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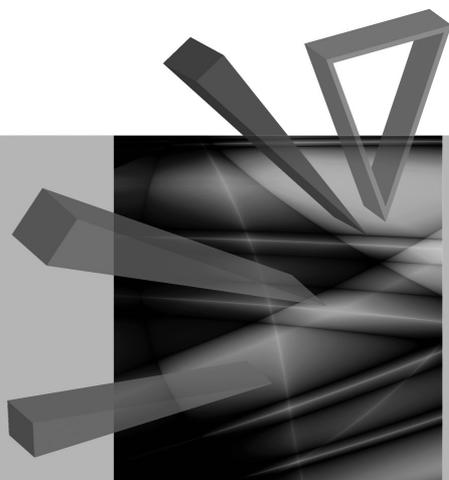
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Planning and Evaluation Aspects



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MANAGING HERITAGE SITES IN CHINA. THE CASE OF THE GUAN LIN TEMPLE

Summary: This paper is a result of a three-year field research project carried out in Luoyang (Henan Province, China) by two authors in cooperation with Chinese officials. The paper analyzes, from the managerial point of view, the case study of the Guan Lin Temple, a well-established site with historical and religious values which attracts many visitors from all over the country. The analysis, based on a previously developed framework, discusses curatorial and visitors effectiveness and resources efficiency in both human and financial resources. Despite good visitor numbers and economic performance a case of financial mismanagement emerges, with serious problems in terms of governance.

Keywords: China, heritage management, effectiveness, efficiency.

1. Introduction

Few countries can boast of a history as long and rich as China's (China is one of the best-represented countries on the UNESCO World Heritage List). In addition, China is undergoing an extraordinary process of economic growth in recent decades, with an enormous impact on its 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 the existing monuments [Chan, Ma, 2004; du Cros et al. 2005]. In parallel, there is a quite deliberate use of heritage for political purposes, both internally and internationally, as a way of fostering national identity, and as a tool of cultural diplomacy [Sofield, Li 1998; Mitter 2000; Vickers 2007].

The changes currently affecting professional communities are also huge [du Cross, Lee 2007]: an increasing process of 'contamination', if not integration with the international community of scholars can be seen (see for instance the establishment of principles for conservation: [Agnew, Demas (eds.) 2002; Agnew et al. 2005]), to some extent questioning a more politically-driven agenda as compared to the past for museologists [e.g. Denton 2005] and archaeologists [Von Falkenhausen 1993; Bagley 1999; Loewe, Shaughnessy 1999; Shi 2001; Lee 2002; Li, 2002; Li et al. 2004; Li, Xu 2007; Lu 2002; Wang 1985].

In such a context, serious organizational changes are involved calling for better understanding. New managerial problems accompany the modernization of activities in archaeological discovery, research, conservation and presentation. Identifying “best practices” (or, indeed, understanding practices as such) and common problems will make the diffusion of knowledge and technical and administrative innovations easier.

This paper is drawn from a three-year field research carried out in the Luoyang area (Henan Province) by the authors, in cooperation with Chinese officials. As the capital of thirteen dynasties, Luoyang is one of the richest archaeological areas of China, from the origin of civilization onward. Not surprisingly, the administrative system for heritage management is quite complex, and cultural heritage is relatively well-supported within the agenda of the local government compared to the rest of the country (for a deeper understanding of the local administration for cultural heritage in Luoyang see [Zan, Bonini Baraldi 2012]). Within this area we carried out nine in depth case histories, involving entities at various stages of the heritage chain.

Among the nine-case history, we selected Guan Lin as the core for this paper. Guan Lin is traditionally a well-established site, with several positive elements of interest. First of all its historical and religious value has attracted visitors from inside and outside Luoyang for many years, constantly ensuring good performances in terms of numbers. Consequently, the site presents a positive financial performance and has been able to achieve self-sufficiency (since 2001, the site does not receive governmental support for ordinary activities). However, some recent decisions have made things more complicated than before. Despite its good economic performance, the institution is today operating at a loss due to a loan contracted in 2002 for the enlargement of the square in front of the entrance of the site: a case of financial mismanagement, which creates problems of sustainability in the long term. Economic self-sufficiency is not coupled with autonomy in terms of decisions, especially regarding financial issues (the debt) and human resource management. An issue of governance is therefore emerging, with the need to better understand the distribution of responsibility, rights and duties of the entities.

