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Culture and the Structural Funds in Italy

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The EENC was set up in 2010 at the initiative of Directorate-General for Education and Culture of the European Commission (DG EAC), with the aim of contributing to the improvement of policy development in Europe. It provides advice and support to DG EAC in the analysis of cultural policies and their implications at national, regional and European levels. The EENC involves 17 independent experts and is coordinated by Interarts and Culture Action Europe.

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1. Background and Methodology

1.1. Background

In April 2012, the Directorate General for Education and Culture of the European Commission (DG EAC) submitted a request for an expert contribution on behalf of the European Expert Network on Culture (EENC), involving the preparation of six ad-hoc papers to analyse how the cultural and creative sectors could foster regional and local development in six EU Member States.

The request arose in the framework of the design and negotiation of the EU's Cohesion Policy and the Operational Programmes for the funding period 2014-20. In this context, the Commission is preparing internal 'negotiation mandates' that will identify the type of investments that should be prioritised, based on an analysis of the national and regional economic outlook of past and current spending and the identification of potential for development and structural weaknesses to be addressed. The mandates will allow the Commission to discuss 'Partnership contracts' with Member States, which should ultimately set the strategy, priorities and arrangements for using the Common Strategic Framework (CSF) Funds in an effective and efficient way to achieve the EU 2020 objectives of 'smart, sustainable and inclusive growth'.

Initial documents for the design of the CSF of the Structural Funds 2014-2020[1] have identified a number of areas in which culture can contribute to the achievement of EU objectives in this field, including the role of creative clusters and the cultural and creative industries (CCI) in 'Strengthening Research, Technological Development and Innovation'; the CCI and new forms of tourism in 'Enhancing the Competitiveness of SMEs'; cultural heritage and the rehabilitation of cultural infrastructures in 'Protecting the Environment and Promoting Resource Efficiency'; and the development of creative skills and creativity in 'Investing in Education, Skills and Lifelong Learning.' In any case, it can also be argued that the approach taken by preliminary documents regarding the place of culture in regional development may seem slightly narrow.

The main aim of this paper is thus to enable DG EAC to identify the potential for strengthening the role of culture in the Structural Funds' 'Partnership contract' with Italy, by providing a critical analysis of how 'the unused potential of cultural and creative sectors' can foster regional and local development in this country. The main

[1] European Commission, 'Elements for a Common Strategic Framework 2014 to 2020: the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund', Commission Staff Working Document, SWD(2012) 61 final; see also its accompanying Annex.

focus of the research is on the Funds which have an impact at local, regional and national level (particularly the European Regional Development Fund and the European Social Fund). Attention has also been paid to cross-border and interregional funding where this was deemed relevant for the purposes of territorial development, growth and jobs. The paper has been conducted in parallel to similar analyses in France, Germany, Greece, Poland, and Spain.

Italy is one of the EU member countries which seems naturally inclined to give to culture a central role in its national and local development strategies, given the richness of its cultural heritage, the outstanding role of culture in the definition and perception of its national identity, the weight of the cultural and creative sector in the national economy both in terms of turnover and employment, and its strong international positioning in several cultural and creative sectors such as visual and performing arts, cinema, music, publishing, fashion, design, etc. In spite of this, and in the middle of a phase of serious difficulty in distilling an effective growth formula that may bring the country out of a long-term stagnation phase and that calls for innovative perspectives and new routes for policy design and action, culture seems to play a surprising minor role in the policy debate. To a large extent, those sectors of the cultural and creative field which are commonly perceived as key for Italian competitiveness such as fashion or design, are primarily conceptualized as components of the (non-cultural) manufacturing spectrum rather than as key drivers of the cultural and creative economy, therefore not simply misplacing them but also ignoring the deep strategic complementarities that they present with respect to so many other cultural and creative sectors such as visual arts, architecture, music, multimedia, etc. Consequently, the Italian policy debate on culture still suffers from a poor and misleading conceptualization of the role of culture and creativity in economic development and competitiveness.

Currently, the country has no national strategy, however general and tentative, for the strategic development of its cultural and creative sector, and also at the regional level the strategic perspective on the field is partial and fragmented, even in regions where the share of employment in the cultural and creative sectors lies in the top positions of the European ranking, as it is the case with Lombardy, whose sector-specific employment level ranks third at the EU level after Île-de-France and Inner London[2]. Also the statistical data on the sector suffer from incompleteness and definitional issues, and consequently it is often the case that the regional administrations lack the basic knowledge required to evaluate the current state of the sector, its potential, its geographical and socio-economic characteristics, and so on.

[2] Dominic Power and Tobias Nielsen, *Creative and Cultural Industries*, The European Cluster Observatory, DG Enterprise and Industry, Brussels, 2010.

Given this lack of perception and understanding on the side of cultural and creative production, in Italy the economic potential of culture is seen as ancillary to the tourism sector. Culture-related value added is thus generally found in the impact of cultural tourism, both under the form of direct demand of cultural goods and services, and in terms of indirect impact on service sectors (e.g. hospitality, food and wine, merchandising). As a consequence, from a strategic point of view, culture ends up to be invariably matched with natural resources as natural complements of the wider national and regional touristic menu. As will be shown below, this approach clearly reflects upon both the national and regional Operational Programs articulations of the Structural Funds, thereby defining a very narrow policy action menu that often turns out to be ill-focused and/or ineffective with respect to the real developmental priorities and, in some cases, the best potential opportunities.

In a context where the developmental potential of culture is entirely handed over to its touristic dimension with very little emphasis toward cultural production (or looking at this dimension as a basically subsidized, economically unproductive one), cultural tourism itself suffers from the progressive impoverishment of the cultural scene and vitality of the 'art cities', which are gradually remodelling their urban and social fabric to adapt unconditionally to the needs and the expectations of the tourists, and thus gradually transform themselves in culturally lifeless 'theme parks', which expel their historical residents, impoverish the social life of the city, endanger the proper conservation of the heritage, foster real estate speculation and eventually threaten both the physical and the social sustainability of the city itself.

Italian heritage cities have much to gain from a more balanced and sustainable local development model where touristic development is integrated within a wider strategy that combines attraction of creative professionals and development of creative entrepreneurship, stimulation of (active) cultural participation of the residents, human capital and skill development strategies in creative production and manufacturing, and so on, thereby encouraging less invasive and higher value-added form of tourism, with longer average permanence times, higher willingness to pay for quality services and cultural experiences, etc.

North-West Italy

In terms of regional disparities, there still exist ample differences among the basic national quadrants. In the North-West, where the old Industrial Triangle that spurred the first wave of the country's industrialization cycle and that hosts three major industrial and cultural cities such as Milan, Turin, and Genoa is located, a high concentration of the country's cultural and creative production potential can be found. Milan has long been considered the 'cultural capital' of the country from the viewpoint

of cultural and creative production, and still maintains a prominent role in many sub-sectors. Turin has been often cited as one of the most successful Italian examples of culture-led urban regeneration. Major investments in new cultural facilities and in the strategic positioning in sectors such as contemporary art, cinema, and design, together with effective management of major cultural events such as the 2006 Cultural Olympiads and the 2008 World Design Capital among others have transformed the image of the city, attracting not only tourists but also young creative professionals and entrepreneurs. Genoa has maintained so far a more traditional attitude, catering for heritage-related tourism through the renovation of its magnificent historical centre, also thanks to the 2004 European Culture Capital program, which has been implemented rather as a 'big tourism-related event' than as an opportunity of deep strategic remodelling of the local developmental model, and has left relatively little permanent effects apart from an enhanced perception of the city as a touristic venue. In particular, culture has played so far a relatively little role in the city's massive post-industrial transformation, especially if compared to the example of the afore-mentioned neighbour city of Turin.

North-East Italy

In the North-East, which has been the cradle of the new wave of the PMI-based country's industrial development from the mid-70s, culture has traditionally played a relatively minor role in local policies if compared to the North-West. The macro-region hosts some of the most important 'art cities' of the country such as Venice and Verona, and is to a large extent largely representative, in its developmental culture, of the narrow tourism-oriented view discussed above. The typical industrial organization of the macro-region into vertically integrated production clusters, that concentrate upon a single, product-focused value chain, leads rather naturally to a conception of culture-led development in terms of 'cultural districts' seen as sector-specific clusters of cultural facilities and activities, thereby failing to take advantage of the major strategic opportunity offered by the structure of the local economy, namely the coexistence of a valuable heritage, a thriving but fragmented creative scene, and a high concentration of design-oriented manufacturing, which could, if properly matched and strategically coordinate, give a big impulse to the development of a highly competitive and original mode of a local cultural and creative industry system. Partial exceptions to this trend can be found in the two autonomous provinces of Trento and Bolzano, which have recently been experimenting with some actions to stimulate the active cultural participation of citizens and creative entrepreneurial development, but still too episodically to start a true culture-focused developmental cycle.

Central Italy

In Central Italy, there has been traditionally more attention toward cultural participation of citizens as a physiological counterpart of tourism, and especially so in Regions such as Emilia Romagna and Tuscany which, despite hosting major art cities, have not exclusively focused upon the traditional tourism-centred model, being able to connect culture with issues of active citizenship, social cohesion, and so on. A city like Bologna has often been in recent Italian history a venue of concentration of innovative creative talent in many disciplines, also due to its centrality in the Italian mobility system, for which it is a sort of natural crossroads, but has recently lost much of its cultural momentum. Florence, on the other hand, in spite of being one of Italy's favourite tourism destinations, has been constantly striving to explore new formats and formulas to revitalize the city's cultural production potential, an objective partially accomplished with respect to the fashion and new crafts sectors but still lacking a solid wrap up. Finally, Rome, another of the major art tourism destinations of the country, has undertaken substantial efforts to develop a culture-related knowledge economy, with substantial investments in major cultural facilities such as the two large contemporary art museums, the MAXXI and the MACRO, and a vital dynamics of creative districts, but has suffered from discontinuous policy action and still seems to lack a coherent long-term strategy. Other central regions such as Marche and Umbria have tried to boost their more valuable cultural tourism destinations while at the same time investing in programs of 'smart' cultural events for young creative professionals, but again with fragile results so far that need to be consolidated.

Southern Italy

In Southern Italy, after brief but intense phases of high level activity that have led cities such as Naples, Palermo, and also Cagliari to aspire to roles of national leadership in cultural and creative production, with the current economic crisis that is hitting even more intensely in this macro-region than elsewhere in the country due to the relatively lower local levels of income, employment, and human and social capital, there is a substantial risk of paralysis. The huge cuts to culture-related public spending, combined with the traditionally low ability to spend productively EU Structural Funds, make it very likely that the already weak activism in the cultural and creative sector is further impoverished in the years to come. With the partial exceptions of Naples and Bari where significant attempts are being made in developing local forms of cultural entrepreneurship and to experiment with production-oriented cultural policy programs, in the South the traditional approach to cultural development as a tourism mono-culture is very often the only perceived option, which in many cases conflicts with basic shortcomings in the local entrepreneurial culture despite a substantial amount of

available public resources. It is often said that a properly conceived and designed culture-led development strategy could be a real kick-starter for the still largely dormant local economies, but so far this aspiration conflicts with the lack of a coherent, far-reaching strategy and the dispersion of resources into a very fragmented and contingent action scheme.

In the case of Italy, then, a substantial rethinking of reference concepts, models, and strategies seems in order to best exploit the possibility offered by the culture-related component of the upcoming 2014-2020 Structural Funds cycle to make a difference in the long-term growth performance of the country.

Following this introduction and a short description of the methodology used, the paper presents an initial overview of how culture has been integrated in the implementation of the Structural Funds in 2007-2013 (Chapter 2). It then goes on to analyse the strengths, weaknesses, opportunities and threats for the cultural and creative sectors in the light of local and regional development objectives (Chapter 3). Finally, the paper closes with a section that identifies potential priorities for the European Commission's negotiation mandate with Italy, with a view to the implementation of the Structural Funds in 2014-2020 (Chapter 4).

1.2. Methodology

The author of this report has been working with many regional administrations in Italy and with several cities and provinces, and has therefore a direct, extensive knowledge of the state of the art of cultural policy design and implementation in Italy, also with respect to Structural Funds programming. In the status quo, as already discussed, it is difficult to find, both at the country and at the regional level, mature examples of a coherent, wide-ranging strategy for cultural and creative development that goes beyond traditional, tourism-centred models. Moreover, the documentation available provides an uneven coverage of the actual state of cultural and creative production at the regional levels, even in the regions with the higher levels of excellence and specialization in cultural and creative production, with the exception of the Piedmont Cultural Observatory, which publishes an accurate yearly report on the regional cultural system, covering both its supply and demand sides. At the time of writing, the only systematic attempt to describe the actual structure of the Italian cultural and creative sector at the country level has been the so-called "White Book", written by a group of experts under the initiative of the Italian Ministry of Cultural Goods and Activities (MIBAC), which

provided a general overview of Italy's cultural and creative economy and of the single sectors at the country level, including a basic statistical background[3].

One natural option to achieve a synthesis of the actual policies carried out in specific regions would be to interview key policy players, but due to the generalized lack of a coherent general approach to the issue of culture-led local development and the frequent turnover of policy officers that characterizes many local administrations in Italy, it would have been difficult to build a relatively small panel that could help to sketch out a reliable global picture rather than focusing on specific sectors, programs, and actions, and all the more so given the limited time available (four weeks). Having coordinated in the last year an updated country-level survey on the cultural and creative sectors in Italy, with the help of the national networks of Italian Chambers of Commerce, which also contained interviews to key players for each sector, and that constitutes to the author's knowledge the most update benchmark on the state of the sector in the country[4], it can be concluded that the most effective methodology to follow in this survey was to condensate the author's personal experience of hundreds of talks, conference discussions, professional interaction with hundreds of public administrators, policy officers, cultural professionals and actors, local experts, and so on, rather than interacting with necessarily partial and incomplete (and therefore weakly representative) panels of players. In addition, the analysis will be based on the available official documents provided by the EU and by the regions, as well as on specific documents reporting information on specific projects and action. Whenever reporting fundamental information for the analysis, they will be explicitly cited in the paper.

This said, the need to endow Italy with a reliable cultural observatory that may collect, organize and analyse cultural data at the country and regional level is a future priority that should adequately be pursued, possibly in the next round of Structural Funds, to enable Italy to design and implement an effective culture-based development strategy, and it is hoped that this critical evaluation will provide enough motivation to promote it.

[3] W. Santagata (ed.), *Libro bianco sulla creatività. Per un modello italiano di sviluppo*, Università Bocconi Editore, Milan, 2009.

[4] Fondazione Symbola, *L'Italia che verrà. Industria Culturale, made in Italy e territori*, Roma, 2011, available online at http://www.symbola.net/assets/files/Ricerca%20Industrie%20culturali_1326723510.pdf.

2. Culture and the Structural Funds 2007-2013 in Italy

2.1 General framework of the EU Structural Funds policy, and the Italian approach

The two EU regional development funds that are of relevance for the cultural and creative field are, respectively, the European regional Development Fund (ERDF), and the European Social Fund (ESF). It is also relevant to remind the existence of the Cohesion Fund (CF), which is intended for EU countries whose GNI is below 90% of EU average (i.e. currently the 12 more recent member states, Greece, Portugal, and Spain as a Phasing out country), and supports environmental and transport policies. Other funds of primary relevance in the EU cohesion policy such as the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) traditionally fall beyond the scope of relevance of cultural policy and action, but nothing in principle prevents that culturally-related actions and policy cannot be coherent with specific objectives and aims of these funds, and it is an interesting challenge for the next round of structural funding to design and propose projects that may bring about effective synergies between the cultural dimension and agriculture and fishery.

The three objectives for the 2007-2013 Structural Funds are, respectively, the Convergence Objective, the Regional Competitiveness and Employment Objective, and the European Territorial Cooperation Objective. The Convergence Objective is funded from ERDF, ESF and CF. The Competitiveness Objective is funded by means of ERDF and ESF. The Territorial Cooperation Objective is funded solely through ERDF.

