

# European Year of Cultural Heritage 2018- ENHANCING SUSTAINABLE ENTREPRENEURSHIP FOR PRIVATE HERITAGE HOUSES

European Committee of the Regions

Brussels, Belgium

6 November 2018

14:30-18:00

## Opening Addresses

### Uno Silberg

Member of the European Alliance group, European Committee of the Regions

Mr Uno Silberg introduces the conference by drawing attention to the importance of exchanging experiences, discussing common initiatives and the effect of the EU policies on our communities. **70% of the EU policies are implemented at the local level**; therefore it is very important for our voice to be heard.

He also believes **promoting cultural heritage** at the European level does not promote uniformity, but **celebrates diversity** which is the power what makes Europe what it is. The 2018 EYCH was an excellent occasion to promote diversity across Europe, but it is also very important to carry this, after the year ends. We need to identify our purpose for the future **integration and promotion of culture also in our daily lives**. Culture is important for social development and economic cohesion. Mr Silberg identifies this as the role of the Committee of the Regions and of the EHHA, which are two bodies complementing each other. He hopes the conference will explore and discover new ideas on how to manage historic houses and how they support and develop tourism in the future.

## Keynote

### Themis Cristophidou

Director-General, Directorate-General for Education, Youth, Sport and Culture, European Commission

Ms Cristophidou starts her speech with thanking the EHHA for dedicating their annual conference for the 2018EYCH and for being an active stakeholder during the entire year.

She stresses that the year has been an invitation for everyone to discover and reconnect on the local, regional national and national level with European heritage. They focused on young people to **re-evaluate their relationship with cultural heritage**. People responded to this call: **Over 6 million people were engaged throughout Europe in around 11 500 events**. These numbers show the power that cultural heritage has in bringing people with a common purpose together. The year also served as a catalyst in bringing into the spotlight the cultural and economic side of historic houses. Historic houses show us the **achievements of our**

ancestors; inspire us in modern construction and guide our efforts in preserving historical buildings.

Ms Christophidou brings up the iconic example of the house of Troidhaugen in Bergen, Norway where the composer Edvard Grieg lived and created timeless musical masterpieces. She believes great treasures lie in these houses: upon entering, one becomes a time traveller, going to a different Europe in a different time, in a different century. She mentions that the EHHA has a well-established record of making this time travel possible. An example for the outstanding efforts of the association is the organisation of the **Private Heritage Week** where **624 historic houses in 17 European countries opened** their doors for the public. Historic houses bring the past back to life and allow us to critically assess how our society has progressed and changed. Thus, a firsthand experience, such as visiting a historic house, has **strong educational value**; specifically, for young people. It gives them a chance to leave the classroom and come to face-to-face with their cultural heritage.

Giving the immense value of Europe`s heritage houses, they have to be maintained and preserved for the future generations. This is why the theme of today`s conference **“Enhancing sustainable entrepreneurship for private heritage houses- EYCH 2018”** is spot on. She feels very pleased that the EHHA is part of the winning consortium, focusing on opening micro business models in family-owned heritage houses. The project will be the first of its kind, mapping business models for privately owned heritage houses. Strong, and replicable examples will serve as inspiration for owners throughout Europe. Combined with policy-recommendations it will contribute to a sustainable future for historic houses. This initiative is needed, as **41% of European heritage houses are in private hands**. It is important to acknowledge the incredible work these owners do to preserve their cultural heritage for the future generations.

Ms Christophidou pinpoints that the sustainability of historic houses is not only up to European funds, the European Commission **also elaborated a number of initiatives** to develop a European cross-sectoral and integrated approach to address some of the main challenges facing cultural heritage. One of these initiatives focuses on tourism and cultural heritage; and is particularly relevant to today`s discussion. Member states are working together to develop policy recommendations on sustainable cultural tourism. Preliminary discussions were finalised in Cyprus, and soon will be shared with the public.

