

Opinion of the Committee of the Regions on 'Urban cultural tourism and its employment impacts'

(98/C 251/05)

THE COMMITTEE OF THE REGIONS,

having regard to the decision of its Bureau on 11 June 1997, pursuant to Article 198c, paragraph 4 of the Treaty establishing the European Community to issue an Opinion on urban cultural tourism and its employment impacts and to direct Commission 4 for Urban Policies to undertake the preparatory work;

having regard to the Opinion of the Committee of the Regions (CdR 206/96 fin)⁽¹⁾ on the Report on the consideration of cultural aspects in European Community action⁽²⁾ and its Opinion (CdR 69/97 fin)⁽³⁾ on the Communication from the European Commission on cohesion policy and culture — a contribution to employment⁽⁴⁾;

having regard to the European Commission's Communication 'Towards an urban agenda in the European Union'⁽⁵⁾ and the Commission proposal for a European Parliament and Council Decision establishing a Community initiative for 'the European city of culture' event⁽⁶⁾;

having regard to the draft opinion (CdR 422/97 rev. 3) adopted by Commission 4 on 14 January 1998 (rapporteur: Ms Freehill);

whereas the value of an urban area's culture has long been recognized as a valuable tool in urban regeneration, in terms of enhancing the reputation of cities, contributing to physical development, boosting tourism and softening the impacts of economic restructuring, its potential has never been fully or explicitly recognized in urban policy.

Adopted at its 23rd plenary session (meeting of 13 May 1998) the following opinion by a unanimous vote.

1. Introduction

1.1. The diversity of cultural heritage and the vitality of artistic and cultural creation in Europe are one of its most valuable assets. Increasingly urban areas are regarded as elements of the national cultural heritage and as cultural and tourist centres of interest. Conservation of this heritage and the quality of its cultural attractions contributes to the appeal of urban areas and has thus acquired an economic value, as a locational factor for investment and as a source of urban tourism. While the European Commission has recognized the direct link between cohesion policy and culture and its effects on employment, the full potential of this asset is not fully realized, as are opportunities for further innovation.

1.2. The central theme of this opinion is cultural tourism and in particular refining its scope by focusing

on its economic and its employment aspects within the urban environment. However, in doing this, the Committee of the Regions is not suggesting that these aspects are pre-eminent. In fact in many of its other opinions, the Committee of the Regions has underlined the value of cultural activity in terms of its contribution to social cohesion, regional identity and community development in both an urban and rural context.

1.3. That said the European Commission nonetheless recognizes that 'cultural activities are in particular an important characteristic of European cities'⁽⁷⁾. While cultural tourism is a recurring theme in its communication there is little discussion of its impacts on employment and the degree of that impact. The potential economic contribution of culture in urban areas is all the more vital given the particularly acute unemployment problems concentrated in urban areas. The level of deprivation in some cities threatens to erode the social fabric and provide a seedbed for emerging and often divisive, sub-cultures.

⁽¹⁾ OJ C 116, 14.4.1997, p. 65.

⁽²⁾ COM(96) 160 final.

⁽³⁾ OJ C 379, 15.12.1997, p. 21.

⁽⁴⁾ COM(96) 512 final.

⁽⁵⁾ COM(97) 197 final.

⁽⁶⁾ COM(97) 549 final — OJ C 362, 28.12.1997, p. 12.

⁽⁷⁾ Communication from the European Commission on Cohesion policy and culture — a contribution to employment — COM(96) 512 final.

2. The contribution of culture to economic development

2.1. The many facets of culture have important impacts on the social and economic well-being of an area. Culture and its associated activities are a direct and indirect source of employment. It is increasingly a significant influence on the location of new investment as it provides a positive image and adds to the attractiveness of an area. It is also a crucial tool for regenerating socially and economically deprived areas and in this respect it can play a positive role in encouraging social integration.

2.2. In terms of highlighting the direct benefits of culture to an area's economy, cultural tourism is often seen as providing the greatest job-creating potential. While under Article 128(4) of the Treaty, the Community must take cultural aspects into account in all policy areas, there is no specific mention of culture in the Structural Fund regulations. Thus, the value of tourism apart from the economic benefits is in helping to influence changes in attitudes to culture and the cultural heritage, particularly amongst policy makers. Cultural tourism helps therefore to make projects for culture more 'concrete' and is an explicit manifestation of the economic returns likely from culture.

