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"Con la Cultura (non) si mangia?"

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INTRODUCTION

"Not everything that counts can be counted, and not everything that can be counted counts"

Albert Einstein.

The last financial crisis, that still impacts Western economies, forced each state to renovate growth strategies and enhance competitiveness by relying on its core assets and identity heritages, to successfully participate the fast pacing global marketplace.

Given that Italy has a small surface, high wages, and slow and heavy bureaucracy, together with scarcity of raw materials and few oil or gas, what could be the source of a long-term growth strategy? When we think about the USA, we see the entrepreneurial land of opportunity, while we refer to England as the Capital of the financial world, and to Germany as the country of mechanical engineering. And, in the same way, everybody in the world instinctively associates Italy to ancient monuments, a millenary history, fashion and taste, craftsmanship and design: in a few words: the unmatched cultural heritage and creative force of the country.

As the European Expert Network on Culture (EENC) states: "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" [1]. No wonder that Italy is the country with the most Unesco World Heritage Sites [2].

Italian culture, moreover, contributes to create and promote the so called *Made in Italy"* brand, which, for Google, is the second most known brand after Coca-Cola[3]. The fact that our products are associated with our traditions, history and heritage, gives them a goodwill able to grant many Italian goods in sectors as food, design, and fashion industries, a competitive advantage on the global marketplace [4] .

Unfortunately, Italian mentality and mind-set too often consider culture as something unnecessary, an aesthetic complement: an accessory that may be needed after all the other needs are satisfied; something that can nourish our soul and enrich our mind, but not our wallet. Former Finances Minister under Berlusconi's Government, Giulio Tremonti, once said: "You can't earn a living out of culture" – "Con la Cultura non si mangia" [5]. This myopic perception is one of the main reasons that prevented culture from having a strong presence in the political agenda of the country during the past years, and caused the absence of an organized strategy for cultural promotion.

As a direct result, during the 2001-2011 period, the budget of MIBAC, the Ministry of Culture, was cut down by 36.45% [6]. Nowadays it amounts to only 0.19% of the entire Public Expenditure. This data is astonishing if compared to the post-war cultural budget in Italy: even if the country was facing the

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[1] Pier Luigi Sacco, *Culture and the Structural Funds in Italy*, European Expert Network on Culture (EENC) paper, June 2012.

[2] http://whc.unesco.org/en/statesparties/IT/

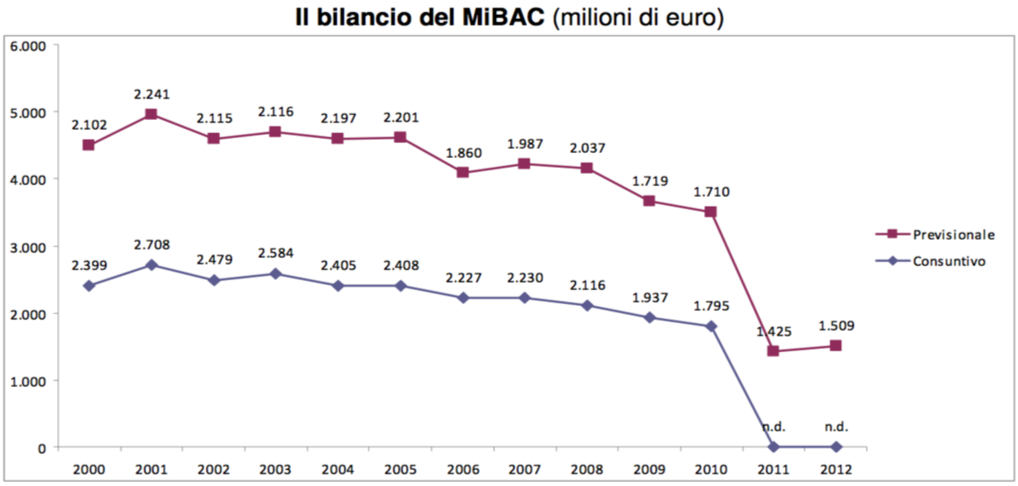
[3] http://www.italiagermania.org/2013/02/il-brand-italia-per-google-e-il-secondo-al-mondo-dopo-coca-cola/

[4] Hendrik Van der Pol, *Key role of cultural and creative industries in the economy*, Knowledge and Policy 2007: Measuring and Fostering the Progress of Societies UNESCO Institute for Statistics, 2008, pag 11.

[5] http://www.ilpost.it/2010/10/14/giulio-tremonti-e-i-panini-con-la-divina-commedia/

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

destruction left over by World War II, the Minister of Culture had 0.80% of the total budget, a percentage four times higher [7].



Fonte: elaborazione Federculture su dati MiBAC

The previous graph shows the path of the MIBAC, Italian Ministry of Culture, budget - from 2000 to 2012 [8]. Maybe the perception that culture does not bring wealth, wrongly derives from a characteristic deeply rooted in an investment such as the cultural one, which is: being a long-term one. But we should forget the etymological meaning of the word "culture" [9] , deriving from the Latin "*colere*", which means "to cultivate", "to grow something". As the farmer knows that some time has to pass from seeding to harvest, private and public sectors should also allow some time to pass between an initial investment in culture and its related economical return.

The purpose of this Thesis is to provide proofs that culture does actually nourish and enrich our economic assets – and therefore, given also the qualitative and quantitative heritage we possess, it should be the strategic asset for the future growth of the Country. Heritage, in fact, is not something dead, old and past, that

[7] Anyway it is importnat to consider that nowadays, cultural management depends also from regional, provincial and municipal budgets (factor that makes even harder to estimate the real budget expenditure for culture)

[8] Federculture, Cultura e Sviluppo. La scelta per slavare l'italia, Rapporto Annuale Federculture 2012

[9] http://www.oxforddictionaries.com/definition/english/culture?q=culture

should only be contemplated; but it is a pulsating lymph that gives life to thousands of enterprises – not only in the cultural sector, but also in many other linked fields, such as restoration, hotels, tourism, etc.

Each children born in Italy, does not only inherit more than 31'000 euros of public debt at his birth [10], but he is also gifted with a priceless public Heritage that, if properly invested and managed, may create incredible wealth and prosperity for him and for the country!

Italy may become a land of opportunity for all the people specialized in Humanistic Sciences. We have the highest percentage of students with degrees in The Humanities in Europe[11], but a terribly low amount of people work in this sector [12] . Italy, on the contrary, should not only stop the brain drain; but also become an international *hub* for people coming from all the world to learn and see what do conservation and innovation in the cultural sector mean. Italy should become once again the centre of the Grand Tour that brought the young sons of the European elites, to live months in Italy, visiting the antiques and opening their mind to beauty, knowledge and culture. [13]

In this framework, the support of a strong National Policy about culture is vital for the survival and growth of the sector. Since culture is a delicate kind of investment, both for its long term return, and for it tends to create a higher return in related industries than in its own… it is fundamental to have an organised and unified strategy about cultural development.

Governments should also consider the many non-economical positive side effect that culture creates: how it contributes to the social well being of the population,

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[10] Censis, *Dove sta oggi la sovranità*, Censis, June 2012

[11] *Io Sono Cultura. L'italia della qualità e della bellezza sfida la crisi* – Rapporto 2013, Unioncamere e Symbola, pag.79

[12] AlmaLaurea, XV Rapporto sulla condizione occupazionale dei laureati, 2013, http://www.almalaurea.it/.

[13] http://www.stanford.edu/dept/classics/cgi-bin/web/projects/mapping-grand-tour

how it gives more social cohesion, fosters participation in civic life, and contributes to create a National Identity[14]. In this Era of Globalization, when companies and capitals are shifting from one country to the other, always seeking for better investments opportunities; the offshoring of culture is almost impossible – and that is why our Heritage is something very valuable and impossible to copy, move or delocalise. Culture is therefore a unique asset for our country to exploit and valorise.

Cultural Heritage is not just our "oil", but it is the only one we have! And we produce it in such a quantity and quality, that no other country in the world can compare with. It is an "oil" that cannot be closed into a tank and shipped all over the world at the best sale price – but it needs to be consumed here; bringing economic value on the entire Italian economic chain.

[14] http://www.cjc-online.ca/index.php/journal/article/view/1744/1856. For more insight into the theme, go to the Paragraph "The Capital importance of Public Expenditure in Culture".

CHAPTER 1

WHY DEFINING THE PERIMETER OF THE CULTURAL SECTOR IS IMPORTANT TO MEASURE ITS ECONOMIC IMPACT

1.1 An Overview: National and International Definitions

One of the main difficulties I encountered in writing this Thesis has been the comparison of the cultural sector data coming from different sources. The reasons lie in the definition of culture itself, and vary on behalf of which industries this definition of cultural sector comprehends. Often, the same Institutions changed their own definitions many times during different years! Some Institutions comprehend only Heritage and related activities into their definition of Culture; others adopt a broader spectrum and include the whole Creative Sector into their definition; and some sources present their data about culture, even without clearly defining what industries they are referring to! Since a lot of the actors which provide statistics, take different industries and sub-sectors into account, this problem creates a huge difference among the data coming from various sources: in fact, I often had to deal with statistics on the very same topic, that were completely different from one definition to another!

As stated by Hendrik Van Der Pol, the Director of Unesco Institute for Statistics:

"Not only do varying definitions and categorizations often make information incomparable, but data is also frequently scarce or at best incomplete. Furthermore, there is a widespread lack of resources and expertise to ensure high quality statistical work, especially in the developing world, as data collection on the creative sector remains a low priority area for many countries."[15]

Furthermore, a study commissioned by the European Commission, Kea, states: "What is striking when investigating existing publications on the economy of culture is the variety of terminologies used beyond the core art field ("artistic activities in the strict sense"). These include for example: "cultural industries", "copyright industries", "content industries", "experience economy", "creative business sector", "art centric businesses", "cultural and communication industries", "media industries" and "knowledge economy" [16].

Therefore, existing studies and statistical surveys vary significantly in the approach and scope adopted. For example, beyond a common agreement on the need to integrate together the categories of drama, dance, film, music and heritage - the relevance of adding architecture, advertising, sport, fashion, or design is often questioned. Similarly, within each sector, while there is a consensus on the need to take into account creation and production activities; other activities such as retail, trade, or education, are not systematically retained as constituent parts of the "economy of culture" [17].

On this purpose, the European Statistical System Network on Culture says: "The absence of a real European system for cultural statistics, or the fact that no harmonized specific data on culture are yet produced, means that data produced by Member States are often very difficult to compare due to (a) differences in the

[15] Hendrik Van der Pol, *Key role of cultural and creative industries in the economy*, Knowledge and Policy 2007: Measuring and Fostering the Progress of Societies UNESCO Institute for Statistics, 2008, pag 6.
[16] KEA, European Affairs,*The Economy of Culture in Europe,* Study prepared for the European Commission, October 2006, pag. 45.
[17] Idem.

definition of the cultural field and its boundaries, (b) the constant evolution of the cultural field, which jeopardizes consensus on its very definition, (c) the diversity of administration and data generation systems for cultural statistics within the European Union, (d) the production of data from countries that are heterogeneous in terms of collection methods, periodicity, field covered and sources used, and (e) the absence of any centralization mechanism at European level."[18]

All these different statistics created a great confusion over the real impact of the Cultural sector over the Economy, making it difficult to understand how culture could create value. This is, in part, the reason because many governments cut cultural budgets - since they consider culture as expenditure and not an opportunity! It is nothing but the opposite. The aim of this Thesis is to show how, despite the confusion within the data sources, culture actually creates wealth from investments and brings a great impact on Economy.

There is still a lot of work to do to align and harmonise statistics about culture, and many institutions at National, European and International level, are trying to do it. For the purpose of my analysis, I will consider the work from UNESCO and the EU: two Institutions that, in order to allow the collection of harmonised and comparable data about the impact of culture on the Economy, are creating a common definition.