The Convergence Objective brings further the Objective 1 program, targeting regions with a per capita GDP lying below 75% of the EU average. It plays a crucial role in creating the conditions for the progressive harmonization of regional developmental paths across Europe, enabling in principle the laggards to gradually catch up with the most advanced ones, or at least to reduce substantially the gaps. In practice, however, there has been so far a wide variability in performance in using effectively the Convergence funds by EU at-the-time under-developed regions. In the case of Italy, for example, Abruzzi and Molise (the latter having been phasing out during the previous 2000-2006 cycle) have been able to complete the full transition towards the former Objective 2, currently Competitiveness Objective (see below), although they still maintain significant gaps in terms of per capita income with respect to other Italian regions within the same objective. Moreover, Sardinia is currently phasing in, and thus just one step away from full Competitiveness membership, whereas Basilicata is currently phasing out, and then still within the Convergence scope, but with a

transitional status. Unfortunately, there is a 'rocky bottom' of regions which, despite prolonged developmental impulse, are still stuck within the Convergence program and experience serious difficulty to upgrade to the next level, namely Campania, Apulia, Calabria, and Sicily. Not incidentally, those are among the Italian regions that also experience major difficulty in actually spending the available funds: on the basis of the latest available UIL survey as of May 2011[5], Northern-Central Italian regions presented a certified amount of expenditure equal to 22.5% of the available budget (with a level of expenditure commitment of 45.5%), whereas the same figures or the South were, respectively, 11.5% and 32.7% - in other words, half of the spending capacity of the Center-North in terms of certified expenditure, with lows of 7% in Campania and Sicily, 10.5% in Calabria and 10.7% in Apulia – the lowest figures at the country level. In other words, without the contribution of the Competitiveness Southern regions (Abruzzi and Molise) and of the Phasing out and Phasing in regions (Sardinia and Basilicata), the gap in spending capacity between the four full Convergence Italian members and the rest of the country would have been considerably bigger.

The Competitiveness Objective corresponds to the previous Objective 2 program, and includes the regions which are (more or less) at the forefront of European competitiveness and therefore are currently equipped to aim for ambitious developmental goals. These are the regions which have the responsibility to compete to the highest standards with the most advanced regional economies at the global level, and thus to defend the competitive positioning of Europe in the new digital and knowledge economy, to provide viable, successful, full-fledged models of smart, sustainable and inclusive growth, and to organize themselves as full regional innovation systems. They include the whole of Northern and of Central Italian regions. The case of the already cited Abruzzi and Molise deserves some additional clarification in this respect: geographically speaking, the two regions belong to Central Italy, but historically, socially and economically they have traditionally been part of the Southern quadrant, and therefore can be considered as hybrid cases in the present context. At the moment, no Italian region which is at the same time geographically and socio-economically belonging to the Southern quadrant gas so far fully managed to acquire full membership to Competitiveness (although Sardinia is going to achieve this goal in the next cycle).

The Territorial Cooperation Objective is the objective that supersedes past territorial networking programs (primarily INTERREG ones), and is the fundamental platform for EU cooperation on a variety of key issues and sectors. It currently includes the following action lines: cross-border cooperation, i.e. short-range cooperation between

[5] UIL-Servizio Politiche Territoriali, *Le risorse dei fondi strutturali europei (FESR-FSE). Lo stato di attuazione del quadro strategico nazionale 2007-2013*, Roma, 2011. http://www.uil.it/fondi_strutturali/monitoraggiomaggio2011.pdf

neighboring states and regions (formerly INTERREG IIIA); transnational cooperation (formerly INTERREG IIIB), spanning cooperation actions within European macro-regions (Nordic Regions, Central Europe, South-East Europe, etc.); and finally, interregional cooperation, which includes the long-range cooperation networks previously covered by INTERREG IIIC under the current form of INTERREG IVC, plus some other targeted programs such as INTERACT II, ESPON II, and URBACT II. INTERACT II is centered upon good governance issues and in particular aims at developing skills and capabilities of policy officers, experts, and administrators, for an enhanced, effective EU-wide cooperation through a variety of educational and training activities (lectures, workshops, conferences, consultancy, etc.). ESPON II (European Spatial Planning Observation Network) supports a permanent monitoring and applied research system on the transformations of EU territories as an effect of the implementation of local planning policies – therefore acting as a fundamental repertoire of techniques, methods and good practices for cohesion and development policies. URBACT II is a program centered upon urban issues, and in particular issues of employment, security, poverty, and provision of public services. The target is the improvement of the strategies of sustainable and integrated urban development, focusing upon cities as growth engines (through support to innovation, promotion of entrepreneurship, support to the development of a knowledge economy, employment, human capital accumulation), and cities as inclusive and attractive settlements (through the integrated development of under-developed and insecure areas, support to environmental sustainability, governance and urban planning). Overall, the Territorial Cooperation Objective then provides EU regions with a battery of tools and actions to improve the networked adaptation and resilience to external and structural shocks, and to develop new, complex forms of circulation and exchange of knowledge, skills, and practices. Also in the case of Territorial Cooperation, different Italian regions present different capacities in fully exploiting the potential of such programs and therefore in successfully applying to the various programs: in this case, it becomes necessary not only to be able to manage successfully the organizational complexities of one's own territory, but also to manage to establish solid, carefully selected and mutually beneficial cooperation processes with other EU regions with different historical, cultural, social and economic backgrounds – a hard task that requires specific skills and high levels of specific investments in network building.

As to the actual Structural Funds programs, ERDF and ESF pursue substantially different goals. ERDF focuses upon development and competitiveness objectives, and aims at enabling regions to face successfully economic and social change, and to build useful territorial cooperation networks. The ERDF priorities for the 2007-2013 cycle are the modernization of economic productive structures, the creation of sustainable jobs and economic growth processes (an especially relevant priority in the current moment of pervasive EU stagnation), the promotion of research and innovation, and

environmental protection and risk prevention. It is interesting to notice how, although culture finds the majority of its most relevant funding lines within ERDF, it does not explicitly appears in the statement of the Fund priorities, thereby identifying it as a sub-priority within the current Structural Funds strategic framework. ESF is more addressed toward the social and economic criticalities, with special attention for the labor market, both in terms of adaptability of employed workers and of access to employment and labor market participation, and for the issues of social inclusion and exclusion, including the occupational issues of disadvantaged persons. Also in the context of ESF it is possible to find interesting examples of culture-related actions and projects, but given the main objectives of the fund, such examples necessarily assume a more episodic and contextualized form when compared to the analogous initiatives that fall within the scope of ERDF, which will therefore be our main focus of interest in what follows.

The Structural Funds program is regulated through three hierarchical levels: the EU, the national, and the regional ones. At the EU level, the main strategic framework is determined by the Community Strategic Guidelines (CSG), which are translated at the national level into the National Strategic Reference Framework (NSRF) and then further down into the Operational Programs, that can be defined in turn at the National (NOP), National Interregional (NIOP), and Regional (ROP) levels. It is at the OP level that the actual policy action takes its final shape and impacts on the territory.

Community Strategic Guidelines

The CSG for the 2007-2013 cycle can be summarized into three broad objectives: improving the attractiveness of member states, cities, and regions (with special focus on accessibility, quality and level of services, and environmental preservation issues); encouraging innovation, entrepreneurship and growth of the knowledge economy, especially through support of research and innovation and of the development of new ICTs; creating more and better jobs, fostering entrepreneurial culture, improving the adaptability of the economic system, enhancing human capital accumulation. As a whole, these objectives reflect quite faithfully the standard paradigms of endogenous growth, centered upon education and intangibles on the one side, and upon strategic innovation on the other side. Interestingly enough, culture does not play any specific role in this framework, and could be safely judged by many to be practically irrelevant as compared to other sectors, more canonically entrenched into the endogenous growth paradigm such a for instance ICT. But the size and width of strategic investments into the cultural and creative sectors that are being undertaken by the new 'cultural BRICs' such as China, India, South Korea, Brazil, or Abu Dhabi, to name just a few, should ring a bell of awareness as to the potential role that culture can play in the current global competitiveness scenario, and not only in terms of local identity or

tourism attractiveness, but first and foremost in terms of acting as a social platform of soft innovation, as a primary driver of quality of life and social sustainability, and as a grazing field for a new generation of entrepreneurs and more generally as for a new approach to entrepreneurial culture altogether. It is perhaps advisable that the CSG for the 2014-2020 cycle will reflect this new scenario, and will find their underpinning in more up-to-date versions of the endogenous growth paradigm that reflect a strategic shift from emphasis in education and technology per se to emphasis on the whole socio-cultural context that generates a truly knowledge oriented economy – something that has to do with the perceptions and behavioral dispositions of people as much as with the techno-economic efficiency dimension.

National Strategic Reference Framework

Italy's NSRF, that translates at the country level the strategic addresses of CSG, takes on a rather consequential general approach, in terms of improving productivity, competitiveness and innovation through a sustainable development approach, centered upon skills creation and enhancement of level and quality of public services for citizens and investors: a rather reasonable framework, but one that exploits very little the factors of comparative advantage that Italy may leverage upon – and which could, to a large extent, be equally applied to any other country with similar levels of economic and social development. The NSRF is articulated through 4 macro-objectives, which in turn are organized around 10 cohesion priorities.

The macro-objectives are:

- developing knowledge circuits;
- developing life standards, security and social inclusion;
- developing clusters, services, and competitiveness;
- internationalizing and modernizing the economy.

Again a rather consequential translation of the conceptual background on which the strategic approach is built; of particular interest is the explicit reference to clusters, which have been a distinctive feature of the Italian competitiveness model of the last three decades, but which, in turn, are today witnessing a complex and open-ended strategic adaptation. Therefore, the reference to clusters development as an all-encompassing option without a clear reflection on the nature and typology of districts whose emergence should be facilitated may generate an ambiguous response. The main issue in this respect is the passage from vertically integrated district models, which are centered upon a specific sector and upon a narrow spectrum of value chains, and which have proven to be effective in a phase where a competitive edge could be maintained through SME-driven incremental innovation processes, to new forms of

horizontally integrated clusters where the main agglomeration driver is no longer the sector but the level of orientation toward innovative processes and innovation networking – a structural change that deeply modifies the nature of the clustering processes and that, if not properly understood, may result in perverse lock in into strategically obsolete models. Interestingly, it turns out that, in such new forms of horizontally integrated clusters, culture plays a key role as a system integrator that allows new and more sophisticated forms of strategic coordination among heterogeneous productive sectors[6]. Rather than focusing on cultural district as sector-specific entities, it should therefore be necessary to foster new forms of cluster organization where culture establishes innovative forms of dialog and interchange with other, innovation-oriented productive sectors. As will be discussed in what follows, this is not the approach that has been adopted so far by Italy, and this particular strategic choice exemplifies many of the limitations of the current Italian approach in the design and implementation of structural funding in the cultural field with a view to pursuing the more general developmental objectives of the NSRF.

The 10 cohesion priorities that translate the NSRF objectives into actual policy lines are:

1. human resources enhancement;
2. promotion of research and innovation for competitiveness;
3. sustainable and efficient use of environmental resources for development;
4. social inclusion, quality of life-improving services and territorial attractiveness;
5. promotion of natural and cultural resources for the enhancement of attractiveness and development, especially in relationship to tourism diversification and to the extension of the tourism season;
6. transport networks and links, with special emphasis on Trans-European corridors;
7. competitiveness of productive systems and employment, through effective financial engineering schemes to support SMEs;
8. competitiveness and attractiveness of cities and urban areas;
9. internationalization and investment, consumption and resource attractiveness;
10. governance, institutional capacity and market and competition efficacy.

Apparently, culture appears within the 10 cohesion priorities, but with a very circumscribed and, in a sense, instrumental role: that of providing support to the diversification and seasonal extension of tourist flows, and in close connection with natural resources. Culture is then basically regarded as a mainly irreproducible factor

[6] P.L. Sacco, G. Ferilli, G. Tavano Blessi and M. Nuccio, "Culture as an engine of local development processes: System-wide cultural districts. I: Theory & II: Prototype cases", *Growth and Change*, accepted for publication, 2012.

(in close analogy with natural resources) that attracts tourist flows and has to be managed in order to spatially and temporally optimize its exploitation. A view that is not only sector-focused, but also in a way that identifies culture, from the strategic viewpoint, as a sub-sector of the wider, and hierarchically more relevant, tourism sector.

As will be discussed further, this strategic choice is systematically pursued at all levels of Structural Funds planning, be them national, inter-regional, or regional, and only finds exceptions in programs that develop inter-national cooperation and therefore involve other EU member states. It seems therefore clear, as already discussed in the introductory notes, that the main issue with the Italian experience of Structural Funds programming in the cultural fields stems from a seriously obsolete and inadequate conceptualization of the role of culture in local development processes in the current global competitiveness scenario. Of course, culture-related lines and actions may find space, and actually find space, also in other cohesion priorities, for instance those dealing with territorial attractiveness and competitiveness of urban areas, or those dealing with quality of life and social inclusion. But due to the limits of the underlying strategic vision of the role of culture, the culture-tourism link remains pervasive, and any actions or projects following different criteria inevitably remain fragmentary and isolated and have little long-term impact on the actual regional and local development processes.

It must be also reminded that some of the macroeconomic presumptions upon which the Italian Structural Funds programming was constructed have been drastically altered by the global economic and financial depression, so that, at the time of writing, objectives of annual growth for Convergence regions among 2.4% and 3.1% for the whole programming period appear entirely unrealistic. But also structurally oriented NSRF targets, that could in principle be pursued through an efficient use of Structural Funds themselves irrespectively of the global economic scenario, such as more than doubling of R&D expenses and shift from 8% to 40% of differentiated waste collection and recycling in Convergence regions appear today vastly beyond reach during the current phase.

The Operational Programs which have translated the strategic framework are, in total, 66, of which 19 under the Convergence Objective (7 National, 2 Inter-regional National, and 10 Regional), 33 under the Competitiveness Objective (1 National and 32 Regional), and 14 under the European Territorial Cooperation Objective. Before proceeding to a more detailed analysis of their contents, we first provide some basic data.

2.2 Basic data and general analysis

Table 1: Structural Funds 2007-2013 in Italy
General data, in EUR and %

	Million €	%
Total EU Structural Funds allocation	**28,812**	**100.0**
a. Convergence Objective	**21,641**	**75.1**
Cohesion Fund	-	
ERDF	17,883	
Convergence	17,582	
Phasing-out	301	
ESF	3,758	
Convergence	3,629	
Phasing-out	129	
b. Regional Competitiveness & Employment Objective	**6,325**	**22.0**
ERDF	3,144	
Regional Competitiveness & Employment	2,463	
Phasing-in	681	
ESF	3,180	
Regional Competitiveness & Employment	2,888	
Phasing-in	292	
c. European Territorial Cooperation Objective	**846**	**2.9**

Source: European Commission, *Cohesion Policy 2007-13: National Strategic Reference Frameworks* (Luxembourg: Office for Official Publications of the European Communities, 2007), ISBN 978-92-79-07465-3

NB: Data presented in this table is based on the initial national and regional programmes and may have varied afterwards.

Table 1 presents the basic macroeconomic data of structural funding for Italy during the 2007-2013 cycle at the state of knowledge. These data concern availability of funds and not effective use. The table shows very clearly how most of the resources and of the strategic effort is concentrated, as expected, on the Convergence Objective, which caters approximately 3.5 times the resources available for the Competitiveness regions. The TECO budget is below 3% of the total, but plays a very important role in embedding the developmental action into wider, thematic EU networks.

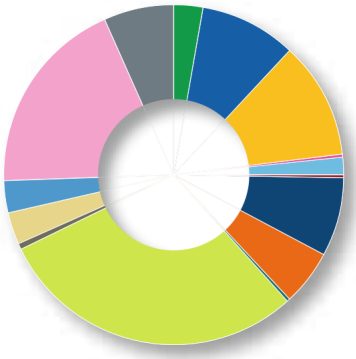
Figure 1 presents the breakdown of ERDF and ESF by themes at the state of knowledge for Italy (based on 2008 data[7]).

