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Paper Title: "Locality and Cultural Regeneration: The Case Study of the City of Heraklion"¹

Abstract:

The purpose of the present paper is to examine the relationship between culture and local development. In this sense, culture could contribute to the urban and regional regeneration. The paper develops into the following parts:

The first part provides a literature review in the role of culture in the local development. It also focuses on the contribution of cultural resources in the economic performance of a city or a region. Moreover it tries to explain the relationship between the local and the urban theories and the theories of development in terms of culture.

The second part of the paper is a Case Study of the City of Heraklion as a European Mediterranean city with special cultural heritage and cultural background. The Case Study examines the impact of culture on the current economic activity of the city and the prospects of economic development. The investment in the cultural resources, the cultural heritage and the cultural assets could be under some circumstances, the comparative advantage of the city.

Finally the paper concludes that the cultural regeneration of the city and the proper exploitation of its cultural resources could contribute to the urban and economic development.

Introduction

Culture and Cultural heritage in general is the comparative advantage of every city with a special history and cultural background and could be exploited as a productive asset in the local economy. In this sense there is a contribution of cultural resources in the economic performance of a city or a region.

The purpose of the present paper is to examine the relationship between the local and the urban theories and the theories of economic development in terms of culture. This relationship is an interdisciplinary field of research and for the purpose of this paper we make the following assumptions:

- Culture is not easy to be connected with economics. There is an economic aspect of culture and it has its restrictions. The restrictions based on the

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differential role of Culture either as a public good - public service or either as a private good - public service. The role of Arts depends on its meaning as a profit or nonprofit sector. From the other hand there is an economic dimension of art and cultural creativity including arts production as consuming goods. Production and consumption in the fine arts and in culture in general is not easy to be measured.

- In this paper the term "Culture" is examined as a general term and includes all the kinds of culture as high culture, living heritage, arts, creative sector in general, etc Cultural Activities include all the activities of the arts and literature as the creation, distribution, and the consumption of works of art and literature, visual and performing arts, cinema, music, cultural institutions, museums, libraries, historic buildings e.t.c.
- The role of Culture in the local and regional development is as a separate field of research with an increasing interest the last years. Especially in Greece the study of the role of culture in Local and Regional development is completely new. The interaction between culture and local economy and the economic dimensions of arts in the city's regeneration is a field of research with special interdisciplinary dimensions. Local and regional development is depended from and related to the management of cultural recourses and the cultural assets.
- **Development focuses to the human being.** In this assumption all the theories of local cultural development suggest that the main goal of the development is human. People are in the center of every cultural and development planning theory.

Given that the physiognomy of a city is determined primary also by its citizens, their professional activities, their morals and customs, the initiatives in urban regeneration undertaken by the European Union referred to the human capital and promoted considerably its maintenance (of the physiognomy). Moreover in its fundamental inference, is included the reengineering of its "urban network" with a specific way that assists his unhindered and effective use from humans. (Mitoula, R. 2002)

Heilbrun James and M.Gray Charles (2001) conclude that the role of Art in a local economy is the human well-being.

"Economists, on the whole, would agree with that way of looking at the matter :if the arts deserve local support, it is not because they are instruments of economic development, but because they make an indispensable contribution to the well-being of the women and men who make up the local community. (Heilbrun, J. & M.Gray, C. 2001)

Literature review-The local dimension of development

The role of culture in the local level becomes the more and more the main agenda for the cities development. In this section is examined the relationship between the cultural sector in general and the economic performance of a city or a region. It also analyses the theories and the contribution of the local and the urban theories and the theories of development in terms of culture. Culture is the local dimension of development and could contribute to the urban and regional regeneration of a city, as it plays a privileged role in the local and regional economic activity.

There are many theories of strategic planning in local development. All these theories try to explain one or some of the special dimensions of development. From this point

this study tries to explain the interaction between culture and development in local level.

The term local does not only concern the particular territorial unit but is reported in each activity or process, that becomes with initiative or is supported by the local institutions and more generally the local population (Coffey and Polese, 1985 in Christofakis, M. 2001).

As Christofakis, (2004) refers in many studies of regional development as Barquero (1991), Chatzimichalis (1992), Papadaskalopoylos (1995) there is a pluralism in the theories of development in local level. All these assumptions depend on the various strategies and local planning methods. He considers that the theories of development are connected with the territorial, political, economic and cultural aspects that a place involves.

