

REVEALING THE SOCIO-ECONOMIC POTENTIAL OF CULTURAL HERITAGE

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Introduction

In 2014 the Gyula Forster National Centre for Cultural Heritage Management (Forster Centre), the state agency responsible for the management of a certain number of state-owned cultural heritage (CH) sites in Hungary, started a project dedicated to exploring socio-economic impacts of investments into built CH. The key objectives of the project are:

- 1) To develop a complex methodology for the measurement of socio-economic impacts of CH;
- 2) To provide a reasonable justification for spending on restoration of historically valuable buildings; and
- 3) To equip local communities with knowledge and skills necessary to value such works in the future.

The project (currently work in progress), is developing a multidisciplinary methodology for socio-economic impact assessment, integrating various types of knowledge and research methods. Here, besides the methodological approach we present some results of the first pilot study in Sirok.

Approaching impact assessment as a methodology

Our exercise began with the literature survey on impact assessment methodologies applied in the heritage context. It revealed that there is no one-size-fits-all approach to assess the impacts of CH investments. However, the complexity and evolution of impact assessment (IA) as a research methodology and practice are stimulating the process of standardization. Hence, various frameworks and guidelines have emerged to direct IA (Vanclay 2003), such as guidelines of the International Council on Monuments and Sites (ICOMOS 2011) or Social Impact Assessment guidance (Vanclay et al. 2015). In the CH context dedicated works are also facilitated by the United Nations Educational, Scientific and Cultural Organization (UNESCO) at the global level.

For shaping our approach, we looked more specifically at the principles of Cultural Heritage Impact Assessment (Rogers 2011), Heritage Impact Assessment (Rodgers & Van Oers 2012), Cultural Impact Assessment (Sagnia 2002; Partal 2013), Cultural Landscape Approaches (Prosper 2007; Taylor & Lennon 2012; Brown 2008) and Social Impact Assessment (Becker 1997; Barrow 2000; Vanclay 2002). In a similar manner, a screening of literature on well-being was performed. We focused here especially on indicators and ways to measure them developed by the Organisation for Economic Co-operation and Development (OECD 2011), UNU-WIDER (McGillivray 2002) and Stiglitz Commission (Stiglitz et al. 2009). Moreover, related frameworks developed by the European Commission and Eurostat, as well as the European Social Survey and the UNDP-Human Development Index were considered.

The main lesson for our project was that we could integrate different knowledge regimes, while framing the impacts: (1) established reference points, regulatory frameworks or standards set up by

CH organisations at the international and national level, and (2) the local impact narratives. The latter was particularly important for engaging with the communities involved in the project and leveraging benefits from the performed IA. We stated a need to develop clear and comparative indicators for exploring the well-being of the local communities resulting from the CH investments. At the same time subjective understandings of well-being should be reflected in this overall approach. We thus decided to engage communities, as far as feasible, into participatory development of indicators.

For benchmarking reasons, we extracted possible impacts that were highlighted in similar CH investments from the available literature. The screening demonstrated that in many cases they were predefined without a thorough empirical investigation. Moreover, it proved to be difficult to link CH investments with particular impacts in a linear way. Namely, there could have occurred multiple intervening factors that improved the well-being of communities beyond the actual investments. This could have been, for instance, changes in national law that helped (or hindered) local economic activity, migrations of populations, surrounding road infrastructure etc. A specific struggle we noted here was separation of the impacts of built CH from its incremental values, such as landscape, vine, culinary traditions etc.

To address these issues, we clustered impacts with regard to their significance and involved local communities to explore them in a participatory way. This meant giving them a chance to develop and rank indicators, according to their beliefs and experiences. At the same time, we used participatory research methods to both enable assessment based upon local knowledge and to amplify social learning.

Outputs of the project

After taking into consideration the methodological principles and practices, we defined the following outputs to be generated by the project:

- (1) A complex index to measure the impacts of CH investment, based on available statistical data;
- (2) Three case studies presenting impacts of realised CH investment projects (for the validation and improvement of the complex index);
- (3) CH Impact Assessment Toolbox to support local (on site) data collection and monitoring of results of particular CH investment projects; and
- (4) Recommendations for improving IA in CH projects (including new indicators, new data to be collected).

To build the complex index a model was developed, employing multivariate, quasi-experimental counterfactual analysis on a settlement level. The control group was selected through matching. For the time being, we are comparing settlements (defined territorial units) with heritage conservation projects to the ones without. This enables identification of the casual effects of investments related to monuments, and measuring their impacts with various outcome indicators (such as employment, number of enterprises, tax revenues, tourism indicators, real estate prices, real estate sales, etc.).

