

CULTURE AND/OR DEVELOPMENT? MANAGING OF URBAN AND REGIONAL INFRASTRUCTURE PROJECTS IN THE EUROPEAN CAPITAL OF CULTURE PROGRAMME

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Abstract

Since 2005 the budgets of European Capital of Culture programme has been significantly focused on large infrastructure projects in the title holder cities, that is, in the area of narrower or wider region. This trend of increasing infrastructure spending (particularly in Western Europe) has been followed by the tendency of assigning titles to midsize and smaller cities - from an average of 1.5 million people per host city in the first decade of the project to approximately 200,000 inhabitants per host city in period until 2012. However, some host cities faced a delay in the execution of infrastructure projects, while some projects were cancelled due to reduced cultural budget - all that as a result of the global economic crisis. Despite financial difficulties in the host cities, European Capital of Culture programme continues – in 2013 one of the two ECoC hosts is the French City of Marseille, in partnership with the region of Provence, with structural projects reaching EURO 660 million despite financial crisis. In 2020 Croatian cities have an opportunity to participate in the programme of the European Capital of Culture for the first time. This will also mean an opportunity to complete urban transformation of the designated city. Infrastructure projects will certainly be of great importance in the selection of the first Croatian ECoC. This paper provides an overview of the infrastructure dimension of ECoC programme, and it tries to predict the ECoC trends, with a particular focus on Croatia and Eastern Europe.

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1. Introduction

From the very beginning of the project, in 1985, European Capital of Culture (previously European City of Culture) has greatly evolved. The programme that was conceived as a new model to join different European cultures emphasizing their similarity within their differences has developed into a model of new urban (and regional) development. The programme, that is, operative costs have increased through the project development, and also the trend of more intensive infrastructure investment arose in the meantime.

1.1. Budget trends in European Capital of Culture

Providing stable source of financing is imposed as one of key priorities in planning of candidature for European Capital of Culture. If the cultural programme will be in focus, or the major part of financing will be spent on long-term and visible impacts on the city, depends on each city (or region), as well as on their financial strength. Historically, certain budget trends of ECoC can be determined. Budget development in ECoC programme can be divided in three periods (Palmer&Richards; 2007:23):

- 1985 – 1994 – Early development phase of the event, in which most of Capitals of Culture were seen as prolonged cultural festivals. Most of the host cities were the capitals that had already had important cultural infrastructure.
- 1995 – 2004 – Consolidation of ECoC as an important strength in cultural and economic development in the host city. Majority of the cities were ‘second cities’ that understood the event as an opportunity to develop their cultural offer and international profit. More attention was paid to infrastructure projects and attraction of tourists.
- Since 2005 so far – increased spending in infrastructure has been obvious, and in most cases capital budgets strongly surpass operational costs. Although Western European cities regularly have higher operational budgets for events, the cities in new member countries could refer to newly available structural funds for capital budget increase, with the aim to rebuilt their cultural infrastructure.

Despite the global economy crisis, in some European Capitals of Culture trend of high infrastructure investment continues. But, some European Capitals of Culture will have to correct their projects in the future and accept less ambitious ones.

2. Capital spending in European Capitals of Culture

Capital expenditure related to European Capitals of Culture generally can be divided according to the following categories (Palmer/Rae; 2004a:96):

- new acquisition and investment into the Capital of Culture include: museums, galleries, theatres, concert halls, art centers etc.
- urban revitalization: renovation of squares, parks, streets: tree planting, development of public area, lighting etc.
- infrastructure: investment into underground, railway stations, ports, roads etc.

Investment into infrastructure projects certainly means immediate effect on development of local and regional civil engineering as well as supporting sectors. Data about capital investment in period up to 2011 are sometimes really impressive. From Copenhagen in 1996 (EURO 219 million), Salonika in 1997 (232 mil.) and Weimar (220 mil.), than Brussels in 2000 (82 mil.), Port in 2001 (168.5 mil.), Geneva in 2004 (200 mil.), and Patras in 2006 (100 mil.) we come to the year 2008 in which two holders of European Capital of Culture title allocated nearly EURO 1.3 billion for cultural investment only (Liverpool 984 million and Stavanger 293 million). Than a successful 2009 follows (Linz 300 and Vilnius 442 mil.), than Pecs in 2010 (141 mil.) and Turku in 2011 (145 mil.). (Richards&Palmer; 2010:207-208)

2.1. Pecs in 2010 – successful urban development through ECoC infrastructure

Pecs as European Capital of Culture in 2010 (with Ruhr and Istanbul) is known as the first big ECoC infrastructural development project in a new European Union member. There are some key projects:

1. Pecs conference and concert center;
2. Zsolnay cultural square;
3. Reconstruction of Museum Street;
4. Regional Library and knowledge Center in South Zadunavlje;
5. Revival of public areas and parks.

(Key Projects; <http://www.pecs2010.hu/Home/Beruhazasok>; access: 30.03.2010.)