[7] Figure 1 and the data on ERDF comparisons among EU member states are taken from European Commission – Regional Policy, *Cohesion Policy 2007-2013. National Strategic Reference Frameworks*, Luxembourg, Office for Official Publications of the European Communities, 2007. Figures may have changed afterwards. Notice that these figures are highly dependent on the actual classification of what is included in cultural expenditure. Under different classifications, figures and rankings might change.

Breakdown by theme as proposed by Italy in its draft operational programmes

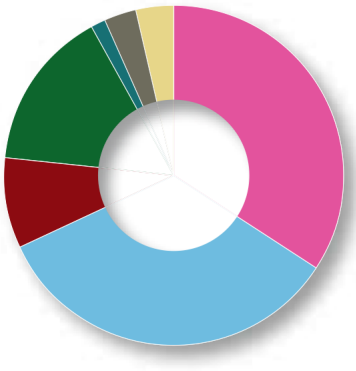
European Regional Development Fund 2007-13

Culture	2.9%
Energy	9.1%
Environmental protection and risk prevention	11.2%
Improving access to employment and sustainability	0.4%
Improving human capital	1.5%
Improving the social inclusion of less-favoured persons	0.2%
Increasing the adaptability of workers and firms, enterprises and entrepreneurs	0.0%
Information society	7.7%
Investment in social infrastructure	5.2%
Mobilisation for reforms in the fields of employment and inclusion	0.2%
Research and technological development (R&TD), innovation and entrepreneurship	29.5%
Strengthening institutional capacity at national, regional and local level	0.7%
Technical assistance	2.8%
Tourism	3.3%
Transport	18.7%
Urban and rural regeneration	6.6%



European Social Fund 2007-13

Improving access to employment and sustainability	34.2%
Improving human capital	34.0%
Improving the social inclusion of less-favoured persons	8.7%
Increasing the adaptability of workers and firms, enterprises and entrepreneurs	15.2%
Mobilisation for reforms in the fields of employment and inclusion	1.5%
Strengthening institutional capacity at national, regional and local level	2.8%
Technical assistance	3.6%



As it is shown, based on the picture derived from official data at the beginning of the 2007-2013 programming cycle, culture takes the 2.9% of the ERDF total budget, a figure that exceeds the EU average of 2.2% and places the country at the 9th place within EU27 in terms of incidence of culture in the ERDF – a relatively high level then.

Table 2 provides us with a specific picture of the role of culture in Structural Funds programming, both for Italy and in the EU.

Table 2: Culture and the Structural Funds 2007-2013 in Italy and EU

General data at national level, in EUR and %

	Italy		EU	
	Million €	%	Million €	%
SF amount (Convergence + RCE)	**27,965**	**100.0**	**344,322**	**100.0**
Amount dedicated to culture, of which:	**800**	**2.9**	**5,966**	**1.7**
Protection & preservation of heritage	379	(47.3)	2,934	(49.2)
Development of cultural infrastructure	161	(20.1)	2,233	(37.4)
Other assistance for cultural services	260	(32.5)	798	(13.4)

Source: European Commission, 'Cohesion Policy 2007-2013: Culture', May 2010.

NB: Figures presented on this table do not include funds allocated to the European Territorial Cooperation Objective.

The data offer several interesting elements of comparison between the Italian and the EU situation. First of all, in aggregate terms, Italian spending of culture-related structural funding is substantially higher, in relative terms, than in the EU: a differential of 1.2 percentage points. In particular, Italy turns out to be the 3rd EU member state in terms of percentage of Structural Funds allocated to culture, after Malta and Cyprus, and the second EU member for cultural allocation in absolute terms after Poland. It is, however, the composition of the expenditure that gives the most interesting insights: in Italy, heritage protection and preservation expenditure is slightly below the EU level (which is in itself surprising in that, given the absolute size of Italian heritage, one would, or even should, expect a substantially higher than average level), whereas the development of cultural infrastructure is some 17 points below the EU level, to be compensated by a 19 points positive differential in cultural services. One could not have a clearer illustration of the divergent philosophy with which Italy has been pursuing its culture-driven development strategy with respect to the EU mainstream.

Expenditure in cultural infrastructure is mainly related to a developmental role of culture in terms of production: most of the successful recent European examples of culture-driven development have to do with the strategic re-conversion of formerly unused facilities into venues for cultural production and access, which have in turn deeply modified the livability of the surrounding urban areas, the capacity to attract new residents and professionals, as well as the social use of space around the day (and night)[8]. On the contrary, a service-oriented expenditure reflects more a tourism-oriented approach, where most of the strategic investment is poured into improving the

[8] S. Roodhouse (ed.), *Cultural quarters*, second edition, Intellect, Bristol, 2011.

visitor experience by providing better and more focused services, which is however traded off against reinforcing the competitiveness of the cultural and creative field as a driving industrial sectors rather than an ancillary field. Moreover, given the strategic detachment of the action lines concerning culture from the ones dealing with innovation, it is not particularly likely that this investment in services is privileging innovative forms, but could instead mainly focus on traditional, low-innovation ones, which would be going to be obsolete within a few years. Daily practice of culture-related developmental projects in Italy tends to confirm this general intuition rather strongly, as it will moreover confirm the detailed analysis of some case studies below. But if this is true, this way of spending Structural Funds turns out to be much more tactical than strategic, and tends to reward low-innovation approaches to cultural development that could make it more difficult in the future opening up the sector to innovative trajectories. A detailed ex-post evaluation analysis of the actual expenditure in the sector and of its impacts on the sector's structure and competitiveness would therefore be highly advisable and should be pursued in order to gain clearer and more detailed insight into the issue.

Table 3 gives us instead a synthetic picture of culture-related expenditure in the ERDF Regional Operational Programs, by far the main area of interest for cultural spending in quantitative terms.

Table 3: Culture in the ERDF Regional Operational Programmes

Figures per region and topic, in EUR and %

	Million €			% of total funds for the relevant region
	Protection & preservation of cultural heritage	Development of cultural infrastructure	Other assistance to improve cultural services	
Convergence regions				
Campania	90.0	15.0	0	(3.0)
Puglia	50.0	15.0	29.0	(3.6)
Calabria	36.7	27.7	27.0	(6.1)
Sicily	64.0	36.8	68.4	(5.2)
Interregional Prog. 'Cultural & Natural Attractors & Tourism'	67.2	56.4	109.5	(45.0)
Interregional Prog. 'Renewable Energy etc.'	0	0	0	-
National Prog. 'Governance and Technical Assistance'	0	0	0	-
National Prog. 'Education'	0	0	0	-
National Prog. 'Networks and Mobility'	0	0	0	-
National Prog. 'Research and Competitiveness'	0	0	0	-
National Prog. 'Security'	0	0	0	-

Phasing-out regions				
Basilicata	8.0	5.4	2.0	(5.2)
Phasing-in regions				
Sardegna	1.7	3.4	10.2	(2.2)
Competitiveness regions				
Piedmont	17.3	9.6	0	(6.3)
Aosta Valley	3.2	0	0	(16.4)
Liguria	0	13.1	1.7	(8.8)
Lombardy	7.0	0	1.6	(4.2)
Bolzano	0	0	0	-
Trento	0.3	0	0	(1.6)
Veneto	3.5	3.5	3.5	(5.1)
Friuli Venezia Giulia	1.5	0	0	(2.0)
Emilia Romagna	6.4	0	0	(5.0)
Toscana	8.3	0	0	(2.5)
Umbria	1.8	0.9	0	(1.8)
Marche	3.7	0	1.7	(4.8)
Lazio	1.9	0.6	0	(0.7)
Abruzzo	0	5.7	0	(4.0)
Molise	0	0	1.7	(2.3)

Source: information obtained from the individual Operational Programmes, accessible via http://www.rim-europa.eu/.

NB: Information above is based on the amounts allocated to categories of expenditure 58-60 in the common framework of the ERDF's Regional Operational Programmes 2007-2013, which refer to culture. Other expenditure for cultural activities, services and infrastructure may be included under other categories (e.g. tourism).

Figures given in this table are mostly taken from the initial framework planning in 2007; changes may have been introduced thereafter.

In terms of overall expenditure levels and quotas, several Italian regions present relatively high figures for culture. Among the Convergence regions, Campania spends 105 million euros which amounts to 3% of the total budget, Apulia 94 million for a 3,6%, Calabria 91 million for a 6,1% (a remarkably high quota), whereas Sicily more than 169 million for a 5,2% - which, in absolute terms, most likely makes of Sicily one of the EU regions with the highest absolute cultural expenditure. In addition, the NIOP "Cultural and Natural Attractors and Tourism" brings in more 233 million euros for culture, that is, more than 45% of its total allowance. As to the Phasing out region of Basilicata, we find an expenditure of 15,4 million euros, amounting to a 5% of the total. As to the Competitiveness regions, of particular interest are the cases of Aosta Valley, that allocated 16,4% of the total to culture (a really high percentage by all standards, despite the small size of the region), Piedmont, with 27 million euros for a 6,3%, Liguria, with 14,8 million for almost 9% of the total, and Veneto, with 10,6 millions for a 5%. As a whole, then, it can be safely concluded that Italy attributes a significant relevance to culture in terms of the allocation of its Structural Funds.

The table also shows a comparative analysis of how the various regions have allocated their expenditure potential across the three macro-items: heritage preservation, cultural infrastructure, and culture-related services. Moreover, the table also gives us a clearer view of what are the national and inter-regional programs where we find space for culture-related expenditure. It turns out that, in particular, for Convergence regions the only relevant inter-regional program is the already cited NIOP "Cultural and Natural Attractors and Tourism", which once again confirms fully the already presented and discussed strategic approach that assigns to culture a purely ancillary role in terms of policy priorities, in spite of the absolute size of the investment.

No National programs for Convergence regions present significant cultural priorities. As to heritage protection expenditure in the four Convergence regions, there is a rather homogeneous incidence, ranging to the 2.6% of Campania to the 1.9 of Apulia – where the percentages reflect the weight of the expenditure on the total funds assigned to Convergence regions, and therefore, in this case, correspond to a substantial incidence, an unsurprising fact if one ponders the actual size of the heritage located in these regions and its level of potential and actual endangerment (one could merely remind the increasingly frequent wrecks in Pompeii).

On the other hand, a substantially higher relative incidence is found in the NIOP, which reaches a figure of 13%. The corresponding figures for cultural infrastructure reflect the strategic lack of interest for this dimension, ranging from the 1.8% of Calabria to the 0.4% of Campania, and a relative incidence of 11% for the NIOP. Finally, the figures for services range from the 0% of Campania to the 2.1 of Sicily, and the 21.2% of NIOP.

Among the four regions, therefore, we find a certain heterogeneity of criteria for the allocation of resources that deserves further attention. In the case of Campania, the emphasis is mainly placed on heritage preservation, plus a small quota for infrastructure and, surprising given the national trend, no attention at all toward services. In Apulia, attention is split toward heritage preservation and services, with a minor role for infrastructure. In Calabria, heritage preservation is dominant, but the remaining resources are equally split between infrastructure and services whereas, in Sicily, services become the dominant sector, slightly more funded than heritage preservation, with infrastructure playing a relatively minor role.

These differences in approach and strategic choices, however, do not reflect yet in visible ways in different developmental paths, also because the real issue then becomes what percentages of such resources will be effectively spent, and in what areas. Therefore, for the moment, it is only possible to make an ex-ante evaluation, that will have to be substantially integrated on the basis of the available evidence. The leading strategic role of services at the inter-regional level is particularly clear from the

NIOP figures, however, where service-related expenditure doubles the one reserved to cultural infrastructure, and where the former nearly matches the sum of the other two (i.e. including that for heritage preservation) – not a surprising finding given that the title itself of the program is privileging attraction and tourism and therefore, logically, the main action is concentrated to empowering the tourism-related service structure.

As to the Phasing out and Phasing in regions, Basilicata confirms its relative anomaly in the Convergence regions, by presenting an allocation of expenditure that focuses upon heritage preservation but with a substantial role for infrastructure, while leaving a minor space for services. Sardinia, on the contrary, concentrates resources on services, almost neglecting heritage preservation.

Finally, coming to the Competitiveness regions, the following picture emerges. A certain number of regions have allocated their entire expenditure over heritage preservation (Aosta Valley, Trento Province, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany): with the exception of Aosta Valley, they are all located in the North-East and in the northern part of Central Italy. Only two other regions, on the contrary, have entirely allocated their resources in another, different line: Abruzzi in infrastructure and Molise in services. Two regions have allocated most of the budget to heritage protection and a substantial share of services, entirely neglecting infrastructure (Lombardy and Marche). Other regions chose to concentrate most of the resources in heritage preservation, but allocating the remaining ones on infrastructure, disregarding services (Piedmont, Umbria, Latium), whereas Liguria made the choice of concentrating most resources on infrastructure, leaving the remaining for services. Finally, Veneto equally divided resources across the three items and the Bolzano province allocated to resources at all to culture. It must be added, however, that sometimes heritage preservation actions may include also renovation of existing heritage buildings and their destination to cultural production and not only to touristic purposes, thereby presenting some complementarity with the cultural infrastructure line. This is all the more true in view of the fact that, in the current Italian strategic framework, actions targeting the improvement of the production potential do not fit within a specific policy line and can therefore be filed, according to cases, under different labels.

This apparent heterogeneity in approaches and resource allocations criteria is drastically reduced when one examines more closely the actual structure of priorities concerning culture within the single regional Operational Programs[9]. Starting from the result that, apart from the province of Bolzano, any other Italian region or autonomous province is in fact allocating resources to culture-related expenditures, how do such

[9] For a complete review on Operational Programs of EU regions for the 2007-2013 cycle see the official website http://ec.europa.eu/regional_policy/country/prordn/index_en.cfm.

resources fit into the strategic priorities of the various regions? We can basically divide regions into three broad categories: those which allocate one specific priority to culture-related expenditure, those who include culture-related expenditure as a sub-category of a specific priority, and those that do not consider culture even as a sub-priority. In the first group we find: Lombardy, Sicily, Sardinia, Basilicata, Emilia-Romagna, Apulia, Campania, Liguria, and Calabria. In most cases, the statement of the priority is phrased always with the same words, and essentially revolves around attractiveness of tourism, combining culture and natural resources (Sicily, Sardinia, Basilicata, Emilia-Romagna, Apulia, Campania, Liguria, and Calabria). In one case (Lombardy, the focus is more concentrated upon the preservation dimension, in addition to the familiar attractiveness issue. As to the regions which place culture as a sub-priority inside a broader one, we find Latium, Veneto, Marche, Friuli-Venezia Giulia, Aosta Valley, Province of Trento, Tuscany, Abruzzi, and Piedmont. The most frequent macro-priority chosen is the one concerning environment and local development, and thus essentially sustainable development (Veneto, Aosta Valley, Province of Trento, Tuscany); the most relevant alternative is a priority entirely focused on local development (Marche, Abruzzi, Fiuli-Venezia Giulia). Finally, Latium inscribes culture within environmental protection and risk prevention, and Piedmont within territorial renewal. Umbria and Molise do not contemplate cultural sub-priorities, although they are planning culture-related expenditures. Finally, in the case of Bolzano Province, no culture-related expenditure is programmed and consequently there is no reference to culture in the priorities of the ROP.

This thematic survey clearly shows as, practically invariably, the developmental role of culture is defined at the regional level, in full coherence with the national framework, as intrinsically and structurally linked to tourism and environment, and as entirely detached from key priorities such as research and investment, urban development, competitiveness, information society, or social inclusion, to name just a few possibilities. As a consequence, even the distinction between infrastructure vs. service oriented expenditure in the various regional contexts could be overstated in terms of production vs. tourism orientation, in that the possibility of empowering regional cultural and creative production systems seems to be beyond the spectrum of possibilities for most, if not for all, Italian regional administrations. Nevertheless, in the infrastructure field there is the possibility that at least some isolated projects may be undertaken as experiments in the creation of new cultural production infrastructure, as suggested by field experience. Overall, signals toward attention for alternative culture-related developmental paradigms other than tourism-related development seems, rather than weak, practically nonexistent, and this puts Italy in a very anomalous position with respect to must EU member states, especially North-European ones.

