

AperTO - Archivio Istituzionale Open Access dell'Università di Torino

## Managing Cultural Heritage in China. A view from the outside

### **This is the author's manuscript**

*Original Citation:*

*Availability:*

This version is available <http://hdl.handle.net/2318/1632687> since 2017-05-08T15:31:29Z

*Published version:*

DOI:10.1017/S0305741012000434

*Terms of use:*

Open Access

Anyone can freely access the full text of works made available as "Open Access". Works made available under a Creative Commons license can be used according to the terms and conditions of said license. Use of all other works requires consent of the right holder (author or publisher) if not exempted from copyright protection by the applicable law.

(Article begins on next page)

# MANAGING CULTURAL HERITAGE IN CHINA. A VIEW FROM THE OUTSIDE

*Luca Zan and Sara Bonini Baraldi* \*

## Abstract

The paper investigates change processes regarding the *managerial aspects* of organizing Cultural Heritage activities in China. The focus is not on the historical and artistic meanings of archeological discoveries in themselves; nor on the technical, scientific, and methodological repercussions of conservation and restoration; nor finally on the evolution of museology per se. Rather, the core of the analysis is on new managerial problems along the “archaeological chain” (archeological discoveries, restoration, museum definition and public access to cultural heritage) posed by new professional discourse and the overall evolution of the economic and political context. The paper is based on field research carried out in Luoyang, Henan province. The micro view adopted (managing practices more than policies), and the unusual access to data (including financial figures on individual entities) represent a unique opportunity for a sort of “journey” inside the Chinese public sector.

## 1. Introduction – Doing research on managing Cultural Heritage

This article focuses on change processes in the management of the archaeological chain in China, that is the full sequence of activities related to cultural heritage, from archaeological discovery to research, conservation, museum definition and public access. Basically, we are interested in the organization of professional work involved in the chain: more than archaeology, conservation, or museology in themselves, our interest is in ways of structuring, regulating, and organizing the work of archaeologists, conservators, and museologists.<sup>1</sup>

There are many important phenomena affecting the evolution of the archaeological chain in recent decades, with new managerial problems in the modernization of professional activities, in a country presenting such a rich heritage. The extraordinary process of economic growth in recent decades has had enormous impacts on heritage: infrastructure construction, building activities, and the transformation of urban contexts often involve the discovery (and sometimes the destruction) of new archaeological finds, and represent threats to existing monuments<sup>2</sup>. Tourism – both international and domestic – has become a new phenomenon as well in the last few decades, and offers both opportunities and threats for heritage<sup>3</sup>. What is astonishing in the Chinese context is the magnitude, in terms of millions of visitors<sup>4</sup>, and the potential revenues/profits which are never publicly documented. The changes currently affecting professional communities are also huge<sup>5</sup>: an increasing process of contamination, if not integration, with the international community of scholars

---

\* [luca.zan@unibo.it](mailto:luca.zan@unibo.it); [sara.boninibaraldi@unibo.it](mailto:sara.boninibaraldi@unibo.it). Though the paper was jointly developed, according to the Italian law Luca Zan is responsible for sections 1 and 3, Sara Bonini Baraldi for section 2.

<sup>1</sup> We borrow the term “chain” from industrial organization, where it is used to indicate the succession of activities, from raw materials to the end product. The idea is to look at the set of different activities from a holistic viewpoint, underlining connections and coordinating needs, rather than seeing them as separated elements.

<sup>2</sup> Chan W. Y., Ma S. Y., “Heritage Preservation and Sustainability of China’s Development,” *Sustainable Development*, Vol. 12, No. 1, (2004), pp.15-31; du Cros H., Bauer T., Lo C.S., Song R., “Cultural Heritage Assets in China as Sustainable Tourism Products: Case Studies of the Hutongs and the Huanghua Section of the Great Wall,” *Journal of Sustainable Tourism*, Vol. 13, No. 2, (2005), pp.171-194.

<sup>3</sup> Sofield T.H. B., Fung Mei Sarah Li, “Tourism development and cultural policies in China”, *Annals of Tourism Research*, Vol. 25, No. 2, (1998), pp. 362-392; Nyíri P., *Scenic Spots: Chinese Tourism, The State, and Cultural Authority* (Washington: University of Washington Press, 2006).

<sup>4</sup> McKann F., “The Good, the Bad and the Ugly: Observations and Reflections on Tourism Development in Lijiang, China,” in T. Chee-Beng, S. Cheung and Y. Hui (eds) *Tourism, Anthropology and China* (Bangkok: White Lotus, 2002), pp 147-66; Leask A., Fyall A. (eds), *Managing World Heritage Sites* (London: Butterworth-Heinemann, 2006).

<sup>5</sup> du Cros H., Lee Y.S.F., *Cultural Heritage Management in China: Preserving the cities of the Pearl River Delta* (London: Routledge, 2007).

can be pointed out (see for instance the establishment of principles for conservation<sup>6</sup>) which implies to some extent a less politically-driven agenda compared to the past for museologists<sup>7</sup> and archaeologists<sup>8</sup>. However the deliberate use of heritage for political purposes, both internally and internationally, as a means of fostering national identity and as a tool of cultural diplomacy is still crucial for the sector<sup>9</sup>.

The paper presents the main findings of field research carried out in the Luoyang area by the authors in cooperation with Chinese officials. It is a view from the outside because we are not Chinese, and thus we tend to adopt a comparative/relativist attitude, trying to understand forms, ways and degrees to which phenomena taking place at the global level occur also in China: conflicts between curatorial and customer oriented views, the trade off between effectiveness and resources, division/conflict of roles between different administrative levels, issues of coordination (between macro and micro levels), making money and spending across entities (subsidies), budgeting, business plans, and questions of sustainability.

We are “foreigners” also in another sense: we are looking at professional dynamics from the outside, as experts in management and organization. As such, we relate the professional dynamics of archaeology and museology to broader administrative changes taking place in the country. At the core of this approach are the conditions for action, human and financial resources, and feasibility and sustainability issues.

In fact, what makes such research interesting at a general level (i.e. even for those not interested in heritage), is that internal professional dynamics tend to interact, sometimes uncomfortably, with more general trajectories of change of the public sector, inside of which most heritage institutions tend to fall<sup>10</sup>. In this sense, heritage can be seen as a special “laboratory” to understand changes inside the public sector all over the world.

Such a double lens is rarely used. Most of the people involved in the field are archaeologists, architects and historians, all of whom have strong professional interests and focus on substantive aspects related to their different professional values. Articles addressed specifically to the issue of

---

<sup>6</sup> Agnew N., Demas M., (eds.), *Principles for the Conservation of Heritage Sites in China* (Los Angeles: The Getty Conservation Institute, 2002); Agnew N., Demas M., Sullivan S., Altenburg K., “The Begetting of Charters: genesis of the China Principles,” *Historic Environment*, Vol. 18, No. 1, (2005), pp. 40-46.

<sup>7</sup> Denton K.A., “Museums, memorial sites and exhibitionary culture in the People’s Republic of China,” *The China Quarterly*, Vol. 183, (2005), pp. 565-586.

<sup>8</sup> Von Falkenhausen L., “The Current State of Chinese Archaeology”, 1993, <http://www.cckf.org.tw/PrincetonWorkshop/papers.htm>, last consulted 03.12.10; Bagley R., “Shang archaeology,” in Michael Loewe and Edward L. Shaughnessy (eds.), *The Cambridge History of Ancient China* (Cambridge: Cambridge University Press, 1999), pp. 124-231; Loewe M., “Archaeology in the New China”, *The China Quarterly*, No. 65, (1976), pp. 1-14; Loewe, M., Shaughnessy E. L., *The Cambridge History of Ancient China* (Cambridge: Cambridge University Press, 1999); Shi Jingsong, “Archaeology in China”, *Acta Archaeologica*, Vol. 72, No. 2, (2001), pp. 55-90; Lee Y.K., “Building the Chronology of Early Chinese History,” *Asian Perspectives*, Vol. 41, No.1, (2002), pp. 15-42; Li Liu, Xingcan Chen, Yun Kuen Lee, Ann Arbor, Arlene Rosen, “Settlement Patterns and Development of Social Complexity in the Yiluo Region, North China”, *Journal of Field Archaeology*, Vol. 29, No. 1/2 (2004), pp. 75- 100; Li Liu, Hong Xu, “Rethinking Erlitou: legend, history and Chinese archaeology”, *Antiquity* Vol. 81, No. 314, (2007), pp. 886-901; Lu, L. “The Transformation of Academic Culture in Mainland Chinese Archaeology,” *Asian Anthropology*, Vol. 1, (2002), pp.117-152; Wang G., “Loving the Ancient in China,” in McBryde I., (ed.) *Who Owns the Past?* (Oxford: Oxford University Press, 1985), pp.175-195.