In this paper we assume that the development strategy of a region, or a city is related to the conditions, to its citizens' activity, to the local institutions etc in the cultural sector. This is a multidimensional model that depends on different criteria and ways of the economic activity in the production and in the exploitation of the cultural diversity of a place and its cultural recourses.

The state can contribute to the production of cultural goods and can reinforce the cultural activity with direct or indirect subsidies to the Art Market in order to implement its redistribution policy and to empower the role of culture as a public good. The best way to implement these policies is to empower the production of artistic goods and to invest in education in order to produce a holistic artistic culture. Christofakis (2001) referred to all these theories Garafoli, (1992), Gatel-Passaris, (1986), Papadaskalopoulos, (1989), Edward J. Blakely, (1994), Barquero, (1991) in the field of Local and Endogenous Development. As it is obvious the local factors (organizations, institutions, enterprises, initiatives, entrepreneurship, strategies and human recourses) are the basic vehicles of the development process. The local factors do not concern only the geographical and natural characteristics of the territorial units (natural comparative advantages, resources etc.) but all the sociocultural and the economic characteristics, strategies and political aspects of the local productive systems, that are related to the local activities and to the local development process.

All the territorial units offer a number of resources (financial, human, institutional and cultural which are related to the background of their endogenous development. (Christofakis, 2001).

In this assumption is based the hypothesis of the present article. The question is " Is there any possibility for Heraklion (territorial unit) as a middle size city with a special cultural background to exploit its special sociocultural features and its cultural resources in order to achieve endogenous development? Is there any possibility towards an effective exploitation of its cultural resources in order to produce a comparative advantage for the local economy?" There are many references in the literature for the multifactor dimension of the local development. All these factors interact and produce the comparative advantage for a place.

There is a need for a coordination of the local players in the cultural sector so that they will interact for the development of local resources and the coordination of their actions. The interaction between the local authorities, the cultural institutions and associations, the local artists and the cultural networks and finally the cultural enterprises can faster the local development.

Furthermore if there is a critical mass of local partners in the cultural sector, then it will be easier for the local development to be faster through the interaction between local and cultural activities. The idea of a two-way effect of the cultural capital of each region with the public cultural management can contribute to the local development.

Investment in Cultural Capital is the answer

There is a new form of local and urban development, which is supported by local cultural resources. These are cultural resources that are coordinated by local factors and partners as local enterprises, institutions, initiatives of citizens in local level, local organizations. All these resources are included in the Cultural Capital. The interaction of culture capital and cultural assets will be the answer to the urban development.

The present paper investigates the significance of local development which is based on cultural resources. The assumption is based on the fact that the cultural resources are "underemployed".

The Local Authorities must invest to the special assets of the city. As Throsby (2010) defines the cities must be seen as a collection of the following assets:

- physical capital (buildings, economic infrastructure, e.t.c.)
- natural capital (the natural resources and ecosystems on which cities depend to maintain their environmental integrity);
- human capital (the skills and capacities of the cities 's inhabitants); and
- cultural capital (tangible and intangible cultural assets).

The strategies for urban development must

- create new assets in one or more of the above categories;
- to improve efficiency in the management of existing assets, and or
- to renovate, restore, recycle or re-use old assets, as is the case with cultural heritage.

In this paper we analyze some of these assets in the city of Heraklion and the possibility for them to be the comparative advantage for the city.

The aggregate of urban cultural capital in any given city comprises tangible assets-buildings, open spaces, public spaces, art collections, monuments, and so on- and also a range of intangible assets, such as traditions, the sense of place, customary behaviors, networks of artists and consumers, and other immaterial things, all of which can be described as elements of the cultural infrastructure of the city. These various capital stocks produce that variegated flow of services which, when combines with other inputs, yields the continuing array of artistic and cultural benefits consumed by inhabitants and visitors alike. (Throsby,D. 2010)

Culture Capital and its use is depended on the city's character. There are many cities all over the world that are known as "Cities of Arts" as Throsby defines, because of the investment and the branding in their special identity as a form of special characteristics. All these cities have a special cultural heritage, architecture, history, monuments and natural resources and other special characteristics for example Florence, Venice, Granada etc. All these cities is a best practice model. Throsby observes these cities and conclude that the local authorities and urban planners have the responsibility to recognize the different forms of cultural capital and to invest in them and then the "art creates art' The model of planning methods, the urban development process, the local development practices and the other directions could be applied in other cities as well.

