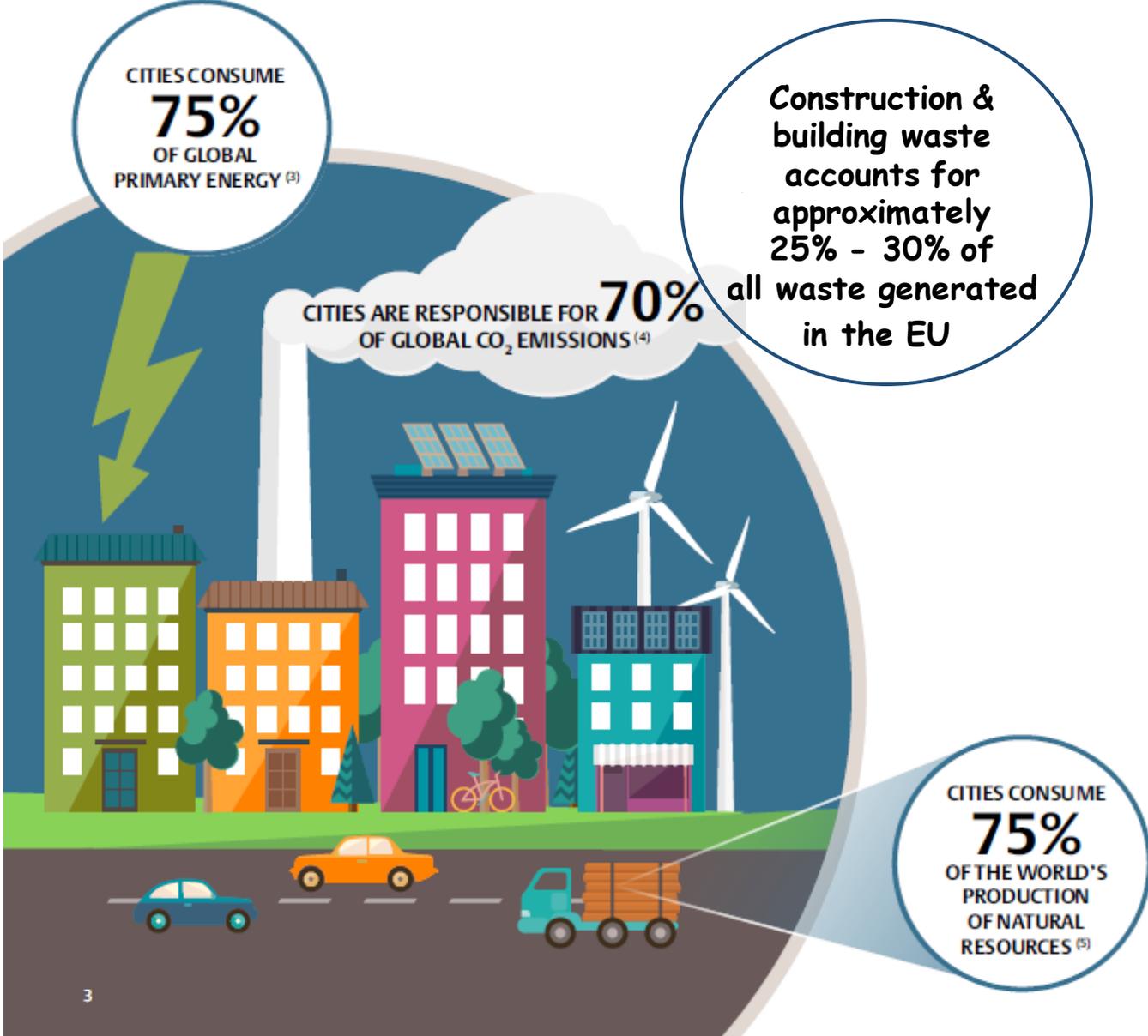


# *Cultural Heritage Management, Circular Economy and Entrepreneurship*



Centre for Culture and the Creative Industries, City, University of London  
dr. Ruba Saleh, ICHEC Brussels Management School



“The proportion of the global population living in cities and towns is expected to rise from 54 percent in 2015 to 66 percent by 2050... This will require a significant expansion of existing cities, as well as the construction of new cities.

Business as usual could result in the annual resource requirements of urban areas growing from 40 billion tonnes in 2010 to nearly 90 billion tonnes by 2050...

The high demand for such raw materials will far exceed what the planet can sustainably provide.

In addition, the long-term historic sprawl of cities by 2 percent per year threatens to increase global urban land use from just below 1 million km<sup>2</sup> to over 2.5 million km<sup>2</sup> by 2050, putting agricultural land and food supplies at risk.”

