



*The influence of values on the composition of
well-being indexes from the perspective of
cultural heritage and circular models*

Magda Roszczynska-Kurasinska , Anna Domaradzka

The Robert Zajonc Institute for Social Studies, University of Warsaw



This project has received funding from
the European Union's Horizon 2020
research and innovation programme
under grant agreement No 776758



◆ *Measuring well-being*

Measuring of well-being is a must.

There is a **plethora of indexes** measuring wealth and social progress: GDP, Genuine Progress Indicator, Millennium Development Goals, Happy Planet Index, Human Development Index, Canadian Index of Wellbeing, Better Life Index...

Which one to choose? Especially in context of adaptive reuse of cultural heritage.

The shift from the macro into micro level perspective.

Location-based approach to measuring of well-being

The extraction of dominant values!



Heterogeneity

There are different actors in the cities with their own aims, ambitions, needs and values.

The motto of European Union is „***United in diversity***”

The heterogeneity is a key component of innovation.



***Heterogeneity
of values***

The heterogeneous systems are more resilient to shocks.

◆ Values

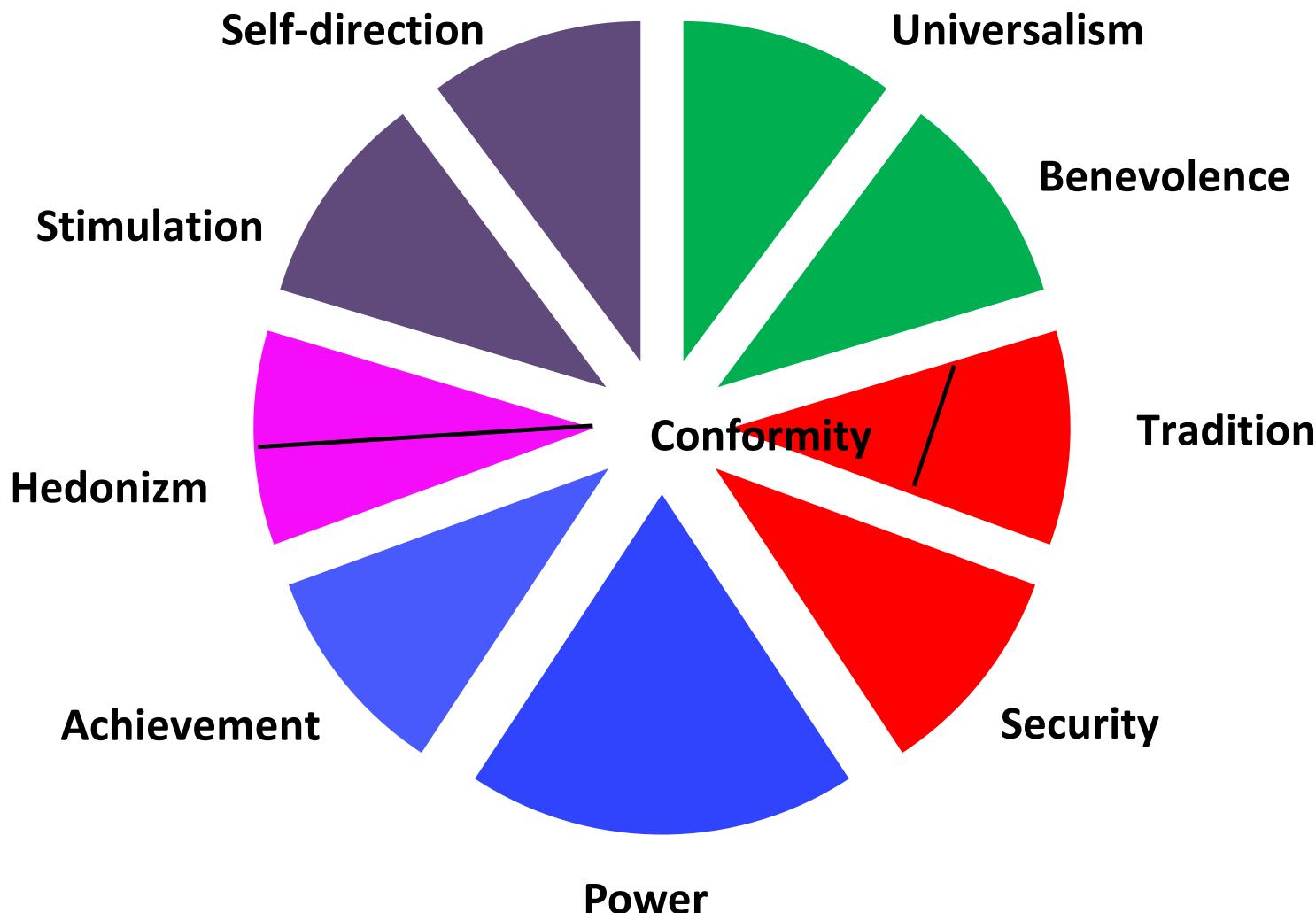
Well-being depends on people's possibility of enacting personal values (Sagiv and Schwartz, 2000)

Values are the key drivers of human performance. They motivate actions and set standards for evaluation of own and others behavior.