2.3. Therefore, whilst culture and tourism are to a large extent mutually dependent, they can have very different primary aims and this does not always make for seamless cooperation. Differences commonly arise when:

- planning lead times relate to different timescales;
- disagreements arise over product definition and appreciation;
- the weakness of market information limits initiatives in specialist areas;
- the marketing and promotion of cultural products are carried out by the producers themselves and are rarely integrated into the networks for promoting and marketing tourism;
- inappropriate touristic exploitation of the cultural heritage damages or produces dysfunctions in the latter.

Cultural tourism markets are complex and segmented and not always most effectively addressed along conventional tourism channels.

3. Tourism in urban areas

3.1. The problems facing many of Europe's urban areas and especially their traditional economic sectors, has meant that the tourism sector has become increasingly important. Cities are more aware of the opportunities offered by tourism, as a reinforced tourist function in a city can improve the structure of its regional economy and tourism relies on indigenous small and medium sized businesses, the cornerstone of many regional economies. The contribution of tourism has also been formally recognized by the Tourism Council (26 November 1997) on employment and tourism in the fight against unemployment in Europe. The Commission Communication 'Towards an Urban Agenda in the European Union' ⁽¹⁾ has also highlighted the role of urban tourism in promoting the growth of the local economy. It also calls for further attention to be given to this role in developing an urban perspective in EU policies.

3.2. However, some problems exist when looking at the impacts of urban tourism and its future development. The role of urban tourism as a tool for urban regeneration and socio-economic development can be better understood through knowledge of the basic related statistics, especially at the city or regional level. While the European Union has made efforts ⁽²⁾, and continues to do so, to ensure the collection of statistical information in the field of tourism and the transmission of harmonized information on tourism supply and demand, more work needs to be undertaken to develop the statistics that are available and make them comparable for urban areas. In some cases statistics for tourism are updated on a voluntary basis and thus not very reliable, while differences also exist as to what constitutes a 'tourist/visitor' in data collection.

3.3. Some cities have developed coherent tourism strategies, but in other cities tourism is not considered a priority for future development. In the face of stronger competition among cities, there is increasing debate on how to increase the value potential of urban tourism. However, the organization of tourism and policy development varies, with little strategic planning for tourism in some cities. Specifically, cultural tourism is viewed as an emerging sector that urban areas can exploit to help

⁽¹⁾ COM(97) 197 final.

⁽²⁾ Council Directive 95/57/EC; OJ L 291, 6.12.1995, p. 32.

offset the loss of industrial jobs in traditional sectors. However, its potential in this regard may be limited given the different skills base of both the service and industrial labour forces.

3.4. It should nevertheless be emphasized that not all cities can rely on tourism or cultural tourism specifically to drive economic development.

3.5. To further explore an urban area's role in the development of tourism, three basic conditions are necessary:

- a city must have an appealing or interesting image. Tourists must be convinced they will have a pleasant time. However, it is difficult to assess the degree to which the image influences the choice of destination and the degree to which it corresponds to the quality of the tourist product on offer;
- the quality and range of the tourist product. A city must be able to offer a quality of primary attractions of products and a full range of complementary services (accommodation, restaurants, transport, information, etc.). These products need to be in keeping with the image of the city and offer an element of originality;
- the ability of a city to sustain the long-term effectiveness of tourist development. This includes the maintenance of the tourist product, the supply of a well-trained labour force and effective marketing campaigns.

3.6. The development of culture and cultural tourism must be part of an integrated multi-sectoral perspective. The establishment of an urban and tourist development strategy is an essential part of this process. Such a process places a high demand on the organizing capacity and powers of local government, as well as on the financial resources available. Strategic collaboration between government and private enterprise, both public-public and public-private partnerships, towards the development of urban cultural tourism is indispensable. Cities must also facilitate cooperation with other cities to exchange experience and transfer knowledge on how best to use their cultural assets.

3.7. Research undertaken by the European Institute for Comparative Urban Research (EURICUR) in 1993 on the comparative study of the contribution of leisure activities and tourism to the revitalization of urban regions, highlighted the emergence of urban tourism and the importance of the cultural tourism sub-sector. While there was little quantification of the economic

impacts and the levels of employment created, a number of general considerations emerged. These include:

- the lack of a common vision for culture and tourism in cities;
- the need to develop and coordinate training and employment opportunities;
- there is a lack of professionalism and failure to check standards in some activities of the tourism sector;
- the need to stimulate partnership between cultural institutions and the private sector;
- the benefit of linking cultural activities and attractions with a city's infrastructure;
- the need to draw-up a strategy of cultural events, to prolong the season and provide events for different areas of the city;
- the desire to avoid the creation of synthetic imagery, (the city as a theme park).

3.8. A city therefore, needs to invest in its cultural infrastructure, support the productive sector of culture and invest in the development of human resources to sustain development needs. It must also involve its citizens in the process and build on the indigenous potential of its cultural sector and cultural industries.