Source: UN Environment, the weight of cities  
<http://www.resourcepanel.org/reports/weight-cities>

Source: Arup and bam 2016

# State of the art

**Consume** 70%  
of global  
resources and  
70% of all energy

**Underutilise**  
assets, products,  
space

**Suffer** from air/  
water/noise  
emissions

**House** 50% of  
global population  
and generate 85%  
of GDP

**Waste**  
resources,  
energy and  
water

**Inefficient**  
transport, traffic  
congestions

**Emit** 70% of  
all greenhouse  
gases



Source: European Investment Bank (2018), the 15 circular steps for cities, report  
[https://www.eib.org/attachments/thematic/circular\\_economy\\_15\\_steps\\_for\\_cities\\_en.pdf](https://www.eib.org/attachments/thematic/circular_economy_15_steps_for_cities_en.pdf)

Europe thrives to become the 1<sup>st</sup> climate-neutral continent by 2050

An economy with net-zero greenhouse gas emissions

Reduce climate change 80% by 2050 (from 1990 levels)

Reduce raw material consumption (-50% by 2050)

Green Deal calls for circular "renovation wave" Renovation Wave Strategy Oct 2020

The Weight of Cities impels us to design a new development framework which embraces **low-carbon, resource-efficient and inclusive cities**

#### THE GLOBAL CONTEXT

Cities today occupy approximately **only 2%** of the total land, however:



Meeting the needs of all within the sustainable limits of our planet!

The circular economy (CE), aims to change how Europeans consume and produce materials and energy

Source: <https://habitat3.org/the-new-urban-agenda/>





Cultural Heritage adaptive reuse



...  
reduce  
reuse  
repurpose



Circular city

A circular city implements the circular economy in the spatial «landscape» dimension:

It reuses and regenerates abandoned sites and buildings, creating new opportunities for businesses and social life from «waste» spaces.

Cultural heritage adaptive reuse is the way in which local communities create new sense and meaning from and for historic places, making attractive the areas in decay, regenerating the historic urban landscape.

Cultural heritage / landscape adaptive reuse, with its symbolic power, can trigger the regeneration of communities' bonds, stimulating sense of ownership, creativity and responsibility, while enhancing historic places attractiveness for new economic, social and cultural activities.



“(a) business models center on the logic of how value is created for all stakeholders, not just how it is captured by the focal firm; (b) activities performed by the focal firm as well as by partners, suppliers, and even customers play an important role; (c) business models emphasize a system-level, holistic approach toward explaining how firms “do business”; and (d) the business model is emerging as a new level and unit of analysis” (Zott and Amit, 2013).



This BM Canvas generates value in monetary terms only with no consideration of other possible values

What about the Human-centered approach? The European Green Deal slogan is: Leaving no one behind!

How can a society and its related organizations' attain the SDGs without addressing the cultural, social and environmental values in an integrated manner?



