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WP WORKING PAPERS

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aprile 2008

DADI/ **WP**_5/08

Le opinioni espresse in questa pubblicazione
sono responsabilità degli autori

**Culture as an Engine of Local Development Processes:
System-Wide Cultural Districts ***

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Abstract

Starting at least from the seminal work of Alfred Marshall, the analysis of economic processes has emphasized the spatial function of ‘clusters’ and ‘districts’ within economic development – in terms of external economies on firms’ localization and agglomeration – and thus impacts on the growth of productive sectors. Subsequently, these models have also been geared to set out full-fledged local development processes. After a few decades of analysis, agglomeration phenomena are still on the theoretical agenda more than ever, but the recent debate has introduced a significant novelty, underlining the importance of the cultural dimension and the growing complementarity between culture and local tangible and intangible assets in promoting the improvement of the economic, social and environmental dimensions. Research has thus focused on innovative paths of local development based on the spatial clustering of cultural investments and activities.

* Earlier versions of this paper were presented at the 2006 STP&A Conference in Wien and at the 2007 STP&A Conference in New York. We thank seminar audiences for useful comments, while retaining full responsibility for the paper.

The paper aims to provide an analytical foundation for these processes, and to develop tools for policy analysis and evaluation.

The article is divided into three sections: in the first one, the literature on 'clusters' and 'districts' will be reviewed, highlighting the concept of cultural districts and related notions, and carrying out a comparative analysis of key-cases found in post-industrial contexts. The case studies allow highlighting the importance and role of cultural resources and planning as a catalyst for major physical, economic and social renewal. In the second section, a conceptual framework for culture-led development processes will be developed, together with a strategic model for the development of 'system-wide cultural districts', based on a suitable asset-action matrix. The final section contains some critical discussion and speculates on possible further theoretical development.

By 'system-wide cultural districts' we mean an idiosyncratic mix of top-down planned elements and emergent, self-organized activities coalescing into a model of local development in which cultural activity displays significant strategic complementarities with other production chains within typical post-industrial contexts. In this scenario, culture drives the accumulation of intangible assets, such as human, social and cultural/symbolic capital, thereby fostering economic and social growth and environmental sustainability.

1. Introduction

Many economically advanced countries have recently faced an intense process of transition from a development model based on the industrial economy (see Marshall, 1920) to a post-industrial one (see Porter, 2003). From the 1970s, and following the upsurge of globalization-related phenomena, such as labor-intensive production being delocalized from industrialized to developing countries (see e.g. Ohmae, 1996), the elements that have characterized the industrial era (see Porter, 1989) have lost their propulsive role in comparison to new factors driving the development of post-industrial societies (see Ritzer, 2007). This transition is bringing about changes that go vastly beyond the dismissal of old production modes. Consumption models, for instance, have remarkably complexified (see e.g. Sassatelli, 2004), and, more generally, post-industrial societies are undergoing a process of de-materialization of affluence (see Inglehart, 1997) in which symbolic and identity features, and thus cultural elements, play an unprecedented role (see Akerlof & Kranton, 2000). Intangible factors such as knowledge, sociability, shared meaning are becoming the true repositories of social and economic value. At the economic level, there is by now a widespread although still somewhat misstated recognition of the strategic role of culture in the global competition game (see e.g. Gibson and Stevenson, 2004). On the supply side, it is increasingly evident that products tend to become culture-laden: their perceived value is more and more linked to aspects and traits that cannot be objectively traced back to their physical features, but are on the contrary strongly linked to the individual and social narratives that they can credibly develop in the minds of consumers (see e.g. Grafton Small, 2006). For this reason, culture migrates toward the early stages of the product value chain, determining to a sensible degree its market viability, in that it provides the ‘bricks’ of the narrative, that is to say, the basic elements that are used to construct product-related systems of meaning (see e.g. Charters, 2006). On the demand side, the usual notions of given consumer tastes are basically challenged by new phenomena such as ‘auratic’ consumption (buying objects that transmit their characteristics to the buyer and define the social perception of his/her personality; see e.g. Björkman, 2002) and more generally the

dynamics and cultivation of taste as a complex chunk of personal, socially adaptive inclinations (see McCain, 1979, 1981, 1995). And again, building their own personal mythologies and narratives responding to the stimuli that come from the market arena, consumers often unintentionally build their own intangible, cultural capital of appropriated symbols and meanings: a capital whose return can be measured in terms of identity and social positioning (see Sacco and Viviani, 2003; Sacco and Zarri, 2004).

At the social level, culture plays a manifold set of roles, from fostering cohesion (in terms of bridging social capital) in socially diverse contexts (see Everingham, 2003), to acting as an empowerment basis for socially driven development of human potential (see Matarasso, 1997). Amassment of cultural capital has thus become a facilitator for further relevant goals such as the creation and/or regeneration of the social fabric and the definition of a shared, compelling vision of local social and economic development – pulling in an opposite direction with respect to the familiar social dynamics of distinction that are typical of industrial societies (see Bourdieu, 1984). This brings about immediate implications at the planning level, where the cohesive, motivational power of culture is eagerly sought to drive physical and social renovation of buildings and areas, as well as an overall redefinition of the social logic of space use (see Stevenson, 1998). For example, culture plays an important role in the rehabilitation of landfill or brownfield areas. The creation of ‘cultural boxes’ in areas with controversial land use destination is broadly considered a smart move toward decreasing the individually and collectively perceived area risk. In this perspective, culture is seen as a sophisticated policy tool that provides a platform for collective awareness and debate, helping to redefine them in more constructive ways once rephrased within the ‘cultural box frame’ (see Scottish Executive, 2002; DCMS, 2004; Dixon, 2006).

As a consequence of this, cultural policies are attaining an increasing relevance in the policy-makers toolkit in the various dimensions – social, economic, environmental. Not surprisingly, then, they have attracted considerable attention both from theorists and policy makers (see among others Bianchini and Parkinson, 1993; Stevenson, 1998; Throsby, 2001; Moulaert et al., 2004; Roodhouse, 2006).

In the literature, we find references to culture-led development processes in terms of cultural clusters, or districts, or quarters. In most cases, all these terms refer to the same phenomena of spatial concentration of cultural, or culture-related, activities in specific areas of the city acting as a sort of social and creative hub. Although vastly boasted as the ultimate recipe for urban renewal and development, cultural hubs are neither novel nor revolutionary. What is more interesting and worth attention is the emergent role of culture as a *system-wide* leverage of coordination and cooperation among local actors within a social learning process focused on radical innovation practices. Here we therefore refer to a broader meaning, speaking of cultural clusters/districts in terms of local systems in which culture has taken or is taking a central place in the definition of the strategic vision and in mediating interaction between local stakeholders. The reason why we stick to an already existing terminology rather than coining a new one is that we want to emphasize the connection that this model presents with the so called industrial district model that has been characteristic of Italian local development in the past few decades and then largely studied and imitated abroad. The cultural district/cluster model can be regarded as a post-industrial adaptation of the old industrial district scheme, with several, important qualifications.

The aim of this paper is to illustrate how this emergent systemic feature of culture is characterizing many recent instances of culture-led local development processes, and subsequently to set out an analytical paradigm that allows to frame such processes into a simple theoretical scheme, developing some preliminary policy implications. It is a largely preliminary attempt that needs significant further development and discussion but that may be useful to launch a critical debate on the issue.

2. Background and conceptual framework

The economic literature has investigated at length how and why firms should decide to locate in a specific place. Basically, local agglomeration of firms is due to some sort of increasing returns that give rise to a positive feedback mechanism such that the more the firms that already located in that place, the larger the incentive for more firms to do the

same. In the absence of such increasing returns, there would be no advantage in choosing one particular place rather than another.

The basic tenets of the economies of agglomeration are presented and discussed in Marshall's (1890) seminal contribution, making up the so called Marshallian triad: demand and cost spatial effects, specific and thick labor markets, and the 'industrial atmosphere'. On the one side, being close to a large final market (the demand side) and being close to other firms lying upstream and downstream along the same value chain entails clear competitive advantages in terms of travel costs, the coordination of production, the optimal use of time, and so on. In particular, being close to other complementary firms allows the possibility of a far-reaching informal coordination that could work as the decentralized equivalent of a large, vertically integrated firm (and this is exactly what has happened in the most successful examples of industrial districts in Italy). Moreover, the spatial concentration of firms operating in the same productive sector and asking for a certain range of skills facilitates the parallel concentration of skilled workers and the training of new ones, thus 'thickening' the local labor market and making it more efficient and reactive to changes in prices, the evolution of demand, and so on. Finally, the 'industrial atmosphere', which at first sight could be meant as the onset of systematic informational flows and spillovers among local agents, but that fundamentally ends up being a truly local, shared organizational culture working as the real entry barrier of the local system, allows firms to share experiences, information, forecasts about the future market dynamics, as well as extremely specific and critical bits of knowledge about productive processes and products.

On the other hand, the literature has pointed out contrary forces preventing agglomeration from going on indefinitely and making room for the existence of alternative and possibly rival locations, from congestion costs of all sorts (traffic, pollution, crime etc.) to constraints posed by the location of immobile factors, to the dynamics of land and real estate prices (see e.g. Krugman, 1998; Maignan et al., 2003).

But with the concentration of productive assets (especially physical capital), a parallel concentration of intangible assets also taken place: knowledge, social relationships, place identity gradually develop, enriching the urban character of the agglomeration. As it has been widely recognized, the process has unfolded through stages. In the first phase,

the process has been mostly un-intentional and self-organized, following the classical dynamics of social division of labor highlighted by Adam Smith. As the competitive advantage of agglomeration was becoming visible and evident, there has been an increasing tendency of policy makers to overtake the whole process, with the aim to control it and target its evolution to specific social and economic goals. Industrial clusters have thus acquired a growing importance in the analysis of the overall mechanics of local development processes, conditioning to a large extent also decisions on urban planning and the management of city functions (see Knox & Pinch, 2000). Agglomeration has taken a variety of forms, from clustering around one or several large firms, to constellations of complementary small-medium firms, with all the intermediate possible variation. An important lesson that has been learnt with time, however, is that the mere clustering of firms in a specific site it is not *per se* sufficient to promote the development of a local area. Spatial concentration has to be supported by a sustainable social system where knowledge, social norms, conventions of mutual trust become the pillars of an all-encompassing network of interaction and exchange.

Starting from the seminal work of Marshall, Michael Porter (1989) and Giacomo Becattini (2000a,b) have in recent years studied, each one on his own, industrial clustering phenomena in their more recent developments. Porter has placed particular emphasis on the working of economic factors and speaks of industrial clusters, whereas Becattini has extensively analyzed the underlying social dimension, placing particular emphasis on the 'industrial atmosphere' dimension, and speaking of industrial districts. In Becattini's view, the subtle developmental role of intangible factors is carefully spelled out. Understandably he has the Italian case in mind, and makes of it the almost exclusive object of analysis, whereas Porter is focused on the North American cases and his attention is especially driven by the different constellations that the spatial concentration of firms may take. For these reasons, the respectively preferred terms, cultural clusters vs. cultural district, have ended up denoting slightly different analytical approaches if not phenomena.

