Investing in the city’s
cultural assets

Enrico Eraldo Bertacchini and Alessio Re
INVESTING IN THE CITY’S CULTURAL ASSETS

THE LOCAL ECONOMIC DEVELOPMENT PLAN FOR PORT LOUIS IN MAURITIUS
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Collana

[Culture at work]
The “Fondazione Santagata for the Economics of Culture” was founded on April 13 2018, on initiative of the Silvia Santagata Research Centre (CSS-EBLA).

The Foundation gathers all the know-how and experiences of CSS-EBLA and of the studies activities carried out by Walter Santagata, pioneering scholar of Culture Economics.

The Foundation’s main working areas are two: a first one linked to the models for the management of cultural heritage, with a specific reference to the economic dimension of development and to UNESCO related programs, and a second one linked to the production of culture and cultural innovation. Furthermore, the Foundation’s mission is to enable cooperative networking among culture and other sectors operators, to support the internationalization of Piedmontese and Italian economic and cultural operators, in order to generate positive socio-economic impacts.

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The Local Economic Development Plan for Port Louis in Mauritius

Enrico Eraldo Bertacchini and Alessio Re
The document presents a synthesis of the results and recommendations resulting from the work conducted from September 2015 to September 2016 with the aim to formulate a Local Economic Development (LED) plan for the city center of Port Louis.

The work was conducted by Enrico Bertacchini, Assistant Professor at the Department of Economics and Statistics “S. Cognetti De Martiis”, University of Turin and Alessio Re, Adjunct Professor at the Department of Economics and Statistics “S. Cognetti De Martiis”, University of Turin, as consultants of the Aapravasi Ghat Trust Fund.

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INTRODUCTION

“At a time when the international community is discussing future development goals, numerous efforts are focused on putting culture at the heart of the global development agenda. Culture, in its manifold expressions ranging from cultural heritage to cultural and creative industries and cultural tourism, is both an enabler and a driver of the economic, social and environmental dimensions of sustainable development.” (UNESCO, 2015)

Interest in, and support for, cultural heritage is evolving. The debate on the role of cultural heritage for sustaining livability, job creation, and local economic development have been relevantly increased over the last few decades.

According to that debate, and to the produced literature, heritage is considered a sector of activity that has economic impact and generates social benefits by creating, producing and distributing goods and services. Heritage is consequently now being discovered by both governments and citizens as a vital resource and mean of improving economic performance, people’s lives and living environments, and thus considered sectors of activity having economic relevance by creating, producing and distributing goods and services in different economic sectors.

The two main aspects of the value of culture and heritage are economic value and cultural value. Economic value consists of use and non-use values. Market or use value of culture can be expressed in terms of prices that are charged for cultural goods and services. The concept of non-use values denotes values that individuals associate with cultural goods or services despite not personally using them (e.g. attending events, seeing exhibits, reading books) (Navrud and Ready, 2002). Non-use values can be further classified into option, bequest, existence, prestige and educational values. The concept of cultural value refers to the value that a cultural good or service has, regardless of its place in the economic system. Cultural values are divided into social, symbolic, aesthetic, spiritual, historical and authenticity values (Throsby, 2001).

According to this view, historic buildings and cities, represent a real capital: resources on which it is possible to invest and which – if properly managed and valorized- can generate direct, indirect and induced economic returns. In addition to the increasing of the real estate value of the asset to be recovered and of the surrounding areas regeneration, the economic value is actually also generated in the form of creation of jobs, income growth in the activities related to heritage, attracting residents, tourists, entrepreneurs, and other forms of business, generally in search of distinctive places for their activities.

Following this logic, it is also important to consider all those activities - the services or micro-services related to the presence and functioning of cultural heritage-which receive economic benefits and, at the same time, allow the economic sustainability for its management. Museums are generally taken as exemplifying the potential impact of cultural activities. A museum is potentially an activator of consulting services for its direct operation (restoration, conservation, information technology and web design, legal advice) and also of services related to complementary activities such as catering, merchandising, use of space for events and exhibitions.

The economic benefits of cultural heritage have most commonly been seen in terms of tourism, a sector which represents for Mauritius one of the most important source of GDP. Cultural heritage is now also seen as an innovative stimulant for growth and employment in a wide range of traditional and new industries. It is also to be recognised as major contributor to social cohesion and engagement as a way of bringing together communities and stimulating young
people to engage with their environment. Many countries have successfully exploited these benefits, generating prosperity, bringing new jobs and creating improved environments.

The most relevant context for applying these principles is undoubtedly represented by cities. It is in fact estimated that 70% of all humanity will live in cities by 2050 (UN, 2015). This means town and cities will become increasingly important as places to live, work and play. “Sustainable cities” is not by chance one of the 17 UN development goals defined by UN in the agenda 2030 for Sustainable Development. As capital city, Port Louis - as Mauritius moves towards becoming a high income country - will experience greater urbanisation and will be critical to Mauritius development over the next years and will generate the highest proportion of GDP for the country.

The proposed Local Economic Development plan for Port Louis is based upon such principles and framework, believing that many of them can find a concrete application for the historic district of Port Louis and the city as a whole.
1. Purpose and scope
The objective of the LED Plan is to foster economic development in line with the concerns of the local community regarding heritage properties of the city of PL, and to offer opportunities for the consolidation and the development of economic activities in the city area. The goal is also to consolidate and improve the existing framework by directing development towards the preservation, enhancement and adaptive reuse of heritage while diminishing the threat of its demolition and degradation.

1.1 LOCAL ECONOMIC DEVELOPMENT PLANNING

Local Economic Development (LED) planning represents a well-established approach in development strategies to build up the potential of a local area to improve its economic conditions and the quality of life (Leigh and Blakely, 2013). LED evolved as a policy approach in the early 1970s in response to municipal governments realizing that businesses and capital were moving between locations for competitive advantage. It has been widely adopted in the last two decades by several International Organizations (i.e. World Bank, UN-HABITAT and ILO) to address local development objectives and broader social goals, namely economic growth, employment creation, attraction of investments, new businesses formation, poverty eradication, city regeneration and empowerment of local communities (Rodriguez-Pose, 2001; UN-HABITAT, 2005; Swinburn et al., 2006).

Further, LED planning has also been practiced in Sub Saharian African countries, with a particularly extensive application in South Africa (Rodriguez-Pose and Tijmstra, 2007; Rogerson and Rogerson, 2010).

LED planning is a process giving local governments the tools to devise locally tailored strategies in cooperation with local, regional, and international stakeholders and actors.

Although the LED approach partly differs from both top-down and community development strategies, it is not incompatible with them. Rather, it can complement existing development efforts due to its main distinguishing features:

1. It is a territorial based approach to empower and bring together local stakeholders around a common development vision and it is shaped and implemented by local actors;

2. It is a participatory approach to development by enabling incentives and opportunities for partnership between local private and public sector stakeholders as well as other societal and political groups.

3. It aims at creating a resilient and sustainable economy by mobilizing local resources and identifying a local area’s economic linkages, needs, assets, its competitive advantage and cooperation opportunities.

When coupled with heritage rehabilitation and culture-laden urban regeneration, LED planning targets at:

- encouraging sustainable development through adaptive reuse of historic buildings;
- triggering potential economic benefits generated by increased heritage attractiveness and other cultural and heritage-related activities;
- favouring networking opportunities across different economic sectors related to local heritage values to set up cultural districts and clusters;
- supporting the launch of new entrepreneurial initiatives related to local heritage values, including intangible values and local traditions;
- attracting cultural tourism based on the heritage environment, heritage industries and a city’s cultural economy;
- strengthening the cultural image a city, identifying ways to increase the quality of the cultural goods and services provided in the area;
- empowering the role of local communities and triggering local mobilization and interest towards heritage preservation and appreciation.

1.2 GEOGRAPHIC SCOPE

The main target area to which is directed the LED plan is the city center of Port Louis.

This area, which extends beyond the currently defined buffer zones of the UNESCO World Heritage property, has been selected in accordance with the application of the principles of UNESCO Historic Urban Landscape recommendation. Applying this recommendation to the context of the
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City of Port Louis means to propose an integrated vision of the historic urban landscape of the city that necessarily goes beyond the Aaprvasi Ghat UNESCO World Heritage Property and its Buffer Zones as the whole area comprises surroundings that are rich of development potential and heritage significance. They include the waterfront area with the modern Caudan Waterfront, the Company Garden, the historical and vibrant Central Market, China Town, the Citadel, and possibly the highest concentration of sites and buildings with historical and architectural value.

