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Adaptive Reuse of Cultural Heritage: Circular Business, Financial and Governance Models.

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Abstract. This edited volume presents the key findings of the Horizon 2020 CLIC (Circular models Leveraging Investments in Cultural Heritage Adaptive Reuse) research project, addressing the urgent need to integrate cultural heritage conservation with sustainable development goals and the circular economy. Rooted in ecological economics, the book establishes Adaptive Reuse (AR) of abandoned heritage as a pivotal strategy to circularize flows of energy, materials, and human capital, thereby prolonging the lifespan and leveraging the "intrinsic value" of historic assets. The core contribution is the systematic development and testing of innovative, multi-dimensional models across four European pilot cities. These include a Circular Human-Centred Impacts Assessment Framework, multicriteria Decision Support Systems (DSS), and adaptable Circular Business, Financial, and Governance Models. The analysis strongly advocates for a shift from state/market-centric approaches to a new circular governance model founded on multi-stakeholder collaboration, trust, and the central role of "third sector" and community-based initiatives in fostering "circular symbiotic cultural ecosystems". The book serves as a vital blueprint for policymakers and professionals seeking to implement resource-efficient and socially inclusive heritage regeneration in the context of global ecological challenges.

Keywords. Cultural Heritage Adaptive Reuse (AR); Circular Economy (CE); Ecological Economics; Circular Governance and Finance; Multi-criteria Decision Analysis.

JEL. L51; R58; Q57; O31; Z11.

Book Review

Adaptive Reuse of Cultural Heritage: Circular Business, Financial and Governance Models, edited by Luigi Fusco Girard and Antonia Gravagnuolo, is a landmark publication that bridges the fields of heritage conservation, urban planning, and environmental economics. Emerging from the European Union's Horizon 2020 CLIC (Circular models Leveraging Investments in Cultural Heritage Adaptive Reuse) project, the book is highly relevant, addressing the global challenges of resource depletion, climate change, and urban decline through the lens of cultural assets.

The book's central, and profoundly systemic, argument is that the adaptive reuse of abandoned and underused cultural heritage is not merely a sustainable practice but an essential strategic instrument for the transition towards a circular economy (CE) at the urban and regional level. The editors and contributors position heritage not as a cost burden, but as an irreplaceable resource, capable of circularizing material, energy, and human capital flows, thereby fostering "high-quality development, social regeneration, welfare, jobs, income and livability of urban/territorial settings". The volume's strength

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lies in its comprehensive integration of theoretical foundations with innovative, validated operational tools and policy recommendations.

II. Theoretical Foundations: The Ecological Economics Paradigm

Part I, "Theoretical Foundations," sets a robust academic context, grounding the entire project in ecological and human-centred economics.

A. The "Circular Human-Centred" Approach

Chapter 2, by Luigi Fusco Girard, is foundational, introducing the concept of the "circular 'human-centred' adaptive reuse". This approach prioritizes "care for people and the planet together with individual benefit", drawing inspiration from thinkers like Herman Daly and Amartya Sen. The core innovation is the transfer of the "natural ecology organisational system into the human social ecology". This perspective views the heritage asset not merely as a physical structure but as a complex adaptive system, much like a forest, characterized by "adaptive, evolving capacity to a changing context and attention to its memory". The aim is to implement "circular symbiotic heritage ecosystems".

B. Intrinsic Value and Circularity

The analysis redefines the value of heritage in economic terms. The "intrinsic value" of cultural heritage—which encapsulates its historical experience, embedded knowledge, and authenticity—is presented as the key leverage point for generating new "use-values". By reusing historic structures, the practice bypasses the wasteful demolition/new construction cycle, thus directly contributing to CE principles. Chapters 3 and 4 further explore the intimate circular dimension of heritage conservation. They propose a new experimental register of actions—care, maintenance, repair, proximity, and re-design—that constantly nourishes the circular loop. This theoretical reframing is a powerful academic contribution, asserting that the circular economy requires a fundamental "radical ecological shift in societal values", which cultural heritage, through its intangible dimensions, is uniquely suited to facilitate.

III. Operational Tools: Measuring and Managing Circularity

Part II of the book focuses on translating the abstract circularity principles into quantifiable and actionable tools, presenting the rigorous methodology developed by the CLIC project team.

A. Evidence-Based Frameworks and Statistical Models

Chapter 5 details the process of building an "evidence-base" through the assessment of over a hundred European adaptive reuse cases. This empirical work, supported by the Knowledge and Information Hub (KIH) platform, was designed to identify success factors and barriers through a multidimensional circularity lens. This data was then subjected to advanced statistical analysis in Chapter 6. Using latent variables, the authors identified the "key 'building blocks' of circularity", which are critical elements for *ex-ante* evaluation and design. This mathematical operationalization of a complex sustainability concept is a significant methodological achievement.

B. Multidimensional and Multi-criteria Evaluation

The book's most practical innovation is the CLIC Multidimensional Impacts Assessment Framework and the subsequent development of the Multicriteria and Multi-scalar Decision Support System (DSS).