<sup>9</sup> Sofield and Fung, “Tourism development and cultural policies in China”, pp. 362-392; Mitter Rana, “Behind the Scenes at the Museum: Nationalism, History and Memory in the Beijing War of Resistance Museum, 1987-1997”, *The China Quarterly*, No. 161, (2000), pp. 279-293; Vickers E., “Museums and nationalism in contemporary China”, *Compare*, Vol. 37, No. 3, (2007), pp. 365-382.

<sup>10</sup> See for instance Hood C., “The New Public Management in the 80’s: Variations On A Theme,” *Accounting Organizations And Society*, Vol. 20, No. 2/3, (1995), pp. 93-110; Gruening G., “Origin and Theoretical Basis of NPM,” *International Public Management Journal*, Vol. 4, No. 1, (2001), pp. 1-25; Zan L., Bonini Baraldi S., Gordon C., “Cultural Heritage between Centralisation and Decentralisation: Insights from the Italian context,” *International Journal of Cultural Policy*, Vol. 13, No. 1, (2007), pp. 49-70.

managing, using the lenses of organizational and management knowledge, are rare<sup>11</sup>. On the other hand, the crucial literature on the transformation of the centralized planned economy into a market socialist economy in last decades<sup>12</sup> very rarely investigates administrative phenomenon at a micro level.

For research of this type, specific methodological conditions were necessary. First, a relatively small research context had to be selected, to allow field investigation with a micro focus. The municipality of Luoyang was chosen for both historical and organizational reasons: as the ancient capital of thirteen dynasties, Luoyang has an unusually rich composition of heritage from Shang to Tang, along with a more recent revolutionary history. This is reflected in an unusually complex organizational structure, as we will see. Moreover – and most important – through personal connections we had unique conditions for access to data.

In this context we were allowed to develop nine in-depth case studies. The nine entities were chosen in order to grasp the variety of management issues along the archeological chain. The CRB, *Cultural Relics Bureau* (洛阳市文物管理局) plays a key role in coordinating between local government and cultural institutions operating in the area. The two *archaeological teams* are in charge of the fundamental step within the archeological chain (excavation). Three museums were included, each with a very different identity, situation, and phase in their life cycle: the *Luoyang Museum* (洛阳博物馆), once the most important museum of the area now facing serious problems of renovation; the *Ancient Tombs Museum* (洛阳古墓博物馆), a unique site where tombs of nobles and emperors have been moved or reproduced; and the “*Horse and Chariot*” (洛阳周王城“天子驾六”博物馆), a recent institution, created to exhibit an important burial pit of the Eastern Zhou Dynasty discovered in 2002. Three other sites open to the public were also analyzed: *Guan Lin* (关林), a temple founded on the tomb of General Guan Yu; *Han & Wei* (汉魏故城遗址), the remains of the ancient capital located about 15 km east of the present city of Luoyang; *Longmen Grottoes* (龙门石窟), a huge and astonishing group of Buddhas carved in the rocks on the banks of the Luo River and the most important site in Luoyang. The final case study investigates the functioning of the system for cultural heritage at the county level, the *Yanshi Administration* (偃师文物管理局): this helps us to understand relationships between different levels of government administration.

Drawing on a common underlying framework<sup>13</sup>, each case history provides a short reconstruction of specific constitutive elements, an assessment of effectiveness in curatorial terms and – when relevant – visitors’ data, plus an investigation of efficiency in terms of human and financial resources.

We take a sort of ethnographic approach that is outside the mainstream of management studies. We attempt to see things “in the shoes of professionals”, to paraphrase a common expression, looking at micro impacts as they take place, and working “with” professionals and

<sup>11</sup> For exceptions see Li F.M.S and Sofield T.H.B., “World Heritage Listing: the case of Huangshan, China,” in Leask A., Fyall A. (eds), *Managing World Heritage Sites*, pp. 250-62; du Cros and Lee, *Cultural Heritage Management in China*; Zan L., “Managerial Transformation in Chinese Museums. The Shaanxi History Museum in Xi’an,” *Museum Management and Curatorship*, Vol. 22, No. 2, (2007), pp. 151-182; Leask and Fyall, *Managing World Heritage Sites*.

<sup>12</sup> Zhao X.B., Zhang L., “Decentralization Reforms and Regionalism in China: A Review,” *International Regional Science Review*, Vol. 22, No. 3, (1999), pp. 251-81; Straussman J. D., Zhang M., “Chinese administrative reforms in international perspective,” *The International Journal of Public Sector Management*, Vol. 14, No. 5, (2001), pp. 411-422; Burns J.P., “‘Downsizing’ the Chinese State: Government Retrenchment in the 1990s,” *The China Quarterly*, No. 175, (2003), pp. 775-802; Lin Justin Yifu, Ran Tao, Mingxing Liu, “Decentralization and Local Governance in the Context of China’s Transition,” *Perspectives*, Vol. 6, No. 2, (2005), pp.1-48; World Bank, *China. Deepening Public Service Unit Reform to Improve Service Delivery* (Report No. 32341-CHA, 2005); Zan L., Xue Q., “Budgeting China: macro policies and micro practices in public sector accounting,” working paper, University of Nanjing & Bologna, 2010.

<sup>13</sup> Zan L., *Managerial Rhetoric and Arts Organization* (Basingstoke: Palgrave Macmillan, 2006).

administrators in a mixed Sino-Italian team<sup>14</sup>. The fieldwork involved extensive interviews with people in Luoyang, through a series of meetings (the director, the administrator, at least one curator) at all nine entities investigated, often repeated, for a total of 70-80 interviews during a three year period.

Different from what normally occurs in China, accounting and financial data and internal documents were generously provided. Indeed, these case histories are the exception to the rule, even for Chinese scholars, as there are few cases where the reader can understand and investigate internal allocation processes. Furthermore, actual practices inside Chinese entities were opened to investigation: besides the general issues in cultural and heritage policy, this allowed us to understand how public entities work in the field, allowing a much more “zoomed-in” picture of the heritage sector in China. Finally, this access made a critical understanding possible, rather than forcing us to adopt some sort of “official” celebrative tone. This is a very crucial point, as serious management analysis is something that wishes to address issues, questions, problems, and difficulties (see for instance the normal SWOT approach, which addresses Strengths *but also* Weaknesses, Opportunities *but also* Threats). Such an open-minded attitude is uncommon (not only in China), and certainly increases the value of our findings.

This provides a fresh view of issues and concerns as they tend to be perceived by internal actors in these Chinese institutions: a view from the inside that, dialoguing with the view from the outside, is the major value of our research.

## 2. The archaeological chain in Luoyang

Luoyang has an extraordinarily rich heritage given its long history. It also has significant development potential, with four main projects for the establishment of archaeological parks currently on the agenda. However, the richness in quantitative terms and the peculiar physical nature of the sites also have significant organizational consequences, influencing both the administrative structure and potential visitor appeal. Each of the nine case studies analyzed through field research presents specific elements of interest and results. While the passionate reader can find a detailed discussion elsewhere<sup>15</sup>, in this section we look at their ability to illuminate some major institutional issues.