[18] ESSnet, *ESSnet on Cultural Statistics - Final Report*, Eurostat, March 2012, pag 8.

1.2 The UNESCO Approach

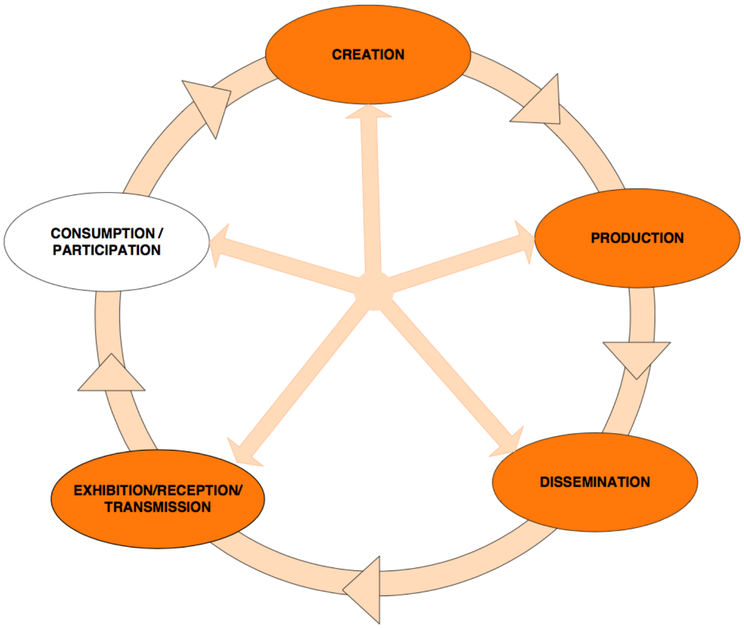
UNESCO defines culture as the "Set of distinctive spiritual, material, intellectual and emotional features of society or a social group, that encompasses, not only art and literature, but lifestyles, ways of living together, value systems, traditions and beliefs" [19]. This definition shows how culture is linked in many ways to societies, groups, and communities – and how it helps them to define and keep their own Identity.

In 2009, UNESCO introduced the FCS (Framework for Cultural Statistics), with the aim of creating a common definition across different countries on what is believed to be cultural, and what products and services should be considered within. The objective of FCS was to provide the necessary tools, definitions and guidelines, to gather comparable statistic, and to foster the development of key statistical indicators for the cultural sector. In particular, FCS defines culture as "The behaviours and practises resulting from the set of distinctive spiritual, material, intellectual and emotional features of a society or a social group" [20]

To track the value creation process of the Cultural Industry, UNESCO designed a cultural cycle, which helps to understand the life cycle of cultural goods, services and activities: from their creation till their consumption. The cycle has five different stages: creation, production, dissemination, exhibition or reception or transmission and consumption or predication.

[19] Unesco, *2009 Unesco Framework for Cultural Statistics*, Unesco Institute for Statistics, 2009.
[20] Idem.

The FCS Cultural Cycle[21]



After the cultural cycle, the FCS defines also some Cultural Domains: "The definition of cultural domains is based on a hierarchical model that is comprised of cultural domains and related domains. The cultural domains include cultural activities, goods and services that are involved in all of the different phases of the culture cycle model. The related domains are linked to the broader definition of culture, encompassing social and recreational activities. Domains are mutually exclusive" [22].

[21] Idem., pag 20.
[22] Idem., pag 23.

Respectively they are:

- A: Cultural and Natural Heritage;
- B: Performance and Celebration;
- C: Visual Arts and Crafts;
- D: Books and Press;
- E: Audio-visual and Interactive Media; and
- F: Design and Creative Services

Intangible Cultural Heritage is a transversal domain (for its domain can be applied across the other cultural domains.) and it is an entirely cultural one. The Intangible Cultural Heritage is defined by the Unesco convention for the safeguarding of the intangible Cultural Heritage as the "practices, representations, expressions, knowledge, skills – as well as instruments, objects, artefacts and cultural spaces associated – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage" [23]. The latter domains are purely cultural core ones. In addition to them, Unesco adds two other culture related domains:

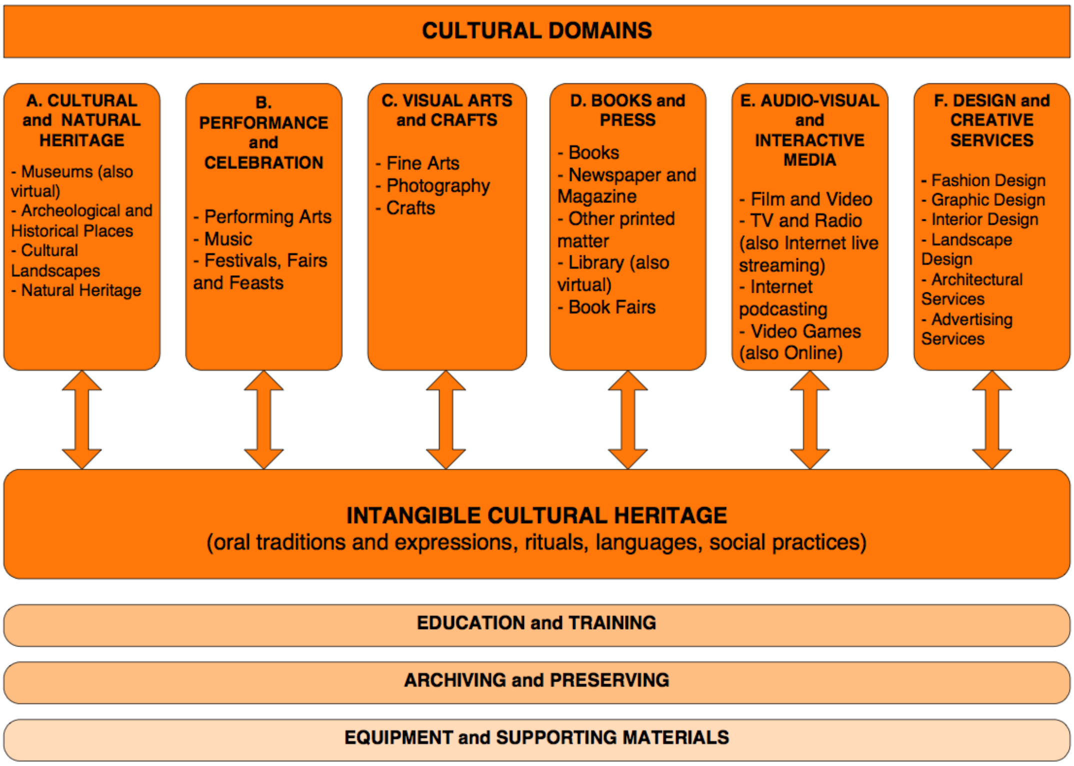
- G: Tourism
- H: Sport and Leisure Activities

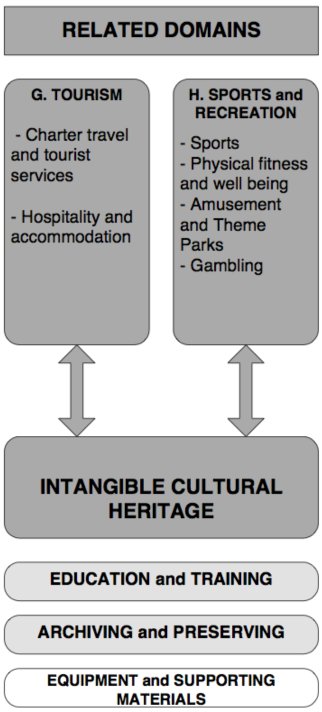
Furthermore there are three other domains are included for their importance in the cultural creation cycle, and for the production and transmissions of culture. They are transversal, because they can be applied across the other cultural domains. They are:

- Education ad Training
- Archiving and preservation
- Equipment and Supporting Materials

[23] Unesco, *2009 Unesco Framework for Cultural Statistics*, Unesco Institute for Statistics, 2009, pag 28.

The FCS Cultural Domains[24]





[24] Unesco, *2009 Unesco Framework for Cultural Statistics*, Unesco Institute for Statistics, 2009, pag 24.

1.3 The European Approach

The European Union has also made great efforts in order to create a database of comparable data about cultural statistics, for they recognised how this could be important to give the appropriate weight to culture on the European political agenda.

The EU started to study culture from a statistical point of view back in 1995, with the first resolution of the council of the European Union, to promote the creation of statistics about culture and their comparability across the Union's countries. This work was continued by other European working groups, till the creation of a pilot group on cultural statistics called LEG-culture (Leadership Group Culture) from 1997 to 2004 and, at the same time, the creation of the Eurostat Working Group from 2001 to 2004. These programmes drew the first draft for a common European framework for cultural statistics.

Following these projects, from 2005 the Council of the European Union, together with the European Commission, has created many initiatives on cultural development policy; and cultural statistics have been included in the Council Work Plans for culture twice, in 2008-2010 and 2011-2014. Moreover, Eurostat published two pocketbooks on "Cultural statistics in Europe" in both 2007 and 2011. Finally, The *European Statistical System network on Culture* (ESSnet-Culture) was the result of a call for proposals launched by Eurostat in 2009.

1.3.1 ESS-net purpose and definition of Cultural Sector

The mandate of the ESSnet-Culture project group was to 'develop data generation on the basis of a coordinated statistical system and to examine the possibility of adapting or developing existing methods in order to respond to new needs and to cover new domains if relevant'.[25] The ESSnet put its focus on creating the prerequisite for a EU methodological base for future data. The main objective of ESSnet-Culture is to update and develop the existing European methodology (LEG-Culture) and to foster the creation of comparable cultural statistics.

The definition of cultural sector that ESS-net uses is narrower than the UNESCO one, for this simplifies the gathering and classification of data. ESS-net defines the cultural sector as a matrix between functions and domains, that crossing, define cultural activities.

A cultural domain consists of a set of practices, activities, or cultural products centred on a group of expressions recognized as artistic ones.

The domains considered are:
Heritage, Archives, Libraries, Book and Press, Visuals Arts, Performing Arts, Audiovisual and Multimedia, Architecture, Advertising and Arts crafts.

The functions used for the framework, with the objective to produce sound cultural data, are sequenced functions: from creation to dissemination, along with education or support functions, which follow both an economical (based on the economic statistical classifications) and a practical approach.

The functions considered are:
Production/Publishing, Dissemination/Trade, Preservation, Education and Management/Regulation.

The two fundamental characteristics of the ESS-net frameworks are that no domains is prioritised with respect to another one, and that the different functions put the artistic creation at the hearth of the framework, being the fundamental element for all the other cultural activities.

