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WORKING PAPER NEW SERIES

INSTITUTIONAL APPROACH OF SELF-GOVERNANCE ON CULTURAL HERITAGE AS COMMON POOL RESOURCES

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Working paper No. 22/2010



Università di Torino

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RESOURCES**

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Paper prepared for 1st CSS-EBLA Workshop

Turin, Italy, January 28-30, 2010

Author would appreciate any and all comments, criticisms and suggestions for further revision, please feel free to contact with <yz333@cam.ac.uk>.



1. Introduction

“People all over the world need to be made aware of the importance of cherishing our varied heritage, both the treasures of our physical cultural heritage and the intangible heritage of traditions and cultural practices. In learning to appreciate and value our own heritage, we can learn to appreciate the heritage of other cultures. This is an essential step towards ensuring peaceful dialogue and mutual understanding. Furthermore, heritage preservation is essential if we are to retain the wealth of our cultural diversity and ensure that the world is enriched rather than impoverished by globalization.”

--- Koichiro Matsuura, Former Director-General of UNESCO

Cultural heritage is very unique resource, they are hardly able to be valued in the market, yet it inevitably participates closer and deeper in various economic activities, such as tourism or real estate business during the globalization epoch. Due to its distinctive nature and complicated value system, this paper is to demonstrate rather than the typical public goods as cultural heritage has been long granted, cultural heritage is much more proper to be described as Common-pool Resource (CPRs) with characters of rival and non-excludable due to its enclosure, congestion and degradation issues raised by economic development activities.

During the past decades, some economists tried to adopt economics theory and methodologies to explain and build up cultural heritage studies framework, many theories are built under so-called “Cultural Economics” with concepts of cultural value and cultural capital, and many techniques are borrowed from environmental economics, such as Contingent Valuation Method, Choice Modelling. Nevertheless, studying on the nature and value of cultural heritage is for the purpose of better management and conservation, thus governing cultural heritage is a complex task.

This paper starts with definition and value system of cultural heritage (section 2), clearly defines the particular cultural heritage for following analysis, tries to explore complicated value system of cultural heritage, and the dilemma when cultural heritage preservation challenged by economic development impetus, or even poverty alleviation, thus to argue that cultural heritage should be defined as CPRs rather than public goods (section 3), determining the nature of cultural heritage is crucial for its analysis and governing discussion. Cultural heritage not only suffers from CPRs dilemmas, such as Prisoner’s Dilemma at individual level, Tragedy of the Commons



at community level and Logic of the Collective Action at group decision level, but also suffers from the problems of enclosure, congestion and overuse, which all makes it fitting in CPRs definition. Hence, governing cultural heritage should proceed in management from CPRs institutional approach, despite its conventional governing solutions, namely privatisation, state intervention and international regulation (section 4). Ostrom (1990)'s institutional approach of CPRs self-governance based on voluntary cooperation could be introduced into cultural heritage management scheme, section 4 analyses how this self-governing approach could solve three general problems that conventional solutions could not reach, and demonstrates Ostrom's eight design principles of long-enduring self-governing of CPRs could be applied to cultural heritage, thus to argue that self-governing should be a new supplementary approach for cultural heritage management in the future. Followed are simple case study (section 5) and conclusion (section 6).

2. Cultural Heritage and Value System

2.1 What is Cultural Heritage?

“World Heritage is a treasured memory for humanity. Their material and cultural value is irreplaceable and irretrievable. For a nation and a people, natural and cultural heritage primarily serves as testimony to a history. In addition, it is a driving force and a source of inspiration for the continued development of that civilization. At the same time, World Heritage is a collective wealth shared by humanity that is instrumental in helping to facilitate exchange, understanding and a growing success shared between countries, people and cultures.”

---Yasuyuki Aoshima, Director and Representative UNESCO Office Beijing

UNESCO Operational Guidelines for the Implementation of the World Heritage Convention, II.A, 45. Article 1, clearly defined Cultural Heritage as various physical forms created by human being with Outstanding Universal Value from the historical, aesthetic, ethnological or anthropological points of view.¹

The concept Outstanding Universal Value (OUV) has to be emphasized here as it's the core of UNESCO cultural heritage concept, both tangible and intangible. It is defined as cultural and/or natural significance which is so exceptional as to transcend national boundaries and to be of common importance for present and future generations of all humanity. OUV is always a crucial parameter to monitor, which is



defined from humanitarian, anthropological and social points of view. OUV makes the heritage the best in the world, which stands for a story of global significance and outstanding example of a regional cultural phenomenon, reflecting a universal theme. It is not only the basis of heritage management and state of conservation, but also the foundation of corresponding criteria.

Currently UNESCO World Heritage List includes 890 properties forming part of the cultural and natural heritage which the World Heritage Committee considers as having OUV. These include 689 cultural, 176 natural and 25 mixed properties in 148 States Parties. As of April 2009, 186 States Parties have ratified the World Heritage Convention.²

Table 1 Number of World Heritage Properties by region

Regions ↓	Cultural	Natural	Mixed	Total	%	States Parties with inscribed properties
Africa	42	33	3	78	9%	29
Arab States	60	4	1	65	7%	16
Asia and the Pacific	129	48	9	186 *	21%	28
Europe and North America	375	56	9	440 *	49%	49
Latin America and the Caribbean	83	35	3	121	14%	25
Total	689	176	25	890	100%	148

* The property "Uvs Nuur Basin" (Mongolia, Russian Federation) is a trans-regional property located in Europe and Asia and the Pacific region. It is counted here in the Asia and the Pacific region.

Source: UNESCO World Heritage Centre, Statistics.



As seen from Table 1, Europe and North America takes over almost half of the listed heritages, although during the past decades the situation is changing, developing countries nominated more of their heritages successfully, China listed 38 sites, ranked the third among all State Party countries (Italy 44, Spain 41), Africa shares only 9% and Arab states even less with 7% share. Cultural heritage as the common treasure of whole human kind, should be more evenly distributed globally rather than political-biased or economic-biased in the future. This will be discussed further in section 4's international regulations.

