

POVERTY AND HERITAGE¹

Rémy Prud'homme²

October 28, 2012

I – Introduction	2
II – Conceptual Framework	2
Monetary poverty	3
Basic needs poverty	6
Capabilities poverty	7
Happiness	7
UNESCO World Heritage	10
Heritage in general	11
Geography of heritage and geography of poverty ..	12
III – Heritage and Economic Poverty	13
Heritage as a public good	14
Heritage as a source of economic development ...	14
Heritage as a fragile resource	16
IV – Heritage and Global Poverty	18
Heritage and hope	18
Heritage and self-respect	19
Heritage and sense of place	20
V – Policy Implications	21
Include a chapter of poverty in applications to the UNESCO List	21
Facilitate access of the poor	21
Control overall attendance	22
Combine preservation and economic development ...	23
Promote self-respect of heritage sites residents	25
Adjust local institutions to heritage sites	25
VI – Conclusions	26

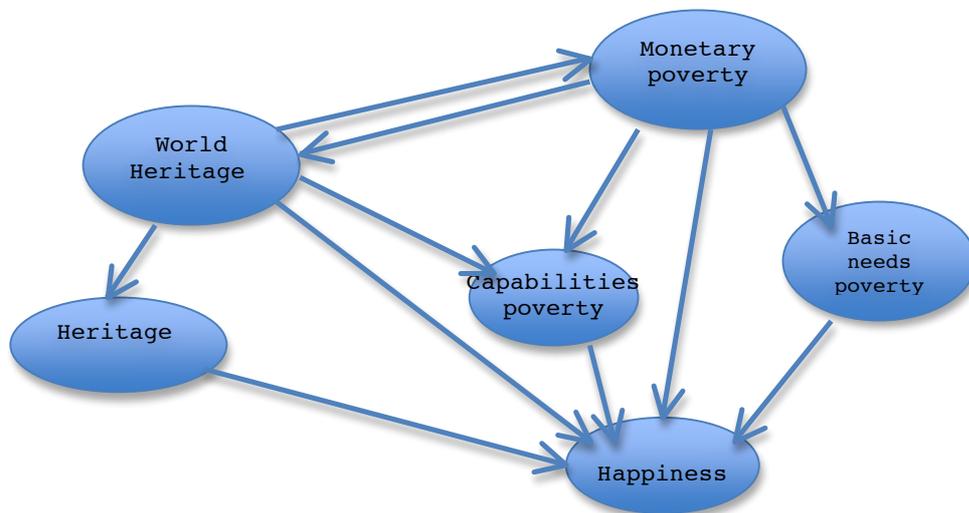
¹ A first draft of this paper was prepared for a UNESCO World Heritage – Government of Ecuador seminar on Poverty and Heritage, Quito, October 24-27, 2012. The author is grateful to Claudia Sénik (Paris School of Economics), seminar participants, and in particular to Nuria Sanz (UNESCO), for comments and suggestions.

² Professor (emeritus), University Paris XII

I – Introduction

This paper discusses the relationships that exist, or can or could exist, between extreme poverty and (world) heritage sites. At first, one could think that there are no such relationships, or that they are negative. It could be argued that the poor, and even more so, the poorest poor, do not care much for sites of world importance and interest, and do not benefit from their conservation and enhancement. One could even think that the resources allocated to these sites should better be allocated to poverty alleviation. If this were true, there would be a contradiction between poverty relief and heritage conservation. There are, however, good reasons to believe that this simplistic contradiction does not exist, or to be more specific, that it is balanced by powerful forces. The key to understanding these powerful forces is that what matters when discussing poverty is happiness. Happiness is more than non-poverty. And it is the non-poverty dimension of happiness that can be influenced – positively – by the existence of heritage sites, and in general of heritage. Figure 1 below presents the main concepts and relationships explored in this paper.

Figure 1 – Key Relationships



II – Conceptual Framework

The two concepts used in this paper, poverty and heritage, are far from simple. A brief discussion of their various meanings and contents is a prerequisite to the

analysis of their relationships. The standard definition of poverty, "profound deprivation in well-being" is not very helpful, because "well-being" can mean different things to different people. It is useful to distinguish between three types of poverty: (i) monetary poverty; (ii) basic needs poverty; (iii) capabilities poverty, and to link them with (iv) the developing domain of "happiness economics". The concept of heritage is simpler to define, although it is useful to distinguish between the UNESCO World Heritage Listing and beyond.

Monetary poverty

Monetary poverty is the simplest, but also most easily measurable, type of poverty. It refers to the ability to buy goods or commodities, that is to income, and is usually (although not always) extended to include the disposal of self-produced commodities such as subsistence crops. A threshold or poverty line is defined, and people below that line are considered in poverty or in extreme poverty. This threshold is largely conventional, i.e. arbitrary. It does not mean much in the absolute, but it is useful and meaningful for comparisons over time or between countries. If the number or percentage of people below this threshold decreases in a given country over a given period, then one can safely say that monetary poverty decreased in that country.

A much utilized threshold is 2 US dollars per day (1.25 \$ is also used). This is translated into national currencies at purchasing power parities, not at prevailing exchange rates, to reflect effective purchasing powers. Table 1 gives the number and proportion of people living in "poverty" according to this criteria in Latin America and in the world over the 1995-2015 period (numbers for 2015 are obviously projections). Table 1 shows three things. One is that poverty, thus defined, remains a mass phenomenon: millions (for the world: billions) of people live in poverty. Second, Latin American poor are a small fraction (about 3%) of world poor. Third, contrary to what is often said, poverty regresses worldwide. This is true in relative terms: the percentage of poor has been about halved over the past two decades. This is also true in absolute terms: the number of poor decreased, although in the case of Latin America, there was an small increase in the first decade followed by a larger decrease in the second decade.

Table 1 – Number and % of people living with less than 2 \$/day, Latin America and World, 1995–2015

	1995	2005	2015
Number of people (in M) :			
Latin America and Caribbean	86	91	72
World	2,760	2,562	2115
Proportion (% of total pop.) :			
Latin America and Caribbean	19.7	16.6	11.8
World	63.2	47.0	34.6

Note : National currencies are translated into US \$ at purchasing power parities, not at exchange rates.
Source : World Bank site

ECLAC defines a poverty line, and an extreme poverty line, as the amounts of money necessary to purchase pre-determined baskets of goods and services. Table 2 presents, for various Latin American countries, the percentage of people below these thresholds, as well as below the 2 \$ a day thresholds in 2009. Two points stand out. One is that the numbers for 2 US\$/day and for extreme poverty are not very different from each other. The second is that there are great disparities between Latin American countries in the prevalence of poverty.

