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Thesis

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The Impacts of Management:
Cultural Heritage Sites in China

Thesis Question:

What do the Cultural Heritage Sites of Lijiang and Dali reveal about Management and its Effects in China?

Thesis Statement:

What appears to be the most effective style of management, government led or local government and private, for cultural heritage sites in China in terms of the effects that come with each style of management?

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Abstract

Although there are a myriad of heritage topics, this thesis will be focusing on one major topic within it: Cultural Heritage and its management type. This paper is meant to explain what impact management has on the sites themselves, the locals, the economy and the environment. This thesis will focus on two case studies, Lijiang and Dali, both ancient cities in Yunnan. In particular it will research two models of cultural heritage management, which are the government and government/private combination led models, and then proceed to discover what model appears to have the most seemingly 'positive' impacts the aforementioned aspects.

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1. Introduction

China is one of the richest countries in terms of cultural heritage. However, the unprecedented economic development... has posed serious challenges to its survival (Zan 99).

The above quote sums up the reasoning behind choosing China as this thesis' main topic. The world is completely focused on the subject and all eyes are on ways to improve the world's sustainability issues. In this particular thesis we will be looking at management styles; government managed versus public/private managed locations. There is another type, namely private management, which is starting to become more common in China currently, however, this thesis will not be exploring this type. The reason for this is the limited amount of information and time to investigate three management styles. In order to explore this topic in more detail we will be researching the economic, cultural, environmental and social aspects of cultural heritage sites in China. This will consist of two case studies in the province of Yunnan of each individual type. In order to answer these elements, it is necessary to take on cases of comparison that can easily be explained and that are useful. One reason for this choice is based off of extensive research on cultural heritage sites in China and the effects of management on the site and its immediate surroundings. Furthermore, China still has a bit to go before the country can call itself successful in managing and as experienced as other countries.

The thesis will start with a literature review encompassing everything needed to understand the main arguments, debates and definitions in the world of cultural heritage management. Then, the essay will continue to explain all of the concepts involved in the realm of cultural heritage sites and their development. Next, there will be the case studies of two heritage sites in Yunnan; of which the first is the case of the local government managed Lijiang City and Dali City, managed by the local government and private firms, also known as Public Private Partnership (PPP), which can range from real estate agents all the way to hotel owners. In the final chapter, this paper will compare, analyze and contrast the two Yunnan cases and conclude some general observation that can be made after having observed Lijiang and Dali City. Finally, in the conclusion there will be a summary of all the main findings, an answer to the thesis topic questions and finally a couple of recommendations on further research topics and some general observations of possibilities and necessities relating to or about the effects of management styles of cultural heritage sites in China.

The reason for choosing these two case studies is to compare and the contrast two

different management styles present in China and find out what type seems to have the most success in various themes, from sustainability, local approval, economically, tourism, etc. So, the two pairs are similar yet different, which leads to more interesting and contrasting results on the subject of urban cultural heritage sites and effects they have on the surrounding areas of sites. Moreover, “In the era of globalization, where cities compete for attention, influence, markets, investment, businesses, and visitors with growing intensity, city branding has become common practice” (Zhao 107). So, it is interesting to look at how different management types and partnerships affect the site itself.

All in all, this is a compelling subject to research and discuss, since it is a current and major topic within the cultural heritage theme. Furthermore, there are not many authors that have discussed the many effects of a heritage site in detail, whilst comparing management styles. This thesis will also keep in mind that China appears to be one-of-a-kind when it comes to the dialogue about heritage management, since the power strife between the many levels of government seems to be the main problem, “with superficial assonance in terms of what is normally referred to as autonomy, accountability, transparency, and with substantive losses of coordination from the centre on professional issues” (Zan 110).

2. Relevance Note

I will be writing my thesis about what impacts management styles have on cultural heritage sites and on their immediate surroundings, by making use of two case studies in one province, which will allow for more dependable results. Moreover, will be discussed alongside the socio-economic, cultural and environmental impacts that stem from the two management styles. The reason for this choice is that it will give the thesis more substance and creates a stronger standpoint for determining the most (relatively) successful management style. Furthermore, I will look at whether these management methods are seeing relatively positive outcomes for government, locals, cultural integrity and environment. This paper will be, as mentioned earlier, comparing Chinese cultural heritage sites, which are contrasting to one another, which will be explained in more detail later. Either way, this will enable a more accomplished analysis, which in turn will allow for more research to be done on this particular topic by other academics in the field of heritage site management, but also connected matters and their effects on the direct environment, perhaps even at a national level.

Next, cultural heritage management is a prominent theme to explore in more detail, since it is important to find out if indeed management has a big impact as it seems to a number of academics. The subject of heritage sites and how they are organized is mentioned a lot in the media, alongside the occasional negative comments from locals, positive and negative ones from tourists (domestic as well as international), which shows the current relevance of the topic and the importance many people put on the management and maintenance of heritage sites. For the most part I predict that the sort of management does have some impact on the success of a site, most definitely in a country like China, where state control is still a prominent theme. Taking into account the elements in this research paper is helpful in scratching the surface of this topic, but most definitely not enough to give an ultimate deduction.

Finally, the details of knowing whether management and tourism at cultural heritage sites have been and are working out positively for the local population of the three sites and what its economic, environmental and social consequences are, is key for a country's accomplishment in the tourism industry, which is a big part of the economy for China. This is crucial, since most countries thrive on tourism, especially with the increasingly globalized world and more middle class groups are emerging who are a source of income/import for destination nations. This is especially the case for China, since "China ranked third in the

World in the total number of designated World Heritage Sites”, which shows the importance for researching and understanding this subject (Su and Li 293).