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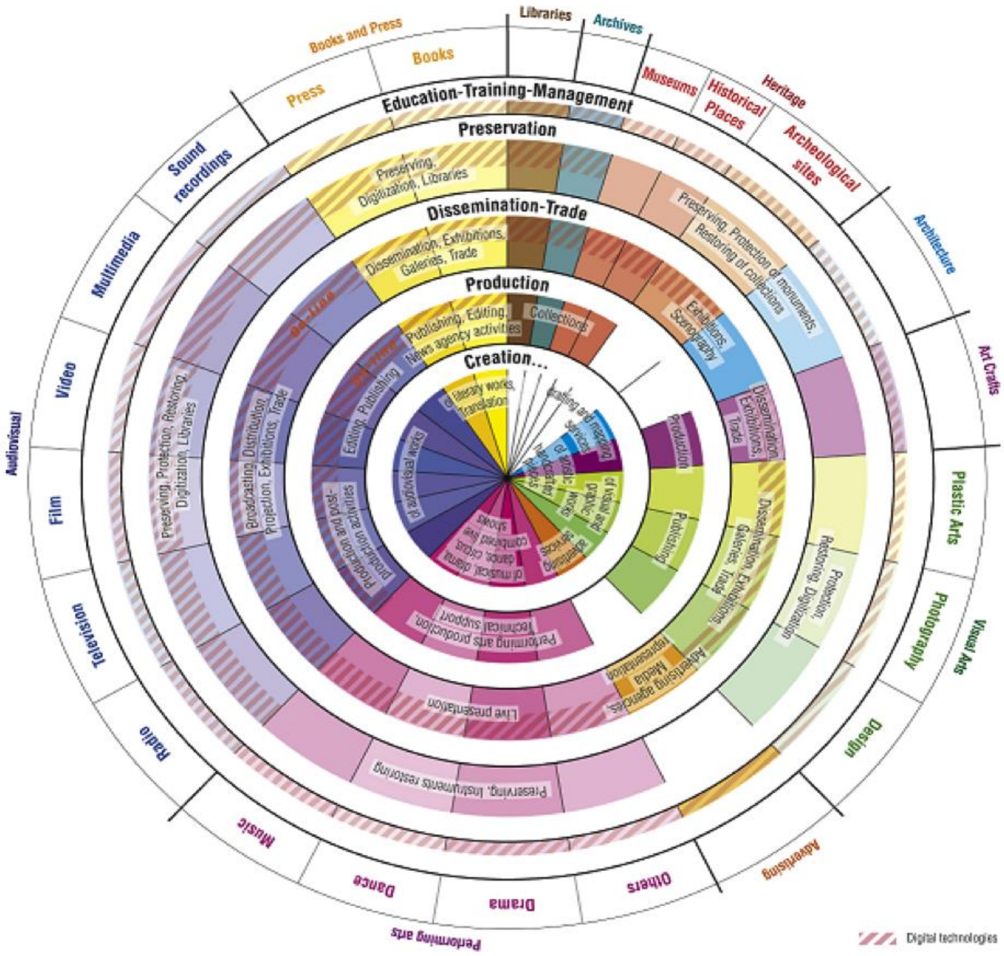
[25] ESS-net, *European Statistical System Network on Culture Final Report,* European Commission, 2012, pag. 25

Figure - The composition of the ESS-net Matrix

10 cultural domains		**6 functions**
Heritage *(Museums, Historical places, Archaeological sites, Intangible heritage)*		
Archives		
Libraries		**Creation**
Book & Press		**Production/Publishing**
Visuals arts *(Plastic arts, Photography, Design)*		**Dissemination/Trade**
	*	**Preservation**
Performing arts *(Music, Dance, Drama, Combined arts and other live show)*		**Education**
Audiovisual & Multimedia *(Film, Radio, Television, Video, Sound recordings, Multimedia works, Videogrames)*		**Management/Regulation**
Architecture		
Advertising		
Art crafts		

Figure - The ESS-net Matrix



1.3.2 LEG-Culture purpose and definition of cultural sector[26]

The aim of the LEG-Culture program is to determine a common definition of the Cultural Sector, by suggesting modification in statistical classification to determine a common definition of the cultural sector; suggesting changes in statistical classification to enable better taking account of culture; reviewing existing data collections and producing indicators to enable assessing employment, financing and participation in the cultural field. The LEG group originated from the 1986 UNESCO definition of cultural industries, and then modified it, by putting more restricted parameters.

In the LEG definition there are

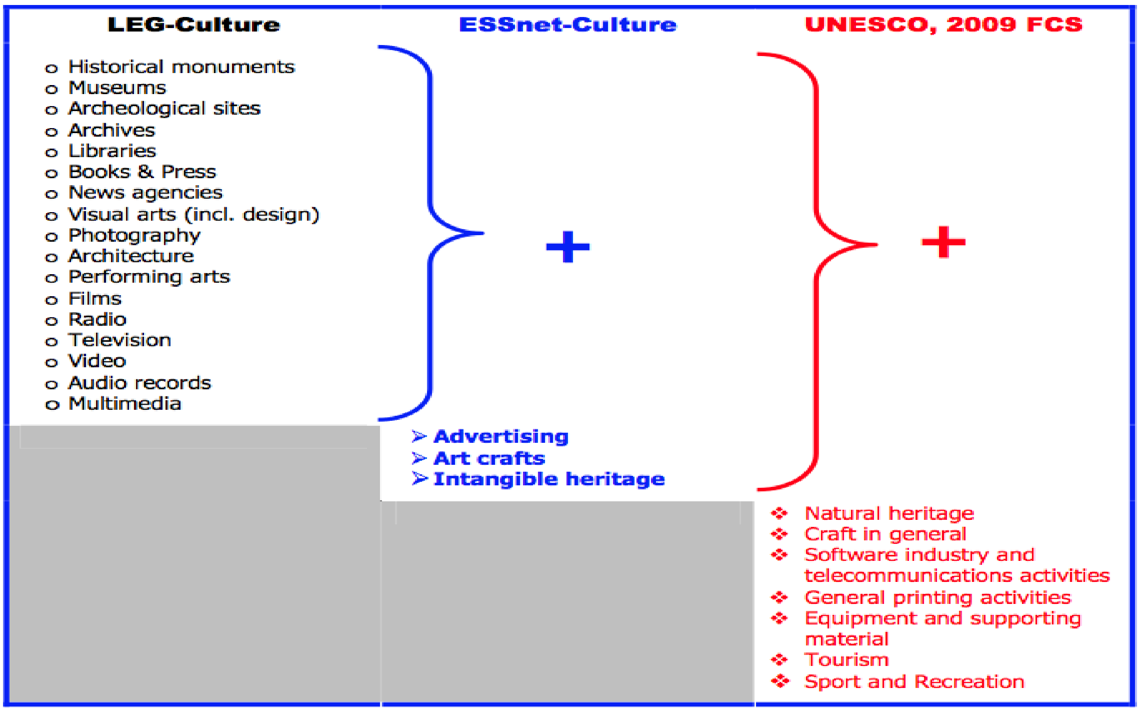
- Eight cultural domains: Cultural heritage; Archives, Libraries; Books and press; Visual arts; Architecture; Performing arts; Audiovisual and multimedia.
- Six functions: Preservation, Creation, Production, Dissemination, Trade/sales and Education.

[26] The LEG-Culture definition is used by the pocketbook "*Cultural Statistics 2011"* by Eurostat. I will refer to graphs from this publication on further occasion.

1.4 Comparison of the previous definitions.

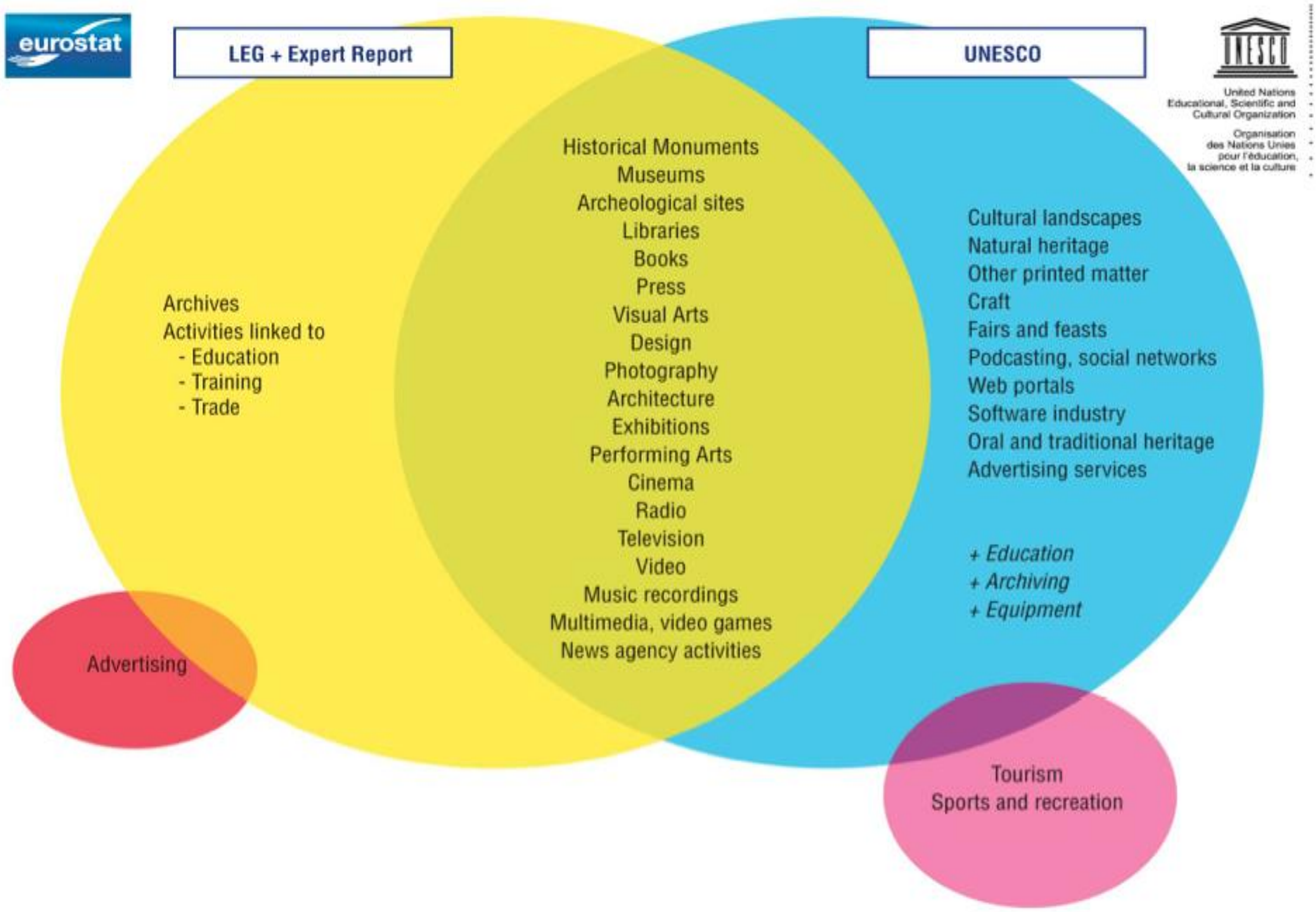
The organizations that are putting most effort to create a set of rules and protocols for defining the cultural sectors are UNESCO and the European Union. Both organizations base their works (and their definition of culture) on their respective previous programmes on this topic. In fact, their definition of the cultural sector are not too different one from the other, even if, for technical reasons, EU has a narrower view about the cultural sector definition, in order to ease the gathering and comparison of statistics between the EU countries. The task of creating harmonized data is probably easier for the EU, since its countries are united in a common organization, and the cooperation between the different countries is easier. Especially with the "Europe 2020" objective, EU is accelerating in order to gather strong statistical data on time for its goal: to insert culture as a strong pillar of the future Europe growth source.