2.2 Value System of Cultural Heritage

Cultural heritage as a physical property has its intrinsic economic values, in the formation of a building or a cluster of vernacular houses, somehow, its total value are augmented, significantly probably, by adding its abundant cultural values.

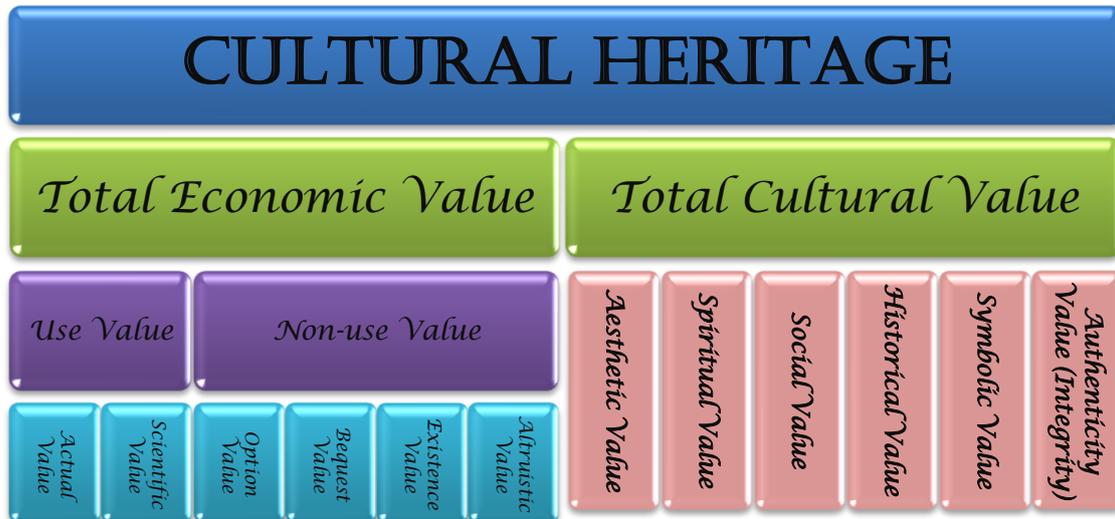
Figure 1 shows the value system of cultural heritage. As both property and cultural goods, cultural heritage has economic values as well as cultural values. While the economic values are use value and non-use value, “visible” use value as actual-use value, for example the entry fee, tickets or property price on real estate market, most of the world cultural heritage sites charge for admission in various forms; and the scientific value to solve historical issues, providing evidences for anthropology, archaeology, history, science, politics or art research etc. Non-use values on the other hand are more “invisible”, such as option value that people would keep the heritage option available for future visit, bequest value that people would like to bequeath the heritage for future generations, existence value that people would like to have it existing even they actually never visit it, and altruistic value that people elsewhere would preserve the heritage for other peoples. Those non-use values now could be indirectly presented as an economic form presented in monetary terms by certain techniques.

On the other hand, the cultural values of a heritage are classified by Throsby (2001) as aesthetic value, spiritual value, social value, historical value, symbolic value and authenticity/integrity value. The value of cultural heritage is much more than just economic value, its embedded cultural values are very important yet easily ignored. Cultural heritage obtains aesthetic value for its viewers, as its intrinsic quality and surrounding environment qualities; its spiritual value composed the cultural identity of the community as a whole, and provides a sense of cultural confidence and linkage



between local and global; while the social value of heritage is the shared values and beliefs which bind groups together; and the historical value connects present and the past; cultural heritage also has symbolic value that asserts cultural personality, for the young, for the level of understanding of the whole community; authenticity value includes integrity and uniqueness, which makes the heritage real and special.³

Figure 1.1 Value System of Cultural Heritage



Although with help of contingent valuation techniques that some cultural values can be measured according to unit of account that plays a role comparable to that of a monetary scale in measuring economic value, which is also closely related to economic values. Cultural heritage is still very hard to be fully evaluated as complicated as its value system demonstrated above. It not only hindered our understanding of the very nature of cultural heritage, but also left us a great conflict between heritage preservation and economic development.

2.3 Cultural Heritage and Economic Development

Dichotomy emerges inevitably here between developed countries and developing countries, I am more concerned with the latter since the conflict among heritage preservation, economic development and poverty alleviation is more often and intensive. In developing countries, cultural heritages are more concentrated in remote and less developed areas since richer regions destroyed their heritages as prices for early development. Since the area with heritage is less economically developed and with deeper and wider poverty, heritage preservation more than often logically submitted to local development, usually tourism development and real estate booming.



Even the very reason that a lot of developing government nominates their heritage into World Heritage List because of the great potential of future tourism development with “UNESCO Title”. In addition, since cultural heritage has been categorized as public goods, state control intervened undoubtedly logical, which speed up the value diminishing process in most of the cases. Shining economic values of cultural heritage are very hard to ignore, while the hidden cultural values have been consciously or unconsciously forgotten by those developing authorities, or sacrifice for the name of the poor locals. However, is it really the truth that sacrificing heritage for economic development would be good for the poor indigenous people? The answer is no. It’s also would be harmful for the State Party, only sustainable development that taking both local economic demands and heritage conservation into account could be good for all.

3. Cultural Heritage as Common-Pool Resources

3.1 Public Goods vs. Common-Pool Resources

As mentioned before, cultural heritage has been long defined as typical public goods, but this paper would argue that cultural heritage should be more appropriate to be understood as Common-Pool Resources (Ostrom, 1990) since the property rights are not explicitly defined but it still faces the carrying capacity issues.

There are usually four categories of goods, clearly demonstrated as below in the Figure 2: private goods, CPRs, club goods and public goods. According to two major attributes of goods---excludability and subtractability. While excludability tests if one person can reasonably prevent another from consuming the good, and subtractability tests if one person’s consumption of the good does affect another’s, or *vice-versa*. Club goods are non-rival but excludable goods, this means that while certain people could be excluded from the consumption of a good, one person's consumption of it does not diminish another person's, for example: cable television; computer software. Although according to Buchanan (1965), the theory of club is only a matter of property rights. Purely private goods are excludable and rival, because it only belongs to and will be only consumed by the person who bought/owns it, such as a cup of Cappuccino, people who bought it can drink it, which will automatically exclude others from consuming it and once it’s consumed no one can consume it again. In another word, private goods are commodities sold on the market, the general goods in a common sense.



