

# Cultural Heritage Management and Sustainable Development

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## ABSTRACT

A view of cultural heritage as a form of capital considers the long term, dynamic, evolutionary, inter-temporal and inter-generational aspects of cultural heritage. The principles of sustainability provide a basis on the broader issue of culture in economic development. They might be capable of specifying a pattern of development that is “culturally sustainable” in the same way as somewhat similar set of criteria derived for the natural world, the criteria for defining ecologically and environmentally sustainable development. Thus we might accept the principles of material and non-material advancement, intergenerational and intra-generational equity, the maintenance of cultural diversity, the precautionary principle, and the recognition of system interdependence as benchmarks in assessing a cultural development process.

**Keywords:** Sustainable Development, Cultural Heritage, Cultural Capital, Cultural Economics

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## I . Introduction

Korea has added two historic villages, Hahoe and Yangdong to the World Heritage List of UNESCO at the World Heritage Committee in 2010. Now Korea has ten inscribed World Heritages on the UNESCO's List: Seokguram Grotto and Bulguksa Temple(1995), Haeinsa Temple Janggyeong Panjeon, the Depositories for the Tripitaka Koreana Woodblocks(1995), Jongmyo Shrine(1995), Changdeokgung Palace Complex(1997), Hwaseong Fortress(1997), Gyeongju Historic Areas(2000), Gochang, Hwasun, and Ganghwa Dolmen Sites(2000), Jeju Volcanic Island and Lava Tubes(2007), Royal Tombs of the Joseon Dynasty(2009), and Historic Villages of Korea: Hahoe and Yangdog(2010).

Recently it is found that the demand for conserving cultural heritage is growing in Korea. However, the processes of economic development place heavy burdens on cultural assets. Heritage sites may have some conflict with expanded urban areas and with various industrial activities. Population growth may damage the heritage assets. Sometimes mass tourism leading to the erosion of sites becomes the threat. Many efforts to conserve heritage assets are made by the central or local governments. They have to compete, however, with other uses of limited public expenditures.

Cultural heritage has a potentially substantial economic value. Like environmental assets, cultural heritage assets are basically non-market assets: they can be enjoyed by many people without charge. Few funds are, however, generated to finance conservation. And the zero-price encourages over-use. When the land occupied by cultural heritage is demanded for other use, the cultural asset is easily sacrificed because its commercial value appears to be very small. Even when the cultural heritage sites are marketed through entry and visit charges, it is likely to fail to extract from visitors the best charge maximizing the net returns to the assets.

The term 'sustainable development' was first used in 1987 by the World Commission on Environment and Development (known as the Brundtland Commission for its chair, Gro Harlem Brundtland). In the commission's report, sustainable development is defined as "a process of change in which the exploitation of resources, the direction of investments, the orientation of

technological development; and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations.” The key element of sustainability is the question of intergenerational transfers and the decision-making that surrounds them.

A view of cultural heritage as a form of capital considers the long term, dynamic, evolutionary, inter-temporal and inter-generational aspects of cultural heritage. Cultural capital exists as a source of cultural goods and services which provide benefits both now and in the future. We can allow cultural capital to deteriorate over time, we can maintain it, or we can augment it. We can manage it in a way that suits our individual or collective purpose. This essay is intended to examine some issues in cultural heritage management for the sustainable development.

## **II. Culture as Capital**

Although the concept of ‘cultural capital’ was first used in sociology to describe certain characteristics of individuals, it began to be used in economics, especially in the economics of arts and culture, much closer to the concept of capital commonly used in standard economics.

Three different forms of capital have been recognized in economics: physical, human, and natural capital. Physical capital, the stock of real goods such as plant, machines, buildings, etc. which contribute to the production of further goods, has been known since the beginning of economics. In the early 1960s a second type of capital, human capital, was identified by Gary S. Becker(1964), realizing that the embodiment of skills and experience in human being represents a capital stock which is as important as physical capital in producing output. More recently, economists have come to accept the concept of natural capital, the stock of renewable and nonrenewable resources provided by nature, following the increasing awareness of environmental problems on economic activity. The idea of “nature” as a provider of services may be found even in the classical economics, where land is recognized as an important factor of production. However, the analysis of nature as capital and especially of its role in “sustainability” has been very recent,

lying at the core of the emerging discipline of ecological or environmental economics.