Table 2 – Indicators of poverty, LAC, various recent years

	Poverty (%)	Extreme poverty (%)	2 \$/day (%)	HDI (index)	MPI (%)
Argentina	na	na	3.8	797	3,0
Brazil	24.9	7.0	14.1	718	2,7
Chile	11.5	3.6	2.1	805	na
Colombia	45.7	16.5	na	710	5,4
Costa Rica	18.9	6.9	9.5	744	na
Ecuador	42.5	18.1	19.6	720	2,2
Panama	26.4	11.1	14.1	768	na
Peru	34.8	11.5	20.1	725	19,9
Uruguay	10.4	1.9	0.8	783	1,7
Latin America	33.0	13.1	11.8	731	na

Source : Three first columns : ECLAC site. Last two columns : UNDP site.

Notes : For HDI : index, with a maximum of 1000 ; other : % of population in poverty (as defined by the indicator) relative to total population.

In some countries, particularly developed countries, the poverty threshold is defined in relative terms, not in absolute terms, i.e. as a percentage, usually 60% (or 50%), of the average or median income³. If median income is 10,000 units, then people with an income lower than 6,000

³ The median income μ of a population is the income such that 50% of the population have an income higher than μ , and 50% an income lower than μ .

units are classified as poor. These relative poverty measures have one advantage: they take into account income differentials, which are indeed a dimension of poverty. A person earning 5,000 in country with a median income of 10,000 is "poorer" than a person earning the same income in a country with a median income of 6,000. On the other hand, these relative poverty measures are not very meaningful to assess the evolution of poverty over time. If everybody's income is multiplied by two, including the poor's income, the poverty rate thus defined will remain constant although everybody, including the poor, will be much better off. Relative poverty is therefore an indicator of inequality as much or more than an indicator of poverty.

Because inequality is a component of poverty, as mentioned above, many people interested in poverty want to know how important inequality is, and how it changes over time. The most commonly utilized measure of inequality is the Gini coefficient, which takes the value of 0 in a perfectly equalitarian state and of 1 in an extremely unequalitarian state. It is far from perfect, but it is useful for comparisons over countries or time. Table 3 gives the Gini coefficients for a selection of Latin American countries (for which data is available) over the past decade. Three points can be made. One (not shown in Table 3) is that the degree of inequality is particularly high in Latin America. In Europe or in Asia, Gini coefficients are mostly in the 0.30-0.40 range, when they are in the 0.40-0.60 range in Latin America. Second, there are significant differences between countries, with Bolivia and Brazil on the high side, and Peru, El Salvador, Argentina, and Uruguay on the low side. Third, and contrary to what is often stated, inequality has markedly decreased in Latin America in the past decade, as shown in Table 3.

Table 3 – Inequality, selected LAC Countries, 2000–2010

	@2000 Gini	@2010 Gini	Change %
Argentina	0.53 (2003)	0.42 (2011)	-21%
Bolivia	0.58 (2001)	0.56 (2008)	-3%
Brazil	0.59	0.54 (2009)	-8%
Chile	0.55	0.52 (2009)	-5%
Costa-Rica	0.46	0.50	+9%
Ecuador	0.56 (2003)	0.51	-9%
El Salvador	0.50	0.42	-16%
Mexico	0.51	0.45	-12%
Peru	0.39 (2003)	0.35	-10%

Source : Socio Economic Database for Latin America & the Caribbean (CEDLAS & the World Bank), consulted in June 2012. *Notes* : Data relate to the inequality in per capita income. Percentages of change cannot be readily compared because they do not relate to similar periods of time.

Basic needs poverty

The limits of the notion of monetary poverty are fairly obvious, and have been identified for long. Man does not live on bread only. Many of the components of well-being are not purchased on any market. This is the case for health, education, culture, air and water quality, transport availability, safety, social relations, etc. Efforts to take such dimensions into consideration include the importance given to “basic needs”, the human development index (HDI), the multidimensional poverty index (MPI), or the Millenium Objectives. They do not lend themselves easily to measurement.

Two indicators have been developed by the United Nations. The HDI aggregates income per head, an indicator of health (life expectancy) and two indicators of education (mean years of schooling, expected years of schooling). The HDI is an indicator of wealth, not of poverty. The MPI, by contrast, is an indicator of poverty. It mixes ten measures of deprivation (child mortality, years of schooling, not having electricity, not having clean water, not having adequate sanitation, etc.), none of which relates to income. Poverty is defined as the failure to meet one third of these objectives. MPI is the percentage of the population accordingly defined as poor. The last two columns of Table 2 give the HDI and MPI values for a sample of Latin American countries. The sample is limited, but it nevertheless suggests that poverty in terms of income can be different from poverty in terms of basic needs. With the values given in Table 2, compare for instance Peru and Ecuador. In terms of income, there is more poverty in Ecuador. In terms of basic needs, there is more poverty in Peru.

The Millenium Development Goals belong to the same family. In 2000, the World leaders selected eight poverty-related goals only loosely connected to personal income and consumption: eliminate hunger, achieve universal primary education, ensure gender equity, improve child health, protect maternal health, combat HIV/AIDS and malaria, promote environmental sustainability. For each, they defined simple quantitative objectives to be reached by 2015.

Capabilities poverty

Our understanding of poverty has been improved by the work of Amartya Sen. This Indian economist, a Nobel price winner, defines well-being as "the capability to function in society". He puts the emphasis not on the amount of commodities consumed (monetary poverty), not even on the availability of public or social goods (basic needs poverty), but on the range of choices effectively open to a person. His main book is entitled *Commodities and Capabilities*. "Capability, Sen says, reflects a person's freedom to choose between different ways of living". Obviously, the concept of capability includes the availability of commodities, and the public provision of basic needs services, but it goes much beyond. It encompasses capability-creating institutions, habits, traditions, empowerment, freedom, and even self-confidence. Gender equality, for instance, increases the level of capabilities; consequently, poorly treated women are poor, irrespective of their monetary income and of their access to basic needs. While Sen's ideas are illuminating and powerful, they are not easily translated into quantitative measures of poverty.