Figure 2 Four Kinds of Goods

	Excludable	Non-excludable
Rival	Private goods	Common pool resources
Non-rival	Club goods	Public goods

On the opposite, Public goods are non-excludable and non-rival. Economists are in great interests of public goods, Paul Samuelson (1954) defined public goods as the goods “which all enjoy in common in the sense that each individual’s consumption of such a good leads to no subtractions from any other individual’s consumption of that good.”⁴ The standard examples of public goods would be national defence and lighthouse, which basically everyone can enjoy it without excluding others, and at the same time one’s benefits from national defence or lighthouse will not diminish other’s use. It’s been agreed in a large sense that cultural heritage is public goods, typically non-excludable and non-rival. So as the public goods, government intervention is very necessary, since private sector is not willing to provide public goods. I disagree this classification, let’s look back at the UNESCO Convention.⁵

“For the purpose of this Convention, the following shall be considered as cultural heritage:

Monuments: architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature, inscriptions, cave dwellings and combinations of features, which are of outstanding universal value from the point of view of history, art or science;

Groups of building: groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of outstanding universal value from the point of view of history, art or science;

Sites: works of man or the combined works of nature and man, and areas including archaeological sites which are of outstanding universal value from the historical, aesthetic, ethnological or anthropological point of view.”

(UNESCO adopted *The Convention for the Safeguarding of Intangible Cultural Heritage* in 2003.)



Cultural heritages are monuments, groups of building and sites, but not ordinary ones, as described in the first part of the paper, cultural heritage owns much larger and more complicated value system rather than just buildings. Every cultural heritage has its significance to human beings from historical, aesthetic, ethnological, anthropological or artistic point of view, those significant meanings are part of its cultural values, which are mostly intangible. The tangible carriers of cultural heritage is obvious and easy to measure, somehow its intangible value and impact is beyond of economic valuation technique.

Let's consider the two major attributes to classification, excludability and subtractability. Excludability usually based on the goods' property rights, since the cultural heritage composed with both tangible carriers and intangible cultural values, it's impossible to prevent other people consume it, especially due to the information technology development, people now can consume cultural goods via internet from long distance, including cultural heritage, so it is non-excludable. As a public goods, non-rival means one person's consumption does not prevent simultaneous consumption of the others, here is the problem of looking at cultural heritage as public goods, people would assume the resource is infinite and non-rival, but the fact is when the resource appropriation reaches a certain level, congestion emerged and even indirect consumption via internet could reach an enclosure, thus it is rival goods.

Let me explain more with tourism development in heritage sites situation. It is an undeniable fact that inscription as a World Cultural Heritage by UNESCO is also the very reason why millions of tourists pour into the site every year. Tourism development goes hand in hand with cultural heritage preservation. Tourism can bring environment impact and social changes to the heritage sites. Much more than often, congestion or crowding became a negative impact. Somehow, there is another issue to be concerned---sustainability.

Let's take a look at the classic community tourism development cycle on a heritage site. **Stage 1**, the site begins to be known as cultural heritage and attract visitors, so the local communities renovate their houses to receive tourists, thus earning revenue mostly earned by indigenous people. **Stage 2**, Land value and house price increase tremendously, the infrastructure development begins, outsiders rush in to buy land and rent houses, and develop tourist business on a larger scale than the locals, who still benefit economically, but larger part are taken by outsiders. **Stage 3**, hotel construction begins at a faster rate, environment degraded, local people became employees in outsider's business, more and more local people leave the site, rent or



sell their house and/or land to outside developers. **Stage 4**, most tourism business are owned by outsiders, money begins to flow out. Larger and faster developments are implemented by outsiders without regard of regulations. Indigenous people became weak and vulnerable group and start to resent tourists. Local cultural and community social structure are severally damaged, at this particular stage, political special interests groups and even mafia-like controls over heritage would involve and make it harder to stop the vicious circle. **Stage 5**, environment degraded, site crowded, over-development and commercialized heritage sites result in big decrease of tourists, local community has to live all along and want to take remedial actions, but the control has been taken over by outsiders, who may decide to abandon the area and move somewhere else. Indigenous culture will adjust and modify for the tourists' interest, eventually lose their original features.⁶

CPRs is a type of good consisting of a natural or human-made resource system, whose size or characteristics makes it costly, but not impossible, to exclude potential beneficiaries from obtaining benefits from its use (Ostrom, 1990). Unlike public goods, CPRs faces problems of enclosure, congestion or overuse, because they are rival. CPRs are so far just used in environmental economics, to describe goods like fishery or irrigation system, even there are a lot of attempt to bring in "New Commons" concepts since 1990s⁷. I see impressive similarities in cultural heritage with CPRs, even cultural heritage can also be understood as "renewable" resource where the intangible culture can be maintained and kept by indigenous people. But its value system makes it exceptionally costly to exclude potential beneficiaries from obtaining benefits from its use, politically and economically. As CPRs suffers from following dilemmas, let's see if cultural heritage also has those problems.

3.2 Prisoner's Dilemma-Individual Level

The most popular theory to describe CPRs condition is Prisoner's Dilemma. It is developed as the basis of Game Theory in economics, describing two prisoners would not cooperate even if it would be the best interests for both of them, because the asymmetric information. When two prisoners are isolated separately, facing two choices---confess of crime or keep silent, if they both don't say a word, then they will only serve 3 months because of lack evidence, if one of them betrays his partner and confesses, then the confessor can leave free while the partner will have to serve for 5 years in prison, and if both of prisoners choose to confess then with sufficient evidence they will be sentenced to 1 year each. As demonstrated in Figure 3, the best



result for both prisoners is keeping silence, then 3 months for each would be so-called Pareto-optimum, somehow, because of asymmetric information, each prisoner would get lighter punishment with confession regardless of his partner's decision, so, both of them would choose confession, leading to 1 year in prison, which is so-called Nash Equilibrium.