### 2.1 Institutional complexity and fragmentation

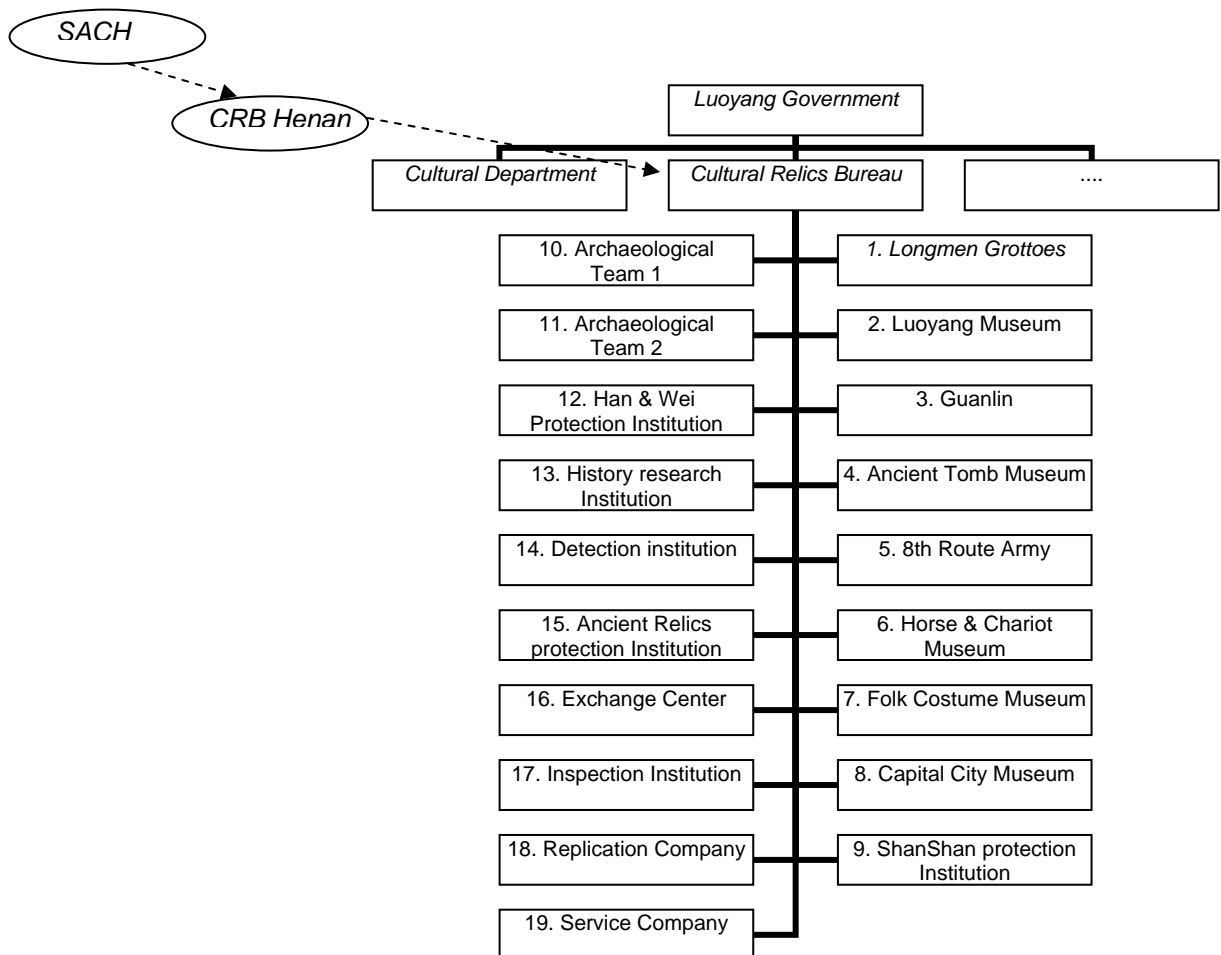
In Luoyang municipality 19 entities (shiye danwei, 事业单位) report to the Cultural Relics Bureau (CRB), the administrative body at the local level responsible for operating cultural institutions. Nine of them are historical sites or museums open to the public (see right hand side of exhibit 1); 10 are cultural institutions working in other areas of the archaeological chain, from detection to excavation, protection, research and exhibition (see left side of exhibit 1). There are further important institutions in the area which are not under direct control of the Cultural Relics Bureau: five sites open to the public at the county level; the White Horse Temple (白马寺), the oldest Buddhist temple in China; the Institute of Archaeology (考古研究院) of the China Academy of Social Science (CASS), with four excavation sites in Luoyang area; and archaeological departments of various universities occasionally involved in excavations.

This unusually high number of entities involved in the archaeological chain is related to the richness of the area in historical terms, and it is more the exception than the rule in China (normally just few entities will be involved). For the same reason the CRB in Luoyang has a special status, reporting directly to the Mayor (in the rest of China the cultural relics bureaus usually report to the Culture department at the city level).

<sup>14</sup> Guo Y., Zan L., Liu S., *The Management of Cultural Heritage in China. General trends and a micro-focus on the Luoyang municipality* (Milan: Egea, 2008). Available as print-on-demand at [http://www.egeaonline.it/ENG/Catalogue/Product\\_sheet.aspx?ISBN=9788823842038](http://www.egeaonline.it/ENG/Catalogue/Product_sheet.aspx?ISBN=9788823842038)

<sup>15</sup> *Ibid.*

Exhibit 1 – Luoyang Cultural Relics Bureau institutional setting



Source: Authors' elaboration

Most importantly, while administratively speaking the CRB is subordinate to the Mayor, from a professional point of view the Bureau is under the supervision of the Provincial Cultural Relics Bureau and the State Administration of Cultural Heritage (Guójiā wénwù jú, 国家文物局), hereinafter SACH).

Such a complex picture addresses some of the important features in the Chinese approach to heritage in general, with some specific elements for the situation in Luoyang.

First, the system is characterized by *high degree of decentralization*. In economic terms this means that almost 90% of expenditures in the cultural sector take place at the town level or below<sup>16</sup>. At the institutional level it describes a particular fragile administrative solution: being subordinated to the local government, the ability of the bureau to preserve the heritage may clash with other local interests and therefore be reduced. Simply put, if the Mayor is involved in urban development projects that could damage heritage, the director of the CRB has little power to resist his “boss”<sup>17</sup>.

<sup>16</sup> OECD, *Governance in China* (Paris, OECD Publications, 2005), p. 257.

<sup>17</sup> Interview with Luoyang CRB Director, August 2006.

This is a totally different situation compared to, say, Italy, where the heritage preservation at the local level is given to peripheral branches of the Ministry, which report directly to the central government, rather than the local administration. In Luoyang the higher status of the CRB might temper this risk, but does not eliminate it.

Second, a peculiar *hierarchical complexity* emerges in the Luoyang context. The 19 operating institutions under the CRB have different administrative levels: Longmen Grottoes is first level, History Research Institution (洛阳历史文物考古研究所) and Luoyang Museum are second level, while the others are third level entities. While this has direct implications in terms of status and resources provided, decisions about classification are largely dependent on their relative historical power<sup>18</sup>. The institutions outside the bureau's control also have different status and follow different hierarchical lines: the county museum reports to the culture department of the county administration, the White Horse Temple reports to the religious department, and CASS is a national institution with a direct relationship to the central State.

In such a context, *institutional ambiguity* leaves room for potential conflicts. Suffice it to notice that after three years of field research, we are still unsure whether Longmen Grottoes reports to the CRB or directly to the Mayor (see also below). Moreover, conflicts may emerge when different administrative bodies have overlapping interests in specific sites. This is the case, for instance, of the Cultural Relics Bureau and the Religious department regarding preservation of the White Horse Temple. In the Han & Wei site three different counties have responsibilities over the area, while CASS plays an important role.

Guan Lin Temple is an interesting case of conflicting interests between upper and lower levels, with a serious gap between decision-making and responsibility. The historical and religious value of the temple has ensured good performance in terms of visitors for many years and is almost self-sufficient financially. In 2002 the municipality decided to enlarge the square at the entrance to the site, using a bank loan as funding. The cost of the loan, however, was charged to the Guan Lin Temple. This has created serious impacts on the financial sustainability of the entity as a whole, with serious losses, for the self-generated margin will never be able to pay off the loan and its interest. In addition to a mismatch between decision and responsibility levels, at a more general level this case provides a good example of how “bad debts” that no one will be able to reimburse are generated in China's public sector<sup>19</sup>.