With the advent of the post-industrial era, the weight of traditional industrial clusters/districts in local development scenarios has diminished as new forms of productive specialization characterized by higher

degrees of intangible value added have taken over. These new forms, which are typically creativity - and innovation-based, assign a new role to the cultural dimension, which in the traditional industrial city has typically to do with leisure, entertainment and tourism (see e.g. Mommaas, 2004). Consequently, the issue of the cultural geography of the city has gained momentum, and so has the interest toward the condensation of cultural activities into clusters and districts, and their role in the local development process. Recent studies (see e.g. Cheng, 2006) are emphasizing the parallelism between industrial and cultural 'atmosphere' in these new instances of local development processes, thereby establishing an ideal, although unintentional, continuity with the industrial districts approach. But this continuity is already foreshadowed in Becattini's own analysis. In this new stream of literature on cultural agglomerations in post-industrial cities, the social dimension is however even more evident and compelling than in the traditional industrial districts literature (see e.g. the thorough analysis of Lloyd, 2006).

The shift from industrial to cultural district here implies a major substantial change: whereas the industrial district model is focused upon (decentralized) vertical integration (an increasing level of coordination of firms operating within a same value chain), the cultural district model is sustained by horizontal integration (increasing levels of coordination and complementarities among firms belonging to different value chains) that leads to culture-driven forms of local economic and social development. There are, indeed, lines of research that tend to conceive the cultural district as a direct extension of the industrial district model, e.g. in terms of vertical integration of the value chains of given local cultural and tourism industries. Scott (2001) describes this mechanism in his book. He provides an extensive overview of the value of the creative industries in developing new economic opportunities for local areas, using a model in which the notion of cultural district will be better referred to the idea of 'creative industries' district, thus an industrial district of a particular kind. In his analysis, he clearly explains the effect of the spatial agglomeration of firms and of the corresponding economies of scale. But he narrowly approaches the consequences of this development process on the local system's social actors. Valentino (see Valentino, 2004) discusses the phenomenon and the effect of cultural facilities/activities within urban renewal strategies in Italy. He argues that cultural district

models developed in Italy are oriented to building an imagery that may be palatable to tourists, and a consequential positioning mostly focused on providing new economic and cultural opportunities which will boost the attractiveness of the city, while at the same time fostering vertical integration of firms belonging to broadly meant cultural value chains. Once again, the author avoids the investigation of the impacts and of the effects of this strategy on the local tissue, in a vision of the cultural district similar to the industrial one that does not adequately take into account the differences between manufacturing-oriented activities such as those characteristics of industrial districts and service-oriented ones as are those deriving from cultural tourism and the like. Santagata (2004, 2006) makes an attempt at abridging the district vs. cluster-based approaches by introducing a typology that encompasses various possibilities, but that turns out to be focused on relatively specific cases rather than spanning the full range of possibilities.

Differences between a cluster- vs. district-oriented approach are not mainly definitional. The main dilemma remains that of evaluating value creation of cultural activities in terms of their direct and indirect economic impact, which is typical of a cluster-based kind of thinking, or in terms of their overall impact on all sorts of dimensions, primarily the social one. In the latter case, what becomes crucial is the impact that a given local development model brings about upon intangible local assets such as social and identity capital. To appreciate this point, consider the case of Venice: certainly a place whose local economy is dominated by cultural tourism, and a thriving local economy by purely economic standards. But, as a matter of fact, when one looks into the specific activities and practices that make up this apparently thriving economy, one readily realizes that most of the value added produced by local firms derives from a trivial exploitation of the most cursory stereotypes of the city that is gradually destroying both the city's social fabric and cultural environment. Today's Venice is much closer to an amusement park than to an art city, and this is because its almost unconditional surrender to the imperatives of mass tourism is causing the *intangible* multipliers of the local economy to be dramatically negative, more than offsetting the positive *tangible* multipliers connected to a tourist-tailored retail economy. What makes perfect sense from a narrowly economic

viewpoint, make very poor sense from a wider perspective (see also Sacco et al., 2007).

The cultural district model may be better focused upon the activation effects of culture in creating a local knowledge-friendly 'atmosphere', an economic and social environment in which easy and continued access to cultural opportunities fosters a widespread social orientation toward innovative thinking, far-reaching visions of human development and social cooperation. But up to now, most of the literature which dealt with cultural districts making direct reference to the Italian paradigm of the industrial district has paradoxically taken an instrumental route much akin to the one typical of the cluster approach, repeating the contradictions already pointed out in the case of Venice: turning heritage sites into profit-oriented amusement parks, without proper attention to the long term impacts - i.e. social sustainability, impact on real estate dynamics and the social use of space, etcetera (see Sacco and Tavano Blessi, 2005a).

There are reasons to believe that a too mechanical extension of the original Marshallian idea to the cultural field runs the risk of missing the basic points and of foregoing the key opportunities provided by cultural investments in the social and human local dimensions (see Sacco et al., 2007a, for a critical discussion), thereby reproducing the cultural cluster rather than the cultural district logic of development. The main weakness of this position is in its insistence of thinking of the cultural district as a vertically integrated value chain that replicates the same, successful model of intra-sectoral competition that has been typical of industrial districts. Culture per se may also be an expanding sector of activity in its own right, as several, independent field studies are showing (see e.g. KEA, 2006), but its real value added comes from its capacity to promote system-wide (horizontal) integration of diverse activities, all accruing to, and taking benefits from, the development of a full-fledged knowledge-based economy. That is to say, even if culture would not be profitable per se (as it is the case, by the way, in many, important cultural sectors), it would be as well a crucial local development engine in the current scenario: this is why, rather than merely speaking of cultural districts, we prefer to speak of *system-wide* cultural districts.

The development of a system-wide type of district can happen starting both from a bottom-up or a top-down process, depending on the specific

context, although even in the bottom-up cases, sooner or later some agency or coordinating actor gains some leadership in the process without fully superseding the self-organized development. The former case is typical of situations where the pioneering agents are private ones (firms, non-profits, universities and learning centers, cultural institutions etcetera), whereas public actors jump in at a later stage: this is somewhat typical of North-European cases, although evidence is found in Europe as well. The latter case, instead, fully represent situations where the initiator is a public player that gradually involves private parties in a shared local development vision, and is most typical, although not exclusive, of the European context.

As a matter of fact, however, full-fledged, successful models rely upon a close interplay between the self-organized and the planned dimensions, so that the bottom-up vs. top-down opposition is not really meaningful; it is only useful to discern different aspects of the same process. What is always true, however, is that one cannot expect to spark a system-wide cultural district dynamics effectively but in contexts where a broad spectrum of knowledge-related activities is locally well represented even if not necessarily initially involved: local government; civil society (the so called third sector); universities and educational systems; businesses. Cultural producers, which are also a crucial agent of the process, partially overlap both with the civil society and with the corporate sector, but have a crucial, distinctive role. For a more extensive discussion, we refer the interested reader to Sacco et al. (2007a).

System-wide cultural districts (meant as a synthesis of planned and self-organized components) may be usefully investigated from the viewpoint of several lines of research in apparently diverse fields. In particular, we want to emphasize three of them, which could also be regarded as thematic characterizations of the three basic aspects of culture-driven development:

- The creativity-based attraction model of Richard Florida (2002), that emphasizes the role of quality of life and of technological infrastructure in the creation of a critical, locally rooted mass for the emergence of a knowledge-oriented economy;
- The competitiveness-based urban renovation model of Michael Porter (1989), that focuses upon the transition from an investment-based

industrial economy toward an endogenously growing, innovation-based economy;

- The capability-based model of Amartya Sen (1992, 2000), which builds the central role of the social fabric in fostering capability-building activities and practices as a prerequisite for viable economic development.

The system-wide cultural district model ideally encompasses all these aspects in a common theoretical perspective where the crucial integrating role is played by cultural innovation and production (in its interaction with technological innovation), and by its gradual transmission to different industries, fields of activity, and local players and communities. The 'system-wide' aspect of the model comes from the fact that the diffusion dynamics are gradually rationally anticipated to an increasing degree by the actors of the local system and are therefore more and more strategically pursued as a coherent, collective, cooperative endeavor of cross fertilization between all local stakeholders.

Starting from a meta-review of the existing literature and case studies, Sacco et al. (2007b) identify twelve strategic dimensions that can be thought of as a substantial generalization of the specific frameworks of the theoretical approaches of Florida, Porter and Sen, and that together span the complex set of conditions allowing for a viable and sustainable development of a system-wide cultural district dynamics; clearly the combination of such conditions will be highly idiosyncratic to each specific context:

1. Quality of Cultural Supply (QCS)

The existence of a cultural milieu of organizations and institutions that represent and organize the local creativity base while at the same time providing challenging cultural standards, making the local cultural supply palatable to wider though specific global audiences;

2. Quality of Local Governance (QLG)

One or more local administrations credibly committing on the enhancement of coordination and cooperation of local actors around a shared, socially equitable knowledge development-based vision;

3. Quality of the Production of Knowledge (QPK)

The existence of a strong base of educational, research and knowledge transfer institutions that present at least a few areas of excellence;

4. Development of Local Entrepreneurship (DLE)

The availability of (merit based) opportunities and facilities to develop new entrepreneurial projects by local people in knowledge-related sectors;

5. Development of Local Talent (DLT)

The existence of a stimulating and motivating social and cultural environment that encourages and rewards the skilled and creatively talented young to emerge, that provides opportunities to showcase their work and to expose it to qualified talent-scouts;

6. Attraction of External Firms and Investments (AEF)

Creating the legal, financial, logistic, environmental, socio-cultural conditions for non-local knowledge-related firms to settle down and for outside capitals to be invested locally;

7. Attraction of External Talent (AET)

Creating the logistic, socio-cultural conditions for emerging and acclaimed talents to settle down or at least to put a stake in the local milieu for the development of their professional career and relationships;

8. Management of Social Criticalities (MSC)

Referring to culture and knowledge-related activities and practices as basic, widely experimented tools for the mediation and the rehabilitation of socially critical situations;

9. Capability Building and Education of the Local Community (CBE)

Devising and implementing community-wide initiatives aimed at fostering a systematic and widespread accumulation of intangible assets, especially in terms of capability of access to knowledge-intensive experiences;

10. Local community involvement (LCI)

Promoting an extensive and generalized participation and attendance of all local communities to knowledge-related initiatives and practices;

11. Internal Networking (IN)

Providing a strong networking among all local players having complementary strategic interests and fostering close, regular cooperation and coordination in their activities;

12. External Networking (EN)

Establishing a dense, stable web of relationships with a number of other local contexts characterized by similar tensions toward the development of system-wide, knowledge intensive cultural, social and economic orientations.