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- The Framework: The impact assessment framework goes beyond traditional economic metrics (which often underestimate cultural and social benefits) to include quantitative and qualitative indicators for cultural, environmental, social, and economic impacts, covering scales from the single building to the urban context.
- The DSS: Chapter 9 showcases the DSS as a multimethodological procedure designed to support transparent, informed, and participatory decision-making. Crucially, the DSS is flexible and interactive, allowing for the integration of diverse stakeholders' viewpoints throughout the adaptive reuse process, a necessity given the "multiplicity of cultural, economic, environmental and social features and heterogeneous objectives" involved.

Furthermore, the volume includes dedicated frameworks for measuring social sustainability and exploring the concept of "multidimensional spillovers" of cultural heritage, linking regeneration efforts to broader regional development and circular economy benefits.

IV. Policy Shift: The Need for Circular Governance

Part III addresses the obstacles that impede successful adaptive reuse, concluding that a fundamental change in governance is necessary.

A. Barrier Assessment and Policy Inflexibility

Chapter 14 provides a crucial assessment of the barriers, which are not merely financial or technical but rooted in governance limitations. The analysis points to the difficulty of involving relevant stakeholders in decision-making, regulatory and planning tools that are "not flexible enough" for sustainable transformation, and a disproportionate reliance on public funds. The existing system often treats heritage reuse as a "cost for the collectivity" rather than a resource.

B. The Circular Governance Model

In response, Chapter 15 and others propose a new model: Circular Governance. This model is predicated on the idea that addressing challenges like climate change and poverty requires cooperation and collaboration at the local level, fostering trust and social capital—the "necessary glue of society". Key features of this governance model include:

1. Multi-stakeholder Platforms: Establishing cooperation between public institutions, private investors, community actors, property owners, and informal users.
2. Third Sector and Community-Based Initiatives: Emphasizing the growing role of non-profit organizations, community cooperatives, and foundations that prioritize social objectives while generating revenue for the asset's long-term maintenance—a virtuous cycle of "care".
3. Participatory Evaluation: Utilizing the dynamic, multi-criteria tools developed in Part II to co-design and co-develop projects, thus building the necessary "heritage communities" evoked by the Faro Convention.

V. Practical Solutions: Circular Business and Financial Models

Parts IV and V pivot to the practical execution of the circular adaptive reuse model, detailing how projects can be made financially viable and entrepreneurial.

T. Suzuki, JEST, 12(2), 2025, pp.105-109.

A. Circular Business Models (CBMs)

The book provides detailed frameworks for Circular Business Models (CBMs) tailored for cultural heritage. These models must ensure "self-sustainability," often by hosting a mix of high-revenue initiatives alongside low-profit or social ones. Key learnings from case studies, such as the "Kultur-Token" model, showcase how these CBMs can be an iterative journey, evolving with the asset and the community. Crucially, the success of these CBMs depends on understanding the local context, clustering buildings for area-based strategies (e.g., tourism, cultural industries), and integrating services.

B. Financing Mechanisms and Entrepreneurial Ecosystems

To overcome the reliance on strained public budgets, the volume explores innovative financing mechanisms. Chapter 20 discusses "Circular Financing Mechanisms" which often require the integration of economic, cultural, social, and environmental impact assessments to create "blended" financial and societal benefit solutions. This aligns with the book's human-centred focus, ensuring that investments in heritage regeneration contribute to mutual trust, cohesion, and inclusion at the local level.

Part V champions the need to stimulate "Heritage-Led Entrepreneurial Ecosystems". The CLIC Startup Competition, as detailed in Chapter 21, demonstrated the potential for entrepreneurial activity in the heritage sector to generate new jobs and positive societal impacts, thus proving that adaptive reuse is a viable entrepreneurial venture.

VI. Critical Assessment and Conclusion

Adaptive Reuse of Cultural Heritage is a seminal work, yet its complexity can also be seen as a challenge. The sheer volume of theoretical models, criteria, indicators, and policy recommendations, while comprehensive, requires a high level of interdisciplinary expertise from the reader. Successfully implementing the proposed "circular symbiotic heritage ecosystem" requires a revolutionary overhaul of entrenched bureaucratic and financial practices, which the book acknowledges as a major barrier.

Nevertheless, the book's contributions are profound:

1. **Conceptual Integration:** It definitively links the fields of heritage and the circular economy, providing a cohesive, ecologically sound rationale for adaptive reuse.
2. **Operationalization:** It offers empirically tested and methodologically rigorous tools (DSS, Impact Frameworks) that move the discussion from theory to practice.
3. **Policy Reorientation:** It advocates for a paradigm shift toward a collaborative, multi-stakeholder Circular Governance model rooted in community trust and long-term care.

In providing a detailed pathway and a "blueprint" for the integration of circular business, financing, and governance models, this book serves as an indispensable reference. It provides the intellectual and methodological foundation necessary for future research and action, particularly in the context of the New European Bauhaus initiative and the urgent quest for climate-resilient and socially cohesive urban development.



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