Further, the reference area has been already considered as a geographic unit of analysis by the Outline Planning Scheme, mainly due to its common trajectory of historical urban planning and development. The definition provided by the Outline Planning Scheme also differentiates the City center in two parts: the Commercial Core and the Edge of Core.

Map of buildings gradings. Source: AGTC
1.3 Structure of the Plan

Following the established principles of the LED approach, the proposed plan is structured according to seven different phases.

The first phase aims at setting up the proper approach for a LED plan applied to historic urban centers and identifying policy and analytical tools relevant for this framework. The situation analysis entails the assessment of the local context. In this particular case, attention is paid to both the local socio-economic conditions of the area and its cultural heritage assets, as well as the constructive or conflicting relationships between these two types of resources and activities.

Based on the understanding of the local context and its current potential, the third phase delineates the development scenario shared with local stakeholders. It frames an economic development vision based on reconciling the rehabilitation of the historic urban landscape with the urban development and regeneration of the city center of Port Louis. This scenario is aimed at enhancing the economic potential of existing tangible and intangible heritage assets of Mauritian culture and identifying options for a better positioning and attractiveness of the city of Port Louis at the international level. The following three phases recommend a set of actions for the LED strategy and propose the design of specific governance systems and mechanisms for their implementation, based on the local institutional context. The final stage provides a quantitative and qualitative assessment of the economic, cultural and social impacts achievable through the outcome of the implemented actions. Moreover, it proposes a set of indicators for monitoring and evaluating the expected effects.

1.4 Methods and Activities

Several activities have been undertaken to develop and frame the different phases of the LED plan.

The preparatory activity has been characterized by the analysis of all available existing information, documents and plans concerning the target area, with the support of the staff of the AGTF, and desk research to identify at the international level and comparatively analyze case studies of development strategies based on heritage rehabilitation and historic cities regeneration.

During the field missions, workshops, (November 2015; March 2016; July 2016 and September 2016) working meetings and interviews with relevant stakeholders have been conducted to:

• collect further information for the analysis and understanding of the local context;
• receive feedbacks and views from stakeholders, governmental bodies and the local community;
• present and discuss proposals and recommendations of the LED strategy.

Additional activities have been performed to have a deeper understanding of the local context, to identify and address the main objectives of the plan and obtain information for estimating potential impacts of the proposed development scenario.

1. Socio-economic analysis

This activity has focused at understanding the current economic conditions concerning business activities and real estate market as well as information about households in the target area by collecting economic, social and demographic data available at the most

Structure of the Plan

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detailed level from official statistics and other publicly available sources.

2. **Identification of local tangible and intangible heritage assets and cultural activities.**

The importance of systematic information of cultural assets and activities cannot be denied for an effective implementation of the UNESCO Historic Urban Landscape approach where the preservation and enhancement of heritage values and the cultural atmosphere of the city provides the primary framework to implement an integrated local development strategy. Based on the specific context, the main categories taken into account have been:

- Tangible heritage (i.e. museums, sites, monuments, buildings);
- Intangible heritage activities (i.e. Festivals, events, performing arts, crafts, food and gastronomy);
- Cultural industries;
- Tourist and Heritage related services.

3. **Set up of a geographical informational system to map economic activities and characteristics of heritage and cultural resources.**

All blocks in the historic city centre (BZ1, BZ2, and extended zone, for a total area of 1.51 square kilometres and a total number of 2382 buildings) have been mapped and included into a GIS platform. The inventory was implemented both for measure the cultural and economic consistence of the investigated area, both for having a manageable geo-localized data set to manage the plan and controlling its effects during the implementation phases.

4. **Economic and cultural valuation of heritage rehabilitation and revitalization of the city center.**

To better understand the cultural relevance as well as the economic potential of heritage, particular consideration has been given to address the cultural values the main stakeholders perceive with regards to the historic center of Port Louis and the economic welfare effects they would attribute as beneficiaries to potential investment projects concerning heritage rehabilitation and the revitalization of area. The main stakeholders taken into account have been:

- Residents and users of the area
- Tourists
- Public and Non profit institutions

In particular, to assess the economic benefits of investing in heritage rehabilitation and in the revitalization of the city centre of Port-Louis, three main groups have been identified which are connected to the benefits of the rehabilitation program.

**City users/dwellers**

This group refers to Mauritian who travels inside the city center of Port Louis either because they live in the neighbourhood, they work in an office in the area, they are involved in a commercial activity, or they aim at shopping/leisure or they are involved with business affairs in the area. The group also includes those who are commuting in North-South corridor.

**Shop keepers/owners**

This group refers to individuals who own or run a commercial activity in the city center. A pre-determined size for shop owners/keepers allow to understand their motivation and benefits arising from the rehabilitation program separately from those who are commuting or work in that area or travel specifically for shopping and leisure.

**Tourists**

This group refers to foreign tourists who have visited the city center of Port Louis.

In collaboration with the staff of the Aapravasi Ghat and the contracted services of a local researcher, using proper sampling techniques to ensure stratification with target groups’ population, specific surveys have been conducted during the period of December 2015-February 2016 to elicit cultural values as well as economic preferences deriving from the direct or indirect use of cultural heritage. Following validated cultural economics methodologies these values have been then estimated in monetary terms to provide a measure of the potential economic benefits arising from the rehabilitation of cultural heritage and historic buildings in the target area.
2. Approach
With rapid urbanization, development pressures are posing major challenges to cities featuring valuable historic cores and distinctive cultural atmosphere. The preservation of cultural values of both tangible and intangible heritage is often deemed to hinder economic value generated by new development opportunities. At the same time, uncoordinated private interests risk to deplete the collective values and resources traditionally shared by local communities.

Notwithstanding such patterns, in the last decades there has been an increasing worldwide recognition about the role of culture as a lever for local development and urban regeneration, as it has been clearly illustrated by the most recent orientations expressed by the same UNESCO especially with reference to the Recommendation of Historic Urban Landscape (2011), the Hangzhou Declaration “Placing Culture at the Heart of Sustainable Development Policies” (2013), and, more in general, to the Post 2015 Development Agenda (UN-DESA, 2012).

The attempts for integrating cultural heritage conservation in the process of urban development seek to safeguard in particular the character and identity of the historic city as expressed by local culture and heritage. Identity and local character are part of a city’s competitive edge, but are increasingly under threat and destroyed by globalizing processes of urban development. Heritage and local culture may thus become key determinants for the positioning of cities in the global scenario as well as of the quality of life and the well-being of local communities. They also offer opportunities to increase their sustainable development potential and to reap the benefits of the cultural heritage conservation process.

But while cultural activities and heritage may be seen as potential drivers for urban and economic development, such an outcome is neither straightforward nor systematic. For instance, local development implies the proper organization of relations between stakeholders in a place. While not a sufficient condition, this requires to identify key local cultural assets and their economic and social potential, to elaborate a common vision of development pathways, and to set strategies for coordinated investments that will be mutually reinforcing in the sense of having reciprocal external effects.

2.1 FIRST EXPERIENCES OF INVESTMENT IN CULTURAL HERITAGE AS A DRIVER FOR DEVELOPMENT

The first significant experiences of intervention on cultural heritage according to a logic of economic investment started in the ’80s, promoted by the World Bank.

More recently UNESCO promoted a Recommendation on the Historic Urban Landscape (2011) as an instrument to balance conservation with development in urban heritage context worldwide. Around the world, national and local governments, as well as United Nations agencies, the World Bank and regional development banks, are searching for a more sustainable process of urban development that integrates environmental, social and cultural concerns into the planning, design and implementation of urban management programs. This is where the HUL Approach and the 2011 Recommendation on the Historic Urban Landscape come into action. The recommendation is a ‘soft-law’ to be implemented by UNESCO’s individual Member States on a voluntary basis. The Recommendation does not replace existing doctrines or conservation approaches; rather, it is an additional tool providing a road map to integrate policies and practices of conservation of the built environment into the wider international goals of urban development, whilst respecting the values of different cultural contexts (UNESCO, 2011). While in most of the cases of application of the HUL approach the focus was on regulatory, planning and community engagement (see HUL Guidebook, 2016) other ongoing experiences are focusing on the economic and financial tools to put in practice the...
revival of urban heritage and make it profitable.