3.9. The development of the cultural assets of urban areas can also raise the prestige of a city as a destination for the expanding business and conference tourism sector. Likewise, business tourism can supplement cultural activities in cities. This segment of the tourism sector is considerable (ECU 162 billion in 1995) and it generates 1,5-2 times its direct turnover in a number of ancillary activities. For European cities to remain strongly positioned in this market they must stay ahead of world competition by emphasizing their high level of professionalism and product diversity, particularly in terms of the destinations available and their cultures. There is therefore a need to have consistency in development planning in both the cultural and business tourism sectors.

4. Problems associated with cultural policy

4.1. The initial problem when addressing issues of culture is the lack of an agreed pan-European definition of culture. Due to the diversity of culture and the

activities broadly associated with it, precise and workable definitions for the cultural sector and its industries are difficult to develop. Any definition however, must incorporate and underline the value of cultural diversity.

4.2. As a definition for culture and its activities is a complex matter, quantifying the employment impacts of culture and cultural tourism is intrinsically less straight forward. The lack of a consensus, at methodological or operational level on how to calculate employment impacts is not an issue confined to cultural activities. Because there is no standard methodology, information is fairly disparate and so unsuitable for systematic treatment. The Commission has launched a series of studies intended to improve the understanding and calculation of employment effects and Structural Fund assistance. This is compounded for culture and cultural tourism, as it is difficult to quantify the investment in this sector, not to mind its employment effects.

However, estimates suggest that, in quantitative terms, investment in culture as compared to investment in infrastructure can contribute as significantly to the attractiveness of an area. However, the qualitative impact of investments in culture must also be taken into account.

4.3. While core cultural or artistic activities with subsectors may be easy to define, there are many downstream and support functions or industries that may or may not be included in a definition. This usually depends on the purposes for which the definition is being used and as a result on how data is compiled. In some Member States cultural industries are not defined or identified separately in the occupational classifications when collecting data on employment. This further complicates the calculation of the levels of indirect or induced jobs resulting from cultural activities.

4.4. Studies, undertaken in some Member States, have shown that culture is a significant employer, particularly of young people and it provides above average opportunities for the female labour force. While much of this work is on a self-employed freelance or part-time basis, some sub-sectors of the cultural sector can be dependent on voluntary, low-paid or subsidized and not-for-profit labour.

4.5. There are some obstacles to realizing the full job-creating potential of cultural industries. These include:

- the increasing level of professionalism in the sector. Often training institutions are not aware of the context of development;

- the sector can be closed and not open to the possibility of cooperation and partnership. This also has implications for the quality of the cultural 'product';

- some elements of the cultural sector can be elitist.

4.6. Nevertheless, cultural industries provide a significant source of employment relative to other industrial sectors and often help to encourage people, with a low level of training or a disability or are excluded from the labour force, to become reintegrated into the economic mainstream.

5. European cities of culture

5.1. The designation of European cultural capitals can be fundamental in stimulating the development of culture and cultural tourism in the designated city. Some cities have been more successful than others in building on the achievements during their year as city of culture. It certainly raises the profile of the city as a destination for cultural tourism, builds up informal networks between cities and cultural institutions and inspires action from both the public and private sectors.

5.2. Most of the cities involved used the designation of the European city of culture for self-promotion purposes. While this is an acceptable exercise, there is a need for a greater level of preliminary planning to ensure a more effective interaction with established policies and institutions, but also the incorporation of an element of transferability and innovation in the form of pilot actions and projects.

5.3. It is therefore important that effective follow-up actions are implemented to highlight the lessons learnt and the innovative actions developed. In this regard establishing understandings between the cultural and tourism sector, where relevant, can contribute to the facilitation of sustainable structures for the promotion and development of cultural tourism in the city in the post designation period.

5.4. While research has been undertaken on the impacts of cities of culture⁽¹⁾, questions have to be raised as to the sustainable effects of the designation — continuity of action or a once-off event? Studies on

(1) Proposal for a European Parliament and Council Decision establishing a Community initiative for the European city of culture event (COM(97) 549 and OJ C 362, 28.11.1997, p. 12) and the European cities of culture and cultural months. Research study prepared for the network of cultural cities of Europe.

Glasgow in 1990 suggest that the regional net effect on the regional economy was between £10-£14 million and its impacts on employment at about 5 500 man-years. Public sector expenditure has been calculated at £7 000 per job opportunity. However, after 1990 employment in the tourism sector began to decline.

