Models for Economic Value in Cultural Tourism (Heritage Tourism)

Univ.Prof. Dipl.-Ing. Arch. Dietmar Wiegand
Vienna University of Technology - TU Wien
Head of Division Real Estate Development and Management
Gesellschaft für Immobilienentwicklung mbH Schweiz
www.red.tuwien.ac.at
Agenda

- Case
- Impact Analysis and Impact Management
- Results
  - New Process Definition
  - Facilities Development Model
  - Typology of mixed use
- Outlook
  - Check list for practice based on research
  - Future research agenda
Recovery of this roman church in Federow.  
What is the regional Economic Impact?

(1) 2 Jobs (FTE)
(2) 10 daytrips
   (> rGVA)
(3) It depends on
Audio-/radio dramas

Source: http://www.hoerspielkirche.de/
Framework conditions?

- Located in a rural touristic area frequented by families with children
- Euro 500,000,- needed

Creation of benefits - how?

- Touristic offer for bad weather
- Donated to the families (non commercial offer, donations allowed)
- No accounting, no fees for publishing company
- 14,000 visitors/year

(http://www.monumente-online.de/11/03/streiflichter/Federow_Hoerspielkirche.php)
Why do we need theses data?
Ø Arguments for the maintenance and recovery and other action
For whom?
• State
• Sponsors
• Private investors
• Donators

Why do we need theses data?
Ø Enlarge economic impacts
Ø Enlarge cluster
Ø Find the best partners
Ø Initiate best actions
Ø maintenance and recovery inline with strategy for destination etc.
Ø to desist intervention

Analysis
of regional economic impacts
Impact as is?

Management
of regional economic impacts
Improvements?
### Public good, club good?

<table>
<thead>
<tr>
<th>Revalrous consumption?</th>
<th>Ausschlußprinzip</th>
<th>Exclusion of free-riders possible/desired?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rivalität im Konsum</td>
<td>kann angewendet werden</td>
<td>kann nicht angewendet werden</td>
</tr>
<tr>
<td>besteht</td>
<td>rein private Güter (Individualgüter)</td>
<td>Allmendegüter (Mischgüter)</td>
</tr>
<tr>
<td>nicht</td>
<td>Klub- bzw. Mautgüter (Mischgüter)</td>
<td>rein öffentliche Güter (Kollektivgüter)</td>
</tr>
</tbody>
</table>
Possible Solutions for market failure (e.g.)

- Government provision (incl. taxation or unfunded mandates [laws])
- Government subsidies and joint products (e.g. Metro)
- Collective action of privileged group (e.g. Linux)
- Merging free rider (e.g. Area or center development)
- Introduction of an exclusion mechanism (e.g. patents)
- Social norms (e.g. waste)
- Assurance contracts (Unkel)
Desired economic impacts have to be defined
Externalities have to be regarded!
Abbildung 3: WertschöpfungsCluster Kultur und seine Netzwerke

Private sector

Culture expenditure  Culture promotion

Downstream areas

Publishing sector  Video rental and sales  Example:
Cable networks  Art fair  Mail order business

Print media, Literature  Cinema and photography  Radio and television  Performing arts
Special and overlapping areas

Culture market segments (Production and diffusion)

Music  Fine arts  Education  Cultural governance, Organisations

Production of music instruments  Plastering  Restoration of art works  Humanities research
Copyright law

Cultural heritage

Upstream areas

Broader upstream areas  Culture Expenditure  Culture promotion Sponsoring  Broader downstream areas

Companies

Fiscal effects

Public sector

Induced profitability

Culture promotion  Culture expenditure

Induced profitability

Source: http://www.ruetter.ch/cs/projekte.html?func=startdown&id=428

translation: Marijana Sreckovic

TU Wien
Analysis

• Cultural Heritage is part of creative industries/cultural industries cluster
• … cross-linked to other businesses like tourism
• Upstream areas known, downstream areas unknown
• Problem with statistics have to be solved
• Respect Funding and unpaid employment

• International comparability needed
△ Projektanforderungen (Zielgrössen) / targets
○ Innere Risikofaktoren (Handlungsfaktoren) / parameters of action
□ Äussere Risikofaktoren (Einflussfaktoren) / influencing factors
Baumwollspinnerei Leipzig

Quelle: Website SPINNEREI
http://www.spinnerei.de/15/kommune/ (zugegriffen am 08.10.08)
Quelle: Website WEIBERWIRTSCHAFT
http://www.weiberwirtschaft.de/pdf-files/WeiberWirtschaft%20Flyer%20Bildschirm.pdf (zugegriffen am 08.10.08)
Quelle: Website WEIBERWIRTSCHAFT
http://www.weiberwirtschaft.de/pdf/files/WeiberWirtschaft%20Flyer%20Bildschirm.pdf (zugegriffen am 08.10.08)
Klassikstadt, Frankfurt

Quelle: KLASSEKSTADT
http://www.oldtimer-rheinmain.de/standort/architektur-planung/ (zugegriffen am 08.10.08)
• Successful development of managed facilities is possible almost everywhere
The development of managed facilities in a narrow sense is not a chronological process, but a repetitive (iterative) process characterized by the steps analysed, concept (design) and assessment/evaluation, with the possibility of exit or entry into the next phase after every iterative cycle.
• In numerous developments of managed facilities one person delivers business know-how – normally concerning the business the infrastructure is developed for - that leads to a competitive advantage of the facility and good business conditions for the tenants or in the case of public infrastructure to positive social effects.
• The “completeness of competencies” concerning the development of managed facilities is a main success factor

• A sufficient equity position (capital base) of developers of managed facilities is essential for the project’s success

• Managed facilities are not per se developed more successfully by a specific group of stakeholders – here a distinction needs to be made between the types of managed infrastructure
• Public stakeholders and public sponsorship are no guarantee for positive socio-economic or spatial effects, but valuable “incentives” and “helpers”

• The architecture itself delivers an important contribution to a successful development of managed facilities, although very project-specific and in different forms
Thanks for your attention
Univ.Prof. Dipl.-Ing Dietmar Wiegand
wiegand@tuwien.ac.at