As the specific context and challenges characterizing the city center of Port Louis highlight a clear tension between the preservation of cultural heritage and the economic development of the urban area, this makes it a peculiar case to propose a LED plan that is grounded on three main pillars to design effective culture-led development strategies for historic urban centers:

- the UNESCO HUL principles as an encompassing framework for guiding development in historic urban contexts,
- Heritage Economics to cope with the challenges set by preservation of heritage in historic city centers and
- the notion of Cultural District and Cluster to address and operationalize coordinated actions of local stakeholders for heritage and culture-based urban regeneration strategies.

2.2 HERITAGE AS AN ECONOMIC ASSET: CHARACTERISTICS AND CHALLENGES

From an economic viewpoint, cultural heritage, such as monuments, museums and historic buildings may be considered as a form of cultural capital, which is an asset that embodies both economic and cultural values (Throsby, 2001). As a physical asset, it embodies economic values because it gives rise to a flow of services over time, and may equally deteriorate (and hence depreciate) if the property is not maintained.

However, as far as its cultural component is concerned, the same physical asset includes also cultural value, some intrinsic or assigned quality that stands apart from the property’s financial worth and reflects some evaluation of its significance, for historical, religious, spiritual, symbolic, and identity reasons. Also in this case, being heritage a social construct defined by the community of reference, the stock of cultural value embodied in the heritage goods may equally deteriorate or disappear if not properly conserved, maintained and transmitted through generations.

The interplay between economic and cultural values challenges standard techniques of economic valuation, which generally drive investment and market exchange decisions (Rizzo and Throsby, 2006; Rizzo and Mignosa, 2013).

Cultural heritage has direct economic value, in the form of its real estate value or the benefits accruing to tenants or tourists who visit it as a cultural site, that may be captured in the prices and financial valuation given in standard market transactions. However, unlike other standard economic goods, cultural heritage may also generate non-market and non-use benefits, given the component of collective use and significance expressed by its cultural recognition (Hansen, 1997; Navrud and Ready, 2002). Non-use values may relate to the asset’s existence value (people value the existence of the heritage item even though they may not consume its services directly themselves), its option value (people wish to preserve the option that they or others might consume the asset’s services at some future time), and its bequest value (people may wish to bequeath the asset to future generations). Non-use values may also arise as beneficial externalities to be enjoyed, for example, by people passing by or traveling through a heritage site. What is important to notice is that none of these non-use values is observable in market transactions because no market exists for which the rights to them can be exchanged.

As a result, cultural heritage, even that privately owned, is considered from an economic viewpoint as a form of public good. It generates non rival and often hardly excludable benefits to a wider group of subjects (i.e. local community, tourists, tourist service providers) that do not directly pay for its preservation and maintenance. In such circumstances, economic theory suggests that there is a risk of suboptimal provision of investments in heritage preservation as far as proper funding and governance mechanisms are devised to cope with the heritage public good dilemma. This argument has provided also the basic economic justification for public sector intervention and fiscal incentives policies to support cultural heritage preservation.

With this perspective, the recognition of heritage as a form of cultural capital owning public and collective good characteristics leads to several implications for the management and revitalization of urban historic centers.
The complex values of uniqueness and sense of place

Being heritage complexes, made up of historic landmarks and buildings with architectural and cultural value, the cultural capital of historic city cores conveys a unique cultural atmosphere and sense of place (Licciardi and Amirtahmasebi, 2012). Such idiosyncratic character is the result of the accumulated forms of cultural expressions that coalesce into the productive milieu, the styles of buildings and the associated social fabric. Investing in heritage preservation in historic city cores thus means to enhance a resource that is hardly substitutable across space and increasingly worth in the global competition among cities.

Firstly, because it helps fostering the image and attractiveness of a city for both tourism and businesses’ locational choices. Secondly, because it reinforces the identity and social cohesion of the local community in relation with the place. One of the major challenges in acknowledging the benefits arising from the distinctive cultural character of historic city centres is that they mostly belongs to the category of non-market and public good values discussed above as a peculiar feature of cultural heritage goods. As a result, a central issue in heritage economics is the question of identifying the precise dimensions of economic and cultural values that give historic city cores, as heritage complexes, their distinctive character. This is particularly necessary to provide policy-makers and stakeholders interested in urban upgrading projects a comprehensive understanding of all the values and untapped economic potential that heritage may convey, so to avoid interventions that would only reinforce a trend toward bland urban cores.

Much of the methodology developed for assessing environmental benefits has been directly used for application to the evaluation of the economic benefits of cultural heritage by assessing the willingness of visitors, local residents, or other stakeholders to contribute toward the costs of preserving the site of interest (Pagiola 1996; Bennett 2001; Navrud and Ready 2002). While most research of this type has focused on the economic valuation of individual historic monuments and archaeological sites, only few works have addressed the welfare effects of preserving and enhancing heritage complexes, such as the case of the city center of Port Louis.

Some seminal works date back to the 90’s and are studies conducted in the context of projects funded by World Bank to restore Fez Medina in Morocco and the historic core of the Croatian city of Split (Pagiola, 1999; World Bank, 1999). Other more recent applications have been undertaken for the city of Valdivia in Chile (Baez and Herrero, 2012; Montenegro et al., 2012), Skopje, in Macedonia, and Tbilisi in Georgia (Throsby, 2012).

The findings of these studies tend to confirm the existence of non-market or unexploited direct-use values that are often overlooked by decision-makers and can provide useful guidance to better evaluate the economic relevance of maintaining the distinctive cultural and architectural character of historic city centers. W

Sustainability and irreversibility

Considering heritage as cultural capital has a clear parallel with the interpretation of natural environment and ecosystems as natural capital (Throsby 1999; Rizzo and Throsby 2006). Both cultural and natural capital have been inherited from the past, will deteriorate or degrade if not maintained, and impose on the present generation a duty to care for the assets involved so they can be handed down to future generations. This suggests that sustainability principles, usually applied in the management of environmental resources, should be extended also to any analysis of the long-term management of cultural capital, including heritage in urban historic cores (Throsby, 2014).

One of the key elements for a sustainable approach to historic city centers is the precautionary principle that argues for a risk-averse stance in decision-making when irreversible consequences are possible, such as that of demolishing decaying buildings with architectural and cultural value. In fact, after a building with architectural value has been demolished and a bigger and more modern structure has taken its place, going back in time may not be an option anymore. This is why, in a context of irreversible investments, it is sensible to protect a greater number of buildings with architectural value than would be optimal if there were certainty on how the area will evolve (Rama, 2012).
The cost and collective action problem of historic centers’ preservation

While it has been recognized that individual heritage sites pose public good dilemmas that lead to the risk of underinvestment for their preservation, the challenge to safeguard the distinctive traits of historic city centers and guarantee their sustainable long-term management is even more worsened by the generally high fragmentation of ownership of heritage that leads to a context of decentralized and uncoordinated decisions related to the benefits and cost of heritage preservation.

Being heritage buildings a form of real estate property, individual owners of buildings with architectural and historic value generally bear four categories of costs related to heritage conservation: 1) the cost of the heritage regulatory systems; 2) the incrementally greater cost for repair and maintenance for heritage buildings; 3) the cost of compromises to contemporary use and enjoyment; and 4) the opportunity costs for foregone development opportunities (Productivity Commission, 2006).

By contrast, the financial return from restoring and preserving historic landmarks and buildings with architectural and cultural value may be perceived by individual owners lower than other alternative development opportunities in the same area. This is mainly due to the potential functional obsolescence of the building or the difficulty in monetizing non-market and public good benefits that accrue indirectly to other beneficiaries (i.e. the enjoyment from aesthetic improvements of the building by the local community).

In such a situation, demolition of heritage buildings may seem to be the most profitable option by each individual owner, without taking into account the potential higher benefits that could accrue through harnessing heritage assets of a historic center to enhance its distinctive character. Because of this unanticipated loss in a context of decentralized cost-benefit decisions, there will be in general more demolition than a single strategic investor owning the entire intervention area would have chosen. The problem is that the real estate development decisions by individual owners are inevitably interrelated among them, creating a collective action problem for the preservation of the historic city center. Individual and uncoordinated decisions to not invest or even demolish heritage buildings are thus likely to generate negative external effects on the real estate value and return of other owners in the area.

