International Symposium: Economic Benefits, Social Opportunities, and Challenges of Supporting Cultural Heritage for Sustainable Development

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Poverty is much more than a matter of low income. The poor seek a sense of well-being which is peace of mind: it is good health, care of identify, family, and community, and happiness. It is choice and freedom as well as steady source of income. Threats to their security include not only sheer physical survival, crime and violence, lack of justice or service, but also the inability to negotiate, bargain, and get paid, and the decline in social connectedness. In other words, the poor maintaining social traditions, hospitality, and cultural identity, cannot be overstated. "Without these simple human signs of solidarity" a poor woman in Ukraine said, "our lives would be unbearable." In this time of globalization, with all its advantages, the poor are the most vulnerable to having their traditions, relationships, knowledge, and skills ignored and denigrated, and experiencing development with a sense of social disconnectedness.

To support the poor, the Bank is committed to having a holistic approach to development. We work together with national and local governments to address the social and structural issues as thoughtfully as we do for macroeconomic and financial issues. It means that local organization and empowerment, including an active civic culture, need to be understood as important drivers of development. It also means that we need to put poverty reduction front and center, and to understand that reducing poverty, besides increasing productivity and income, is about enabling people to have a broad sense of well-being and opportunities to express and make choices about their lives. And who can doubt that recognition and expression of cultural identities is not fundamental to social well-being? In our work, we address these issues by providing technical and financial resources to national and local governments for regenerating historic cities and conserving their cultural heritage assets, which are the physical setting where the cultural identity of local communities materializes, and the right place to generate economic opportunities relating to traditional and indigenous skills.

Harnessing the economic benefits of conserving cultural heritage. Besides the benefit of higher living standards for local communities, historic cities and cultural heritage assets can provide opportunities for tourism development, one of the biggest industries worldwide, which can generate substantial revenues and employment. To make this industry sustainable, private investors, public authorities, and local community groups need to work on several fronts: (i) forge an investment climate of policies, frameworks, and public infrastructure that conserve heritage assets and tourist sites; (ii) help local communities develop attractions and businesses: and (iii) build business linkages between investors and local producers and services.

Cultural heritage as capital asset. Heritage items such as historic buildings or historic cities can be seen as capital assets: both required investment of physical and human resources in their original manufacture and construction; both will deteriorate over time unless resources are devoted to their maintenance and upkeep; and both give rise to a flow of services over time which may enter the final consumption of individuals directly, or which may contribute to the production of further goods and services. In other words, heritage items can be interpreted as capital assets with the standard characteristics of ordinary physical capital in economics. Recently suggestions have been made that heritage items are members of a class of capital which is distinct from other forms of capital; this class has been called cultural capital. The distinction lies in the type of value that is embodied in these assets and is yielded by the goods and services they produce. A historic building such as Notre Dame Cathedral or the Taj Mahal is not just any building; certainly it has the characteristics of an “ordinary” building as an item of physical capital, but in addition it has historical and other attributes which an “ordinary” building does not have. These attributes can be described as the building's “cultural value”, and the same type of cultural value can be attributed to the flow of services it provides.

Economic and cultural values. The notion of the cultural value of certain goods and services such as heritage can be set alongside the more familiar concept of their economic value as measured by variables such as price or as assessed by the tools of economic analysis. Let us assume that cultural value can be measured according to a unit of account that plays a role comparable to that of a monetary scale in measuring economic value. Placing these two indicators of value, economic and cultural, side by side for a range of heritage items we would

expect some relationship between them – assets of greater cultural significance would generally be expected to be more highly valued in monetary terms than less significant ones. However, the relationship would not be perfect since contrary cases can be imagined – a remote religious building of little market value but with strong cultural or historical associations, for example. We return to the distinction between economic and cultural value below. For now we can proceed on the basis of these interpretations to define cultural capital formally as an asset that embodies a store of cultural value, separable from whatever economic value it might possess; in combination with other inputs the asset gives rise to a flow of goods and services over time which may also have cultural value (i.e. which are themselves cultural goods and services).

Heritage items can be tangible or intangible. Whilst the definition of tangible heritage in the above terms might be simple enough, the identification of intangible cultural heritage is more elusive. The recently formulated UN Convention for Safeguarding of the Intangible Cultural Heritage (2003) defines it as "the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artifacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage. This intangible cultural heritage, transmitted from generation to generation is constantly recreated by communities and groups in response to their environment, their interaction with nature and their history…"

Challenges in assessing values. Like any capital item, cultural capital (whether tangible or intangible) can be represented both as a stock of assets and as a flow of capital services over time. The value of the capital may be assessed in terms of its asset value at a given point in time or as the value of the flow of services to which it gives rise. Either way, the particular characteristic of cultural capital is that it embodies or gives rise to two types of value, economic and cultural. Despite the apparent precision of the definitions of cultural heritage, two problems arise in applying them to the real world. First, if cultural heritage as a capital asset is distinguished from other forms of asset by its possession of a specific type of value, whose assessment of that value is to count and how is it to be measured? Formal statements of what should be regarded as heritage that are contained in conventions such as the UNESCO Convention for the Protection of the World Cultural and Natural Heritage (UNESCO, 1972), the

Burra Charter (Australia ICOMOS, 1999), and the Intangible Heritage Convention referred to above do indeed rely on an appeal to notions of cultural significance, and go so far as to suggest criteria against which significance might be judged; nevertheless they remain imprecise as to the metrics that could be used and how they could be applied. As a result, the definitional problem is generally resolved in practice by looking for consensus judgments amongst a relevant group of experts, stakeholders or policy-makers, whose assessment of cultural value, however imprecisely expressed, is taken as decisive. Whether it is representative or not of society's cultural perceptions is an open question, as will be examined further in a later section. The second problem is that in some situations what is regarded as cultural heritage is not so much a well-defined item but rather an assorted collection of goods that were never thought of as having any particular importance at the time they were produced. This relates to the notion of “material culture” or “material heritage” as identified, for example, by anthropologists. What constitutes heritage in this context is no longer an objective fact but rather a social and cultural construct that is likely to change over time.