

Chapter 12

The Heritage Chain: Assessing the Economic Organization of the Sector

Sara Bonini Baraldi and Luca Zan

In this section we will focus on the notion of the Heritage Chain and its possible uses through two case studies: the Horse and Chariot discovery in Luoyang, China, and the heritage system in Turkey. The Heritage Chain is to some extent another example of a framework that emerged in our field research about the management of heritage in various countries. The concept refers to the set of activities taking place in the heritage sector, from protection to public access, and is derived from the notion of a supply chain that was developed in the field of Industrial Organization few decades ago (see Lummus and Vokurk, 1999 for a short reconstruction).

The basic idea in Industrial Organization was that any industry or sector can be investigated in terms of structure, conduct and performance (SCP, see Bain, 1959). Competitive dynamics between actors are related to the *structure* and division of labor within the field, which influences the possible *conduct* of individual firms, and consequently their *performance*. In turn, performance has an impact on the structure. Investigating the structure of the sector, or the 'supply chain' (the division of labor between producers from the acquisition of raw materials to the distribution of the final product) is thus indispensable for understanding the competitive dynamics within any given industry.

The 'supply chain' is an *etic* reconstruction: it is likely that the actors within it do not even perceive themselves as members of the chain, nor is it likely that any single producer consciously positions its activity along the whole chain (decades of debate in economics have shown that vertical integration is rarely sustainable). Nonetheless, the notion is useful for the analyst, addressing attention to the more or less explicit economic organization of an industry as a crucial driver of conduct and performance.

The notion of the Heritage Chain tries to translate the concept of supply chain to the heritage sector, with important similarities and with relevant distinct elements. We use it to reconstruct the set of activities that takes place from the production or discovery of heritage (the equivalent of 'raw material') to the possible 'uses' of it by visitors (the 'final product'), including the various uses of heritage by actors within the chain (researchers, for instance). Basically, the intention is to understand the division of labor within the heritage sector itself. These activities can be aggregated in some macro activities that, in principle, can be found in any country (Figure 12.1).

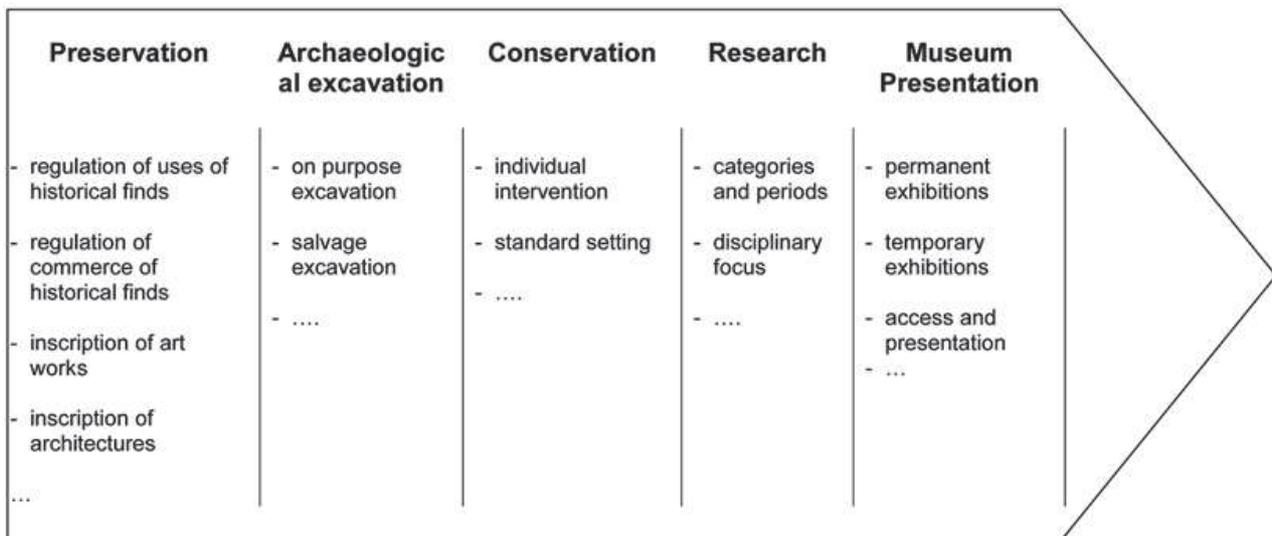


Figure 12.1 The heritage chain: major macro-activities

However, the internal structure and meaning of each individual macro activity and the relations between them can largely vary in any specific context (micro and macro, see below). Understanding the specificities characterizing the Heritage Chain in a given context is our way to study the sector.