According to Rypkema (2012), there exist indeed several potential aspects of unanticipated costs or negative effects that may impair real estate owners if heritage preservation of historic city center is not taken into account: decrease in property values, degradation of the urban context, costs from shrinking social and economic integration, lack of affordable housing and foregone small business incubation and jobs.

2.3 The role of cultural districts in historic cities regeneration

While the conservation of heritage aims at preserving or recovering the distinctive physical traits of historic city cores, the cultural and economic values of the heritage assets may be only fully magnified by renovating and revitalizing their significance and adapting their functional uses to the changed or evolving economic and social conditions. Linking heritage conservation with its revitalization thus means to integrate the broader cultural resources of a place as a productive factor into the local economy by leveraging on the intangible heritage and the local system of cultural and creative activities directly or indirectly linked to the heritage of the place. This would allow the buildings to be occupied and utilized for economic uses, which renders the structures and consequently the area competitive with the rest of the city.

To trigger such culture-led development processes, most of the research on this field has paid attention to the role of cultural clusters, or districts, or quarters (Santagata, 2006; Cooke and Lazzeretti, 2008; Evans, 2009; Sacco et al., 2013; Marques and Richards, 2014).

While a detailed account of these experiences and their characteristics is out of the scope of the present analysis, it is nevertheless useful to develop some further considerations that highlight why and how the concept of cultural districts may be particularly suitable for the present LED approach based on the regeneration of heritage and cultural resources in historic centers.
Firstly, the notion of cultural districts emphasizes a model of local development based on the capacity to leverage on the idiosyncratic but often scattered cultural and heritage resources of a place by developing institutional forms that enable recognition and cooperation among the cultural organizations and firms to cope against current trends of functional and physical homologation of urban cores. Cultural districts indeed often originate in urban neighbourhoods where traditional activities gathered around and within heritage assets. Located in the heart of the city, and thus immersed in its markets, their existence is closely linked to the availability of working and living space. In the meantime, urban development patterns have worked against them. The processes of speculation and gentrification usually reduce available space and shunt traditional and heritage-based activities beyond the cities, or to their peripheries (OECD, 2005).

Secondly, the notion of cultural districts acknowledges the economic potential of cultural products deriving from the intangible heritage and natural resources of a place that have generally been neglected in the past. While in developed countries the search for quality and design may be exaggerated, in developing countries product quality is guaranteed by tradition, unless it is the desire to lower production costs that prevails. The list of cultural products on which a district may become specialized is noteworthy: food and beverages (wine, olive oil, fermented beverages, cheese); natural products and spices; textiles, clothing and fashion accessories (leather goods, glassware, eyeglasses, hats, gloves, umbrellas, watches); personal ornaments (jewelry, perfume); personal services (medicine and hygiene, hotels and restaurants, gourmet products, spas); decorative items (ceramics, terracotta, embroidery, glass, crystal, industrial design, plastic, porcelain); furniture; entertainment and the cultural industries (serigraphy, musical instruments, newspapers and magazines, toys); publishing, arms and metallurgy.

Thirdly, a cultural district model is particularly suited to address cultural tourism demand. Tourism cultural districts are characterized by concentrations comprising activities related to accommodation and hospitality (hotels, bed and breakfast establishments, restaurants, tour operators, transportation services), the supply of cultural services (historic heritage, museums, festivals and folklore) and the production of craft goods and material culture.

According to Santagata (2010), the idea of developing a composite tourist product in terms of a system or cultural district is relatively new. The aim is to valorize all local activities, generating maximum synergy and contributing to establishing an image and international reputation as a tourist destination. It differs from both luxury “five-star” tourism and the “all-inclusive” tourism approach, which in general are closed models, supplying services exclusively for their own clientele. Cultural tourism, instead, by definition dialogues with the local system, its cultural heritage, artisans’ products, way of life and folklore. The focus is less on large hotel complexes than on the revitalization of local attractions for a public that is seeking not luxury but culture, quiet, a natural environment and what has been dubbed edutainment. Precisely because image is vital, policies for managing the local collective brand names have proved to be a strategic way of informing the clientele of a global market, and, above all, as will be seen in the next chapter, of improving the quality of the products and services on available.

Finally, while cultural districts and quarters may emerge spontaneously – with firms and cultural organizations exploiting agglomeration economies that spur co-location and the formation of networks of collaboration - in most of the cases, local cultural systems are only “potential” cultural districts. Having a relatively high concentration of cultural activities or heritage assets in a city is not a sufficient condition to activate a districtual logic. What is necessary is a proactive vision and attitude of the local actors toward the common goal of creating a enhanced image of the cultural and heritage potential of the local system.
In a cultural district or cluster, there is a continuous tension between competition and cooperation. Every museum or cultural firm competes against each other to attract visitors, tourists or to sell their products in local and international markets, but at the same time they need to directly or indirectly cooperate and collaborate to guarantee the quality and reputation of the overall cultural production of the district is maintained.

With this perspective, the link between cultural districts and local development occurs through increasing the awareness of the local cultural actors to behave and operate as a collective and integrated system. In this case, institutions (such as collective marks or standards) and territorial marketing policies play a crucial role to trigger such districtual logic by enabling a common image of the local cultural system and favouring the cooperation and alignment of incentives by individual actors (Santagata, 2002).

### 2.4 IDENTIFYING SUCCESS FACTORS AND EFFECTS OF HERITAGE-BASED URBAN REGENERATION PROCESSES

The good practices examined for the application of the HUL approach and, more in general, urban regeneration schemes, have the common aim to foster the welfare and livelihood of a city by bringing improvements in the social, economic, physical, and environmental aspects of an urban area.

Based on the cases presented in this chapter and a more general overview of success stories in culture and heritage-driven urban regeneration programs in cities’ historic areas (see for example Rojas and Lanzafame, 2011; Rypkema, 2012; Sacco et al., 2013), it is possible to identify a set of enabling factors and achieved impacts that characterize at different degree the analysed experiences.

Looking at the enabling factors, the interplay of both physical, functional and management factors appears to be necessary condition for achieving effective results and significant impacts. The following list describes, on the basis of the case history analysed for this study, the most recurrent success factors, organized in three categories:

a) **Physical factors**, including those interventions acting and impacting on the infrastructural components of the city.

b) **Functional factors**, including those operations aimed at defining new contemporary functions for the urban spaces and creating focal points for the community life.

c) **Management factors**, including all the measures to properly and efficiently manage the regeneration program and channel stakeholders’ activities accordingly.

As for the impacts, heritage based urban regeneration projects have proved to lead to several effects, which impinge both on the urban economic system and its social fabric. Some of them may be easily measured in monetary terms or using proper quantitative indicators. Others are more related to qualitative improvements.
3. Situation analysis
3.1 INSTITUTIONAL CONTEXT

Considering the purpose of the LED plan, the understanding of the legal and policy framework is a precondition for identifying the institutional factors that may facilitate or hinder urban regeneration processes through the rehabilitation of heritage and revitalization of cultural activities. Documents have been therefore reviewed to identify all the policies, schemes, regulations and legislations that address, directly or indirectly, the planning and management of the city center of Port Louis as well as other policy measures in line with the proposed development approach. The analysis also enables to identify local institutional stakeholders, whose involvement is crucial in the setting up and implementation of local economic development planning strategies for the city center of Port Louis.

The analysis suggests that the institutional and policy context shows specific characteristics and challenges relating to urban development strategies based on culture and heritage revitalization, which may be summarized as follows:

- A proactive vision and strong commitment by the national government and the local authorities toward sustaining economic growth and sustainable development. However, this vision has, so far, partly overlooked the role of heritage and cultural assets as potential drivers for local economic development.

- Official planning strategies and regulations at the national and local level, notably the National Development Strategy and the Outline Planning Scheme of the city of Port Louis, have acknowledged as a priority the urban renaissance and regeneration of the city center of Port Louis, by enhancing its historic urban environment.

- The implementation of the Planning Policy Guidelines 6 concerning the Buffer Zone of the Aapravasi Ghat UNESCO World Heritage property not only serves to protect the Outstanding Universal Value of the site by preserving the historic landscape of the area, but represents a significant attempt to align the legal framework of Mauritius with the principles and mechanisms of built heritage regulations already operational in several advanced and emerging economies.