Another consequence of such design is the *institutional fragmentation* characterizing the system, with significant overlaps of duties and rights among entities. The most striking evidence lies in the peculiar co-existence in Luoyang of two archaeological teams. The situation is the result of an administrative structure decided in the 1980s that distinguished the Luoyang area from Luoyang City, assigning each zone to a different archaeological team. Following administrative reforms in the 1990s, the two teams were brought inside the same municipal area. Rather than integrating/merging them, however, the conservative choice to giving them different “territories” (literally: the east and the west part of the area under the municipal government) was made, without a more rational design based on specialization (e.g. in terms of dynasties, periods, or nature of the finds). A major consequence is the widespread duplication of resources (spaces, personnel, equipment, knowledge, skills), which increases the cost of the activity.

The impossibility of sharing knowledge and experience among experts is, however, even more dangerous. Given the fragmentation of the archaeological chain, there is little cooperation between entities, which has negative impacts in terms of efficiency and missed opportunities for research and restoration activity. A sort of “institutional jealousy” emerges, where each institution does restoration and research on “its own” objects, without sharing people, equipment or above all knowledge. Archaeological finds excavated by the two archaeological teams, which should be transferred to museums after a short time, are often kept in their own depots, with no possibility of

---

<sup>18</sup> *Ibid.*

<sup>19</sup> OECD, *Governance in China*, p. 260.



being protected, restored, researched or exhibited by others. The Ancient Tombs Museum also holds important finds and frescoes in its depots that are inaccessible to other institutions in the area or to independent researchers. There emerges a serious problem of coordination and control, where the whole system could benefit from a more rational design and better integration of policies and practices.

In addition, today the CRB, along with higher governmental levels, is promoting a huge development plan for the city based on the establishment of four national archaeological parks. Despite its potential interest, this is likely to cause a dramatic increase in complexity and costs of coordination in terms of strategy, activities, human and financial resources management and control.

## 2.2 The central role of salvage excavation

Unlike other areas, cultural heritage in Luoyang is mainly concentrated underground: heritage is therefore mainly concerned with archaeology and excavation activities. From the administrative point of view, the consequence is that in Luoyang the archaeological chain is also based economically on excavation work, with significant results.

Archaeological teams in China have three main functions: excavation (on purpose and salvage), protection (preservation in depots and restoration) and research. At a general level, “on purpose” excavation refers to academic excavation projects that are driven by predefined archaeological aims. “Salvage” (or “chance”) excavation reflects the need to save heritage discovered due to urban development or infrastructure construction from destruction<sup>20</sup>.

In the Luoyang area, “on purpose” excavation is quite rare, apart from CASS interventions. Given rapid urban development, almost all recent work by the two archaeological teams has been salvage excavation, which has a distinct organizational form. Before any construction by development companies, the Bureau must carry out “detection”: a survey of the soil, made with long wood sticks, in search of archaeological evidence. If objects are discovered, the archaeological team responsible for the area is asked by the CRB to start more systematic excavations, the cost of which is charged to the construction company.

This procedure ensures that salvage excavation is highly profitable for the archaeological teams, which has positive impacts: the whole system benefits from the archaeological teams’ revenues, and there is the possibility of “self-financing” excavations that lead to new collections and museums. But this funding mechanism creates also perverse incentives: the two archaeological teams get money for excavation, but not for preservation or research. This is why on-purpose excavation is not interesting the two archaeological teams of the CRB, while in-depth studies and conservation activities are definitely underdeveloped<sup>21</sup>.

In addition, compulsory excavation reports – which should be presented within three years after digging – sometimes are not prepared, even though SACH urges teams to respect this important stage. Since nobody can have access to the findings for research or study before publication by the teams, this is likely to reduce not only internal research and protection activity, but also inter-institutional cooperation.

The Horse and Chariot Museum also provides evidence of such problem. After a positive detection investigation in 2001, initial plans to build a parking lot were quickly halted. Excavations led to the discovery of several important pits and tombs of the Eastern Zhou and in less than two years a charming new museum was opened. Despite the formal rules, however, three years after the discovery the excavation report still had not been prepared<sup>22</sup>, with consequent restrictions of site access for other researchers. What kind of conservation has been carried out is not shared knowledge. What are the risks associated with the treatments used? Or the risk of exposure to air pollution? What will remain of these discoveries in 20 years’ time, with fragile wooden structures

<sup>20</sup> See Cultural Heritage Protection Law of the People’s Republic of China, 1982, later amended in 1992 and 2002.

<sup>21</sup> Interview with archaeological team n.1 vice director, August 2006.

<sup>22</sup> Interview with museum vice-director and to archaeological team n.1 vice director, December 2005.



petrified by sand, no one really knows. Moreover, time pressure during the excavation stage eventually halted the digging, more because of organizational than professional problems: the team was “running out of money”, or had other work to do. Finally, systematic reporting on administrative aspects of the entire event was also lacking: there was not an initial budget of time/costs<sup>23</sup>, weakening the overall “learning effect” among professionals and institutions.

To sum up, growing urbanization in Luoyang encourages and finances extensive salvage excavation activities. Institutional fragmentation and economic disincentives however discourage archaeologists to systematically study their finds and to cooperate with the successive steps of the archaeological chain. Interesting enough, there is no ongoing discussion on the need to reorganize the archaeological chain.<sup>24</sup>

### 2.3 Extraordinary projects versus ordinary activity

Another organizational element has an important impact on the overall system: the whole organization of professional work is based on the logic of extraordinary rather than current activity. Instead of repairing existing buildings, facilities, exhibitions, new projects are constantly developed, leaving current problems substantially unsolved.

This is why the once unique and attractive Museum of Ancient Tombs faces today serious preservation problems. The peculiar museum concept (the reproduction of buried tombs), and its poor structural construction (e.g. water infiltration), are certainly some of the reasons, but there are also organizational ones. According to administrative rules, restoration is not normally financed by the city government, which funds only operating costs such as museum salaries and daily expenditures. Restoration receives resources (as special funds) only if ad hoc “special projects” are carried out by the museum and approved by the CRB. In their absence, conservation is simply suspended<sup>25</sup>. Consequently, even though the Ancient Tomb Museum lacks funds to restore the tombs and update the humidity control system, a new exhibition building to enlarge the museum will soon be opened. The new space could be an important opportunity for the museum to increase exhibitions and visibility. However the risk is that it will distract attention from current preservation and exhibition problems, leaving the “old” exhibition in ongoing degradation.

Luoyang museum is another example of this strategy of “solving by enlarging”. Once the most prestigious museum of the city, today it faces several problems: low visitor numbers, lack of exhibition space, poor preservation of the collections, lack of relevant skills, and low levels of earned income. As a response, a major development plan is currently in progress, including the construction of a new large building, the development of security and preservation systems, and the opening of new exhibition to display larger collections<sup>26</sup>. The new museum is certainly an answer to the lack of space, and perhaps also to the current poor performance in terms of visitors, but it is questionable to what extent problems in human and financial resources can be solved in this way. Indeed, additional problems could emerge, with further needs for coordination and monitoring the new structure, while distracting attention from the old ones.

There is probably a national/cultural peculiarity here: creating a new institution seems easier than changing existing ones. But there is also an administrative element, since gaining financial support for new projects seems to be much easier than funding ongoing activities. More generally, in large projects such as these, the risk is that greater attention, commitment and funding are given to initial developments, and much less to subsequent operations and running costs. The lack of a culture of feasibility (carefully planning and monitoring ordinary activities) common to cultural

<sup>23</sup> Interview with museum vice-director, December 2005.

<sup>24</sup> Here is where the action research approach was leading us to suggest possible changes, as for instance unifying spaces (such as storage areas) and entities (e.g. the two archaeological teams); better defining roles and deadlines for specific procedures (e.g. for research reports); creating more transparent procedures regarding the destination of archaeological objects; developing incentive mechanisms to increase cooperation between various entities of the system; and in particular to develop desk and field research.

<sup>25</sup> Interview with Ancient Tomb Museum Director, August 2006.

<sup>26</sup> Interview with Luoyang CRB Director and Luoyang Museum Director, August 2006.

organizations all over the world is associated here with the lack of professional skills in planning, raising a serious problem of “capacity building”, to borrow a term from the World Bank vocabulary.