The key economic factors in a city with a special cultural background must be its cultural background, its identity and its special characteristics. Then the cultural physiognomy of the city will be the attraction for the economic activity.

"The Cultural Capital in these is so dense and interconnected as to render it to try to all but pointless to try to separate out the component contributed by any one element of it. It is the accumulation of the items of cultural capital that such cities contain that gives them their unique status. Moreover, the flow of services from this stock of tangible and intangible cultural capital, which in these cities has been generated continuously over centuries, is of a particular self-reinforcing kind where, in short, art creates art." (Throsby, D. 2010).

In the same conclusion comes Franco Bianchini and Michael Parkinson (1993). They analyzed the relationship between Cultural Policy, City Regeneration, local and urban development.

The use of cultural policy as an element of urban regeneration strategies is increasingly an uncontested issue. Yet this consensus masks serious dilemmas regarding strategic choices in economic, cultural and community development. (Bianchini, F. 1993)

Bianchini analyses Case Studies from 8 European Cities (Glasgow, Rotterdam, Bilbao, Bologna, Hamburg, Montpellier, Liverpool and Rennes). These cities adopted an interconnected program of cultural urban and economic regeneration. All these studies conclude that cultural policy is an interdisciplinary tool which can be applied for the urban and economic development and connects the strategies with the priorities of the decision-makers. For this point of view the decisions depend on the role of the citizens and the local democracy in each city. Moreover Bianchini focuses on the role of cultural planning which can help the local authorities to find the cultural resources of the city and to implement an interconnected strategy in the fields of urban planning, architecture, tourism, education and training etc.

Bianchini concludes that "Three broad areas in which a change in perspectives would be beneficial are identified: the need for organic links between policies on culture and policies on training, education, research and development; the importance of adopting broader definitions of 'urban regeneration' and 'quality of life' as bases of policy making; and, most importantly, the adoption of a 'cultural planning perspective, with significant implications for the training of policy-makers and the corporate working of city governments." (Bianchini, F. 1993)

As it is highlighted in the book of Deffner, Konstantakopoulos and Psyharis (2001) the influence of culture on the regional economic development of European regions is based on the ideas of social interaction that found among diverse actors in Europe. Such interactions are conducive to the creation of a regional cooperative culture for assimilating knowledge in knowledge-based economies and information societies, and most European regions are now adopting them. Moreover, the debate about the importance of culture in the light of current trends towards decentralization and regionalization in Europe suggests that any regional policies must take into account the socio-cultural dimension of the region. (Deffner, A. Konstantakopoulos, D. & Psyharis, Y. 2001)

Nowadays there is a need for an interdisciplinary method in the analysis of the economic activity in a local level in terms of culture. Locality and development is the answer and we study a holistic approach based on many sciences as: regional and local development studies, territorial and urban planning, urban geography, cultural economics, cultural planning etc.

Thus, there is discussion of a 'cultural turn' in geography (Vaiou and Mantouvalou, 1999; Naylor et al., 2001), as well as in planning (Bianchini, 1999; Evans, 2001). However, spatial studies have been, at least since the sixties, 'cultural' as well as 'economic' and "temporal", in the sense that culture is ever present. The current situation is that, from a marginal interpretative point of view, culture has become a central theme. However, it should not be considered as the most important factor, but rather should be approached in conjunction with other factors, and especially with the economy (Lambrianides and Deffner, 2000).

The afore-mentioned adjustments can be seen in the form of initiatives taken by some local, regional or even trans-regional entities, as well as industries or individual companies. These initiatives assign a renewed meaning to regional culture and identity, and some European regions are already implementing them on a grand scale. Nowadays locality is the answer to every strategy in the local development. Locality and local development is based on the special characteristics of the territorial unit the natural, geographical, economic, human, institutional and cultural recourses. (Deffner, A. Konstantakopoulos, D. & Psyharis, Y. 2001)

Moreover Christofakis (2001) suggests that the local development can be considered as a process of economic growth and structural changes, that leads to the improvement of the level of living of the local population. He also concludes that from this process two dimensions are distinguished, the economic dimension that is related to the productivity and the competitiveness and the sociocultural dimension that is related to the values, the deliveries and the local institutions, that constitute the base of developmental process.