Moreover, this exact thesis statement has not been explored as of yet. There have only been general observations of heritage development and organization, tourism effects and a combination while observing various heritage sites. However, there is nothing concrete about a comparison between two varying sites in one province China and an objective observation on the effects and methods. So, this question of what model leads to the most positive impacts all around is ideal for filling the gap in the academic literature on this theme.

3. Literature review

1. Tourism Development and Environmental Matters

To start, China is known to have had enormous growths in the tourism sector, especially in recent years, which has consequently resulted in the rise of the tourism sector of the Chinese economy. As Sofield and Lee demonstrate in their article: “the year-on-year growth of tourism in China over 30 years has been unparalleled... has generated billions of dollars of revenue” and “resulted in the direct employment in tourism of about 9% of China’s total workforce”, which led to tourism being a large part of China’s GDP (529). Moreover, ecotourism has been becoming more important since the late 90s, with claims that “the... aim was to encourage resource-saving tourism operations and to build the Chinese tourism industry into a green industry with sustainable development”, however Lijiang and Dali mostly fail in demonstrating the actions that were supposedly started in the 90s (527). Tourism is showing progress in sustainability, but this not always equally progressive (528). Many authors agree that China is attracting many tourists each year, but also that it is attempting to move towards more sustainable methods in its natural and cultural destinations (Agnew and Demas 70; Zan 103; Li 252). Although this is said, it seems to be in limited amounts, because when observing Lijiang and Dali, not much action stems from the government.

Academics in this field of research also tend to agree on the devastating consequences that China’s growth (in tourism as well as the economy itself) has been having on the environment, so sustainability is one of the points that is necessary for the country to keep in mind. That is, if the government would like to keep their influx of tourists and save the authenticity and long-term viability of these cultural heritage sites that tourists travel to (Zhang et al. 129/130). However, China’s government has been taking the threat seriously from 1993 on, when sustainability was put on the government’s agenda as a key focus point (Sofield and Li 512). Although, objectives are not being met at the end of the Five-Year plans and opposition is still plentiful because some still believe that modernization is more beneficial than sustainability. This is quite strange considering that “the pollution produced by this industry, [tourism], is recognized to be lower compared to [for instance] the manufacturing sector” (Yang et al. 827).

And considering the environment still has a backseat in the Chinese national government, there is still a sizeable environmental threat stemming from locals, as “economic

priorities have over-ridden environmental concerns” and fines are often too low to prevent locals to improve the environment (Sofield and Li 513; Li and Shao 3). However, most still agree the blame mostly lies with the actions, or rather inaction, of the government and other stakeholders involved (Zhang 130; Li and Shao 3). Nevertheless, there is still some debate concerning this topic, since there are many parties involved at any heritage site, so simply blaming bad management on the government would be irresponsible. One could also reason that the private sector, with at its core profit making, is equally dangerous for the durability of heritage sites.

2. Cultural Heritage and The General Role of Tourism

Firstly, there are three key thoughts concerning “the relationship between heritage and tourism, namely, automatically harmonious, inevitably in conflict, and potentially sustainable” (Zhang et al. 111). This is crucial to keep in mind, namely when explaining the varying results from types of site management. Adding to this, both natural and cultural heritage sites will, in most cases, inevitably experience “heritage commercialization”, because management is attempting to keep up with demands and expectations from local and international tourists and even the national government, which leads to tensions between tourism, authenticity and the environment. However, Zhang et al. do not have extensive case studies to demonstrate their arguments, however they have numerous short cases and have extensive primary and secondary sources, which alleviate this minor flaw.

Moreover, heritage sites can be great ways to develop local cultures, since they help preserve history and allow for successful international understanding through displaying a culture’s history. However, again the topic of good management and planning of tourism at heritage sites, since it makes or breaks a place as a tourist destination and a beneficial place for the local population (Smith 245). Furthermore, countries regularly forget that traditional buildings and sites are often big pull factors for tourists, so there should be a balance between modern new and old/renovated destinations (Smith 251). Yang et al. also agree, especially when it comes to World Heritage Sites (833). Additionally, tourism has a “linkage effect that benefits other service industries”, since it creates jobs and earns ‘foreign exchange’, which are significant effects for an economy (827).

Finally, to improve the current management system, Cros and Lee developed an evolution framework of management. The phases of this framework are as follows: inventory, initial legislation, increased professionalism, stakeholder consultation and finally review (13).

This shows that there are frameworks available to managers of sites, however, whether they are useful and successful is another issue. See Appendix for detailed description of each component.

3. Management of Cultural Heritage Sites and Tourism

For a more general take on heritage management and the one that the case studies use is Shepherd and Yu's three main styles of management; "government control, joint ventures between local governments and private management companies, and a private management contracting" (50). The first two types will be looked at the most, since they are the most prominent and thus more information can be found on heritage sites with these management models, which is to ensure a thesis that consists of trustworthy and qualitative data.

They also demonstrate that there is a debate happening between two models: the "management transfer model" and the "national park model", which are similar to 'government' and 'government-private'/'private' (51). The first entails being for the privatization of the management of heritage sites (both natural and cultural), since it allows for more financial success and helps the direct environment as it frees up money that would otherwise go to these sites. The second as a main point believes that "cultural heritage belongs to all citizens and... should be... for public welfare" and that private companies are only after the profit aspect of managing a heritage site, which has a negative impact for direct environment, culture and people (Shepherd and Yu 51-52). However there have been experimentations with various management models for cultural heritage sites since the 1990s (50). So, it is important to keep in mind that Shepherd and Yu's types are not necessarily exemplary or 'correct', but I found them to be the most clear in their categorization, hence the reason for using them.