- Considering the limited geographical scope of Planning Policy Guidance 6 (PPG 6), a more comprehensive legal and policy framework is necessary for regulating the preservation and rehabilitation of privately owned buildings of historic and cultural significance in the city of Port Louis and more generally in the country.

- Notwithstanding an enabling tax system and favourable investment schemes, the preservation and rehabilitation of privately owned heritage has not been so far supported by an effective system of fiscal incentives and grant schemes to assist private owners of heritage properties.

3.2 TOURISM IN MAURITIAN ECONOMY

Tourism has been traditionally considered as a key lever and revenue-generating source to harness the economic potential of cultural heritage and amenities of a place (Girard and Nijkamp, 2009). As a result, a preliminary overview of the tourism sector of Mauritius and its dynamics is required to guide further considerations on the prospects that the rehabilitation and revitalization strategies of the city center of Port Louis may have in attracting tourism.

Mauritius is one of the world leading tropical tourist destinations in the Indian Ocean and African region. With a local population of about 1.2 million inhabitants the country had in 2014 1 million of foreign arrivals, with an average annual increase of 9% for the past two decades. Moreover, the number of tourists’ nights spent in 2014 is 11,266,346, which results in an average length of stay of 10.9 nights per tourist arrival.

The tourism sector is a major contributor to the Mauritian economy and has been a key factor in the overall development of Mauritius. With a 7.2% contribution to GDP in 2014, it represents the third pillar of the Mauritian economy, after the manufacturing (16.5%) and financial sector (10.3%).

Using a slightly different methodology, the World Travel and Tourism Council reports that travel

2 Source: World Travel & Tourism Council (2014) Travel & Tourism Economic Impact 2014 Mauritius. The measurement of the travel and tourism sector includes also spending by government on Travel & Tourism services directly linked to visitors, such as cultural (eg museums) or recreational (eg national parks).
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and tourism activities generated in 2013 62,000 jobs (10.8% of total employment), with a direct contribution of 11.3% to GDP (41.4bn MUR) and an estimated total contribution (including indirect and induced impacts 3) of about 25% to GDP4.

Models of Tourism in Mauritius

The Island of Mauritius has been traditionally characterized by a “Sun, Sand and Sea” tourism model, based on recreation and leisure as the main purpose of visit. Surveys of inbound tourism confirm this claim and provide additional insights on tourists’ consumption patterns and preferences, delineating the main characteristics of Mauritius tourism model.

While recreation resources, such as beaches and water sports, represent the most important drivers for the purpose of visit to the island, Port Louis has been seriously neglected as a tourist destination. According to the 2013 survey, only 25% of tourists visit Port Louis 5, well behind other popular places such as Chamarel (visited by 32% of tourists), Ile aux Cerfs (29%) and Pamplemousses Botanical Garden (26%). In any case, most of the visit to such destinations is still based on resort/travel company itineraries.

Given its undervalued potential, cultural tourism could be considered as a complementary model to enhance the traditional tourists’ experience by providing new opportunities for discovering cultural attractions and experiencing the history, folklore and heritage of the local culture. The potential appeal for cultural tourism seems to be confirmed by some researches and by the increasing awareness for this model by the government authorities. Naidoo et al. (2010) show that respondents’ perceptions about Mauritius attributes, such as cultural and historical sites, festivals and cultural diversity, scored higher values than the expectations reported at the beginning of their visit. However, as noted by Durbarry and Chintaram (2007), perception on the attractiveness of Mauritian cultural heritage by local residents and tourists is still very limited.

More importantly, the strategic paper “Tourism in Mauritius: a new spirit for a new mandate”6 recognizes the focus on the sense of place and cultural tourism activities as a priority to enhance and diversify the tourism product of Mauritius. Enhancing the sense of place, especially in urban areas, requires however conditions and interventions that are far from the traditional mass recreational tourist model based on resort accommodation and activities. It relies not only on the presence of heritage sites and cultural attractions, but also involves a system of many small-scale cultural and leisure-based actors and processes, such as restaurants, live music, formal/informal performances, cultural events, small scale accommodation and shops, which definitely contribute to the creation of the sense of place and enhance the cultural tourism experience.

Finally, it is worth considering two other emerging models that in the future may play a strategic role for Mauritius tourism development plans, namely cruise tourism and medical tourism.

The LED plan aims, through the urban regeneration of its heritage assets and animation of place, to enhance the international positioning of Port Louis as cultural city and cultural touristic destination. The Cultural Tourism Plan of Action, promoted in the frame of the National Export Strategy (in progress) includes a specific reference to the rehabilitation of the heritage in Port Louis as a strategic factor for tourism development of Mauritius.

3.3 Selected trends and stylized facts of the city center of Port Louis

Based on collected information from field missions, workshops and documents, it is possible to identify key stylized facts about the general socio-economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development. Some of these trends are partly common to the social and economic conditions of Port Louis and its city center which are characterizing its urban development.
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The diversity of economic operators throughout the city of Port Louis is high and ranges from financial services, professional activities, public administration, manufacturing industry, restaurants, and retail trade. Although the survey of business economic activities does not take into account public arts and cultural institutions, thus partly underestimating the concentration of culture-related activities in Port Louis, such low relative concentration rates signal a weakness in the current cultural economy potential made up by private actors. For instance, this pattern is particularly at odds with the established international evidence of urban economies (see i.e. Scott, 2000; Amin and Thrift 2007), which reports how capital cities and other regional urban hubs tend to have a privileged role in terms of a vibrant cultural economy with high concentration of both public and private arts and cultural activities. A partial explanation for the poor presence of a vibrant cultural economy in the capital city, at least as measured through economic statistics, may be found in some official reports. For example, a 2012 document prepared by UNESCO experts’ highlights how in Mauritius the notion of culture is conceived as more related to religious practices thus underplaying the role of contemporary arts and culture and its economic potential. In a similar vein, the “Creative Mauritius Vision 2025” prepared by the Ministry of Arts and Culture in 2013 confirms that arts and core cultural and entertainment industries, which often distinguish the main urban centers’ cultural economy, constitute a less relevant part of the Mauritius creative economy, also due to the small size of the internal market.

Progressive depopulation amid an internationally renowned quality of life

One of the most commonly accepted tenets in urban development theories asserts that population growth of a city is correlated with its economic vitality and quality of life. The more a city owns a vibrant economy and a high level of quality of life, the more it will be attractive to people in search of economic opportunities and livable spaces.

Port Louis is not only the main and most dynamic economic center of Mauritius, but above that the capital ranked also third among the cities in the Middle East and Africa after Dubai and Abu Dhabi according to the Mercer Quality of Living Survey –

Worldwide Rankings 2015. This remarkable result in terms of economic performance and living standards seems however to clash with a historical trend of stagnant population or even depopulation of the urban area.

For instance, according to the 2011 population census data, it is quite evident how the city have witnessed a decrease in the number of inhabitants.

**Unsustainable congestion effects**

As a busy and overcrowded town that is the workplace of thousands of civil servants and private sector employees, Port Louis is characterized also by a relevant transit population. Indeed, many people living in other towns and villages work or do their affairs in Port Louis and commute on a daily basis.

As it is clearly recognized in official planning documents, congestion effects hinder an effective traffic management and parking provision.

Out of a total of 502,200 workers in the island of Mauritius, nearly 202,000 or 40% commuted to work in another district. The district of Port Louis is the one receiving the highest number of commuters (66,798, almost 1/3 of total commuters) of whom nearly 40% (25,597) come from Plaines Wilhems and 22% from Pamplemousses (14,579).

In addition, the main transportation route (the motorway M1) connecting the north and south of the Island passes through the city center of Port Louis, forcing vehicles to cross the city.

The two factors are clearly causes of heavy traffic congestion.

**Real estate redevelopment amid concerns over long-term profitability for commercial and office uses**

According to Simone (2006), the real estate development of the city center of Port Louis can be described as a trajectory toward a “corporatized” urban area, further away from the traditional prevailing atmosphere of colonial town which characterized the place in the past.

Over the past two decades, a significant remaking of the city center has occurred, with the construction of numerous large office towers, the rehabilitation of key historical government buildings and the renovation of the waterfront area contiguous to the center. The most substantial addition has been the structure of the Caudan Waterfront Center – a series of hotels, shopping centre and leisure zones.