A relatively different picture, however, emerges from programs on cross-border and trans-national cooperation. Only a few such programs present a priority that is explicitly focused upon culture. In particular, this is the case for three of them, Italy-Maritime France, Italy-Greece, and IPA Trans-boundary Adriatic[10]. The Italy-Maritime France program presents both a full priority of a traditional kind (Natural and Cultural Resources) and a sub-priority within the Resources and Systems Integration one. The IPA Adriatic considers Natural and Cultural Resources and Risk prevention. Finally, Italy-Greece considers Quality of Life Improvement, Environmental Protection and Promotion of Social and Cultural Cohesion – a rather atypical statement that for once touches upon the innovative issue of cultural social cohesion. More interesting elements are found as sub-priorities of other programs, such as Alpine Space and Central Europe (within, respectively, Competitiveness and Attractiveness of Alpine Space, and Improving Competitiveness and Attraction Capacity of Cities and Regions, i.e. the first times culture is actually linked, although somewhat weakly, to the issue of competitiveness), Italy-Switzerland (where culture is interestingly framed into Quality of Life), Italy-Slovenia (where culture is filed under Social Integration, with a special emphasis toward cultural exchange). Finally, Italy-Austria files culture under Territory and Sustainability whereas South-East Europe under Transnational Synergies for Sustainable Growth Areas (in this latter cases, there is a potentially interesting emphasis toward the impact of cultural values upon development). Italy-Alpine France and Italy-Malta do not consider culture within their priorities or sub-priorities.

This quick review of cross-border and trans-national cooperation's suggests that, despite the generally modest funding available for the program, these apparently minor policy lines are among the most promising (if not the only ones currently) to experiment with alternative models where culture plays different roles in terms of value creation with respect to the mainstream, tourism-related one. It is therefore especially in these 'marginal' programs, and of course a fortiori in the international programs where Italian partners can cooperate with partners coming from all over Europe, that one should reasonably look for innovative good practices that may be taken as benchmarks to drive Italy toward more effective and innovative strategic standards for the next cycle of culture-related structural funding.

Before closing this section, it is interesting to provide a final comment on the National Operational Programs for Convergence regions where culture has *not* find a place. Besides programs such as Renewable Energies and Energy saving, Networks and Mobility, and Governance and Technical Assistance, it is interesting to remark that culture was not even considered as a sub-priority in contexts like Education, Research and Competitiveness, and Security, in spite of a wealth of empirical evidence that

[10] See again the reference in footnote 9.

suggests how culture may indeed play a key strategic role in all of them[11]. Moreover, as will be shown further, the structural connections between culture and competitiveness, innovation, or social safety themes are being clearly pursued in the first documents of the Common Strategic Framework 2014-2020, and will therefore be likely to receive strong attention in the next programming cycle.

Also, it is interesting to notice how culture has played also a very marginal role in the ESF programming, where culture-related projects can be occasionally found out, but outside of any clear strategic perspective. The role of culture in the innovative achievement of social cohesion objectives has been largely ignored, and analogously there has been no special attention toward culture as a motivational platform to motivate employed and unemployed workers to access lifelong learning programs to increase their adaptability to changing market conditions. This chapter is therefore almost entirely unexplored so far and should probably be examined with more attention in view of the next cycle.

2.3 Good and bad practices

In view of the previous discussion, by 'good' practices we could mean one of the following options: specific projects that go beyond the strategic narrowness of the Italian approach by combining in original and effective ways cultural production and tourism development objectives, or cultural and creative industry development altogether, or projects that fit into the traditional tourism-oriented framework but achieve especially interesting results in terms of innovation, social cohesion, entrepreneurship, etcetera. In fact, it is relatively difficult to find full-blown examples of either one in the current Italian panorama of culture-related structural fund programming, and consequently by 'best practices' we can only select examples that partially achieve such goals, or that achieve them to a very limited extent but nevertheless present other characteristics of potential interest in perspective. Likewise, it is not particularly useful to select as bad practices a few among the many cases of inefficient or ill-focused use of Structural Funds to support projects that have little or no practical impact or that implement obsolete models and practices, which unfortunately again are relatively frequent in the current panorama. It is more interesting to select projects that fail in interesting ways, thereby elucidating aspects that could be again useful to the design of the next cycle policy lines. In this sense, 'good' and 'bad' practice elements may well mingle within a specific case study, which then to some extent is exemplary of both. This is the spirit with which a couple of interesting Italian

[11] P.L. Sacco, "Culture 3.0 – A new perspective on the 2014-2020 structural funds programming", paper prepared for the DG Culture on behalf of EENC. http://www.eenc.info/eencdocs/papers-2/culture-3-0-—-a-new-perspective-for-the-eu-2014-2020-structural-funds-programming/

cases are presented below. On the other hand, a field that is on the contrary rich in good practice in the full sense is that of international cooperation, where, as already remarked, one often finds the most original and innovative projects which, being undertaken in the context of wide-ranging European coalitions of players, often address relevant culture-related developmental issues and enable part of this culture to be carried over to Italian local actors, thus planting a seed for more systematic and coordinated similar action in the future in the Italian context.

The Italian cases that we present are the Big Cultural Attractors of the Latium region and the PICs of the Tuscany region. As for international cooperation programs, we will focus on the INTERREG IVC.

Big Cultural Attractors: POR-FESR Latium 2007-2013

The theme of the so-called Big Cultural Attractors (BCA) [Grandi Attrattori Culturali (GACs) in Italian] has been taken up by the Latium region as part of the second strategic priority of its Operational Program, under the header of Environment and Risk Prevention. The aim of this measure is relatively straightforward: in a region like Latium that is dominated by the presence of Rome that attracts the vast majority of resources and tourists, the OP aims at re-balancing at least in part such flows by choosing a limited number of potentially interesting pieces of regional heritage which, suitably supported and promoted, could become in turn 'cultural attractors', thus diversifying the regional tourist flows, and at the same time spending resources to restore and renovate valuable components of the regional cultural supply. In this case, then the Region singles out the 'attractors' it intends to promote as new emerging regional poles, and then the local players advance proposals under the form of specific projects that fit within the strategic objective, in geographical, thematic, and functional terms. Within the attractor area, a core and a buffer are determined with the logical implications: the core is going to attract most of the interventions, with the buffer being occasionally involved according to the nature of the proposed actions. The interesting aspect of this measure is the dynamic process of definition and selection of the strategic priorities, through the contribution of a group of technical experts that was enabled to interact with the proponents and to ask for revisions and adjustments in order to fit the strategic criteria. Having been personally involved in that group of experts, the author of this paper can provide a direct, first-hand feedback on this project, that has been found rather representative of more general Italian practices in the field.

The project has started with a series of auditions, aimed at facilitating dissemination of information about the available opportunities to potential beneficiaries and local stakeholders. The proposals presented through the public call have then been

screened by the technical commission, on the basis of a pre-determined set of selection criteria, finalized to sorting out the projects with the highest potential of causing a permanent long-term impact in term of attraction capacity. The pre-selected projects have then been fine-tuned with the beneficiaries through continued interaction with the technical commission asking for adjustments and improvements on a number of respects. Once the projects have been defined satisfactorily, they have been aggregated and embedded into a development plan for each of the five chosen GACs, which at this point do not simply amount to a portfolio of implementable projects, but set out a first draft of a coherent cultural planning for the area.

The chosen attractors represent different themes and developmental issues within the Latium region. The main problem felt at the regional level from the tourism flows perspective is the total dominance of the Rome metropolitan area over all the remaining regional territories: an extreme instance of center-periphery dynamics that overshadows a wealth of valuable cultural and environmental sites which, being off the beaten track, receive very little attention, and in some cases are not the recipients of the strategic structural investments that are necessary to make them fully accessible, adequately supported, and well known. The project has identified five GACs, one for each province, choosing them on the basis of their tourism development potential and of their specific characteristics, in order to put together a balanced mix of assets and policy themes. They are, respectively:

- the city of Tivoli in the province of Rome, with its valuable cultural heritage, including the two famous Villas, the Roman Villa Adriana and the Romantic gardens of Villa Gregoriana;
- the Etruscan area of Vulci in the province of Viterbo, including major Etruscan towns such as Cerveteri, Tarquinia, and Tuscania;
- the area of Fossanova in the province of Latina, with its peculiar blend of sites of cultural and environmental interest, a large part of which once belonging to the feudal fund of the Caetani family;
- the Mura Poligonali (Polygonal Walls) area in the province of Frosinone, with its system of very peculiar fortified towns of Medieval origin and often with significant Baroque expansions;
- the Via del Sale itinerary in the province of Rieti, following the path of the Roman Via Salaria, and linking small mountain towns, with valuable archaeological, architectural and environmental heritage.

For each GAC, three characteristic zones have been defined: the core area, which gathers the centers with a priority cultural and developmental interest, as well as two buffer zones, with, respectively, a primary and secondary interest. We can therefore think of the GACs as concentric circles of policy action centered around a target zone

that constitutes the main objective of the strategy. Core areas may vary largely in their extension: in the case of Tivoli, for instance, it coincides with the territory of the city itself, for a total surface of only 68,40 Kmq against a primary buffer of 1.117,66 Kmq; in the case of Via del sale, of the contrary, it covers as area of 1.123,49 Kmq against a buffer of 404,49. Likewise, in the case of Via del Sale or Mura Poligonali the core hosts most of the involved population, whereas in the case of Tivoli, Vulci, or Fossanova the buffer area is much more populated than the core.

In the case of Tivoli and Vulci, with relevant and relatively well-known assets of touristic interest, and with a strong thematic focus, can be found; in the case of Fossanova, the Polygonal Walls and the Via del Sale, on the contrary, we have mainly overlooked areas with valuable assets which are however generally classified as minor ones and have to be properly reframed into a new, attractive cultural and territorial identity. Also the density of cultural facilities varies significantly over the five GACs, as it is shown for instance by the data on museums:

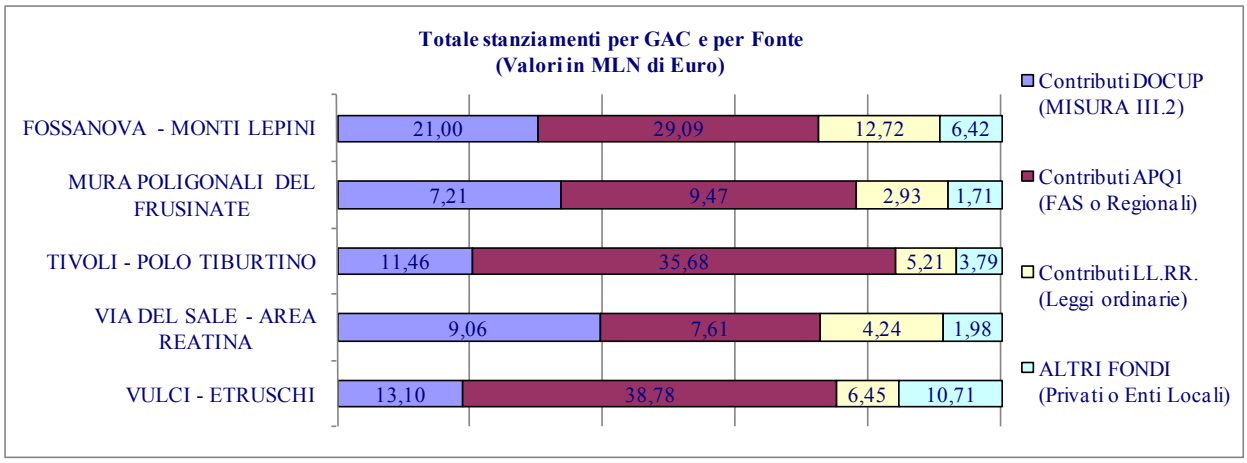
Ambit	GAC Tivoli	GAC Mura Poligonali	GAC Fossanova	GAC Vulci	GAC Via del Sale	Latium region (Rome not included)
Museums/100 kmq	3,4	2,4	2	1,2	1	1,2
Number of museums	40	19	38	39	16	193

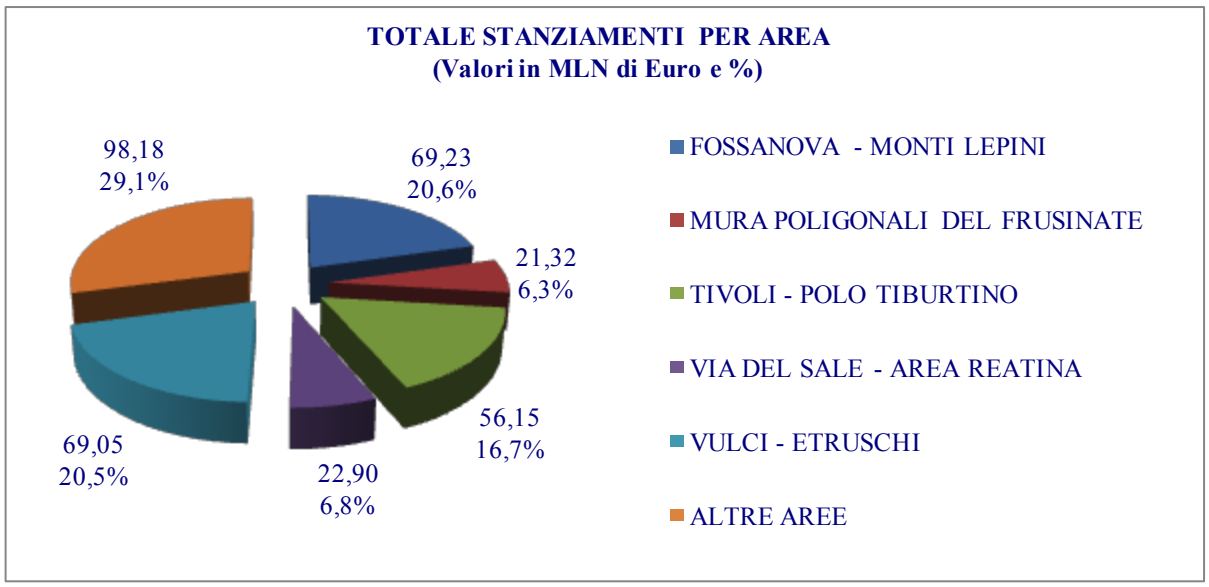
Notice that the above data include not only museums situated in the core area of the GAC, but also those in the buffer area. It can be seen very clearly here how, for instance, the GAC Tivoli is clearly the better endowed, with its predominant cultural heritage orientation, whereas, on the contrary, the GAC Via del Sale is under-endowed with respect to the regional average (not including Rome). Similarly, in terms of tourist flows, we find very different levels of development, that mirror somewhat the level of notoriety and the current level of organization of the various local tourist systems, again ranging from Tivoli, whose performance in the 2003-07 period was significantly better than the regional one (Rome excluded), to Via del Sale, whose performance not only lay much below the regional average, but even registered negative net figures in the tourist flows 2003-07.

Overall, then one may look at the GAC project as an ambitious attempt to redefine the territorial hierarchy of centralities of the cultural and tourist system, with the aim of stimulating local coalitions of actors to organize into networks and to propose specific developmental actions aimed at increasing the accessibility, usability and visibility of relatively neglected areas of the regions with substantial unexpressed potential. The project then presents a relatively pronounced bottom-up approach that sounds very encouraging for the eventual creation of lively and entrepreneurial local cultural

economies. In some cases, the aim of the project is to strengthen and optimize local tourist systems with a good performance that can be further upgraded. In other cases, the aim is to revitalize altogether areas with stagnant developmental patterns and with very little current attractive potential for tourists despite the presence of valuable local assets.