Furthermore, an increase in decentralization in China has allowed for multiple models to appear besides direct central government control of sites. Local governments, private groups and locals have been seeing more say into how to organize and make use of cultural heritage sites. This is an interesting point, since this has definitely shown itself in the case studies of Lijiang and Dali City. On the other hand, according to Zhu "government authorities [still] dominate heritage discourse and practices", since it is the ideal strategy for "national and regional governments in claiming political legitimacy and economic benefits". All of this points to the complicated nature of all management styles and organization models

in present China.

4. The Aspects Linked to Management

In terms of the social aspect, this thesis will examine how a site affects the local population at the location of the sites. Firstly, there is “an increasing demand from the national Ministries of Finance to document the social benefits of conservation in order to justify the budgeted costs of the projects”, which is important to keep in mind when looking at the case studies of the thesis (Tuan and Navrud 327). For a site it is important to “ensure viable, long-term economic operations” provide “socio-economic benefits to all stakeholders”, which includes ‘stable employment’ and other “income-earning opportunities and social services to host communities, and contributing to poverty alleviation” (2).

Economic benefits and tourism arrivals will be also be researched and discussed here. For both cases it will be beneficial to observe if the management has led to events such as initiatives for the local population like authentic markets or festivals, since they would most definitely be useful to determine economic consequences. Moreover, such cultural events are known to attract tourists. So, the goal is “to estimate potential spillovers in the local economy from investing in culture”, which is connected to the aspect of authenticity, but this will be discussed in a separate section (Bowitz and Ibenholt 1-2). Finally, the number of tourist arrivals is also crucial, because this is what leads to employment, infrastructure and more funding for the sites themselves, but also impacts the social side of things. The reason for this is that overcrowding, among other things, in towns like Lijiang and Dali can drive the locals away, which again affects other aspects discussed here.

Next is authenticity, which is also a major aspect, since it is usually what tourists come for when visiting a cultural heritage site. When researching this, the main facets to observe are whether the site itself remains ‘authentic’ to visitors as well as the locals, which manifests itself by quality and knowledge of conservation and restoration of the site and its buildings. Another element here is if there are organized events that promote the locals and their cultures, as mentioned above, by means of markets and festivals. The main issues for authenticity is the lack of funds to provide this quality conservation and locals often are forgotten in favour of focusing on attracting tourists (Su 169).

Finally, the environmental/sustainability factors will be analyzed and discussed, since they are also a crucial part that stem from management. This facet will look at what the effect Dali and Lijiang have had on the surrounding environment, but also at if the

management is doing anything to improve any issues and if sustainability appears to be thought of. For example, Lijiang is suffering from water pollution and Dali has been working on reducing building density in and around the city (Baoying and Yuanqing 123; Xu et al. 181).

4. Methodology and Theoretical Framework

First of all, this thesis has mostly made use of secondary sources, some primary sources and possesses little original research. The reason for this is the limited amount of time and money available to for instance, travel to Yunnan to do interviews and observe the situation personally. This makes it impossible to draw original conclusions.

The reason that most of the sources are secondary ones is because many useful primary sources are in Chinese, which I personally do not speak. However, the United Nations UNESCO source and some translated Chinese governmental sources will be useful for my research as well. Furthermore, secondary sources are the most suited for this thesis topic, since it supplies quantitative data and more objective points of view on the aspects discussed and compared in the research.

Next, the aspects I have used for the comparison of management styles in the two cultural heritage sites in Yunnan, China are as follows: environmental effects, authenticity of the site, economic effects/tourist arrivals, social effects and finally the long-term sustainability of the site. Below is a short explanation on why these particular features have been chosen.

Environmental effects are important to the analysis because a degradation of the direct environment surrounding heritage sites impacts its pull-factor, which means it becomes less attractive for tourists to go visit the site and locals are more likely to move away from the area, which would reduce authenticity. This brings us to the importance of the ‘authentic factor’. The authenticity is a major factor considering this is the largest pull factor of a site. Tourists go to a site to experience the ‘authentic’ culture of the region the sites are in and the culture of the country itself. Part of the authenticity comes from the professional care of the buildings and surroundings of a site, but also from the original people of the province (city). This leads to the reasoning for observing the socio-economic effects on the local population, because this can affect whether these people remain in and around the sites or leave. This thesis explores how the sites and the bulks of tourists in each town affect the locals. So, all of these aspects affect the site and can partially reveal the management’s performance in each aspect.

This thesis has compared all these aspects between the two cultural heritage sites in Yunnan and has drawn conclusions from the results. This has allowed for a tentative answer to the research question of what management type has seen better results.

Furthermore, another element that will allow this thesis and its case studies to be even more certain is the reasoning behind opting for these two particular cultural heritage sites of Lijiang and Dali. First, Lijiang city was chosen for its immense popularity with tourists, its large scale, the importance the Chinese government puts on this site and the fact that it is on the World Heritage Sites list. Similar to Lijiang, Dali City also covers a larger area, however, Dali City is slightly less critical to the national tourism industry and a little less known than Lijiang is, which will allow for a valid comparison.