However, as mentioned previously, the linear causal relation might be limited, due to the multiple intervening factors. Thus to complement and verify the quantitative index we decided to undertake three subsequent case studies (based on statistical data, interviews, focus groups and participatory workshops with local communities). These case studies, through matching quantitative indicators from secondary sources with the primary data (including generated upon the tacit knowledge of local people) should allow for the validation and the improvement of the complex index in three iterative steps.

There are two more objectives behind the case studies. The first is to specify a few indicators that are currently not gathered by the Hungarian public statistical system. They could, however, prove to be particularly useful for measuring the socio-economic impacts of CH investment and would be easily obtainable. The second objective is to develop a methodology (toolbox) for on-site data collection that could be provided for local communities, authorities and other project owners involved in CH investments. They will be offered an 'equipment' for the enhanced monitoring of socio-economic impacts. In our view, this methodology should be complex enough to capture primary and knock-on effects in the local socio-economic arena. At the same time it needs to be simple enough, so that local

project managers without specific scientific background (but maybe with a short course) will be able to apply it as well in future decisions on CH investments. Our project is work in progress, we are at the course of the development of the named index, and in the middle of the first case study. The following shows some of our results.

Assessing the impact of Sirok's Castle conservation

The first test-site in our project was Sirok, a small mountain village in northern Hungary. It is located in a remote, economically and socially deprived region, struck by typical socio-economic rural problems (such as ageing population, unemployment, existence of significant and marginalised Roma minority, rural poverty, etc.). At the same time, rural tourism, based on cultural and environmental values (mountains, vine regions, SPAs and thermal baths) is a booming industry in the surrounding area. The public authorities of Sirok, together with the local non-governmental organisations (NGOs) and entrepreneurs have thought for a long time that, through the famous ruined medieval castle of the village, they could have taken some part in these development opportunities.

Figure 1 Aerial photo of the Sirok Castle ruin



Source: Wikipedia

Figure 2 Location of Sirok on the map of Hungary

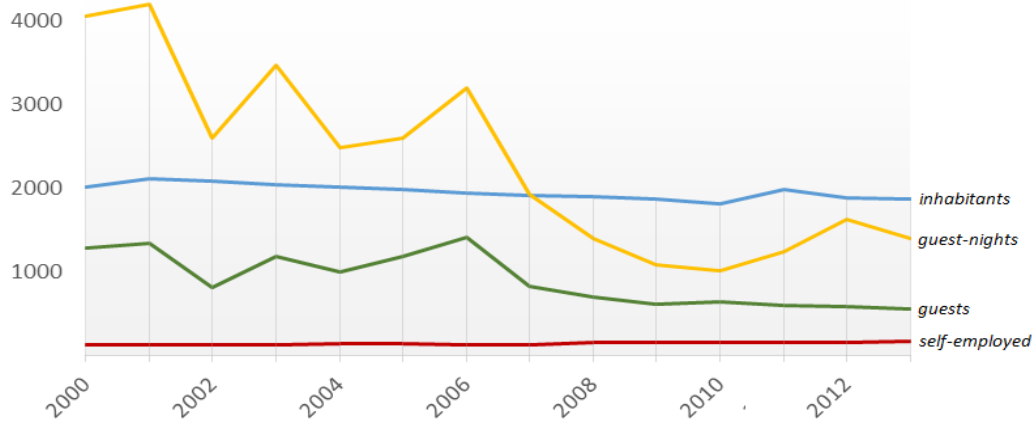


Source: Adapted from Wikimedia Labs

Between 2009 and 2012, the state owned/managed small ruin was partly conserved and refurbished with the help of € 1.1 million EU funding. At the same time the previously free and complete public access was restricted, with 24 hour guarding and an entrance fee introduced. Along with the castle, a country house/village museum was also refurbished in the centre of the village and an authentic barn for events was constructed in its courtyard. Both CH objects remained in the ownership and under the management of the state agency (Forster Centre). Currently there are 3 full time employees (guard, care-taker, tourist guide) on the payroll of the project. They ensure the access of tourists into the castle and partly into the village museum. As well, however, the village museum is not open full-time (a part-time employee is hired), and the planned local tourism information office was not established in the village museum. According to our interviews, strategic marketing activity concerning the castle and/or the village itself is also lacking.