From the financial viewpoint, the project has been supported through the ERDF as well as state and regional funds, plus a component of private and local funds. The relative figures for the five GACs are the following, where DOCUP are ERDF funds, APQ are national funds, including the co-financing FAS funds), LL.RR. are regional funds, and other funds (altri fondi) are the private and local ones:

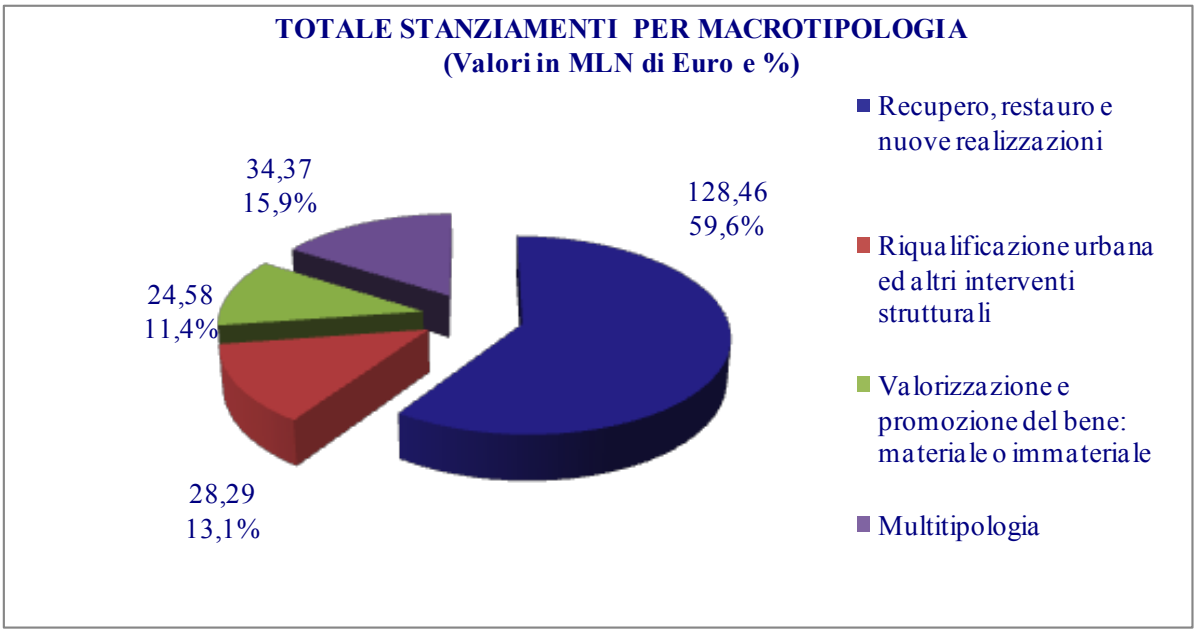




As shown in the graph, Vulci and Fossanova cater the bigger shares, followed by Tivoli, whereas Via del Sale and Mura Poligonali receive substantially smaller shares. 30% of the resources go to other areas lying outside the core and primary buffer areas, belonging to the secondary buffer. 70% of the available resources then go to the GACs system proper, for a total amount of 214 million euros.

The typologies of intervention contemplated in the project belong to one of four major categories:

- restoration and new buildings: this category includes restorations of heritage buildings and objects, structural requalification of buildings, upgrading of buildings' service facilities and new buildings;
- urban renewal and other structural interventions: this category includes works of urban furnishing, the restoration and revitalization of old passageways and pathways, the creation of restoration areas and of tourist facilities;
- economic development and promotion of tangible and intangible heritage goods: including the creation and re-organization of museums, the creation of info-points, of system of tables and signals for tourism use, the printing of booklets and promotional material, the opening of tourist facilities such as bookshops or cafes, the creation of digital content systems, and the organization of cultural initiatives and events;
- multipurpose: projects involving more than one of the previous typologies into more complex interventions.



The restoration category takes up the majority of the available funds, followed at a distance by multipurpose, urban renewal, and economic development. As a whole, then, the GAC project takes the form of a structural intervention, upgrading the available physical stock or adding up to it through purposeful, targeted construction of new buildings.

The project may be taken as a very representative example of the approach that characterizes, as shown in our previous discussion, the Italian approach to the use of Structural Funds in the cultural sector for the cycle 2007-2013: main focusing on tourism, and an ancillary role of culture as a resource that may increase the existing tourist flows or create new ones. On the other hand, the GAC project is interesting for its emphasis on the role of local actors and the incentives to encourage their organization into local networks. As a matter of fact, however, the actual submissions elicited by the call have revealed a situation in which local actors were not very open to devising and proposing innovative, system-wide projects, but rather to submit in many cases projects that have previously been unsuccessful for other sources of funding, or projects that were already being designed for other purposes. In several other cases, the submitted projects were just parts of already ongoing initiatives for which new sources of funding became available. The GAC project was then seen by many not as an opportunity for strategic refocusing, but rather as an instrumental source of funding for the status quo. In this sense, then, the territories did not show a particular interest to react to the GAC project as a major breakthrough toward a new, innovation-oriented phase, but rather as just another opportunity to be taken to ensure financial support to the already existing ongoing initiatives. In some cases, however, some innovative effort was undertaken, and some new coalitions of local actors were established as a reaction to the GAC call. The Evaluation Commission has then provided the most suitable projects with specific feedback to encourage revisions that would make the projects fit more and more closely into the GAC's strategic guidelines. One could see the selected projects as a fair mix among new ones and already ongoing ones that needed further financing. As a consequence of this phase, and through several interactions between the proponents and the Commission, a portfolio of admissible projects was finally determined.

A major break in the development of the project occurred, however, with the Regional Elections of 2010. The elections determined a political overturn and, as a consequence, the strategy for cultural policy was drastically revised, bringing the GAC project to an almost virtual stop. A few months after the elections, the new Regional Councillor for Culture announced a drastic cut to the GAC budget, which was going to cancel not only planned expenditures, but even already approved projects, blocking in some cases major structural investments. More cuts have followed through in the subsequent months, practically leading to the cancellation of the project. This decision

has led to protests from the beneficiaries, and concerning the ERDF component of the funding, the issue has landed on the EU Parliament as a formal interrogation, claiming that the planned allocation of funds had been changed by the Region in violation of the ERDF agreements, in that the new planned allocation was not reflecting the ROP strategic guidelines. The region carried over with the new approach and, without mentioning the GAC framework anymore, recently re-issued a call for projects with a similar focus to the original approach but now exclusively focusing on two areas that basically corresponded to two of the original GACs: Tivoli and Vulci. Also the allocated budget was substantially reduced; the total available resources for cultural purposes in the ROP 2007-2013 have been cut from 50 to 5 million euros, relocating most of the resources toward environment-related objectives. But even with this drastic reduction of allocated funds, it is dubious that the local players will be able to spend effectively and timely the available resources in such a reduced amount of time.

Does the GAC project then count as a good or a bad practice? As anticipated, it fits into both categories in different respects. On the one hand, on the good practice side, the design phase with the involvement of the local actors in public consultations and the gradual focusing of the projects through the interaction between the actors and the regional commission so as to make the projects reflect the ROP strategic guidelines are certainly elements of a good practice. On the other hand, the weak responsiveness of the local players to devise new, innovative projects and the tendency to present proposals concerning already planned or ongoing projects - thus the instrumental attitude toward the opportunity provided by the GAC - are certainly counted as a bad practice. Even more so for the political management of the project: the cancellation of the strategic approach following the political overturn, with the blocking of already-approved projects, gives a clear warning of excessive sensitivity to the unfolding of the political-economic cycle, which may undo to a substantial degree the planning work carried out in the definition of the ROP guidelines. More generally, on the bad practices side, one can only observe that, coherently with a generalized practice for the Italian case, also the original GAC plan ignored almost completely the cultural industry dimension, despite the fact that Rome has a major concentration of creative workers and professionals, and that a smart decentralization strategy could have created opportunities both for the professionals and firms already operating in the capital and for newcomers that would not be able to carry the costs of locating in Rome but could willingly consider the possibility of a marginal but strategically well connected location. As a whole, then, the GAC experience summarizes many of the typical limitations of the Italian use of Structural Funds in the cultural field and provides several hints for future improvement. There are many cases in the Italian practice that illustrate a strategically-limited and operationally-ineffective use of Structural Funds in the cultural sphere. But what makes the GAC case worth of special attention is the gap between the original statement and its actual execution, and the ways and reasons for

dismantling the project. In this sense, it may be considered a useful reference case about what should be avoided in the next cycle.

Integrated Cultural Plan (PIC): POR-FESR Tuscany 2007-2013

The region of Tuscany provides a positive example in the Italian context in terms of long-term coherence and consistency of cultural policy strategies. The action for the 2007-2013 cycle has been designed in continuity with the previous cycle, within the context of a strategic approach set out by the main planning document: the PIC (Integrated Cultural Plan) 2008-2010, which has been also the basis for the actual translation of the ROP strategic guidelines into specific cultural interventions, and which is being subject to a periodical integrated evaluation activity. The evaluation is also specifically assessing the coherence of the regional policy from the old to the new cycle, and in this respect it represents the antithetical example with respect to the previous case study. The specific project lines that translate regional action in the cultural field are the PIR (Regional Initiative Project) *Investing in Culture*, which constitutes the implementation of a strategic address explicitly stated in the PIC, section 6.5, with a substantially analogous title, and interacts substantially with the PIUSS, i.e. Piano Integrato di Sviluppo Urbano Sostenibile (Integrated Plan of Sustainable Urban Development), which is generally targeting objectives of urban renewal in their manifold dimensions, but which has been used by many applicant cities to redesign substantially some of their cultural functions and facilities, mainly with a focus on museums and traditional facilities but also with some limited attention toward issues of cultural production and entrepreneurship. The PIR implements two sub-lines of the strategic line 5 of the ROP, respectively: “Interventions of protection, economic development and promotion of natural and cultural heritage in urban contexts which are functional to sustainable tourism” (sub-line 5.2, through PIUSS), and “Support for the development of economic activities and for protection, economic development and promotion of cultural heritage which are functional to sustainable tourism in geographically disadvantaged areas” (sub-line 5.4).

The PIR includes four investment priorities:

- conservation and economic development of environmental assets;
- interventions for the upgrading and economic development of already existing museums, archives, and facilities for cultural activities and performing arts;
- interventions for the creation of new institutions for cultural activities and performing arts and for the economic development of, and access to, cultural goods conditional on the presentation of a multi-annual management plan;

- interventions for the increased knowledge, the conservation and the economic development of cultural goods that entail the creation of digital data banks abiding by the regional and national standards, and meeting the integration criteria with other databases belonging to the information system of the involved local administrative body.

Sub-line 5.4 has been mainly directed at disadvantaged mountain areas, and its funds are incompatible with PIUSS financing.

The actual unfolding of the program concerning mountain areas has proceeded through two coordination phases. The first two have concerned the 5.4 sub-line for mountain areas, for respective amounts of 34,459 million euros (of which 4,233 millions of ERDF funds), and 21,883 million euros (of which 3,457 millions of ERDF funds). The remaining funds arrived from regional funds and national co-financing funds (FAS). These two rounds have financed so far 14 projects for a total of 13 million euros, of which 7,6 million come from Structural Funds (which have therefore been fully spent).

Among the admissibility requirements of the Investing in Culture projects are: a minimal total project cost of 300.000 euros; a minimal co-financing quota of 40%; the availability of the cultural good that is involved in the project for at least 50 years, whereas in case of use of regional funds a mandatory public property; the coherence of the project with the various levels of regional cultural planning and a multi-annual management plan.

The evaluation criteria for the selection of admissible projects concern in turn: the relevance of the cultural or environmental good; the quality of the architectural project and its adequacy with respect to the planned functions; the state of advancement of the design process; the project's financial and managerial sustainability; the environmental sustainability of the project and its coherence with the environmental promotion strategies. For the projects which are aimed at creating new cultural institutions, the evaluation focus is on the clear statement of the demand for cultural services that motivates the initiative; on the project's documented capacity to introduce and use technological and organizational innovation; on the adequacy and qualification of the human resources employed; and on the adequacy of financial resources to cover the operating costs in the three years after the completion of the startup phase.

The stated criteria are interesting in many respects: for their emphasis on the various dimensions of sustainability; for their concern for effectiveness, i.e. responding to a specific demand for cultural services; for their emphasis on the introduction of various forms of innovation, an especially neglected aspect in the mainstream practice in the Italian scenario. Such criteria are all the more interesting in that they apply to projects that concern geographically disadvantaged areas, i.e., mostly marginal areas, with

relevant incidence of ageing, low demographic density, and poor infrastructural connection.

As to the implementation of the PIUSS within the sub-line 5.2, it has led to the financing of 27 projects, with a financing of 44 million euros of Structural Funds matching 74,9 million euros of national, regional and local resources. The selection of projects under the PIUSS has been managed directly by the Management Authority of the ERDF.

The PIUSS experience is of special interest for the purpose of the present document, in that it represents one of the most advanced attempts conducted so far in Italy to integrate culture-led development strategies into urban renewal planning. Some of the projects approved under the PIUSS have a particularly marked cultural profile, and are worth a specific mention.

The project "Lucca inside" devises a strategy of urban renewal for Lucca, one of the most beautiful art cities in the region. It addresses three main priorities: creating new public spaces in order to re-draw tourist flows within the city, as well as the access to the city itself; upgrading some fundamental public facilities; and launching new mixed public-private initiatives with a high innovative and technological content. This also includes the creation of a new center for technology, art, and performance, within a general strategy for the development of SMEs and advanced tertiary services. At the same time, there is an aim to foster the re-utilization of part of the ancient wall system that surrounds the historical city with its adjacent system of cultural spaces such as the New Amphitheatre, the Duke Palace, the Giglio Theatre and the Comics Museum (Lucca hosts the most important national comics-related event). The total cost of the project is around 120 million euros.

Another interesting project is Pisa^2: Pisa for Cultural Heritage, Innovation, Knowledge, and Hospitality. Pisa is a major university hub at the regional level, and a celebrated tourist destination for its globally famous leaning Tower, which however attracts a hit-and-run kind of tourism that only stops by for the tower and the surrounding square but is basically uninterested in the other cultural assets of the city. One of the main objectives of the project is enlarging the tourist flows to the other parts of the city and extending the average time of tourist visit, by an upgrading of the city museums network and a more effective assertion of its cultural identity. This strategy includes the completion and the functional upgrading of the Museum of Roman Ships, the creation of a Science Centre, the creation of walkable paths along the city's historical wall system and the creation of new cultural itineraries across the city, also with the help of innovative multimedia. The total investment is 43 million euros.

These two projects, which involve two major regional centers, show relatively clearly how the PIUSS is tackling the issue of urban renewal with a culturally-centered approach, emphasizing the role of renewed and new cultural facilities in changing the social logic of space use, in creating new functions, and in redefining the identity of the city. At the same time, the PIUSS projects often emphasize the issues of quality of life of the residents as well as of social cohesion as relevant policy objectives. However, the role of cultural production and cultural industry development is relatively modest (and interestingly, it was sometimes considered in early drafts of the PIUSS projects but generally abandoned during the revision and implementation phase). On the other hand, the PIUSS projects are examples of a very good practice in the Italian context, within the more general framework of the PIR, in that they identify clear strategic priorities, which are compatible with the long-term cultural planning process and are systematically pursued as well as rigorously monitored and evaluated ex-post. The planning process of the Tuscany region therefore constitutes a clear benchmark for project design and methodology, and opens up interesting although partial perspectives in the trespassing of the classical mainstream framework that only considers the culture-tourism link as the developmental driver.

INTERREG IVC projects

As already mentioned earlier, another interesting source of good practices in the Italian context are international cooperation projects, and among them INTERREG IVC projects are of special interest. This is the only channel through which specific attention to the issues of culture and creative production and development has been transmitted somewhat systematically to Italian actors, and is therefore worth a special consideration in the perspective of the 2014-2020 cycle.

There are in particular 5 projects, which are performing this peculiar and crucial function: Cities, Crea.re, Creative Growth, Organza, and Tool Quiz.

Cities

Project Cities stands for Creative Industries in Traditional Intercultural Spaces, and addressed the sub-theme entrepreneurship and SMEs of priority 1 of INTERREG IVC. The project focused on the improvement of regional and local policies in the promotion and support of cultural and creative industries as a primary industrial driver at the EU level. The project has begun in October 2008 and has been concluded in September 2011.