On a different note, it is also crucial to set up several hypotheses before explaining the theoretical framework and methodology. In this research paper my main hypothesis is: 'sites that are managed by the government and those managed by a government and private partnership, will see certain aspects that have similar outcomes and certain ones have very different outcomes'. Another important one will be: 'cultural heritage sites that have more use, in terms of world recognition and economic gains, to the national government, will see different outcomes than those that do not'. A final hypothesis is 'government managed heritage sites that attract a lot of tourists will see more detrimental consequences, for instance in general sustainability, environmental damage and the local people's satisfaction with the site.

Additionally, I will be extremely cautious with not deviating from being objective and remaining a neutral researcher, all whilst analyzing research made concerning cultural heritage, management and the aspects that come with it. This text will achieve this by keeping an eye out for both positive and negative angles of all sources. I have also paid special attention to ensure that my readings are not limited to 'Western' academics, but also from other regions. This is a crucial element for this essay, as it ensures that bias will be limited as much as possible concerning this particular subject of cultural heritage management styles in China and not to be biased on recommendations, opinions and pros and cons. Furthermore, I will balance theoretical texts, academic articles and newspaper and government sources as much as is possible.

Finally, I will be using the small-N analysis case study method, because there is a limit to the time for this paper. Alongside case studies, this paper will use some process tracing, as these two are compatible methods and strengthen one another's weaknesses and shortcomings. Additionally, two Chinese cultural heritage case studies will be used, not natural, though certain sites are both. There will be: one case study of the government management type and one case study of the government-private partnership type. In order to create a more certain analysis and deduction, the thesis will focus on one province, Yunnan.

Chapter 1

Cultural Heritage Management in China

Firstly, China has numerous heritage sites, both natural and cultural, which attract many tourists every year. However, there are certain limitations and struggles in developing a more successful form of management for these numerous sites, by moving away from a more politically invasive form. Additionally, Robert J. Shepherd and Yu mention that there have been many trials and testing with various styles of management styles in the realm of cultural heritage management ever since the 1990s (50). Moreover, China has been seeing an increase in decentralization policies, which has opened the gates for other models to surface next to the then, only existing, 'direct central government control' of the sites. Local governments apparatus, private groups and the local people have been experiencing more freedom in the management of cultural heritage sites, along with what they believe to be the primary goals of these cultural sites.

Next, China's most obvious purely managerial problems are "lack of planning" and ability to handle sites' "unique challenges and opportunities", lack of funding for these offices, the "heavy socialist past that heavily influences". However, there is a slow but steady move to more participation and empowerment locals (Shepherd and Yu 104). But what is also obviously crippling is the 'multi-department management structure', which involves numerous governmental departments and each department's duties often overlap with one another, which includes major ministries (Construction/Cultural Heritage), but also "governmental departments that are potentially involved include forestry, agriculture, water resources, environmental protection, religion, ethnic affairs, tourism department, and so on" (Su and Li 294). All in all, before researching anything else, it is crucial to understand what the current state of affairs is in China and its situation compared to more general exclamations on cultural heritage management and the impacts of tourism.

Moving on, Timothy et al. give a good explanation on what heritage sites were used for up until the 1990s, which consisted of a more politically oriented use, meaning they were used for nationalistic ends and push political ideas on visitors and locals (95). They explain that currently all Asian countries, barring North Korea, have moved away from this and are participating in a more globalized world with capitalist aspects, although it is still present in less extreme form, as Zan says: "the central level, a more 'political' (propaganda) use of the heritage is done as an element to enhance the identity of China and the idea of Chinese-ness" (103). For China, capitalism is prominent in the economy. This has led to new

ideas on the role cultural heritage sites play. Seeing as in a capitalist system, profit and development have taken over and at times this limits the long-term viability of a site, both economically and environmentally. This in turn affects the experience that tourists and locals have and being perceiving these sites as no longer beneficial to them, but rather as invasive, non-authentic and non-beneficial for locals. Here, by ‘authentic’ is meant, that something is “genuine, unadulterated, without hypocrisy and honest to itself”, not only on the surface, but the essential nature of the object or person (Ralph in Li, 249-250). Furthermore, this authentic character can be achieved through ‘environmental experiences’, but also through ‘people-based experiences’, which translates to locals playing a key part in authenticity of sites. This once again connects to the other aspects connected to cultural authenticity (Li 250).

Next, China is currently experiencing difficulties with balancing all the facets mentioned, but also with how to handle the sites, especially concerning those on the UNESCO list, since they attract more attention internationally (Su and Teo 156). Timothy et al. explain how tourism officials in China are convinced that when a site is declared a World Heritage Site, it will automatically be swarmed by tourists, but also that the economic issues that the area has will disappear. This has resulted in a vacuum where substance and quality control should be (96). Site overcrowding is another major issue, like in many other countries; however, it is especially prominent in China. This is disastrous for the environment and the experience that tourists have (97). There are various other issues and aspects such as the illegal trade in antiques and ethnic minority parks, but these will not be covered, since it would be too much to cover in such a short paper.

Moving on, in general, there is an overall agreement between researchers how a cultural site can become successfully sustainable. They concur that sustainability in tourism is attainable only when official relationships become a reality between “stakeholders, sometimes even to the extent of formal co-management arrangements”, otherwise achieving anything becomes many times more challenging (McKercher et al. 546). This topic thus connects to the preservation of sites. One aspect that entails this is “governmental awareness and encouragement of public participation”, which seems to improve heritage conservation. Elements such as legislation endeavors, such as the ‘Regulations of Landscape and Famous Scenery’ publicized by the central government in 2006, which enacted that public participation was a right. Considering the official nature of the right, it reassured the public that they could freely be a part of discussions and more (Zhang 130).