Even in the city’s historical commercial district, located nearby the Central Business District and mostly included in the Buffer Zone 2, private investment has been directed primarily at commerce and services spaces, such as several mini-malls or fast food restaurants, and, most particularly, to the building of parking garages to accommodate the substantial increase in the vehicular traffic volume.

The most valuable land in the city center is on the Waterfront. Conversely, transactions of traditional buildings with historical and architectural value are very rare and their sale price tends to reflect a current weak demand. For instance, experts reported that in at least three cases the price at which refurbished creole houses have been sold barely outpaced the refurbishment costs. This confirms that the use value of buildings with historic and architectural value is
perceived by many as lower than that of new and modern buildings, due to potential maintenance costs and physical usage constraints.

**Concerns for built environment quality and deterioration**

Observations made during the field missions and the analysis of existing documents reveal that there are several concerns over the deterioration of the built environment in the city center, affecting in particular the areas located nearby the Central Business District and mostly included in the Buffer Zone 2 of the Aapravasi Ghat World Heritage site.

The main problems relate to:

- Decayng or ruinous buildings
- Scattered unutilized land
- Unharmonized streetscape with mixed situations of historic buildings and new constructions
- Few urban amenities
- Poor and unsafe pedestrian/footway environment
- Major severance between the city center and the Waterfront in the form of the M1 Motorway, with only two underpasses to mitigate the situation.

**Post 5 o’clock liveability and safety issues**

As recognized by many local stakeholders and external observers, one of the important problems of the town of Port Louis today is the difference in the “quality of life” during and after office hours. Having lost most of its residential population, the city center of Port Louis see all the workers leaving the area after office hours with few local commercial activities and shops active in the evening, mainly located in the Waterfront.

The report of the UNESCO/ICOMOS Reactive Monitoring Mission to Mauritius (WHC 36 COM Mission report, Aapravasi Ghat C1227, Mauritius, March 2012) notices in this case that Port Louis is among the few capitals where social and community life of the town drops completely after 5pm. This situation threatens the security of the town-dwellers, generates a negative and self-reinforcing perception by the local community over the liveability and image of the area and significantly inhibits any entrepreneurial and leisure activity during the evening and nightlife.

Only recently (december 2015), one seminal but temporary initiative has been performed with the aim to attract mauritians to the city center of Port Louis at night and change the local perception of the area through cultural and entertainment activities. The initiative is a street art festival named “Port Louis by Light”.

**3.4 Socio-economic analysis**

**Informal trading activities**

One of the main features of the economic fabric of the city center of Port Louis is the traditional and significant presence of hawkers in the main and most crowded roads.

According to the 2011 UN-HABITAT report “Port Louis Urban Profile” (UN-HABITAT, 2011) Port-Louis has the highest density of hawkers in the country and they have increased in number over the year. In so doing, the informal trade may result in unfair competition with the formal sector and also create a lot of nuisance and cause a lot of littering on the main roads.

While the goal is to control the informal trade, mainstream hawkers in the formal economy and give them the opportunity to earn a decent living, the efficacy of these measures mostly depend on the location of the selected areas where hawkers are allowed to operate. If the selected spots are too far from the current flows of people passing in the city center, such solutions may actually be not very attractive for the hawkers, generating problems of enforcement and even social tensions. Observations during the field missions also suggest that some economic activities undertaken by the hawkers may partly constitute an intangible heritage.

![Typology of commercial activities in the BZ](source: Elaboration of the authors on Census statistics)
and contribute to the cultural atmosphere of the historic core of the city.

**Profile of the users of the city center**

Because of the commercial and business-oriented character of the city center of Port Louis, the population living in the target area is very low compared to the local community using the area.

### 3.5 Cultural Capital Analysis

Cultural capital analysis addresses the heritage and cultural activities located in the city center of Port Louis. A comprehensive overview of cultural resources is necessary and functional to better understand the potential of these assets for local development strategies because they would potentially contribute to the culture-led regeneration of the historic core of Port Louis.

**Tangible Cultural Capital**

**Listed heritage and monuments**

Due to its historical prominence as political and administrative center in Mauritius, the city center of Port Louis presents a dense concentration of historic and architectural landmarks, most of them listed as National Heritage.

Conversely, for some of the buildings with historic and architectural value located in the Waterfront Area and nearby the Aapravasi Ghat World Heritage Site (BZ1), the current situation raises concern when examining their poor state of conservation and, consequently, affecting their potential physical recovery when considering their reuse.

Almost all structures of the waterfront area, although apparently less weak structurally, are in need of urgent restoration and recovery interventions, especially as regards to roofs and their functional components.

**Museums and cultural offer.**

The majority of the museums and other relevant cultural attractions of the city of Port Louis are located in its central core.

Such evidence and observations during the missions suggest that the current cultural offer of museums, heritage institutions and other historical attractions may be empowered to enhance the city as a cultural destination. Aaprasa Ghat and its associated cluster of heritage/cultural buildings may represent a real opportunity for strengthening the cultural offer in the city. With this perspective, the plans under discussion to establish in the area a museum on Slavery and other large-scale visual arts and cultural venues (i.e. National Art Gallery) may lead to the creation of a successful cultural heritage district in line with the approach developed in the LED plan.

Another point to be noted is the necessity to enhance the cultural tourism experience and offers in the historic center. The current tours to the city of Port Louis provided to foreign tourists are generally standardized and do not provide an in-depth knowledge of the tangible and intangible urban heritage. With this perspective, there is significant room for the establishment and promotion of new cultural tourism services (such as heritage walks) providing diversified and niche products, which would help the synergy between heritage revitalization and new economic opportunities.

**Buildings with historic and architectural value**

The buildings and monuments listed as National Heritage are protected under the National Heritage Fund Act 2003. In addition to National Heritage, several graded buildings must be added to the comprehensive inventory of heritage in the Buffer Zones. In total, the Buffer Zones count:

- 7 National Heritage;
- 255 graded buildings catalogued, among which:
  - 63 were listed as Grade 1 buildings,
  - 38 as Grade 2 buildings; and
  - 34 as Grade 3 buildings.

The Aaprasa Ghat Trust Fund and the National Heritage Fund are the two bodies responsible for the documentation and the monitoring of the heritage component in the Buffer Zones.

During the LED plan preparation phases, the built environment of all the historic city centre of Port Louis has been surveyed and mapped for the BZs and extended areas, in order to assess the significance of historic buildings as well as the type of use, conditions and values contributing to the
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Historic urban landscape of the targeted area. The information mapped includes, when it was possible to record, social or economic attributes of the heritage.

A part from documenting the relevance of cultural and economic value of the historic district of Port Louis, this information is mapped also to provide useful management of the existing potential to decision makers and LED plan promoters.

**Intangible Cultural Capital**

Considering the multicultural character of Mauritius, intangible heritage may also represent, in addition to tangible heritage, a key cultural asset in setting up local development strategies for the regeneration of the cultural atmosphere of the city of Port Louis.

Considering other types of intangible heritage, observations during the missions and meetings with local stakeholders revealed that other areas that could be significantly enhanced:

- food and gastronomy;
- crafts;
- creole music and dance;
- artistic, entertainment and cultural events (i.e. Porlwi by light)

**Perceptions of cultural values of the historic center of Port Louis**

Previously, UNESCO/ICOMOS Reactive Monitoring Mission to Mauritius (2012) reported concerns that the inhabitants of Mauritius may not consider Port Louis as an historic city and have a negative perception of the values conveyed by heritage located in the area.

However, so far, there is no assessment that would support this statement. Furthermore, little information was collected on the heritage values that the tourists would convey to the heritage in the area. As a result, one component of this research aimed at assessing the cultural values that the main users and stakeholders convey to the built heritage located in the city center of Port Louis.