Figure 3 Classic Prisoners' Dilemma

		Prisoner B	
		Silence	Confession
Prisoner A	Silence	3 months/prisoner	A: 5 years B: free
	Confession	A: free B: 5 years	1 years/prisoner

Thus, we know that under Prisoner's Dilemma, self-interested individuals making decisions rationally can lead to a worse-off condition for both. In a cultural heritage site, when there is lack of symmetric information (each person assuming others would free-ride), plus lack of trust and moral hazard, people would practice strategic behaviour on behalf of their own interests, especially when external forces controlled the power making locals lose faith in trust, thus lead to a Prisoner's Dilemma. Since in real life there are usually more than two parties involved, when it's the case of multiple players, it turned to our next dilemma---Tragedy of the Commons.

3.3 Tragedy of the Commons-Community Level

Garrett Hardin described a situation in which "multiple individuals, acting independently, and solely and rationally consulting their own self-interest, will ultimately deplete a shared limited resource even when it is clear that it is not in anyone's long-term interest for this to happen".⁸ It's called Tragedy of the Commons, which exposed the problem of common resources --- lack of property rights, so individuals would overuse them. Hardin's finding encouraged public policy makers started enclosure, privatization on common resources or "internalized" the resource as assets of state. Cultural heritages fit well as here too, the physical building's property



rights are easy to define but the great cultural value embedded within is impossible to concrete, as a common resource owned collectively, free-riding is hard to avoid. Since it's impossible to privatize, turning it under state control became usual practice. However, "instead of 'protecting' such resources, state ignores the pre-existing management, often appropriates resources and alienates indigenous (and frequently poor) populations. In effect, private or state use may result in worse outcomes than the previous management of commons." (Ostrom et al., 1999)⁹

3.4 Logic of the Collective Action-Group Decision

Mancur Olson's Logic of the Collective Action is also an influential theory concerning group decisions. Olson developed an original theory of group and organizational behaviour that cuts across disciplinary lines and illustrates the theory with empirical and historical studies of particular organizations. He tried to examine the extent to which the individuals that share a common interest find it in their individual interest to bear the costs of the organizational effort. It is also noted that large groups will face relatively high costs when attempting to organize for collective action while small groups will face relatively low costs. Furthermore, individuals in large groups will gain less per capita of successful collective action; individuals in small groups will gain more per capita through successful collective action. Hence, in the absence of collective incentives, the incentive for group action diminishes as group size increases, so that large groups are less able to act in their common interest than small ones. However, the theory indicates that, though small groups can act to further their interest much more easily than large ones, they will tend to devote too few resources to the satisfaction of their common interests, and that there is a surprising tendency for the "lesser" members of the small group to exploit the "greater" members by making them bear a disproportionate share of the burden of any group action.¹⁰ This is very true in cultural heritage site, stakeholder is one of the most-used word in heritage management, but there are great challenges and difficulties of public participation. Stakeholder in heritage studies includes much wider, i.e. all interested parties, they are governments (both local and national), NGOs, developers, tourism businessmen, university and research institutes, international organizations and local communities. Now I would like to focus on the public participation of local communities. The importance of local communities is undeniable, they are the soul of the cultural heritage. However, cooperation and participation of indigenous people are not always an easy job. Even to formulate a



clear idea of local community can be difficult, when religious and cultural identity involve, community can be much larger than the site itself. As Olson described, people can be pessimistic about their influence and avoid participating, as time goes go, free-riding and minority-dominance issues will emerge.

3.5 Enclosure, Congestion and Overuse

As CPRs, cultural heritage has the issues of enclosure, congestion and overuse. Those issues made heritage management could not be simply answered as state control, or privatisation. Since congestion and overuse issues have been discussed in previous parts, here I would add more comments on enclosure. As Evans (2005) pointed out, “the original enclosure movement may have realigned property rights in a way that avoided the tragedy of the commons and set in motion a process of growth so powerfully productivity enhancing as to compensate for its negative distributional effects.” Here, cultural heritage could suffer from enclosure very much alike the old days, the worst situation is in developing countries where legislation is incomplete, the enclosure even could be legalized and formalized. The problem is as the price to avoid tragedy of the commons, the compensation would not occur in cultural heritage cases, because the distribution of development is not only negative to locals, it's inevitable as well. Even the enclosure over cultural heritage consumption in virtual world would appear due to prosperous practice of Intellectual Property Rights concept by people with ulterior motives.

4. Governing Cultural Heritage

Now we know, cultural heritages as CPR, there would be problems of over-consumption and congestion, and the conventional solutions for CPRs problem are three as follows: *privatization, outside force enforcement of states, international regulations.*

4.1 Privatization

Tragedy of the Commons pointed a problem and a solution simultaneously, since the core issue of CPRs is the lack of property right, then defining it obviously can be the solution. As long as we can create a system of private property rights, the commons problem will be avoided. Privatization has been long and widely discussed



in culture field, it is an important issue as well as tremendous controversial topic. Much more than often, due to its great values and significant meanings, cultural heritages are usually property owned by the states rather than private owners. As Mark Schuster (1997) and Peter Boorsma (1989) categorized, privatization is organizational restructuring of divestiture, free transfer of property rights, autonomization and contracting out. Privatization has been practiced in the countries like America, Great Britain, France, Italy and Netherlands. For example, in 1992 French national government owned 5.6% of listed heritages and local authorities owned 62.5%, and 29% were privately owned (Benhamou, 1996). But it's still very controversial whether privatization is a good thing or not, and whether it should be kept going or not, since it can be performed in various methods, things could be better off in some places in certain context but fail in others. Privatization is a way to serve collective interests through private interests, but the nature of firms is profit-seeking, and targeting on public interests is never the object of private sectors.

“...but even when particular rights are unitized, quantified and salable, the resource system is still likely to be owned in common rather than individually, and it should be pointed out that the private-rights system is itself a public institution and is dependent on public instrumentalities for its very existence.”