At the beginning of 2010 all those projects were not completely finished, but still they were successfully realized later. Implementation of European Capital of Culture project in Pecs in 2010 requires investment in amount of EURO 201,250,000. Pecs 2010 financial sources are seen in the following Table.

Table 1: Pecs 2010 project financial sources

Financial source	Amount (EURO)
Own funds of Pecs (including contribution of Republic of Hungary)	62,250,000
European Investment Bank loan given to Pecs	39,000,000
European Investment Bank loan given to Ministry of Finance	11,000,000
EU Subventions	89,000,000
TOTAL	201,250,000

Source: Palmer&Richards; 2009:21

European funds were implemented in infrastructure dimension of Pecs in 2010, and that makes it successful example. Capital projects were significant part of total invested funds allocated to Pecs in 2010. That certainly proves the trend that European Capital of Culture project is used as a driving-wheel in cultural and urban development and change of urban landscape.

Table 2: Budget of Pecs in 2010 for cultural and supporting infrastructure

Project	Expenditure (EURO)
Conference and concert center in Pecs	31,600,000
Zsolnay cultural square	43,600,000
Revitalization of public squares and parks	29,600,000
Regional library and knowledge center in South Zadunavlje	19,600,000
Big exhibition area	14,000,000
TOTAL	138,400,000

Source: Palmer&Richards; 2009:22

The example of Pecs 2010 presents a good model for cities in Republic of Croatia (membership of EU from 1st July 2013, ECoC in 2020), and also for the future EU member countries (and candidate countries) in Southeast Europe.

2.2. *Marseilles and Provence 2013 (MP2013) and establishment of new capital standards*

The year 2012, in infrastructure (capital) sense was not as successful as it had been expected. Slovenian City of Maribor forecasted the investment of EURO 143 million in capital ECoC investment a few years before the project, but the world economic crisis followed by political crisis in Slovenia (protests against actual prime-minister J. Janša), political crisis in the city (sometimes even violent protests against the mayor of Maribor), together with simultaneous cultural crisis on national level (suspension of Ministry of Culture and allocation of the department to the Ministry of Education, Science and Sport) – will certainly have negative impact on complete success of Maribor 2012 in the project evaluation. But just in 2013, the trend continues in Marseilles and Provence 2013 project (MP2013). The amount of EURO 660 million invested into structural projects seems extravagant in the period when majority of European countries highly reduce budgets in their Ministries of Culture. In the City of Marseilles itself, the coastal, that is, port part, that in the length of 1.5 kilometers includes museum of European and Mediterranean Civilizations (MuCEM), Villa Méditerranée, FRAC (Regional Contemporary Art Fund), Musée Regards de Provence, J1, “Théâtre de la Minoterie i Silo” have been renewed, as well as a number of other projects.

At the same time, other participants in the project from Provence, among the other things, enrich their cultural infrastructure with the following: Music Conservatorium and some other projects (Aix-en-Provence), enlargement of Museum of Arles Antiquities (Arles), Eden Theatre (La Ciotat) and a number of other minor capital investments.

(MP2013; available at: <http://www.mp2013.fr/the-region/structural-projects/?lang=en>; access: 24.02.2013.)

Funding model of this ambitious mega-event in the south of France is unique, and it includes local and regional authorities, state budget, as well as private partners.

2.3. Why is it important to make further investment in culture?

In recent years investments in culture have been persistently reduced, but Creative Europe Programme, that comes into force in 2014, when the EU Programme Culture 2007-2013 finished, anticipates higher funds for cultural and creative sector. Creative Europe follows the general European development programme Europa 2020, and it emphasizes the following key contributions to cultural and creative sector (Creative Europe; available at: http://ec.europa.eu/culture/creative-europe/index_en.htm; access: 16.02.2013.):

- more funds for artists and cultural workers to develop their skills and provide cross-border work;
- more funds for transnational cultural activities within and out of EU;
- supports adjusted to specific needs of audio-visual and cultural sector in EU;
- easier access to private funds through guaranties that could generate loans in amount of more than EURO 1 million;
- increase of banking expertise in cultural and creative activities;
- development of European competency in culture and film together with preservation of cultural and linguistic diversity.

Some authors emphasize necessity to invest in cultural sector, especially in the times of crisis. Kern (2010) points out why European Union should allocate funds to culture, that is, to sector of cultural and creative industries:

1. European integration and mutual understanding cannot exist without cultural dialogue. (...)
2. There is a lack of spiritual and emotive dimension within Europe. Culture and art are powerful ways to create opinion and mutual European values. (...)
3. Economy of culture presents 3 percent of European GDP – that is more than automobile production
4. Economy of culture means 6 million working places and it is one of few sectors in which employment increases. (...)
5. Culture is a promoter of new technological development (broadband, smart-phone...) and it contributes to relevance (and success) of technology (...)
6. Art and culture are key tools in development of social cohesion and improvement of public services (health care, security, education).