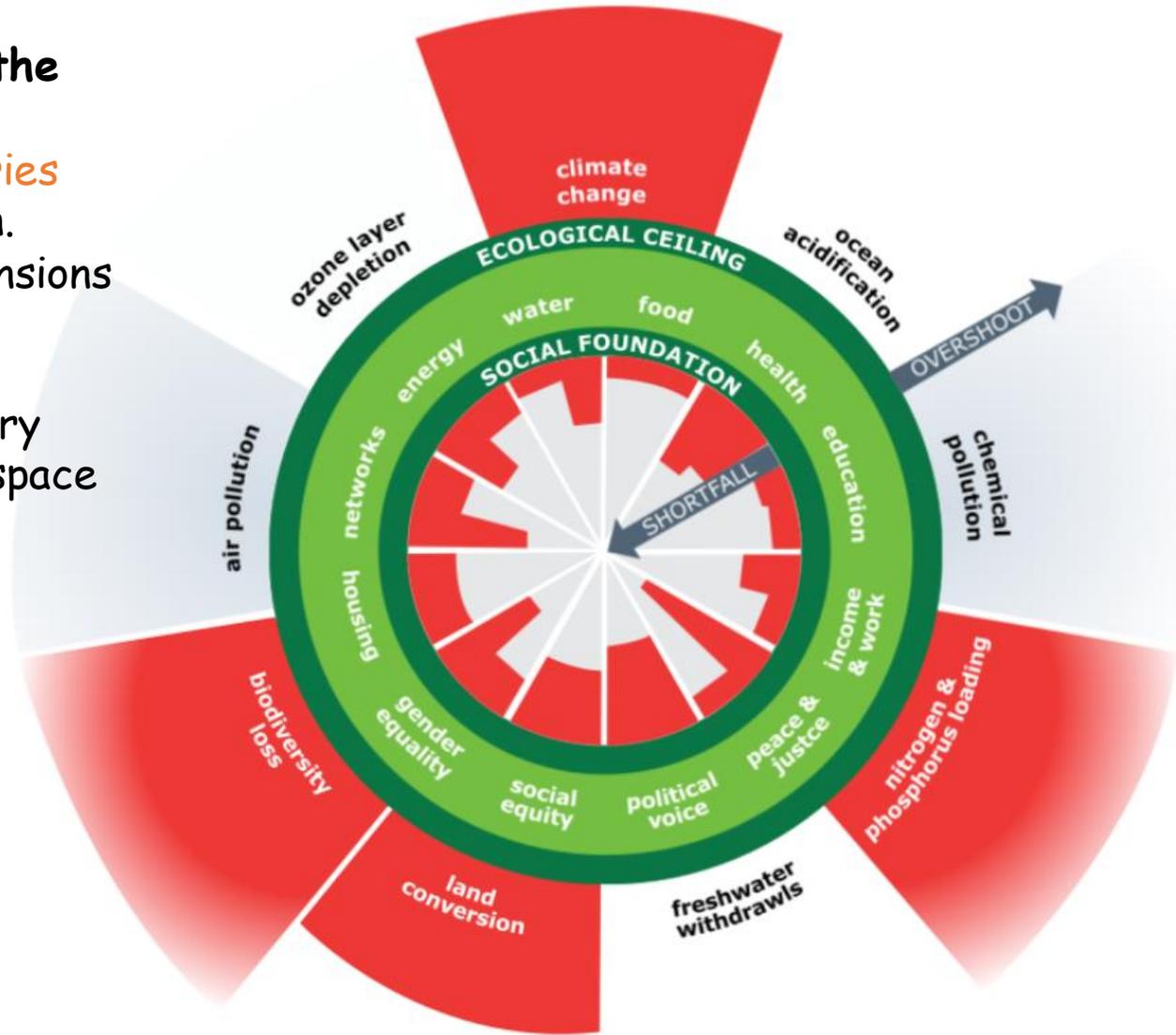
# The Doughnut of social and planetary boundaries

How to meet the needs of all within the means of the planet?

- The ecological ceiling consists of **nine planetary boundaries** beyond which lie unacceptable environmental degradation.