The environment promoting the values that are incongruent with personal values of its inhabitants can lead to decrease of their well-being.



The Theory of Human Basic Values



Thank you 😊

Models of Public Private Partnership and financial tools for the cultural heritage valorisation

Ivo Allegro, Aliona Lupu

**11° ITALIAN NATIONAL INSTITUTE OF URBAN
PLANNING Study Day**
Naples, 14 December 2018



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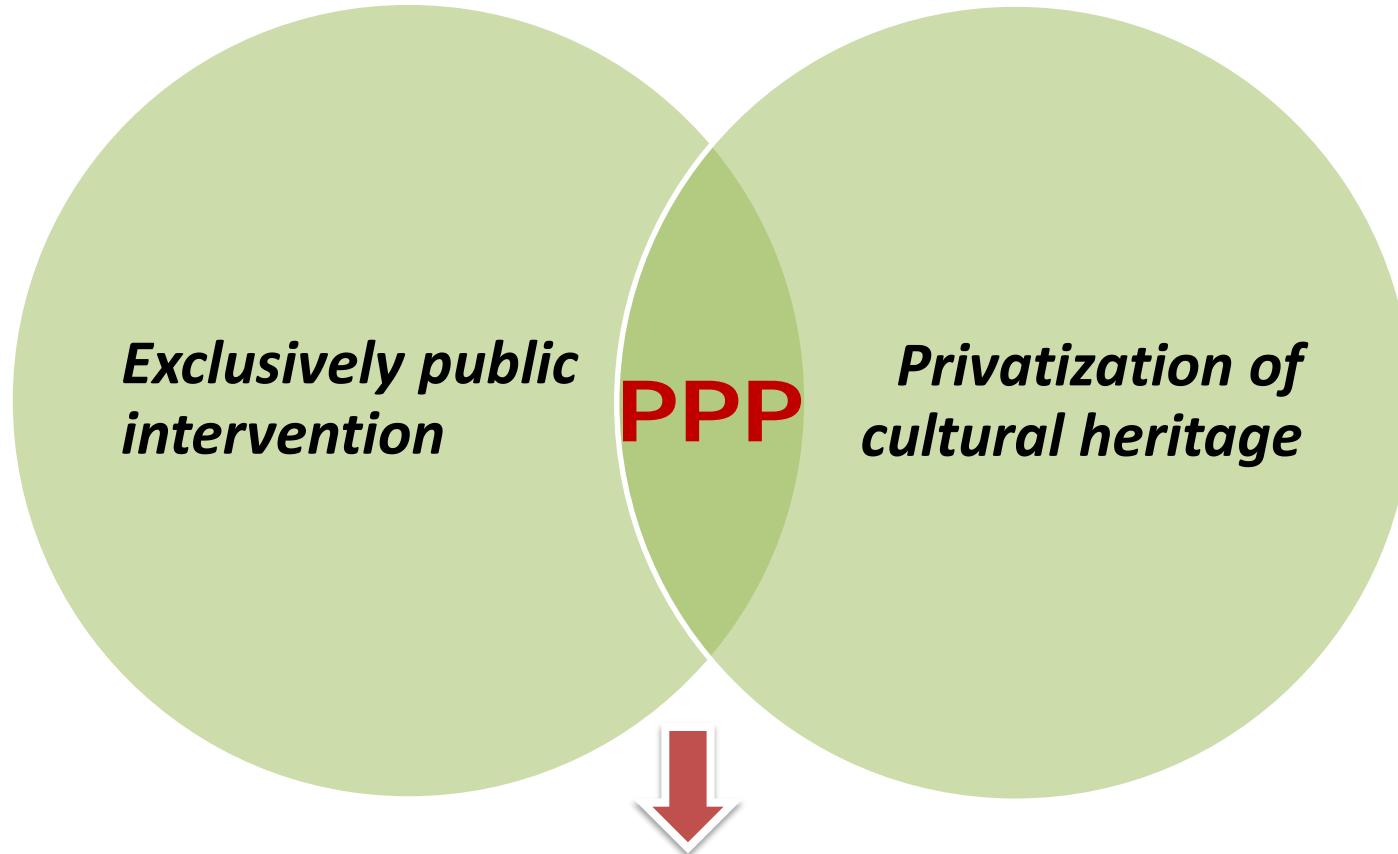


- **Recent positive drivers:**

- the **growing economic and social progress**, also in developing countries, contributes to expand the cultural needs and interests among different bracket of the population with a particular **increase in the demand of cultural goods and services**.
- the spread of **technology** contributes to enjoy cultural goods in a completely new and innovative way, never imagined before.