Drawing on the underlying framework [Zan 2006], the case history is organized according to a standard format. A short characterization of the museum/site/project is provided, in order to understand the relationship with specific curatorial aspects and issues of organizing and resources management. An assessment of effectiveness is then carried out, drawing on curatorial aspects and access data (section 2). The question of efficiency is investigated in terms of human and financial resources, linking them to the previous elements of analysis (section 3). Finally, a very short and yet important section on recommendations emerging from the analysis is tentatively provided (section 4).

2. The museum and its effectiveness

2.1. Curatorial back office

Guan Lin is a unique site with two souls: a temple (with a tomb) and an adjacent museum (see Exhibit 1). “Located in the southern outskirts of the city of Luoyang, Guan Lin is the place where the head of Guan Yu, a famous warrior in the period of Three Kingdoms, was buried. The people, especially those after the Song dynasty, worshiped Guan Yu and called him Wu Sheng (Military Saint). Because the tombs of the saints used to be called *Lin* (forest), the tomb of Guan was thus called Guan Lin. Guan Lin has a history going back 1780 years, thus many important relics are situated in the temple. [...] The Ancient Art Museum of Luoyang collects and exhibits carved stones and stone tablets of ancient eras. More than 1000 carved stones and stone tablets spanning different eras from the Eastern Han to the Republic of China are preserved in the museum. Two permanent exhibitions including *The Exhibition of Stone Tablets* and *The Exhibition of Carved Stones* are being displayed now. Visitors can appreciate more than 500 ancient relics” (internal document).

Built mainly during the Ming Dynasty, the site covers an area of about 130,000 square meters and includes about 180 buildings. The temple was opened to the public in 1958, being the first site accessible to visitors in the Luoyang area.

Beside its intangible significance, both the temple and the museum reflect a high historical and cultural value. The temple itself is of particular interest, deserving the highest position in the Chinese grading system for attractive historical places (AAAA scenic spot): “The building group of Guan Lin is made up of the theatre building, the main gate, the Worship palace, the big palace, the second palace, the third palace, the stone tablet pavilion, the tomb of Guan Yu’s head, etc. Stone or iron lions are standing on both sides of the gates and look rather terrible. The corridor, with 104 little stone lions decorated on the top of the balusters, was constructed during the reign of Qianlong of the Qing dynasty and is a rare treasure of stone art. Many decorated dragons on the roofs of palaces confirm that the buildings were constructed according to the standards of the royal family. The main doors, iron lions, stone lions, inscribed board, etc., in the buildings are decorated elaborately and represent the high level of construction in the Ming and Qing dynasties. The cypress forest in Guan Lin is one of the most beautiful scenic panoramas in Luoyang” (internal document).

Due to its cultural value, the site is of the “national level”, which means that the responsibility for the site preservation and restoration is not on the part of the Guan Lin institution itself, but lies at the national level (SACH – State Administration for Cultural Heritage, the Chinese Ministry for cultural heritage). At present, the preservation conditions of the temple are good, even if a foreign observer could somehow be surprised by the brightness of the red paint and the reconstruction practices, which however are common in Chinese restoration tradition.



Figure 1. Two images of the Guan Lin Temple in Luoyang

Source: pictures taken by the authors.

The collection of the museum is also of high value, and is composed mainly of stone carvings, stone tablets, pottery wares, and iron wares (see Table 1). Unfortunately, the architectural characteristics of the ancient temple in which the museum is embedded make it difficult to adequately exhibit and preserve it. Deposits and preservation equipment are scarce and inadequate and the collection is not at present in good condition.

Table 1. Collection of Ancient Art museum of Luoyang in Guan Lin

	Number	Stone carving	Tomb inscriptions	Pottery	Iron
1st class	25	13	12		
2nd class	303	34	267	2	
3rd class	280	74	205		1
TOT	608	121	484	2	1
Others	813				
TOT	1,421				

Source: internal document.

2.2. Visitors

Guan Lin is a very attractive site in the Luoyang area, especially thanks to its intangible value: “The people worshiped Guan Yu and called him a saint. Because of the bravery, loyalty, benignity, and justice of Guan Yu, ancient people of different classes worshiped him. Ancient rulers built so many great palaces on the site where the tomb was located so that many people, including overseas Chinese citizens, are attracted to visit Guan Lin every year. There is a big international worship festival in Guan Lin every year and Chinese citizens, both domestic and overseas, worship Guan Yu like a true God” (internal document).