At the end of the 20th century, the formation of the cities was largely influenced by the phenomenon of globalization through the economic conditions on our planet. The financial and technological progression created the conditions that resemble closely to what McLuhan defined as "a global village", approaching the city as an alive and organic system, a place created from people for people. Not only did each urban space had to incorporate some changes in order to respond to the need of its citizens for equal participation in the Information Society and to the new economic landscape; it was also the citizens' way of life that had to be harmonized with the new situation. One could say that in the present day, a few years after the phenomenon of globalization forcefully appeared, cities are in greater need to preserve their physiognomy, especially by promoting their special characteristics and what makes them different. This will not only protect them from possible harmful homogenization, but will also encourage the preservation of important elements of world urban environment, which could work towards the development of a timeless urban conscience and the debate of what is beautiful and what is functional in urban space-a debate that has been in the center every human civilization.

In order to implement the above framework, we need to inaugurate an action plan that will identify, preserve and promote the special character of these cities. This plan should incorporate a continuous search for the definition of the physiognomy of a city in such a way that no aspects of its past or present will be overlooked. Of course the

interest will be greater, when the city in question has a long and turbulent history. (Mitoula, R. & Balerbas, A. 2004)

Culture and Urban Regeneration

Biankini and Parkinson (1994) suggested that the role of culture in the current strategies of urban regeneration is dominated by a combination of aesthetics, economic and commercial needs. The deep need for lucidity and functionalism in the planning is accompanied from deeply rooted stress for "chaos" and order. This observation is the key on the one side for the comprehension of the reason that a such attitude has success and popularity to the elite of the city and from the other side for the awareness on how many basic threat constitutes for the society of the city this script on regeneration.

As Throsby (2010) observes It has been recognized for some time that the arts and culture contribute to urban life and to the economic development of towns and cities in a number of ways, including the following:

- Artistic and cultural activities at the local level can provide social engagement and employment - creation opportunities that may be useful, for example, as a means of re-engaging displaced social groups such as marginalized youth
- Strong cultural infrastructure and an active artistic life can be important in creating 'sustainable cities' and in attracting inward investment to an urban region by providing agreeable living and working conditions for staff of in-migrating enterprises.
- A simple cultural facility or a institution can on its own provide a stimulus to urban economic growth; the Guggenheim Museum in Bilbao, Spain is often cited as a paradigm case of a cultural investment that has led to revitalization of a depressed urban area. Other iconic cultural buildings and structures, such as the Leaning Tower in Pisa or the Taj Mahal in Agra or Great Wall of China, are magnets for tourism and, over time, become important cultural symbols for local residents as overseas visitors alike.
- The cultural identity of a city may also be enhanced through the staging of artistic events and festivals. For example, long-standing festivals such as those in Bayreuth, Edinburgh or Salzburg, are inextricably available in urban settings.
- Cultural industries can benefit from network and agglomeration externalities available in the urban settings. The growth of 'creative clusters' in the cultural industries in a number of cities - fashion in Milan, theatre in London, films-making in Hollywood- reflects the economic advantages of co-location. (Throsby, D. 2010).

Cultural characteristics-Locality-The physiognomy of a city

When we refer to the regeneration, we primarily mean the intervention in a morphological level. That is to say, a space that has been created in order to cover specific activities has suffered deteriorations or destructions or it has known the devalorisation or his initial operations they have slacked or have been added new operations, in which it is unable it corresponds. In this case we owe to mark that the interventions are not located exclusively in the nutshells, but her repercussions are also presented in the operations and in their human potential. We forget however, that in the objectives of reformation is included the exercise of action for the cultural

exploitation. The last one consists in the projection, the aesthetic appointment and the maintenance of physiognomy of place. (Mitoula, R.1999)

The physiognomy of the Greek city is shaped by - according to the results of N.T.U.A. Urban Design Laboratory for "the physiognomy of Greek city"-a wide variety of elements of different origin. Some of these are the physically "em-bossed" characteristics, the topography of the soil, the presence of the natural element, the climate etc. Apart from the elements that are determined by geophysical position, a very significant role is played by the cultural and especially the architectural heritage. This heritage can refer to merely the notorious ancient name of cities with great heritage (eg. Thiva, Argos) or even to whole historical centers highlighted with vivid memory elements (eg. monuments). However, in order to determine the physiognomy of Greek cities, apart from physical and cultural characteristics, we need to focus on the "Logos" (Speech) and "Myth" of a city, as an expression of the communal consciousness of the citizens meaning the civilization itself (Kamperou, 1984). Furthermore, the physiognomy of the Greek city is influenced both by political -social -financial systems and by the human factor which is the overall character and the temperament of the Greeks. In addition, it would be an omission not to mention the influence of the legislative frame in the shaping of the physiognomy of Greek cities, while the character of Greeks and the specific characteristics of people from different Greek regions also play a very important part. For example, people from Crete, Macedonia, Cyclades, Thessalia, etc.