Additionally, there were the ‘*Principles for the Conservation of Heritage Sites in China*’ in 2002, which were the first set of rules at a national level (Agnew and Demas

55/56). They all encompass elements observed in this thesis, however, China's goals and aspirations seem to still be a long shot for the country to achieve. Connected to this, China has seen the destruction of numerous heritage sites in the last decades, the reason being pressure for performance of sites and ignoring the law altogether. So altogether "the empowerment of a relatively 'good' protection law seems to be still a major problem in the country, similar to other sectors" (Zan 106).

All in all, China's government is starting to allow an amount of leeway in the management of heritage sites, which means more decentralization of decision making and planning. Furthermore, China has many cultural and natural heritage sites; however, the country is having trouble with finding a healthy balance between development, planning (management), profits (in the relatively new capitalist economic system) and authenticity within these sites. There are laws that have been set up by the national government, but even they do not always follow the rules for sustainable, yet profitable cultural sites. So, it is the role of this paper to explain these issues and discover what management form produces more 'positive' results for the multiple aspects listed earlier in the thesis.

Chapter 2

Lijiang: 'Model' City – Local government Led Site – Public Management

There are five major parties led by the government to manage the Old Town Of Lijiang, first of all, the world heritage organization; authority of ancient city protection; cultural industry association in ancient city; cultural enterprise; and the inheritor of national culture (Li 390, 2014)

The first cultural heritage site we will observe and analyze is Lijiang City, which is located in Yunnan. As mentioned earlier this site was chosen for this thesis because of its representative nature in heritage sites. Furthermore, UNESCO describes this old city as a “key commercial and strategic site” and the city is often mentioned through the ‘Lijiang Model’ of using WHS status as a way to develop and prompt the tourism sector (Shepherd and Yu 76). It is a major tourist destination and thus one would expect this site to be taken extra care of by the national government and the local government entities that manage the site. This creates a case study that reveals government management at its theoretical and potential best.

Firstly, Lijiang City is one of the most well known examples of historical locations that achieved an enormous economic and social impact after being added to the UNESCO World Heritage List in 1997, with an estimated 7.4 million tourists per year, although some believe this status does not have a direct connection to the number of arriving tourists (Shepherd and Yu 57). Thapa uses Lijiang as an example of this point of the list not being the only thing to have caused an increase in tourists. He mentions the improved infrastructure in the region being the more likely cause, since it allowed for easier travel by air and road, and government policies concerning domestic tourism (Shepherd and Yu 77).

Either way, having such an increasingly major role as a heritage site in China would quickly lead to certain issues, such as cultural authenticity, which is one of the main values world heritage sites should possess. Despite this principle, there has been large-scale remodeling in Lijiang, for instance, the local government rebuilt a number of wooden houses in 1999 (Shepherd and Yu 58-59). In relation to this, there have been “tension[s] between different policy preferences”. Often the state leans towards a policy of improving national identity and often prefers granting free entrance to site visitors, while the local government is usually more enticed to make a profit and thus they sometimes sustain a more commercial standpoint and the area’s development is put first. Lijiang is an illustrious example of this ‘over-commoditization’ (Zan 103/109)

Not only authenticity is at stake in the Old Town of Lijiang. Local residents also experience a significant impact themselves. To explain, Lijiang became a major tourist attraction from 1997 on and since then, residents obligated to adapt to the huge crowds. If they do not adapt, something called the ‘hollowing phenomenon’ occurs. This term was termed by Chinese academics; known as ‘*kongxinhuan*’, which often takes place at sites such as Lijiang. It refers to the hollowing out of “the original residents [often Naxi] of core heritage sites and the influx of outside business people” moving to these sites original residents are fleeing from. Moreover, the local residents that do remain within the city, about 20% has to travel outside the town “to sub-urban areas...to buy daily necessities”, since the town’s businesses have mostly shifted from serving local resident interests to tourist ones. This replaces traditional shops with restaurants, bars and hotels (Shepherd and Yu 76-77). Furthermore, the “over-commercialization of the Naxi culture has also led to a notable decrease in authenticity” in Lijiang (Huibin et al. 46). This decreases the authentic representation Lijiang is aiming for.

The economic impact is another principal aspect at heritage sites. In Lijiang, the impact of tourism has led to an increase in income for the local population, or rather the population that has decided to remain in the vicinity of the heritage site. Around 2004, approximately 15,000 people had jobs directly and 50,000 indirectly in the tourism industry surrounding Lijiang (Li and Shao 10). On the other hand this has caused gentrification in the city, which means that the old town of Lijiang has higher commodity prices than the new part of town, which fits into what was said previously concerning population shifts (Li and Shao 10). This demonstrates how close knit many of the aspects are, changes in economic conditions lead to changes in social conditions, for example. Furthermore, the economic benefits that can be found in and around heritage sites attract developers that “regard heritage as a resource for economic profits” and which in turn gives rise to the goal of maximizing profits and so “the authenticity of heritage and the interests of the local community are less considered, [and often] damaged... compared to shop owners”, because they are fewer in numbers, however “their projects have bigger impacts...” (Li and Shao 3).