Very recently, Throsby(1999) argues that we need to identify a fourth type of capital, cultural capital, as a distinctly different category from the other three. His idea stems from the common observation that many cultural phenomena such as cultural heritage buildings and art works have all the characteristics of capital assets, especially that of natural capital.

Throsby(1999) defines cultural capital as an asset that contributes to cultural value. More specifically, cultural capital is defined as the stock of cultural value embodied in an asset. This stock may in turn give rise to a flow of goods and services over time, which themselves may have both cultural and economic value. Cultural capital may have tangible or intangible form.

The stock of tangible cultural capital assets exists in buildings, structures, sites and locations endowed with cultural significance, called “cultural heritage,” and artworks and artifacts existing as private goods, such as paintings, sculptures, etc. These assets provide flow of services that may be consumed as private or public goods entering final consumption immediately, or they may contribute to the production of future goods and services, including new cultural capital. Intangible cultural capital, on the other hand, comprises the set of ideas, beliefs, traditions and values which serve to identify a given group of people together with the stock of artworks such as literature, music, etc. These intangible cultural assets also provide flow of services which may form part of final consumption or may contribute to the production of further cultural goods. Some part of the services provided by cultural capital assets may be used in production of other goods and services, e.g., advertising, tourism, architecture, etc.

Cultural capital has much in common with natural capital. The elements of natural capital are comprising four components: i) renewable natural resources such as fish and forest stocks, ii) non-renewable resources such as oil and mineral deposits, iii) the ecosystems which support and maintain the quality of land, air, and water, and iv) the maintenance of biodiversity. Within these concepts we can distinguish between the stock of natural capital and the flow of environmental services they provide (the harvesting of fish and timber, the recycling of waste materials, erosion control, aesthetic services of landscape, etc.).

Tangible cultural capital which has been inherited from the past has something

in common with natural resources. Natural resources have come from the beneficence of nature and cultural capital has arisen from the creative activities of human being. Both impose a duty of care on the present generation for the future generation, which is the essence of the sustainability problem. Furthermore, a similarity can be seen between the function of natural ecosystems in supporting and maintaining the 'natural balance' and the function of 'cultural ecosystems' in supporting and maintaining the cultural life and vitality of human civilization. The notion of diversity has perhaps even more significant role to play within cultural systems. It is a characteristic of most cultural goods that they are unique; all original artworks are differentiable from all others, all historic buildings and sites are individually identifiable as distinct. Thus cultural diversity may be even more significant than is diversity in nature.

### **III. Culture and Sustainable Development**

Cultural capital may contribute significantly to our understanding of sustainable development. It makes a contribution to long-term sustainability that is similar in principle to that of natural capital. Natural ecosystems are essential to supporting the real economy. Neglect of natural capital through overuse of exhaustible resources or unsustainable exploitation of renewable capital stocks may cause such systems to break down. A parallel proposition can be put in regard to cultural capital. It is clear that "cultural ecosystems" underpin the operations of the real economy, affecting the way people behave and the choices they make. Neglect of cultural capital by allowing cultural heritage to deteriorate, by failing to sustain the cultural values that provide people with a sense of identity, and by not undertaking the investment needed to maintain and increase our stock of intangible cultural capital, will likewise cause cultural systems to break down.

Cultural capital exists as a source of cultural goods and services which provides benefits both now and in the future. As individuals or as a society, we can allow cultural capital to deteriorate over time, we can maintain it, or we can augment it. We can manage it in a way that suits our purposes. What principles should guide our management decisions?

Throsby(2001) identifies six criteria which define sustainable development in its application to cultural capital.

### **Material and non-material wellbeing**

The flow of cultural goods and services produced from cultural capital provides both material and non-material benefits. A criterion for judging sustainability is the production of material benefits in the form of direct utility to consumers and a more general class of non-material benefits flowing from cultural capital.

### **Intergenerational Equity and Dynamic Efficiency**

Our interest in inter-generational equity has focused on the concern among those of us alive today for the wellbeing of future generations. Intergenerational equity can be considered in relation to cultural capital because the stock of cultural capital is what we have inherited from our forebears and which we hand on to future generations. Equity of access to cultural capital can be analyzed in the same way as equity in the inter-generational distribution of benefits from any other sorts of capital.