Implicit in this view is that there are intrinsic similarities between heritage and any other 'industry'. It is a sector as any other, an organized activity: a set of actors, doing and exchanging things, with a variety of knowledge, and techniques. To avoid any misunderstanding, we are not suggesting that heritage should be run as business, nor that it should be driven by market forces, but simply that it can be looked at as a set of organized activities, using some of the tools that are available in the economic research tradition (particularly Industrial Organization and Organizational Theory).

Some important peculiarities of the heritage sector need, however, to be underlined for their impact in characterizing prevalent dynamics that are specific to this sector.

- The heritage sector is characterized by the presence of a large variety of professions and bodies of knowledge (history, art history, archaeology, architecture and law; but also hard sciences as chemistry and conservation) which is rarely found in other sectors. Most heritage professionals are highly specialized and have strong substantive interests in the specific object of investigation. Specialization can often lead to knowledge fragmentation debates tend to be separated, in different communities, with different journals, conferences and other institutional mechanisms. The 'producers' along the chain do not interact that much, not only between macro activities of the chain, but even within the same macro activity (bringing pre-Columbian and Chinese archaeologists to a conference in Pompeii was something rather unusual in our experience). Because of fragmentation, heritage experts tend to ignore common problems and the potential connections between their activities
- There are very different organizational rationalities in some of these macro activities that make dialogue among the different elements of the chain even more difficult. For instance, most archaeological excavations take place in form of projects, while most museum activities take the form of permanent organizations.
- Moreover, the phases of the chain are not necessarily linear. For instance, protection of a heritage site might come both before archaeological excavation (setting rules, responsibilities and procedures for excavation) and after it (defining and implementing protection activities

for excavated sites). This creates multiple relationships between activities, strengthening the need for a holistic approach.

- Also, the role played by public administration (and its idiosyncratic local traditions) has not been seriously acknowledged so far in heritage management literature, even though in most countries heritage sites are public property administered by local or central governments and closely controlled by laws and regulations that reflect the nation's unique historical traditions. Very rarely are professionals and scholars aware of the ways in which public administration shapes heritage practices, conservation outcomes and the social impact of heritage.
- In addition, at the methodological level, few heritage scholars work with aggregate quantitative data (especially financial data). This makes it hard to understand the quantity and nature of each macro activity in many different contexts. Usually national statistics have serious limitations: they are often not available in English (making them inaccessible to the international communities), and provide little explanation of the rationales behind categories and numbers, making them ineffective at providing a general understanding of the sector.

Departing from typical approaches to studying heritage management, we use the concept of the Heritage Chain to investigate the heritage sector as an integrated system, focusing on both professional and administrative traditions. Our focus is not only on a single link of the chain (such as excavation or conservation), but on all links and actors involved, providing a holistic picture and understanding of the sector.

By doing so, we try to reconstruct linkages and 'cause-and-effect' relationships, overcoming the actual fragmentation of professions and debates. What effect, for instance, does excavation policy have on museums? How does listing of monuments shape conservation outcomes? Is academic research connected to site presentation? While we cannot always definitively answer such broad questions, we provide a framework for understanding, in broad terms, the relationships between activities and problems at different points on the Heritage Chain. Moreover, we are interested in understanding how administrative traditions impact professional practices in cultural heritage and vice-versa. As we have clearly demonstrated in the previous chapters of this book, administration matters.

The Heritage Chain provides a single framework for such an analysis. There are several ways of operationalizing it, at different levels of analysis.