Following Throsby (2001, 2012), one of the most useful approaches to this task involves disaggregating the concept of cultural value into its constituent elements — which might include aesthetic, historical, symbolic, social, and educational values — and then assessing respondents’ valuations of these attributes. Assessment is conventionally effected according to a Likert scale measuring the strength of respondents’ agreement or disagreement with a series of statements reflecting different elements of cultural value as they relate to the asset or assets in question. In adopting this procedure in the present study, the following statements were presented to both the surveyed group of foreign tourists and of Mauritians visiting and using the city center of Port Louis:

- The city center of Port Louis represents an important part of the history of Mauritius (Historical Value)
- The city center gives me a sense of Mauritian cultural identity/atmosphere (Identity value)
- I have learnt something from visiting the city center (Educational value)
- The historic buildings and national monuments in the city center of Port Louis are beautiful (Aesthetic Value)
- The center of Port Louis is a place that helps people come together (Social Value)
- The historic buildings in the city center of Port Louis should be demolished and replaced with modern buildings

For Mauritians, the strongest sense of the Port Louis center’s importance derives from its historical (94%) and social value (83%), but only 67% agree that the
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area provides a distinctive sense of Mauritian culture. Conversely, foreign tourists are mostly attracted by the sense of Mauritian cultural atmosphere and learning experience that visiting the Port Louis center may convey.

Diverging perceptions also emerge about the aesthetic value of heritage, whereby foreign tourists express a more negative attitude in comparison with the local community. Finally, foreign tourists are less likely to agree with the proposal to demolish historic buildings while a significant 31% of Mauritian respondents agree on this statement. Such divergent results confirm a general tendency already remarked from observations and previous analyses toward demolition of historic buildings, but crucially suggest that heritage in the center of Port Louis may be an unexpressed potential for tourism.
4. Development Scenario
This chapter defines the development scenario for the historic city of Port Louis, built on its cultural (tangible and intangible) assets and on the economic dynamics analysed in the previous chapter. The scenario is based on the definition of specific development objectives and is expressed for specific areas of the city considered nodals to drive the change. Some other development factors/projects that can potentially have relevant impacts on the urban environment and its dynamics in the future are also considered in the paragraph dedicated to the sensitivity analysis.

Considerations of existing planning measures has been significantly taken in count for the conceptualization and drafting of the development scenario.

4.1 SPECIFIC OBJECTIVES AND RATIONALE FOR THE DEVELOPMENT SCENARIO AND ITS REALIZATION

Based on the main issues emerging from the situational analysis, the specific goals of the LED plan can be summarized as follows:

- Reconcile heritage with urban development;
- Reconcile private interests with collective values;
- Reconnect the waterfront with the historic city centre;
- Save the unique (and irreplaceable) character of the historic city centre and heritage assets of the country;
- Create a synergic environment among the different economic activities in the area and in the city.

These goals are based on a strategy that is driven by the need to establish an integrated set of interventions not only in the buffer zone, but in the overall city centre, (which can be defined as the extended Buffer Zone), in order to maximize the impact of proposed interventions on the city dynamics as a whole. The physical and functional connections between the waterfront and the historic city centre are the key point of the overall strategy proposed in this plan.

In the drafted scenario, the plan is addressing the rehabilitation of the Trou Fanfaron area as an attractive place, the reinforcement of the physical connection with the city centre and improvement of accessibility, and, in parallel, the enhancement of the historic neighbourhoods of Port Louis, with the need to rehabilitate historic buildings, local districts and to improve their livability and quality of open spaces.

Accordingly, the areas were identified according to their strategic location and their potential assets for enhancement and rehabilitation. These areas – considered as the most sensitive and effective to implement the proposed scenario – are listed hereunder:

- Trou Fanfaron port area
- Aapravasi Ghat
- Central market, Farquhar street and surroundings
- Caudan and waterfront
- Granary and surroundings
- Historic centre/houses
- Motorway
- Bus terminals

The rationale for selecting the single actions proposed in the plan is based on their estimated capacity to enhance the investment potential of the interested areas, defined through a series of criteria and conditions.

These criteria and conditions were identified based on the analysis of existing problematics and trends described in Chapter 3 and are defined as follows:
• To identify complementarities with existing proposals and projects addressing the targeted area;
• To provide policy-makers a wider set of development actions based on heritage rehabilitation and culture-led regeneration strategies;
• To devise a realistic and implementable plan of actions including potential funding sources and opportunities;
• Capacity to attract investments from the private sector;
• Capacity to enhance the development of the local cultural assets;
• Capacity to generate economic and cultural impacts;
• Ability to avoid functional overlapping and competition across businesses at the city and country level;
• Capacity to impact on the livability and animation of the city beyond working hours;
• Identification of strategies, through a benchmarking analysis, to enhance the international positioning of the city.

4.2 SCENARIO 2030

The frame of the future scenario of the city is defined through managing and driving development of Port Louis on the following key areas of change:

• **Waterfront Creative District**
  A centre dedicated to creative business and entrepreneurship incubation and acceleration, through research and development oriented activities.

• **Cultural Heritage District**
  An attractive integrated museum district functioning as an educational and tourist pole for the city and the visitors.

Scenario 2030
• **Food cluster**

A melting pot place to sell and experience local food as a way to socialize and enhance the cultural vitality of the city together with its attractivity. Given its location, the cluster will also serve as bridge between the city centre and the waterfront.

*The Central Market of Port Louis*

• **Historic buildings**

Properly maintained and functioning historic buildings recognized as valuable assets characterizing the city of Port Louis (PL).

• **Urban Landscape**

A pleasant and renovated streetscape and urban environment to live and work.

• **Parking and mobility services**

A historic city equipped with proper and sufficient parking facilities for residents, workers and visitors, and with functional and modern mobility services for the fruition of the city historic areas and the waterfront.

### 4.3 Sensitivity Analysis

Some relevant infrastructural projects and institutional factors could significantly and positively impact, in the long term, on the realization of the scenario envisioned in the LED plan process, in particular the following elements:

• **Removal of the motorway**, improvement of mobility infrastructures and public transport and improve physical interaccessibility between the city centre and waterfront. This undoubtedly represent the most relevant factor having a direct impact on the use of the waterfront-city centre area.

• **Realization of the track (Metro Express)** between Curepipe and Port Louis, to significantly reduce the car and congestion impact on the city.

• **Repairment and reactivation of the Terre Rouge Verdun-Trianon link road (or realization of a new Ring road bypassing Port Louis)** can significantly impact on the reduction of traffic pressure on the city centre;

• **Reorganization of the port activities**, including the new cruise terminal relocation at Les Salines (ref. MPA upcoming masterplan), to valorize, through reciprocal negotiation, all the possible synergies of investments between the MPA and the waterfront area.

• **Relocation of the government administrative functions** from the city centre.

• **Reducing vulnerability** of the area to floodings and other risk events, reducing the costs for recovery, as well as the loss of revenues associated to the non-availability of the places.

• **Increase of community and institutional awareness and extension of the heritage-development oriented approach to the all city of PL, other historic cities (Curepipe, Maibelle) and at national level.**

Such possible changes, considering their potential significant impact on the proposed scenario, have to be monitored by authorities and the LED plan implementing agency (see chapter 8) in order to adjust the plan objectives, priorities and resource allocation.
5. Action Plan
Taking in considerations the different targets and the related management issues, the plan proposes a set of actions for the rehabilitation and revitalization of the historic city centre of Port Louis and building up an integrated historic district. Those actions, prioritized as functional to maximize the overall investment in the cultural assets of the city, are selected and re-elaborated from existing or developing planning schemes, including the Smart City project, with the goal of including heritage assets in that scheme, with special reference to the BZ areas. They have been classified into three sub-plans of action, as follows:

1) Sub-action plan I: Waterfront

2) Sub-action plan II: Historic City Centre

3) Sub-action plan III: Cross Sectorial Measures

The plan is conceived as an open process: long term or other term measures might be also included in the plan according to possible future changes.

The proposed actions have been defined, after a wide consultation process with local stakeholders, and the analysis of the current instrument/projects, as the most suitable and effective to enhance the investment potential for the area.

5.1 Sub-action plan I: Waterfront

In relation to the waterfront area (coinciding with BZ1, and measuring 2,9ha) the key questions emerged from the situation analysis allow to highlight:

- the need to valorize the present heritage and the historical value of the whole area;
- the potential to enhance business creativity;
- the potential to enhance and tourist attractiveness offering high standards quality business accommodation services.

Objectives:

Based on these questions, the LED plan promotes to use the prime location value of the area to integrate its cultural vocation and already existing cultural services/attractions, including Aapravasi Ghat interpretation Centre, with new business functions. General scope is to create a new international level hub for setting up new forms of cultural productions, attracting business opportunities, new talents, as well as visitors, and to improve the social life and image of the city. The plan includes two main actions:

Scheme of the proposed actions
- The cultural heritage district, to fully recover the waterfront area historical heritage assets and reuse them to host cultural activities, realizing new ones and valorizing the existing one into a integrated framework, including additional and commercial services to the visitors. Focus on cultural production should be paid in setting up the museum.