Figure – Comparison of cultural domains covered by European Union and UNESCO framework for cultural statistics[27]



[27] ESS-net, *European Statistical System Network on Culture Final Report,* European Commission, 2012, pag. 54

Cultural domains and Sub Domains: the LEG-Culture framework compared with the 2009 UNESCO FCS[28]



[28] ESS-net, *European Statistical System Network on Culture Final Report,* European Commission, 2012, pag. 40

1.5 Unioncamere's and Symbola's definition of culture

At an Italian level, The "Fondazione Unioncamere", together with Symbola, are the organizations that are working harder to provide a clear overview on the situation of the National Cultural productive system. Those organization release an Annual Report: *"Io sono Cultura",* which gives an insight of the entire sector and provide useful data, mostly coming from original elaboration of Istat (The Italian Institute for Statistics) data. Although with some important differences, Unioncamere's and Symbola's definition of culture is inspired by the UNESCO FCS and by the European Commission works such as the ESS-net Report. The definition adopted is based on four productive categories linked to culture and creativity. A peculiar element is the inclusion of "creative driven activities". These include firms in fields like food, fashion and furniture, which have such a share of culture at their very core - that they can be considered part of cultural economy. The following are the four productive categories considered:

1. **Historical, Artistic and Architectonic Heritage:** the enterprises activities which deal with conservation, fruition and economic exploitation of Cultural Heritage, both in their tangible and intangible dimensions, such as Museums, Libraries, Archives, Monuments
2. **Performing and Visual Arts:** Those activities that, by nature, do not use an industrial organization system, either because they deal with non-reproducible goods or because they deal with live events that can be fruited only trough a direct participation. (Activities such as theatres ballets, live plays, etc.)
3. **Cultural Industries:** those activities linked to the production of reproducible goods, strictly connected to the artistic activities with an highly creative content, that have an industrial production approach (among which cinematography, television, publishing and Music Industry)
4. **Creative Industries:** all those productive activities not strictly cultural, that, anyway, deeply rely on culture in creating their products and services (including architecture, design, food, fashion and furniture)

CHAPTER 2
ECONOMIC IMPACT OF CULTURAL INDUSTRIES IN ITALY AND EUROPE

2.1 An Overview: Culture, an untapped potential

The cultural sector is a crucial expression of a mature society. In fact, more and more institutions and states are starting to recognise the cardinal importance of Culture and its benefits to many other sectors of the Economy trough its spill-over and moltiplicator effect. Culture is a catalyst for creativity and innovation, which are key elements to achieve long-term growth, and enhance the attractiveness and competitiveness of a country.

As the European Commission states: "There is a lot of untapped potential in the cultural and creative industries to create growth and jobs [...] Many recent studies have shown that the cultural and creative industries represent highly innovative companies with a great economic potential and are one of Europe's most dynamic sectors" [29]. Such industries determine around 2.6% of the EU GDP, and create jobs for around 5 million people (EU-27).[30]

[29] European Commission, *Green paper on the potential of cultural and creative industries,* DG Education and Culture, Brussels, April 2010

[30] idem

Furthermore, the Commission adds that this kind of jobs has a major growth potential, and states that: “Europe must identify and invest in new sources of smart, sustainable and inclusive growth drivers to take up the baton. Much of our future prosperity will depend on how we use our resources, knowledge and creative talent to spur innovation. Building on our rich and diverse cultures, Europe must pioneer new ways of creating value-added, but also of living together, sharing resources and enjoying diversity” [31]

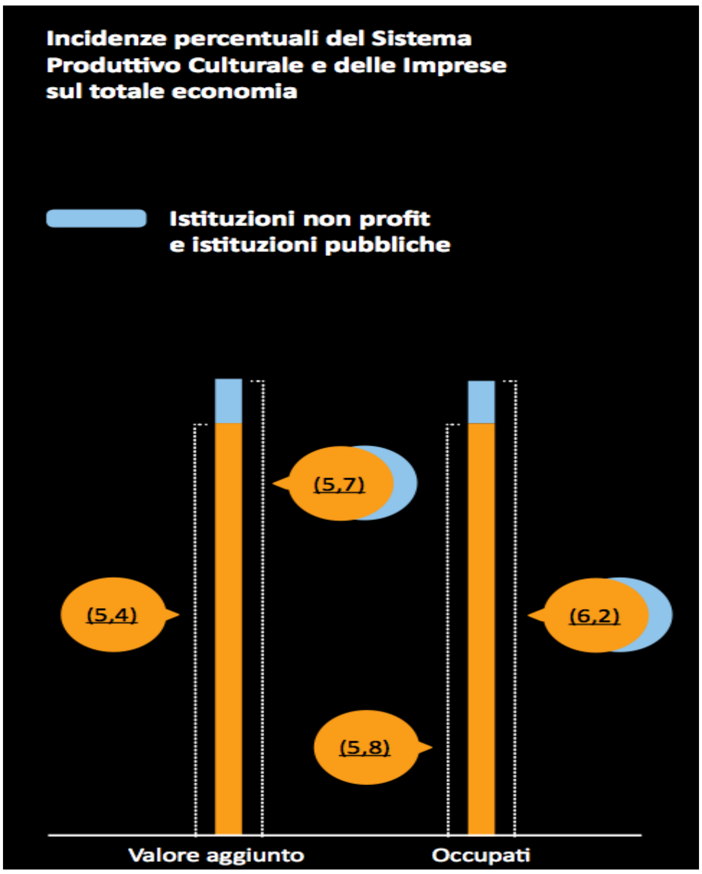
In this chapter I am going to analyse what is the impact of the cultural sector on the economy, in terms of contribution to: Overall Economy; Employment, and Household Expenditure - when possible, both at a European and at a National level, depending on the available data.

[31] idem.

2.2 Contribution of Culture to GDP and Employment

As by UnionCamere data, shown by the 2014 Report "*Io Sono Cultura, l'Italia della qualità e della bellezza sfida la crisi*", the enterprises registered within the ICPS (Italian Cultural Productive System) in 2013 were 458.243, corresponding to 7.3% of all the Italian businesses. These enterprises created almost 75 Billion of Euros of added value to the GDP, representing 5.7% of the whole value added to the Italian economy. These businesses employed 5.8% of the entire working population: more than 1.5 million people. Together with the non-profit and public cultural sectors, the cultural productive system represents one of the backbones of our economy: bringing 5.7% of value added to the GDP, and employing 6.2% of the whole Italian workforce. Its amount of value added to GDP is similar to the one of other main sectors of the economy - such as, for example: the banking and insurance sector, that in 2013 brought 77 Billion of Euros of value added; or the restoration and hosting sector, that brought 58 Billion of Euros; or even the construction businesses, that contributed with 78 Billion (only 2 more than the Creative and Cultural sector!) to the value added to the GDP.

Why, then, our governments do not recognise this sector produces such an essential added value to the Economy, and then insert it in the political agenda, as it is done with the sectors cited above?



2.1

Graph2.1: Incidence of the cultural industries on the economy, in percentage
Source: Unioncamere

Graphs 2.2/2.3: Value added and employment of the ICPS, divided by sectors, 2012/2013

2.2

Valore aggiunto e occupazione del sistema produttivo culturale in Italia per settore
Anno 2012 (valori assoluti, composizioni e incidenze percentuali sul totale economia)

Settori	Valore aggiunto		Occupazione	
	mil.ni di euro	%	migliaia	%
Industrie creative	**35.535,9**	**47,1**	**745,0**	**53,3**
Architettura	12.595,6	16,7	222,7	15,9
Comunicazione e branding	3.989,6	5,3	80,9	5,8
Design e produzione di stile	8.758,7	11,6	193,9	13,9
Artigianato	10.192,0	13,5	247,5	17,7
Industrie culturali	**35.029,0**	**46,4**	**545,5**	**39,0**
Film, video, radio-tv	8.056,3	10,7	73,5	5,3
Videogiochi e software	12.050,8	16,0	225,1	16,1
Musica	411,2	0,5	4,9	0,4
Libri e stampa	14.510,6	19,2	241,9	17,3
Patrimonio storico-artistico	**1.091,4**	**1,4**	**22,6**	**1,6**
Musei, biblioteche, archivi e gestione di luoghi e monumenti storici	1.091,4	1,4	22,6	1,6
Performing arts e arti visive	**3.863,4**	**5,1**	**84,0**	**6,0**
Rappresentazioni artistiche, divertimento e convegni e fiere	3.863,4	5,1	84,0	6,0
TOTALE	**75.519,6**	**100,0**	**1.397,1**	**100,0**
TOTALE ECONOMIA	**1.401.876,3**	**5,4**	**24.661,0**	**5,7**

Fonte: Unioncamere, Fondazione Symbola, 2013

Comparing data of 2012 and 2013 outlined in Graphs 2.2/2.3, it is interesting to notice how, even during a period of crisis and bank credit restriction; and even despite a relevant decline of the numbers of firms registered in the cultural sector in the last year (3.2% with respect to a national decline of 0.5%), their value added to the economy declined only of 0.8%, and their employment only of 0.25 %.

2.3

Valore aggiunto e occupazione del Sistema Produttivo Culturale italiano per settore
Anno 2013 (valori assoluti, composizioni e incidenze percentuali sul totale economia)

Settori	Valore aggiunto		Occupazione	
	Milioni di euro	Quote %	Migliaia	Quote %
Industrie creative	**35.176,2**	**47,0**	**741,2**	**53,2**
Architettura	12.564,2	16,8	223,5	16,0
Comunicazione e branding	3.956,5	5,3	80,7	5,8
Design	2.192,2	2,9	48,3	3,5
Produzione di beni e servizi creative driven	16.463,4	22,0	388,7	27,9
Industrie culturali	**34.732,1**	**46,4**	**544,1**	**39,0**
Film, video, radio-tv	8.016,9	10,7	73,7	5,3
Videogiochi e software	12.073,2	16,1	226,8	16,3
Musica	410,4	0,5	5,0	0,4
Libri e stampa	14.231,6	19,0	238,7	17,1
Patrimonio storico-artistico	**1.097,3**	**1,5**	**22,9**	**1,6**
Musei, biblioteche, archivi e gestione di luoghi e monumenti storici	1.097,3	1,5	22,9	1,6
Performing arts e arti visive	**3.906,2**	**5,2**	**85,4**	**6,1**
Rappresentazioni artistiche, divertimento e convegni e fiere	3.906,2	5,2	85,4	6,1
TOTALE	**74.911,9**	**100,0**	**1.393,6**	**100,0**

Source: UnionCamere, Fondazione Symbola

Graph 2.4/2.5: Enterprises registered in the ICPS, divided by sector.

Imprese registrate del sistema produttivo culturale in Italia, per settore
Anno 2012 (valori assoluti, composizioni percentuali e tassi di crescita percentuali dello stock rispetto all'anno precedente)

2.4

Settori	Imprese registrate		Variazione 2011-2012	
	v.a.	%	v.a.	%
Industrie creative	**309.905**	**67,6**	**8.453**	**2,8**
Architettura	145.084	31,7	4.341	3,1
Comunicazione e branding	33.616	7,3	66	0,2
Design e produzione di stile	23.964	5,2	-3.929	-14,1
Artigianato	107.240	23,4	7.975	8,0
Industrie culturali	**116.641**	**25,5**	**2.346**	**2,1**
Film, video, radio-tv	13.407	2,9	-277	-2,0
Videogiochi e software	46.225	10,1	1.797	4,0
Musica	2.434	0,5	86	3,7
Libri e stampa	54.575	11,9	739	1,4
Patrimonio storico-artistico	**1.228**	**0,3**	**191**	**18,4**
Musei, biblioteche, archivi e gestione di luoghi e monumenti storici	1.228	0,3	191	18,4
Performing arts e arti visive	**30.470**	**6,6**	**3.600**	**13,4**
Rappresentazioni artistiche, intrattenimento, convegni e fiere	30.470	6,6	3.600	13,4
TOTALE	**458.243**	**100,0**	**14.590**	**3,3**
TOTALE IMPRESE*	**6.093.158**	**-**	**-16.896**	**-0,3**

Source: Elaboration on Istat Data

This means that the existing firms are becoming more efficient and able to react to the crisis by dealing efficiently with a globalised world: improving logistics and communication trough the web, and fully realising how to properly value our appreciated and demanded *Made in Italy* brand.