On the subject of sustainable development and overall sustainability in Lijiang City, Opschoor and Tang explain that there are three chief issues for Lijiang. First, “increases in urbanization pressure, ecological footprint and overall development level”, next, the level of tourism, which “has increased continuously within the small and non-expandable tourist destinations” and finally, the environment, which has seen major setbacks in the “physical form and its natural resources as well as its functionality”, this undeniably reveals that certain

elements in the management of sites in China are in need of restoration (471).

Moreover, some locations in Lijiang have few natural areas, an overflow of trash and water pollution, which are all still remaining (Huibin et al. 47). In order to ensure successful sustainable development in Lijiang there are multiple aspects. It is suggested that, firstly, there needs to be a number of ‘digital technologies’ that would be used in the preservation of heritage and develop the social and economic at sites. Next, there need to be ‘green spaces’ that are compatible with the urban area, whilst they can be used for multiple ends, such as local events. Furthermore, it is crucial that land resources are “comprehensively planned under current climate conditions and for future changed climate conditions”, since more damage can be done without this planning (Opschoor and Tang 471). If Lijiang does act upon these recommendations, sustainability is not too demanding or costly, if managed properly. So, Lijiang is in need of a form of protection or organization concerning, as do many other heritage sites in China. If this is not realized then this “will result in the degradation of CHT [Cultural Heritage Tourism]” and damage tourism in general (Huibin et al. 41). Li and Shao also mention the impact on the environment, which is mostly negative, they state that there is “rapidly melting snow in the Yulong Snow Mountain” the “loss of land for agriculture” and the “deterioration of the quality of water” (10).

Li and Shao give a good concise evaluation on the quality of the heritage management in Lijiang by the government:

Heritage management in Lijiang is at a transformation stage and at cross-roads... Policy intervention brings both positive and negative impacts... Public participation has not yet been developed. The interests of the local communities begin to be paid attention to [largely due to] external stakeholders, the GHF (Global Heritage Fund), conservation institutes, shop owners and some tourists, instead of the local authorities... (4).

The quote lays-out that if Lijiang continues with engaging the public more often and takes note of environmental consequences of too much tourism, the town can still make its transformation a positive one. Moreover, it would be extremely beneficial to educate everyone involved, management and stakeholders, on everything from environmental matters to the importance of cultural integrity of sites. Following this would be more responsible infrastructure and construction and protect water sources (Baoying 126).

Chapter 3

Dali City: 'Foreigners Lane' – Public-Private Management

[Governmental] departments such as the Cultural Heritage Bureau... share the duties of managing and renovating historic Bai houses [and seek] assistance from the private sector (Zhao 108).

In comparison to the government led site Yunnan of Lijiang, we will observe the Yunnan cultural heritage site of Dali City and its joint public-private management, but what is Public Private Partnership? In short, PPPs are when the public and the private sectors partner-up for “designing, planning, financing, constructing and/or operating projects” purposes, which were originally seen as bring the responsibilities of the public sector (Zhao 107). In Dali, the local government also makes use of the private sector in order to aid its “funding, expertise, and stewardship”, which are all weaknesses of the public sector (Zhao 109). This demonstrates that the municipal government relies quite a bit on the private sector in Dali and this partnership is an element of the management that could aid or damage the sites, depending on how it is applied. For instance, Dali City has ‘Bai architecture revitalization projects’, among others, which are accomplished by PPPs (Zhao 106). So, not only is the management co-led, but there are also numerous individual projects that are carried out by both public and private parties.

To start, it is key to observe the amount of tourist arrivals in Dali City. According to both the *CNTA* and Xu et al. Dali City, with a population of 500,000, receives over 5 million tourists every year since the late 2000s, which is not much less than Lijiang City especially when considering that its population is half of that of Lijiang (180). So, just like Lijiang it is key to have a successful management system in order to properly process all these tourists, foreign and domestic alike. If this not accomplished, long-term sustainability cannot be guaranteed, considering the damage an overflow of tourists can do to a heritage site.

Next, is about how the site and its management affect locals, but also the state of authenticity of the heritage site. Since not too long ago there has been an uphill path for the recognition of the major role locals have in ‘city branding’, which would be a positive development for the local population, because more attention would be paid to them and their culture and needs (Zhao 107). Additionally, it is being debated that “city branding has to take local people’s identity and core values into consideration and be accepted by local people”, because doing the opposite would be detrimental to authenticity of the city and its sites (Zhao

107). So, assuming that management take local values into account, the development and tourism at the sites of the city and the old city itself would be more accepted, which is a step into a more successful long-term sustainability of culture, local traditions and attaining a symbiotic relationship between the old and new of the cultural heritage sites. This phenomenon of making use of “local people’s identities” for ‘city branding’ increases site authenticity and stimulates sustainability in the social sense, which is beneficial to credibility and social connections of the management actors (Zhao 107).

A good example of this is in the case of the Linden Center, which is a recent cultural heritage site in Dali, which is managed privately in cooperation with the municipal government. According to local media sources that Brian, the owner of the Linden Center, “cares little about economic gains” and the media shows him as genuine caretaker of the Bai culture, which appealed a lot to locals and increases the chance of these locals to actively partake in improving and upholding the city’s name (Zhao 110). This is an instance where the PPP has demonstrated as having a positive impact on locals within Dali.

Although projects done by the city’s management can be beneficial to locals, this is not always the case. Those live in neighbourhoods near ‘Zhang’s Garden’ “complain of waste and noise pollution caused by tourists [and] the car park that was built to serve tourist vehicles displaced the old farmers’ market” (Zhao109). Zhang’s Garden (another PPP case) shows the drawbacks of tourist development, however it does not appear to be solely because it is a PPP. The issue here is that both partners have a lack of understanding of the consequences of displacing the locals from the very activities that make the city an authentic experience, thus damaging their own product that they try to promote at all costs. And so, this situation led to the abandonment of the stands “after six months... as both vendors and buyers considered them an inconvenience to trading activities” (Zhao 109). So the Zheng Garden is a case where “the public sector represents government officials more than...the general public” and the private sector is not overly concerned over this (Zhao 109).