Happiness

The so-called economics of happiness goes even further, although in a different way, in the direction initiated by Sen. Income, basic needs, and even capabilities are but means to an end, and this end is happiness. Why not ask directly people: how happy are you? or: how satisfied with your life are you? and try to explain the answers, that is the levels of subjective well-being, by all sort of explanatory variables? This is what economics of happiness do, on the basis of large scale "happiness surveys".

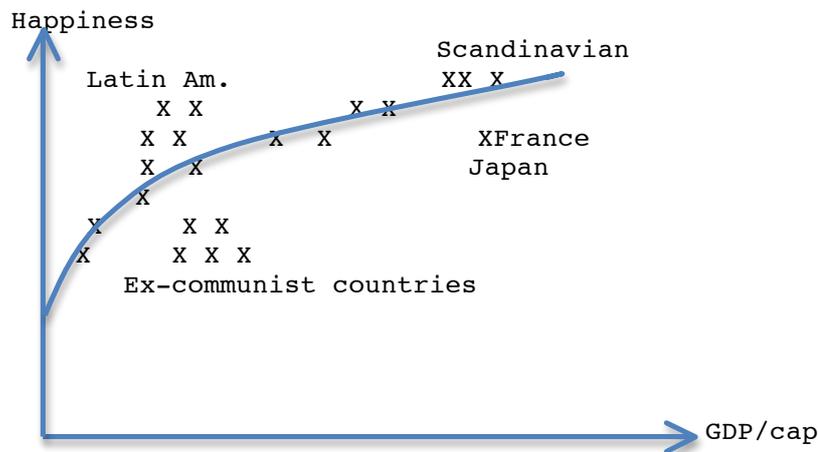
The use of the word "happiness" deserves a brief discussion. "Happiness is an idea that is new in Europe" said Saint Just at the time of the French Revolution. It

is certainly a concept that is relatively new in economics. It is not to be confused with welfare. Welfare is traditionally the cornerstone of public economics, what policies should maximize. It can be defined as the total satisfaction or utility derived from the consumption of public and private goods. Welfare does not consist only of income or of marketed goods, but includes the utility derived from the availability of public goods, which is assumed to be measurable in money terms. The welfare impacts of a particular policy are therefore measured in dollars or in pesos; happiness is not. Welfare contributions (or losses) therefore are considered additive; happiness is not. Welfare is known on the basis of revealed preferences (what people do); happiness on the basis of stated preferences (what people say). Welfare is quantitative and cardinal; happiness is qualitative and ordinal. Not only is happiness different from welfare, it is also wider. The domain of welfare is the same as the domains of monetary and basic needs poverties discussed above, whereas the domain of happiness also includes the domain of capabilities poverty.

Capabilities poverty and economics of happiness are distant cousins. They are cousins because they both deal with non-income dimensions of well-being. They are distant because the approach of happiness economists is different from Sen's approach: their starting point - what people feel and say - is positive, whereas Sen introduces a normative element in his notion of capabilities. A completely alienated person stating he or she is happy is considered happy by happiness economists, but poor by Sen.

How explain happiness? An obvious explanatory variable is income. Happiness is indeed correlated with income. In a given country, at a given moment, all other things constant, more money means more happiness. Yet, over the course of time, when income per head increases, the average level of happiness seems to remain quite constant (this is known as the Easterlin paradox). This positive association of happiness with GDP/capita is also true at the level of countries: people in high income countries are happier than people in low income countries, as shown in Figure 2. However, as is also shown in Figure 2, the association is quite loose. There are countries, such as Latin American countries, or Scandinavian countries, where people are more prone to happiness, and conversely countries such as the former communist countries, and also France, Germany, Japan, where people are less prone to happiness.

Figure 2 – Happiness and Income



Source : Inglehart, et al. 2008, p. 269

This "country effect" shows what has been known for ages: that money is not all. As Alan Krueger, an American economist, puts it, "much of what contributes to wellbeing happens outside markets". The list of other meaningful explanatory variables is long: health, age, family life, freedom, trust in partners and neighbors, sense of control, safety and security, community cohesion, lack of stigma and discrimination⁴. It recoups largely the issues referred to by Amartya Sen. Some authors have even attempted to quantify the impact of some of these variables: for instance, a study on the US concludes that an increase in crime of 60% has the same impact upon happiness as a decrease in GDP/head of 3.5%. In a more literary vein, one can make reference to Janice Perlman's work. In the late 1960ies, she spent several months in three Rio de Janeiro favelas, interviewing about 750 people and produced a book entitled *The Myth of Marginality*. Thirty years later, she went back to the same favelas, and tried to track her interviewees and their children, and produced another book entitled *Favela*. What did she find? In money terms, and in basic needs terms, things have greatly improved for most of the favelas people. But they are probably less happy, because they have lost much in terms of safety, of social cohesion, of community pride.

To sum up, and to simplify, this discussion of the concept of poverty, we can distinguish between two main types of poverty: (i) what could be called *economic poverty*, which includes both monetary poverty and basic needs poverty, and (ii) *global poverty*, which takes into

⁴ Recent work suggests that a gene (which activates the functioning of serotonin) also plays a significant role in happiness.

account economic poverty, but goes much beyond, to include capabilities poverty and even the broader notion of happiness, or rather its opposite, unhappiness.

UNESCO World Heritage

The concepts of World Heritage, and of heritage in general, also deserve a brief discussion. World Heritage was created by a 1972 UNESCO Convention. A World Heritage site is a site or "property" of "outstanding universal value" designated as such by a World Heritage Committee consisting of representatives of UNESCO member countries. There are presently 936 world heritage sites in the world, and 124 of them (13%) are located in Latin America and the Caribbean, as shown in Table 4. Two-thirds of these Latin American sites are "cultural" (monuments, groups of buildings, sites) and one third are "natural". Two features of relevance for a discussion of the relationships between heritage and property can be mentioned.

The first relates to the nature of designated "sites", which is slowly shifting from *material* towards *immaterial*. Initially, most sites were monuments or groups of monuments, consisting mostly of bricks and mortar, of a high artistic, cultural or historical value, or natural sites or landscapes of a major geological, biological, or environmental interest. Of late, have been designated "sites" that embody moments of history, for the better or the worst. This is illustrated by the designation of Auschwitz, the infamous nazi concentration camp, in 2007. The buildings that remain at Auschwitz have, of course, no artistic interest whatsoever. But they bear testimony to one of the darkest pages of mankind history, and as such are justly considered having an "outstanding universal value". In other words, sites are no longer listed for what they are, but also for what they *mean*.