Anno 2013 (valori assoluti e composizioni percentuali)

2.5

	Imprese registrate	
	Valori assoluti	Quote %
Industrie creative	**306.086**	**69,0**
Architettura	151.425	34,1
Comunicazione e branding	32.923	7,4
Design	14.668	3,3
Produzioni di beni e servizi creative driven	107.069	24,2
Industrie culturali	**109.267**	**24,6**
Film, video, radio-tv	12.162	2,7
Videogiochi e software	45.047	10,2
Musica	2.352	0,5
Libri e stampa	49.707	11,2
Patrimonio storico-artistico	**924**	**0,2**
Musei, biblioteche, archivi e gestione di luoghi e monumenti storici	924	0,2
Performing arts e arti visive	**27.181**	**6,1**
Rappresentazioni artistiche, intrattenimento, convegni e fiere	27.181	6,1
TOTALE SISTEMA PRODUTTIVO CULTURALE	**443.458**	**100,0**
TOTALE ECONOMIA	**6.061.960**	**-**

Source: Elaboration on Istat Data

Moreover, these data illustrate how culture is reacting better to the crisis than many other sectors - such as the constructions and the heavy industry compartments, whose value added and employment saw a sharp decline over the last years.

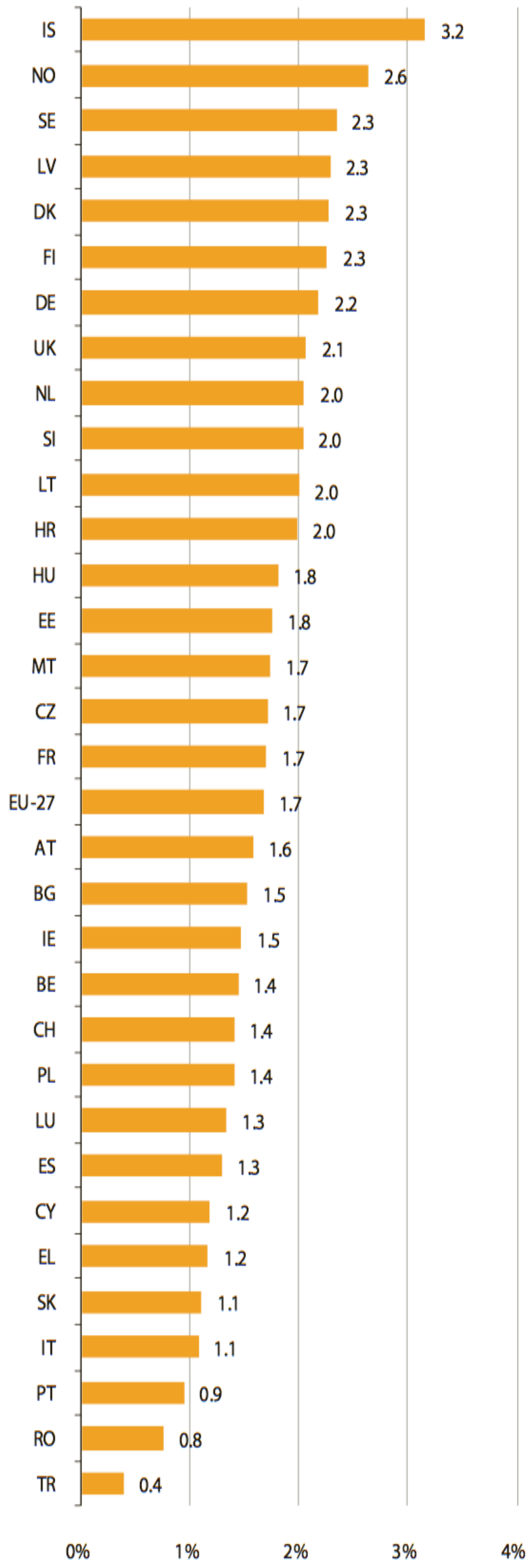
The previous data were taken by the *"Io Sono Cultura"* 2014 Report, which adopts a different definition of the cultural sector from the LEG-Culture one, adopted for the statistics in the pocketbook of Eurostat "Cultural Statistics 2011". As illustrated before in section 1.1 of the present Work, a different definition may dramatically change the data, depending on the sub sectors and industries included; in case of graphs 2.6, the Leg-Culture approach does not include any creative industry, but only the enterprises strictly related to culture.

Nevertheless, charts 2.6 and 2.7 may give an insight over the Italian situation, when compared to other European countries. Despite culture is one of the fundamental elements associated with our country, Italy results at the bottom of the European ranking for cultural employment, and much below the EU-27 average. It is impressive to see how other European economies, considered as less economically developed than Italy, such as Hungary, or Latvia, in some cases have twice our percentage of employees in the cultural sector! Graph 2.7 then shows that we have the highest percentage of students in the fields of education related to Culture and The Humanities in Europe… but, unfortunately, many of them after their studies cannot find a job in this sector – and either are forced to long periods of unemployment, or must change their working field, or have to search for jobs abroad.

Graph 2.6: Employment in cultural sectors as share of total employment, 2009

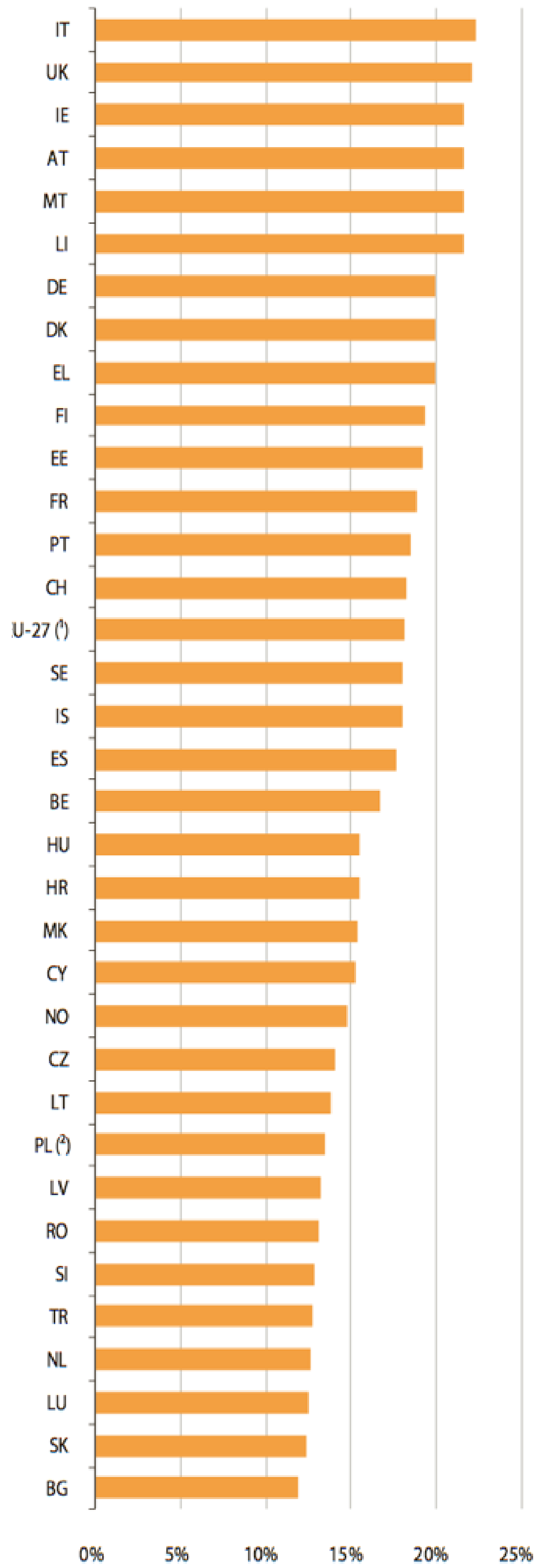
Graph 2.7: Tertiary students in fields of education related to culture, 2007/08

2.6



Source: Eurostat, EU-LFS

2.7



Source: EU-27: Eurostat estimation

2.3 Export of the Cultural Productive System

They key of the competitiveness of the *Made in Italy* brand is the fact that Italy has culture at the very core of most of its products. In fact, the Symbola and Unioncamere reports[32] that it's only thanks to culture (joined by quality, beauty and new technologies), that, despite the manufacturing Italian sector was forecasted a slow and irreversible death by means of the Chinese manufacturing, our enterprises managed to hold the elite section of the market, growing in value added of their products. Moreover, given that the same 2014 Report states that, dimensionally speaking, our cultural and creative enterprises are the third in Europe [33] (even without a public policy oriented system to ease its development!), this sectores proves to be an immense and precious source for the Italian export.

The success of the Italian products in the world, as stated by Unioncamere *Io sono cultura*, is granted by all those activities that require a high creative involvement for their production and elaborate the Cultural Heritage coming from the territory in which they are originated, by creating something personal and new that represents the beauty concept of our country. The report refers to the most typical and export-oriented activities, which rely on style, design, and craftsmanship.

As stated in the Introduction, culture does not only contribute to the Italian Commercial Balance by associating our heritage, creativity and art style to our products, and granting them the competitive advantage of the *Made in Italy* brand - but also by directly impacting positively over it with a surplus of exports of 25,6 Billion euros, for a total export of 41.6 Billion euros. The commercial surplus of culture is inferior only to the mechanical production chain one and, in 2013, the export of the Italian cultural products represented the 10,7% of the overall Italian export. As shown by Graph 2.9, the trend of the Italian export has always been positive in the last two decades, apart from the crisis years of 2001-2004 and the last financial crisis.

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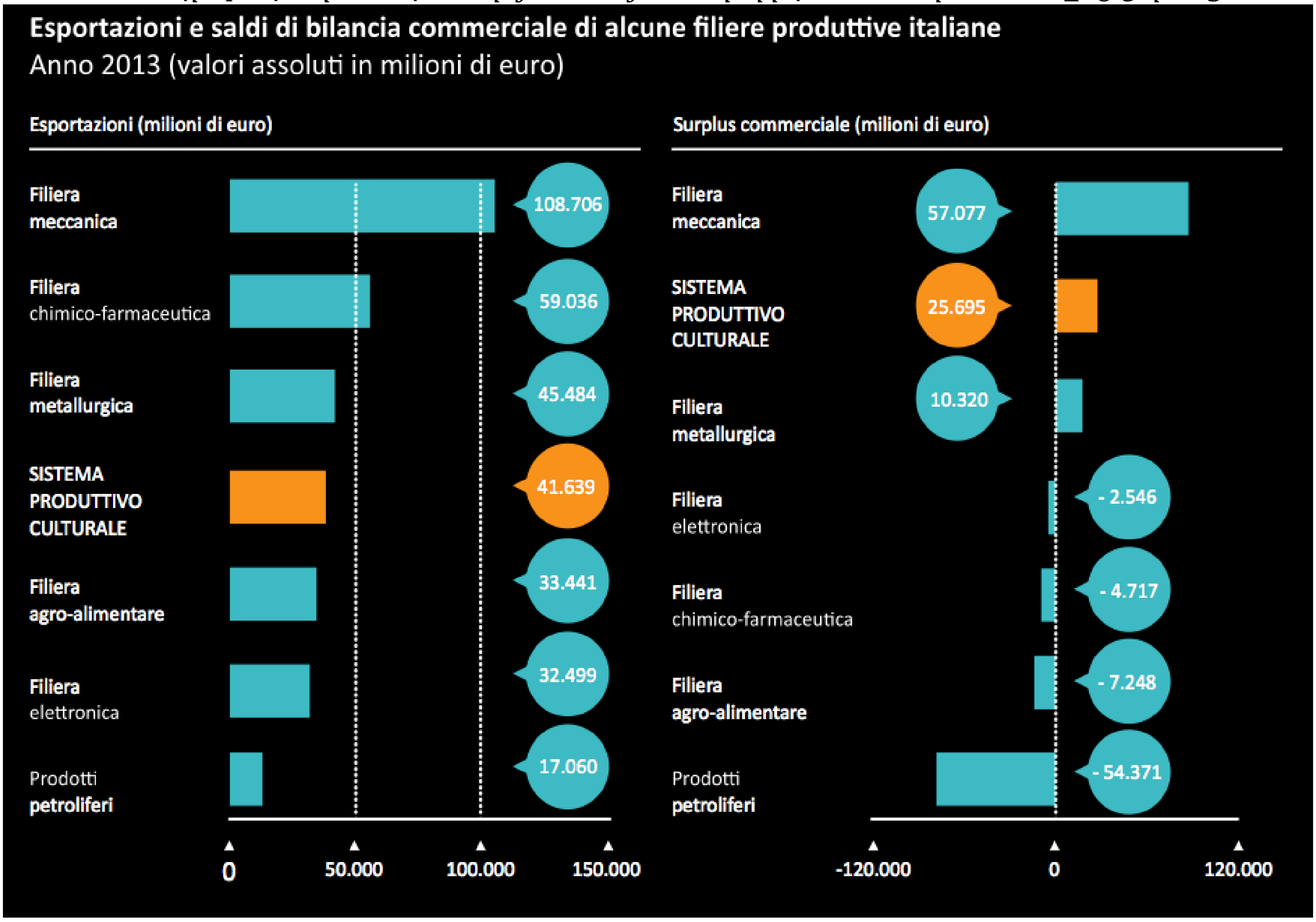
[32] *Io sono Cultura,* op. cit., p. 7
[33] Ivi, p. 24

Graph 2.8: Export and commercial balance of some of the main productive Italian sectors.