The project's specific priorities were:

- improving regional and local policies addressing creative and cultural sectors;
- helping to restructure regions mostly dependent on traditional industries, including renewal of industrial zones for new start-ups;
- getting an overview of what other European regions from partners cities have done to develop creative and cultural industries;
- growing the impact of culture on the regional economy by encouraging interregional creativity and diversity of cultures;
- supporting regional business clusters in creative and cultural industries field;
- promoting re-conversion of traditional sectors into more knowledge-intensive sectors such as creative and cultural industries;
- strengthening cooperation between state, private, non-governmental institutions in the creative and cultural industries sector.

The Italian partners of the project were the City of Modena and the Chamber of Commerce of Venice. The lead partner was Klaipeda City, and included the Klaipeda Economic Development Agency, the Municipal Centre of Enterprises of Gijón, the INTELI Innovation Center of Lisbon, the Hungarian Municipalities Association of the Danube and Pilis, the Slovenian Institution for Cultural Events and Tourism of Celje, and Sevilla Global.

The project has covered a variety of reference cases of successful culture-led creative industry development in Europe, disseminating them in contexts with relatively low levels of cultural participation and with little experience in cultural production-oriented local policy design. The involved Italian partners, Modena and Venice, are both currently carrying out major projects of urban renewal with significant cultural components, and have certainly benefited from these inputs.

Crea.re

The Crea.re project operates along similar lines in terms of strategic objectives. The acronym stands for Creativity, Regions, Enthusiasm, Ambitions, Relationships, Europe and the priority is a stronger integration of the creative sectors in the regional political agendas of the partners. A marked emphasis is also posed on mutual learning, and not simply on learning from external benchmarks. Moreover, creation of new structures for cultural and creative production and audience development are two main expected indirect effects of the project. The start of the project has been in January 2010 and it will end in March 2013.

The Italian partners are the City of Narni and the Agency for the Promotion of Tourism in Umbria – that is to say, two institutions from the same territory. The lead partner is

the Cultural Department of the State Government of Upper Austria in Linz, and the other ones are the Regional Council of Central Finland, the Lüchow-Dannenberg District in Germany, the Polish City of Poznan, the Romanian City of Medias, the Slovenian Maribor Development Agency, the Swedish Region of Västra Götaland, the Barcelona Provincial Council, the Spanish Municipal Institute of Economic Development and Employment of Cordoba, and the Belgian Province of East Flanders.

It is interesting to remark that Crea.re has published a list of 13 statements for successful creative development which highlight, among other things, how cultural and creative industries not only have an impact on the economy, but improve quality of life and create social benefit; that cultural soft innovation may be important even when it is not technologically oriented; that cultural infrastructure development should receive more attention within Structural Funds programming; that the entrepreneurial dimension of creativity has to cope with the necessity of avoiding economic instrumentalization; that cultural and creative production mainly occurs through SMEs; that the potential of cultural and creative development in rural areas is seriously overlooked; that most of the most dynamic cultural and creative regions in Europe are small and medium sized; that transfer of experiences and good practices in cultural and creative sectors is very valuable and should lead to enhanced international cooperation programs in the next INTERREG cycle. As a whole, such statements make up a very interesting policy agenda that, if appropriately received in the Italian context, could bring about substantial changes in the structural funds strategic approach.

Creative Growth

The Creative Growth project focused on the creative economy as an emerging sector and a key competitiveness asset for Europe. To this purpose, the project aimed at influencing policy development at the regional and local level, by mainstreaming specific cultural production-related knowledge and information into the policymaking process. The project started in September 2008 and finished in September 2011.

The project's priorities were:

- Improved and more effective policies on regional and local level through evidence-based policy-making;
- Improved business support services and solutions for the creative sector;
- Increased knowledge on how creativity can be a catalyst for regional competitiveness.

The emphasis on evidence-based policy making is particularly valuable and constitutes one of the most interesting perspectives for the design of future initiatives in cultural

and creative policy development. Also, the project has launched a European Network of Creative Regions that might be the backbone for more effective initiatives in the field.

The Italian partner of the project was Aaster SCpA from Bologna. The project leader was the Swedish Östsam regional Development Council. The other partners were the Swedish Regional Council of Southern Småland, the Danish Spinderallerne Center for Culture and Business of Vejle, the South Denmark European Office, the Spanish CEEI Asturias, the Scottish Edinburgh Napier University, the Lithuanian Kaunas Regional Development Agency, the Hungarian Eszak-Alföld Development Agency, the Romanian Timis County Council, and the Bulgarian RAM Central Stara Planina: a network with a main Northern and Eastern European focus, and in which the Italian partner is a large consortium between the Emilia Romagna Regional Government, Universities, regionally located National Research Centers, and entrepreneurial associations: a very good, system-wide partner that may play a major role in the dissemination of creative production practices in regional and local policy making.

Organza

Organza shares again similar objectives, but its distinctive characteristic is the focus upon medium-sized cities. The involved partners present different levels of policy making development in the creative field, and in addition to experience and best practice exchange, organized along the three main phases of the policy process (creation, piloting, and implementation) the project aims at building a major database of cases and data. Entrepreneurial development and development of new policy approaches for the creative sector are other major priorities. The project started in December 2010 and is scheduled to finish in December 2012.

The Italian partners are Treviso Tecnologia, the Varese Cotton Textile and Clothing Centre, and the Chamber of Commerce of Varese. The lead partner is the Dutch City of Arnhem. Other partners are the ArtEZ Institute of the Arts, still in Arnhem, the German WFB-Bremen-Economic-Development, the Romanian City of Iasi, the Georghe Asachi Technical University of Iasi, the Slovakian City of Presov, the Slovakian Technical University of Kosice, the British Nottingham Trent University, the Belgian Design Flanders, and the Spanish European Business and Innovation Center of Navarra. Once again the project presents a Northern-Eastern European main focus. The project publishes a quarterly newsletter that provides a very interesting forum for ideas and conceptual developments in the cultural and creative fields, and plans to publish a policy manual for successful knowledge transfer and policy integration in the creative fields among regions.

Tool Quiz

The project Tool Quiz is the product of a long-term cooperation project set forth by the French Region North-Pas de Calais, largely as an aftermath of the successful experience of Lille as the European Culture Capital 2004. The project presents somewhat unique characteristics as compared to the previous ones as it focuses on the development of capabilities[12] and skills in the creative sector to increase workers' employability. As a consequence, the cultural and creative sector is analyzed here as a platform of human and sustainable development at the European level. The project has been launched in 2007 and will end in 2013.

In developing a database of 19 good practices, the project is also developing an innovative set of indicators and of policy benchmarks. The Italian partner is IUAV University of Venice. The lead partner is the Region Nord-Pas de Calais. The other partners are the French CRRAV of Nord-Pas de Calais, the French Relais Culture Europe, the Norwegian Rogaland County Council, Wales Arts International, the Welsh University of Bangor, the Flemish Community of Belgium, the French Community of Belgium, the Belgian TechnociTé Center, the Spanish Region of Castilla-La Mancha, the Spanish Simetrías Foundation of Toledo, and the Polish Ars Cameralis Superioris. Unlike other projects, Tool Quiz tends to be Northern-European and Western-European centered, and Italy is present through a university institution.

Overall, culture-related INTERREG IVC projects clearly stand out as a major platform for Italy to develop successful practices in cultural and creative industry development. On the other hand, a few facts need to be pointed out. First of all, the involved Italian partners are localized in a very small range of regions, and exclusively from Northern and Central Italy. In particular, the only involved regions are Veneto, Lombardy, Emilia Romagna, and Umbria: only four regions, some of which present is several programs (Emilia Romagna and Veneto). The only major Italian cities involved are Bologna and Venice. Moreover, the presence of public administrations is somewhat limited, so that the actual partners involved are often local agencies or universities. However promising in perspective, at the moment this channel has had a limited penetration in the Italian reality, and the risk is that the influence it can produce is not strong enough to cause a major re-orientation of the Italian strategic approach. It is therefore highly advisable that some of the best practices and experiences developed through these programs are further spread through dissemination initiatives and conferences, possibly with the co-operation of major Italian institutions such as the Ministry of Cultural Goods and Activities (MIBAC) and the Ministry of Economic Development.

[12] See A. Sen, *Development as Freedom*, Oxford University Press, 1999.

Also, INTERREG projects could provide a good practice for the creation of stable, long-term European-wide networks for cultural and economic cooperation. The large network created by the Region Nord-Pas de Calais, which has taken a strong leadership at the European level in this field, is a clear example, but the fact that such network currently does not include any Italian public administration is a lost opportunity. More generally, it has still to be proven that such networks which have completed or are still in the ongoing INTERREG projects examined above will continue after the end of the planned activities. Therefore, it remains an open question to what extent such projects have contributed to bringing Italian players into stable European coalitions in the field.

3. SWOT Analysis

Preliminary remarks

In carrying out a brief SWOT analysis of the Italian use of Structural Funds in the cultural field, it is worthwhile to frame the previous discussion in terms of the 11 Thematic Objectives set for by the Commission Staff Working Document on the 2014-2020 structural funding cycle[13]. Among the 11 objectives, 5 contain references to cultural issues, and specifically:

#1. Strengthening Research, Technological Development and Innovation provides a mention of creative clusters and of cultural and creative industries (CCI);
#3. Enhancing the Competitiveness of SMEs mentions cultural and creative industries and new forms of tourism;
#6. Protecting the environment and Promoting Resource Efficiency: hints to "investment in the diversification of local economies by protecting and enhancing cultural heritage and landscapes (both in rural and urban contexts)" and to rehabilitation of cultural infrastructures;
#9. Promoting social inclusion and combating poverty: invokes promotion of intercultural activities;
#10. Investing in Education, Skills and Lifelong Learning mentions creative skills and creativity.

Overall, as it can be easily checked, the bulk of the emphasis is upon cultural and creative production rather than upon the culture-tourism link. Tourism and culture are

[13] Commission Staff Working Document, *Elements for a Common Strategic Framework 2014 to 2020*, with annexes, Brussels, The European Commission, 2012.

jointly cited only in objective #3, and as separate sub-themes. Moreover, reference to protection and enhancement of cultural heritage and landscapes in objective #6 generally refers to the diversification of local economies and is significantly associated with the rehabilitation of cultural infrastructures, once again a production-oriented theme rather than a familiar (for the Italian context) affirmation of culture as a driving force for the attraction of tourists flows. More specifically, culture is associated to 'transversal' themes such as research and innovation, competitiveness of SMEs, efficiency of resource use, promotion of social inclusion and investment in skills development and lifelong learning: a global picture that is at odds with the approach that has characterized the Italian action in the cultural field so far. Consequently, in developing our SWOT analysis, it is important to refer to the new EU strategic guidelines in order to account for a substantially bigger emphasis on cultural and creative industries development and on their social and economic implications for the next structural funding cycle, also with reference to the Italian situation, as well as to address the strategic lag accumulated by the country in this specific field during the present cycle, and the big weight that cultural and creative sectors already have in the Italian economy, both in absolute and relative terms.

The analysis are divided into two main sections: Strengths/Weaknesses and Opportunities/Threats. The reason why we group the two dyads rather than separating them in different sections is that, in both cases, analysis of a strength factor readily calls for the corresponding weakness. The same applies to opportunities and threats.

Strengths/Weaknesses

- Few other countries in the world may boast such a deeply-rooted and emotionally-strong identification of their national identity with culture. To many European as well as non-European residents, Italy is *the* land of culture, or at least, and with little doubt, *a* land of culture. As a consequence, the global expectations about the role of culture in the construction of the Italian model of civilization are inevitably high, and entail a strong concession of credit that can be exploited as a major strategic asset. Interestingly, such credit seems to be eroded only in part by the inefficiency and ineffectiveness of many of the Italian cultural promotion strategies of the last decades – a state of things that leads mistakenly many Italian policy makers to think that the country's identification with culture is a fully renewable asset – or something very close to this.

- In spite of an almost total lack of strategies, actions and measures to support the cultural and creative production of the young generations, Italy still seems to maintain a remarkable cultural vitality, sees raising creative talents in a variety of fields. In many cases such talent is forced to head for better professional

opportunities abroad, without being matched by comparable flows of outside talent pouring in for analogous reasons. The local frictions and limitations of the creative job market and the difficulties of the quest for entrepreneurial success in the creative field have made the latest generations of Italian creative talents very resilient, and therefore able to survive and thrive in very competitive environments. This contributes to perpetuate the good reputation of Italy and (expatriated) Italians as flexible, imaginative people that are able to make the most out of situations and opportunities that would be difficult for peers seeded into better professional comfort zones. On the other hand, lack of professional opportunities is severely damaging the possibility of young Italian creative professionals to build up skills and experiences, and tends to generate under-developed professional profiles, which cannot match those of their peers in other countries with better access to opportunities.

- Italy presents a rightly celebrated variety of natural and man-made environments that may result extremely attractive and inspiring for creative professionals in search of good living and working conditions, and especially so in its dense network of small cities and towns, which often lie off the beaten tracks and eschew the chaos and stress of large metropolitan areas while at the same time being close enough to them to be reachable. In other words, Italy has a good potential for the attraction of the creative talents, and not only in the main metropolitan agglomerations, but also, and possibly even more, in its more marginal but also more authentic and fascinating 'small capitals'. On the other hand, in spite of their potential livability, such 'small capitals' tend to be very conservative cultural environments, resistant to cultural vitalization and change, and to repel any apparent threat to the status quo – thereby initially attracting, but finally expelling creative outsiders.

- Another relevant strength is the high level of the heritage preservation and conservation standards and practice, which is often jeopardized by the low level of funding, that sometimes does not even allow an appropriate conservation of major pieces of heritage, also due to the high concentration of valuable heritage sites throughout the national territory. The lack of resources is leading to recurrent episodes of apparent heritage disruption and damage which are having a vast global echo and are creating a perception of a decaying state of some Italian cultural sites. In addition, the emphasis on physical heritage has led to a relative disregard for intangible forms of heritage, which have been so far much less attentively defined, classified, and preserved – a major strategic weakness in a country with a very high level of endogenous cultural diversity and a long and complex cultural history.

- Also on the educational side in the humanities and cultural professions, as well as in art and music academies, the Italian standards are pretty good, as testified by the generally good performances of students of Italian origins in major international universities in the humanities and cultural studies fields, as well as in international arts and music schools. On the other hand, the lack of attractive job opportunities at home is pushing a relevant share of Italy's most qualified young cultural professionals toward foreign markets – a situation that amounts to a huge net deficit in the balance of payment of human capital and specialized competences - for which the country has spent substantial public resources but which benefit some of its direct competitors. Moreover, Italy does not maintain the competitive edge of its educational system as a real policy priority – with the result that its relatively poorly funded schools lag behind those of more education-oriented countries, and with the possibility of a long-term deterioration of educational quality itself.

- In fact, culture has a weak level of social legitimization in Italy, and many Italians think that cultural budgets and objectives should be among the first to be sacrificed in times of crisis, despite the fact that culture is commonly identified as the country's main source of identification and national pride. This contradictory attitude leads to a strong idealization of culture, of its role in national and local socio-economic development, and in the conditions that make such development sustainable and effective. The common sense identification of culture with 'Italy's oil' is very telling in this respect: it is widely believed that culture may bring about wealth and well-being for future generations, but the actual mechanisms and processes through which this should happen remain very fuzzy in the public debate, and often one has the impression that this vagueness is intentional. In other words, culture plays more the role of an anti-anxiety, semi-magical remedy whose effectiveness should never really be closely investigated or questioned in order to preserve its reassuring function. It must also be added that Italy is characterized by a relatively low level of cultural participation as compared to leading European countries, and that roughly one Italian out of 2 is basically not interested in culture, and in particular in its production, preservation, and support. Then, in order to promote a wider social legitimization, a substantial effort of audience development and pro-active involvement in cultural practices must be undertaken, possibly as a distinctive goal within the 2014-2020 NSRF.