The inter-generational question as an issue of equity rather than efficiency has the same resonances when applied to cultural capital as it does in the context of natural resources. It has to do with moral or ethical obligation that might be assumed by the present generation on behalf of the future. This means that future generations are not denied in access to cultural resources and are not deprived of the cultural underpinnings of their economic, social and cultural life, as a result of the short-sighted or selfish actions of us alive today.

### **Intra-generational Equity**

This criterion asserts the right of the present generation to fairness in access to cultural resources and to the benefits flowing from cultural capital, viewed across social classes, income groups, locational categories, etc. It can be suggested that the distribution of cultural resources, access to cultural participation, the provision of cultural services for minority or disadvantaged groups, etc. are all aspects of equity in cultural life that may be overlooked in the pursuit of efficiency-related outcomes.

### **Maintenance of Diversity**

Just as biodiversity is seen as significant in the natural world, cultural diversity is also very important in maintaining cultural systems. The diversity of ideas, beliefs, traditions, and values yield a flow of cultural services which is quite distinct from the services provided by the individual components. Diversity is an important attribute of cultural capital particularly because it has the capacity to yield new capital formation. For example, to the extent that creative works are inspired by the existing stock of cultural resources, a greater diversity of resources will lead to creation of more varied and more culturally valuable artistic works in the future.

### **Precautionary Principle**

Decisions which may lead to irreversible change should be approached with extreme caution and from a strongly risk-averse position. In the natural world, this principle is invoked in regard to decisions that might result, for example, in the extinction of species. Similarly the destruction of any cultural capital may be a case of irreversible loss if that is unique and irreplaceable.

### **Maintenance of Cultural Systems**

No part of any system exists independent of other parts. In this respect, cultural capital makes a contribution to long-term sustainability which is similar in principle to that of natural capital. Natural ecosystems are essential to supporting the real economy, and neglect of natural capital through overuse of exhaustible resources or unsustainable exploitation of renewable capital stocks may cause such systems to break down. Likewise, neglect of cultural capital by allowing heritage to deteriorate, by failing to sustain the cultural values that provide people with a sense of identity and by not undertaking the investment needed to maintain and increase the stock of both tangible and intangible cultural capital will jeopardy and may cause them to break down.

The World Bank(1999) reports that culture can contribute directly to its core development objectives. It sees culture in a development context as helping to:

- provide new opportunities for poor communities to generate incomes from their own cultural knowledge and production and to grow out of poverty,

- catalyze local-level development through the diverse social, cultural, economic, and physical resources that communities have to work with,
- conserve and generate revenues from existing cultural assets by reviving city centers, conserving socially significant natural assets, and generating sustainable, significant tourism revenues,
- strengthen social capital, in particular, to provide a basis on which poor, marginalized groups can pursue activities that enhance their self-respect and efficacy and to strengthen respect for diversity and social inclusion so that they can share in the benefits of economic development, and
- diversify strategies of human development and capacity-building for knowledge-based dynamic societies - for example, through support for local publishing, library services, and museum services, especially those that serve marginalized communities and children.

#### **IV. Cultural Heritage Management for Sustainable Development**

Decisions on how cultural heritage should be preserved, restored, or presented to the public have largely been made by experts in cultural area: archeologists, art historians, musicologists, architects, conservationists, museum directors, urban planners, etc. When economists are going to give any advices on conservation problems, most experts in culture seem to believe that cultural heritages are beyond the area of economics. However, economic analysis can engage many issues in this field, ranging from resource allocation within the cultural institutions to policy issues relating to the financing and management of publicly owned assets. Treating cultural heritage as a form of capital opens to evaluate it using the familiar techniques of investment appraisal. We will be able to draw the economic and cultural appraisal together by invoking the criteria of sustainability in the assessment of heritage decisions.

The term 'heritage' used in cultural heritage asset implies that people feel heritage belongs to everyone. They are part of a nation's or community's inheritance. However, calling something heritage does not make it a public good. Seokguram, for example, is part of Korea's cultural heritage, but prices are



charged for entering the site to see it and it is easy to exclude people who are not willing to pay that price. But it is likely that many people get a sense of satisfaction from knowing that Seokguram does exist. This is either because they want to be sure that it is there in the event that they want the option to visit it, or because they simply want to know it does exist regardless of any intention to visit it. This notion of being willing to pay to conserve an asset because one wants to retain the option of visiting in the future is called option value. The notion that people are willing to pay to conserve something even though they have no intention to visit it is known as non-use value. They are values potentially shared by many people but the manager of Seokguram cannot capture those benefits through the price of entry to the site.