On the other hand, while the effects of globalization are continuously enhanced and are more frequently observed at urban surroundings, the question that first comes forward is whether the European Union (E.U.) contributes through its policy and actions to the confrontation of the "devastating" phenomenon of globalization and secondly to which extent it identifies with it or at least contributes to its expansion. We should however differentiate the globalization phenomenon from the creation of the E.U. The latter, according to a series of E.U. declarations which have moved forward to the state of action and undertaking of the necessary measurements aim at the respect and the enhancement of local peculiarity of European nations.

Undoubtedly the greatest advantage of Europe is the diversity in cultural values and ways of life. Consequently, the inner resistance of Greek cities to any radical change and distortion of their characteristic physiognomy is supported by the European Union. As presented in the research, the E.U. increasingly attempts to eliminate the effects of globalization that might threaten the cultural and social constitution of Europe. The first European actions have thus been supported on powerful cultural base and cultural heritage. Naturally, Greece is a place which has these characteristics in a high degree. (Stefanou, I., Mitoula, R. 2005)

In this point of view the maintenance of the special cultural characteristics and the physiognomy of a city can help the local development due to the regeneration of the cultural background for the citizens and the visitors as well.

The City of Heraklion

This part of the paper is a Case Study of the City of Heraklion as a medium size city with 173.993 habitants. Heraklion is a European Mediterranean city with a special cultural heritage and cultural background. The city is the largest urban centre, the

economic and commercial centre and the capital of the Region of Crete. The Case Study examines the impact of culture on the current economic activity of the city and the prospects of economic development. The city is changing a lot and has to regenerate its image and to redefine its identity for the citizens and for the visitors as well. Locality must become a comparative advantage and the interaction between its tangible and intangible assets of Culture must be its main strategy.

As Stefanou, Mitoula, Balerbas (2004) conclude every city is integrally linked with its physiognomy created not only by its geographical position but also by its historical background. This physiognomy is identifiable and it is being reinforced by its citizens.

The role of culture in the city of Heraklion-The Identity of the City.

Heraklion has many cultural assets that are elements of cultural capital and haven't exploited properly. The city was developed rapidly at the previous decades and today has to redefine its role in the international city's positioning by invest in the cultural sector and its image. In this framework is investigated the possibility for a more human and cultural development aspect. The definition of identity of the city and the focus on culture could produce economic profits and at the same time urban development. This process needs a special cultural planning and urban planning which will connect all the cultural assets of the city.

In Heraklion the structures of research and innovation, the rich historical and cultural background as well as the particular Mediterranean identity compose a special geopolitical character. According to the theories of modern economic geography it could be developed suitably the particular cultural character of region and become a new creative city that will lead with its own way to the economic growth. The city can enrich its identity and invest in the following comparative advantages.

A Mediterranean city with a special cultural heritage

The History of the city lives in parallel with its identity that the citizens must be conscious of in order to invest in the physiognomy of their city. As the archeologist Liana Starida presents in her book "There was once a town... The Great Fortress" shows in brief the history through the centuries and presents the special identity of this city which has changed many names and from which have passed many dominants. The history is unknown for the most part of the citizens and for the most part of the local authorities which are unable to understand the role of history past and the interconnection between past-present and future.

"Within its fortified Venetian walls Chandax has preserved its structure and identity. And still it maintains these in spite of the "well-meaning" attempts of the municipality, the state and its own residence to destroy it. It is a town that lived under Venetian rule for more than 450 years and then under the Turkish yoke for another 200 years and more.

This domination over a people who managed to survive and creatively assimilate foreign elements has left us with monuments engraved with signs of its Venetian origins in particular. It is Knowledge and understanding of precisely these monuments that will, without a doubt, help the town's modern residents to feel proud of their cultural tradition.

However, a mistrust of everything that isn't obviously "Greek" on the basis of ignorance, indifference, our pompous patriotism, the lack of a sense of historical continuity and the lack of understanding of the monuments, has led to their destruction and devastation. This is combined with a forceful trend for exploiting the land, gradually led to Heraklion taking its current form.