For a more detailed discussion of each single dimension, see also Sacco and Tavano Blessi (2007). It is interesting to notice that the interplay of the twelve conditions creates a much more subtle and complex range of theoretical and policy issues than one could figure out sticking entirely to one of the classical approaches referred to above. For instance, it allows to take into account all of the complex implications for the sustainability of the local communities that are somewhat underplayed, say, by a classical Florida-inspired creative class gentrification dynamics (see e.g. Peck, 2005, for a critical discussion). It is also important to point out what is the meaning of ‘knowledge-related’ activities in our

characterization of the twelve dimensions. Certainly, cultural and creative activities as defined, for instance, by KEA (2006) on the basis of the classical formulation of UK's Department of Media, Culture and Sport, are (a central) part of the picture; but more generally, any kind of activity that is bound to present strategic complementarities with the above is potentially a knowledge-related activity, no matter how 'industrial' or 'old economy' it may look like. Think for instance of the top quality segment of the food and wine industry, which is currently one of the most knowledge-laden competitive fields of the whole spectrum of economic activity, and which traditionally pertains at the same time at the most archaic sector of the economy, namely the agricultural one. In other words, it is not possible to draw in principle firm boundaries between the activities that should belong to the knowledge-related area and the ones that should not. The distinction is highly context-specific and should follow from an accurate evaluation of the characteristics and practices of a specific local context.

In the following section, we will review a few case studies which represent interesting illustrations of a system-wide cultural district kind of dynamics, briefly discussing how the above twelve dimensions play a part in that specific environment and how they synergetically combine to produce a successful outcome.

3. Assessing drivers and impacts: some cases.

As we already emphasized in the previous section, system-wide cultural districts may emerge starting from a bottom-up or a top-down logic, although eventually the two need to mix up in an entirely idiosyncratic combination tailored for that specific milieu. Also, it is the case that, initially, one of the three drivers mentioned with reference to already established approaches, the attraction-drive approach by Florida, the competitive restructuring-driven approach by Porter, and the capability building-driven approach by Sen, tends to play a major role in the establishment phase, even if all aspects tend to become relevant in the long run. All the above basically boils down to a specific combination of the twelve dimensions previously introduced, and in particular to a history-dependent path of activation that brings a few of them on the stage and subsequently explore the hidden potential of others as the

model unfolds toward maturity. This is why it may be useful to examine some such cases with an eye to the incidence of the twelve dimensions to understand the specific mechanics gearing up in one context with a view to developing a more general analytical methodology.

1. *Valencia (Spain)*

The city of Valencia, once a rather ordinary and provincial Spanish city, has recently undergone one of the most ambitious and far-reaching urban renewal processes at the European, if not at the global, scale, which has transformed the city, and to a degree the whole surrounding region, in a thriving global cultural hub, with a remarkable growth of both tourists and residents flows and of social and economic development, rivaling with the nearby Barcelona.

The two major projects at the urban scale that gave the tune to the whole process have been the ‘Plan de Rehabilitacion Integral de Valencia – Plan RIVA – and the ‘City of Art and Science’ inside the new urban park. The **Plan Riva** focuses on the renewal process of the historical city centre, one of the most important European historical old towns in terms of dimension (147 ha.) and cultural heritage, which at the present constitutes the 3.67% of the whole extension of the urban area (as of 2000). At the beginning of XXth century, the area represented the 32,21% of the whole city (as of 1910), the most populous and dynamic part of the urban area. From 1910, responding to the growth of the population and of the level of economic activity, Valencia started to expand the urban area, reaching the actual dimension of more than 14.000 Ha (as of 2000). The historical centre is characterized by a complex fabric of spontaneous and planned elements, mixing quite diverse cultural influences caused by different dominations, like the Arabic walls of the XIth century or the Christian walls of the XIVth century, which also became the border between the centre of the city and the neighbors until the XIXth century.

In 1957, a disaster flooding of the Turia River into the city centre, created structural damages to the urban infrastructures, with huge impacts in the social and economic tissue of the whole old town. It’s important to underline that, until the Sixties, the city centre hosted a lively and richly diverse mix of small economic activities, but in the last quarter of the

XXth century, as an aftermath of the Turia flooding, the population decreased from 56.391 inhabitants (as of 1970) to 24.027 (as of 1996): the city center then suffered from massive abandonment, closing down of economic activities and upheaval of social conflicts among local residents (within the Christian walls enclave) and the rest of the city. In 1992, a conjoint project of the Generalitat Valenciana (the Regional administration) and of the Municipality of Valencia, within the more general framework of the city's strategic plan (see below) launched a special agency – Oficina de Rehabilitacion Urbana – with the aim to define a new strategy for the renewal of the city centre – the Plan RIVA. The plan presents innovative characteristics, focusing attention not only on the physical infrastructures (i.e. buildings restoration, creation of new facilities, etcetera), but also studying innovative actions and approaches for the economical, cultural, and social fields (e.g. paying attention to social inclusion issues). The plan's objectives include:

- Maintaining the resident population and attracting new residents aiming at a socially and culturally diverse urban environment;
- Enhancing the area's infrastructural endowment with the creation of social, cultural and educational facilities and with the revitalization of the local retail economy;
- Fostering direct participation to the renewal process, following a participatory approach centered on close consultation with local stakeholders;
- Promoting public-private partnerships for the sustainability of urban renewal actions and infrastructural investments.

The project has focused attention on three 'districts' (Barrios) of the historical centre, Velleuters, Carmen and Mercat: three areas presenting substantial social criticalities (due to the settlement of low-income, poorly educated immigrants and to extensive phenomena of urban decay), with the imaginable economic and environmental fallouts. An eloquent figure to understand the socio-economic condition of the area at that moment is the yearly income of local families, which in 1992, in the 90% of the cases was close to 6.000 €/year: an impressively low value for Western-European standards.

The plan has been funded by the Generalitat and City Hall administrations, also benefiting from European URBAN 1 and FEDER Funds. The main policy tenets were:

1. Favoring indirect policy action, i.e. funding and supporting private initiative whenever possible, rather than monopolizing public interventions;
2. Creating the context for a new social logic of space use, through infrastructural rehabilitation and renovation, and the opening of new social and communitarian spaces, educational/cultural facilities and leisure areas.

The results of the project over the 1992-2003 period are impressive:

- 1.825 new private projects/initiatives of rehabilitation;
- 7.300 apartments rehabilitated with public funds;
- 68 new spaces dedicated to private activities (commercial, educational ecc.);
- 7 new cultural and educational facilities (new School of Music, new Contemporary Art Museum, new University buildings, and so on);
- 125 ml. € of private investments leveraged by 50 ml € of institutional financial aid;
- 30.000 citizens involved in the projects;
- 118.000 square meters of re-urbanized public space;
- 335 new public houses;
- a positive, although initially modest (but subsequently more substantial, with an increasing number of foreigners), residents flow balance (after 30 years of deep-red figures).

Today, the old city has been integrally rehabilitated and is one of the most thriving and captivating parts of the metropolitan area.

A second major project that was a result of the Turia river flooding of 1957, was the municipality of Valencia's decision to modify the river-bed route, creating a new way for the river to the sea, avoiding to get across the city centre as it originally was. The **City of Art and Science** is thus an outcome of an urban transformation project whose roots trace back to the Seventies. In 1986, the 120 hectares of the old, now dry 10 km-long river-bed were re-designed by the Catalan architect Ricardo Bofill to become a remarkably innovative linear park, the Jardins del Turia, a green belt servicing the whole city that hints at the concept of the Moorish Gardens, thus making a direct reference to an important period of the city's history. The green belt is divided into twelve sections, the former ones being mainly devoted to sporting an open-air activities,

whereas the latter ones are spotted by important cultural facilities. Starting from this early achievement, in 1988, the Generalitat and the Valencia City Hall launched a far-reaching strategic plan, the General Urban Organization Plan (GUOP), to redesign the whole layout of the city, and announced an international competition for the construction of the new city communication tower, to be located somewhere along the new green belt. The competition was won in 1991 by the Valencia-born - but internationally renowned - engineer-architect Santiago Calatrava, who was also appointed for the design of a new, extremely ambitious culture and leisure facilities complex situated just aside of the final segment of the Jardins del Turia, in an area that had been decaying for decades because of the presence of highly polluting industrial activities and at the beginning of the project was basically an urban wilderness. An impressive number of cultural facilities – ‘L’Emisfèric’ (a Planetarium with an IMAX Cinema, a Laserium and a university conference hall devoted to astrophysical courses); the ‘Principe Felipe’ Science Museum (a 40.000 square meters facility designed according to XXI century museum standards in terms of interactivity and audience involvement); the ‘Umbracle’ (an impressive sculpture garden); the ‘Oceanografic’ (an ocean park with an extremely large underground development over a 80.000 square meters area); the ‘Palau de les Arts’ (a multi-auditorium complex of 43.000 square meters hosting both concerts and educational activities) – were opened one after the other, one every few years starting from 1998, for a total investment estimated to stay close to 3 bn. €. The centre is directed by a special company created by the Generalitat, the ‘Ciudad de las artes y las ciencias’ S.A., managing both the complex and its activities, and is visited by more than 4 millions people every year. Parallel to the development of the complex, some 5.000 new residences have been built in the surrounding area, transforming one of the most critical and marginalized spots of the whole metropolitan area in one of the preferred residential locations; moreover, the area is well connected to the city center by the underground public transportation system. The vision behind the GUOP was that of making of Valencia a green and European city, developing toward the sea and pursuing a high level of social integration and of cultural vitality, playing an ambitious leadership role in the Western Mediterranean quadrant. The three main strategic axes were cultural development, scientific-technological development,

and environmental sustainability. It is, evidently, a strongly top-down oriented model. Nevertheless, and here its strength lies, it is also a model that heavily relies on the unleashing of private resources and energies and on a vastly inclusive and participative conception of the role of the local communities. The reaction of the local system has been overwhelming: the actual city's quality of life is very high, and Valencia is becoming one of the preferred residential locations at the continental level, as well as an emerging cultural and scientific capital, while at the same time qualifying as a primary tourism venue hosting big events such as America's Cup Finals and, from 2008, the second urban circuit for Formula 1 races after Montecarlo.

Evaluation of impact using the strategic dimensions

The role of culture as the 'red thread' in the re-invention of the urban identity of Valencia is all the more evident, as it is evident the leading role, in the initial stage of the process, of the 'competitive restructuring' driver. At the same time, the fact that the top-down action has found correspondence in the behavioral response of the local communities, which were actually called from the beginning to participate actively in the process, makes room for good chances of long-run sustainability.