## 2.4 Curatorial value versus visitor attractiveness

Different from elsewhere in China<sup>27</sup>, excessive commodification is not found in Luoyang, at least, so far. Indeed, a conflict between the (high) historical value and (low) visitor attractiveness of many of the “big sites” can be observed, increasing the future risks of such gigantic projects in terms of sustainability.

Given Chinese traditional construction technology<sup>28</sup>, archaeological heritage in Luoyang consists mostly of wood and earth (particularly earth for sites under development, such as Erlitou (二里头), Shang Capital, Han & Wei, Sui & Tang). This makes it very difficult to protect the sites due to their physical nature; on the other hand, visitor appeal may also be limited.

Han and Wei is a good example of a difficult heritage site, which includes the earthen remains of the Han wall, plus the remnants of a pagoda from the period (with original earthen foundations covered by recently reconstructed stones). The heritage is of great historical importance, yet it is very complex to preserve and – as it is now – presents no appeal to the visitor. The identity of the site is still unclear: potentially it could become an archaeological park, though actually it is not yet an open site. To a great extent, it represents a sort of “awakening organization”, an entity currently visited by no one, which is going to be transformed into an important archaeological park. What kind of attraction this will represent for potential visitors, however, is largely obscure.

The Yanshi Administration is another complex case. As a county entity, it performs a variety of tasks from general preservation to more direct involvement in managing museums within the borders of the county. At present the museum appears to be a very local and marginal entity with an unclear identity. What is the value for visitor of this small collection, full of replicas, while the original pieces are shown elsewhere in more important museums? In addition, in this county there are two crucial excavation sites (Erlitou and Shangcheng), which are closed to the public, yet are of extreme importance for archaeological knowledge<sup>29</sup>. Here again, a large archaeological park project is currently under development. Despite the historical meaning of the area, however, neither the potential value for visitors nor the relationship between the new sites and the museums has been defined. A business plan that discusses actions, money, and people is desperately needed, while an integrated strategy on the overall visitor attractiveness of the Luoyang area should be developed.

## 2.5 Decentralization and outsourcing

Within the general issue of institutional decentralization, Longmen Grottoes provides a particularly interesting case, where decentralization is brought to its extreme. The site is one of the most important grottoes in China, a constitutive element of Luoyang’s heritage identity (together with the White Horse Temple and Guan Lin), and the only Unesco World Heritage site in the area. Beside the management of the grottoes in themselves, there are several challenges in protection and maintenance of the broader area, including the construction-restrictive zone and the buffer zone around the site. Site management since the 1950s has been a complex process with continuous changes, wherein the two major tasks (site management and environmental protection) have been

<sup>27</sup> Sofield and Fung, “Tourism development and cultural policies in China”, pp. 362-392; McKann, “The Good, the Bad and the Ugly,” pp 147-66; Chan and Ma, “Heritage Preservation and Sustainability of China’s Development,” pp.15-31; du Cros and Lee, *Cultural Heritage Management in China*; du Cros et al. “Cultural Heritage Assets in China as Sustainable Tourism Products,” pp.171-194; Leask and Fyall, *Managing World Heritage Sites*; Nyíri, *Scenic Spots*.

<sup>28</sup> Mote F.W., “A millennium of Chinese urban history: form, time, and space concepts in Soochow”, *Rice University Studies*, vol. 59, No. 4, (1973), 35-65; Ryckmans P., “The Chinese Attitude Towards the past”, *Papers on Far Eastern History*, Australian National University, (1986).

<sup>29</sup> Bagley R., “Shang archaeology,” pp. 124-231; Lee, “Building the Chronology of Early Chinese History,” pp. 15-42; Liu L., Xu H., “Rethinking Erlitou: legend, history and Chinese archaeology,” *Antiquity*, No. 81, (2007), pp. 886–901; Liu et al. “Settlement Patterns and Development of Social Complexity in the Yiluo Region, North China,” pp. 75-100.

structured differently and recombined between different administrative bodies: a sign of the complexity of finding adequate institutional and organizational solutions. In 2002 the Research Academy of the Longmen Grottoes was set up, with responsibility of both site/heritage management and environmental protection, thus finally re-coupling the two issues in an integrated way.

Interestingly, the relationship between the Research Academy and the CRB is rather ambiguous: the new entity is a “county-level institution” (a higher status compared to other operating cultural institutions, somehow similar to the one of CRB). This peculiar institutional status surely has positive aspects for the site in itself (easy to manage, more flexibility), but there is the associated risk of losing a united view of heritage issues, efforts, and organizations in the Luoyang area. Even more interesting are the processes of decentralization taking place at lower administrative levels, i.e. below the Longmen Grottoes as a whole. The chain from governmental entities (xingzheng danwei, 行政单位) to operating ones (Longmen as a shiye danwei) in this case gives rise to a further process of “externalization” from Longmen to other entities (the “second organization”, such as the Scenic River Administration) or even “privatization” to private companies (such as the Electric Car Company or a private company running the Hotel). There are therefore three distinct levels in the institutional design of Longmen: the internal offices and departments of the Research Institution (in charge of site management, narrowly defined); external entities under control of the Institution (mainly responsible for environmental protection); and external entities run as private businesses (in charge of commercial services to tourists). If positive benefits are associated with a similar process of decentralization and devolution of authority, such a mixture of different organizational forms raises problems both at the analytical level, in terms of market power and transfer of economic rents, and above all, in terms of transparency.

### 3. Effectiveness and efficiency issues in managerial practices

Following the previous section’s discussion of the management of the archaeological chain in relation to professional discourse and institutional structure, this section investigates some broader elements in general management processes. The international literature on arts organizations focuses on three main themes: visitor orientation, human resources, and financial resources<sup>30</sup>. In Luoyang a great variety of situations along the archaeological chain appears among the nine entities, within a management continuum. In a word, the management process in Luoyang recapitulates the institutional fragmentation that characterises the organizations themselves.

#### 3.1 Managing visitors

Data concerning visitors were generously provided (exhibit 2). Despite serious problems of reliability<sup>31</sup>, this is an extremely interesting opportunity to look at managerial practices in this context.

To what extent visitors are actually managed is an open question, with three major problems to address. First, there is a wide variety of visitor performance among different entities (see exhibits 5). Paying visitors are around 80% overall, with two exceptions (the Luoyang museum and the Yanshi museum, with 21% and 10% respectively). Income per visitor shows excellent performance for the Longmen Grottoes (57.8 Yuan), positive for Guan Lin and the Horse & Chariot Museum (19.1 and 17.6 respectively), and very modest for the Ancient Tombs Museum and the Luoyang Museum (5.1 and 2.2). Finally, the relationship between visitors and permanent employees is also interesting, in a sense demonstrating the “productivity” of employees in terms of visitors attracted, or vice versa, addressing the issue of the relationship between the appeal of the site for visitors and the allocation of human resources. In this sense, relatively good performance indicators can be found for the Horse & Chariot site (6,538 visitors per employee) and for Guan Lin and the

<sup>30</sup> Zan L., *Managerial Rhetoric and Arts Organization*.

<sup>31</sup> Data were not always “ready for use”. At one important museum, figures were not available; thus the director called a secretary who had ticket receipts and ordered her to count them for us.

Longmen Grottoes (4,887 and 4,429), less satisfying for the Luoyang Museum, Ancient Tombs, Yanshi (1,600, 1,209, and 696 respectively). Understanding such a variety in visitor performance within the area would be a preliminary step toward a proactive attitude in managing visitors: while visitor numbers are primarily related to the value in themselves of collections and sites, numbers can also be increased by individual policies (communication, exhibitions, activities). The fact itself that such a benchmarking exercise has not been conducted suggests that visitors are not managed: well-performing museums simply coexist with badly-performing ones.

Second, in the context of the several entities open to visitors at the city level – both reporting to the Cultural Relics Bureau or independent entities – important questions can be raised about the additional impacts of institutional fragmentation. The opportunity to create a “circuit”, to direct visitors from one the most visited entities to the others, is not exploited: no information on the rest of Luoyang museums is available in the Longmen Grottoes for instance, nor the White temple. The variety in visitor performance among the museums shows that this is a lost opportunity, especially in terms of the possibility of intercepting part of the flow of cultural tourism in a broader geographical area (such as the Terracotta Warriors or Shaanxi History museum in Xi’an).