The history of the town and its social and economic structure was rapidly reversed of a period of one hundred years".(Starida, I. 2012)

This character which has passed through the centuries must be identified and has to be in the center of any development practice and strategy in the city. The investment in the cultural resources, the cultural heritage, the history of the city through the Minoan, the Venetian, the Ottoman and the modern period could be under some circumstances, the comparative advantage of the city. Locality must be the main goal of the city in order to accelerate the development.

The monuments that history and ancient civilizations have left in the Greek landscape are not just memories of the past but also characteristics that define the physiognomy of these places. Those monuments are the carriers of the history of a country, a city or of a nation, and they express a great part of its identity. The restoration and re-development of these monuments in the place where they were created provides many opportunities for the citizens of this place to feel them as a thing of their past and necessary elements in their process of defining themselves and increasing their self respect. (Stefanou, I. Mitoula, R. & Balerbas, A. 2004)

In Heraklion there is a special need for the interaction between the history and the culture of the city and the local development. Until today the development policies and strategies and the urban planning did not focus to the special history and the interaction between the monuments of the city and its physiognomy. The development of the city produced caused a gap from its cultural heritage. Nowadays the interconnection between the past the present and the future is the answer for development. There wasn't any linkage between the history and the everyday activity. The whole economy ignores the special features of the city and the linkage between citizens-monuments historical past.

The Creative Class

There are many theories for the creative class as a component of the new economy. All these theories conclude that the urban development and the economic performance of the city can be based on its creative class. In this assumption Heraklion has to invest in its creative class in order to accelerate its development. There is a critical mass of the creative sector that is dispersed and must be organized and interconnected. This human capital (artists, researchers, architects innovators etc) are organized in nongovernmental most of the times nonprofit organizations and institutions. There are many activities and local and international city events organized by local actors with a great success which promote the creativity in the city. All these events have a nonprofit character and depend on volunteers.

A writer who has had a significant impact on awareness of creativity in the life of cities is the controversial American regional economist Richard Florida, who argues that creativity has replaced raw materials, physical labor and flows of capital as the primary driver of human economic success. (Florida 2002). He sees the emergence of a new social class-'the creative class'- as an innovative source of urban dynamism. It

can be argued that all these ideas are not particularly original-urban theorist as Lewis Mumford, Jane Jacobs and Peter Hall have all pointed in one way or another to the phenomenon of creativity as an engine of innovation and urban growth. But whereas these writers have suggested that creativity arises spontaneously, such that its appearance cannot be orchestrated, Florida maintains that cities can actively encourage the growth of the creative class, and in so doing can improve their economic performance. He points to technology, talent and tolerance (the three T's) as the economic sparks that will ignite creativity. (Throsby, D. 2010).

The role of Research

The interaction between the University of Crete and Technological Education Institute of Crete and The Foundation for Research and Technology-Hellas (FORTH) could be the comparative advantage for Heraklion. A city with special infrastructure could be Creative as well. Technology is connected to talent and to creativity and in the field of Cultural Innovation Crete could be a Mediterranean leader if all these institutions focus to culture. The more a city is creative and innovative, the more innovative and creative will be its citizens, who are the "engines" of the cultural sector.

In Heraklion the role of creative class depends on the Structures of Research and Innovation as these could be the main elements for the economic, social and cultural local development. The City could invest in its structures of research and innovation in order to attract the members of "creative class" and improve its economic, cultural and social indicators in local level.

Cultural Tourism-city break

Tourism is a significance for the income and employment in the city of Heraklion and can contribute in a multiplier effect in the local economy. In this aspect Cultural Tourism could be a special cultural asset because of the monuments and the special historical sites of the city.

In one sense, all tourism has a cultural aspect to it, because tourists see how other people live in different places; by 'cultural tourism' here is meant tourism that is in some way connected to cultural facilities, such as heritage sites, historic cities and arts attractions, such as festivals. (Towse, R. 2010)

Analyses of the tourist industry usually make a distinction between mass tourism, characterized in business terms as being a high-volume low-yield operation, and niche tourism, referring to tourism products that cater to small numbers of discriminating tourists with high revenue yield per person. The arts and culture are deeply involved in, and affected by, both types of tourist market. The term cultural tourism is used to relate to both aspects of tourist activity.(Throsby, D. 2010)

For this kind of tourism Heraklion could be a good travel destination if it is connected with intergraded services for the visitor as the travel experience in a city with cultural heritage, the Mediterranean food experience, art festivals and events and as a city break destination. In this case the city branding is an important tool for the city's development.