The GUOP main elements have been – other than, of course, QLG, which is the pre-requisite for a sound top-down project, and IN (the close institutional cooperation between the Generalitat and the City Hall has been an indispensable part of the picture, subsequently replicated with the massive involvement of local private partners in the rehabilitation plan) – QCS, QPK, and LCI: betting on culture and science as the assets that could build a new local competitiveness model, with a substantial inclusive attitude. Massive popular participation is by the way highly ritualized and firmly rooted in the city's cultural memory thanks to *Las Fallas*, in internationally famous ritual feast that is deeply felt by Valencians and that attracts increasing amounts of tourists every year without losing its original spirit. The spectacular project of the city of Arts and Sciences has added substantially to the city's identity capital, and has contributed substantially to both AEF and AET, by signaling in an eloquent manner the city's commitment toward an ambitious path of cultural development, and CBE, creating one of Europe's largest cultural facilities complexes and actively promoting local attendance and

sociability around the new city *agorà*. CBE has been also substantially pursued through the impressive increase in cultural and educational facilities all around the city – the comparison of the actual cultural infrastructure endowment with the pre-Nineties one is flattening. The Plan RIVA has, on the other hand, basically designed around the MSC dimension, making of culture-led renovation a radical challenge to the old city's seemingly unmanageable decay, and the same philosophy has been replicated in the choice of location for the City of Arts and Sciences, although in a radically different context from the point of view of the pre-existing social structure. The Plan RIVA has also given a substantial contribution on the DLE dimension, by promoting the re-discovery of traditional arts and crafts productions throughout the old city center and their creative combination with more trendy and cutting edge activities in design, fashion design, music, and club entertainment. More generally, Valencia has been developing in the past few years an interesting and vibrant juvenile creative scene that demonstrates the relevance of the DLT dimension. Finally, the EN dimension, once quite poor and under-developed, has currently a big momentum, especially through the development of the networks of the city's main cultural institutions like the IVAM – the contemporary art center – the Palau de les Arts, the local Universities, and so on. The full spectrum of strategic dimensions has thus found resonance in the city's development path of a system-wide cultural district. The dynamics started as a top-down renovation one, to develop subsequently both the attraction and the capability-building drivers in full and to unleash a considerably rich and complex bottom-up, self organized response, thus fleshing out a complex, specific, mature local development model whose potential is probably not yet entirely expressed.

2. *Austin (Texas - USA)*

Austin is the capital city of Texas and the fourth largest State urban area in terms of population. As is the case for most of the American southern states, the economy of the whole area is historically based on oil-related industries, agriculture and cattle, with a traditionalist social environment and a relatively conservative business atmosphere. From the beginning of the 1990s, something started to change in the economic and social

sectors, with almost immediate practical consequences. For instance, Forbes' ranking – in collaboration with the Milken Institute – of the 'Best Places for Business and Career', in the period at the turn of the decade regularly placed Austin in the Top Ten of the American urban areas. 'Keep Austin weird' has been the 'new' Austin's largely endorsed cultural imperative.

Having to cope with Houston, Dallas-Ft Worth and San Antonio, Austin has had a hard time competing with these large and quite vital neighbors, but has managed to find a place on the map with a top-down policy based on the attraction of businesses and investments in high-tech fields, aiming to become the new American 'Silicon Valley'. Austin has been a textbook example of Richard Florida's creative class paradigm: it is no coincidence that it is reserved a specific paragraph in Florida's (2002) book, as one of the archetypal examples of what a creative city is. The city's business-friendly fiscal and administrative policies have managed to attract many of the big players of the IT markets, including Motorola, Texas Instruments, Samsung, IBM, Dell, AT&T, Qualcomm, Intel and T-mobile, to name just a few. In a few years, to contrast the cyclical slumps of the IT industry, the specialization profile of the local economy has substantially broadened toward sectors such as automotives, biotech and medical engineering, transportation and logistics, and even (hello again) food. And the initial top-down stance has been quickly complemented - if not even reversed - to bottom-up by an incredibly vital and entrepreneurial local business community, which has taken the initiative not only to launch new activities and projects, but first and foremost to create an impressively cohesive local interaction network for the exchange of ideas, prospects and outright cooperation.

The effects of this attraction policy in the pioneering decade 1990-2000 are easily traced: the average yearly personal income jumped from 18,092 US\$ in 1990 to 32,039 US\$ in 2000; 280,000 new jobs were generated; real estate prices increased by 130%, arriving at an average price for an apartment of 200,000 US\$. A crucial role in this transformation was played by educational and research sectors. The University of Texas at Austin has a national reputation and several departments, including Computer Science, are centers of excellence. A number of important research consortia are active in the area, and the

level of educational achievement is constantly within the nation's Top Twenty range for metro areas according to the Forbes-Milken ranking. Initially the economic resource base for this transformation was drawn from the surpluses generated by the old-economy activities, but Austin's new economic development model soon became self-sustaining and endogenously growing. Still, one should not think of Austin as a Southwest replica of Silicon Valley, and not only because it soon diversified its productive assets in several directions. Building a strong high-tech industrial core, the quality of life and the environment, good public services, a multi-ethnic, well-integrated community, affordable living have all been important factors, but the deep tone of Austin's urban identity is its cultural atmosphere – the idea that what makes the city different is its devoted openness to the unexpected and the unfamiliar.

In particular, the cultural sector shows an incredible variety of activities for a city of approximately 500,000 inhabitants. The city hosts more than 100 performing arts venues and production centers of folk music, the Austin Museum of Art containing modern and contemporary visual art, the Zachary Scott Theatre Centre focused on musicals and opera, the Austin Musical Theatre and Austin Lyric Opera promoting symphonic music and opera again, and two national dance companies, the Tapestry Dance Company and The Rude Mechanicals. Furthermore, every year in September the whole city becomes the stage for two significant events: the Austin City Limit Music Festival, a pop/rock festival with more than 200,000 visitors hosted by the tourist structures of the city, and the South by Southwest Festival, a world famous event where the most recent and innovative IT applications in the media and performing arts disciplines are shown. The festival also presents a program of shows, concerts and film screenings where new forms of creativity and innovative technologies are employed. Open debates and conferences also allow the public to approach the latest in new technologies development, following and understanding their evolution in the fields of media and performing arts.

Locally based and headquartered companies have recognized the potential of this ample, diversified cultural platform for the further development of the city's attractiveness and more generally as a factor of competitive advantage. For example, Samsung has decided to invest 1.3

billion US\$ in a new high-density chips production centre and in 2001 also donated 300,000 US\$ to finance the new Performing Arts Centre, inviting the other companies to move along the same lines.

As already noticed, the recent history of Austin certainly makes a case for Richard Florida's emphasis toward the attraction of the creative class: promotion of quality of life, a development process based on creativity and innovation, and so on. But this is only part of the story, and reducing the Austin model to an illustration of Florida's recipe would amount to badly missing its essence. The other important, strategic element to be considered is the widely participatory approach of the city's local communities and of all the local stakeholders in the majority of the projects. *Big Austin*, a society founded by the municipality whose mission is supporting and providing financial aid for new companies and entrepreneurs is an example; another one is the *Entrepreneurs Foundation of Central Texas*, a highly innovative institution whose mission is to take a step forward in corporate philanthropy asking associates to donate not only time or competence, but even equities (from more than 170 companies of any size) to support the local network of nonprofits addressing any kinds of social criticalities and marginality (education, housing, social inclusion, environment and so on). To date, the foundation has distributed more than 1 million US\$ to over 70 local nonprofits during 8 years of operation, and an extra 1 million US\$ is now available for further grant-making. A special high-tech fund has been created to raise money to support Hurricane Katrina evacuees in Central Texas, whose seed money has been raised through contributions from high-tech employees and acquaintances, raising an overall 480.000 US\$ in six weeks. What is particularly interesting is the implicit redistribution mechanism that is at work here: part of the wealth produced through the area's high tech development is handed over to the more fragile components of the community, in order to preserve its social diversity and avoid transforming the city in a 'creative class ghetto', that is to say, a look-cool, affluent-only, cozy urban scenery. This is a vision that goes far beyond common sense corporate philanthropy, linking it to the long-run social sustainability of the local system, looking not merely at wealth or jobs creation, but also to the accumulation of intangible, crucial assets such as social and symbolic/cultural capital. And this calls for a win-win kind of strategy where success must be measured by the extent to which

the benefits of economic growth accrue to the largest possible share of the community, thereby encouraging inclusive, rather than positional and exclusive, human and social development.

Although such an attitude could be quickly dismissed by someone as utopian and unfit to meet the increasingly challenging pressure of global competition, the economic performance indicators speak for themselves.

To cite just a few:

- Patents registered: in 1975, 74; in 2001, 2,014, an increase of 2621%, (in the same period the whole of the United States registered an increase of 100%)
- 36.1% of employees work in the intangible post-industrial economy: 242,000 out of 670,000. The average annual salary of a creative worker is 52,285 \$; the 54.4% of the total salary fund is allocated to the creative class (12.6 billion US\$).

In other words, the city's participatory, socially equitable approach does not impede its post-industrial creativity-oriented transformation, but actually *favors* it. Creativity-related jobs pay more than average and tend to be very productive in terms of innovative performance, and this attracts further talent from outside. But part of the private return from the city's creative excellence is given back as social return. Thus there may be no trade-off between being competitive and creative and being socially responsible; possibly, the opposite is true.

One should not think, however, that Austin's development record has been straightforward and flawless. The hard high-tech cutting edge taken by the local economy has exposed it massively to the ups and downs that characterize the turbulent evolution of these sectors. For instance, the massive recession that struck the country at the beginning of the current decade has a serious negative occupational impact on the city, and as a consequence the already cited Milken Institute ranking plummeted dramatically – from place 19 in 2002 to 59 in 2003. Coping with this emergency partly explains the progressive widening of Austin's portfolio of productive specializations. Some of the most interesting initiatives taken by the city government, such as the Opportunity Austin plan launched in 2003 to give new impulse to the city's attractiveness and global competitiveness, may be also read as prompt responses to potential or actual threats of structural crises. Indeed, the difference

between unsuccessful or successful local development models is not the occurrence vs. absence of crises, which are on the contrary inevitable, but rather the way the local system reacts to them. And this is one of the hallmarks of the Austin model: the ability to design and implement timely and widely cooperative reactions. Once again, the Milken Institute rankings provide a clear illustration of this: after having stayed down for a couple of extra years while the re-organization phase went on (58 in 2004, and even 64 in 2005), the city bounced back to position 20 in the 2007 report, based on 2006 data (there has been no 2006 report). In other words, Austin has developed what we could call a homeostatic adaptation capacity which derives from its ability to constantly pursue richness and depth of internal diversity while maintaining cohesion: the tension toward keeping the city weird (i.e. the openness toward expressive rather than instrumental rationality) makes of it one of the most terse illustrations of how a system-wide cultural district works in practice.