Table 4 – UNESCO World Heritage Sites, Latin America & Carribean, 2012

	Cultural	Natural	Total
Argentina	4	4	8
Bolivia	5	1	6
Brazil	11	7	18
Chile	5	–	5
Colombia	7	5	2
Ecuador	2	2	4
Mexico	27	4	31
Other, South America	3	1	4
Central America	8	8	16
Caribbean	10	3	13
Total	90	34	124

Source : UNESCO.

Note : Three sites, classified as mixed, have been here included in the cultural column.

A second feature relates to the delicate balance established between the host country and the international community. As is normal, for a given site, the primary responsibility for "identification, protection, conservation and transmission to future generation" rests with the host country. Yet, because the site has an "outstanding universal value", it is designated and monitored by an international Committee. In asking for, and in accepting, a listing, the host country commits itself to the "protection, conservation, and transmission" of the site, in cooperation with the World Heritage Center. The UNESCO has a "World Heritage Fund", but yearly donations and appropriations amount only to about US\$ 4 million, a little more than 4,000 dollars per site. UNESCO cooperation mostly consists of expertise, advice, exchanges of experience and good practices.

Heritage in general

For the purpose of this paper, it is desirable to use a wider definition of "heritage". Limiting ourselves to the 936 world sites or the 124 Latin American sites would be unduly restrictive. But how far should we go? Some people are tempted to consider all sorts of physical assets (infrastructure, factories, railroads, highways, dams, housing stock, etc.), as well as all sorts of cultural assets (languages, religions, values, laws, institutions, etc) as being part of heritage. This would be casting too large a net. All these dimensions of man's life are indeed extremely important. However, such an all-encompassing definition of heritage would not be analytically very useful to understand its relations with poverty. A discussion of "heritage (thus defined) and poverty" would

turn out to be a discussion of poverty in general. In addition, it would not be very operational, as it would fall outside the domain of the World Heritage Committee, and indeed outside the domain of any specific institution. In this paper, we will limit ourselves to actual UNESCO listed heritage sites plus similar sites not (yet) on the World Heritage list.

In any given country, the list of cultural or natural sites of great interest is longer, much longer, than the UNESCO list for that particular country. The UNESCO list is only a sample of interesting sites. In France, for instance, the authoritative Michelin touristic guides give three stars ("worth the trip") or two stars ("worth a detour") to 222 sites, whereas the UNESCO list for France includes only 31 sites. The sample ratio here is about 15 to 1. Another clue can be found in the list of "nationally protected areas" in Latin America and the Caribbean (Elbers 2011). It includes 1949 areas. Compared with the 36 natural (and mixed) sites of the World Heritage List, this gives a sample ratio of about 54; this sounds a bit high, as some countries are much more generous than others in defining protected areas⁵. A provisional 20-30 ratio could be assumed. This means that for Latin America and the Caribbean, the number of culturally or naturally important heritage places would be in the 2,500-3,700 range.

In a given country, the impact of the World Heritage List goes much beyond the sites listed. It extends to all the interesting sites of the country. There is an echo effect, or a multiplier effect. Many of the non-listed areas believe (often rightly so) they are as interesting and as worthy as the listed areas, see themselves as potential candidates, and begin to take the appropriate conservation actions. More importantly, the listing of some promotes for all the notion of heritage. It teaches people that the environment in which they live - and have lived for centuries - has "value", even "universal value", and deserves to be protected and enhanced.

Geography of heritage and geography of poverty

Both heritage and poverty have a spatial dimension. The relationships between the two are space-specific, and each case is different. This limits the interest of a global analytical approach. Ideally, one could enrich the

⁵ For instance, areas designated as protected cover 29% of the national territory in Panama, as opposed to 1.3% in Argentina.

analysis by producing typologies of heritage and sites. Unfortunately, we do not know enough to do so. We do not even know whether poverty is more (or less) prevalent in heritage sites than in general. We can make hypotheses about this key issue. We can suggest that because poverty is generally much greater in rural areas, natural heritage sites, as well as a number of archeological sites, which are largely in rural areas are likely to be sites with a high prevalence of poverty. Would the opposite be true, namely that architectural and cultural sites, which are usually in urban areas, are sites where poverty is relatively less important? This is not sure, because many large cities, even when they have a relatively high average income, do include pockets of poverty. In many cases (not all), such urban pockets of poverty are concentrated in the city centers, where migrants tend to aggregate, and which are also (not always) where heritage sites are located. If, or rather when, this is happening, then many heritage sites are inhabited by a relatively large number of poor. Empirical studies on the joint geography of heritage and poverty would be necessary to find out whether such hypotheses are correct or not. At this stage, two points can be made.

First, additional empirical research and data gathering on this issue is needed. In particular, institutions asking for the listing of a site should present in their application file a quantified description of poverty in the site and its surroundings.

Second, the diversity of heritage sites and the diversity of poverty situations are so great that there cannot be simple methodologies for the analysis of heritage-poverty relationship. We are in a made-to-measure world, not in a ready-made world. What follows is merely a sort of check-list of the mechanisms that are at the heart of this relationship. For any given case, not all of these mechanisms will be relevant, and even less relevant in the same fashion.

II – Heritage and Economic Poverty

Heritage sites can contribute to alleviate economic poverty (i.e. monetary and public needs types of poverty) in at least two ways. On the other hand, because heritage is a fragile resource, it can be argued that too many visitors or residents, particularly the poor, can be a threat to the sustainability of heritage sites.

Heritage as a public good

The services offered by a heritage site (whether or not on the UNESCO List) are in principle what economists call "a public good". They are offered for free, as a result of the very existence of the site. They cannot be privately appropriated. Their "consumption" by the rich does not affect their consumption by the poor (and vice-versa). These (technical, not institutional) characteristics of heritage sites are very favorable to the poor. The consumption of citizens consists of private goods, which are purchased, and of public goods, which are not (and cannot be) purchased. By definition, the poor cannot consume much in terms of private goods, but they consume as much as the rich in terms of public goods. In a given society, the more public goods are provided, relative to private goods, the better for the poor. In that sense, heritage conservation and enhancement contributes to reduce economic poverty.