**Exhibit 2 - Number of total visitors (in the cases studies of our research) 1995-2005**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>GuanLin</b>	73.190	76.920	89.540	108.400	109.890	87.900	158.000	174.500	134.832	156.400	452.932
<b>Luoyang Museum</b>	90.000	84.000	85.000	75.000	100.000	140.000	80.000	82.000	10.000	80.000	210.000
<b>Ancient Tomb Museum</b>	52.000	63.000	70.000	33.000	38.000	30.000	50.000	30.000	20.000	52.000	60.000
<b>Horse &amp; Charriot Museum</b>	–	–	–	–	–	–	–	–	22.656	85.000	80.000
<b>Yanshi</b>	10.000	20.000	15.000	18.000	15.000	18.000	20.000	17.000	21.000	19.500	45.000
<b>total without Longmen</b>	<b>225.190</b>	<b>243.920</b>	<b>259.540</b>	<b>234.400</b>	<b>262.890</b>	<b>275.900</b>	<b>308.000</b>	<b>303.500</b>	<b>208.488</b>	<b>392.900</b>	<b>847.932</b>
<b>Longmen Grottoes</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	651.132	524.132	934.524	1.395.834
<b>total including Longmen</b>								954.632	732.620	1.327.424	2.243.766

Sources: internal data

Third, for better or for worse, the overall situation of Luoyang does not represent a case of overexploitation of heritage as it is sometimes the case in China. A possible explanation is the prevailing attitude of professionals over other potentially competing logics: indeed all over the world visitor orientation is not at the core of the professional values of a “good archeologist”.<sup>32</sup> Moreover, given the importance of heritage in the area, enough resources are available to reduce pressure to turn to income generating strategies. Furthermore, the economic situation of the municipality and province is far from poverty and underdevelopment, which often are associated with cases of heritage overexploitation: local government has in this sense a multiplicity of “businesses” to work with.

### 3.2 Human resources practices

Change affecting the management of human resources is one of the most difficult variables to investigate, but surely one the most interesting elements of the Chinese “gradual revolution”<sup>33</sup>. Domestic debate addresses the issue of lack of talent<sup>34</sup>, sometimes referring to performance evaluation in handling human resources<sup>35</sup>. Whether this is wishful thinking or actual practice is hard to understand. International scholars, on the other hand, are intrigued by the complex political and

<sup>32</sup> The total lack of attention on communicational needs can be seen in the scholarly precise but hard to communicate name of what we shorten as the “Horse & Chariot Museums”: The museum of Luoyang Eastern Zhou Royal Horse and Chariot Pits.

<sup>33</sup> Wang Hui, *The Gradual Revolution*, (New Brunswick: Transaction Publishers, 1994).

<sup>34</sup> Li Jincheng, “China’s Human Resources Development and Public Sector Reform Facing Economic Globalization. 19th General Assembly and Conference of EROPA”, (2006); Qi MingShan, “The study on Chinese Civil servants’ stimulation mechanism. Taking Beijing City servants as the case” Selected papers by the Civil Service Commission of the Republic of Korea, (2004).

<sup>35</sup> Chou Bill K.P., “Civil Service Reform in China, 1993-2001: A Case of Implementation Failure”, *China: An International Journal*, Vol. 2, No. 2, (2004), pp. 210-234.

social processes that have accompanied the downsizing of the state bureaucracy during the 1980s and 1990s<sup>36</sup> with reference to both the ruling class (nomenklatura), and the whole apparatus of state-salaried employees, the *bianzhi* system (编制, “the number of established posts”<sup>37</sup>), or sometimes referring to the cadre system<sup>38</sup>. The tendency at the local level to resist the policy of downsizing is often referred to in the literature<sup>39</sup>, which also addresses the issue of *chaobian*, i.e. “the widespread tendency to exceed the allocated staff quota at all levels”<sup>40</sup>. Field research on actual practices in managing people however are missing: how posts are established is a black box that the macro-level discussion above cannot address. How are “quotas” assigned? What is the relationship – if any – with the work load characterizing each individual organization (a controversial issue also inside the difficult transformation of Western public management)? With field research like ours, thanks to open access to some relevant data, we can assemble a preliminary understanding of similar practices at the micro level. Starting from some crucial numbers for the entities under investigation, we can try to infer “quota management” practices (exhibit 3).

A few considerations on the nature of available sources: data on many issues are systematically collected in the day to day life of each institution (including publications by archaeologists for career development). However they are not represented in useful ways for managerial purposes (corroborating the idea that political control is the actual goal of such record-keeping). For instance, the human resource classes in exhibit 3 – administrative, professional, workers – are not related to specific tasks. The meaning of “on contract” positions is unstable even at the local level: sometimes they are a sort of flexible position (people doing the same jobs as permanent employees, but with lower salaries, no insurance and no long-term contract, as in the Horse & Chariot case); but more often it merely represents inherited welfare policies (people doing almost nothing, not even going to work in the Ancient Tombs case, and receiving a very minimal salary).

In substantive terms, the quali-quantitative structure of human resources across different entities shows significant variety. Positions are not associated with the organizational needs of the entity but rather to the status of the entity itself, such a status being a political decision from the center, and managed according to national rules.<sup>41</sup> If additional people are needed, “on contract” people are hired, provided that the entity could afford their salaries, as is the case at the Horse & Chariot museum. Overstaffing is the general situation, however, estimated at 30-40% in all our other case studies, not including the amount of retired people that are represent costs for the

---

<sup>36</sup> Burns, “‘Downsizing’ the Chinese State,” pp. 775–802; Burns J.P., “Chinese Civil Service Reform: The 13th Party Congress Proposals”, *The China Quarterly*, No. 120, (1989), pp. 739-770; Burns J.P., “The People’s Republic of China at 50: National Political Reform”, *The China Quarterly*, No. 159, (1999), pp. 580-594; Chan Hon S., “Downsizing the Central Government: The Case of the People’s Republic of China”, *M@n@gement*, Vol. 2, No. 3, (1999), pp. 305-330; Chan Hon S., “Cadre Personnel Management in China: The *Nomenklatura* System, 1990–1998”, *The China Quarterly*, No. 179, (2004), pp. 703-734; Caulfield J.L., “Local government reform in China: a rational actor perspective,” *International Review of Administrative Sciences*, Vol. 72, No. 2, (2006), pp. 253–267.

<sup>37</sup> Brødsgaard K.E., “Institutional Reform and the *Bianzhi* System in China”, *The China Quarterly*, No. 170, (2002), p. 364;

<sup>38</sup> Manion M., “The Cadre Management System, Post-Mao: The Appointment, Promotion, Transfer and Removal of Party and State Leaders”, *The China Quarterly*, No. 102 (1985), pp. 203-233; Huang Yasheng, “Administrative Monitoring in China”, *The China Quarterly*, No. 143 (1995), pp. 828-843; Pieke F.N., “Marketization, Centralization and Globalization of Cadre Training in Contemporary China”, *The China Quarterly*, No. 200, (2009), pp. 953-971.

<sup>39</sup> Chou, “Civil Service Reform in China,” pp. 210-234; Chan, “Downsizing the Central Government,” pp. 305-330; Straussman and Zhang, “Chinese administrative reforms in international perspective,” pp. 411-422; for an overview see Zan and Xue, “Budgeting China.”

<sup>40</sup> Brødsgaard, “Institutional Reform and the *Bianzhi* System in China”, p. 366; see also Burns, “‘Downsizing’ the Chinese State,” pp. 775–802.

<sup>41</sup> Numbers in exhibit 3 can be seen thus as a sort of “status metrics”. The importance of the Longmen Grottoes in terms of employees compared to the rest of the system clearly appears (more than 1/3 of all employees in the area), explaining the tension about the autonomy of this entity inside the Luoyang administration. Also, the different sizes of the labour force between Archaeological Teams 1 and 2 are barely related to issues of workload. The relatively high number of people at Yanshi is worth noticing too.

individual entities (105 out of 515 permanent posts at the aggregated level). The differences between “new” and “old” entities is striking: with more visitors (80.000 vs 60.000), the Horse & Chariots have a half of employees than the Ancient Tombs museum (33 vs 66). Work load – though never measured or monitored, a very telling missing data – are likely to differ in the two situations. Differently to what expected, within the general overstaffing, work time and workloads are more than relaxed.