Evaluation of impact using strategic dimensions

In the Austin case, we observe a wide spectrum of initiatives addressing different targets but thoroughly characterized by a clear social responsibility orientation. Thus the link is not simply going from (development and attraction of) culture and talent to local economic growth, but involves an inclusive, participatory re-weaving of the whole area's social texture, coping with the change commanded by the knowledge-oriented, post-industrial transition. There is clearly a top-down stream of action that can be traced back to the public administration's initiative, but also a bottom-up one, fed partly by some of the front runners of Austin's technological innovation scene, thus closing the positive feedback loop.

The QLG dimension is certainly crucial and particularly evident in the Austin case, as certified by the cited Milken Institute rankings, and in particular by their dynamics, as discussed above. The public administration's development vision is likely to have been the real initiator of Austin's innovative local development model.

The Big Austin project is one clear illustration of this, and neatly emphasizes the priority that the administration has given to the DLE dimension, whose relevance comes up again in the manifold initiatives of

active and creative dialogue and networking undertaken by the local business community. The QCS and QPK dimensions are also very clearly represented: in the impressive array of quality – and at the same time vastly popular – initiatives, also of global resonance, that make up the city’s cultural menu; and in the rich pool of outstanding educational and research institutions. The DLT is also clearly one of the priorities – a striking example comes for instance from the Arthouse Texas Prize organized by Arthouse Texas, an innovative and outstanding institution operating in the contemporary visual arts field, that makes on a yearly basis an extensive screening of the area’s best young creative talent, exposing it to a jury composed of some of the nation’s most influential critics and curators, further supplemented by the New American Talent yearly exhibition that extends, although of course on a less ambitious base, the screening to the entire country. These initiatives are making a crucial contribution to the establishment of Texas as one of the most vital and propositional North America creative scenes. The AEF and AET dimensions are so deeply rooted and essential to the functioning of the model that hardly need further discussion. The three social-communal dimensions, MSC, CBE and LCI, constitute one of the most characteristic and remarkable traits of the model: the Entrepreneurs Foundation of Central Texas hits the MSC and LCI dimensions in an original and effective way, whereas an instance of how CBE is pursued is Access to Learning, a community-oriented educational collaborative that involves a vast network of city museum and educational institutions. And finally, the IN dimension mirrors in the extent and level of cooperation of local players carried out through a myriad of initiatives of all genres, part of which briefly cited above, whereas the EN one is ensured by the global scope of several of the city’s cultural, educational and scientific initiatives.

In the Austin case, the top-down and bottom-up components are almost inextricably entangled: the level of local cooperation is so high that the impulse coming from one side seems to be almost immediately matched by a complementary impulse coming from the other.

3. Newcastle upon Tyne - Gateshead (England - UK)

Newcastle and Gateshead form a conurbation of about three quarters of a million inhabitants on the river Tyne in North East England. The abundance of natural resources was what initially stimulated the growth of industry in the Tyneside region. Coal had been mined in the area since the 14th century, and had directly stimulated the development of the world's earliest railways in the North East during the 18th century. Also significant for Tyneside was the local availability of iron, which in conjunction with coal provided the lifeblood for the giant 19th and early 20th century industries of shipbuilding, locomotive engineering, civil engineering and armament manufacture.

In the 1970s and 1980s the city and the region witnessed massive de-industrialization, which brought dramatic rates of unemployment and considerable emigration towards richer areas in the South of England. Throughout its history, the town of Gateshead has lived in the shadow of the commercially powerful and historically wealthier Newcastle, but despite this strong competition Gateshead has managed to rigidly hold onto its own identity and refuses to become a mere suburb of the Geordie capital. The regeneration of Gateshead started in the 1990s and it is symbolized in England and in Europe by a handful of major icons: the Baltic Flour Mills, the Millennium Bridge, the Sage Opera House, and the Angel of the North sculpture by Anthony Gormley. In particular, the Baltic is a centre for contemporary art housed in a grain warehouse on the Gateshead Quayside. Realized with the contribution of the National Lottery Fund, it was opened to the public in 2002 and it now holds temporary art exhibitions, but does not have any permanent collection. It cost £33.4 million, with an additional £7.5 million as an endowment for revenue support for exhibitions and education programs in the first five years. The project leveraged additional grants: an ONE NE Regional Development Agency one for £4.4 million; an European Regional Development Fund one for £3.5 million; a Single Regeneration Budget one for £750,000; a Northern Arts one £600,000, plus £500,000 from the private sector and a Gateshead Metropolitan Borough Council £3 million in-kind grant in land and staff time to realize the project.

The Baltic is separated from the Newcastle Quayside by the Millennium Bridge, the first tilting bridge in the world, opened in 2001 and accessible only to pedestrians and cycles. With its changing colors and its unusual

shape, it immediately became an icon of the whole region and made up its first million visitors in just one year of activity. The Sage, realized with the collaboration of the Sage Software Group, is a £70 million Opera House and educational centre with a spectacular architecture, located on the southern part of the river Tyne, facing the Baltic. It opened at the end of 2004 and is home to the Northern Symphonia. Finally, the Angel of the North is £ 1 million-cost monumental sculpture, mainly financed by National Lottery funds, that is 20 meters high and with a 54 meters lateral development, which has now been adopted by the community as a landmark not only for the local area but for the whole North East of England, and has been elected as one of the country's outstanding icons in the ICONS project commissioned by the Culture Online section of the national Department of Media, Culture and Sports (DMCS).

Thanks to these projects, the Gateshead Quays have been converted into a truly unique arts, culture, leisure, and housing space for residents and tourists, thus making up one of the most extensive projects of culture-based urban renovations in Europe. More than £250 million has been injected into the regeneration of this part of the city. In the span of a decade, Newcastle-Gateshead has turned its image upside-down: from a blackened, gritty place of social and economic dismal to a fun-loving urban area that consistently features in the lists of the top ten party cities in the world. But one should not think of the Gateshead case as an instance, all too common nowadays, of city 'cool hunting' leading to exclusive gentrification: the new image of the city is a consequence of a strongly community-based project aimed at redefining primarily the attitudes and perceptions of actual inhabitants.

Gateshead has gambled its future on these huge and ambitious flagships that have come to characterize the entire region. However, they represent only the initial steps of a broader initiative directed to the social and economic revitalization of the conurbation by means of a community-oriented strategy of artistic and cultural development, that is being developed by a complex array of mainly public bodies and agencies. The key players are:

- the Gateshead Council, which decided to revitalize the city through cultural and artistic projects. The Council has been able to convince many partners to participate in the initiative and to collect the

necessary funds, such as the Regional Arts Council, public and private partners and investors, cultural organizations and universities, all of which played a relevant role.

- One NorthEast, the Regional Development Agency set up in April 1999 to help the people of the North East to attain permanent occupation, prosperity and a higher quality of life. The Agency, along with all other Regional Development Agencies across England, shares a common mission statement: ‘to transform England's regions through sustainable economic development’. It is also committed to invest in cultural initiatives and in particular in the Culture 10 program of festivals and events (see also below) going through 2009-10, and has just published a strategic report commissioned to a private consulting firm to begin designing its cultural strategy beyond 2010.
- Culture North East is one of eight regional cultural consortiums in England, established by the DCMS to support regional cultural and creative forces. It is meant to be a think-tank, as well as a networking and advocacy organization that develops the region’s cultural development strategy. It has prepared in January 2005 a Cultural Manifesto that clearly spells out its focus of interest in terms of promoting the region’s cultural distinctiveness, the participation of the community to cultural mind-opening opportunities and to strengthen the region’s links to the international cultural scenes with a view to a two-way global exchange.
- NewcastleGateshead Initiative is the destination-marketing agency for the area, created by the two city councils and funded with both public and private money. It is a limited company whose board draws from both public officers and leading business people in the region. With the launch of this agency, Newcastle and Gateshead have worked together for the first time to promote the area as a whole. The agency’s aim is to construct a strong brand for the area by positioning it as “a place at the forefront of innovative culture-led regeneration and a world-class place to live, learn, work and visit”. Culture plays a truly key role in this respect as it is seen and marketed as the major source of identification and attractiveness of the region.

Whereas Austin can be seen as an instance of a system-wide cultural district that started from focusing on Florida's attractiveness paradigm and gradually evolved a more complex and articulated model, Newcastle-Gateshead rather represents an antithetical approach, entirely founded on the capability-building of the local community and regarding attractiveness as a consequence of the achievement of a new culturally oriented social attitude. When the Newcastle-Gateshead area applied for the massive public (mainly Lottery) funds that were called for to finance the huge regional re-development strategy, it had to cope with the skepticism of several national opinion leaders: the social and economic backwardness of the region seemed to many too entrenched to warrant a reasonable expectation of success. For instance, the area lost the national bid for the European Culture Capital 2008, that was won by Liverpool, despite a clear early evidence of the viability and effectiveness of the by then ongoing renovation effort. This failure, however, did not curb the enthusiasm and energy around the project and drew national attention toward the North East's new cultural wave.

In a nutshell, the strategy initially focused on the cultural reconstruction of the identity and pride of a community that had been humiliated by years of downsizing and relocation of (traditional) productive activities. In particular, the strategy has bet on the somewhat unintuitive possibility that systematically enabling people with competences and capabilities to participate in cultural events and project would have paved the way to a new knowledge-oriented society that would have been able to take advantage of the new opportunities put forth by the country's post-industrial transition. The community orientation of all of the area's major cultural institutions is strong and firmly declared and is particularly evident in the case of the Sage Gateshead which has made of musical education a quite powerful leverage for social cohesion and inclusive participation. The bet has been largely won. But it has been a surprise at the national level - in spite of the impressive results of a more than a decade-long coherent and consistent endeavor in terms of cultural participation and development of creative professions and markets - that a research conducted in 2006 by a private consulting firm and commissioned by the tv channel Artsworld revealed that, by making a thorough evaluation of both availability and attendance of cultural opportunities and facilities as well as levels of funding, Newcastle-

Gateshead ranked first at the national level, with London and Liverpool lagging far behind – ninth and tenth out of a pool of 14, respectively (Taylor, 2006). Another recognition has already come as early as in 2002 by Newsweek International, that included Newcastle-Gateshead among the world's eight most creative cities (Piore, 2002); incidentally, also Austin was part of the list. And, from the point of view of citizens, the share that recognized to cultural activities of the area a significant existence value was 81 per cent (Miles, 2005).