In practice, this classical analysis must be somewhat qualified. In some cases, heritage sites are walled, and access is not free. At Machu Pichu, the entrance fee is above 40 US\$ per day, much beyond the means of the local poor, although there are exemptions or reductions. More generally, heritage "consumption" often requires peripheral expenditures: in transportation, in time, in education, in information. The poor are not always able to afford such peripheral expenditures and are therefore partially excluded.

Heritage as a source of economic development

It is often argued that heritage, particularly the listing of a site on the UNESCO List, promotes tourism, which generate economic development, which contributes to reduce poverty. There is some truth in this line of argument. But much less than is commonly assumed. Each of the above-mentioned links is open to question.

The relationship between heritage (and even World Heritage) and tourism exists, but it is weak. We might regret it, but culture is not a major determinant of mass tourism, which is driven by the desire to visit friends and relatives, and the desire to take a rest, preferably by the sea-side. The site of the antique Troy - a UNESCO world heritage site - attracts only a fraction of the tourists who vacation on the nearby beaches. It does not mean that cultural tourism should not be encouraged, but

that it cannot realistically be expected to contribute much to tourism.

Second, the hopes frequently placed on tourism as a key instrument of economic development are often vastly exaggerated. It is true that more tourism means more employment and more income, all other things equal. But this comes at a cost. Tourism requires heavy infrastructure and hotel investments. Then, in many countries tourism, particularly international tourism, is a temporary activity, concentrated on a few months per year. A large share of the proceeds of tourism leaks out of the site area, and accrue to capital and expertise located outside the site area and often out of the country. In addition, tourism is a highly fluctuating activity, with good years followed by bad years.

Two empirical studies conducted for UNESCO in 2008 confirmed the limited impacts of heritage on local economic development⁶. The first, on France, considered 3,700 "cantons" (small districts), for which several indicators of economic development, such as income per capita, or growth of income in recent years, or unemployment, or wages of professionals, were available. It tried to explain these various dimensions of local economic development by a number of explanatory variables, such as income per capita at an earlier date, population size, proximity to major transportation corridors – and heritage, i.e. the existence of a World Heritage site, or of a site marked with two or three stars in the Michelin touristic guide, in the canton. The outcome of the regression analyses conducted was that the heritage variables had *no explanatory power*.

The second study, conducted in Turkey, consisted of in-depth comparisons of pairs of cities. We studied the recent economic development of two antique sites as similar as possible, except that one is on the World Heritage List (Troy) whereas the other is not (Pergam); and of two 18th century Ottoman villages sites also as similar as possible, except that one is on the Heritage List (Safranbolu) and the other is not (Beypazari). In both cases, it appeared that being listed did *not* contribute at all to local economic development.

The third link, between economic development and poverty alleviation, is probably a little stronger. If and when local tourism promotes local development, the poor

⁶ These studies are summarized in Prud'homme (2008) ; the first one was conducted by Magali Talandier ; the second by Bernard-Henri Nicot and Burcu Ozdirlik.

are likely to benefit from it. In general, growth benefits all classes of society (although some may benefit more than others). This is particularly true of tourism-induced growth, because many of the jobs created by tourism activities, such as hotel maids, site cleaners or street vendors, are low-skilled. Although they are also low-wages jobs, they will help some of the poor get out of economic poverty.

There is, however, an important mechanism that operates in the opposite direction: tourism, when it succeeds, tends to evict all other economic activities. The best known example of this is offered by Venice, obviously a World Heritage site. Venice used to be an important center of trade, industry, banking, insurance. It no longer is. Its population, numbering 170,000 in the early 1950ies, is now below 60,000 people. This happened despite the fact that Venice is the head city of Veneto, which has been one the fastest developing regions in the entire world. The main culprit is tourism. The world touristic demand for Venice has increased, and continues to increase, very rapidly. This pushes up all prices, particularly land prices. Most non-tourism activities cannot compete, and are in effect kicked out by tourism, in this case heritage-caused tourism. The benefits of tourism, which take the form of rents, are largely appropriated by the rest of the world, and do not enrich natives. A growing number of flats, for instance, are owned by non-Venetians, because Venetians cannot afford any longer to live in their city. This tourism-caused exodus is highly detrimental to the poor.

Heritage as a fragile resource

The relationship between heritage and poverty is a two-ways relationship. Poverty can impact negatively heritage sites. Nearly by definition, heritage sites are fragile. They cannot accommodate an infinite number of residents or of visitors. This is true for both natural sites and urban sites.

The beauty and richness of a natural site is affected and threatened by too many visitors, and even more so by too many people living in the site. The quality of the site is inversely related to the number of visitors. The social utility of the site is the product of this quality by the number of visitors. At the beginning, when the quality is not (or not much) affected, more visitors mean a greater total utility. But there comes a point when the quality is so affected by the number of visitors that more

visitors mean a lower total utility⁷. At the extreme, with an infinite number of visitors, the interest of the site would be completely destroyed, and its total utility would vanish. There is therefore an optimal number of visitors that maximizes the utility of the site.

This is a classical issue in economics, which was first identified as the "tragedy of the commons". If cows can freely be added to eat the grass of a given open meadows (a commons), the number of cows will increase until there is no more grass, and all cows will starve to death. It is also utilized to analyze fisheries. Fishermen can fish for ever the natural growth of a given stock of fish. If or when they go beyond that amount, they will begin to deplete this stock. Catches will then decline and eventually disappear, when the stock has been eliminated. In other words, natural heritage sites are not "pure public goods", but what economists call "quasi public goods" subject to congestion.

Similar comments can be made for heritage sites located in cities. They are threatened by an increase in urban population, particularly if this increase consists of poor migrants. Poor migrants (most migrants are poor or very poor) are often located in city centers, close to heritage monuments. They might care for heritage as much as non-migrants, but they have very little choice in where to locate and what to do, and they cannot afford to give up housing or employment opportunities in order to protect heritage sites.