The EYCH will end in December, but they are fighting to preserve its legacy through targeted funding and a coherent policy-framework. The European Commission has promised to continue implementing the **Creative Europe programme which funds the cultural-creative sector beyond 2020 with an overall budget of 1, 85 billion Euros**. This amount is an increase of more than 25% of the current budget, and is intended to boost the cultural sector. To complement this funding, comes the **New European Agenda for Culture**. The agenda recognizes the power of culture to make Europe more socially cohesive and economically competitive. Following up from the agenda, Commissioner Navracsics is planning to announce an Action Plan at the official closing ceremony of EYCH. These three elements will contribute and continue to give the necessary attention for cultural heritage for the years to come. Working with associations like the EHHA, we are building a framework for culture,

including historical buildings and sights can flourish. What we need for success is a common policy and a funding basis, supported by the work of the Member States and stakeholders. She looks forward continuing this most important task with the EHHA.

### Rodolphe de Looz-Corswarem

#### President, European Historic Houses Association

Mr de Looz, as the representative of the host association, welcomes everyone to the conference, organized within the framework of the 2018 European Year of Cultural Heritage.

He explains what this Year has been a unique, one-time-only opportunity to change the perception of private entrepreneurs of heritage houses to a more dynamic one, highlighting its innovative nature. He adds that the EHHA's project is well timed as the political momentum of 2018 should help us improving the legal frameworks, encourage participatory governance and promote innovative funding and management models for our entrepreneurs of heritage.

He hopes that the conference' proceedings will feed the project '**Heritage Houses for Europe. Exchange & Innovate**' financed by the EC and managed by the European Historic Houses, European Landowners' Organization, and IDEA consult.

### PANEL 1:

#### Contribution of European Heritage Houses to EU Attractiveness

Keynote:

### Tom JONES

Member of the European Economic and Social Committee, Rapporteur on the own-initiative "*The contribution of Europe's rural areas to the 2018 Year of Cultural Heritage ensuring sustainability and urban/rural cohesion*"

*Please check the PowerPoint presentation for additional details.*

Mr Jones stresses that he says he can personally relate to the objectives of the EHHA, as he is a farmer himself who knows what sustainability means. At the same time, priorities change, hard work changes, protection changes, thus we need to talk with the new generation and we need to realize that there is always a new generation. Introducing cultural heritage-related issues sensitively and diplomatically can make the young generation gradually embrace it. There is need to invest, to plan, to process and to prove the framework to these places, and also to prioritize on what is the money spent. As he said "Heritage can be a **cost**, a yoke around our necks, but also a **value** for wellbeing".

In the next part Mr Jones expresses his concern about biodiversity, as we do not know much about it, but we know for sure that it is disappearing. At the same time, "dead" landscape cannot offer any employment for the community. Also that is why it is important to preserve biodiversity, and hence landscapes.

Then he draws attention on the difficulties around historic houses, as there is a shared responsibility between the taxpayer and the owner. Also, the world is changing into a competitive climate nurtured landscape.

Mr Jones concludes his presentation with the story when he went recently to Romania and saw a very well-preserved monastery, but there was graffiti on it. He raises the question whether the graffiti belongs to cultural heritage or not.

William Cartwright-Hignett

Coordinator Next Generation Group, European Historic Houses

Mr Cartwright–Hignett opens his speech with drawing attention to the unique nature of heritage: if you lose it, you cannot take it back. You can buy new cars, recreate experience but **you can't buy age**. He illustrates his statement with China's example where people are trying rebuilding old buildings, but the result is not the same. Thus, **we need to save our heritage** in a good shape so we can pass it to the next generation.

Heritage houses are part of the culture we all share; heritage makes us understand the world and brings worlds together. There are several buildings in private hands, enormous amount of them in Central-Eastern Europe where the properties go back to private owners. Private heritage has always been a centre of a community, a big house 200 years ago was the centre for employment gathering many people, **so what has changed?**

In our globalized world, there are more opportunities, faster pace of change than what we ever experienced. We need to rethink the concept of historical property, we have to recreate; the heritage remains relevant to the community: this is the **critical elements which leads to survival**. Then he raises the question "Why are there no Roman warriors anymore?" - Because they are not **relevant** anymore-he answers. The commercial imperative shows that **there is determination to achieve a sustainable model**. There is much wider opportunity for commercial exploitation of historic property. **Privately owned heritage drives tourism**.