**Exhibit 3 - Human Resources of the 9 case histories**

	Longmen	GuanLin	Luoyang Museum	Ancient Tomb	Horse & Chariot	Han & wei	AT 1	AT 2	total below CRB (excluding Longmen)	CRB	Yanshi	TOTAL	Average
<b>Total</b>	211	32	50	43	13	18	53	38	247	29	28	515	51,5
1. Administrative	51	3	6	8	3	3	3	7	33	101	4	189	18,6
2. Professionals	54	17	26	21	4	5	43	24	140	0	24	218	31,1
3. Workers	106	13	18	14	6	10	7	7	75	3	47	231	17,0
<b>Total Administrative + Professional + Workers</b>	<b>211</b>	<b>33</b>	<b>50</b>	<b>43</b>	<b>13</b>	<b>18</b>	<b>118</b>	<b>38</b>	<b>313</b>	<b>29</b>	<b>75</b>	<b>628</b>	<b>62,8</b>
Permanent	211	32	50	43	13	18	53	38	247	29	28	515	58,1
On contract	7	12	14	5			18	14	63		44	114	21,0
Seasonal	178	38	14	12	22		30	16	132			310	37,7
Retired	56		6	6		5	17	8	42	7		105	13,0
<b>Total General</b>	<b>452</b>	<b>88</b>	<b>84</b>	<b>66</b>	<b>33</b>	<b>23</b>	<b>118</b>	<b>76</b>	<b>488</b>	<b>36</b>	<b>72</b>	<b>1048</b>	<b>112,4</b>

Source: our elaboration on internal documents

In terms of recruiting and career developments, the cadre system at the top is visible in some of our cases, though it is impossible to investigate. The director of the Horse & Chariots museum comes from the Army, rather than being an archaeologist, while the director of the Luoyang museum is there given her reputation as a painter and political connections, despite the poor performance of the museum. However, professionals are not in marginal positions, and their career is based on their professional credentials. “New” posts and skills, such as marketing and general management knowledge (especially on the accountancy-financial side), however, are rarely encountered.<sup>42</sup> The so-called “lack of talent”, is thus not a question of unavailable skills, but rather an issue of human resource management processes.

Quite surprisingly, the reward (and punishment) system is not effective. Though the director of the CRB was aware of badly-performing entities in the area in terms of either professional achievements or visitor performances, there was nothing he could do to make things change (firing people and career development being largely out of his control, not only at the top level). This situation represents a rather unexpected “anarchy” inside a socialist bureaucracy.

### 3.3 Financial resources

The access to internal financial data provided in our resource is extraordinary: normally, similar data simply can not be found in the literature at all (exhibit 4). Here again some comments about the nature of sources is needed before commenting on the substantive elements of the data<sup>43</sup>.

<sup>42</sup> Though this will sound unbelievable in the Anglo-Saxon context of the “arm’s length principle”, it is not so unique: both aspects – intrusion of politics and lack of new skills in a rigid post system – are found in the Italian case (see for instance the Pompeii case in Zan, *Managerial Rhetoric and Arts Organization*).

<sup>43</sup> For a discussion on technical issues affecting accounting representation see Zan and Xue, “Budgeting China.” See also Ma J., Norregaard J., “China’s fiscal decentralization, International Monetary Fund,” <http://www.imf.org/external/pubs/ft/seminar/2000/idn/china.pdf>, (1998); Lou Jiwei, “Government Budgeting And Accounting Reform In China,” *OECD Journal On Budgeting*, No. 2/1, (2002), pp. 51-80; OECD, *Governance in China*; Caulfield, “Local government reform in China,” pp. 253–267.

**Exhibit 4 – A tentative example: An integrated view of financial information about Cultural Entities in the Luoyang area (2005, Thousands of Yuan)**

	Longmen	Han & Wei	Guanlin	HorseChariots	LuoyangM	Ancient Tombs	Archaeological Team #2	Archaeological Team #1	Tot under CRB	CRB	Tot below CRB + CRB	Yanshi	Total
Income & Expenditures													
<b>Four: Income</b>	<b>52.801</b>	<b>936</b>	<b>3.601</b>	<b>1.286</b>	<b>1.975</b>	<b>1.701</b>	<b>4.644</b>	<b>7.191</b>	<b>21.333</b>	<b>2.886</b>	<b>24.219</b>	<b>4.153</b>	<b>81.172</b>
Grant from the state	0	659	700	100	1.350	1.080	338	0	4.228	0	4.228	360	4.588
Grant from the higher authority	0	23	0	0	443	154	0	0	620	0	620	10	630
Restricted appropriation	0	0	0	0	0	200	0	0	200	546	746	2.269	3.015
Operation Income	52.542	136	2.454	1.184	179	265	4.300	7.191	15.709	710	16.419	1.514	70.474
Other Operation Income	15	0	0	0	0	0	0	0	0	0	0	0	15
Payment from the auxiliary organizations	0	0	0	0	0	0	0	0	0	1.600	1.600	0	1.600
Miscellaneous gains	243	118	447	2	3	2	6	0	577	30	607	0	850
<b>Five: Expenditure</b>	<b>52.445</b>	<b>936</b>	<b>3.541</b>	<b>1.178</b>	<b>2.345</b>	<b>1.782</b>	<b>4.285</b>	<b>4.586</b>	<b>18.652</b>	<b>3.523</b>	<b>22.175</b>	<b>3.701</b>	<b>78.321</b>
Fund Distributed	0	0	0	0	0	0	0	0	0	0	0	0	0
Special purpose funds Distributed	0	0	0	0	0	0	0	0	0	750	750	0	750
Restricted Fund expenditures	0	0	5	0	0	24	227	0	256	591	847	1.966	2.812
Operation Expenditure	52.445	936	3.420	1.078	2.345	1.558	3.758	4.586	17.681	1.700	19.381	1.735	73.561
Other operation Expenditure	0	0	15	0	0	0	0	0	15	0	15	0	15
Payment to the higher authority	0	0	100	100	0	0	300	0	500	482	982	0	982
Property constructed expenses	0	0	0	0	0	200	0	0	200	0	200	0	200
<b>Differences (surplus/deficit)</b>	<b>356</b>	<b>0</b>	<b>60</b>	<b>107</b>	<b>-369</b>	<b>-81</b>	<b>359</b>	<b>2.605</b>	<b>2.682</b>	<b>-638</b>	<b>2.044</b>	<b>452</b>	<b>2.852</b>

Source: our elaboration on internal data

The situation is puzzling: each of the entities we analyzed has its own financial statement (as well as the rest of the million *shi ye danwei* in China). However, a proper notion of *accountability* is lacking. Most of the time, a very partial report is provided, often without “extra-budgetary” items (i.e. self generated income). The justification is that reporting is made to the source of funding on an item-by-item basis (e.g. to government for governmental budget alone). Whatever the norm states – indeed “extra budget” is a well-known issue in the administrative reform debate – the notion that an entity “as such” should report all resources received and spent is missing. Associated with this, the issue of lack of *transparency* in financial information emerges. More than hiding data or providing false data, you have to know exactly what kind of income and expenditures are relevant in order to even ask for data, and only then – at least in case of a collaborative project such as our research – you will get them. In addition, Income & Expenditure data are not usually presented in the reporting system: normally a Balance Sheet plus the List of Expenditures is provided<sup>44</sup>. Finally, the financial information of individual entities is simply aggregated, without collectively presenting the total *and* the individual data. All in all, the reconstruction in itself of data in exhibit 4 is not a given, is not a set of data that is already prepared and used in Luoyang; it is rather our elaboration, overcoming the lack of emphasis on income & expenditures data for individual and aggregate figures.