7. European cities are the most attractive in the world because of their cultural institutions and creative environment.
8. Subsidy is false excuse for absence of EU action. All important regulations related to economy of art and cultural industry are made in Brussels (...)
9. Creativity based on culture makes economy and industry more competitive (...)
10. (...) European mission is to maintain diversity in the terms of globalization.
11. (...) With mix of public/private investment/regulative, Europe is an example of management of cultural policies.
12. Europe desperately needs branding strategy to become 'Creative Europe' instead of 'Old Europe'.
13. Art in education is a key that stimulates creativity and innovations.
14. Europe has some of the best artists, designers, architects, advertisers and cultural/creative industries in the world.
15. (...) Without culture Europe cannot have a society led by imagination, solidarity, participation and poetry.

(Kern, 2010; available at: http://www.culturalpolicies.net/web/files/83/en/KEA-Arts_cuts_en.pdf; access: 11.03.2013.)

3. European Capital of Culture 2014 – 2019 – End of investment cycle?

Infrastructure consumption in ECoC cities still decreases (with the exemption of extravagant MP2013 project), causes for which can be found in a lot of reasons, that is, in combination of them all:

- reduced investment in cultural sector by state budgets (due to global economic crisis and related individual economy crisis within the countries);
- combination of political and economic crisis in European Union also becomes crisis of European identity, which leads to lower faith into European cultural programmes and projects;
- unjustifiability of big infrastructural investments – overcoming of the concept of infrastructure heritage and transition to concept of infrastructure burden (after a project, there are some facilities that do not have neither economic, cultural nor social legitimacy in the city);

- establishment of the new trend, with higher orientation to cultural programmes and involvement of community, and less focus on capital investment.

In the early stages, Umea 2014 (Sweden) was announced as one of ECoC projects with exceptional cultural infrastructure investments (up to EURO 690 million), but, in the meantime, ECoC programme itself was put into the focus. The cities selected in the following ECoC period (Umea and Riga 2014, Mons and Plzen 2015, San Sebastian and Wroclaw 2016), as well as pre-selected ECoC cities (Aarhus and Paphos 2017, Valletta 2018), on their Internet sites, emphasize cultural programme and implementation of community. That is why we can talk about new trend related to budgeting of ECoC cities, where big infrastructure projects finish in 2011.

New period in the programme starts in 2012, and it can be called 'ECoC and community', where it is trying to overcome negative economic trends and shortage of visual changes in the host city/cities through higher engagement of local community in the following way:

- participation of local and regional cultural and creative professionals from public and private sector;
- engagement of civic sector (volunteers) in the programme realization;
- engagement of local inhabitants in creating, implementation and consuming of ECoC programmes.

In this way, and mainly due to lack of funds, they try to use creative solutions that try to increase visible effects and recognition of ECoC cities, and long-term influence of ECoC programmes on the city (this time more oriented to citizens, and less to visual changes in the city).

4. European Capital of Culture from 2020 to 2033 – new infrastructure animation?

European Capital of Culture programme continues after 2019, when actual project regime finishes. Schedule of the countries included in ECoC from 2020 to 2033 is known.

Table 3: Schedule of the European Capital of Culture host countries 2020 - 2033

Year	Country 1	Country 2	Country 3
2020	Croatia	Ireland	Candidate or possible candidate country
2021	Romania	Greece	-
2022	Lithuania	Luxemburg	-
2023	Hungary	Great Britain	Candidate or possible candidate country
2024	Estonia	Austria	-
2025	Slovenia	Germany	-
2026	Slovakia	Finland	Candidate or possible candidate country
2027	Latvia	Portugal	-
2028	Czech Republic	France	-
2029	Poland	Sweden	Candidate or possible candidate country
2030	Cyprus	Belgium	-
2031	Malta	Spain	-
2032	Bulgaria	Denmark	Candidate or possible candidate country
2033	Netherland	Italy	-

Source: adapted according to <http://ec.europa.eu/culture/our-programmes-and-actions/doc/ecoc/ec-proposal-post-2019.pdf>; access: 1.03.2013.

The year 2020 could be new turning point in implementation of ECoC programs. New economy recovery trends in European Union could encourage new investment cycle in the following years, and that could also start 're-infrastructuralization' of ECoC programmes. In 2020 republic of Croatia and countries (that is cities) within the region, that just start access negotiations with EU, still can expect significant capital investments in the following decade.

5. Conclusion

Success of European Capital of Culture programme is not conditioned by high capital investment, but practices in host cities, especially in period from 2001 to 2010, defined completely new trend, which with withdrawal of funds gradually loose the importance. A partial return toward big infrastructure investments can be anticipated as soon as negative economy processes in European Union change the course. In the meantime, it is important to take care about the world projects derived from ECoC, with an emphasis on Brazilian Capital of Culture, Islamic Capital of Culture, and especially Arab Capital of Culture. Following European examples, and with more plentiful cultural budgets than those available on the

Old Continent, and with the aim to overcome achievements of their models, these projects could take at least a part of attention paid to success of the cities within European Capital of Culture in the following period.

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