- The **social foundation** consists of the twelve social dimensions of the Sustainable Development Goals.

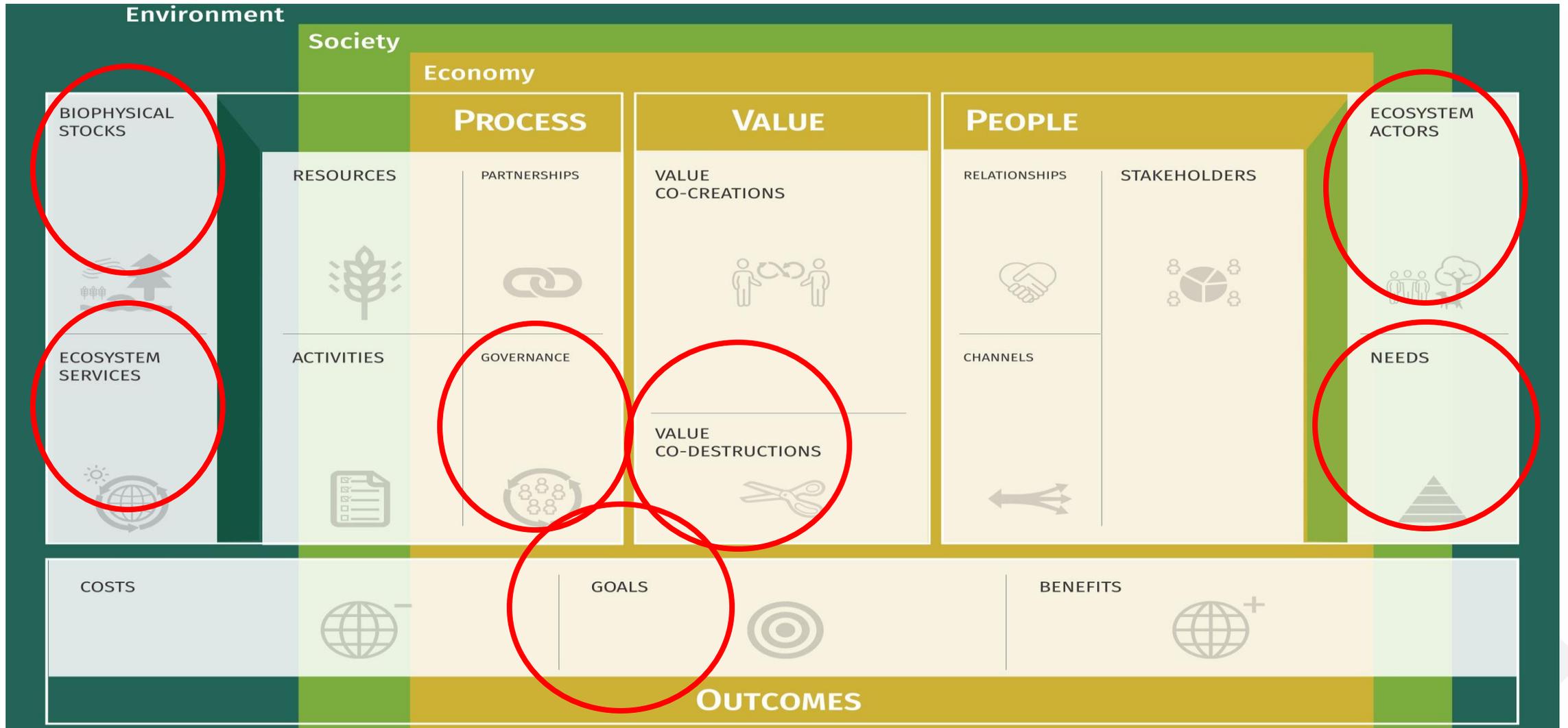
According to Kate Raworth: « Between social and planetary boundaries lies an environmentally safe and socially just space in which humanity can thrive»