Evaluation of impact using strategic dimensions

The case of Newcastle-Gateshead represents one of the most impressive currently available examples of a culture-led economic and social renovation project, in which the public sector has played a key role in designing and implementing a sophisticated strategy of systematic, carefully targeted cultural investments. The above described system of development agencies make an impressive case for the incidence of the QLG dimension. The QCS dimension has been developed not by creating iconic facilities mainly aimed at making the conurbation a tourist destination (although certainly some of the facilities and projects have become iconic anyway), but rather by addressing the weaknesses and contradictions to the local community's cultural identity, and thus in this instance the QCS dimension conjugates naturally with the LCI, MSC and CBE ones – the culture-society link pops up over and over as one reviews all aspects of the area's cultural strategy. And the link has been very successful, as it has been able to foster a widespread, solid, motivated participation to cultural opportunities in a context with very little previous tradition and with a local identity mainly characterized by popular sports (soccer above all) at the symbolic level. Of special interest is the already cited Culture 10 program, whose aim is to affirm and consolidate at the international level the area's major cultural standing through a series of highly coordinated initiatives that have a traceable impact on virtually all of the twelve strategic dimensions, but certainly add substantially to the QCS in the first place and to the 'social' dimensions as an immediate consequence. Of special interest is the fact that every project in Culture 10 must have a clear and distinctive implication for the cultural capability building of the local community (CBE).

On the QPK side, the Skills Action Plan promoted by One NorthEast is fostering a more effective and thorough integration between the (fairly good) local network of educational and research institutions and the business environment. The DLE dimension is covered by the Regional Economic Strategy Action Plan 2006-2011 “Leading the Way” that places a major emphasis in the support of start-up companies and in the parallel attraction of outside skills (AEF, AET). The DLT dimension is equally well looked after: for instance, the Newcastle College has opened in 2004 a £ 19 millions education facility entirely aimed at educating and preparing cultural and creative professionals – the largest educational facility of this kind in the whole country. Again, both the DLT and the AET dimensions are central to the Culture 10 strategy, and the same can be said for both the IN and EN dimensions. As to IN, the very fact that the two cities are increasingly integrating their development policy into one single strategy is very telling in this respect.

The NewcastleGateshead strategy has been started with a clear top-down characterization, that has been predominant for a relatively long time, but as long as the local community has regained confidence in its skills and human resources, and with the increasing amount of outside credit and recognition, the bottom-up dimension has emerged dramatically and now it can be said that the model has a strong community push; the local cultural and artistic scene is expanding and keeps a highly inclusive character, so that all of the major cultural institutions are engaged in an ongoing dialogue with the local cultural producers. Even Baltic, that from the point of view of the exhibition program was initially not very responsive to the local art scene and basically focused on internationally recognized artists, is now becoming more attentive in this respect, also thanks to the fact that as the culture-led development of the area proceeds and international cultural exchanges are developed, the local scene is rapidly losing parochial traits and is becoming very responsive to the international standards of quality and achievement.

4. Linz (Austria)

Linz is the third largest city in the country – with about 180,000 inhabitants – on the river Danube, Upper Austria. Today Linz is still an industrial city: the Voest Alpine, a large steel mill and the former

‘Chemie Linz’, a chemical group now split up into several companies, made Linz one of Austria's most important economic centers. Linz also serves as an important transportation hub for the region of both Upper Austria and, to a lesser degree, Southern Bohemia.

The city is now home to a vibrant music and arts scene that is well funded by the city and the state of Upper Austria. Besides well-established events and institutions, from the 1990s new experimental and innovative culturally related activities have appeared, re-shaping the image and development strategy of the city. At present, along with the Lithuanian capital Vilnius, Linz will be the European Capital of Culture in 2009.

The city approach to culture-led renovation finds its best example in Ars Electronica, which is a museum, a laboratory, a prize and a festival at the same time. The Museum of the Future on the north bank of the Danube, across from the Hauptplatz, which leads to the historical part of the city (Altstadt), is a six-storey space where visitors can learn about technology by getting their hands on and playing with the world of digital interaction. The Ars Electronica Center (AEC) is home to one of the few public 3D caves in Europe - the very first 3D cave in the world to be publicly accessible - and attracts a large gathering of technologically oriented artists every year for the Ars Electronica Festival. For the 2009 Cultural Capital program, a new wing will be completed and the whole floor space will be tripled with respect to the current status quo, whereas the current multimedia collection will move in a new space downtown. The FutureLab is a complex of studios and workshops where researchers carry out innovative projects on digital surfaces, virtual environments and interactive space; it will expand significantly in the AEC's new configuration in 2009. The ‘Prix Ars Electronica’ is a multidisciplinary competition for cyber arts, which includes any possible kind of digital media design project linked to technology, art, science and society.

The creative interaction between local cultural tradition and a resolute option for cutting-edge technology in the media industry has enhanced the cultural supply of the entire city, even in the traditional art forms. Situated on the banks of the river Danube, the new Lentos modern art gallery was completed in 2003 in order to host the internationally acclaimed collection of the Linz Neue Galerie. The appearance of the building, with its 8000 sqm of usable floor space, is remarkable for its

transparent glass casing, attractively lit in blue, pink, red and purple at night. Almost 3000 sqm of exhibition space containing masterpieces of painting and graphics from the 19th century to the present day await the visitor, along with selected special exhibitions. The 'OK Centrum für Gegenwartskunst' (Centre for Contemporary Art), which is supported by public funding, is an experimental laboratory for exploring experimental research in visual arts. It is intended to be an exhibition and production facility for contemporary art, accompanying the whole artistic process from conception to exhibition. In this way, both a public platform and a laboratory situation are provided simultaneously for artists, usually from young generations, working in an international context. The Brucknerhaus, the most important Linz concert hall, named after Anton Bruckner, is situated just some 200 meters away from Lentos. It is home to the Bruckner Orchester, and is frequently used for concerts, as well as ballet and other events. Between Lentos and the Brucknerhaus, the Donaulände, which is also referred to as the 'culture mile', hosts a park, used mainly by young people to relax in, and in summertime for the Ars Electronica Festival and the Linz Fest.

Along with cultural infrastructures, the 'ephemeral' dimension has been strengthened by means of an international festivals circuit. Following the opening of the Brucknerhaus in 1974, the next step was to found a special music festival. The concept for this festival naturally followed such models as the Wiener Festwochen and the Salzburger Festspiele. Initially, the International Bruckner Festival was a pure music festival based on the works of Anton Bruckner. Yet the traditional orientation of this event was not really in the position to provide Linz with an image of its own. In 1979 the city enhanced the Bruckner Festival with the Ars Electronica and the 'Cloud of Sound'. The former features exhibitions, seminars and performances which every year involve an issue around the relation between ITC and artistic expression. The latter is an attempt to create a popular link between Bruckner's music and Ars Electronica. In 1979 a multi-track tape from a record company was used to broadcast into the Danube Park: 100,000 listeners were amazed by this initial experiment of the Linz Cloud of Sound. The sound system today runs on way over 200,000 watts. It was this conjunction between the future and tradition that gave the Bruckner Festival and thus the city of Linz a unique image, which is recognized in this form all over the world. The

further development of the festival will be in the direction of 'Linz.art'. The Ars Electronica Festival and the Bruckner Festival, together with the Linzer Landestheater, the Lentos museum and other cultural institutions in Linz will thus now offer a month of creativity in festival form every year. Moreover, every summer Linz welcomes the world of international street art in all its colourful facets (Linzer Pflasterspektakel). Over 500 artists from around 40 different countries make music, juggle, dance, present their unique performances and enchant roughly 200,000 visitors over three days with their spontaneous and masterly abilities.

Evaluation of impact using strategic dimensions.

In order to underpin such an impressive network of activities, the Linz City Council has adopted an explicit document of cultural planning since 2000. The plan is innovative in terms of contents and modes of financing, and the strategy, which is aimed to address the metropolitan area's key future development options, assumes culture as the main driver for the further development of the city. The high quality of the cultural supply is not something new in a city with a long-lived and remarkable cultural tradition, but what makes the QCS dimension particularly interesting in the case of Linz is the increasingly focused groping towards a world-class positioning in the field of new media, technology and cutting edge experimentation. From the early experiments conducted in the late 70s and promoted by a small group of private pioneers, there has been a progressive legitimization from, and participation of, all of the major local stakeholders in the new cultural venture. The city government has had the merit to realize the potential of AEC as the hub of an internationally focused local creative economy, and has made all the needed investment to secure its development, arriving at centering the 2000 cultural plan, that makes an outstanding contribution to the QLG dimension, on the AEC model as a paradigm for the emergence of a new productive specialization for the whole urban area. This does not mean of course that the Linz strategy prepares for a future where culture is the only turf; the point is rather the understanding of how culture can contribute to the creation of the environmental conditions for successful innovation in the high-tech field. The cultural and scientific wings of the local systems are all but separated and self-referential; in particular, the FutureLab is fully integrated in the city's R&D technological system and

constitutes one of its key factors of competitive advantage. This original scientific-cultural configuration of the innovation system looks very promising both in terms of QPK, DLE and AEF. The Johannes Kepler University is currently building a 24 millions euros mechatronics-focused science park and a new campus that will become the other hub of the system, entirely coherent with, and complementary to, the positioning of the local system on the cultural side. Not incidentally, the University also hosts a new Institute for media arts and media professions. The support of this massive program of activities comes not only from public money, but also from the attraction of venture capital, meant not only for the technological sphere but also for the cultural one, with an eye to the economic potential lying in the development of the local system of cultural and creative industries.

The development and attraction of talent, DLT and AET, is another of the priorities of the 2000 cultural plan. AEC has been a leader in this field too, by creating an internationally renowned artist in residence program. Residence programs in various field are now operating and are again consolidating the exceptional international networking (EN) developed by AEC from the very early years of activity. The IN dimension is encouraged through the spatial concentration of several cultural institutions in the culture mile along the Danube, and is also explicitly dealt with in the cultural plan, that provides several incentives to foster projects that are realized through the joint effort of different cultural institutions. The 'social' block of dimensions – MSC, CBE and LCI – finds a pioneering development again in the activities of AEC, whose collection of multimedia installations is open not only to schools coming from throughout Central Europe, but also to local social events such as the birthday parties of the children of resident families. AEC is also engaging in highly innovative educational programs open to various kinds of public. Moreover, the AEC upper floor is open in the evening, when the center is closed, with a program of cultural activities of various nature that attract a significant and faithful public. Community involvement and education has again been taken up by the 2000 cultural plan, that places a remarkable emphasis on the need to commission and produce socially engaged, community oriented art projects to stimulate the public debate on controversial issues. The Linz tradition of huge, open air cultural events has also contributed to a great extent in reshaping

the city identity in a cultural sense, and to address an increasingly diverse and motivated local audience.