Because of the special characteristics of cultural tourist as the higher income or the educational level this special kind of tourism could have multiple revenues and effect in the local income, employment and in the local economy as a whole. Moreover the

investment in these type of tourism must be combined with cultural and art projects as well in order to adopt a policy strategy for local regeneration.

Museums:

There are many museums in the city that have to be exploited and to connected as a Cultural Path of the Cities through its museums.

Museums of the city could be in the front line of its physiognomy with exhibitions, educational programs, research and other activities as a livable unit of the local community with an investment to collection management. (Throsby, D. 2010)

The first observation that has struck all cultural economists analyzing museums is that they are multiple output firms, meaning that they produce a combination of visitor services (education and aesthetic enjoyment) through the display of their collection and through complementary services (shop, cafes, and suchlike), preservation services for their own collection and expertise offered to other museums, and research on the collection and on its context. The museum has a production function that enables it to produce these various outputs whose inputs are the collection, the building (containing areas for storage, preservation, research, and so on, as well as exhibition space) and labor of various types, including the curatorial and managerial staff, research and preservation experts, education and design staff, salespeople and guards. All these inputs can be varied and combined in different quantities, and economic theory would tell us that that is done with respect to relative input prices; substitution between some inputs is possible - for example, security can be implemented with cameras and alarms instead of having a guard in each room. the one input that is rarely reduced in size, through it is added to, is the collection. (Towse, R. 2010)

Cultural paths:

The Convention concerning the protection of the World Cultural and natural Heritage was adopted by UNESCO in 1972. It encourages international protection of the world heritage through a system of international co-operation and assistance designed to conserve and identify heritage in participating country.

There are two monuments in the city that are candidate to the UNESCO list. The palace of Knossos which was the centre of the Minoan civilization is one of the oldest cities in Europe and one of the most ancient monuments of the World Cultural heritage, is candidate for UNESCO listing. The Venetian Walls as well is a candidate monument to the UNESCO list. They have more than 4,5 kilometers total length and were first built in the 15th century. The Venetian walls are a complex of bastions, gates, arcades, trenches and chambers and is one of the most preserved monuments in Eastern Mediterranean. The inclusion of these monuments in the UNESCO list will lead to the cultural regeneration of the city and has many economic and social aspects.

It is interesting to speculate on what being on the list means in economic terms. In less developed countries, the possibility of assistance, both technical and financial, is no doubt an advantage, but, in general, countries have to finance heritage maintenance themselves, so World Heritage listing may just reinforce national policy and finance and possibly ensure that the items are given priority in the event of shortages of funds. Listing may also elicit new sources of finance, such as sponsorship, by acting as a

form of certification. Another advantage may be that tourism to the listed item is stimulated. (Towse, R. 2010).

Listing confers international recognition, with concomitant benefits flowing from increased tourist numbers, and possibly opening up potential for partnerships and projects to participate in the conservation and development of the site. (Throsby, D. 2010).

In these terms listing has a policy direction for the international, national and local level that enables an international dimension for the monument and the city and the local economy as well.

Culture and art in everyday life - the role of citizens

The role of citizens in the cultural regeneration of the city of Heraklion is very important. All the citizens have to deal with the public space in order to use, to protect and interact with it. For example the interaction between the citizens in order to protect a monument of Cultural Heritage (for example the Venetian Walls) and the self-organisation for the proper use in the life of the community, may be the answer for the cultural regeneration of the city. The self awareness and the interaction with the local community has to be the first deal with the role of the citizen. The social dimension and the involvement in the public will introduce a new role for the everyday culture of the citizens. The core advantage of the city is its human capital and has to interact with the public space.

The citizens themselves can put forward through forms of self-organization that can both express the culture of local communities and help the city to progress.

Community initiatives, however, need to be enhanced and backed by a firm awareness of the fact that the social dimension of the local quality of life is absolutely crucial. Since the increasing social polarization (Castells, 1986) within large cities cannot be denied, it is important to encourage the development within the same city of different systems of production and social organization which are equally dynamic but very diverse in terms of the kinds of wealth, power and power and prestige they produce. (Biankini, 1993).