5.5. Conditions for participation by a city in the European City of Culture initiative include a contribution to the development of economic activity, particularly in terms of employment and tourism and the need to develop high-quality and innovative cultural tourism. While this is welcome, it is important to emphasize the quality and nature of the employment created and to ensure, as far as possible, that employment is sustainable.

6. Areas for further attention

6.1. *Research on cultural tourism impacts*

6.1.1. Due on the weaknesses outlined, a number of areas warrant further investigation at a European level. There is an urgent need to develop a pan-EU working definition for cultural industries and cultural tourism, setting out criteria and categories of activity. Such a definition would greatly assist in the creation of more comparable data and help provide a degree of accuracy when discussing the cultural tourism sector.

6.1.2. A survey of consumer attitudes to culture and cultural activities would be beneficial. This would look at the willingness of people to pay for culture and determine the latent or unsatisfied demand in the cultural area. Possibilities of expanding the market for cultural tourism should also be encouraged to cater for groups of the population, such as the elderly and disabled. Such work must draw on international experiences.

6.1.3. Due to the lack of knowledge on how to harness the benefits of cultural tourism, the development of 'measures of output' for cultural activities would aid in comparison and the determination of the impacts of culture on the economic well-being of urban areas. Such work could investigate measures such as the value of the number of people in attendance at activities, the view of consumers on quality, etc.

6.2. *Advance cultural activities strategically*

6.2.1. To increase the revenue and employment in the cultural tourism sector, urban areas need to make explicit the objective of developing cultural institutions, cultural activities and cultural events within a comprehensive tourist strategy.

6.2.2. Culture needs to be regarded as a strategic factor in the development of a European urban policy. It must also be ensured that Structural Fund interventions can also focus on culture and its tourism potential. This can be achieved by a specific mention of culture in the Structural Fund regulations.

At an EU level codes of conduct and good practice guidelines should be drawn up for the cultural tourism industry — in areas such as quality training and recognized certification for professionals concerned, for example tourist guides, quality services offered, with particular regard to knowledge of geographic specific cultural interests and attractions. In this respect the introduction of quality seals with EU-wide recognition could also be awarded.

6.2.3. To advance urban cultural activities and urban tourism development strategically in the EU it is suggested, as in the Committee of the Regions' Opinion on 'towards an urban agenda'⁽¹⁾ that a mechanism within the European Commission be developed to integrate policy, disseminate information and de-compartmentalize action, guaranteeing the cooperation and participation of all areas of the public and private sector involved in urban tourism, so that this feeds directly into the 'urban issue'. The need for such a process of coordination was also recognized by the Tourism Council on Employment and Tourism.

6.3. *Transnational and multicultural linkages*

6.3.1. To overcome the closed nature of some cultural activities in urban areas and to open up possibilities for a higher level of innovation in the sector, greater emphasis should be placed on cities entering into transnational linkages. This could be done by highlighting best practice and new approaches in using cultural assets, but also by linking cities with common

⁽¹⁾ CdR 316/97 fin.

cultural tourism themes. Initiatives such as the 'Art Cities in Europe' project allow for urban tourism trails between cities with similar historical or cultural experiences and provide them with a competitive edge. Cooperation at the trans-national level offers an opportunity for networking specifically city assets to create competitive European products.

6.3.2. Greater emphasis must be placed on marketing initiatives. Growing international competition increases the significance of transnational partnerships to:

- evaluate success of measures already implemented;
- promote experimental holiday forms and tourist products;
- increase international competitiveness by preserving specific national characteristics but also standardizing tourist products and quality — branding cities;
- develop better lines of communication and networking, especially in niche markets, as for the disabled.

This can be undertaken at an EU level, but also by networks of European cities offering a range of European

urban cultural experiences to potential tourists in the EU and in third countries.

7. Conclusion

7.1. Cities must re-assess and define their cultural role in Europe. A city must, if it is to have a strong cultural tourism function and share in the benefits which that brings, invest in its own creativity and in the features which make it distinctive and of interest beyond the immediate region. While there is a need to harmonize quality, there is equally a need to avoid blandness and the danger of European cities becoming images of each other.

7.2. European cities must now advance the incorporation of tourism and in particular urban tourism measures into urban development strategies. Cities must provide for the management of the increasing mobility in recreation, leisure and tourism and the re-assertion of the city as a centre of attraction and as the pivotal focus for new and emerging cultural experiences. Urban areas must also build on the potential of cultural tourism to contribute to their socio-economic development, by harnessing human potential, integrating groups such as the young and women into the labour force, modernizing their economic and material assets, mobilizing investments and regenerating and re-structuring urban systems.

Brussels, 13 May 1998.

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