A closer look at the numbers, however, suggests that this threat should not be exaggerated. The two sources of increases in urban population are total population growth and country-city migrations. Both are no longer very important in Latin America and the Caribbean (ECLAC 2012). Total population growth rates are presently 1.0% for the region (1.1% for Latin America and 0.7% for the Caribbean), and they are declining rapidly. The growth rates of cities are higher, because of rural-urban migrations, but they cannot be much higher because so many people have already left the countryside. Rural population accounts for only 20% of total population in the region. This ratio is expected to decrease (to 16% in 2030), which means there will still be some peasants moving to cities.

⁷ This can easily be formalized. Let Q be the quality of a site, V the number of visitors, and U the social utility of the site. $U = Q \cdot V$. Q is inversely related to V : $Q = a - b \cdot V$. It follows that $U = (a - b \cdot V) \cdot V$, or $U = a \cdot V - b \cdot V^2$. This is a quadratic utility function, which is equal to zero when $V = 0$ (no visitors) and when $V = a/b$ (no more quality), and which is maximum when $V = a/2b$.

But the era of massive flows of poor peasants flocking into the cities, and of cities growing at 4-5% per year, is definitely behind us in Latin America. A simple calculation shows that migrants account for about 25% of urban population increases, and that this share will rapidly decline in the future. Another way to put it is to say that presently the population of cities in the region increases at a rate of 1.4% per year (1% because of natural growth, 0.4% because of migration). Overall, the pressure put on urban heritage sites is real, but remains modest and manageable.

These numbers are obviously averages. There are countries, such as Bolivia and Caribbean countries, where the share of rural population is still higher than average (33%, as opposed to 20%), and therefore rural to urban migrations more important. Also, in any given country, there are cities experiencing a much higher growth than other. And in many places, there is a stock of yet poorly integrated migrants of past decades that puts pressure on the conservation of historical sites.

To conclude, the impacts of heritage on *economic* poverty are complex and mixed. Heritage, and heritage promotion and conservation, can, under certain circumstances, benefit the poor. On the other hand, in certain cases, the poor can be a threat to heritage conservation. This suggests that policies have a role to play in order to maximize the benefits and minimize the dangers.

IV – Heritage and Global Poverty

The impact of heritage upon poverty is probably greater when one moves from economic poverty to what we described as global poverty. This is not very surprising. Global poverty refers to what happens in the deeper parts of people's hearts and minds. So do the impacts of heritage sites. Three specific relationships can be mentioned and briefly discussed.

Heritage and hope

It is by now well-established that "hope" is a strong determinant of effective poverty alleviation. Esther Duflo, an MIT-based economist, analyzed recently an experiment conducted in West Bengal in India. A randomly selected sample of extremely poor people, considered too poor to access even micro-credit, were given small productive assets, such as a cow, or a couple of goats, or a few chicken. Their economic conditions improved

significantly (relative to a similar group of people who did not benefit from this assistance), and above all improved much beyond the direct effects of the grant. The recipients worked 28% more hours, mostly on activities not directly related to the assets they were given. Ms Duflo concludes that the main mechanism behind the benefits of the program was the provision of hope. It was an absence of hope that was keeping these people in penury. The program injected a dose of optimism.

The existence, preservation, and promotion of a heritage site can play a similar role, and be a producer of hope. John Keats, the 19th century British poet, puts it more elegantly and convincingly than we could:

"A thing of beauty is a joy for ever:
Its loveliness increases; it will never
Pass into nothingness; [...]
[...] yes, in spite of all,
Some shape of beauty moves away the pall⁸
From our dark spirits."

Time is at the heart of the matter. A heritage site is a link between past, present, and future. It conveys the message that things of the past are still with us today, and will continue to be with us in the future. This temporal continuity is an embodiment and a condition of hope, which is nothing but faith in the future. Without hope and confidence, there cannot be investments, not even micro-investments (such as minor improvements in one's home, or education efforts), and without investments there cannot be economic development. Heritage is a "living" testimony that investments are possible, and useful, not to say necessary. Its mere presence and familiarity modifies the way everybody, including in particular the poor, sees the present-future relationship, and modifies its behavior accordingly.

Heritage and self-respect

As mentioned above, Amartya Sen puts the emphasis on self-respect, and identifies lack of self-respect as a major dimension of capability poverty. The idea people have of themselves, of their position in society, of their capabilities, of the respect they command, is an important component of their happiness (or lack of), and a key determinant of their behavior.

⁸ Pall = mantle, cloak, spread over coffin or tomb

In many societies, the poor are often regarded as backwards-looking, as non-modern, in terms of habits, dress, or even ideas. They are more or less despised and excluded, not only because they are poor, but because they embody the past and are seen as an obstacle to "progress". Social stratification is not merely a function of income, but also of culture. This applies particularly to members of the non-dominant ethnic, religious, or cultural groups. The so-called indigenism movement in Latin America has extensively described and analyzed this type of discrimination.

The worst thing is that such attitudes can be, and often are, "interiorized" by the victims. The victims tend to see themselves as they are seen by the "upper" classes, as good-to-nothing and enemies of modernity. They tend to develop a bad image of themselves, and to lose self-respect (not all of them, of course, but too many too often). This has two dramatic consequences. First, as pointed out by Sen, and by happiness economists, this impoverishes them, and makes them even less happy than what their economic poverty would lead to. Second, this affects their behavior; they tend to behave as they are said to behave, which makes it even more difficult for them to get out of their poverty trap.

This is where heritage can play a positive role. Most heritage sites, particularly monuments and buildings are old, and bear testimony of ancient cultures. Yet they are considered by the whole world as having an "outstanding universal value". People come from all countries to visit and admire them. This breaks the link falsely established between ancient and valueless. Heritage therefore is a proof that different, non-modern, cultures are worthy of interest and admiration. For the poor who often belong to, or are the descendants of, such cultures, this is a great relief. It boosts their self-respect, and opens the door of their poverty trap.

Heritage and sense of place

If heritage sites defy time, they are very constrained by space. Each site is a monument, or a set of monuments, in some cases an entire city or a natural park: in all cases, at the most a few square kilometers. People living on or near the site constitute a local community. They may be diverse in terms of income or background or culture, the heritage site creates a powerful link between themselves that transcends and abolishes these differences. They all share the same pride in the uniqueness and beauty and significance of "their" site.

Local politicians in all countries are very much aware of this unifying power of an heritage recognition, and fight hard to get it.