Moving on, there is the economic aspect. In terms of tourism and employment, direct employment went from 10000 to 25000 (1995-1999), whilst in the same years indirect employment went from 60000 to 150000, which has increased even more in the past decade (Doorne et al. 5). Moreover, tourism revenue was at 300 billion Yuan in 2007 in Dali alone, which exemplifies the enormity of the tourism sector. Furthermore, Zhao explains:

A local enterprise owned by the municipal government is cooperating with the Linden team in renovating Baochengfu, another national heritage site. [Here] the government-owned

enterprise is funding the renovation while the Linden side provides expertise in another atypical PPP arrangement where the private sector does not provide funding for renovation. Both parties have agreed that... the Linden team will operate another boutique hotel... and share profits in lieu of rent with the government...” (110).

This exposes the issue with PPPs. The motivation of the private sector is not always clear. So, although the private sector seems to care for the local culture, authenticity and the locals, there is a definite lack of transparency concerning the intentions of each party. However due to these partnerships, both parties “share the financial burdens of renovating... as well as associated economic returns”, which means that “the municipal government benefits via tax income, rents, or profits, while the private sector profits directly” (Zhao 110). Nevertheless, these returns are often not found back with the locals. For instance, “when the Linden Center [was] turned into a high-end hotel, people of low socioeconomic status [found] themselves less welcome as visitors to the compound” (Zhao 111). This exposes not only a lack of economic benefit, but also a lack of social benefit, which is not the fault of the tourists, who are mostly genuinely interesting in their culture, but of the local government. So, this so-called ‘public-sector’ “involves a government that fails to represent” the very thing it is meant to represent (Zhao 111).

In addition, when listening to locals and their critiques, it seems that the private sector as well as the local government will no longer be able to count on “local trust if the lack of transparency is not addressed”, which “illustrates that transparency in PPPs critically eases relationships between governments, private companies (or entrepreneurs), and general publics” (Zhao 111). So, a crucial objective for PPPs, especially government officials, is to open up discussions, make these more accessible and influential and lastly, make projects more transparent. If done properly, the private sector can help in this situation. For example: “one neighbour (Bai, female, age 50) praised Brian Linden, describing him as “a nice person who preserves Bai architecture”, while accusing local officials of working only out of self-interest” (Zhao). So perhaps PPPs can gain more support from the locals, if the public sector takes a more private-like approach to the local population.

Finally, there is the environment and sustainability of the city. Looking at the latter first, Brian, owner of the Linden Center, did not succeed in maintaining the site because of he did not possess sufficient knowledge on Bai architecture. “A local Bai architecture expert (Bai, male, age 60) commented, “the Linden Center is not a traditional Bai compound any more” now that a bar and other modern elements have been introduced” (Zhao 109). This

hints towards an unsustainable pattern for the authenticity of sites if not taken care of properly.

In terms of the environmental factor, there is a certain amount of monitoring occurring. For example, “in June 2006, the National Land and Resources Bureau restated for the fourth time that strict monitoring and supervision of the construction of villas and low-density properties would be implemented, and land appropriation for villa and golf course construction should be suspended” (Doorne et al. 181). Nevertheless, these boundaries were not respected once in a while; the pressure stemming from environmental organizations pressured the site’s management team to enforce some “prohibitive regulations” in 2004. An example of these regulations is the reassessment of “the Management of Erhai Lake enforced to inhibit construction in the protected area (Doorne et al. 181).

This shows that there is concern for the environment of the cultural heritage site, however, this concern seems to stem from criticisms from ‘environmental protection societies’, which are great to have, but this concern should also come from the management of the sites, from both the public and private representatives.

All in all, it is clear that the municipal government does want the best for the city (although local and environmental aspects may suffer sometimes). All in all, the municipal government’s intent is to “develop tourism as one of the four pillar industries of the prefecture and to transform Dali into an economically and culturally strong tourism prefecture” (Doorne et al. 181).

10. Analysis

Dali City and Lijiang are both areas “that have attracted the interest of... scholars” because of the quick development of the social and economic terrains, which were due to tourism and its development. Moreover, in these regions, tourism is usually the key moneymaker (Xu et al. 178). Furthermore, they are both located in Yunnan, are in close proximity to one another and both are two large ancient cities and have cultural heritage sites. Also, both have individual key titles; Lijiang is on the UNESCO World Heritage List and Dali was, at one point, declared ‘China’s leading historical and cultural city’, so they are both major tourist hotspots and important to Chinese state (Zhao 106). Finally, the pair has immense amounts of tourist arrivals each year, which clearly has consequences in both ancient cities.

Firstly, Dali and Lijiang are having trouble with ensuring that their sites remain authentic. This is especially the case if asked to locals, since they have more experience in discerning between authentic and unprofessionally done renovations and/or new cultural buildings. Lijiang’s problem is a scale higher than in Dali, because of the ‘over-commoditization’ and the unprofessional reconstruction of many old sites. However, Dali is not without its own faults. While most locals appreciate the efforts towards authenticity, they did not always see the original nature back in all the sites. Though some have been successfully kept authentic, according to Dali locals.

