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ENHANCING THE VALORISATION OF UNESCO WORLD HERITAGE SITES : A PIGOUVIAN APPROACH

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Enhancing the valorisation of UNESCO World Heritage Sites : a Pigouvian Approach

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Abstract

The aim of this paper is to cope with the disequilibrium affecting World Heritage Sites as to the conditions of their conservation and the resources available for their valorisation.
We propose a tax-based mechanism divided into three phases. The first one aims at providing an objective approach to measure the needs and diversity of World Heritage Sites. The second phase presents valorisation strategies to generate new economic resources from cultural tourism. The third one illustrates the tax mechanism based on collecting resources trough an earmarked tax on tourist activities and redistributing these resources at a regional scale.
Our proposal is a contribution to the growing literature on Unesco World Heritage sites and it may be useful to ground the decision making of the recently formed Unesco Centres aimed at raising funds for the World Heritage conservation.

JEL Codes: Z11, D6, F5, H87

Keywords: World Heritage, Unesco, Earmarked Taxes, Collective Trademarks

1. INTRODUCTION

The World Heritage Convention, launched in 1972 by UNESCO and so far ratified by more than 180 states, has got a great international success. In just three decades, under the coordinating effort of the World Heritage Center, about 900 sites, both natural and cultural, have been enlisted worldwide.

Paradoxically, the success of this international initiative is facing a global challenge, made of three main issues. A first issue is that of quality heterogeneity among the World Heritage Sites (WHS). Quality refers here not to the cultural outstanding value, which is a necessary condition for a site to be enlisted, but to the level of conservation and valorisation. The degree of such heterogeneity is large and almost out of control by UNESCO headquarters. From the political economy perspective, the power of control by UNESCO is soft and the enforcement is very poor. Against the trend of quality degradation of the enlisted sites, UNESCO can use only two instruments: a) the delisting action (applied up to now only to Dresden in Germany and the Arabian Oryx Sanctuary in Oman); b) the List of the Sites in Danger (currently 31 properties), which is a general warning.

A second issue focuses on the impact of World Heritage List (WHL) on local development, especially through strategies of regional valorisation of sites. Does the setting up of the inscription mobilize the local stakeholders for backing and implementing new activities and partnerships ? Does the WHL brand have a positive effect on the tourism industry (Prud'homme, 2008; Arezki et al., 2009)? From the political economy perspective, this issue asks for proposals for new strategies of regional valorisation of sites in order to enhance their value and attract more financial resources for conservation and valorisation.

A third issue is connected to the disequilibrium among the WHS in terms of cultural value and financial resources. While some WHS have a wonderful heritage and low monetary resources to conserve and valorise

themselves (ex. Cuba), others have huge financial resources (ex. Venice) and others can have even a minor heritage but high financial resources (ex. The City of Luxembourg). For this reason, it should be stressed the need for a re-equilibrium through some mechanisms correcting the existing conditions. In terms of political economy, this means that we should design policies moving the system towards a more general equilibrium. Tax-based models of equalization (for instance through earmarked taxes on the tourism industry and related economic activities) can be compared with proposals following market-based approaches. So far, the only proposal addressing the disequilibrium in financing the preservation of WHS has come from Frey and Pamini (2009). In their seminal contribution, the authors perceive the strategic and global issues of WHS and try to figure out a new market-based mechanism for a global governance of the WHS system.

The dimension and complexity of the three foregoing challenges suggest the importance of dealing with these issues from a regional perspective. Such a regional approach eases coordinating strategies and cooperation among States. The recent policy by UNESCO of establishing Category II Centres for Training and Research at the regional level confirms the attention for a regional approach.

The aim of our paper is to propose a regional solution to raise and efficiently allocate funds for the World Heritage preservation, which can be seen as a contribution to the perspective carried out by Frey and Pamini (2009). The paper is divided up as follows: section 2 presents and critically discusses the main proposal by Frey and Pamini (2009); in section 3 we present a new approach dealing with the current drawbacks of World Heritage List; in section 4 conclusions will follow.

2. THE RAISING OF A NEW ISSUE

In recent years, a new pioneer literature has focalized on the preservation of World Heritage and the role of UNESCO in doing it. With regard to the UNESCO role, various fields of research are worth being investigated, among which: the impact of the nomination in the WHL on the economic and touristic activity (Prud'homme, 2008; Arezki et al., 2009); the process of site selection (Van der Aa, 2005; Bertacchini et al., 2009); the degree of world culture representativeness of the WHL; the management of WHS (Karpati, 2008; Leask and Fyall, 2006). Beyond these topics, there exists another research line scarcely analyzed despite of its high relevance, namely the institutional way of raising and efficiently allocating funds to preserve the WH. In our knowledge, several studies on funding global public goods were carried out (see for example Binger, 2003; Arce et al., 2001; Sandler, 2001), but just one of these explicitly dealt with the raising and the allocation of funds financing the preservation of WH (Frey and Pamini, 2009). The two authors of this study start stating that culture can be considered as a global public good; in other words, the benefits originating from culture and culture preservation globally spread (Sandler, 2001), and this characteristic causes the well-known problems of externalities and free-riding. The preservation of WH is still seen and managed as a national affair making the fund allocation inefficient. Frey and Pamini underline that poor countries spend too little in preserving their cultural heritage, due to budget-constraints, while rich countries spend too much with respect to the value of their cultural heritage. In order to raise funds, equilibrate the efforts and efficiently allocate the expenditure, the authors propose a four-step mechanism which originates by environmental economics and can be synthesized in the following way:

- First of all, it is necessary to determine what is to be considered World Heritage and then to assign a value to each site. The adopted definition of World Heritage is that proposed by UNESCO. The value of each site is expressed in terms of World Heritage Units (WHU) by experts; "the units correspond to the loss of global heritage if the specified project was not carried out within a given year" (Frey and Pamini, 2009; p. 9) and their amount is based on the cultural importance of the site expressed by experts on the base of the ten selection criteria already established by UNESCO; on the size of the site, and on the probability of danger.