Table 2. Guan Lin visitors

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Ticket price Y	15	15	15	15	20	25	25	25	25	30	
Income from ticket(000 Y)	1,01	1,040	1,220	1,970	1,98	1,60	2,60	2,90	2,200	2,99	
Total visitors	73,19	76,92	89,54	108,40	109,89	87,90	158,00	174,50	134,832	156,40	452,932
Free access (people)	5,89	7,62	8,24	9,90	10,89	7,90	28,00	29,50	24,313	32,40	
Paying visitors	67,30	69,30	81,30	98,50	99,00	80,00	130,00	154,00	110,519	124,00	
Foreign visitors											1,319
Domestic visitors											

Source: own elaboration based on internal documents.

Guan Lin holds, therefore, a special position in Luoyang cultural heritage, with numerous faithful visitors coming to visit the temple from all over the country. Performances in terms of visitors are consequently high, constantly growing over previous years (except for 2000), and stable at about 160,000 (2).

The growth can be partially explained by the renewal of the museum visitor interface through the new street and square, which occurred between 2000 and 2001 (see Table 2).

Unfortunately, data on foreign visitors has been provided only for 2005, from which emerges the domestic value of the site (99.7%). Data for 2005 is always difficult to comment on, since it is strongly influenced by the Chinese and Henan province “heritage days”, events strongly supported by a political campaign. During these days, visitor performance was absolutely abnormal, with about 340,000 people visiting Guan Lin in only 2 days (with a price of 5 Yuan). This is an astonishing number, quite unbelievable for a Western observer, but perhaps not so incredible in China (we were told that the event was absolutely exceptional, with people spending the night outside the heritage sites playing card games to keep themselves awake until the site’s opening in the morning). In any case, the phenomenon became unmanageable, with serious risks for the people, the site and the collection. In 2006, a different promotional day was established (the “World Heritage Day”, with less national propaganda and communication) and the performance in terms of visitors was much less astonishing (1,000 visitors with free tickets).

The ticket price has been rising constantly the over years, and today the price is the highest in the area (30 RMB) after the Longmen Grottoes (80 RMB), one of the three most important grottoes in China and a UNESCO World Heritage Site. The free access policy seems to be unimportant as opposed to the other sites in the area, with about 21% of free visitors in total (against an average of 61% in all the nine case studies). Income from tickets, the result of visitor numbers, the free access policy, and the ticket price are all consequently very good (2,990,000 RMB in 2004), making it possible for the site to become economically self-sufficient. A point in favour of Guan Lin is also the monitoring practice. Even if the method is a bit archaic (there is a person at the entrance of the site who counts the visitors and classifies them as free/paying, domestic/foreigners), the data can still be considered reliable, a not so common feature in China. As previously mentioned, the main reason for Guan Lin’s success in terms of visitors seems to lie more in its intangible religious value than in the cultural importance of the building and its collection (which is also high, but not necessarily the reason why people visit it). This assessment is somehow confirmed by the fact that Guan Lin attracts many more visitors than the other sites in the Luoyang area, even if it does not particularly promote itself. To better understand the phenomenon, it would be interesting to count people who, besides visiting the temple, also visit the museum.

3. Resources and efficiency of the museum

3.1. Human resources

More than 90 people work in Guan Lin, of which 32–34 are permanent, 12 are “on contract”, 38 are seasonal and about 13 are retired. Employees are organized within five departments: research, office, logistics, safeguards and interpreters (see Figure 2).

- Five permanent employees work in the research department. As usual in Chinese cultural heritage institutions, “research” assumes a wider meaning than in Western countries and includes desk and field research as well as the daily maintenance and restoration of the temple, the tomb and the relics.
- Another Chinese peculiarity is the presence of professional positions in office departments (all eight people working in the office are professionals and there is no administrative staff). This is a phenomenon which is not so clear, but in our understanding seems to be related in part to the “office” concept – which is not merely an administrative department as could be assumed, since it is also in charge of preparing professional reports to higher institutions – and in part to the peculiar professionals and administrative positions and careers in China that do not totally coincide with Western ones. In Guan Lin, in fact, out of 32 permanent positions, only 3 are classified as administrative and cover the highest positions in the hierarchy: the director, the secretary and the vice director.
- The other 3 departments employ 3 (logistic department), 11 (safeguard department) and 2 (interpreters) permanent staff members. Due to their less specialized duties, these departments (especially the interpreter department) are probably those in which contract and seasonal employees mainly work.