The Heritage Chain at the Micro Level

First, the concept can be used within an individual case (the micro level). In this sense, the Heritage Chain can firstly be used as a useful tool to understand a single case history – an excavation, a museum, a project – adopting an integrated approach, from preservation and excavation to conservation, research and museum access. Then, this approach permits a systematic analysis of the economic organization of the single case history in terms of structure à conduct à performance (SCP), addressing specific problems and inconsistencies which might emerge.

All the terms of the SCP relationship introduced by Industrial Organization scholars are to be understood broadly. A study of *structure* should incorporate aspects that usually are not so crucial in for-profit sectors. For instance, in cultural heritage the division of labor (actors and activities) within the chain is usually not defined by the market but by a specific legal system, which is the result of a legislative, administrative and professional tradition. In addition, the public sector plays a fundamental role within the Heritage Chain, with private entities playing a comparatively minor role. Such a division of labor may vary considerably from country to country, with possible variations and changes over time in private/public relationships, privatization and the like.

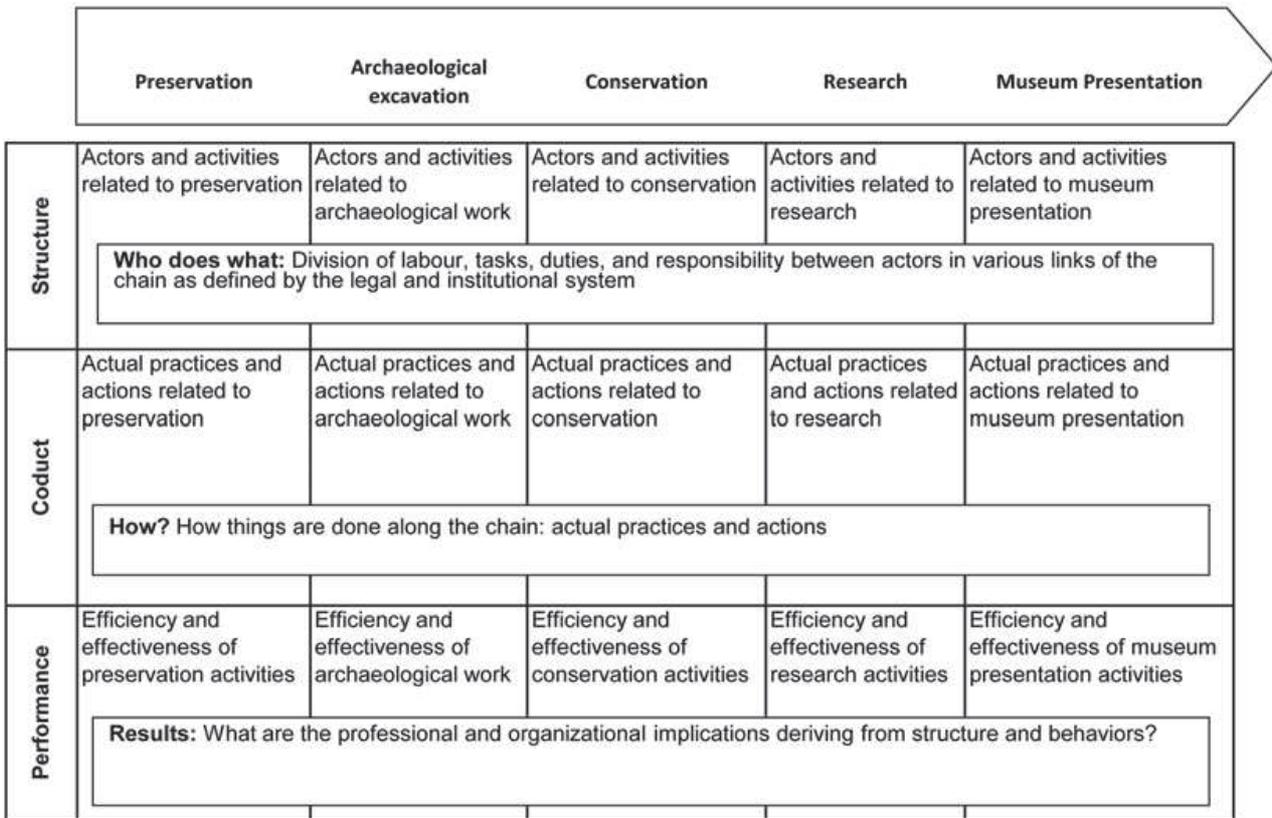


Figure 12.2 The heritage chain and the structure/conduct/performance analysis

Conduct is to be understood more broadly than mere competitive conduct, also including cooperative activities. Analysis of conduct should focus on the actual practices underlying different organizational solutions and actions carried out in each case. These solutions might reflect the degrees of freedom in doing things allowed by the system; individual specific skills, capabilities and know-how; or ‘creativity’ in interpreting and applying the legal system. Finally performance should be understood more as the outcome of activities rather than of ‘profit’. Fundamental in this sense are the conditions of effectiveness and efficiency, and the different equilibrium that can be found in the *trade-off* among them (Zan 2006; see also Chapter 1).

Accordingly, the framework proposed in Figure 12.1 could be expanded in order to support the Structure-Conduct-Performance analysis along all links of the chain (Figure 12.2).

Indeed, the Heritage Chain becomes a roadmap to describe the structure of a specific micro context within a holistic view, and to understand the conduct and relative performance that has taken place. This is what we attempt in Chapter 13.¹ The Horse and Chariot case – a fascinating and successful example of heritage protection in China – provides a good example of the Heritage Chain ‘in action’ within a single story, from salvage excavation to the opening of the museum. The story began when the Municipality of Luoyang, in Henan Province, decided to redesign the square along the main street of the city to build several new structures, including an underground parking lot. During archaeological work, however, important historical finds were unearthed: 400 tombs, several horse and chariot burial pits and more than 1,000 relics of the Eastern Zhou dynasty of extraordinary archaeological value. In the end, rather than a parking structure (as planned earlier), a new museum was built (the ‘Horse and Chariot Museum’), opening just 18 months after the initial discovery.