It is important to notice that the site is managed for three different groups of people: people who will visit, who want to retain the option to visit, and who want the asset to be conserved but who have no intention to visit. And there may be many people who want to retain the option only for their children and grandchildren to utilize the asset. But the revenues from the site come only from those who actually visit. If the option and non-use values are substantial, the economic value of the site will be seriously understated by looking at the revenues obtained from visitors. Markets will undervalue the resource and too little will be conserved.

Consider a heritage project, where a particular tangible cultural heritage is under consideration. The project may involve the restoration of an artwork, the expansion or reorganization of a museum or gallery which is a site for storage and display of cultural objects such as artworks, the restoration or re-use of a historic building, or the redevelopment of a historic or cultural site, etc. In this case, the project can be conceived of as a process of investment of economic resources and conservation expertise, i.e., an investment involving both economic and cultural inputs. The investment might be interpreted as maintenance investment (as in the case of restoration or preservation) or a new investment (as in a re-use or redevelopment project).

The benefits of the project may be divided into “use values,” “non-use values,” and “externalities.” The non-use values are generally regarded as being of three types.

- a) Existence value: People may regard the mere existence of the heritage to be of value to themselves or to the community even though they do not enjoy benefits from it at first hand. For example, citizens of the world may value the existence of the Great Wall even though they may never have been to China.
- b) Option value: People may wish to preserve the option that some day they, or someone else for whom they have concern such as their children, may wish to consume the asset's services, e.g., by visiting a particular cultural site at some time in the future.
- c) Bequest value: People may gain benefit from the project through the knowledge that the cultural asset will be passed on to future generations.

How cultural value is comprised in a heritage context? The possible components of cultural values for the heritage site are: aesthetic, spiritual, social, historical, symbolic, and authenticity values.(Pearce, Maddison, and Pollicino 1998):

- a) Aesthetic Value: The site possesses and displays beauty in some fundamental sense, whether that quality is somehow intrinsic or it comes into being only in the consumption of it by the viewer.
- b) Spiritual Value: Spiritual value conveyed by the site may contribute to the sense of identity of the community.
- c) Social Value: The interpretation of culture as shared values and beliefs which bind groups together suggests that the social value of the heritage site might be reflected in the way in which its existence may contribute towards social stability and cohesion in the community.
- d) Historical Value: This value is unarguably intrinsic to the site, and of all the components of cultural value it is probably the most readily identifiable.
- e) Symbolic Value: The site conveys meaning and information, which helps the community to interpret its identity and to assert its cultural personality.
- f) Authenticity Value: The site is valued for its own sake because it is real, not false, and because it is unique.

A major revenue source in many heritage redevelopment projects is likely to be tourism. The World Bank is careful in its propaganda to emphasize that tourism

to cultural sites in developing countries must not degrade the very culture that attracts it and must be developed in a manner respectful of local traditions and cultural sensitivities. It must be culturally and environmentally sustainable.

## V. Concluding Remarks

An invocation of economic and cultural value as components of a development model, together with the long-term and evolutionary nature of both economic development and cultural change, render the idea of sustainability to integrate an analysis of economic and cultural development. Given the similarities between the natural and the cultural environment, it can be suggested that environmental interpretations of sustainability can be applied to the cultural sphere. The ecosystem supports biosphere and the cultural infrastructure supports the social universe, and both in turn provide essential sustenance for the economic life in their respective domains.

The principles of sustainability provide a basis on the broader issue of culture in economic development. They might be capable of specifying a pattern of development that is “culturally sustainable” in the same way as somewhat similar set of criteria derived for the natural world, the criteria for defining ecologically and environmentally sustainable development. Thus we might accept the principles of material and non-material advancement, intergenerational and intra-generational equity, the maintenance of cultural diversity, the precautionary principle, and the recognition of system interdependence as benchmarks in assessing a cultural development process. In conclusion, a requirement that development be culturally sustainable would extend and complement an expectation that it should be ecologically sustainable.

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