<https://www.kateraworth.com/doughnut/>



The Doughnut of social and planetary boundaries  
Kate Raworth, 2017

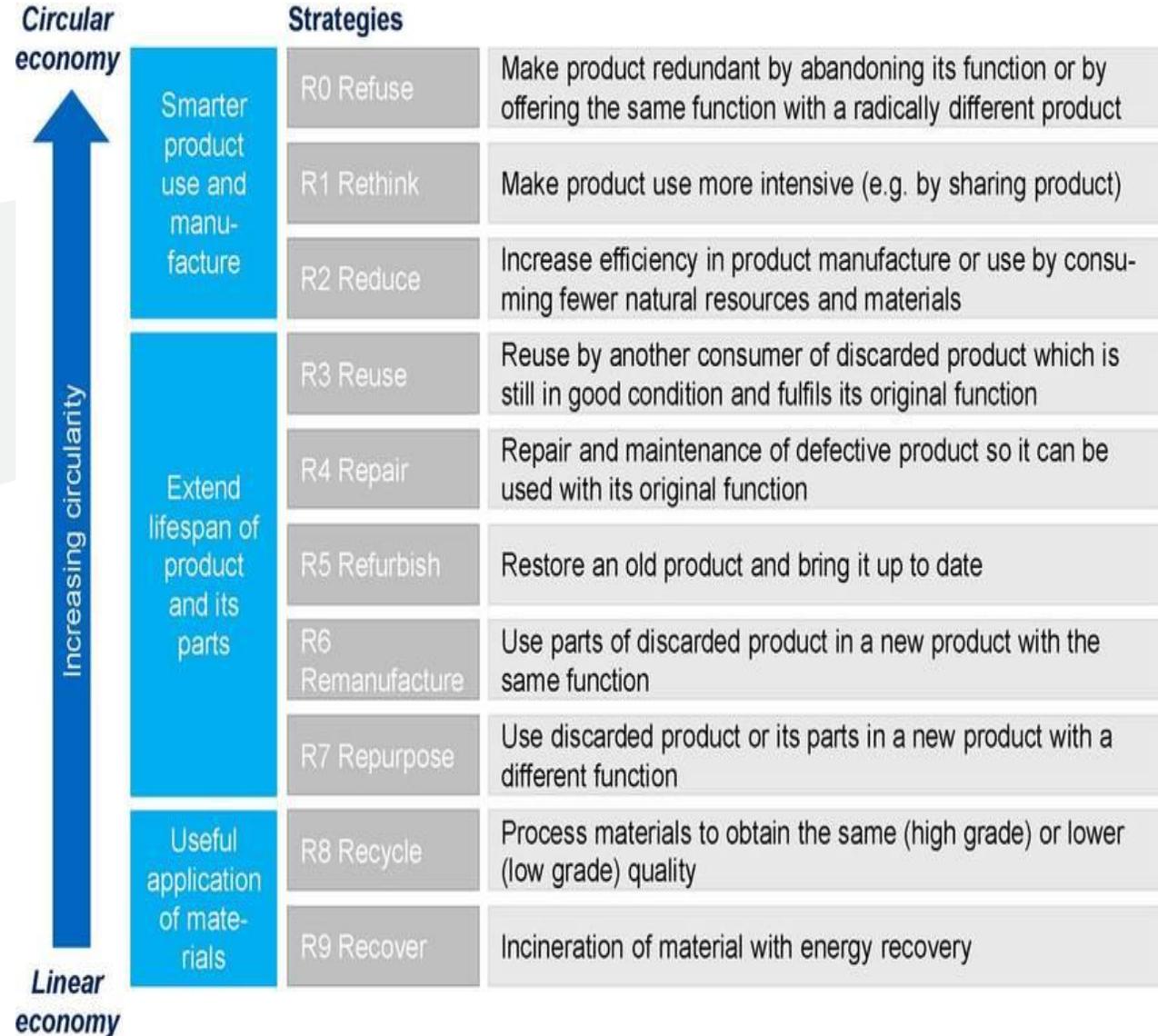
# The Flourishing Business Model

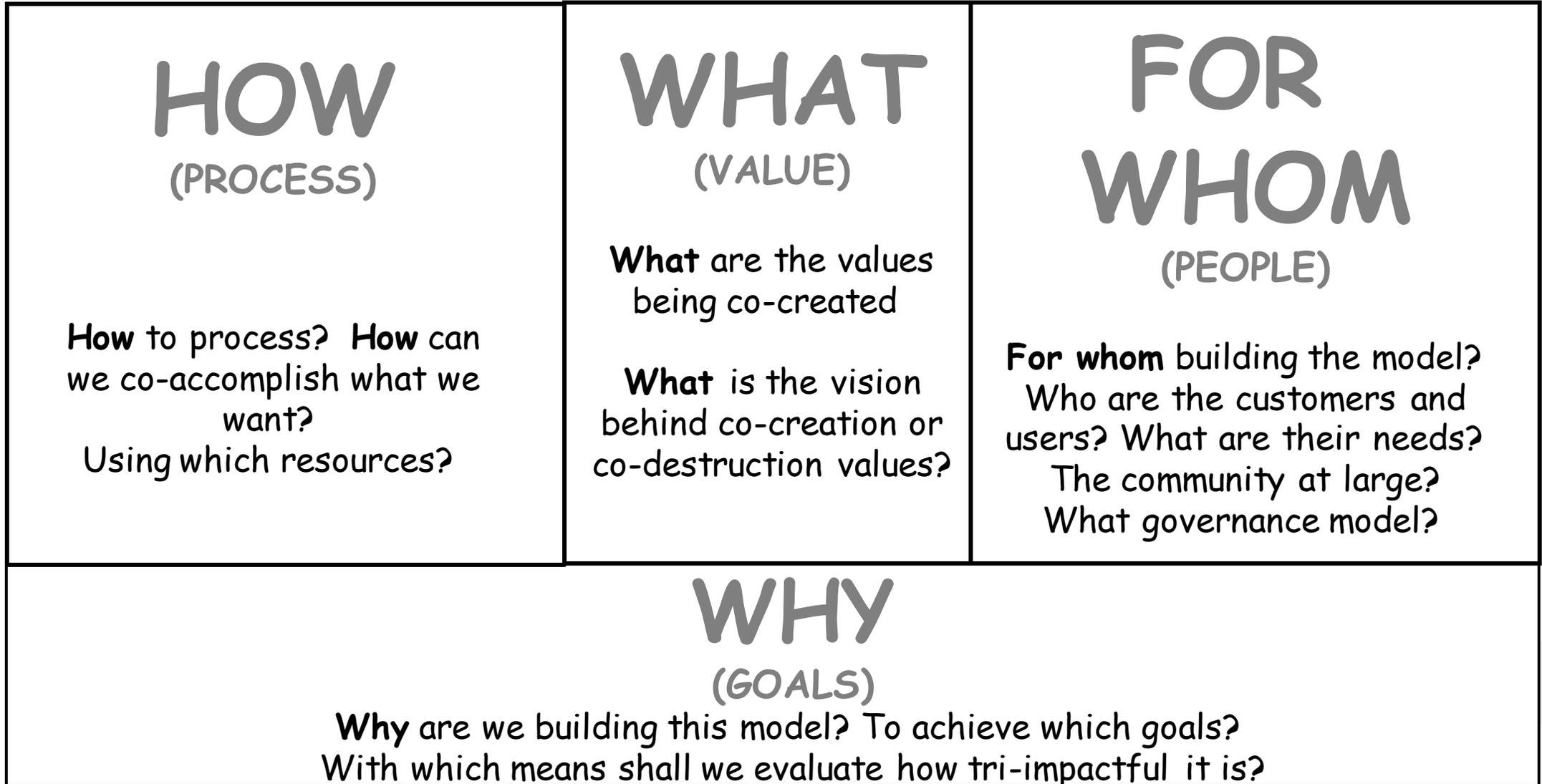


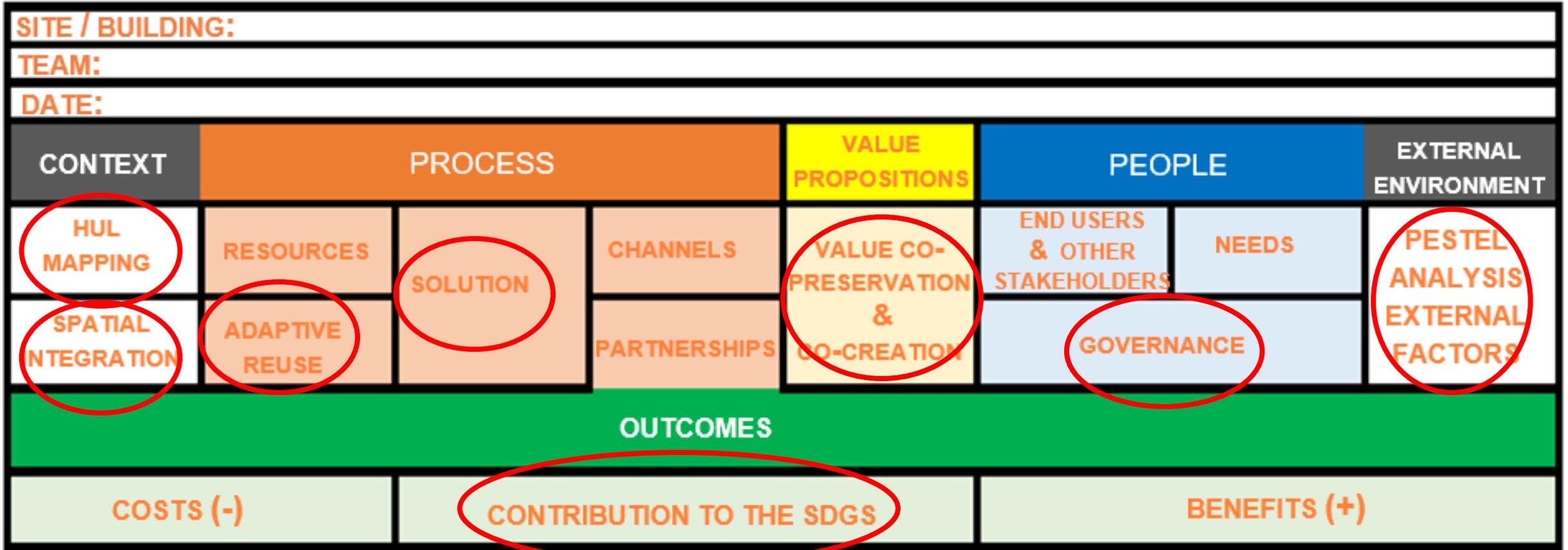
# Why the Flourishing Business Canvas?

It is based on Upward and Jones's vision of a world where enterprises commit not only to do less harm but also to sustaining human flourishing under the framework of the Sustainable Development Goals. According to the scholars, the flourishing model aims at "not only do no harm, but do well by only doing good". Thus, this model is calculated on a tri-profit metric, namely:

- Economic viability;
- Social benefits; and
- Environmental regeneration







Ost & Saleh 2019: 15 business model building blocks



## Circular business model for adaptive reuse

Amsterdam	Rijeka	Salerno	Fengersfors
<p><b>Asset:</b> Pakhuis De Zwijger</p> <p><b>Owner of the asset:</b> Stadsherstel</p> <p><b>Challenge:</b> How to make Pakhuis de Zwijger more resilient to shocks? i.e. COVID19</p> <p><b>N. of participants:</b> 6 + 2 ICHEC team</p> <p><b>Used applications:</b> Zoom and Mural</p> <p><b>Workshop sessions:</b> 28 April 2020, 3h30</p> <p><b>Results:</b> General framework of the current business model.</p>	<p><b>Asset:</b> Beniçiq building</p> <p><b>Owner of the asset:</b> Municipality of Rijeka</p> <p><b>Challenge:</b> How to make the management of the children's house sustainable from an economic viewpoint? What type of circular child-friendly and child oriented activities should take place?</p> <p><b>N. of participants:</b> Although 26 people registered, only 10 people participated until the end + 2 ICHEC team</p> <p><b>Used applications:</b> Zoom and Mural</p> <p><b>Workshop sessions:</b> 28 April 2020: Solution ideation, 4h30 29 April 2020: Prototyping - First Minimal Viable Solution (MVS), 4h 5 May 2020: Desirability testing, feasibility and MVS update, 2h 8 May 2020: Viability testing and Solution update, 4h 12 May 2020: Finalisation of Revenue Streams and Costs, 3h 19 May 2020: Final Pitch to the local stakeholders, 2h 2 June 2020: Way forward meeting, 1h</p> <p><b>Results:</b> Three complementary business models were co-designed by the workshop participants.</p>	<p><b>Asset:</b> The complex of Edifici Mondo (convents of San Francesco and San Giacomo and San Pietro a Maiella and Palazzo San Massimo).</p> <p><b>Owner of the asset:</b> The municipality of Salerno</p> <p><b>Challenge:</b> The Municipality of Salerno has received 14 proposals for its public consultation. This consultation aimed at involving all interested stakeholders in identifying adaptive reuse activities for the Edifici Mondo complex which is currently unused. The challenge was to increase the strength and robustness of the proposals.</p> <p><b>N. of participants:</b> 28 + 2 ICHEC team</p> <p><b>Used applications:</b> Zoom and Mural</p> <p><b>Workshop sessions:</b> 14 May 2020, Pitching and prioritization 4h30 18 May 2020, Prototyping - First Minimal Viable Solution (MVS) and Desirability testing, 4h 25 May 2020, feasibility and Viability testing and Solution update, 3h30 4 June 2020, Revenue Streams and Costs, 3h30 8 June 2020, Solution fine-tuning and pitching, 3h30 18 June 2020: Way forward meeting, 1h30</p> <p><b>Results:</b> Four business models which could be consolidated as a cultural ecosystem for the city of Salerno.</p>	<p><b>Asset:</b> Fengersfors paper mill</p> <p><b>Owner of the asset:</b> private owner</p> <p><b>Challenge:</b> What solutions could be co-designed in order to make the business model of the new paper mill town ecologically and socially sound and financially sustainable? A well considered basis for negotiations with and between: current owner, financial institutions, and co-owners. The new owner is suggested as a Public Limited Liability Company with limitation on how much yearly profit could be transferred out of the company.</p> <p><b>N. of participants:</b> 28 + 2 ICHEC team</p> <p><b>Workshop format:</b> Two and a half intense in situ storming workshop</p> <p><b>Dates:</b> 18-20 February 2020</p> <p><b>Results:</b> Five complementary business models were co-designed by the workshop participants.</p>

## CCIs at a crossroad

- Crises and shocks
- Shrinking public funding
- Challenges of globalization
- Enhanced audience empowerment (UGC)
- Opportunities/challenges of new technologies

The CCIIs are in a unique position thanks to the wealth of creativity & cultural products that can be leveraged to come out of the crisis if CCIIs are ready to innovate in terms of products, processes & artistic organizations!

### Why BMs?

When designed carefully, they become powerful drivers for:

- Jobs;
- Growth;
- Social inclusion;
- Environmental impact;
- Social impact (health and well-being, contribute to the livability of communities and place the arts at their core);
- Developing entrepreneurship; &
- Strengthening cultural diversity

# C-SHIP

In response to the crisis and under the framework of the United Nations International Year for the Creative Economy and Sustainable Development, ICHEC launched the C-SHIP professional training program.



Based on its fundamentals of sustainable & responsible entrepreneurship & the management of organizations & on the strength of its experience developed through European projects focused on cultural heritage, ICHEC - with the C-SHIP program - aims at enabling professionals from the CCIs to:

- Ensure financial viability,
- Develop and / or strengthen their management capacities for a sustainable and resilient business
- Maximize their societal contribution and positive impacts.

<https://www.ichec.be/en/c-ship-project>

# The role of culture for sustainable development

## Recent timeline

United Nations resolution on culture and development 2010 (A / RES / 65 / 166) and 2011 (A / RES / 66/208), **culture and sustainable development** 2013 (A / RES / 69/230); 2014 (A / RES / 68/223); and 2015 (A / RES / 70/214).

In 2013, the UNESCO International Congress "**Culture: key to sustainable development**" held in Hangzhou, drew a line on the correlation between culture and sustainable development.

In 2015, the UN recognized the role of **culture as an essential catalyst for sustainable development** Transforming our world: the 2030 Agenda for Sustainable Development

In 2015, UNESCO launched a global survey on **the role of culture** which was transformed in 2016 in the **global report, Culture Urban Future**, which offers a holistic picture of the **role of culture as the basis for sustainable urban development**, supported by case studies from around the world.