¹ For an additional application of this approach, see Bonini Baraldi et al. (2014) on the case of Yenikapı, Turkey, one of the most significant heritage finds and engineering projects of the past several decades.

After a short reconstruction of the Horse and Chariot story, in Chapter 13 we use the Heritage Chain to frame a deeper analysis and understanding of the case. First, the structure of the sector (the normative context, the institutional setting and the division of labor between different administrative levels) is traced with reference to various links of the Heritage Chain; then, a better understanding of conduct and performance is provided, addressing attention to emergent problems, contradictions and weaknesses of the system.

The crucial role of salvage excavation and its high degree of ‘profitability’ for specific actors involved clearly emerges, explaining the limited investment in other links of the chain – such as conservation, planned excavation and research activities – and the lack of cooperation among institutions. The major consequences of these issues in terms of performance are the underdevelopment and infrequent exchange of professional knowledge and, in terms of public access, the lost opportunity to develop a more ambitious archaeological park.

The Heritage Chain at the Macro Level: Between Globalism and Localism

The issue of localism is perhaps one of the ‘hottest’ in the heritage sector, given the colonialist character of the field at its historical roots. While professional dynamics (for example, international professional organizations and events) and the role of international agencies (for example, UNESCO, ICOMOS, ICCROM) tend toward ‘universal’ discourses, the specific local identity of heritage is in reality still a fundamental element.

The concept of the Heritage Chain can then be used to analyse how heritage became structured differently in different countries (macro level), both in qualitative and quantitative terms, and to describe how it works. This is important *per se*: understanding the actual structure, current conducts and present performance of the heritage field, and reconstructing the logics and numbers characterizing it is an indispensable instrument for reducing risks in policymaking, and can increase the likelihood of success of political decisions and action in any country. Moreover, such investigation is also crucial in comparative perspective, in order to support international analysis.

Heritage itself, understood as physical ‘object’, tends to differ from country to country for many reasons: the specific role played by the individual country in the past in various periods; different rates and types of construction in the past and different attitudes in preserving it, for both cultural and technical causes (for example, materials, construction techniques and their long-term survival). A preliminary characterization of the Heritage Chain of a particular country can help in addressing the major issues and main features related to its specific cultural heritage and associated knowledge.