- In terms of cultural and creative sectors with an international lead, there are some in which Italy maintains to a certain extent a recognized global leadership: design, food design, and fashion, as well as some segments of music, visual and performing arts (but, in these latter cases, mostly with artists that operate

abroad and who have often been professionally trained abroad as well). In the design-related creative industry sectors. However, most of the current reputation of the country is linked to creative personalities that are now in their full maturity or in their physiologically declining phase, whereas the generational turnover of 'new creative blood' is once again relatively modest. Moreover, Italy suffers from an idiosyncratic strategic myopia concerning design-related sectors: it tends to file them under a 'classical manufacturing' label rather than as part of the cultural and creative industry, with the double negative result of failing to perceive the competitive and development potential of cultural and creative industries themselves and, which is possibly even more serious, of failing to understand the structural interdependences that link design or fashion to other cultural and creative fields such as visual arts, music, cinema, or literature. Hence, the economic and social impact of the physical production are over-emphasized rather than the creative development and prototyping phases. In this way excessively sector-focused strategies and initiatives are designed, that most likely lead to small, incremental creative innovation rather than to major creative breakthroughs. Interestingly, such complex, multi-disciplinary cultural environments were relatively common in Italy during the decades of incubation of the 'golden generations' of Italian design and fashion – the 50s, the 60s, the 70s, and to some lesser extent the 80s and part of the 90s – but this kind of 'creative atmosphere' seems to have been lost more recently and needs to be rejuvenated, so far with mixed results[14]. Another aspect of this ambiguity between ideation and realization is the (very much desirable) permanence of relevant pools of specialized craft skills, which preserve precious and very localized forms of human capital, but which once again tend to be classified as productive assets rather than as intangible heritage, and therefore tend to fail to be inter-generationally transmitted once their economic sustainability is undermined. Where on the contrary some attempt at preservation of such skills is being made, there is often a rigid opposition between the traditional skill base and creative evolution processes, which tend to be recognized as disturbing the traditional knowledge and therefore are considered as threats rather than being cultivated to promote the further enhancement and adaptation of the traditional skills. As a whole, then, the currently prevailing design-oriented productive culture tends to oppose rather than to promote creative innovation, thus explaining the missing renovation of the Italian design sectors in the last decades.

- In view of all these reasons, and probably of several more, analogous ones, in principle Italy should profit substantially from a coherent and focused strategy of

[14] E. Bertacchini, W. Santagata (eds.), *Atmosfera creativa. Un modello di sviluppo sostenibile per il Piemonte fondato su cultura e creatività*, Il Mulino, Bologna, 2012.

development of cultural and creative production as a main driver of its post-manufacturing economic and social transition. In particular, in view of a relatively weak performance in innovation capacity when compared with European leaders in the field, it should be very logical to exploit the above-mentioned strengths to launch a major national campaign for soft, culture-based innovation as a potential source of competitive advantage. This could probably be regarded also as an interesting route to revitalize the country's performance in the tourism sector, which has been declining in relative terms with respect to many competitors, often less endowed than Italy in terms of assets with a global visibility and reputation; nevertheless they are more able to attract tourists and for longer stays. Boosting the country's creative potential could help rejuvenate an image that is sometimes prone to cheap stereotyping. The main obstacle to this major strategic breakthrough, however, is the deeply-rooted attitude of Italian policy makers to use culture as an anti-cyclic measure and as a social dampener, or as a protected area for the creation of rent or privilege positions as a consequence of political red tape. Moreover, cultural policies, as exemplified e.g. in the Latium case study above, are very sensitive to the political-economic cycle, and tend to be opportunistically remodeled as a consequence of political issues and concerns, irrespectively of the actual contents and of the real policy priorities. This has led to the long-term presence of pockets of privilege and inefficiency in the cultural sectors, which has contributed to undermining the credibility and the perception of social merit of the cultural and creative production in certain social and political segments.

To sum up, most of the strengths are balanced by corresponding weaknesses, and some of them are currently more potential than actual. Others, in turn look somewhat like an unintentional, paradoxical product of structural or strategic deficiencies, and thus tend to be very fragile and context-dependent. Therefore, the current relatively good health of Italy's cultural identity in spite of so many adverse factors seems more to be linked to a very strong and consolidated historical rent than to clever maintenance or development strategies. As a consequence of this, such identity might die unless something is done to prevent this.

Coming more specifically to the strategic design and implementation of Structural Funds usage, an Italian strength seems to lie in the relatively high levels of resources devoted to cultural purposes, both in absolute and relative terms, even if such figures do not necessarily reflect the adequate spending capacities. Moreover, both the focus and the allocation of spending seems to be often ill-directed, or at least too concentrated on relatively traditional, low-innovation activities and sectors, with little concern for international best practices and benchmarks.

As already hinted in the previous discussion, the main weakness of the Italian approach to Structural Funds is the lack of a sophisticated strategic approach, that would adequately matche the wealth and potential of the country's cultural assets and talents. The mismatch between the size, quality and articulation of the Italian cultural and creative sectors and the corresponding policy making priorities and practices is huge and certainly defying comparison with other countries with similar top-level socio-economic and cultural profiles.

To make the most out of the current Italian strengths, therefore, it is safe to conclude that the entire Structural Funds strategy for culture, both at the national and at the regional levels, should call for a major re-thinking and for a substantial update in its conceptual and factual references to become a true development engine for the country.

Opportunities/Threats

- On the basis of the discussion conducted so far, the major opportunity for Italy with a view to the 2014-2020 Structural Funds cycle is the systematic development of a coherent, effective strategy for cultural and creative industry competitiveness and development. The country has a strong, resilient cultural brand and is already home to one of the bigger and most vital cultural and creative sectors at the EU level. Specific human capital is also relatively abundant in terms of well-trained, competent and experienced cultural and creative professionals, and there is a vast juvenile cohort of students and young professionals that considers the cultural and creative field as one of the most interesting and motivationally fulfilling for their future job career. In principle, if there was a serious attempt to give culture the right priority in the country's policy agenda, there could be a serious possibility that the cultural and creative sectors may give a major contribution in redesigning the much longed for new growth formula for Italy. Especially in the current economic conjuncture, this is a kind of a 'once-in-a-lifetime opportunity'.

- On the other hand, the real issue is the difficulty of bringing culture into the Italian policy agenda seriously enough. Possibly also due to the slowness of generational change in the country's ruling class, the reference models in thinking of the new growth strategy at the country level remain firmly anchored in old innovative-manufacturing-plus-advanced-tertiary-services models. As already remarked, even iconic creative sectors such as fashion or design are conceptualized as (mainstream) manufacturing rather than creative sectors, and this has serious consequences in terms of policy strategy, design, and

resource allocation. For Italian governments - and a similar trend occurs at the regional and often at the metropolitan level as well - culture is not simply a 'real' policy option in that the very notion of cultural and creative industries does not belong to the decision makers' toolbox. This does not mean that there is little attention to culture, but as already emphasized such attention is mainly rhetorical and this state of things becomes apparent at the moment of budget decisions, where, in spite of already meager allocations, cultural budgets are increasingly penalized and brutally cut down. The decade-long trend at the national level is telling: the budget of the Ministry of Culture (MIBAC) has been cut by 36,4% in the period 2001-2011, and now amounts to 0,19% of total public expenditure[15]. To make a telling comparison, in the postwar period, in a dramatic moment in which Italy was impoverished by the war destructions and had to carry the burden of the physical reconstruction of the country, public cultural expenditure amounted to 0,8% of the total, a four-fold figure with respect to the status quo. An analogous trend can be observed in local administrations. Only in the period 2008-2011, public cultural expenditure in cities has dropped by 35% on average. Grouping together national, regional and local public expenditure, public spending for culture in Italy roughly amounts to 5,6 billion euros against the 7,5 billion in France (a growing figure despite the crisis) and the 12,5 billion in Germany. If the current trend continues, the cultural sector in Italy is at risk of being swept away altogether, as a consequence of a joint action of the long-term dismissal trend in public expenditure and of the savage cuts prompted by the current crisis – quite at odds with the promise of seeding culture at the core of the country's new growth model.

- To revert this very dangerous trend, a system-wide view of the cultural and creative sectors should be developed and should be firmly in the minds of the policy makers. But developing this approach and bringing it into the policy mainstream is a hard task, and entails overcoming some serious cultural obstacles. In the first place, in Italy, culture, in its most iconic sense, is identified mainly with the non-industrial core (visual arts, performing arts, heritage), which by definition can only be profitable to a limited extent and therefore needs to be largely subsidized. In a system-wide perspective, it would become clear, or at least understandable, that such sub-sectors, in spite of generating a comparatively low turnover and of being largely dependent on public subsidies, are responsible of many of the major cultural innovations that can be developed and made profitable in the more industrially-oriented cultural and creative sectors, as happens with R&D in the hard technological sectors. But if there is

[15] R. Grossi (ed.), *Rapporto annuale Federculture. Cultura e sviuppo: la scelta per salvare l'Italia*, 24Ore Cultura, Milan, 2012.

not a clear perception of this peculiar sector inter-connection, it is almost inevitable that policy makers tend to think of subsidized culture as a sphere of activity that merely absorbs resources and does not generate significant economic value. There are, in fact, cultural and creative sub-sectors such as music, cinema, and publishing which are properly identified with cultural industries, but which do not receive strong attention because their size, taken separately, is not comparable to that of the major sectors; and also because, in the current digital content revolution, they are being seriously challenged in their profitability. Once again, then, these sectors are not seen as carriers of major strategic value, and are in turn to some extent dependent on various forms of public subsidy to secure their sustainability. As to the really profitable sectors, such as the creative ones like fashion or design, or the last-wave cultural ones such as videogames and multimedia, not to speak of radio-television, which in Italy poses well-known ownership and contestability issues on its private side and suffers from heavy politically-determined inefficiencies on the public side; they are generally not considered as part of the cultural and creative sphere for different reasons. It so happens that one of the biggest, profitable and potentially strategic meta-sectors of the Italian economy literally vanishes from the perception of the decision-makers (and sometimes of the public opinion) because it is conceptually torn down in pieces in such a way that perceiving its very existence as a strategically interdependent and coherent field of economic activity becomes hard for those who do not have a direct professional knowledge, not to speak of acknowledging its developmental potential. In this situation, thinking of a strategic development plan for cultural and creative industry becomes illusory, as it is the very object of a discussion that casts at best a fuzzy and misleading image in the minds of the decision makers.

- In this context, then, Structural Funds can play a key role in bringing Italian cultural policies on faster and better-networked tracks. The almost mono-thematic and obsolete approach of Italian public administrations to EU-funded cultural spending that has been reviewed in the previous sections is a direct consequence of the major conceptual problem illustrated here. Therefore, negotiating over the next cycle of Structural Funds becomes a very important opportunity to help the Italian government to focus upon the real developmental scenario for culture, and to bring to a serious extent cultural and creative production on the policy agenda for the coming years, starting from a major rethinking of the NSRF objectives. On the other hand, together with a better understanding and wiring of public action towards market-mediated forms of economic value creation, more attention should also be provided to non-market mediated but strategically valuable forms of value creation in terms of indirect effects on innovation, well-being, social cohesion, environmental sustainability,

knowledge society, and so on[16] – a socio-economically comprehensive view of culture that is deeply rooted in the Italian cultural tradition[17], but that finds little translation both in policy practice and in public communication. A clever orchestration of the non market-mediated socio-economic impacts of culture in the design of a growth policies package could yield very interesting effects in the Italian context, and especially in a moment of profound structural crisis and change as the present one, where many aspects of social cohesion and cooperation and of civic sentiment are put under severe stress. If undertaking a more balanced innovation policy where hard technological elements and soft cultural and creative components would mingle and synergize, Italy could manage to carry over a successful re-adaptation of its economic structure in which the cultural and creative sectors would eventually find their proper place.

- To make just one simple example, one could think of the potential opportunities open by a systematic strategy of digitalization of the Italian tangible and intangible cultural heritage. This could become a powerful innovation and participation platform that could allow to reach several major objectives at the same time: providing a powerful content base for cultural and creative production, allowing to develop state-of-the-art educational tools in the cultural fields for the digital natives, attracting entrepreneurship and venture capital to the cultural and creative fields both at the national level and from abroad, facilitating fund-raising for the restoration of physical heritage and for the preservation of intangible heritage, developing new products and services for smart mobile devices, increasing the 'halo effect' for national design-intensive productions, and improving the competitiveness of the cultural tourism sector with the provision of new forms of experience. This is only a very partial and tentative list, but even from these sketchy considerations it becomes apparent that it would be unreasonable for Italy not to invest with high strategic priority in a field like this.

- These last remarks point at yet another untapped opportunity in the cultural field – entrepreneurship. As it is well known, Italy has a very solid entrepreneurial tradition, although unevenly distributed across the territory. In particular, in the last decades Italy has developed well-performing SMEs clusters not only in traditional sectors but also in new design-oriented sectors characterized by interesting blends of hard and soft innovation. This legacy could be very promising in developing a new wave of entrepreneurial talent in the cultural and

[16] P.L. Sacco, "Culture 3.0 – A new perspective on the 2014-2020 structural funds programming", paper prepared for the DG Culture on behalf of EENC. http://www.eenc.info/eencdocs/papers-2/culture-3-0-—-a-new-perspective-for-the-eu-2014-2020-structural-funds-programming/, cited.

[17] Eurobarometer, *European Cultural Values*, Special Eurobarometer Series #278, The European Commission, Brussels, 2007.

creative sectors, building upon the experience previously accumulated in other sectors. But again there is very little effort and even awareness in this respect. Due to the narrow focusing upon the economic potential and employability perspectives of culture, public communication tends to be negative and pessimistic, warning the young of the modest income and high precariousness associated to cultural and creative professions, and inviting attention toward high-tech sectors. Not surprisingly, then, young entrepreneurs find little encouragement to move toward the cultural field, so that at the moment we find a small number of advanced and even successful best practices of cultural and creative startups, but there is little attention given to these in the media and a weak propagation of the success stories. On the other hand, given the objective difficulty of setting up new firms in Italy, as testified by the extremely low ranking that the country achieves in all major measurements of economic freedom and ease of doing business, it is rather consequential that the bulk of young entrepreneurs in Italy today comes from entrepreneurial families, and most often starts up from the evolution or refocusing of some family business – and given the current profile of specialization of the Italian economy, it is unlikely that the family legacy would encourage the young generation to look at the cultural and creative sectors, unless strong personal propensities exist. Therefore, there is a remarkable window of opportunity in the current phase, also given the high levels of juvenile unemployment in Italy, to encourage projects of entrepreneurial incubation in the creative sectors, and especially so for first-generation entrepreneurs and university graduates from the humanities field (one of the sectors that has been severely penalized in the Italian job market, even before the outbreak of the crisis, and could in fact benefit most from a well-directed entrepreneurial turn). This sector, in particular, in the Structural Funds perspective, could benefit not only from ERDF funding but also from ESF.

Opportunities and threats in the Italian context for the next Structural Funds cycle are therefore both linked to agenda-setting. If a clear, widely shared, innovative policy agenda is set, Italy could benefit from it disproportionately, given the current amount of unexploited potential and policy malpractice. But if on the contrary this opportunity is lost, there is a serious risk that the Italian cultural and creative sectors would be unable to survive another cycle of neglect and social and economic marginalization, and would consequently functionally crumble down, with a consequent flight of the remaining pool of talent, competence, and professionalism, which would be inevitably lured away by better opportunities (not only in other EU countries, but increasingly so in the emerging cultural BRICs), increasingly meager public budgets and private investments, lower rates of participation, and so on - thus vaporizing one of the most plausible factors of comparative advantage and long-term economic competitiveness of the country.

4. Priorities for Cultural Investment 2014-2020

The final section provides a synthetic list of potential issues and areas for agenda making for the European Commission's negotiation mandate with Italy in the context of the 2014-2020 Structural Funds programming cycle. As already emphasized, a major refocusing of the Italian priorities in the cultural field is called for, but this does not imply that Italy should draw back from efforts in enhancing and better integrating its cultural and tourism sectors. Therefore, the fact that the final section does highlight this point does not amount to denying its importance. It is rather a consequence of the fact that this has been so far the main focus of attention of governmental and regional actions.

4.1. Some general lines of action for the next programming phase

As already pointed out, the main priority for Italy in the next cycle should be a real undertaking of the development of a strategically coherent and effective approach to cultural and creative production and to fostering cultural participation. Unlike other countries with comparable dimensional levels of the cultural and creative sectors, in the Italian case we are still in the set-up phase, and in particular there is a wide gap to be filled in between the public sector and private players who are acting in the field with working knowledge of the international standards and trends. This has to be kept in mind when discussing and evaluating possible measures.