(Binger and Hoffman, 1989)

Privatization replaced direct state intervention, but in most of the cases, the residential influence of the state is still the major issue, monopoly would emerge and worse conditions like the mafia-like control would occur too, political special interests groups would be developed with wealthy investors and local authorities, things might be even uglier than pre-privatization. And after privatization, it usually means a reduction of public funding to the heritage, and the source of supporting capital could be a problem in a long run, especially when privatization is too closely connected with real estate market or tourism industry, which are both known as unstable businesses. And the interpretation of the heritage sites, when it's privatized and working in the interests of tourists, the authentic interpretation might be adjusted to popular way and even being completely misunderstood. Another issue of cultural heritage privatization is the preservation and restoration require high-tech, professional skills, which private owners usually are lack of. And voluntarily repair and restoration by private owners could be devastating to heritage's value, authenticity and integrity, especially when it's driven by economic impetus. In the end, private investors would lose their interests on cultural heritage if economic



development for profits seem impossible or forbidden, but the other way around, successful privatization in more cases are actually successful tourism development projects, which in a long-term would diminish heritage's value irreversibly, and eventually be harmful to local communities.

4.2 State Intervention

State intervention is obviously the most common and influential way of cultural heritage management. State intervention itself could be very complicated, such as property owned by the states, control through legislation and regulation, national government control, regional government intervention and local government ownership etc. there are various ways of state intervention on cultural heritage management. According to Thomas Hobbes (1965), since the CPRs are scarce resources with shortage of supply, people require a common power to maintain order, humans apt to contract with each other, and often cede individual power to a powerful sovereign and commonwealth, in Hobbes word, it's "Great Leviathan". In most of the countries, states are either the owner of the heritage sites or at least the authorized custodian of the property, thus the role of state is very important and government regulation becomes dominant strategy followed the logic.

Sustainability over cultural heritage is the core issue of state regulation and government intervention, and also is the distinctive different motivation compared to private sectors. As we know, sustainable development means the "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."¹¹ Throsby (2001) interpreted sustainability in culture from various aspects, which could be revelatory, material and non-material wellbeing, intergenerational equity and dynamic efficiency, intra-generational equity, maintenance of diversity, precautionary principle, maintenance of cultural systems and recognition of interdependence. When it's coming down to cultural heritage, the criteria could be more specific in terms of project, appraisal or policy implementation. All of those criteria should be included into consideration of policy, project or regulation design on cultural heritage in order to maintain its sustainability. All level governments, including national, regional and local are in responsibility of cultural heritage policy design and implementation, and integrate it into larger public policy framework, thus the objective is not solely sustainability but also economic development. There are generally four groups of public policy measures in cultural heritage:



- i. Public ownership and operation of heritage institutions, facilities and sites
- ii. Financial support for the maintenance, operation and restoration of heritage, either through direct funding or subsidies to private or non-government operators, or through indirect financing via tax concessions and other devices
- iii. Regulation limiting or constraining private action in dealing with cultural heritage, and
- iv. Education and the provision of information in the hope that better conservation decisions will be made.

(Throsby, 2001, pp 89)

Let's take a further look into those instruments and explore the core problems with them. The first measure requires large human and material (financial) input from state, and overlapped with the second measure, public funding shortage is a big problem of state intervention, especially when the burden largely added to local government in less developed areas, the fiscal condition would be deteriorated. Even when the cultural heritage is well developed into tourists resort, governments are facing an awkward situation of how to balance the economic development impetus and heritage preservation with limited fiscal revenue generated by tourism. In most of cases, tourism development, accompanies with real estate boost in cultural heritage cities are undeniable temptation to governments, and sound economic development surpasses sustainability objective, thus over-development, over-commercialization, congestion, loss of authenticity and integrity problems would arise. Third and fourth measures are on the other hand "advantages" that government can take from cultural heritage policy, both limitation regulation on private actions and information control could be breeding ground of rent-seeking behaviours, corruptions, forming special interest groups and free-riding problems. State intervention is criticized with the problem of rent-seeking and corruption generally, here the limitation and restriction on private actions in cultural heritage that may influent consumers or business would generate government bias, and rent-seeking behaviours are brought on. Once economic interest groups combined with public and private formed in particular area, severe problems may be hidden under giant political umbrella, as a result monopoly



will imbalance the development and most likely crowd out disadvantaged groups such as poor local community.

4.3 International Regulation

The most well-known international organization dealing with cultural heritage is UNESCO (United Nations Education, Scientific and Cultural Organization). Besides it, there is also ICCROM (International Centre for the Study of the Preservation and Restoration of Cultural Property), the intergovernmental organization that dedicated to the conservation of cultural heritage. And international non-governmental organization like ICOMOS (International Council on Monuments and Sites) working with professionals dedicated to the conservation of the world's historic monuments and sites.¹²

The global cultural heritage management framework built by UNESCO has some controversial problems. UNESCO adopted 1972 Convention to lay the ground work of international-wide cultural heritage management, by introducing the notion of World Cultural Heritage, organizing World Cultural Heritage Committee responsible for implementation of Convention and allocation of World Heritage Fund, as well as developing World Heritage List. The World Heritage List includes 890 properties forming part of the cultural and natural heritage which the World Heritage Committee considers as having outstanding universal value. These include 689 cultural, 176 natural and 25 mixed properties in 148 States Parties. As of April 2009, 186 States Parties have ratified the World Heritage Convention.¹³

Figure 4 Geographic Distribution of Listed World Heritage Worldwide





As we can see from Figure 4, there is great imbalance of listed heritage distribution throughout the whole world, so the first problem of the international heritage management system is the Western/European dominant distribution. The European-value-rooted listing criteria has been controversial, the core issue is the authenticity, as Yukio Nishimura (1995:183) described: “The concept of authenticity cannot be as static as in Europe, because the basic perception of cultural properties in Asia is different from that of Europe.” The result is the over-presentation of European sites on the list and under-presentation of non-western countries, especially third world countries. And related to this, non-western states feel like being exposed with UNESCO regulation externally, thus internal motivation and cooperation became passive and negative, international assistances are more often considered as “outside supervision” rather than cooperation.