The case of Linz can be considered a textbook example of culturally-driven re-definition of the competitive model of a local system in the transition from an industrial society to a post-industrial one. In this case, the original impulse has been from the bottom-up, and found a crucial leadership in an innovative world-class institution such as Art Electronica, that progressively re-modeled the local attitude toward culture through a process of constant involvement and participation of all the local stakeholders at all levels. But it is interesting to stress that this original impulse has been taken up in a timely way by the city government, which has not only provided more resources and expanded the local stable of cultural facilities and institutions, but has rationalized the AEC model into a systematic vision of development in its 2000 cultural plan which represents an ideal compendium of the twelve strategic dimensions that characterize system-wide cultural districts. It is also interesting to stress how this innovative attitude of the public administration is stimulating not only the cultural involvement of the local entrepreneurship, but also, and most notably, the attraction of venture capital in the cultural field: a new practice that could open new opportunities also in other contexts of culture-led local development.

5. *Denver (Colorado, USA)*

Denver is the capital of the State of Colorado with a population of about 550,000 inhabitants, which rises to over 2 million if the whole metropolitan area is considered. Denver has been historically known as the 'Queen City of the Plains' because of its important role in the agricultural industry in the plains regions along the foothills of the Front Range. Denver's economy is to some degree based on its geographic position and its connection to some of the major transportation systems of the country. Since Denver is the largest city in 600 miles, it has become a natural location for the storage and distribution of goods and services to the Mountain States. Denver is also approximately halfway between the large cities of the Midwest like Chicago and St. Louis and the cities of the West Coast, another benefit for distribution.

Denver is famous for such winter sports as skiing and other competitive sports like basketball, baseball, football and hockey, which count for several professional American sports franchises. Starting from the late 80s, the city has begun to develop a new strategy, which was originally triggered by the difficulty of coping with the budget constraints of the major local cultural institutions. The city's approach to culture-led local development processes has been driven by a singular mix of bottom-up and top-down elements and has turned out to be quite successful. Starting from a situation of lack of available funds, now Denver has become able to cater considerable resources on a yearly basis to finance cultural initiatives in a variety of fields and establishing a close dialogue with the local community, which has a strong say in determining the city's cultural policy. This is a consequence of the fact that the development of the cultural capability of citizens has been the true, crucial cornerstone of Denver's culture-led local development model.

The results of such a policy are striking, once suitably scaled to Denver's context and history. In 2001, compared to an annual total of 7.5 million skiers and 5.3 million spectators for sporting events, the number of spectators for cultural events reached 9 million, and brought in profits for \$840,000 from outside Colorado, to become, respectively, 8.2 million, 4.5 million, and 14.1 million in 2005 . The sporting and cultural leisure opportunities are not conflicting but rather complementary, as Colorado residents and visitors seek a variety of activities. But the drive of culture, once nothing more than a side dish of the overwhelming local menu of opportunities for sporting and outdoor recreation, is surprising: almost three times the state's population attended cultural activities in the Denver area in 2005, and taking 2001 as a reference audiences grew at a pace way above one extra million attendants per year.

Two institutions played a decisive role in activating the virtuous circle. In 1989, from the initiative of several local authorities, the SCFD (Scientific and Cultural Facilities District) was established, a public funding agency supporting cultural organizations and activities in 7 counties of Colorado State. The SCFD is a unique collaboration between rural, suburban and urban counties. The available budget for scientific and cultural organizations in the area is now well over \$30 million annually: it was \$14 million in 1989 and has become \$38,3 million in 2005. The SCFD raises money through a specific sales tax which delivers 1¢ from every

\$10 purchase in Adams, Arapahoe, Boulder, Broomfield, Denver, northern Douglas and Jefferson counties, thus providing supplemental financial support to the metro Denver cultural organizations. Currently, the SCFD recipients are organized into three tiers: Tier I (59% of funds) is composed of the four major regional institutions: the Denver Art Museum, the Denver Botanic Gardens, the Denver Museum of Nature and Science, and Denver Zoo; Tier II (28%) organizations include 23 regional organizations offering the best in science and culture; Tier III (13%) recipients include a range of small organizations with cultural and scientific missions.

In addition to the SCFD, the Colorado Business Committee for the Arts (CBCA) serves as a catalyst for business-arts partnerships, creating an awareness of the arts community as a vehicle for creativity, economic development, and business prosperity. The agency operates on three levels. Primarily, the CBCA supports the arts by placing business leaders on arts boards, sponsoring organizational and audience development and training business people to be arts advocates and informing them of how the arts foster community development. Secondly, the CBCA serves as a resource for business by regularly monitoring the economic effect of cultural and scientific organizations of the region. It also informs the business community about arts issues that relate to business, enabling business leaders to understand the complexities of the cultural community, to stimulate employees' creativity and morale, to build new business and to enhance corporate image. In addition, the CBCA provides benefits to member companies, from honoring exceptional support through an annual awards luncheon and corporate art exhibition, to offering programs like employee art exhibits and behind the scenes experiences at cultural events and facilities. The CBCA partners with the Denver Metro Chamber of Commerce on the Chamber's Cultural and Scientific Committee. The Committee, comprised of business leaders and select representatives from the cultural community, raises awareness of the value of the cultural community to economic development and quality of life throughout the seven-county metro Denver area.

Looking at 2005 data, cultural industry in the metropolitan area has had a total economic impact of \$1,426 billion (\$1 billion in 2001); there have been \$785 million of expenditure in the cultural sector (\$658 million in 2001) and \$597 million in related businesses (\$435 million in 2001),

such as hotels, restaurants, etc. From the occupational viewpoint, cultural organisations employed 10,800 people (a little less than 7,700 people in 2001), thus becoming the sixth major employer in the metropolitan area. Cultural organisations incomes amounted to \$387 million (\$208 million in 2001). Half of it derived from direct selling of goods and services (entrance tickets included), and the other half from public and private contributions from individuals, enterprises, public bodies, foundations and agencies. In the same year cultural organisations invested \$44 million in new buildings, and in their restoration and furnishing (\$41 million in 2001). Cultural tourism turnover reached \$139 million, and cultural organisations paid \$16 million in taxes (\$14,5 million in 2001). Denver has now become an important cultural destination, with its 4,5 million paying visits per year (4,3 in 2001), more than 8,7 million free visits (3,9 in 2001) and 816,531 reduced price visits (816,000 in 2001). There are about 860,000 visitors coming from outside the state. More than 1 million people participated in cultural courses or educational events, not all of which were free, and still one million, more or less, decided to support the local cultural organizations' fund raising campaigns. Educational programmes involved 2,4 million primary and secondary students, a number four times as big as the entire metropolitan area students' number. Community cultural programmes involved about 940.000 people, with a particular interest in poor children, ethnic minorities, old people and disabled people. There were more than 39.000 volunteers working in total 1,7 million hours per year (28,000 volunteers for 1 million hours in 2001).

Evaluation of impact using strategic dimensions.

The 'social' block of strategic dimensions, MSC, CBE and LCI, is the cornerstone of Denver's culture-led development strategy. The mere inflow of resources raised from the dedicated sales tax would not have made all this difference without a joint, comprehensive educational effort that has substantially broadened and solidified the local cultural audience, and increased its willingness to pay for access to cultural opportunities. This educational action has been targeted to marginal, minority and socially impaired groups (MSC) as well as to audience development and involvement, through specific programs that have been participated by all of the area's main cultural institutions. The whole

strategy, which by the way has been initially promoted among ample controversy and strong disagreement of part of the local community, only to unfold its effect through time, called for a remarkable amount of strategic vision and is in itself an outstanding expression of QLG. The SCFD-CBCA junction is the institutional counterpart of this local excellence and constitutes a first important expression of IN, a dimension that is further developed by the cohesive coordination of the local cultural organizations in implementing the educational ‘shock therapy’ on the local audiences. The QCS and QPK dimensions are very well represented – the metro Denver area hosts a number of outstanding cultural institutions as well as university, colleges and research centers – but paradoxically their role is probably more important now that the cultural profile of metro Denver is gaining full momentum and acquiring an international reputation, than it was in the starting phase where the real concern was the construction of cultural audiences in a city with a weak cultural identity.

Also the EN dimension has played a relatively minor part at the beginning, to become increasingly important in the advanced phase. The presence of cultural institutions with an international scope, such as the Denver Art Museum that recently opened a new architecturally daring wing designed by Daniel Libeskind, the Denver Center for Performing Arts also hosting the Colorado Symphony Orchestra, or the Denver Museum of Nature and Science, is constantly expanding the city’s national and international cultural network. Also the DLT and AET dimensions are well covered by the presence of excellent educational institutions in the artistic and cultural fields such as the Arts and Humanities branch of Denver University, the University of Colorado or the Art Institute of Colorado, although this is probably the field where a further leap forward may be called for. Finally, the DLE and AEF dimensions provide other pioneering models: first and foremost, the Metro Denver Economic Development Corporation, a regional economic development agency that groups and coordinates all the economic players of the metro Denver as well as of the Northern Colorado areas pursuing common, cross-sector strategies according to a logic that is very close to that of the system-wide cultural district. It is the only example of a regional development agency in the whole United States that can be deemed representative of the whole compound of economic interests of

its reference area. The Metro Denver EDC focuses especially on the development of new entrepreneurial and professional skills to enhance the global competitiveness of the region and is investing significant amounts of resources to pursue innovative training programs (\$3.8 million grants to 10 different workforce and education programs in the context of WIRED (Workforce Innovation in Regional Development Program), matched by a further \$15 million grant from the US Department of Labor.

As in other cases discussed above, the Denver example presents an initial top-down impulse that has been readily matched from the bottom-up to form a self-sustaining positive feedback loop that has constructed an economically and socially significant cultural and creative economy.

4. Towards a policy framework

What makes an interesting case study of a system-wide cultural district is neither the local presence of isolated, excellent cultural institutions nor the spatial concentration of a large number of cultural institutions, as in traditional cultural districts. Rather, it is the level of coordination among the various local players to achieve strategically defined culture-led development goals and the increasing complementarity among different innovation-oriented value chains that may profit from a generalized, pervasive cultural orientation of the local system as a mind opener, a networking and social learning platform, a creativity lab, and so on. There are many instances of culturally sophisticated cities that have so far been unable or unwilling to develop this complex organizational model. System-wide cultural districts are then based on the ability of the local system to develop a self-organized regulation of their development dynamics where the regulating parameters have a cultural nature. None of the examples discussed above has intentionally pursued the creation of a system-wide cultural district. In fact, in all cases one can say that there was a local player, be it public or private, that gave the starting impulse and the other ones gradually followed up, so that the new organizational model emerged somewhat spontaneously from trial and error. But once the key features of the model have been singled out, it becomes possible

to incorporate them in a coherent policy framework, at least to some extent.