Giving a major weight to cultural and creative industries at the NSRF level

The issue of cultural and creative industries has been practically absent from the Italian National Strategic Reference Framework so far. At this stage, however, inclusion would not be satisfactory result per se, unless this clearly translates into a major policy priority, to be reflected significantly at all levels of the Operational Programs. At the moment, many Italian regions only give a limited space to culture-related strategic lines in their Operational Programs, often as sub-lines without a broader context, and there is no explicit recognition of the strategic potential of cultural and creative production. The same applies to the Inter-regional and National Operational Program levels. This is most critical in view of the fact that Convergence regions are among those who, given the level of funding available and the socio-economic conditions of such regions, could benefit tremendously from a coherent and effective implementation of a culture-driven development strategy.

Designing context-specific specific strategies for culture-driven local development

Due to the large inter-regional differences across the country and to the vast differences in extension, focus and articulation of the respective cultural and creative sectors, much emphasis should be placed on avoiding the adoption of one-size-fits-all formulas of culture-driven local development, and encouraging on the contrary a context-specific design practice, also allowing specific funding for creation of focused data banks of good practices from socio-economically comparable contexts. In particular, dyads such as North/South, urban/rural, industrialized/de-industrialized, geographically central/marginal should be taken into account when evaluating the applicability of certain models, and looking for useful benchmarks.

Stabilizing priorities and projects across the political cycle

It is often the case that, when in administrative elections falling within a given Structural Funds cycle, the local political majority changes, the implementation and even the strategic setting of the ROPs may be deeply altered to adapt to the changed agenda and priorities of the new administrations, thereby putting at risk the consistency of the local development projects and even the very possibility of spending the funding, and of doing it in useful ways. This problem may in principle arise in several if not in all of the EU Member States, but becomes particularly serious in countries such as Italy where cultural spending is customarily perceived as a form of anti-cyclic spending and is therefore subject to substantial political discretion. Suitable monitoring and controlling actions at the EU level should be undertaken to prevent this from happening.

Encouraging cultural and creative youth entrepreneurship

Entrepreneurial incubation and business acceleration in the cultural and creative fields can be tackled very effectively in principle with the use of the Structural Funds, and given the high social pressure on reduction of juvenile unemployment, pursuing such an objective with a high level of priority could possibly help several Italian regions in higher, better and more effective spending of EU funding. In this context, given the widespread level of social alarm on the youth unemployment issue, providing incentives to public-private partnerships involving co-funding from bank foundations, companies, professional and entrepreneurial umbrella associations, etc., could allow to reach multiple results: addressing a widely-felt priority; raising awareness on the developmental potential of cultural and creative production; stimulating better and more focused interaction between traditional and creative sectors at the crucial, innovative startup phase; enhancing the decision makers' knowledge and familiarity with the

sector.

Finding out new (innovative) spaces for culture in traditionally non-cultural fields

Whereas culture hardly finds space for strategic lines of its own within the OPs, not only it should receive closer direct attention, but could usefully find further, complementary spaces within lines that concern ambits that are traditionally thought to present little strategic complementarity with culture: from infrastructure to agriculture, from energy to transport etc.. If properly calibrated, cultural actions and initiatives could bring substantial value added in these sectors in many respects: from participative design of major infrastructural interventions, to improved energy saving habits and customs, to design-oriented agricultural practices, to enhancement of travel experience etc.. Not only such spaces would create more and better opportunities for cultural and creative professionals and firms, but could produce substantial value added through innovative processes, improving the competitiveness of sectors and firms.

Stimulating culture-driven soft innovation in non-cultural sectors

The available scientific and policy evidence shows clearly that cultural participation may be a powerful catalyst for soft and sometimes even of high-tech innovation, and this is true not only at the general societal level, but even more so at the corporate level. Firms that organize projects on cultural and creative training and workshops for their employees are generally rewarded with higher levels of productivity, on-the-job satisfaction, and organizational cohesion. These forms of inter-sector creative contamination may also be conducive to the emergence of new professional profiles and competences that could further enhance the effectiveness of such programs, motivate more companies to join, and to start up a virtuous social dynamics.

Promoting non-market-mediated forms of cultural value creation: culturally-driven welfare, social cohesion, lifelong learning programs

Once again on the basis of a growing scientific evidence[18], we know that cultural participation acts in very positive ways on both life expectancy and perceived quality of life of citizens. These positive effects feed back in terms of reduction of welfare treatment costs, which, in an ageing continent such as Europe, could lead to substantial resource saving while at the same time improving the conditions of sensible target groups such as the elderly or the chronically ill. At the same time, a systematic coordination between cultural participation and social welfare programs could open up

[18] For an up to date review and recent results, see E. Grossi, P.L. Sacco, G. Tavano Blessi and R. Cerutti, "The impact of culture on the individual subjective wellbeing of Italian population. An exploratory study", *Applied Research in Quality of Life* 6, 387-410, 2011.

to the development of new professional profiles, while providing a new channel of funding for cultural activity whose effects are clearly perceivable and appreciable by the public opinion, thus enhancing the social legitimization of culture. On similar bases one can argue that cultural participation may curb substantially social costs deriving from failed social integration, contrasted intercultural dialogue, or bad understanding of the social and economic individual benefits of lifelong learning. By selecting, developing and mainstreaming good practices in the field it would be possible to create new platforms for social innovation which could make a crucial contribution in terms of growth, active citizenship, and capability building. A crucial premise for this to happen is to foster audience building and development in the Italian context, given the current evidence of relatively low levels of cultural participation and the issues of social legitimization of culture and of its meaningful and functional insertion in everyday life habits and routines – an issue that could be effectively tackled through a suitable mix of ERDF and ESF-related objectives and policies, which, if properly designed and implemented systematically at the regional level with all due local variability, could have a long-lasting impact.

4.2. Specific recommendations on the basis of the Thematic Objectives CSF 2014-2020

As already emphasized, of the 11 thematic objectives contained in the Commission's proposal for the Common Strategic Framework 2014-2020, 5 contain a specific reference to culture. However, even if some of the objectives that do not mention culture explicitly, there are other possibilities for culture-driven initatives to be funded under them, which could have significant impact on the chosen policy targets. There is thus a vast spectrum of possibilities to design new measures and interventions that translate effectively such objectives into specific culturally-focused goals and initiatives. Below some tentative proposals are provided. They result from a vast repertoire of public discussions and panels carried out across Italy in the past few years and are dedicated to a various extent to the themes of enhancing the development potential of cultural and creative production in Italy in the years to come.

For each thematic objective, proposals are classified in terms of investment priority, program relevance, and field of action.

(1) Strengthening research, technological development and innovation	
Investment priority (b)	Product and service development, demand stimulation, clusters, open innovation through smart specialization and social innovation
Programme relevance	ERDF, ESF

Main fields of action	Developing cultural-technological clusters for the digitalization and the integration into digital content platforms of physical and intangible cultural heritage, through system-wide partnerships between public administrations, companies, universities, local development agencies, cultural associations and organizations, and so on. (ERDF) Creating national and regional databases of best practices in culture-driven, cross sector creative 'contaminations', and organizing local workshops with umbrella professional and entrepreneurial organizations, local bank foundations, public administrations, and local development agencies to promote coordinated action and design skills building in key decision makers and actors. (ERDF) Launching a program for cultural institutions and organizations on culture-based open innovation projects in the welfare, social cohesion, and knowledge society fields. (ERDF) Supporting transfer of design-oriented practices in low-design sectors, and to all sectors in Convergence regions. (ERDF) Launching a public contest in schools at all levels to provide ideas for increasing cultural participation in local communities, with a special attention for the socially-marginalized and for the elderly. (ESF) Launching a program on introduction to creative entrepreneurship for young unemployed graduates and medium- and long-term unemployed. (ESF)

(2) Improvement of access and use of Information and Communication Technologies (ICT)	
Investment priority (b)	Developing ICT products and services
Programme relevance	ERDF and ESF
Main fields of action	ICT support for libraries and community centres in deprived urban areas, in rural areas and in areas hit by major environmental damage (earthquakes etc.). (ERDF) ICT support to young creative entrepreneurs in Convergence regions. (ERDF) ICT-based projects for urban and social requalification of public places. (ERDF) Grants for ICT-focused innovative projects in the cultural and creative field (visual arts, performing arts, e-publishing, videogames, multimedia, music, etc.). (ERDF) ICT support for development of tourism-related digital content platforms. (ERDF) Promotion of training programmes for stakeholders in Convergence regions and in socially-deprived and rural areas of Competitiveness regions lacking digital literacy, in partnership with cultural and educational centres. (ESF)

(3) Enhancing the competitiveness of SMEs	
Investment priority (a)	Promoting entrepreneurship
Programme relevance	ERDF and ESF
Main fields of action	Supporting radical innovation practices in SMEs working in the fields of digital content platforms, e-publishing, multimedia, augmented reality, social aggregators and media, and digital animation. (ERDF) Promoting business accelerators for cultural and creative firms already on the market and needing support in terms of strategic counselling, access to international networks, creative data mining, crowd-sourcing development, and so on. (ERDF) Building up a centre of excellence on transfer of cultural and creative practices to SMEs environments, with co-funding from companies, professional and entrepreneurial umbrella organizations, and bank foundations. (ERDF) Supporting entrepreneurial projects based on the creative combination of traditional crafts and advanced technologies (smart crafts), and on the creative re-use of cultural heritage as a working archive, as well as pilot research and development in these fields. (ERDF) Promoting the development of digitally-based simulation platforms ('serious gaming'[19]) that encourage young students to build up risk-taking, entrepreneurial skills in the cultural sectors, and support the organization of school contests and the local, national, and EU-wide level. (ERDF) Developing models and practices for social entrepreneurship in the cultural and creative sector, with a special attention to professional involvement, and audience development and engagement, of the elderly, the disabled, and of the ethnic minorities. (ESF)

(4) Supporting the shift towards the low-carbon economy in all sectors	
Investment priority (e)	Promoting low-carbon strategies for urban areas
Programme relevance	ERDF

[19] S. De Freitas and P. Maharg (eds.), *Digital Games and Learning*, Continuum Books, London, 2011.

Main fields of action	Supporting the conversion of declining or dismissed industrial areas into cultural and creative residences and production clusters as a strategy to reduce carbon footprint and to develop an alternative local development models in polluted urban environments. (ERDF) Supporting the multidisciplinary development of architectural design methods aiming at reducing the carbon footprint of living environments and to foster more sustainable uses of private and public space. (ERDF) Supporting open innovation civil society forums for the crowdsourcing of energetic efficiency solutions through creative forms of cultural brainstorming and mediation. (ERDF)

(5) Promoting climate change adaptation and risk prevention and management	
Investment priority (b)	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
Programme relevance	ERDF
Main fields of action	Assessing and developing risk prevention concepts and best practices for natural and cultural heritage sites, with special emphasis on zones affected by major environmental damage (earthquakes, floods, etc.). (ERDF) Developing and implementing a database and a policy manual on best and worst practices in the management of endangered Italian UNESCO World Heritage sites. (ERDF)

(6) Protecting the environment and promoting resource efficiency	
Investment priority (c)	Protecting, promoting and developing cultural heritage
Programme relevance	ERDF and ESF
Main fields of action	Promoting contemporary architectural solutions and methods for the protection, requalification and creative re-use of historic buildings, preferentially in cooperation with artists and designers. (ERDF) Supporting innovative, mixed models of tourist-oriented and creative production-oriented usage of heritage buildings as a form of active preservation. (ERDF) Developing socially-responsible forms of creative re-use of heritage buildings involving the elderly, the disabled and the ethnic minorities as a form of active preservation. (ESF)

(8) Promoting employment and supporting labour mobility	
Investment priority (a)	Development of business incubators and business creation
Programme relevance	ERDF and ESF
Main fields of action	Promoting cultural and creative entrepreneurial incubators with strategic support services in terms of product development and optimization, marketing, access to finance, etc. (ERDF) Supporting EU-wide and international cooperation in network building and consolidation among creative incubators, favouring exchange and residence programs for entrepreneurs, trade missions, venture capital meet-ups, etc. (ERDF) Promoting special programs of capability-building and pre-incubation for potential social enterprises working in the cultural and creative fields, employing long-term unemployed, disabled, or ethnic minority persons and addressing audiences in the above target groups as well as in the elderly one. (ESF) Promoting business skills building for cultural and creative professionals and employees through mobility, exchange, and peer learning schemes. (ESF)

(9) Promoting social inclusion and combating poverty	
Programme relevance	ERDF and ESF
Investment priorities	(a) Investing in health and social infrastructure which contribute to national and regional local development (b) Support for physical and economic regeneration of deprived urban and rural communities (c) Support for social enterprises

Main fields of action	Supporting long-term public art projects that engage local communities on socially sensible and controversial issues in the context of physical and economic regeneration of deprived urban and rural areas. (ERDF) Supporting cultural projects that promote intercultural exchange and mediation in socio-economically deprived areas with high levels of cultural diversity. (ERDF and ESF) Promoting international networks of social enterprises working in cultural welfare-related fields and facilitating exchange of competences and good practices. (ERDF) Supporting cultural welfare-related entrepreneurship and professional development in areas with high levels of poverty and low life expectancy, with special attention to Convergence regions. (ESF) Supporting pilot cultural welfare programs based on cultural participation in areas with high levels of poverty and low life expectancy, with special attention to Convergence regions. (ESF) Promoting programs of cultural capability building for children and teenagers living in socially-critical contexts, taking as a reference already consolidated approaches such as “El sistema Abreu” of “Projeto Axé”. (ESF)

(10) Investing in education, skills and lifelong learning	
Investment priority (a)	Investing in education, skills and lifelong learning
Programme relevance	ERDF and ESF
Main fields of action	Supporting research projects from universities, cultural institutions and art academies that develop scientifically-rigorous and operationally-feasible methods for the evaluation of the direct and indirect effects of cultural production and participation on human capital levels and quality. (ERDF) Supporting educational programs on creative problem-solving and decision-making through cultural participation and animation developed in cooperation with local cultural institutions. (ERDF and ESF) Supporting training programs in creative facilitation of innovation for SMEs targeted to young unemployed graduates in the humanities. (ESF) Supporting programs of education to lifelong learning based upon cultural participation and animation for the middle-aged short-term unemployed. (ESF)

(11) Enhancing institutional capacity and ensuring an efficient public administration	
Investment priority	Enhancing institutional capacity and ensuring an efficient public administration
Programme relevance	ERDF and ESF
Main fields of action	Investment in monitoring systems for culture-based regional development strategies (regional cultural observatories). (ERDF) Robust research on the use of Structural Funds in Italy for culture and the creative industries in 2007-2013 and elaboration of a policy manual for public administrations for the 2014-2020 cycle. (ERDF) Capacity-building measures for public administration at regional and local level involved in the implementation of the EU Structural Funds. (ERDF and ESF) Training programs on cultural and creative industry policy management for top executives of public administrations. (ERDF) Promotion of a national initiative on culture and creative industries and the under-40s with the cooperation of the Presidency of the Republic and the umbrella professional and entrepreneurial organizations. (ERDF) Creation of a permanent group of policy design and exchange of good practices in cultural and creative industries in the context of the State-regions conference. (ERDF) Creation of a permanent Inter-Ministry group involving the Ministries of Culture, Economic Development, Education, Labour and Social Policies, and Foreign Affairs on the monitoring and strategic evaluation of the use of Structural Funds (including international cooperation projects) in the cultural field for the purposes of economic development, capability and skills building, entrepreneurial development, and cultural diplomacy. (ERDF) Promoting and supporting independent forms of professional and citizen journalism for the monitoring of the fair use of public resources, the respect of civil rights, the contrast of corruption, and the protection of freedom of expression. (ERDF) Promotion of active citizenship workshops addressing cultural expression rights and fostering active use of social media to promote pluralism, transparency and fair access to public opinion of socially and economic deprived people and of ethnic minorities. (ESF)

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See also additional Internet references given on footnotes.