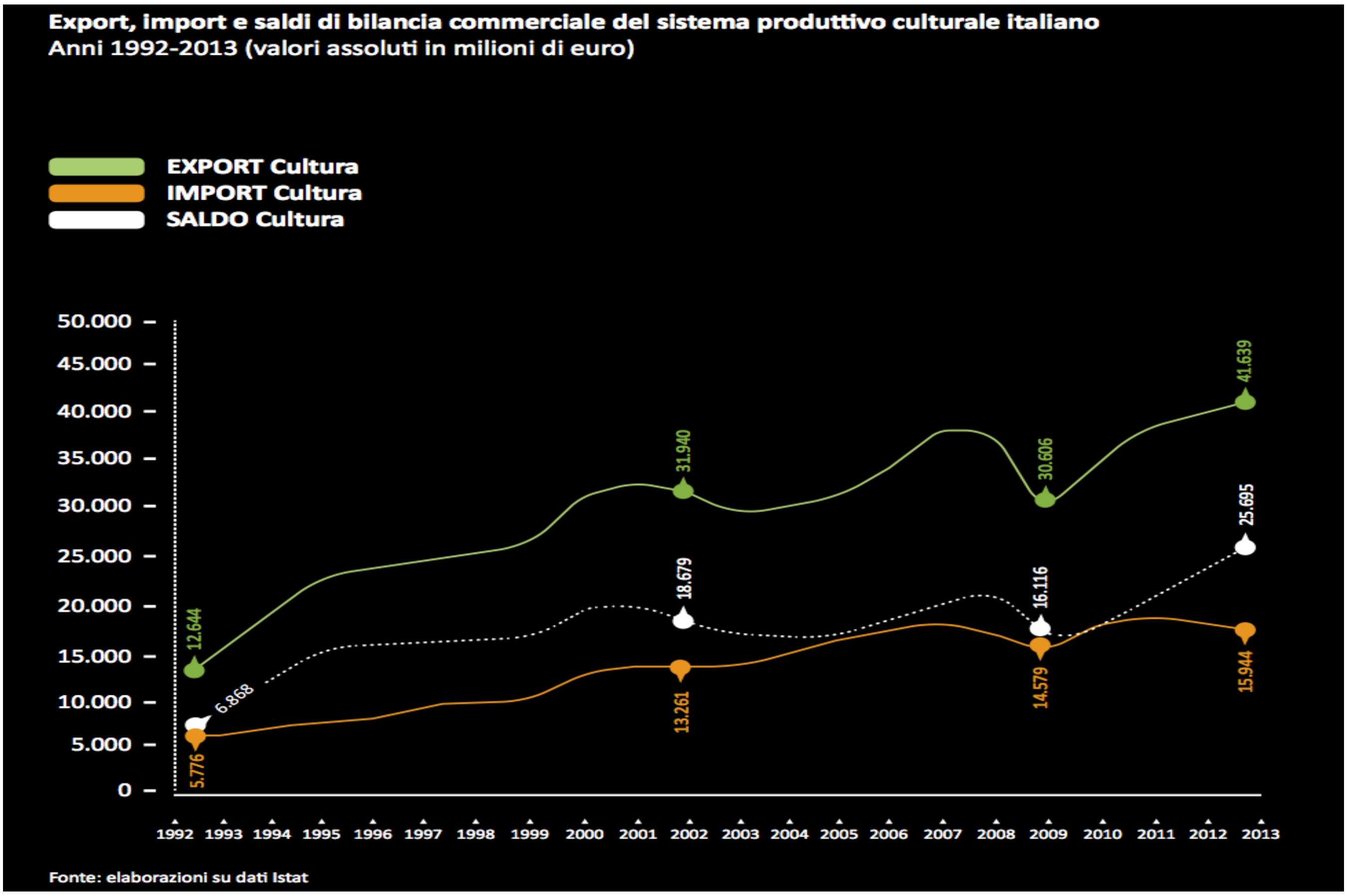
2.8



Source: Elaboration on Istat Data

Graph 2.9: Historical prospective (1992-2013) on ICPS export, import and commercial balance.

2.9



Source: Elaboration on Istat Data

Graph 2.10/2.11: Exports of ICPS divided by sectors

Esportazioni del sistema produttivo culturale italiano per settori e sottosettori
Anni 1992-2013 (valori assoluti in milioni di euro e incidenze percentuali)

2.10

	1992	2002	2009	2012	2013
Valori assoluti (milioni di euro)					
Industrie creative	11.136,0	28.901,4	28.018,6	36.349,6	38.609,4
Produzione di beni e servizi creative driven	11.136,0	28.901,4	28.018,6	36.349,6	38.609,4
Industrie culturali	1.500,9	3.023,5	2.664,7	3.107,1	3.008,3
Film, video, radio-tv	460,9	833,1	826,4	938,1	796,6
Videogiochi e software	196,9	386,9	260,6	285,0	279,6
Musica	5,7	63,4	26,3	28,9	41,0
Libri e stampa	837,4	1.740,2	1.551,4	1.855,1	1.891,1
Patrimonio storico-artistico	7,5	15,1	12,6	17,4	20,9
Musei, biblioteche, archivi e monumenti storici	7,5	15,1	12,6	17,4	20,9
SISTEMA PRODUTTIVO CULTURALE	**12.644,5**	**31.939,9**	**30.695,9**	**39.474,1**	**41.638,6**
ALTRI SETTORI	**100.684,9**	**237.123,6**	**261.037,2**	**350.708,0**	**348.215,5**
TOTALE ECONOMIA	**113.329,3**	**269.063,5**	**291.733,1**	**390.182,1**	**389.854,2**

Source: Elaboration on Istat Data

It is really interesting to see the how fast and sharp was the recovery of our cultural exports after the last financial crisis. In particular, as illustrated in the tables 2.10 and 2.11, in the period from 2009 to 2013, exports increased of 7.9% a year, with respect to a national average of 7.5% - while, during the last year, the exports increased of 5.5%, with a very good performance with respect to a stagnating national average of -0.1%. The increase in export is leading the recovery of the cultural productive sector and shows how our products are appreciated and demanded abroad: this trend is likely to continue in the future, as more *Made in Italy* products are requested around the world. To be able to answer to this growing demand, we should simplify our bureaucracy, especially in the export sector, and provide more digitalization and services, in order for SMEs to reach easily and faster a global marketplace, already eager for Italian products.

Dinamica delle esportazioni del Sistema Produttivo Culturale italiano per settori e sottosettori
Anno 2013 (variazioni percentuali medie annue)

2.11

	2013-2012	2013-2009	2013-2002
Industrie creative	6,2	8,3	2,9
Produzione di beni e servizi creative driven	6,2	8,3	2,9
Industrie culturali	-3,2	3,1	-0,1
Film, video, radio-tv	-15,1	-0,9	-0,4
Videogiochi e software	-1,9	1,8	-3,2
Musica	41,8	11,7	-4,3
Libri e stampa	1,9	5,1	0,8
Patrimonio storico-artistico	20,6	13,6	3,3
Musei, biblioteche, archivi e monumenti storici	20,6	13,6	3,3
SISTEMA PRODUTTIVO CULTURALE	**5,5**	**7,9**	**2,7**
ALTRI SETTORI	**-0,7**	**7,5**	**3,9**
TOTALE ECONOMIA	**-0,1**	**7,5**	**3,8**

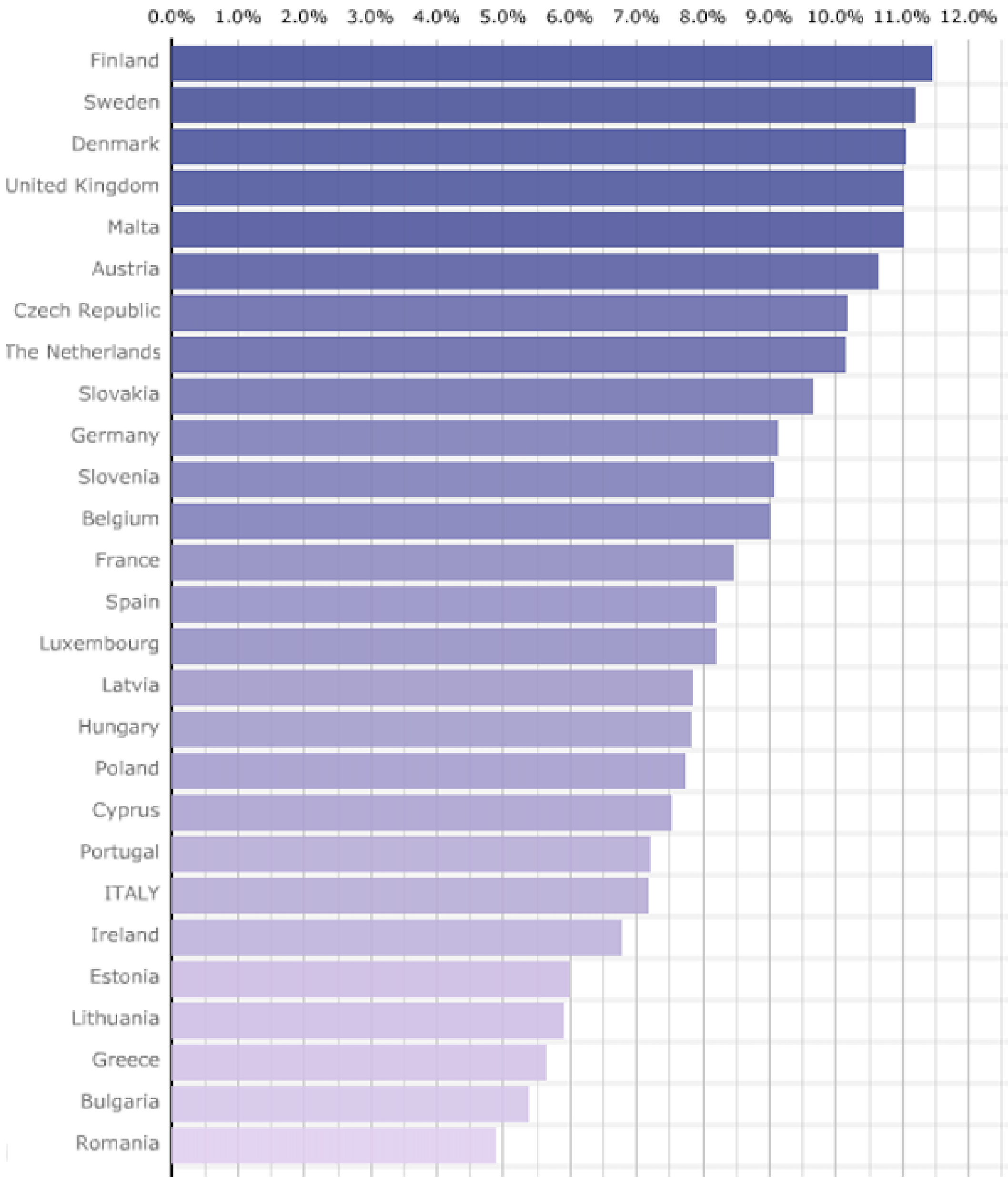
Source: Elaboration on Istat Data

2.4 Household Expenditure on Culture

"It has to be admitted that household expenditures on culture are socio-economic indicators of several levels, giving feedback about the inhabitants possibilities and willingness to make expenditures on something else than satisfying their primary needs (habitation, food, etc.), but also for the inhabitants' leisure time (and indirectly the work) conditions in general" [34].