At the same time, people today want experiences: just opening your house is not enough anymore. And this is where we can make the extra: tourism is one, but maintenance is another issue. In the UK 900 of the 16000 houses are open to the public.

**How can we unlock the passion of the next generation for heritage?** We need to **equip the younger generation with the assets they require**; for example with conferences to get them together. Then they can share best practices; they can create a social network; at the national level we create group available on that level. We need this level of playing field in legislation and in the fiscal environment. We can help by creating historic properties as SMEs, by working on reducing the VATs, or by applying for grants. Heritage Houses are another SME industry, a viable profitable way to make profit. The governments usually can't afford to sustain the heritage house, thus it will always fall in the private sector.

Eduardo Santander

Executive Director, European Travel Commission

Mr Santander reflects on the previous speech given by William Cartwright-Hignett, stressing how tourism plays a huge role in the discussed topics. Tourism could be a catalyst for the European economy after the Second World War. Seventy years later we are still talking about the same things: tourism involves 30 million jobs, and the spillover effect. Programs, such as VisitSpain attract many people from far away, people from third countries. There is a **huge market the EU has to offer**.

The 2018EYCH is about common grounds when it comes to heritage, but also about the respect for own history. In globalisation and in the modern times, it is important to preserve heritage, because **heritage is not the past**, but what we are and why we are the way we are. At the same time, 85% of EU tourism involves SMEs: hotel chains; internal market is flat since 10 years. There are no more increase in the number of people from inside of the EU in the last 10 years, but the increase in numbers come from 3<sup>rd</sup> countries. Also, the majority of places in Europe are still under-visited. Their goal is to take the people from the big sites to the small ones.

Mr Santander tells, that at the ETC do research and marketing; selling Europe in America, South America and Japan. Europe from the outside is seen as a museum, the place where human rights were born, and where tourism was born. When it comes to sell Europe in 3<sup>rd</sup> countries, we have to consider that a lot of Chinese people are very well educated, and they know exactly what they want to see and do here. Most people who come and see the houses are in Europe for a while. There is also a niche in the market: in China there is a minimum of 40 million of people, one of their researches shows a huge appetite for hidden treasures in the countryside. Chinese people want to see castles, want to go and feel like a queen or king for a night. This means that owners have to adopt, it doesn't mean that they have to lose their authenticity.

When it comes to cultural habits we **should be more hospitable**, especially when they come from far away; you can't expect that all 3<sup>rd</sup> countries understand Europe, but when Asians come to Europe they come with an expectations.

Csilla Hegedüs

President of Transylvania Trust

*Please check the Powerpoint presentation for further details and illustration.*

Ms Hegedüs opens her presentation by calling the sustainability of historic house **impossible-possible**. She explains her experience with the private castle she was most involved with: the Bánffy castle, or the "Versailles of Transylvania", laying on 70 hectares, one of the most beautiful estates in the Austrian-Hungarian Empire. They are working on restoration of this castle; which involves a business, educational and cultural layer. They also already received a prize from Europa Nostra. Their activities were led by the lack of money; in a financially restrained situation they needed to find creative way to solve the problems. Thus, they organized restoration camps where youngsters paid by the commission learnt and carried out the restoration job.

There were a number of countries who sent students to the training course, supported financially by the European Commission. They operated this way since the Commission only gives funding for projects, not for the restoration itself. At the same time, they are still the largest supporters of the castle's activities. Besides the organization of courses and workshops, their main goal still **was to bring back the castle to life**. This was helped by becoming the host of the largest electronic music festival of the country, the [Electric Castle](#). The Banffy castle belongs to an old family of Romania, the Bánffys, and it has always served as a community used by everybody, regardless of nationality or rank. That is why they see their work as building bridges between nations and different regions.