In addition to that, also the organization of the macro activities in the chain is largely shaped by local discourse and identity issues. Basically, the classification of excavation activities, archaeological sites and museums tends to vary in individual countries not only because of physical differences in the heritage but also because professional and administrative traditions may differ: on one side similar ‘objects’ can be conceived in very different ways in relation to idiosyncratic local approaches to archaeology (for instance, similar Roman ruins will be presented differently in Italy or in Turkey: Shaw, 2007); on the other side, the legal system and specific regulations concerning heritage also largely vary in different countries, stemming from diverse traditions of academic studies or methodological approaches. All this is likely to generate a variety of consequences over time for the very capability to preserve, conserve, research and make it accessible to visitors (for an insight on the Italian tradition see Settis, 2002; for China see Agnew et al., 2005). In this sense, the differences in legal discourses about heritage are already a result of the varying structures of individual national Heritage Chains over time.

Adopting such a macro approach, two different research agendas could emerge. The first is merely 'qualitative'. For instance Zan (in press) relates general issues within the transformation of the country in the last 30 years – political changes, administrative reforms, professionalization, economic development, cultural policy – to the characteristics of the Chinese Heritage Chain in terms of qualitative features. This allows us to analytically highlight major impacts at various links of the chain (for instance, how the economic boom has led to several archaeological discoveries, mainly from salvage excavations), in the overall context of the disciplinary revolution of the last decades.

The second could be more 'quantitative': mapping institutions, units, people, resources that can be represented inside a framework of the chain. In the Turkish case (Chapter 14), apart from looking at data in substantive terms (that is, how many sites, monuments or archaeological excavations are there in Turkey?) we attempt to 'make sense' of the categories (what is included in the concept of 'site' or a 'monument', and why?). This requires an understanding of both the administrative system and its historical rationale, including references to the legislation and heritage literature. Through this approach, it is possible to connect the historical dynamics of the country, the current system of heritage administration and disciplinary discourses of heritage practitioners.

In this sense the Turkish case seeks to bridge professional and administrative discourses at many different levels, and to offer some reasons for heritage professionals to show more interest in public administration and its impact on professional practices. For instance, archaeologists should take note of how administrative decisions shape research potentials: the inability to combine field survey with excavation under the same project limits the archaeologist's methodological toolbox; the distinction among academic and museum projects makes it difficult to develop useful cooperation, as for instance for salvage projects, and changes in Turkish tax law have unleashed huge sums of money for fieldwork since 2004, a milestone in disciplinary history. Museologists, for their part, should note how centralization makes museums dependent on the Ministry and limits their freedom of action: the lack of autonomy in budget and personnel, together with restricted decision-making power, makes it exceedingly difficult to engage in public programs and implement the principles of the 'new museology'. Finally, conservators are affected severely by the fragmentation of conservation among three types of institutions, and by public procurement rules that privilege low bids over expertise in archaeological conservation.

Starting from both qualitative and quantitative analysis at the national level, the notion of Heritage Chain can help in identifying the different structures and life cycles of cultural heritage in individual countries. For instance, it is interesting to notice the different situation between Italy and China in terms of distribution of resources among the chain, and the relative importance of the different links of the chain. How much is spent on preservation, excavation, conservation, research and museums? To what extent archaeological excavations change can be characterized as revolutionary or incremental, echoing Kuhn's words? In comparative terms, what emerges is the lack of balance in the Chinese Heritage Chain, with a great attention on the initial phases. The emphasis is more on excavation than on research or public access, with a dominant role of salvage excavation and with the unsolved problem of highly important sites for the expert but of low interest for the potential visitor. Likewise, the Turkish Heritage Chain could be graphically represented as having irregularly shaped rings that are large at the beginning and thinner towards the end. The first links of the chain such as protection and excavation are well developed, while conservation and public access are relatively underdeveloped, when compared to other countries with a more systematic approach to heritage and a strong visitor orientation. A more generous access to data would also make interesting the comparison in the density among the links of the Heritage Chain in different countries.

By calling attention to the concepts and potentials for action that are embedded in institutional frameworks for heritage, and their interconnectedness in the Heritage Chain, we hope to contribute a new set of tools for understanding heritage practices.