH

- Although a considerable progress has been made in measuring the economic value of heritage in **quantitative terms**, both on macro- and micro-levels, there is still a long way to go.
- Many observations have purely **qualitative** nature and are not supported by reliable figures. But even the existing methodology of measuring the economic impact of heritage has not become, so far, a routine instrument in heritage planning. It has been used only occasionally and is not used at all in many countries.

Charter of Brussels

- The charter has been written in 2009 by the Regional Government of Castilla y León, Spain, and other partners in Italy, Germany, Norway and Spain, in the framework of the EVoCH project (Economic Value of Cultural Heritage) with support from the European Commission's Culture Programme
- 2009's *Charter of Brussels*, signed by members or representatives of public authorities, institutions, companies and experts in the field of cultural heritage, highlights the potential of this sector to contribute to the achievement of the EU's economic objectives.

Charter of Brussels

The undersigned institutions propose:

- That given its essential and intrinsic value, **Cultural Heritage must cease to be considered as a burden** that is only worthy of consideration during a period of economic boom, and **must be considered as a non-renewable asset** that both administrations and citizens must view as a basic Public Service that is the object of mandatory concern, as well as being a fundamental right for their wellbeing and development and always necessary for social cohesion in a multicultural environment.
- That from this perspective a **strategy directed at the socialisation of Cultural Heritage values must be initiated as from the first phases of education**, and during all of its periods, that guarantees the necessary knowledge and universal accessibility to goods and services of which the culture sector is comprised.

Charter of Brussels

The undersigned institutions propose:

- That the activities directed at the conservation, restoration and management of the goods of which Cultural Heritage is comprised represent a **network of elements that are able to dynamise the economy of our countries into a competitive advantage with other activities** that are subjected, to a greater extent, to the cycles and situations that are produced periodically. Moreover, this is a sector which is primarily made up of small and medium-sized enterprises that represent a strong economic and social fabric.
- That it must be obvious that this economic sector, as an alternative to other predominant models, **is able to create stable, specialised and quality employment that cannot be relocated**. These economic policies are therefore drawn up as a public and private investment with a high rate of social profitability.

Charter of Brussels

The undersigned institutions propose:

- That it is necessary to recognise **the boost that these activities give to the progress and transfer of research, development and innovation** both through new technologies applied to conservation, restoration and dissemination, as well as the undertaking to discover new models that are sustainable and efficient for the management of heritage.
- That Cultural Heritage constitutes a **valuable and irreplaceable resource. It acts as an element that revitalises cities and territories** and is able to improve the quality of life of their inhabitants, to stimulate investment and to create country branding. This resource is seen to be particularly essential for the development of peripheral territories affected by the process of depopulation.

Charter of Brussels

The undersigned institutions propose:

- That the investment by the different economic stakeholders in goods pertaining to Cultural Heritage **favours the integration of European society in all its variety, fomenting the identity and feeling of belonging of each of its people** as well as disseminating social values that have historically characterised our Community: tolerance, democracy, diversity and pluralism.

The economic value of cultural heritage

- ***Methodology for the economic impact assessment of cultural heritage***
- The economic value of cultural heritage has been studied on the national, regional and local levels. National studies often contain comparisons with other countries. There are also studies providing data by sector, such as museums, and studies of the economic impact on a micro level, providing assessment on the level of separate heritage institutions, such as museums, libraries, archives or heritage sites.

The economic value of cultural heritage

- The literature review has identified that the economic value of cultural heritage is currently assessed using conventional and well-known economic impact models
- Methods used for the assessment of the economic value of cultural heritage include the following conventional approaches:
 - Economic analysis of the Gross Value Added (GVA) by the cultural heritage sector;
 - Local economic impact analyses using an adapted multiplier
 - Number of visitors to heritage sites and their gross visitor spending (private consumption) as well as other impacts
 - Direct, indirect and induced effects that are calculated in terms of spending and employment creation

The economic value of cultural heritage

- Some countries, such as the UK, provide easy-to-handle 'toolkits' for the self-assessment of tourism impacts, employment impacts and impacts of spending on goods and services which relate to specific heritage institutions or sites
- In addition to this, the majority of the studies under review use concrete case studies for the demonstration of the impact of specific heritage sites and museums, and, to a lesser extent, of intangible cultural heritage

C. Dümcke, M. Gnedovsky, 2013. *The Social and Economic Value of Cultural Heritage: literature review*, EENC Paper, July 2013

The social value of cultural heritage

- Unlike the economic value of cultural heritage, its social value is subject, mostly, to qualitative assessment.
- To demonstrate the social impact of heritage, the majority of studies offer series of descriptive case studies or data based on questionnaires and expert interviews.
- Few studies contain attempts at developing a general methodology of quantitative assessment of the social value of heritage based on a consistent system of measurable indicators

The social value of cultural heritage

- At the same time, on the level of particular heritage projects, social impact is often set as an aim and, as subsequent evaluation shows, such aims can be successfully achieved.
- The studies most often relate to such social effects of heritage projects as enhancing social cohesion, fostering social inclusion, community empowerment and capacity building, enhancing confidence, civil pride and tolerance, broadening opportunities for learning, skills development, etc.

The social value of cultural heritage

- The social impact of cultural heritage becomes particularly graphic in the cases where heritage is used for stimulating a dialogue between different cultural groups.
- Fostering intercultural dialogue, cultural and social inclusion and creating an atmosphere of tolerance through heritage projects or heritage institutions form part of a contemporary agenda discussed by many authors.
- At the same time, methodologies developed in the course of such projects are not limited to dealing only with cultural minorities or migrants: they form a foundation for a new universal approach to using heritage as an instrument of social development

The social value of cultural heritage

- Such practices of using heritage for enhancing a dialogue in society are only emerging and have not yet become widespread in museum and heritage projects. Neither are they recognised by the general public as part of the mission of heritage sites and museums
- It will, obviously, take much more time and effort for them to become a part of the professional culture of heritage institutions.
- Many authors stress that the economic and social values of heritage are interrelated

The social value of cultural heritage

- On the one hand, economic growth brings prosperity and well-being to a territory.
- On the other hand, social harmony – community cohesion, absence of conflicts, tolerance, etc – is a prerequisite to economic development.
- Thus the ability of heritage to provide distinctiveness of a place is seen as an advantage both for tourist development and for the well-being of local communities. Improvement of the social climate also leads to the enhancement of the investment climate

Further readings

- E.R. Harvey, Política cultural en Argentina, Unesco, París, 1997
- C. Dümcke, M. Gnedovsky, 2013. The Social and Economic Value of Cultural Heritage: literature review, EENC Paper, July 2013



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Key Action 2: Strategic Partnership Projects
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