Ms Hegedus finishes her part by asking the people present to make a common pledge to the European Commission. She explains, that it is nice these buildings can receive a grant, but at the same time, these places are used by the community, therefore the European Commission should consider in the next period to **co-finance the restoration process**.

## PANEL II

### Development of new innovative business models to sustain heritage houses

KEYNOTES: Patrick Klein and Girma Anaskeviciute

#### Patrick Klein

Policy Officer, Advanced technologies, Clusters and Social Economy Unit, DG GROW, European Commission

Mr Klein states that since the adoption of the EU agenda for Culture in 2007, **cultural heritage has been a priority for European cohesion**. Heritage is a great value to society from cultural, environmental, social and economic point of view. Sustainable management is a strategic choice for the 21<sup>st</sup> century.

**Cultural heritage is really the fabric of society**. It creates identity, community and attractiveness. **European family owned heritage house are a key contributor and important contributor to this attractiveness**. Today the management of cultural heritage consists of many stakeholders, private, public and non profit associations. New business models are being developed, that can be further strengthened. Public private partnerships are very important in these areas. Family owned houses cannot survive only on subsidies; we need to find new methods. Public-private agreements can be solutions here. Also Start-ups, hospitality and tourism industries are also possible options.

**Impact investment** is an area with a lot of potential, according to Mr Klein, when it comes to the sustaining historic houses. He tells the example of The Louvre, which developed a scheme, a created a dedicated found which partners with equity investment found to work on impact investment. This might be a possibility for us to develop and find ways to support private historic houses. Private historic houses are basically SMEs; therefore this could be a solution also for them.

Mr Klein's third point is about crowd-founding. **He finds crowd-funding an important business model** to maintain historic houses. Joined with an entrepreneurial vision this could also be a possible solution for the maintenance of historic houses.

In conclusion, we are at **a turning point**: there is a new generation who created new solutions, such as the start-ups. At the same time, we have to help both managers and owners of places, and we have to make the public discover new places. Many of these start-ups can be seen as social enterprises as well. There is no macro-solution for the sustainability of historic houses, but there are multiple ways to explore the issue. Talking about financial solutions, he gives the word to Girman Anaskeviciute.

### Girma Anaskeviciute

**Tourism and creative industries Unit, European Commission, DG GROW Entrepreneurship & Tourism**

Ms Anaskeviciute highlights the importance of **historic houses in the tourism industry**, and how tourism plays an important role in the economy, as it has the highest growth in the EU in the last seven years and they forecast a continuous growth. She adds that this **growth has to be sustainable and competitive on the global market**. Tourism built on cultural heritage has to find new business models, skill gaps, educational offers and answers to changing customer behaviour.

She explains what the European Commission (EC) is doing in this area: providing the framework to help industries to get access to finances. First, they help businesses, especially SMEs to access European strategic investment funds, and they also offer targeted support. The EC also developed a "[Guide for EU Funding for the Tourism Sector](#)" which contains in details how to reach out for EU funds.

Ms Anaskeviciute explained that the EC set up a dedicated platform: to equip the workers, to revise occupational profile curriculum, to promote mobility, to attract new talents and to facilitate sectoral cooperation. This smart specialization platform prepares a **pipeline for investment project funds** and a mix of EU funding programs. 70 regions already joined the platform and created eleven networks between them.

Fourthly, the Commission contributes to help the EU to have the leading role as the number one tourism destination in the world. For example, they are raising visibility with the [EDEN project](#) (European Destinations of Excellence). Important to note, that 40% of tourism is related to culture in Europe. At the same time, **their aim is to keep the tourism in Europe sustainable**. Then she mentioned that the EC started a project with UNESCO, "[The World Heritage Journeys](#)", with four itineraries: Ancient, Romantic, Royal and Underground Europe. They included nineteen less known countries of the EU in this project.

In conclusion, the most important is, to cooperate on all levels in Europe to develop together and achieve sustainable tourism.