Graph 2.12: Household Expenditure in Culture as share of the Total Household Expenditure

2.12



Source: Elaboration on Istat Data

[34] Kutt Kommel, *Household expenditures on Culture,* Statistics Estonia, March 2011.

Graph 2.13: Household expenditure on cultural and leisure sectors from 200-2011 (values in millions of Euros, reference year: 2005

Spesa per consumi finali delle famiglie per funzioni di consumo - Anni 2000-2011 *(valori in milioni di euro a prezzi correnti e concatenati, anno di riferimento 2005, composizioni percentuali e numeri indice anno 2000 = 100)*

FUNZIONI DI CONSUMO	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
VALORI A PREZZI CORRENTI (milioni di euro)												
Articoli audiovisivi, fotografici, computer ed accessori, incluse le riparazioni	7.750	7.943	7.821	7.847	8.261	8.394	8.959	8.707	8.211	8.234	8.418	8.175
Altri beni durevoli per la ricreazione e la cultura	2.959	3.069	2.993	2.861	2.870	2.930	3.093	3.270	3.076	2.796	3.073	2.989
Servizi ricreativi e culturali	19.991	20.347	21.484	21.798	24.355	22.766	24.256	26.354	27.389	29.465	30.932	32.674
Libri	3.975	4.036	4.037	4.116	4.053	4.072	4.177	4.290	4.160	4.083	4.177	4.114
Giornali ed articoli di cancelleria	7.977	8.076	8.106	8.335	8.582	8.534	8.714	8.922	8.632	7.500	7.832	7.917
Totale consumi ricreativi e culturali (a)	**42.651**	**43.472**	**44.441**	**44.958**	**48.121**	**46.696**	**49.199**	**51.542**	**51.467**	**52.077**	**54.432**	**55.869**
Totale consumi finali (b)	**731.704**	**754.677**	**775.130**	**801.946**	**830.303**	**857.010**	**891.925**	**920.948**	**940.666**	**923.270**	**948.077**	**976.874**
PERCENTUALI SU VALORI A PREZZI CORRENTI												
2.13 Articoli audiovisivi, fotografici, computer ed accessori, incluse le riparazioni	1,1	1,1	1,0	1,0	1,0	1,0	1,0	0,9	0,9	0,9	0,9	0,8
Altri beni durevoli per la ricreazione e la cultura	0,4	0,4	0,4	0,4	0,3	0,3	0,3	0,4	0,3	0,3	0,3	0,3
Servizi ricreativi e culturali	2,7	2,7	2,8	2,7	2,9	2,7	2,7	2,9	2,9	3,2	3,3	3,3
Libri	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,4	0,4	0,4	0,4
Giornali ed articoli di cancelleria	1,1	1,1	1,0	1,0	1,0	1,0	1,0	1,0	0,9	0,8	0,8	0,8
Totale consumi ricreativi e culturali (a)	**5,8**	**5,8**	**5,7**	**5,6**	**5,8**	**5,4**	**5,5**	**5,6**	**5,5**	**5,6**	**5,7**	**5,7**
Totale consumi finali (b)	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**
VARIAZIONI PERCENTUALI SU VALORI A PREZZI CONCATENATI (Anno 2000 = 100) (c)												
Articoli audiovisivi, fotografici, computer ed accessori, incluse le riparazioni	**100,0**	112,5	119,2	130,7	145,5	159,1	185,7	192,4	197,5	209,6	221,9	241,0
Altri beni durevoli per la ricreazione e la cultura	**100,0**	102,3	98,6	92,6	92,4	93,5	96,8	99,7	92,3	81,8	89,2	85,2
Servizi ricreativi e culturali	**100,0**	94,6	95,2	95,3	104,1	96,6	102,2	109,7	112,6	119,8	124,8	130,6
Libri	**100,0**	98,7	96,0	93,8	89,1	88,4	89,6	90,7	86,5	83,6	84,7	82,4
Giornali ed articoli di cancelleria	**100,0**	98,6	94,3	95,6	97,5	95,4	95,5	94,3	88,9	75,1	77,0	75,9

Source: Istat

An important indicator to measure the impact of culture on the economy is to refer to the Household Expenditure in cultural goods. In fact, this data gives an idea of both the cultural consumption and the cultural participation of a country. In general, the higher is the per capita income, the higher should be the percentage of GDP spent on cultural and creative industries – but, if Italy represents a negative exception, there are also countries as Czech Republic, that despite having much lower incomes, still spend high shares for cultural goods.

As we can observe from the table 2.12, despite our economy is well developed and despite we have a wide offer of cultural goods and services, Italy is almost at the bottom of the European rankings. This is probably due to the unfortunately rooted in the Italian mind-set low value attributed to culture at a social, political and economical level. In the other graph, 2.13, we can analyse the expenditure of Italian households in culture, and their trends over the last years. Despite the crisis, the percentage of expenditure has remained almost constant: around 5.7% of the total household income.

CHAPTER 3

GENERAL BENEFITS OF CULTURE TO THE ECONOMIC SYSTEM

3.1 The Capital importance of Public Expenditure on Culture

At EU level, the role of the public sector in the promotion of culture is seen as essential to support democratic, social and pluralistic values.

Despite it is a widespread thought, that public intervention on culture should have no other reason than "Art for Art's sake", it is nowadays most necessary to define a list of pillars that constitute the fundings' foundations. This is mandatory in order to have some means by which to preserve these economic resources in times of financial crises such the ones we are still facing.

Harvard's *Kennedy School of Government* Professor Mark Moore tries to estimate the public value of a cultural heritage or activity, by liberating it from immediate financial or material gains. The Return on Investments is calculated in terms of value added not to shareholders or consumers, but to both the citizen and the community – which are the main stakeholders of the public sector! The pillars provided by Professor Moore are the following [35]:

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[35] Mark Harrison Moore, *Creating Public Value*, Harvard University Press, 1995

√ Granting everybody access to culture, means improving the democratic life of the whole community (that, should be among the main purposes of each public policy: ensuring that every citizien can achieve active consciousness and participation). Since many cultural sectors suffer of the Baumol's cost desease[36] (their productivity stays the same, but the salary of the workers, and the price of their goods/services increase) it is necessary to help them with public funds, for the wellbeing of the citizens.

√ Access to culture means education, and, by showing different realities and perspectives, and fostering open-mindedness, team cohesion, cooperation, imagination, focus and the ability to share a common, culture is an incentive to tolerance

√ Culture acts as the Ambassador of a Nation, its products and values

√ By helping the integration of the different parts of a community and sustaining local communities and languages, culture is an important means to Social Cohesion.

√ Cultural activities generate "positive externalities" in all the cases in which the production and consumption of a cultural good grants social and economical benefits for the entire community

√ Culture has high rates of economic productivity, and, together with work, capital and production materials, is by all means an essential factor of the economical growth of a Country. Public funding in this perspective appears as a way for the State to participate to the overall Economy, encouraging high profits.

[36] Baumol, Bowen, *Performing arts, The Economic Dilemma: a study of problems common to theatre, opera, music, and dance*. Twentieth Century Fund, New York, 1966

3.2 Some other Socio-Economical benefits of Culture

There are other culture related effects which are non-directly quantifiable/imputable to economic revenues, and are not considered by the analysis of Professor Moore, but can still be attributed to culture, such as:

√ Developing and expressing skills that could be transferable in other sectors of the economics. In fact, as the European Commission states: "On a macro economic level, the links between CCIs (Cultural and Creative Industries, NdA) and other industries should be strengthened for the benefit of the economy at large. In this respect, it would be interesting to better understand how to foster the use of creativity in other industries, the type of creativity which enterprises are looking for as well as the right mechanisms to facilitate such interactions" [37]

√ Helping minor and local economies boost, by bringing light over their heritage, or creating for them a new one (sometimes it may even help their economies in decline, as happened in Bilbao with the Guggenheim Museum). Creativity and innovation have a strong and distinctive regional dimension: fostering them with public funding has the direct positive result of building new, local specificities, assets and resources

√ Providing sustainable development and fostering the creation of new activities and enterprises which rely on new and sustainable jobs. The European Commission, on this topic states that: "Art and culture have a unique capacity to create green jobs, to raise awareness, challenge social habits and promote behavioural shifts in our societies, including our general attitude to nature" [38]. In fact, as Professor Giancarlo Corò [39] states, craftmanship and culture are the assets

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[37] *New Strategic Framework for European cooperation in Education and Training "ET 2020"*, EU Council, May 2009

[38] Idem.

[39] Giancarlo Corò, *L'artigianato nelle filiere della green economy* (report for the "Sustanable creativity" Congress, Florence, November 2011

to lead the *GreenEconomy* global chance: sustainability, refitting and restorations are new emerging trends in the future

√ Enhancing the people's perception of being part of a group of people with a common story and shared values and mindset

√ Augmenting the attractivity and selling potential of information and technological devices, such as DVDs, televisions, home cinema etc., which deeply rely on the quality of contents they can display. On this topic, the European Commission states[40] that cultural and creative industries: "provide content to fuel digital devices and networks and so contribute to the acceptance and further development of ICTs, for instance to broadband rollout. As intensive users of technology, their demands also often spur adaptations and new developments of technology, providing innovation impulses to technology producers" [41]

These are just some of the benefits that have a positive impact over the whole strength and wealth of the Economy of a Country, allowing it to unleash its full innovative potential.

[40] European Commission, *Green paper on the potential of cultural and creative industries,* DG Education and Culture, Brussels, April 2010
[41] Idem.