Another problem is the objective of UNESCO conservation, the so-called *in situ* conservation for heritage’s authenticity and Outstanding Universal Value. While western countries with much more sufficient funding on heritage would go for in situ conservation easier, but not in case of non-western countries that are poor and lack of economic development, even the very motivation of nominating state heritage into UNESCO list of those developing countries is the economic impetus from potential tourism development. Once listed, those sites are unable to maintain the goal of in situ conservation because of rapid development projects, become over-developed and are transferred to the list of heritage in danger.

The last issue I would like to mention is the departure of original conservation purpose and practical development direction. International regulation over cultural heritage is designed to protect cultural diversity and the value of indigenous communities. However, “World Cultural Heritage makes us fail to appreciate the multiple ways of perceiving past and material culture of the past around the world.” (Brattli, 2009, pp38)

Due to all above discussion, we know that so far the three most commonly accepted ways of governing cultural heritage are somewhat not be able to solve the intrinsic difficulties of heritages as CPR. Thus, I would like to adopt the methodology of Elinor Ostrom, an institutional approach of self-governance on CPRs, which I believe could be applied to cultural heritage as well. It can be a useful supplementary tool to be added to above-mentioned solutions. Building self-governing units under current political system could be a way to develop long-term institution for cultural heritage management, which could be a new factor brought into conventional



solutions and more importantly be a balance power. NGOs might be able to participate along those self-governing process.

4.4 Self-governing Approach

Ostrom (1990) tried to build up a framework for analysis of CPRs, exploring a new way to go---the institutional approach to CPRs self-governance based on voluntary cooperation. From three puzzles that CPRs management face, to various possible variables for enduring self-governing CPRs institutions, then to the institutional change, the approach presented a possible institutional arrangement by local communities, who are directly influenced by the CPRs. However, we have to be alert here, it does not mean that leaving CPRs to local self-governing is the best and only way to go, it should be put into consideration with all conventional approaches, meaning it's possible to build up effective self-governing units under current administration system, which could a part of complicated CPRs management methodology. Cultural heritage as CPRs with homogeneous cultural identity and shared value could adopt this approach, to be a new supplementary tool for cultural heritage management.

Start with three problems that conventional approaches could not solve, *the problem of supplying a new set of institutions; the problem of making credible commitment and the problem of mutual monitoring*. "Institutions are the rules of a society or of organizations that facilitate coordination among people by helping them form expectations which each person can reasonably hold in dealing with others." (Ruttan and Hayami, 1984, pp. 204), or by North (1989, pp. 1321) "Institutions are rules, enforcement characteristic of rules, and norms of behaviour that structure repeated human interaction." On all accounts, institutions are rules for constraining people's behaviour since rational individuals are acting upon self-interests, or more specifically making rational choices. Why people would be willing to afford the cost to supply the institutions? Bates (1988) considered the origin of institutions from a "soft" angle, the influence of community, symbolism and trust. Since most of the cultural heritages are based on certain community with generations of interaction and mutual trust, one outstanding value of the heritage is the symbolic impact on people, all those provide the possibility to face the problem of supplying a new set of institutions.

Credible commitment and mutual monitoring are connected and interacted both as cause and effect, mutual monitoring is the basis for the long-term credible



commitment building, self-governing in a sense could provide some answers for that. Cultural heritage as CPR is non-excludable but rival resource, the essential key of cooperation is the trust of others, however, even the community could achieve short-term cooperation based on the same culture and value system, it is still an unsure issue that credible commitment would be made in the interest of collective community when we consider long-term picture. The well-known strategic behaviour of “I will only if you will.” convinced us that self-governing has never been an option, because only when the outside enforcement takes control of monitoring and sanctioning, this kind of moral hazard could be avoided. However, empirical evidences showed that neither the market magic nor the “visible hands” solved those problems properly. Contractarianism or Great Leviathan are rent-seeking beneficiaries in a lot of cases, especially in developing countries where legislation is not well developed, and the “monitors” are mighty because local communities are not able to monitor them, thus by the end the true owner of the heritage are crowded out as disadvantage group. In other cases, when there is limit economic incentives, it is very hard to interest private enterprises for investment, so the heritage became growing burden on governments’ shoulder, local communities remain poor, so as the local government. International regulations based on conserving “universal value” seem like a rubber cheque, the monitoring becomes powerless and lack of influence.

Self-governing as a long-forgotten approach, might be able to give some answers here. Local communities as “nominate” owner of the heritage should be back to the stage and play as the real owner. Eight general design principles for long-enduring self-governing institution are defined by Ostrom after testing abundant empirical case studies as follows:

- i. Clearly defined boundaries: Individuals or households who have rights to withdraw resource units from the CPR must be clearly defined, as must the boundaries of the CPR itself.
- ii. Congruence between appropriation and provision rules and local conditions: Appropriation rules restricting time, place, technology, and/or quantity of resource units are related to local conditions and to provision rules requiring labour, material, and/or money.
- iii. Collective-choice arrangements: Most individuals affected by the operational rules can participate in modifying the operational rules.
- iv. Monitoring: Monitors, who actively audit CPR conditions and appropriator



behaviour, are accountable to the appropriators or are the appropriators.

- v. Graduated sanctions: Appropriators who violate operational rules are likely to be assessed graduated sanctions (depending on the seriousness and context of the offense) by other appropriators, by officials accountable to these appropriators, or by both.
- vi. Conflict-resolution mechanisms: Appropriators and their officials have rapid access to low-cost local arenas to resolve conflicts among appropriators or between appropriators and officials.
- vii. Minimal recognition of rights to organize: The rights of appropriators to devise their own institutions are not challenged by external governmental authorities.
- viii. Nested enterprises (For CPRs that are parts of larger systems): Appropriation, provision, monitoring, enforcement, conflict resolution, and governance activities are organized in multiple layers of nested enterprises.