Heraklion is an urban and commercial center of the Mediterranean Sea with a special background that has to be connected with the everyday life. Citizens must be connected with their historical past and to invest in locality. For example despite the historic value of the Venetian Walls, for many years they remained inaccessible to the citizens because ignorance of the local authorities. Citizens and visitors didn't visit the Walls because they were inaccessible for many years. The lack of security prevented the access and the interaction between the city, its history and the public space.

Nowadays there is a systematic effort to use and promote this historic monument and the lower piazzas of the Walls used in many cases for cultural events (festivals, theater, art performances, exhibitions, film screenings etc). The city transformed its historical monument into a place of art and culture open to all citizens. The conservation and the promotion of the Venetian Walls as a public space is an excellent example of the interrelation of city regeneration.

Education and Training

The main concept is the Cultural Education for the citizens in order to understand their role of the local society. The identity of the city depends on its citizens and the tool is cultural education and training. Cultural Education and Training Practices must be in the center of the process of strategic planning. Locality depends on the local identity and the image of the city which is based on citizens moral and believes.

Christofakis (2001) believes that the enforcement of education and local values is indispensable, in order to acquire 'local consciousness', and to promote their local identity and they develop their faculties for learning.

The city and the sea

The sea is a natural asset or a natural resource that is one of the comparative advantage of the city through the ages. This is the sea and the relationship between the city, the sea and its coastal zone has a changing meaning. This relationship defines the social and economic development of the city. Nowadays, the exploitation and development of the coastal zone follows the contemporary policies of exploitation. This is related to the cities identity as a business and tourist center and the need for the commercial exploitation of the coastal area. There were many projects for coastal planning, in the city that reform the coastal front. All these changes have an active impact to the relationship of the city and its citizens with the sea. The interconnection between the port and the city will introduce the international character of the city.

The port helps the communication and the development of the city through the ages. Heraklion because of the sea is an economic and administrative, industrial centre (import and export center) and could become a cultural center as well.

Local Authorities as a coordinator

In the policy level there is a wide range of policy intervention in the cultural sector. As Ruth Towse suggests about the various types of government intervention in Cultural Sector "Regulation is widely used in preserving built heritage while copyright and other intellectual property laws apply in all the creative industries. these differences make it difficult to generalize about how the arts and culture are financed and organized, but it also means that there is a rich source of experience that can be compared and evaluated, and international comparison is one of the ways in which cultural economics have studied the cultural sector. (Towse, R. 2010)

Cultural policy is as wide as culture is and its regulations can be used by national governments while other can be used by regional and local authorities.

A distinction may also exist between national 'flagship' organizations - the national theater or national ballet, say-that receive subsidy from the central government and regional and local performing arts organizations that receive regional/ local finance; in the United Kingdom, subsidy to the 'national companies' is centralized, but other grants are distributed on regional basis.

In every local area or territorial unit with a special cultural capital, the local authorities have to invest in the cultural planning. Local authorities must invest in cultural sector with Urban and Cultural Planning Mechanisms.

Culture and Creativity are believed to have public good characteristics that improve the quality of life. Governments at all levels also wish to promote a certain image for their citizens, and ensuring the provision of a range of arts and heritage institutions is an obvious way of protecting that image to the rest of the country or to the world. motivations vary: the desire to promote pride in local or national identity and/ or to form that identity and develop a sense of community are often held to be important; (Towse, R. 2010).

The motive is either the economy or either the citizen or both of them.

Today it is the most suitable period for the Local Government, to undertake the role and the responsibility that corresponds to them. They have to play a leading role and it claims the rearrangement of state and the exploitation of all means that it has in its disposal. Developing all components that allocate the developmental triptych Environment, Culture, Local economy.

With the encouragement of the European Union and in accordance with it, the Local Government owes to undertake with bigger boldness initiatives for the recording of deformations that have befallen or existed danger to befall in elements of the urban space that plays role in the general picture that radiates from the particular urban environment. (Mitoula, R. 2002)

Conclusions

The paper concludes that the cultural regeneration of the city of Heraklion and the proper exploitation of its cultural assets and resources could contribute to the urban and economic development. Museums, local institutions and the economic effects of cultural tourism could be in the center of this effort. The more the local government invests in these sectors the more the income and the employment will rise in local level. Local authorities must exploit the cultural assets of the special cultural background and history, natural resources, infrastructure in order to dominate a strong physiognomy for a city's development. All these fields have a multiple effect for the city and for the inhabitants well being. The human perspective in the center and culture will be the comparative advantage for locality. Locality as an idea of development will define the image and the identity of the city and will focus on its cultural assets.

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