Culture is at the heart of urban renewal and innovation. It is a strategic asset for creating more inclusive, creative and sustainable cities. It embodies the soul of a city, enabling it to progress & build a future of dignity for all. **The New Urban Agenda (2016) addresses the crucial role of culture in the urban context.**

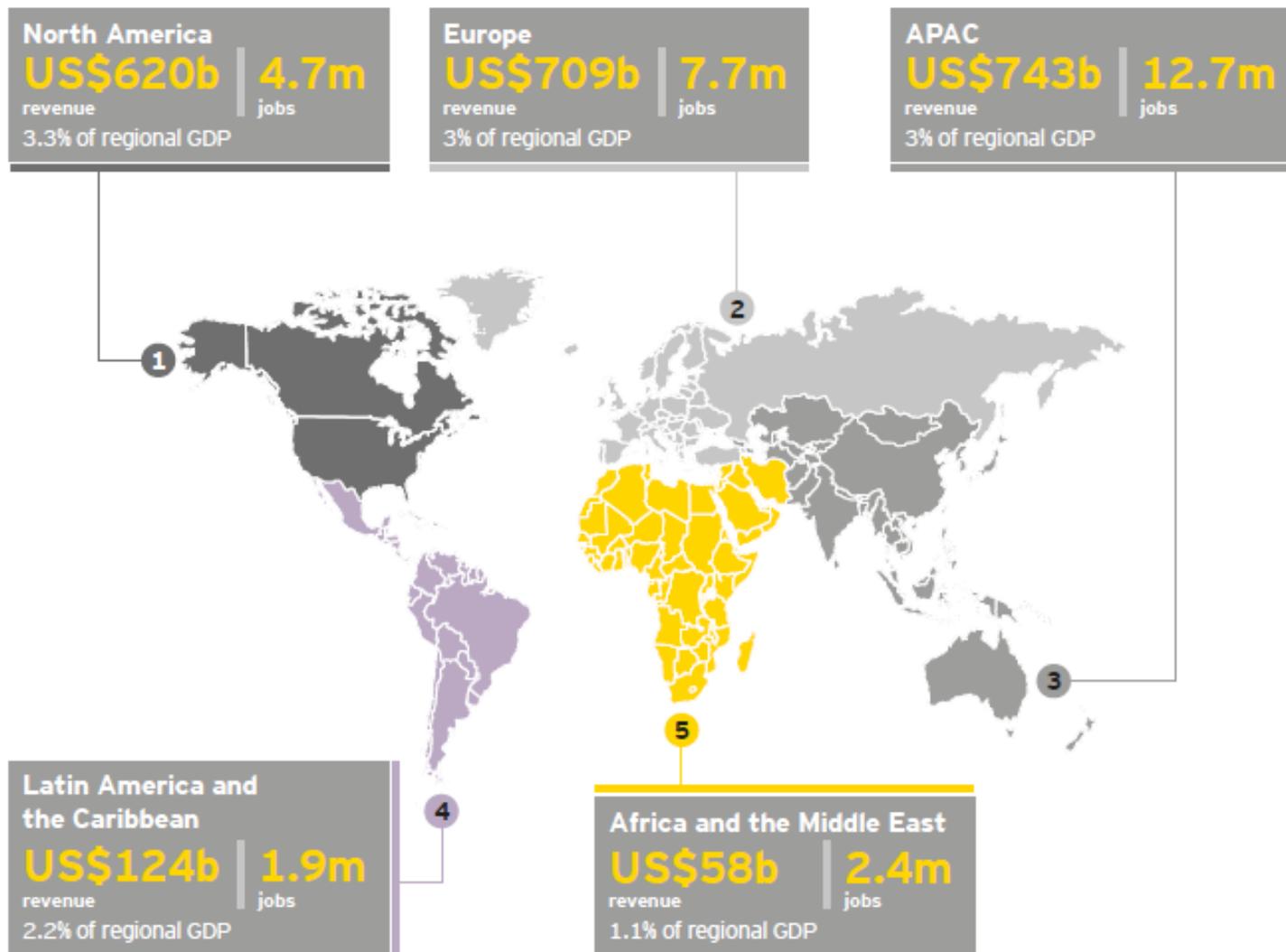
The Davos Declaration in 2018 underlined the role of **culture in shaping the living environment in a sustainable manner** by stating that "**culture enables and stimulates economic, social & environmental sustainability.** It shapes our identities and defines our heritage.

# The economic value of cultural and creative industries worldwide

Asia-Pacific is the world's largest CCI market, generating a third of total revenues, followed closely by Europe and North America. Latin America, & Africa and the Middle East rank fourth and fifth, respectively in the report, the potential and opportunities in these two regions is striking.

"In 2017, there were more than 1.1 million cultural enterprises in the EU-27, representing approximately 5 % of all enterprises within the non-financial business economy. Together they generated a total value added of more than EUR 145 billion, equivalent to 2.3 % of the total non-financial business economy" (IDEA Consult et al. 2021:15).

## The creative industries account for 3 per cent of global GDP





Thank you



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