Cultural Districts and Creative Atmosphere

How to brand and promote the integrated cultural assets of an area
Examples from Egypt: Fayoum Oasis and North Saqqara

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The aim of this presentation is to show how to organize and rule the economic structure of a place in order to support a sustainable development based on culture and creativity.
I. Approaches to Economic development

Why Culture matters in economic development
Lingotto FIAT
Factory Symbol of Turin, 1908

An example of the overwhelmingly power of production
New Lingotto 2000
Art Museum “Giovanni and Marella Agnelli”
Arch. Renzo Piano Project
Lingotto 2000, meeting room
Renzo Piano project
Creating cultural districts is an example of an economic policy that has been extremely successful in bringing together culture, managerial creativity and industrial design. These special industrial and artisan agglomerations are an example of how culture and creativity can be the moving force in sustainable local economic development.
Murano Venice
Murano Venice
Dashanz Art District
798 Art Zone - Dashanzi Art District Beijing
Lijiang- China
Cultural Districts

To be honest the golden age of the cultural districts experience goes back to the Italian case of the 70/80s. In these years the international success of an old formula was extremely evident. The following table shows the main results in terms of export capacity of the Italian districts based on small firms and creative entrepreneurship.
<table>
<thead>
<tr>
<th>Commodity</th>
<th>Place</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tile and Pottery</td>
<td>Sassuolo</td>
<td>39.2</td>
</tr>
<tr>
<td>Wool Cloth</td>
<td>Prato</td>
<td>19.6</td>
</tr>
<tr>
<td>Wool Cloth</td>
<td>Biella</td>
<td>14.0</td>
</tr>
<tr>
<td>Gold and Jewelry</td>
<td>Vicenza</td>
<td>14.0</td>
</tr>
<tr>
<td>Gold and Jewelry</td>
<td>Arezzo</td>
<td>13.0</td>
</tr>
<tr>
<td>Silk</td>
<td>Prato</td>
<td>19.6</td>
</tr>
<tr>
<td>Eyeglass Frames</td>
<td>Belluno</td>
<td>17.6</td>
</tr>
<tr>
<td>Sofas and Chairs</td>
<td>Santeramo, Altamura</td>
<td>7.2</td>
</tr>
<tr>
<td>Sofas and Chairs</td>
<td>Magnago</td>
<td>6.9</td>
</tr>
<tr>
<td>Furniture and Kitchens</td>
<td>Alto Livenza</td>
<td>7.7</td>
</tr>
<tr>
<td>Furniture and Kitchens</td>
<td>Pesaro</td>
<td>3.2</td>
</tr>
<tr>
<td>Tanned Leather</td>
<td>Arzignano</td>
<td>10.0</td>
</tr>
<tr>
<td>Tanned Leather</td>
<td>Santa Croce</td>
<td>6.0</td>
</tr>
<tr>
<td>Shoes</td>
<td>Fermo, Civitanova M.</td>
<td>6.0</td>
</tr>
<tr>
<td>Pots and Cutlery</td>
<td>Lumezzane</td>
<td>4.1</td>
</tr>
<tr>
<td>Faucets</td>
<td>Lumezzane</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Source: M. Fortis *Il Made in Italy*, Bologna 1998
Cultural Districts

• A cultural district or cluster is a social and economic experience at the confluence of two phenomena: that of localization, as first identified by Alfred Marshall (Marshall, 1890), and that of the idiosyncratic nature of culture and cultural goods.

• The *industrial cultural district* belongs to the endogenous growth models based on the presence of small firms, basic social and cultural conditions, and of specific forms of social local regulation.
Cultural Districts

• It is worth distinguishing between two types of cultural districts:

• 1. when there is a high rate of technology, 
vertical integration of the supply chain is expected,

• 2. while the agglomeration of a large number of identical, horizontally integrated micro-companies is the norm with low technology.
Hollywood
Around 6000 firms were active in the audiovisual sector.

The supply chain was long and articulated.

High presence of micro-services.

More than 98% firms with less than 19 employees.

Total employment was around 200,000 units or 5% of the labor force.
Hollywood, Los Angeles USA
Caltagirone

- Low technology: fire, clay, colors, skillfulness
- Around 120 producers
- The firms are of family size
- Production and show are in the same atelier
- Traditional culture and innovation
- Trust and cooperation
• A problem.

• One potential solution is to focus on the function of intellectual and collective property rights in promoting market oriented incentives sustaining local development.
Collective trademarks

• A collective trademark can help in providing incentives for local investments because:
  – it guarantees appropriation/capture of the yields of the investment;
  – it creates legal protection against counterfeiting;
  – it creates a symbolic content and strengthens the identity of the good;
  – it signals the main characteristics of the good, it reduces the transaction costs for the buyers;
  – it allows to increase the quality of the good through a procedure of registration and accreditation and the related quality standards.
IV. Case Studies

Saqqara and Faiyoum
Fayum: Mummy Portraits
Fayum: Medinet Madi
Fayum: Medinet Madi
Fayum: Wadi Hitan
Whale Valley
Cultural District

The main results:

- Due to the endowment of local cultural traditions, Fayum is a potential tourist cultural district:
  - New itineraries
  - Induce the tourists to stay one night more
SAQQARA, EGYPT
Saqqara: the first Egyptian Pyramid
Saqqara: the tombs
Case Studies

• SAQQARA, EGYPT
  • The main results:
  • A contingent valuation of the visitors willingness to pay showed the political opportunity to increase the ticket price, without reducing general revenue and the demand. The best would be to increase the entrance fee increasing the cultural supply, for instance opening new tombs.

  • More resources can be dedicated to the start up of a cultural district: opening new entrance gates to involve local villages into the main business, designing new itineraries within and without Saqqara, and fostering the local cultural production (carpets, merchandising, tourism)

  • Need of a Collective trademark
V.
FROM CULTURAL DISTRICTS TO THE CREATIVE ATMOSPHERE MODEL
Creativity is a new strategic asset which increases the potential of cultural districts
A Definition by H. Simon

Creativity is the capacity to solve problems
Two models of creativity

Creativity for Innovation
- New technologies
- The Internet economy
- Communications
- Market and economic development

Creativity for Social Quality
- Culture
- Territory
- Cultural districts
- Market and economic development
Creative Atmosphere

TO MOBILIZE LOCAL RESOURCES
II. Local Networks and systems of Creativity

Local networks of firms involved in industrial design, fashion, gastronomy, content sectors as publishing, advertising, cinema, theatre, and cultural heritage and music are the real support of the creative atmosphere. Local networks can be measured in terms of density, closeness, entropy.

The basic outcome of the local networks is the production of:

• Cultural entrepreneurs
• Positive externalities
III. The Culture Factories

Places in which cultural goods and services are conceived, produced, and distributed are the culture factories.

Their presence make a clear divide between the conservation of culture – basically an institutional and legal matter - and the production of culture – basically the development of a complete value chain: from the selection of artists, to the conception of ideas, to their realization, to their distribution and consumption.
IV.
Micro-Services for Creativity and Culture

To sustain the creative atmosphere, the local networks of creativity and the creative factories it is important to provide a broad array of micro-services, spanning from arts and crafts, to microservices dealing with the audiovisual sector, the cultural heritage and the material culture.

Micro-services are provided by micro and small firms.
Walter Santagata

The main researches of this presentation are downloadable from the working papers series of www.css-ebla.it