Based on such an integrated view, we can comments on the financial situation of various entities. Presenting the breakdown of the data while still preserving individual information allows for an internal comparison between different entities, underlying – once again – the variety among them. The data in exhibit 4 help to understand power relationships inside the archaeological chain. On the one hand Longmen Grottoes appears in a strong position, since its income and expenditures (52.8 and 52.4 million Yuan, respectively) are bigger than the total figures of other entities under the CRB plus the CRB itself (24.2 and 22.1 million). Also, the instrumental role of the CRB and its indirect importance in the overall system is stressed by its low percentage in terms of expenditures along the archaeological chain (3.5 out of 78.3 million including Longmen, or 22.1 million excluding it), or even more so in terms of income (2.9 out of 81 or 24 million respectively). Moreover, the anomalous wealth of the archaeological teams can be seen: expenditures were not able to follow income, thus leaving a consistent savings (2.6 million Yuan for Archaeological Team

<sup>44</sup> On this curious semantic misunderstanding see Zan and Xue, “Budgeting China.”



No. 1, and 352,000 for Archaeological Team No. 2). Indeed those savings largely explain the aggregate savings in 2004 (2.8 million), despite losses at some entities (the CRB itself, with a negative balance of 638,000 Yuan, and the Luoyang museum, with 369,000).

Exhibit 5 proposes a tentative benchmarking exercise that allows us to construct several additional performance indicators and gain further insights on internal variation within the system. First, different attitudes toward income generation can be observed, with some self-funding entities (Longmen Grottoes, 99.5 %, and Horse & Chariot, 92.1 %), other low-performing entities (Ancient Tombs, 15.6 %, and the Luoyang Museum, 9.1 %), and Guan Lin in a central position (68.2 %). The different situations in terms the internal economies can also be addressed by considering the proportion of salaries and welfare expenditures to operation expenditures. Focusing on museums for the sake of simplicity, this ranges from 29.2% at Horse & Chariot, to 53.2% at Luoyang Museum, to 91.4 % at Ancient Tombs, describing situations of different efficiency which are interestingly enough much higher for the most recent institution. The cost per visitor also presents great internal variety, from 12.6 Yuan at Horse & Chariots to more than 29.0 for Luoyang Museum and Ancient Tombs.

From a process point of view, the most interesting element of exhibit 5 is that it is merely our exercise, as researchers: nothing similar was found in Luoyang itself. This is a sign of a lack of managerial control in cultural heritage. A very peculiar aspect in our experience is that financial data are very hard to obtain, but at the same time, no one really cares about them. “Nobody before you did such an in depth analysis of data. We simply fill in the format, we pass these data to the above administrative entities, and that’s it”<sup>45</sup>. Though information from exhibit 4 and 5 would, in another context, give important suggestions on how to intervene in the management process of an individual entity, here the administrative system is not used for decision-making purposes. Investment decisions are based on other considerations (none of the decisions to set up four archaeological parks included a business plan). But in addition, ongoing decisions are not linked to actual performance. Differences in performance do not allow the CRB director to intervene, since funding decisions for the coming year are based on other kinds of bargaining logic.

#### Exhibit 5 - A benchmark exercise

	Longmen	Han & Wei	Guanlin	Horse & Chariots	Luoyang Museum	Ancient Tombs	ArcheoTeam #2	ArcheoTeam #1	Tot below CRB	CRB	Tot below CRB + CRB	Yanshi	Total
<b>Detail expenses (000 Yuan)</b>	<b>52.445</b>	<b>934</b>	<b>3.863</b>	<b>1.078</b>	<b>2.345</b>	<b>1.558</b>	<b>3.758</b>	<b>5.915</b>	<b>19.451</b>	<b>n.a</b>	<b>19.451</b>	<b>2.571</b>	<b>74.467</b>
salary	6.721	339	941	305	903	780	1.011	1.781	6.060		6.060	899	13.680
other	44.475	465	2.646	763	1.097	135	2.444	3.662	11.212		11.212	1.135	56.821
welfare	1.249	130	276	11	344	643	303	472	2.180		2.180	537	3.966
<b>Visitors (000.000)</b>	<b>0,935</b>	<b>na</b>	<b>0,156</b>	<b>0,085</b>	<b>0,08</b>	<b>0,052</b>	<b>na</b>	<b>na</b>	<b>0,373</b>	<b>na</b>	<b>0,373</b>	<b>0,221</b>	<b>1,529</b>
<b>Employees (permanent)</b>	<b>211</b>	<b>18</b>	<b>33</b>	<b>13</b>	<b>50</b>	<b>43</b>	<b>38</b>	<b>118</b>	<b>313</b>	<b>29</b>	<b>342</b>	<b>75</b>	<b>628</b>
<b>Performaces indicators</b>													
paying/total visitors	88,3%	na	79,3%	88,2%	21,3%	76,9%	na	na		na		10,3%	46,0%
income/ visitors (Yuan)	57,8	na	19,1	17,6	2,2	5,1	na	na		na		92,3	
earned income/total income	99,5%	14,5%	68,2%	92,1%	9,1%	15,6%	92,6%	100,0%	73,6%	24,6%	67,8%	36,4%	86,8%
operation expenditure/total	100,0%	100,0%	96,6%	91,5%	100,0%	87,5%	87,7%	100,0%	94,8%	48,2%	87,4%	46,9%	93,9%
salary/operation expenditures	12,8%	36,2%	27,5%	28,3%	38,5%	50,1%	26,9%	38,8%	34,3%	0,0%	31,3%	51,8%	18,6%
(salary+welfare)/operation expenditures	15,2%	50,1%	35,6%	29,2%	53,2%	91,4%	35,0%	49,1%	46,6%	0,0%	42,5%	82,8%	24,0%
cost x employee (Yuan)	248.553	51.900	117.100	82.947	46.893	36.235	98.897	50.100	62.100	58.612	56.669	34.300	118.600
cost per visitor (Yuan)	56,1	na	24,7	12,7	29,3	30,0	na	na	52,1	na	51,9	11,6	48,7

Source: our elaboration on internal data

#### 4. Final Remarks

A contradictory picture emerges from our research on the management of the archaeological chain in Luoyang. On the one hand, a high dynamism characterizes changes affecting the archaeological chain: there is a continuous flow of discoveries and a re-legitimation of professional discourse in

<sup>45</sup> Interview with Luoyang CRB Director, January 2006.

the context of international collaboration, among other issues. On the other hand, major institutional issues have been addressed in this paper: institutional complexity and fragmentation, the growing importance of salvage excavation and its incentive mechanism for excavations only, a bias toward extraordinary projects, and potential differences in the value of sites for historians compared to visitors. This situation was found to have negative impacts on both curatorial issues (duplication and lack of cumulative knowledge in excavation, research, conservation) and visitor orientation (the loss of opportunity for a more integrated communication and promotion strategy).

On a more general level – beyond the professional meanings of our research findings in terms of the organization of Chinese archaeology, museology and conservation – the partiality or even the contradictory nature of changes in managerial action emerge. Major issues in terms of managing human resources have been investigated (lack of workload analysis for staffing decisions, general overstaffing, lack of an effective discipline and rewarding and punishment system), as well as issues in financial resources (with issues of transparency, accountability, and responsibility).

There are surely some general cultural issues involved here. Nothing could be further from the usual excess of “managing by numbers” found in Western management here: decisions and numbers are not systematically linked. Rather, financial resources allocation follows a different logic than that of (western?) managerialism: a logic of politics, nationalism (particularly in the case of heritage), and the inner game of bureaucracies drive administrative and institutional issues.

The call for management (or better, “scientific management” as it is called in the 10<sup>th</sup> Five Year Plan) is recurrent in many documents and discussions. But it is more the form that the substance which is adopted. Income & Expenditures statements are not used, the articulation of individual entities as independent *shi ye danwei* has little to do with power delegation as the international literature suggests, and performance is not on agenda, either in investment nor in current operation contexts. It is a discourse on managing without the establishment of a performative principle. Or at least, it represents a partial application of the former in contrast with the belonging principle (belonging to the Nation, the State, the Party). The convergence toward well-established managerial models is apparent, in a context that could be defined as partial/seeming isomorphism<sup>46</sup>, while the role of the inner trajectory of the transformation of the political and administrative system remains huge.

### **Acknowledgments**

The paper is based on a research project funded by the University of Bologna, Fondazione Carisbo, and the Italian Ministry of Foreign Affairs (DGPC).

---

<sup>46</sup> Zan and Xue, “Budgeting China.”