Reviewing the available (limited) quantitative data on a village level corresponding to indicators listed in our index and concerning a 13-year period (including the period of the CH investment), we found the following (Figure 3). Overall, the changes were rather not dynamic. The numbers of inhabitants, guests staying over nights and self-employed remained relatively stable since beginning of the castle conservation in 2009. The clearly visible changes were in the numbers of guest-nights, which raised between 2010 and 2012. However, they are still far from the records of 15 years ago and declined again in 2013. Nevertheless, on site documented numbers of visitors to the castle (27.333 in 2013, and 31.663 in 2014) indicate a growing interest in the monument. In terms of economic activities, no significant change was observed in numbers of local enterprises, nor in the development of any specific tourism services. The figure below summarises briefly some of the records described above.

Figure 3 Main statistical records for Sirok



Source: Hungarian Statistical Office

Beyond numbers, local effects were explored through interviews with local leaders and entrepreneurs. Our interviews revealed some conflicts within the local community and an ambivalent relationship towards the CH project itself. The local socio-economic context of the project is complex and, in many ways, problematic. The population is very mixed, there is little cohesion within local society. The local authority was led by the same mayor for 24 years – a powerful and influential figure.

The civil society is fragmented. Normally, the NGOs which function well on the longer run are those initiated and supported by and/or working together with the local council (e.g. Pensioners' Club, Castle Association and Foundation). Other associations, such as both of the tourism associations that had existed in the village until now, tend to end up in dispute with the local authority. Tourism related enterprises (accommodation, catering, etc.) were emerging from the early 1990s, mainly to host tourists arriving to the castle. Today there are two restaurants, a guesthouse, a campsite, a hostel (run by the local authority) and some 10-15 privately let rural accommodations in the village, creating mainly supplementary income to the local people. Co-operation amongst tourism enterprises is limited and only works amongst very few (e.g. directing guests to others, sending sleeping guests to the restaurant for breakfast, etc.). At the same time, the two restaurant owners, for example, are in continuous conflict, that sometimes leads to open dispute and even assault while doing direct marketing (flyer distribution) in the castle parking area.

According to our interviews, the CH investment project had little positive or, as some said, even negative effects for the local socio-economic development and well-being of the population. Guest-nights and local tourism related revenues have not increased, access to the castle became controlled and restricted for locals. The co-operation amongst entrepreneurs, NGOs and the local authority has not improved (on the contrary, in fact). Some interviewees underlined the loss of authentic values that the castle had for them before conservation, i.e. loss of its free and romantic character. With the introduction of new facilities and a ticketing system, a part of the castle as a public good was commodified. The profits from using it have been restricted to a group of influential local leaders, while most of the population has not gained a direct or indirect benefit from it. Partially, this can be due to the lack of ex-ante social impact assessment, community participation and a more careful planning. Locals also claim that the current central management model of the castle (kept in the hands of the Forster Centre) is not adequate to the situation.

Figures 4 & 5: The Sirok Castle after conservation



Source: Anna Augustyn

Conclusions

Concerning our aim – to prove the positive effects of CH investment projects – the Sirok case study did not reveal the expected results. We could conclude that the Sirok case study was maybe not the best choice for the first test-site. We chose it for being a reasonably simple case, managed by the Forster Centre (the commissioner of this research) with supposedly significant observable effects. Nevertheless, it proved to be too small for providing good opportunities to test statistical models.

Concerning our investigations of the socio-economic effects of CH investment, we observed that within the project in Sirok a number of opportunities have been lost for enhanced improvements. Such a large infrastructural investment could have been used to overcome conflicts, enhance co-operation and to improve the problematic local socio-economic environment. It could have created many more development opportunities for local entrepreneurs, authorities and the local society in general. Nevertheless, to achieve this enhanced local involvement, the participation and empowerment of the local society would have been needed, allowing for enhanced social learning.

In other words, we could say that a careful exploration of the socio-economic situation, expectations and possibilities through social impact assessment and a conscious, consequent support of social innovation processes throughout the project would have been needed. These findings legitimate our aim to develop an IA toolbox which can reach local communities dealing with CH in the future. In the case of Sirok, the situation can still be much improved, if the foreseeable second phase of the CH investment (refurbishment of the upper castle) will be undertaken with this approach.

At the same time, we learnt about importance of the mixed methods in IA approach in small communities. Limited secondary data availability made it difficult for us to measure the change, and even with given data it was troublesome to prove statistical significance with very low numbers. Qualitative research, although consuming for our time and resources, delivered a more detailed picture, serving to make the tacit knowledge of the local population more explicit. Looking beyond numbers, it helped us to clarify the motives behind the limited impacts of CH investments in Sirok.

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