- The waterfront creative district, to rehabilitate and reuse the Granary and the other historic buildings to create an iconic place/area with highly innovation (Research & Development) functions hub able to work as a connection gate between Mauritius creative business and the world.

5.2 Sub-action Plan II: Historic City Centre

In relation to the historic city area (BZ2, measuring 26.0 ha and extended zone) the key questions emerged in the situation analysis have to be referred to:

- the need to maintain the historical value of the houses and of the urban environment, for the appreciation of the citizens and of the visitors;

- the need to rehabilitate public spaces in order to break the image of degradation of the urban environment;

- the need and opportunity to revive and valorize the commercial vitality of the food market area and the appreciation of its space, with the goal of making PL vital beyond working hours;

- the need to improve accessibility to the waterfront and city centre, together with fruition services for citizens and visitors, especially ensuring an adequate number of parkings available.

Objectives:

Based on these questions, the LED plan promotes a set of actions aimed at improving the livability of the historic city centre of Port Louis both for citizens and visitors. Given the extension of the area and the multiple components involved in this plan, for each of the proposed action, a pilot project is identified to launch the intervention and generate first impacts to sustain the whole rehabilitation and revitalization process. The plan includes five main actions, described as follow:

- Historic Buildings Special Program, to maintain the historical value of the houses and of the urban environment, for the appreciation of the citizens and of the visitors and overall livability of the city.

- Urban landscape rehabilitation program, to improve the visual perception of the urban environment as a whole, valorizing its historical and heritage components.

- Food Cluster, to restore the market and its surroundings in order to create a renovated business commercial area and improve the touristic attractivity of the whole city by offering a new touristic experience to the island visitors.

- Parking and mobility services, reach an adequate number of parkings for the users of the city centre, through realizing new parkings spaces and organizing/improving the existing ones. Second, but equally important goal is to reduce car dependence within the historic PL. This means encouraging public transport and walking/cycling through investments in transport infrastructures.
5.3 Sub-plan III: Cross sectorial actions

In addition to specific measures regarding the Waterfront and the Historic city centre sub-plans, as described in the previous paragraphs, Cross-sectorial measures sub-plan includes all the functional complementary measures to create favourable conditions to sustain the overall rehabilitation and revitalization process for the city of Port Louis as a whole. The plan includes the following actions:

- **Place Branding**, rebranding the area, activating the promotion and communication services to improve a better external image of the place and sustain the attraction of investments.

- **Viva Port Louis/Events and live entertainment**, to revive the image of the city as well as setting up new attractions and a renovated and coordinated calendar of urban events based the enhancement of existing ones (eg. PORLWI festival) and the proposal of new culture-related events (eg “white nights”, opening of private houses, fairs). The recovery of pre-existing cultural centres, as the National Theater, is also considered important under this measure.

Tourism, culture and leisure are, together with the physical rehabilitation of heritage spots, key factors for the revitalization of the city, reviving the city life and raising public awareness.

- **Development of cultural tourism services**, tourism is crucial for the revitalization of the city of PL, potentially the biggest cultural attraction and destination of Mauritius, and for its competitive positioning in the international scenario. Objective of this measure is to maximize the benefits from the tourism industry in Mauritius.

- **Capacity building; International networking**, to raise technical capacities of local professionals together with the general awareness and involvement of citizens.

- **International networking**, to reinforce cultural visibility and institutional and commercial connections with international level subjects, in order to exchange best practices, establish new partnership and maximise the visibility and the potential of the LED plan activities.

*Urban landscape rehabilitation program*
6. Estimating benefits and impacts
In this section, we discuss the main economic, social and cultural impacts that can accrue through the implementation of the proposed actions in the LED plan.

6.1 Economic Impacts

From an economic point of view, the most appropriate methodology for assessing the economic desirability of a cultural heritage investment project, as for any other project, is a cost-benefit analysis (CBA) in which the aggregated present value of the net benefits yielded by the investment project is compared to the present value of the project’s capital costs. When undertaken ex ante, the impacts of the project—and therefore the project’s costs and benefits—are estimated by constructing and comparing a future hypothetical scenario with the project against a future hypothetical scenario without the project.

However, considering the current LED plan, some problems exist on the attempt to undertake a comprehensive ex ante CBA. Firstly, a constraint is likely to be, as in most ex-ante analyses, the lack of data to make possible the identification of the full range of prospective market and non-market benefits. Second, and more importantly, the scope of the LED plan not only addresses investments for the rehabilitation of tangible cultural heritage in the historic center, but present a broader range of tools for regenerating the area through functional reuse by favouring the establishment and attraction of new business, commercial and recreational activities. Among the most relevant actions, it is possible to remind:

- investment in the rehabilitation of the Waterfront complex.
- regeneration through functional reuse by establishing in the Waterfront complex new businesses, setting up of new commercial and recreational activities.
- investment in the rehabilitation of buildings with historic and architectural value in the city center.
- incentives for the establishment of new or upgrade existent commercial activities.

The outcomes of the actions and measures are expected to generate several types of economic impacts, but because of their reinforcing and intertwined nature (heritage rehabilitation with measures to attract and generate opportunities for new businesses and services demand; regeneration of the Waterfront area with the enhancement and revitalization of the city center) it may be difficult to single out the relative impact of each component, causing therefore some measurement and counting problems.

In such circumstances, it is possible nevertheless to elaborate an analytical framework that disentangles the most relevant economic effects that may be directly or indirectly linked to implementation of the LED plan and provide some indicators to measure their magnitude.

The following economic impacts have been identified:

a) Economic benefits arising from the rehabilitation program of historic buildings:

- Benefits to local community’s users of the Port Louis center, measured as non-market and public good benefits deriving from the enjoyment of an upgraded and renovated heritage.
- Benefits for Tourists visiting the Port Louis center and its heritage asset, measured as economic value of the unrealized demand for cultural tourism services related to heritage buildings.
b) Others economic impacts arising from the broader regeneration of the historic centre:

- Impact due to the attraction and creation of new businesses, both in the Waterfront and in the city center.

- Impact of the injection of new resources in the local economy, either in the form of increased foreign tourists expenditures motivated by the renewed attractiveness of the city center of Port Louis or through foreign investments for the rehabilitation of the Waterfront and the historic buildings in the city center.

- Increase in property value and rental yields from urban regeneration.

6.2 Social and Cultural Impacts

Aside the expected economic impacts described above, the LED plan and its proposed actions are thought to generate, through their implementation, a series of benefits in relation to the social and community values, as well as the valorization of the cultural capital of the city as described in paragraph 3.5. Social and cultural impacts thus refer to the expected effects yielded by the LED Plan that involve an enhancement of cultural values and of the livelihood of the place after the heritage rehabilitation and city regeneration has occurred.

The maintenance and possible improvement of the cultural significance and value of the urban heritage of the city, in addition to representing the plan original motivation, is likely to be important in ensuring the sustainability of the plan, and a constant attention paid to heritage conservation, by the whole citizens and mauritan community, also in the post-completion period.

Beneficiaries of the PL 2030 scenario include a significantly large range of stakeholders, from the members of the immediate community where heritage is located as well as others in the wider community of PL, together with external visitors.

- Holders of existing or newly established commercial businesses located in the PL city centre (such as shops, restaurants, hotels, guest houses, and tour and transport operators);

- Holders of commercial businesses located in other parts of the city or of the island;

- Employees, and trades people in the city centre area;

- Residents, employees, and trades people in the whole urban area generally;

- Tourists and visitors:

- Municipality, public and nonprofit cultural institutions, enterprises, or nongovernmental organizations in or near the target area.

Social and cultural benefits can be distinguished in immediate and long term ones.

Because of their more qualitative dimension, social and cultural impacts are hardly quantifiable in monetary terms and estimates of this sort of effects may be highly arbitrary if conducted ex-ante.

For this reason, to account for these impacts, it is more appropriate to propose a frame of specific indicators concerning physical conditions, activities or individuals perceptions about the place that can proxy changes in social and cultural benefits accruing to the local community in different forms.
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