Lijiang additionally issues policy differences between the central government and the municipal government. The state often does not provide sufficient funding and prefers promoting tourist sites as free destinations. Dali demonstrates that this can be alleviated through PPPs, since the financial burden is shared more often between the municipal government and the private partner. In addition, cities that are less under the influence of the state usually experience more freedom concerning money. This can be tricky as well, because profit is more important to the periphery, which harms other aspects, such as the environment and site sustainability.

Next is the socio-economic facet. Tourism has allowed for more infrastructure and employment for the region, but it has also often displaced the original population. Lijiang stands out here. Here, only a fraction of the original people remains in town and if they do stay, life has become less comfortable for them. Dali has also displaced people, but locals appear less bothered by the developments made by PPPs, since slightly more care goes into the heritage sites than in Lijiang. Nevertheless, both are in need of an increase in public

participation, most notably in Lijiang, which has recently been under pressure to improve on this by external parties, such as tourists, local business-owners, other locals and conservation institutions. This reveals the positive side of the capitalist private sector can bring. Although, the main blame of mal-management commonly stems from the governmental side, local or otherwise. The reason for this is in that the management system is still relatively new, unorganized and relatively unregulated.

Moving on, out of the two cities Lijiang stands out as the main culprit for environmental degradation, however, Dali also has its issues, but nothing extraordinarily critical stands out. Lijiang also has a bigger problem in terms of sustainability in comparison with Dali. Nevertheless, it is clear that the management of both heritage sites need to focus on developing tourist sites that are more sustainable environmentally, but also economically, socially and culturally. So, Lijiang and Dali both have figures that still “have a strong entrepreneurial spirit for selling heritage resources in the tourism market for funding urban conservation and reaping economic profit”, however, efforts are definitely being made to turn this practice around, by most parties involved in tourism (Su 170).

All in all, it has been revealed that PPP has become a decent approach in heritage management for cities in the West. So “historic authenticity and commercial activities [can] co-exist” peacefully, which would be beneficial to China to apply more often (Zhao 108). However, success can still be achieved if solely run by the government. The conditions for success, based on the research done, are: transparency in every aspect of site development and finances, more public participation to include locals, more consideration for the lifestyle of locals, more professional advisors for renovations/constructions, hired expertise on how to improve management of heritage sites (from other countries for instance) and finally, consider PPPs, since PPP sites seem to be superior in the aspects discussed. However, a lot more research has to be done to be more certain on the effects of PPPs and government management of heritage sites in China.

11. Conclusion

In conclusion, there is a need for a symbiotic relationship in heritage management, tourism and conservation efforts. The reason for this is that only having heritage preservation as a focal point would ruin the economic prospects, especially when it comes to the development of tourism. On the other hand, unrestrained development can cause (permanent) damage to heritage sites, so there is a need for balance between the two at heritage sites (Park 43).

There is also the question of whether public management or a mixture of public and private seems to be most effective and/or positive in the areas of tourist arrivals, norms of cultural integrity and authenticity, effect local population, economic impact, environment and last but definitely not least, sustainability. Out of the two major cities, Dali appears to have the least problems in the areas discussed. Locals seem slightly more accepting of the changes and environmentally there is more being done than in Ljijang. However, both have challenges in transparency of development and authenticity should be focused on more intensely. This requires PPP for more funding, but it seems very easily done considering China's move to more private involvement being allowed and promoted currently. Both cities have profited immensely in the economic sector though, infrastructure, less unemployment and more money available to the government, private parties and locals. But, like was explained before, this will decrease if all the other aspects are ignored and management remains poor.

So, cultural heritage tourism has the highest chance of thriving if all stakeholders realize the value that tourism has and realize the requirement of preserving sites' main cultural ethics, embrace the fact that every "stakeholder has a legitimate interest in the asset and each has a clearly defined role to play in promoting cultural tourism" (McKercher et al. 546-7).

Finally, the topic of cultural heritage and its management remains significant, because it is interconnected with "other principal objectives of sustainable development, an ecological framework that considers such precious resources [heritage sites] as important cultural capital" (Cros and Lee 1). So there is still a massive amount of research to be done, with many fascinating actors and findings.

12. Appendix

Table 1: Cultural Heritage Management's Evolving Framework (Cros and Lee 13)

<i>Phases</i>	<i>Key indicators</i>
Inventory	<ul style="list-style-type: none"> • Growing community interest • Documentation • Evolution from amateurs to professionals conducting work
Initial legislation	<ul style="list-style-type: none"> • First-generation legislation to guide identification and protection of heritage assets • Focus on tangible but not intangible heritage • Creation of government heritage agencies • Little integration with other government agencies or laws
Increased professionalism	<ul style="list-style-type: none"> • Formation of heritage NGOs • Formalized codes of ethics, conservation principles in charters, etc. (and UNESCO's declarations and conventions) • Development of heritage-related professions (public and private) • Basic computerization of heritage data • Recognition of the linkage between urban planning and land use management by heritage managers
Stakeholder consultation	<ul style="list-style-type: none"> • Wide array of stakeholders emerge • Areas of conflict identified • More attention paid to community interests • Focus on gaining community support for adaptive reuse • Cultural heritage assessment included in EIA process
Review	<ul style="list-style-type: none"> • New understanding of responsibilities of stakeholders to CH assets • New or revised legislation • More integrated planning and practice • Rise of the concept of cultural landscapes • Greater awareness of intangible heritage • Recognition of other users of assets • New framework in place • Maturity

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