As often noted during the discussion above, the twelve strategic dimensions that characterize system-wide cultural districts may be grouped into five macro-dimensions:

A. Quality

- Quality of Cultural Supply (QCS)
- Quality of Local Governance (QLG)
- Quality of the Production of Knowledge (QPK)

B. Development

- Development of Local Entrepreneurship (DLE)
- Development of Local Talent (DLT)

C. Attraction

- Attraction of External Firms (AEF)
- Attraction of External Talent (AET)

D. Sociality

- Management of Social Criticalities (MSC)
- Skills Building and Education of the Local Community (CBE)
- Local community involvement (LCI)

E. Networking

- Internal Networking (IN)
- External Networking (EN)

One can easily trace some of these strategic dimensions to the aforementioned approaches of Sen (CBE, LCI, DLT, QLG, MSC), Florida (QLG, AEF, AET) and Porter (QPK, QLG, DLE, AEF). With respect to the two last dimensions, namely internal and external networking, these cannot be referred to any specific approach, but have to be conceived as a structural mechanism for the emergence of the district, in that thanks to these elements it is possible to activate the system dynamics, through the increasing levels of interaction, communication and acquaintance among the social actors that are conducive to system-wide self-organization. The system-wide cultural district approach then can be regarded as a generalization of several partial approaches that have been developed so far to analyze the

specificities of local development models, with special reference to industrial and post-industrial contexts. Whereas partial approaches may be useful and satisfactory in the industrial phase that is characterized by patterns of strong specialization in specific sectors and value chains, it becomes increasingly wanting with the unfolding of the post-industrial transition, that on the contrary calls for increasing integration and cross-fertilization of productions, processes, and products.

Another important facet of the post-industrial context is the increasing relevance of intangible factors, together with traditional tangible ones, in determining a local system's development asset matrix. The dynamics of tangible vs. intangible assets is a primary concern for the design and evaluation of local development strategies, and the proper analytical toolbox to carry out this task is only partially available at the moment. Lacking the proper tools, it is easy to commit to badly inefficient strategies and courses of action, trading off the (visible, more easily measurable) advantages of building tangible stocks against the (invisible, less easily measurable) damage from destroying intangible ones. As already noted above, this has been the strategy followed by some prominent art cities, with outstanding Italian cases such as Venice or Florence, that have basically given up their cultural identity to the tourism mass market that is steadily transforming them in theme parks: in these cases, there is certainly a benefit in terms of profitability of part of the local economy, but the parallel annihilation of the city's memory and the thwarting of its cultural evolution are probably not worth it, or at least the tradeoff is never explicitly spelled out and evaluated for what it is.

In the post-industrial transition, intangible assets acquire an increasing capacity of value creation, as consumers' demand becomes increasingly laden with issues of sense-making and identity rather than of mere availability of relatively abundant material resources. Therefore, paying little or inappropriate attention to the implications of policy choices on the dynamics of intangible assets is myopic at best. In the examples of system-wide cultural districts discussed before, it is easy to isolate many crucial aspects of these development histories where the role of one or more kinds of intangible assets is explicit and crucial. To systematize this intuition, we propose an analytical framework that can be considered as a first step toward a full account of local development processes based on the accumulation of intangible assets, and in particular of culture-driven

processes, by suitably extending the 12-dimensions scheme used so far into a development matrix.

Each of the twelve dimensions discussed above, and so each of the macro-dimensions just presented, interacts directly with tangible and intangible assets, influencing in a positive or negative way their level and dynamics (for a groundbreaking analysis of the composition of each of these assets stock and flows in the context of urban processes see Sacco et al., 2008).

Among tangible assets we distinguish:

- Natural capital, i.e., assets that are not produced by human activities (natural resources, renewable or not);
- Physical capital, i.e. all those infrastructures and material goods created by human activities.

Among intangible assets we have:

- Human and informational capital: individual knowledge, competences and abilities as embodied in their owners/carriers (human); the stock of transmissible knowledge stored on physical supports or devices;
- Social capital: institutions, behavioral norms and networks of relations allowing the individual and the community to profess mutually compatible value orientations, to organize a well regulated and cooperative social interaction, and the pursuit of shared objectives of well-being and social quality;
- Symbolic and cultural capital: the stock of shared meanings, conventions, and habits, that allow individuals and groups to identify and express themselves and to find their place in a shared historical and social narrative.

To gain a proper understanding of the properties and implications of a specific local development process, it is necessary to track the actual interactions that take place between actions conducted within a specific strategic dimension and the impact that they produce, whether planned or not, on each of the above asset categories. This evaluation may be conducted by means of suitable quantitative or qualitative indicators, that can be thought of as the entries of a 12x5 matrix, structured as follows:

Chart 1. Dimensions-Assets Evaluation Matrix

Quality	Quality of Cultural Supply (QCS)					
	Quality of Local Governance (QLG)					
	Quality Production of Knowledge (QPK)					
Development	Development of Local Entrepreneurship (DLE)					
	Development of Local Talent (DLT)					
Attraction	Attraction of External Firms (AEF)					
	Attraction of External Talent (AET)					
Networking	Internal Networking (IN)					
	External Networking (EN)					
Sociality	Management of Social Criticalities (MSC)					
	Skills Building and Education of the Local Community (CBE)					
	Local community involvement (LCI)					
		Natural Capital	Physical Capital	Human Capital	Social Capital	Symbolic/Cultural Capital

A direction for future research is that of developing the above matrix as an analysis and evaluation framework for investigating and classifying alternative local development processes in terms of their implications on strategic dimensions and asset dynamics, and to construct specific, targeted indicators. On the basis of this matrix, case studies as the above discussed ones could be reformulated and data and information collected so as to fit the matrix's structure and organization, thereby allowing for easier and sharper comparison. In principle, full-fledged system-wide cultural district models will tend to saturate the twelve dimensions, i.e. to produce significant entries for each of them, although the implications for single types of capitals may be complex and highly diversified from case to case. Local systems aiming at developing a system-wide cultural district kind of organization could be able to perform significantly on some dimensions but not on others, and the matrix would then become an interesting support for the construction of a strategic road map for the future evolution of the system, and to fine tune the corresponding policies in terms of their asset dynamics implications, and so on. A preliminary test for this methodology, for the moment limited to the evaluation of the incidence of the strategic dimensions without a direct evaluation of their impact on the asset dynamics, has been conducted by comparing the policies undertaken by the 2004 European Culture Capitals, namely Genoa and Lille (Sacco and Tavano Blessi 2007).

5. Conclusion

The increasing interest in culture as a catalyst and engine for local development processes finds its antecedents in certain experiments in urban and regional planning, such as the urban regeneration plans carried out by the Greater London Council from the 1970s, based on a strategic vision focused upon building cultural infrastructures and activities (DCMS 2004). The issue of culture-led renovation processes for urban areas and regions has subsequently developed both at the theoretical and policy levels, fuelled by the evidence of the positive influence provided by culture on the economic (see Landry, 2001; Rullani, 2004), social (see Matarasso, 1997, Everingham, 2003) and built environment (see Bianchini and Parkinson, 1993; Graham, 2002; Hutton, 2006). In this perspective, the variety of observed cases of successful culture-driven

local development described in this article still defies the existing analytical frameworks and calls for further theoretical and applied work to get a proper understanding of the complexity of the interdependences that make up a self-organizing, system-wide cultural district. In particular, it is necessary to get a better understanding of the conditions that allow their emergence, evolution, and sustainability, and to develop a set of indicators that allow in-depth monitoring and analysis.

Recent literature has developed theoretical frameworks and classifications for cultural clusters or districts (see Scott, 2000; Valentino, 2003; Evans, 2001, 2004; Santagata, 2006) and there is an extensive research on specific case studies, but this burgeoning interest also makes room for confusion and ambiguity. In particular, Mommaas (2004) underlines that the cultural district label has often been attached to very different spatial ambits and scales: it sometimes refers to single buildings, more often to urban quarters, but also to entire cities and networks of small villages. In an effort of classification, the author points out seven key dimensions, which range from two opposite boundaries: the horizontal integration of activities; the vertical portfolio of production/consumption functions; the dispersion of an organizational framework; public/private involvement; the openness/closure of programming; the vernacular/engineering approach to planning; spatial hierarchy. The Mommaas framework is certainly useful and we plan to analyze the possibility to integrate it with ours in our forthcoming research.

According to Hospers & Beugelsdijk (2002), many policy-makers are tempted to apply clustering strategies without considering local differences and the cultural and structural idiosyncrasies. The best practice in cultural development has shown a range of models that can effectively work only under certain conditions. Models that only count on one driver – like innovation – do not explain the complex territorial dynamics. Evidence in some regions demonstrates that productive agglomeration – even in the creative industries – does not necessarily spread or enhance innovation (Simmie, 2004), further promoting the improvement of social and environmental local dimensions.

The framework presented in this paper, and the corresponding dimensions-assets matrix, is not meant as just another analytical tool, but as an attempt to provide a systematic framework to organize the

discussion and analysis and ease the comparison of different models and approaches. From a more strategic perspective, we think of it also as a policy framework to organize and monitor the design and implementation of cultural planning at a local level. The matrix encompasses both the social and economic aspects and implications of cultural strategies and actions, and therefore may serve as a guide for local stakeholders to discuss and to play a part in the development process, thereby fostering an integrated, socially cooperative approach based on a shared vision and methodology. Also, it can be useful as a background for the design and evaluation of public or private cultural investments, whether tangible or not, at various possible scales.

The present paper is meant as a synthetic presentation of the system-wide cultural district model, as a theoretically sound (in our view), but also a pragmatic perspective on the role of cultural activities and resources in current local development processes. Given the currently frantic activity in promoting and developing culture-led strategies of development, place marketing, tourist and investment attraction, and so on, we feel that it is important now to prevent bubble-like phenomena of irrational exuberance and to eschew easy plug-and-play recipes or true instances of magical thought about how to make people and communities rich and happy with culture all at a sudden. To avoid this, and to build on the experience of others in a progressive and constructive way, we believe that serious comparative analysis and methodological research is called for, and we hope to have given a small, positive contribution in this direction.

Of course, this implies raising plenty of issues that need proper reflection, discussion, and analysis. Not only about the pros and cons of state of the art cultural planning and culture-led local development models per se, but also, for example, about the ‘culturalization’ of productive processes, one of the hallmarks of the post-industrial transition, which increasingly links together urban regeneration practices with experimentation and incubation of new models of entrepreneurship and creative production. Or issues of cultural participation and democracy and of social and economic justice, in terms of opportunity of access to cultural activities and practices, and arousal of awareness of the long-term social and economic implications of culture-led regeneration processes. And the list could be much longer. There is, therefore, much

food for thought and an enormous amount of work to be done. We look forward to an exciting season of research and policy experimentation aimed at opening new avenues for human, social and economic development for local communities worldwide.

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