(Ostrom, 1990, pp 90)

Now let's discuss those principles. Cultural heritage always has clear zoning boundaries. "The delineation of boundaries is an essential requirement in the establishment of effective protection of nominated properties. Boundaries should be drawn to ensure the full expression of the outstanding universal value and the integrity and/or authenticity of the property." (*Operational Guideline*, IIF, Article 99) The local communities are the ones who have rights to withdraw resource units from the heritage, local communities here refer to ethnic groups or tribes living within or adjacent to the heritage property, whose distinctive culture is the core intangible heritage of the property. Although a cultural heritage could have large amount of potential beneficiaries, those who live there should be put into consideration first.

Detailed rules are needed for governing the heritage resource, which entails elaborately the appropriation and provision of the resource. That is what heritage management plan for, but since those plans are made by external authorities now, they are not in the position of local people, thus it would be hard for them to feel like a local and design those plans effectively and properly according to local conditions. The participation of local communities to management plan design is necessary, so as the participation to modify the operational rules. Local people are the ones that affected directly and permanently by operational rules on heritage since the property



is their physical and spiritual/religious homeland. They are modifying the heritage and regenerating the culture on a daily basis, it would be very dangerous if they are isolated from designing and modifying heritage management plans. The heritage would risk losing its authenticity, identity and core value.

Usually, the local communities are people living with each other for generations, thus the shared norms and social capital are very common. Reputation is important for individuals in the communities, thus abidance of rules are partially ensured by shared norms, traditions and reputations. For example in Chinese culture, the linkages of social networks are very important, the bonds of family extend outward to the clan and then onto more general ties of *guanxi*, or personal connections based on shared identities.¹⁴ However, cultural and social constraints are not enough for long enduring collective actions, monitoring and graduated sanctions are always needed. Local people as the appropriators of the heritage resource should monitor or assess sanctions directly by themselves or by someone accountable to the locals. Self-monitoring and sanctions are considered as impossible in the past, due to the high cost of monitoring and sanction, but the gain are shared by whole group collectively, nobody is willing to afford such high cost and gain so little, offering others “free lunch”. So the key issue of whether it is possible to realize monitoring and graduated sanctions by local communities themselves became the question of the cost and gain. There are ways to reduce compliance cost, by reducing monitoring cost or increasing sanctioning gain, or by both. Normative and ideological coercion is one important way in cultural heritage case, sometime even stronger in terms of religious belief.

“Coercion induces compliance out of motivations of self-interest. However, individuals do sometimes act out of a strongly held normative or ideological conviction.” (Levi, 1989, pp50)

The other way is the Quasi-voluntary compliance, which “noncompliant are subject to coercion---if they are caught.” (Levi, 1989, pp52) Although the root of quasi-voluntary compliance can be normative or ideological, the core nature of it is still strategic calculation with rationality. As long as individuals from local community believe that their collective interests are served and all the other people living in the same space are complied with the rules, they would avoid infraction since its cost is relatively high. Once they made such self-commitment of compliance, they would be voluntarily monitoring others to make sure they themselves are not “suckers”. Thus “contingent self-commitments and mutual monitoring reinforce one another, especially when appropriators have devised rules that tend to reduce



monitoring costs.” (Ostrom, 1990, pp100)

So far we have well-defined cultural heritage with local community willing to self-govern, rules are set up to regulate appropriation and provision of resource according to local conditions, and local communities are able to participate in modifying operational rules, while those rules are guaranteed by monitoring and graduated sanctions of locals or people accountable to locals. In a long run, mutual monitoring would be realized and consequently local communities will build up internal credible commitments, the two reinforce each other and interact reciprocally. Long-enduring self-governing institutions would solve the problems of mutual monitoring and credible commitments that conventional approaches couldn't.

The sixth principle is the conflict-resolution mechanisms. This is a necessary component for all governing approaches, in the case of self-governing, conflicts are resolved locally, either among locals or between locals and officials. This is not the essential element to ensure self-governing system working in a long run, but it is a necessary mechanism. The extent to which local communities can successfully utilize cultural resources for development, and the sustainability of the cultural resource base, partially depend on the communities' ability to resolve these conflicts without violence. Those conflicts related to heritage property are usually not as simple as legal issues, more often they are emotional, ethical, historical, moral, political, religious or spiritual issues, as complicated as they are, the best way to resolve is among locals, who are deeply connected within the communities.

Local communities are disadvantage group compared to governmental officials and private investors since they are lack of capital and technology or even basic business skills, while the heritage resource is all they have and relied on. When self-governing institution is designed, indigenous people are willing to devise their own rules from time to time due to the subtle change of the resource, while this could conflict with the external governmental regulations, which are more general and fixed. Setting up a general legal framework by external international and national authorities with certain flexibility of making changes on rules at local level is necessary for a dynamic development process. If the external governmental authorities challenge the locals for formulating their own institutions, then the self-governing balance and trust would be broken, and situation returned back to Great Leviathan.

The last principle is the nested enterprises, meaning when there are larger CPR systems, several parts of the system need separated nested enterprises of appropriation,



provision, monitoring, sanctioning. For example, Lijiang city in China, a single city with three heritage properties, a world cultural heritage, a world cultural and natural mixed heritage and an intangible cultural heritage---world register of memory. When this kind of situation occurs, multi-layer nested enterprises would be required for each property, and they would need to be different and independent, however interconnected. This principle could be applied to those unique places, but most cases in cultural heritage are single property.

All above proved that self-governing approach could be a new way to go for cultural heritage management, one point to be clear, I am saying that self-governing is sufficient for heritage protection and local development, somehow, it does provide an answer to those questions that conventional approaches could not answer. Self-governing on cultural heritage requires more in-depth research and empirical supports, and thus to be applied as the supplementary tool beside privatization, state intervention and international regulation.

5. Community-based Paradigm in Asia-Pacific¹⁵

Due to the limits of the paper, I would only briefly discuss the community-based practices of cultural heritage management in Asia and Pacific regions.

The LEAP (Local Effort And Preservation-Asia/Pacific) is a programme of cultural heritage preservation through local communities. Incorporating more than 12 heritage sites in the Asia/Pacific region and a network of site managers, the LEAP programme integrates several development projects, which in addition to heritage conservation address issues such as environmental conservation, rural decay and urban sprawl. (Participated sites are Luang Prabang, Laos; Hoi An, Viet Nam; Lijiang, China; Vigan, Philippines; Kathmandu, Nepal; Penang and Melaka, Malaysia; Khokana, Kathmandu Valley, Nepal; Levuka, Fiji; The Andaman Sea Marine Park, Thailand; Ratanakosin and the Canals of Bangkok, Thailand and Cordillera Rice Terraces, Philippines).