3.3 The potential of the Italian Cultural offer: Heritage

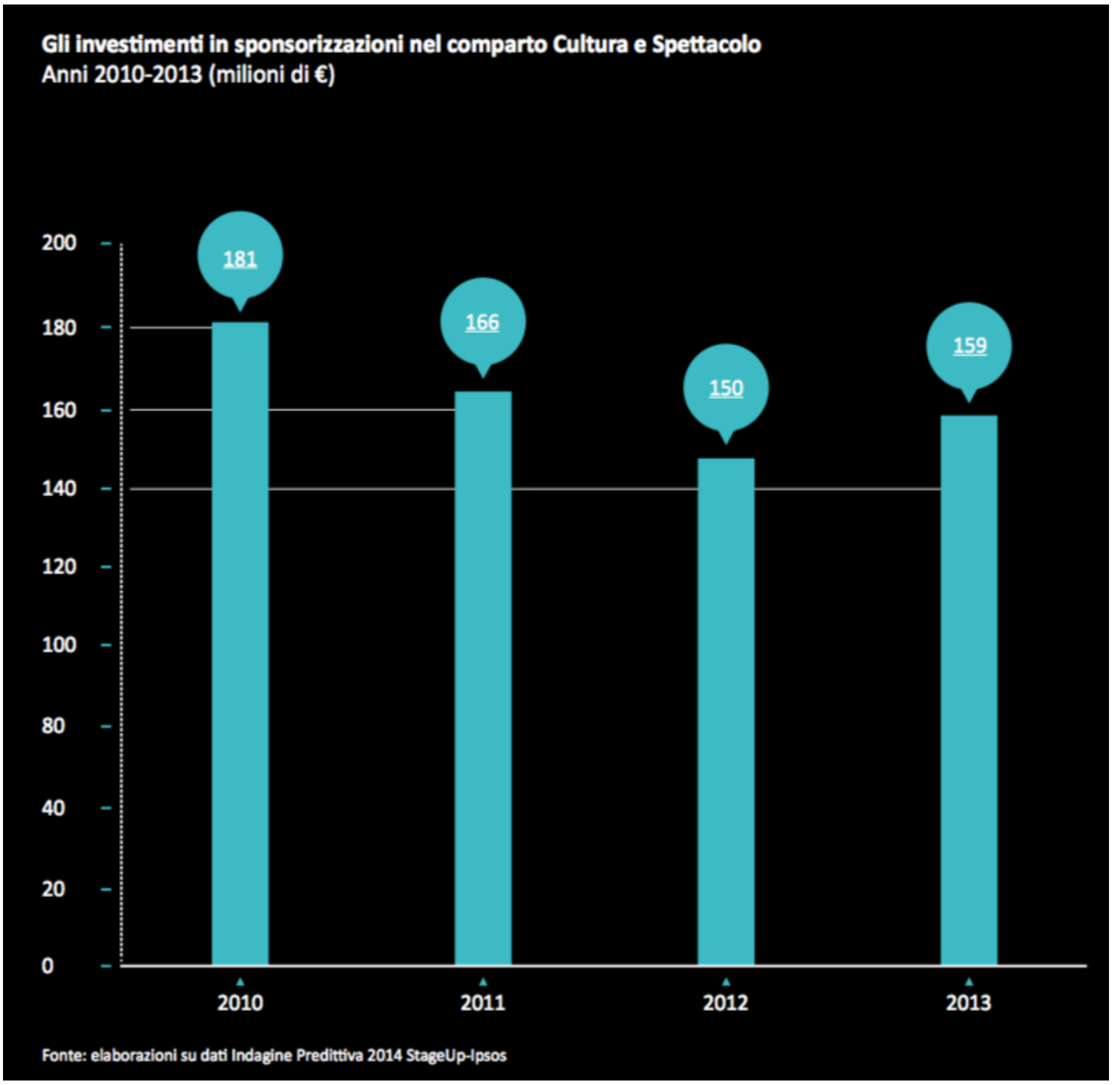
Despite the immense potential of our heritage, ticket selling of all public museums and monuments in 2013 in Italy generated an income of but 125,8 million euros[42]. Italian heritage has one main characteristic: it is widespread on its whole territory: 4'588 museums open to the public, 46'025 architectonically vincolated goods, and 12.713 biblioteques. Nevertheless, the first 10 most visited public cultural sites raise 95,4 out of 125,8 millions: the 75% of the overall income! These data demonstrate the huge potential the whole sector has – together with the hard work that has to be done in making more appealing to visitors, the hundreds and thousands of sites, from the 11th to the last one!

It is a widespread say that Italy has the 80% of the artistic and cultural world heritage; and this say is confirmed by 50 UNESCO sites (the highest number of any other country in the world: almost one out of 20 UNESCO sites of the world is in Italy!). The *Io sono Cultura* Report 2013 states that the RAC [43], which is an economic index analysing the economic return on cultural asset of each UNESCO site, estimates each site in Italy to be worth an average of 750 million to GDP – while the average return in value added is much higher in countries like Germany and England: respectively 2 and 3 billions per site. This shocking data show how other countries are able to better capitalize their cultural assets. Surely this is an example of the depression of the actual state of things when dealing with culture in our country; but, at the same time, these data demonstrate that there is a huge, unexploited, value that each UNESCO site in Italy may express! May we manage to double the economic return of our 50 sites (still capitalizing less than Germany, and the half of England…!), we may have an extremely positive economic impact: 100 billions of value added to the GDP!

[42] I*o sono cultura*, Report 2014, op. cit., pp. 214
[43] *Io sono Cultura*, Report 2013, p. 78

3.4 Private Sponsorships

When dealing with "Mecenatism" and private sponsorships, the last years have seen a more pervasive contamination and collaboration between enterprises and culture,. Some of the most recent projects of renovation and manutention of sites as The Coluseum, Rialto's Bridge, Trinità dei Monti's Spanish Steps, Trevi's Fountain, etc., are financed by firms like, respectively, Tod's, Diesel, Bulgari or Fendi. During 2013 in Italy 1,2 billion euros was invested in sponsorships, divided in sport, social responsibility and culture/showbusiness. The sector of culture shows a growth of +6,3% - thus meaning that groups of entrepreneurs are becoming more and more aware of the great potential and effective value of sponsorships that foster creativity and maintain iconic heritage sites.



3.5 Moltiplicator effect of Tourism

In the Eurozone, we are the first country in terms of amount of nights (54 million nights)[44] slept by tourists coming from outside the European Union: countries as China, Japan, Brazil, USA, Canada, South Corea and Australia - the ones who are the future leaders of International Tourism. Moreover, the Country Brand Index 2012-2013 states that Italy is the first country in the world for tourism and culture, taste and artistic and historical heritage.

One third of the touristic expenditure in Italy is activated by cultural related enterprises. Tourists coming for cultural reasons, are also more likely to spend money for higher quality services and products (that is mainly because they are wealthier and can afford to spend more on their vacations: as stated by the National Tourism Observatory [45], the average "cultural" tourist spends 12.3% more on the territory, than a tourist who has come to Italy for another purpose.

Culture impacts different other sectors of the economy and adds value to other business and services such as commerce, manufacturing, transportation, eno-gastronomy, tourism, and even real estate. This so called "moltiplicator effect", creates extra value added from production to consumption – following the business chain through all the intermediate passages of each euro activated by culture. The Unioncamere Report 2014 [46] estimates it to be worth of 1.7: meaning that the 80 billions of the value added by culture to the GDP, stimulate 134 more in others sectors of the economy.

[44] *Io sono Cultura*, Report 2014, op. cit., p.10
[45] Unioncamere-Isnart: *Overview of tourism customer care in Italy*, 2013
[46] *Io sono Cultura*, Report 2014, op. cit.

3.6 The Great Potential of Craftsmanship and Creativity

The artisans and the creative are the ones that craft their items to perfection, because those works reflect their whole personality and uniqueness. Quality for them is essential and mandatory. Personalization is the thing customers are more likely to pay for in this new Era of global economics; and such personalization is easy to achieve for the craftsman and the creative, which are not only professional categories: they are a way of thinking and shaping the world. It is from these qualities and characteristics, that Italy may stand once again. In an interview to the New York Times [47], Italian entrepreneur Luciano Barbera stated that the way for our country to exit the crisis is one and only: *Made in Italy* - which is not a mere mark of origin, but a philosophy of production, meaning tradition, skilfulness, knowledge and capability to bring forth productive patterns with the highest level of detail.

As the sociologist Richard Sennett states [48], we do not have to go back to an old way of thinking craftsmanship and culture! On the contrary, we need to evolve this concept into the new century's economics: by exploiting the artisan's passion and commitment; his desire to better himself and his deep knowledge; but, moreover, his capacity to continually shift from thought to action.

Professor Richard Florida, in his *Rise of the Creative Class* [49], states that the creative class will be the key driving force to the economic development of post-industrial cities. Shall we wait for an American to speak these truths to us, Italians, which live in an environment made up of culture and creativity since centuries past? Professor Florida believes that the way to economic growth does not lie only in the ability of attracting the "knowledge intensive" creative class, but in transforming this underlying advantage into "creative economic outcomes in the

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[47] D. Segal, *Is Italy Too Italian? From Taxis to Textiles Italy Chooses Tradition Over Growth*, New York Times, Report on Italian Economy, 21st July 2010

[48] Richard Sennett, *The Craftsman*, New Heaven, London, Yale-University Press, 2008

[49] R. Florida, *The Rise of the Creative Class. Why cities without gays and rock bands are losing the economic development race*, The Washington Monthly, April 2002

form of new ideas, new high tech business and regional growth". In an article of the Washington monthly, the Professor states that professionals working in this sector have more economic power than the rest of the average working-class. Moreover, they are individuals empowered by self-expression and with a high level of job-satisfaction [50].

Creative thinking and creative approach should therefore be transferred into more "classical" fields of entrepreneurship, while the business attitude shall mingle with artistic thinking, thus making the two fields inextricable one from the other and sharpening the competitiveness of the whole Italian economy.

[50] Idem.

CONCLUSIONS

Data provided by Unioncamere and Symbola Report 2014; UNESCO ESS-net, and ISTAT, thoroughly analysed by means of their economical value, show how the promotion of the cultural and creativity sector could really represent one of the key solutions to the lack of competitiveness of our country, and a fundamental future growth source. Italian economy relies on a widespread system of SMEs; and creative and cultural industries are among the best SMEs that represent our country - since their products are deeply rooted in our folklore, heritage and traditions, that act as a goodwill for our products. A goodwill made of quality, creativity, and artisanal know how, accumulated trough generations.

As examined when dealing with the powerful impact of its multiplicator effect and its innate vocation to craftsmanship and creativity, Culture in Italy may have all the requisites to lead this new Era of economic development. In a Globalized Economy, which deeply relies on information and knowledge to produce value, competition is based on immaterial and intangible factors, such as culture and education, much more than it was during the past years.

For Chris Anderson, the next Industrial Revolution will be lead by a new, flexible and resilient generation of SMEs able to manage high technology, new media communication and high standards of tailoring in limited series for their clients [51]. Internet will be a fundamental part of their businesses: thanks to the web, they will be able to reach the entire world, acquiring an unprecedented visibility, if we compare it with the old channels of communication via the old media – that required an incredibly high amount of money for buying advertising campaigns.

Cultural experts of the New Millennium, though, shall incorporate qualities of communication, logistics and proactive thinking – together with a mastering of information technologies and foreign languages. This is the next biggest challenge for Italy: the one with the Digital Age. A shift has to be made from nostalgia to continuous innovation. For Professor Stefano Micelli, creative and cultural enterprises are the core of an Italian "Fourth Capitalism" [52], which needs the necessary political legitimization to be lead *local* to *global*: from territories to international markets.

Moreover, as shown in Chapter 3 and demonstrated by Harvard Professor Mark Moore, the General benefits that Culture provides to the whole Economic System, go far beyond the strictly and directly measurable numbers of a chart of added value.

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[51] Chris Anderson, *In the Next Industrial Revolution, Atoms are the New Bits,* "Wired", January 2010

[52] Stefano Micelli. *Futuro artigiano, L'innovazione nelle mani degli italiani*, Marsilio, Venezia, 2011, pag. 192

The purpose of this analysis was reached – on behalf of all the graphs and statistics dealing with the Economical Impact of Cultural Industries in terms of: contribution to GDP, workforce employed, Export and Commercial Balance and Household Expenditure, thoroughly analysed in Chapter 2, it is economically demonstrated how Culture shall *not* be seen a mere object to protect; and it shall *not* deserve only either funding or sponsorships to survive! t should be an asset, able to stand on the markets with its own legs.

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