### Bastien Goullard

**Founder of Dartagnans start-up**

Mr Bastien Goullard explains that the Dartagnans is a start-up which helps the preservation of cultural heritage places. In 2015, in France when the Dartagnans was found, they aimed to **build a bridge between the public and cultural heritage-owners**. They discovered that in Europe people are very close with their cultural heritage, but they had no ways to support them. They intended to cover this niche on the market, thus created an online platform where they are looking for private and public castle-owners and they offer to collect donation for them. They manage to collect hundreds of thousands of Euros to finance the renovation of a building. At the same time, once they raised millions of Euros to buy an entire building. In October 2017 they launched a project to buy the **de la Mothe-Chandeniers** Castle. The concept was simple. Everyone could buy a share for 50 Euros of the company which purchased the castle. In two months they received 1, 6 million Euros, from around 2000 people residing in 150 countries. 55% of them were French; the rest who donated was from abroad. By sharing cultural heritage, saving something important together, people with different culture cooperate for the same cause.

This is a new model to involve people in the preservation process. Developing also means to bring tourists to the sights. And the petrol of Europe is the heritage. This is probably the only subject that all countries can be part of. Mr Goullard draws the attention of the audience to the forecast, that in 10 years we are going to receive 500 millions of tourists. We still need to welcome them, and find new places to bring them to. Their aim at the start-up is to help owners to receive tourists. They want to have the biggest community and raise money to preserve even more heritage.

Mr Goullard believes that if the public works with the private then they can make a bridge altogether resulting in a good cooperation aimed at preserving cultural heritage.

### Madina Benvenuti

#### Founder of Mad'in Europe

Ms Benvenuti points out the importance of **tangible heritage** and producing crafts must be safeguarded, particularly in their own home communities. She believes that **everyone alone or collectively should benefit from heritage**.

Mad'in Europe is a small company that has the challenge to combine UNESCO and the European Commission and safeguard of European tradition crafts as European intangible heritage: creating engagement; enhancing local crafts, preserving competitiveness in craftsmanship; also offering carrier opportunities.

The Mad'in Europe's mission is close to the EHHA, as there are many issues around historic houses such as changing the rooftop, changing the chimney, ornaments replacing, inside the house restore books, painting. Owners may want to enrich their interior with contemporary pieces by craftsmen.

The common point is the KNOW-HOW being lost in the last decades, as schools are closed. We know that by 2028 the actual generation of craftsmen will be retired and many of them won't be able to reinvent their crafts. The question is how can we push young generation to

learn these crafts? One possible solution would be to **facilitate the mobility of craftsmen** as often they live far away.

The purpose of Mad`in Europe is to **collect isolated invisible crafts**. They have lack of innovation in marketing and communication, most craftsmen don't want and don't know how to use the computer, they don't create synergy among them, they don't share tools and experience. It is often the case, that by losing competitiveness in the end they have to close. What they face and what Mad`in Europe is trying to do is creating a portal to bring the answers, grouping craftsmen from all over Europe.

## Final remarks

Ms Quaedvlieg-Mihailovic concludes the speeches and the conference. First of all, she stresses that the **2018 European Year of Cultural Heritage has been a road we designed together, and could be considered to be a clear success.** However, this **should not be the end of our cooperation,** but a **new phase in this engagement.** For example, nineteen Directorate Generals deal with culture currently, as they acknowledge its importance. Talking about private historic houses, there was an interesting shift, namely that **private ownership transformed to family owned enterprises.** At the same time, there is a great and urgent need for **political and fiscal support for private historic houses,** as Mr Cartwright-Hignett mentioned earlier. Ms Quaedvlieg-Mihailovic hopes that in the future there are going to be more EU initiatives and funds aimed specifically to private cultural heritage.

Lastly, she draws everyone`s attention on signing the [Berlin Call to Action](#) “*Cultural Heritage for the Future of Europe*” initiative of Europa Nostra.

Ms Quaedvlieg-Mihailovic thanks the speakers, panellists, Rodolphe de Looz Corswarem, the outgoing presidency of the EHHA, and the team for organizing the conference. She adds that her organization, the Europa Nostra is very much looking forward to cooperate with the new governance of the EHHA.