The programme encouraged activities which engender stewardship ethic and community participation in historic conservation. Local leaders and site managers are encouraged to develop zoning for heritage sites. The local community-based participatory research works were done to identify and assess the locally significant sites and heritage properties for protection and possibly adaptive re-use. Projects tried



to promote traditional crafts and skills by offering training to the local community, as well as at promoting the continuation and development of intangible cultural activities and performing arts which have potential market appeal and can be developed into professions which offer full-time and part-time employment to members of the community. Since tourism as an important way for local development in a sense of the economic resource, programme designed to involve young adults in heritage conservation by developing employment opportunities where they can serve as the interpreters of local heritage, and training on local history, heritage conservation and small-business management skills in the culture industries.

LEAP programme was designed as an innovative tool to contribute to poverty alleviation, these projects aim at empowering the indigenous populations and local communities living within or adjacent to heritage sites to play a leading role in the preservation and management of those sites, which could be an example of cultural heritage community self-governing attempt.

6. Conclusion

Self-governing approach on cultural heritage is actually not a new thing, during the past decades the stakeholder participation has been repeatedly brought into people's vision. However, the Ostrom self-governing approach on CPRs offered us a new theoretical framework for future studies.

The previous studies in the field has been long misleading us on the views of indigenous communities, those individuals are considered of self-interested rational people that are only capable of achieving short-version gain rather than long-term sustainable development based on collective actions. Logically, for their own good, the external forces are needed for salvation, outside investors, governments, or international organizations. Thus the social norms or the original institutions that built by those indigenous communities are ignored and rejected, visible and invisible hands become only solution for their development.

As discussed in the paper, conventional approaches of cultural heritage management are useful in some extent, but not complete enough to replace the stakeholders. The eligibility of self-governing provided a new area for us to explore, how could locals manage themselves in a long run? Nevertheless, heritage is our past, those whose ancestors created it are the ones going to carry it into long future, as the owner and creator of the heritage, their role shall not be replaced or overwhelmed by



outside forces. A sustainable management system of cultural heritage should be composed with all four possible approaches, and the weight of locals needs to be emphasized.

“The past is a foreign country whose features are shaped by today’s predilections, its strangeness domesticated by our own preservation of its vestiges....The past remains integral to us all, individually and collectively. We must concede the ancients their place... but their past is not simply back there, in a separate and foreign country, it is assimilated in ourselves and resurrected in an ever-changing present.”

(David Lowenthal, 1985, *The Past is a Foreign Country*)

NOTE:

1. Definition of cultural heritage can be much larger and different from UNESCO convention, such as Benhamou (2003) suggests that “heritage is a social construction where boundaries are unstable and blurred”; Throsby (2006) defined it as “something that is received from the past”; Guerzoni (1997) stated cultural heritage as “a heterogeneous set of goods that, in the course of time and in a process of historicization, comes to be recognized as the conveyor of specific cultural traditions”. However, here I would like to adopt UNESCO definition for further discussion.
2. Statistics from UNESCO World Heritage Centre website.
3. Throsby illustrated all kinds of cultural values with details in his 2001 book “*Economics and Culture*”.
4. See in Paul A. Samuelson (1954). “*The Pure Theory of Public Expenditure*”. *Review of Economics and Statistics* 36 (4): 387–389.
5. UNESCO, (1972) “*Convention concerning the protection of the World Cultural and Natural Heritage*”. P 2, I Article 1.
6. See Arthur Pedersen, (2002) “*Managing Tourism at World Heritage Sites: a Practical Manual for World Heritage Site Managers*”.
7. See Charlotte Hess, (2008) “*Mapping the New Commons*” Conference Paper, 12th Biennial Conference of the International Association for the Study of the Commons. In which, Hess defined New Commons as “a common is a resource



shared by a group where the resource is vulnerable to enclosure, overuse and social dilemmas. Unlike a public good, it requires management and protection in order to sustain it.” pp. 37.

8. Garrett Hardin, “*The Tragedy of the Commons*”, *Science*, Vol. 162, No. 3859 (December 13, 1968), pp. 1243-1248.
9. Ostrom, Elinor, Joanna Burger, Christopher B. Field, Richard B. Norgaard, and David Policansky (1999): “*Revisiting the Commons: Local Lessons, Global Challenges*”, in: *Science*, Vol. 284, 9 April, pp. 278-282.
10. Olson, M., (1965) “*The Logic of Collective Action---Public Goods and The Theory of Groups*”, Chapter 1.
11. See United Nations. 1987. “*Report of the World Commission on Environment and Development.*” General Assembly Resolution 42/187, 11 December 1987.
12. ICCROM is the only institution of its kind with a worldwide mandate to promote the conservation of all types of cultural heritage, both movable and immovable. The decision to found the International Centre for the Study of the Preservation and Restoration of Cultural Property was made at the 9th UNESCO General Conference in New Delhi in 1956, at a time of mounting interest in the protection and preservation of cultural heritage. It was subsequently established in Rome in 1959 at the invitation of the Government of Italy. ICOMOS works for the conservation and protection of cultural heritage places. It is the only global non-government organisation of this kind, which is dedicated to promoting the application of theory, methodology, and scientific techniques to the conservation of the architectural and archaeological heritage. Its work is based on the principles enshrined in the 1964 International Charter on the Conservation and Restoration of Monuments and Sites (the Venice Charter). (See ICOMOS and ICCROM official sites.)
13. Statistic from UNESCO World Heritage Centre official site.
14. See Pye, L. “*‘Asian Values’: From Dynamos to Dominoes?*” from Harrison, L. and Huntington, S. edited, (2000) “*Culture Matters*” New York: Basic Books.
15. Information from http://www.unesco.org/webworld/netaid/clt/leap_ap.html



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