This is particularly important and relevant for the poor. In many cases, the poor, who are often migrants, are - and feel - badly integrated into the communities where they live. Indeed the feeling of social exclusion they experience is a major component of the "global poverty" they suffer from. It diminishes their "capabilities" (to use Sen's language), and their level of happiness. Heritage can reverse such attitudes or feelings in the poor. It creates a sense of place and as such provides a powerful inclusion mechanism.

V – Policy Implications

This analysis shows that the numerous and complex relationships between heritage and poverty are in many cases not automatic. The magnitude (and even the direction) of the impacts of heritage upon poverty is contingent upon context and policies. This suggests that policies can play a key role to magnify positive impacts and to attenuate negative impacts. More specifically, six policies can be briefly mentioned and discussed.

Include a chapter of poverty in applications to the UNESCO List

All applications to the World Heritage Committee for the listing of a site should include a chapter (or a section, or an annex) on poverty and poverty alleviation. It would contain data on the number and nature of the poor in the area, and enrich our knowledge on the subject. Above all, it would force the applying host country to consider and analyze the issue, and might modify its proposal. In the area of environmental protection, environmental impact statements have had that impact. They often (not always, for sure) induced ministries and firms to reconsider and change their investment projects. What matters in this process is not so much the weight that would be given by the World Heritage Committee to this "poverty impact statement" in its decision to list the site or not; it is that, upstream, the project is improved.

Facilitate access of the poor

A second policy is to facilitate the access of the poor to heritage sites. This is a matter of money, and of information. When access to heritage sites is free, money is not an issue. In some cases, however, and for good reasons, it is not free. In such cases, the poor should be exempted from paying entrance fees, or at the very least be granted important reductions. Otherwise, none of the potential benefits of the very existence of sites would accrue to the poor; worst, the feeling of exclusion which is a component of poverty would be exacerbated by heritage sites, instead of being reduced by it.

Facilitation, however, goes much beyond these non-negative fees policies. It requires positive information policies. The main obstacles to the poor's participation, visits, and appropriation of heritage sites are first a lack of information on the availability and interest of such sites, and second a lack of appetite for what they mean. In economic terms, their demand for heritage is often weak. This is obviously not because the poor would be, for some obscure reason, unable to appreciate man-made or natural beauty. This is because this particular demand is not always spontaneous, but is largely the outcome of an education and information process - of which the poor are often deprived. Their appetite and the demand for heritage can and should be sponsored, stimulated, strengthened. The standard channels of information (books, newspapers, table talk) often do not reach the poor who cannot afford books or newspapers. They must be taught to understand, appreciate and value their own heritage. This is easier said than done, of course. But it is necessary to lower the non-money barriers to heritage access experienced by the poor.

Control overall attendance

As discussed above, for certain heritage sites the issue is not under-attendance but over-attendance. In these cases, conservation implies restricted access. The first thing to do is to determine the optimal number of visitors. The second thing to do is to choose the most appropriate instruments to restrict access: queues, permits, quotas, physical effort, fees can be considered. In this selection of instruments, the interests of the poor must be taken into consideration.

Fees are the preferred instrument of economists. They are relatively simple to implement. And they can easily be tailored to the needs and means of the poor. Together with children, the poor can be exempted, or benefit from

substantial rebates. A difficulty is that what is given for free is not always fully appreciated. In this case, however, seeing that others do pay for access may be enough to signal the value of access.

Combine preservation and economic development

For certain sites, there can be a contradiction between heritage conservation and economic development. Denying this possibility is not very helpful, and can even be dangerous. If excessive or poorly targeted conservation prevents local economic development, the poor will be the first to suffer. This contradiction must be faced, and efforts made to find the most desirable combination of conservation and development. Two points must be made in this respect.

The first is that – in cases of contradiction – there is usually an optimal situation, which is neither zero conservation nor 100% conservation. The cultural benefits of conservation, and the economic damages of conservation, are functions of the degree of conservation. But these functions are not linear. At the beginning, conservation actions produce great cultural benefits and small economic damages: they are socially highly desirable. As the degree of conservation increases, additional benefits decrease whereas additional costs increase. There comes a point when the cultural benefits of an additional conservation action are about equal to its economic costs. This point is the optimal or desirable degree of conservation. This analysis (which is derived from a classical environmental economics analysis) is obviously highly theoretical, and not easy to apply in practice. It nevertheless provides a solid foundation to the idea that extreme policies (zero conservation and absolute conservation) are not desirable, and that compromise policies (reasonable conservation) should be preferred. As Molière puts it (in *Le Misanthrope*):

“La parfaite raison fuit toute extrémité,
Et veut que l'on soit sage avec sobriété”⁹

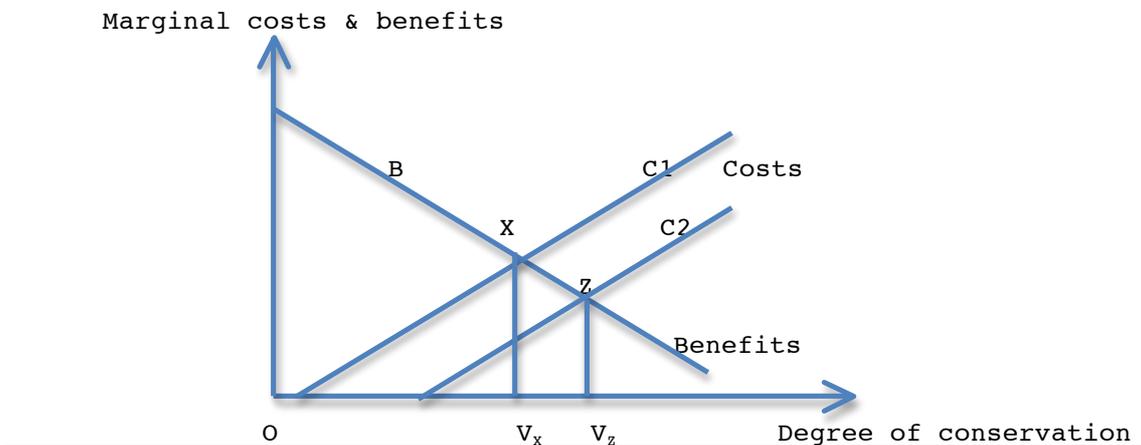
The second point is that conservation is not merely a matter of degree (as assumed in the preceding paragraph), but also a matter of content. Not all conservation actions are equally damaging for local economic development. A

⁹ An imperfect translation might be : « Perfect reason avoids all extremes, and wants you to be wise with moderation »

special effort must be made to identify the least damaging measures, and to implement them.