- **Constraints in Cultural Heritage:**

- **top-down public policies**, often too much concentrated on preservation and not very attentive to the exploitation of cultural heritage potential become inefficient.
- increasingly **inadequate investments** because of scarce available resources in the hands of the public decision-maker.
- difficulty in identifying win-win business models for the exploitation **of direct and indirect economic potential (???)** of cultural heritage and the feeding of a virtuous investment circuit.
- in the medium term this leads to the **depletion of a non-trivial part of the cultural heritage**, that brings to the disposal of the cultural heritage "for sale" or to the denial of its fruition.



It is not the panacea that magically allows to solve the limits of public intervention, but an attractive and delicate tool, especially in cases where the public hand is the only or the main purchaser of services provided in PPP (CH cold investments).



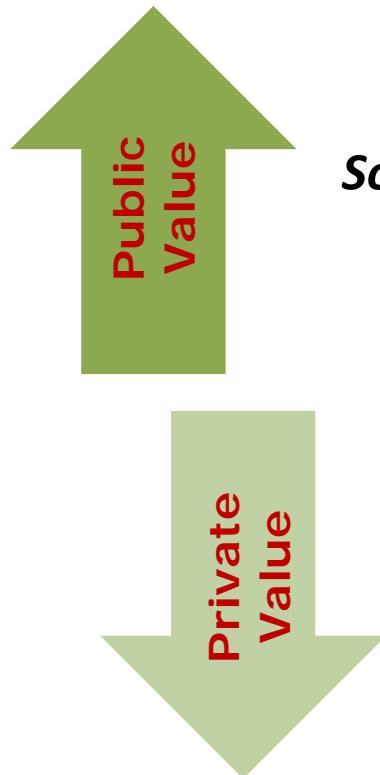
PPPs, if implemented with correct logics and approaches, ensure a better risk sharing among different actors with **higher efficiency** in project implementation, **greater mobilisation of private funds** without worsening public finances, **higher probability of success** of the project etc. Moreover, in PPPs we expect a perfect alignment of public and private interests in deploying the **best value for money (VfM)**.



Information asymmetries between public and private may enable phenomena of **moral hazard** and **adverse selection**.

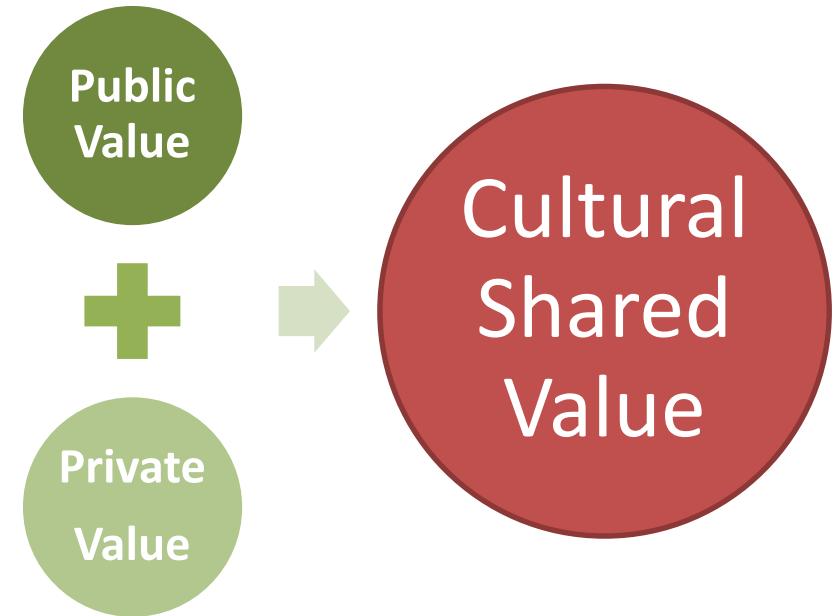
It is possible to assist at a public administration short term distorted perspective derived from the activation of "**cherry picking**" selection processes where private sector select the projects with higher returns on investments.