Figure 3 provides a graphical illustration of these two points. Let us assume that the "degree of conservation" of a given site can be measured, and is represented on the horizontal axis. One additional unit of conservation provides heritage benefits. At the beginning, such benefits are high, then they begin to decline, as shown on curve B. Simultaneously, every conservation measure has an economic and social cost, small at the beginning, but increasing afterwards, as shown on curve C1. At the beginning, for the first conservation measures, (from 0 to V_x), the benefits of each unit of conservation largely outweigh the costs attached to it. There comes a point X at which benefits equal costs. The corresponding degree of conservation V_x is the optimal one. Before V_x , there is not enough conservation; beyond, there is too much. The curve C1, however, is not god-given. Better selected conservation measures providing the same heritage benefits at lower socio-economic costs can be designed. This will result in another cost curve C2 lower than C1. This second cost curve will intersect the benefits curve in Z, yielding a new optimal degree of conservation V_z greater than the previous one.

Figure 3 – Benefits and Costs of Heritage Conservation



A real-life example can give some flesh to these rather abstract considerations. In our study of two 18th century ottoman villages in Turkey, it appeared that Safranbolu, the village on the UNESCO World Heritage list suffered economically from a strict prohibition of modern construction. In particular, hotels in Safranbolu are not allowed to offer swimming pools. Tourists, whether we like it or not, prefer hotels equipped with swimming pools.

Consequently, tourism does not develop much in the city, certainly less than in Beypazari, the comparable ottoman village not on the World Heritage List, where conservation constraints are less rigorous. This certainly harms Safranbolu's poor, who are deprived of low skilled jobs in tourism. It can be argued that more flexible conservation regulations could be designed, that would preserve Safranbolu's charm, landscape and authenticity, and at the same time make it attractive for tourists. Swimming pools could be authorized under the condition that they remain relatively small and hidden. The choice is not between many ugly and offensive swimming pools and zero swimming pools. There is room for some discrete and well-designed pools, that would remain invisible for non hotel dwellers. Such a reasonable policy is not easy to to implement. It requires educated and independent commissions granting authorizations and providing advice. But it can be achieved. In Greek islands, for instance, new construction is not entirely prohibited, but restricted, and above all contingent upon the approval of architectural committees. In most cases (not all) this has made it possible to protect the charm of these heritage islands while satisfying a strong demand for additional vacation homes.

Promote self-respect of heritage sites residents

The respect for a site can be transformed into the self-respect of its residents, particularly the poorest residents, and give them hope, thereby lifting them out of poverty. This, however, is not automatic, and will only happen as a result of specific policies. Not only must the access of the sites by residents be facilitated as much as possible, but the meaning of the sites for residents must be explained and promoted. Residents must be taught that the site is theirs, that its fame and richness is their own fame and richness, that they themselves deserve the respect paid by the entire world to the site. The poor must appropriate heritage sites. Education and participation programs can and should facilitate this process.

Adjust local institutions to heritage sites

Empowerment will only occur (or be greatly facilitated) if local institutions have a clear involvement in heritage sites designation and management. Obviously, the size and shape of heritage sites vary greatly. So do the types of local governments. The need to adjust the latter to the former cannot be met by simple,

ready-made, solutions. The issue is complicated by the fact that central governments also have an obvious responsibility in heritage sites of national and a *fortiori* international significance. *Ad hoc* solutions must therefore be negotiated. Two points, however, should be kept in mind.

Heritage sites are not a-territorialized, they are not created and managed in a local governments vacuum. They are located in cities or counties that have existed for decades or centuries, and should not be ignored in the necessarily complex institutional set-ups created for heritage sites. Local governments cannot always be trusted to manage properly such sites. They must be educated, controlled, monitored, helped, in many cases financed, by central governments that have the vision and the resources to ensure proper conservation and enhancement. But, if one wants heritage sites to be appropriated by residents in order to contribute to poverty reduction, local governments must be involved.

Local governments are not the only mechanism to consider. Voluntary associations, such as residents associations, teachers associations, professional associations, or women associations can be utilized to "represent" residents in the institutional structures created to manage heritage sites, and in turn mobilize the people, in particular the poor, to understand the value and the significance of the sites.

VI - Conclusions

In this paper, we briefly discussed the notions of poverty and heritage, and explored some of their relationships. Poverty in particular is a multi faceted concept. Over recent decades, the trend has been to put the emphasis on the non-monetary or non-economic dimensions of poverty. Poverty, or unhappiness, is more than the deprivation of income and basic public services, it is the deprivation of self-respect, of hope, of consideration, of social relationships. This is key to understanding the relationship between heritage and poverty.

These relationships are numerous and complex. Poverty, in certain cases, is a potential enemy of heritage. Conversely, in many cases and through many channels, heritage is a potential friend of poverty, or more precisely a potential friend of poverty reduction.

The existence and magnitude of these impacts are not automatic. They are a function of policies. The possible negative impacts of poverty on heritage can (and obviously should) be prevented or mitigated. The potential positive impacts of heritage on poverty can (and certainly must) be activated and increased.

The required policies go much beyond the traditional conservation approach, which is too often purely negative and physical (prevent the deterioration of monuments and landscapes). These policies must integrate economic, social, psychological, educational and informational dimensions. For heritage to benefit the poor, heritage and its meaning must first be "sold" to the poor. It must be packaged, marketed, advertised, and explained explicitly for them. Many heritage sites managers are already aware of this need and doing their best to that effect. But many others are not, because it is alien to their cultural background and training and because they do not think this is part of their job. The scope for improvements is large.

References

Banerjee, Abhijit & Esther Duflo. 2011. *Repenser la pauvreté*. Le Seuil. 423p.

Inglehart, Foa, Peterson & Wetzel. 2008. "Development, Freedom and Rising Happiness: A Global Perspective 1981-2007". *Perspectives on Psychological Science*, vol. 3, n°4

Perlman, Janice. 2010. *Favela : Four Decades of Living on the Edge in Rio de Janeiro*. Oxford University Press. 412p.

Prud'homme. 2008. *Les impacts socio-économiques de l'inscription d'un site sur la liste du patrimoine mondial: trois études*. Report prepared for UNESCO. 20p.