- The realisation of PPP models in the cultural heritage field can contrast with private management because of the constitutional necessity (in particular, in the Italian context but non only) to preserve the cultural heritage and its nature of "**common good**".
- When analysing different models to be adopted including PPPs, **the economic optimum usually diverge from the social optimum**.
- Nowadays, we can observe a shift towards the **convergence of these two value** – and this becomes crucial in order to have a fair PPP operation.
- The intersection of the two values can be achieved by including specific mechanisms to align private incentives with social objectives and cultural ones.
- The embracing of *cultural shared value* concept by both private as well as public actors can represent a way for further valorisation and wider deployment of PPP in cultural heritage by:
 - partly linking the public sector's remuneration of the private partner to the broader **impacts it generates** through the management of cultural heritage in a logic borrowed from "**social impact investments**";
 - in a very **advanced hybrid logic**, including in the remuneration of the private partner also the **contributions that may spontaneously or not come from the civil sector and citizens** not as charity or philanthropy but **in relation to the results achieved by the private partner**.



Social well-being

Economic value



- A few decades ago, the conservation and valorisation interventions (if any) tended to cover single buildings, monuments, or sites.
- It seems that ***cross-fertilisation*** represents an innovative solution and approach for the valorisation of ***bundle of cultural heritage assets*** with the effect of reducing “cherry-picking” phenomena and increasing indirect and social impact
- At the same time, cross-fertilisation, ***synergies and cross-cutting partnerships*** created for the valorisation of a set of cultural heritage assets can create cultural shared value for the same category addressed, but also for other public and/or private sectors.
- Public administration can introduce in the tendering processes elements for the ***deployment of innovative solutions*** for the cultural heritage valorisation (organisational innovation in financial engineering, impact investing, performance contracts, mobilisation of investments etc.)

- The **public administrations** can have a relevant role in **boosting breakthrough innovations through the demand from their side for new solutions**, products and services applicable in this specific case at cultural heritage field.
- The deployment of instruments such as Pre-Commercial Procurement (PCP) and Public Procurement of Innovation (PPI) can fulfil specific public sector needs that cannot be satisfied by existing commercial products or services.
- A **systemic approach between PPPs and PCPs/PPIs** can produce interesting synergies and benefits for the development and valorisation of the cultural heritage, enhance the efficiency of the deriving welfare and have a relevant role in cultural related social impact projects.
 - Through PCPs it is possible to develop and test innovative solutions for the public administration in order to test new models, identify economic and financial indicators and added-value.
 - PPPs can allow the deployment, transfer and replication of the innovations developed under the PCP, the management of the Intellectual Property Rights (IPR) also through cost-saving sharing or revenue-sharing with the public administration, the possibility to reinvest in R&D activities.

- The **measurement of *cultural shared value*** that **integrate economic and financial analysis** with **cultural, social, governance and environmental analysis** (EGS) creates value for all the actors involved i.e. public, private for-profit, non-profit and, citizens.
- In the literature and practice, many instruments have been developed for the measurement of the impact of a project or an organisation (SROI, GRI etc.)
- Almost all the instruments are based on two-dimension analysis: economic-financial performance and social and/or environmental impact.
- Because of the peculiarities and constraints of the cultural heritage sector, further steps should be taken in the **development of adjusted methodologies**.
- A holistic approach should be chosen also for these methodologies and instruments in order to measure the impacts and spill over effects from cross-cutting issues regarding fertilisation and synergies with other organization categories as well as sectors.

- The market seems to be ready and “**hungry**” of **hybrid and holistic models**, tools and methodologies to be deployed **for cultural heritage projects**.
- In this perspective, **PPP** could be **the “killer application”** which, on the one hand, can generate a significant stimulus to the market and, on the other hand, can activate a growing experimentation capable of generating those **KPIs with social impact** and the related measurement tools **essential to generate VFM** from the partnership between the public and private sectors in cultural heritage field.

Thank you for your attention

Ivo Allegro
Partner



Member of:



Via Sardegna, 50 - 00187 **Roma**
Tel. (+39) (0) 06.97626721

Centro Direzionale Is. G7 80143 **Napoli**
Tel. (+39) (0) 081.5980811

Cavalry Square, Chelsea - **London** SW3 4RB
Tel. (+44) (0) 2037378177

Mobile: 335.1231433
E-mail: ivo.allegro@iniziativa.cc
web site: www.iniziativa.cc

Aliona Lupu
Senior Consultant



Via Maurizio Gonzaga, 7 - 20123 **Milano**
Tel. (+39) (0) 02.87367443

Via S. Francesco da Paola, 37 - 10123 **Torino**
Tel. (+39) (0) 011.19887763

Rue de la Science, 14b - 1040 **Brussels**
Tel. (+32) (0) 25880014

Mobile: 329.6983795
E-mail: aliona.lupu@iniziativa.cc
web site: www.iniziativa.cc