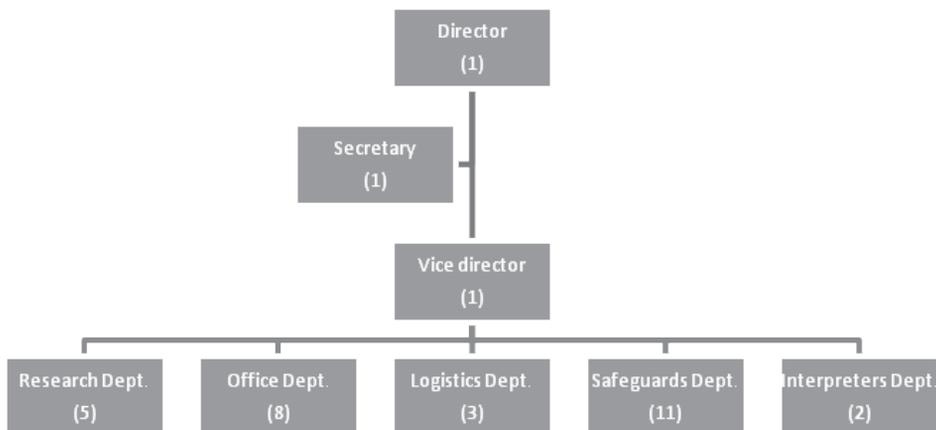


Figure 2. Guan Lin organizational chart

Source: own elaboration.

The number of permanent employees rose from 25 to 34 after 2001. As usual, the number was decided by the local government on a rather unclear basis (working needs or political policies?). In this case, however, the fact is even more significant because the economic impact of the decision falls under the responsibility of the institution itself and not under the government (since 2001, Guan Lin has been considered self-sufficient and the salaries of permanent employees are paid by the institution). Despite the economic responsibility, the institution does not have the possibility of human resource management: deciding when to hire, who to hire, which educational and professional background, under which contract conditions (permanent/contract/seasonal), etc. Thus, the institution is paying, although not selecting, its permanent employees. This is a governance issue that needs soon to be solved (at higher levels), in order to regain coherence between economic responsibility and decision-making authority.

The percentage of contract and seasonal employees seems to be higher than the average in other institutions in the area. Unfortunately, we do not have information on the distribution of contract and seasonal workers within the five departments, but from what we have been told, the majority of them work in less specialized positions compared to permanent ones, particularly in the cleaning, gardening, and cooking services for the employees of the site. In this institution there is a mix of the old and new system, with some positions deriving from welfare state policies and others from real working needs and the need for flexibility.

The institution seems quite efficient in terms of human resources compared to others, with the best visitor/permanent employee ratio among the nine case histories ($156,000/32 = 4,800$) [Zan, Bonini Baraldi 2012]. A fact which can be explained by the good visitor performance of Guan Lin, which is linked to the prominent intangible and religious value of the site, but also by the notable presence of seasonal/contract employees that are not included in the indicator.

The educational background is quite prominent: 19 permanent employees have a bachelor degree or a junior college degree, two have a polytechnic diploma, seven a high school diploma, and one a junior high school diploma.

In any case, even if efficiency and education are high, some skills seem to be missing, such as those related to communication, marketing and accounting (as in almost all the other case studies). The director, who has been working in Guan Lin since 2002, graduated in Chinese studies and has had previous experience in the other three cultural institutions of the area (the Longmen Grottoes, the Luoyang Museum, and the Ancient Tomb Museum). Also the accountant has worked in Guan Lin only since 2002, which is a reason behind the lack of information regarding the previous years and particularly the details about the 2002 loan.

3.2. Financial resources

There are two specific points from a procedural point of view that need to be stressed: on the one hand, similarly to the Longmen Grottoes [Zan, Bonini Baraldi 2012], the

presence of a loan and associated expenditure for the servicing credit creates a lack of transparency in the financial statement and particularly in the list of expenditure. Given the lack of any item such as “interest”, the general item “other daily operation expenditure” has to be used, which loses any meaning according to accounting standards also from a procedural point of view, accounting for almost half of the whole operating expenditure (1.9 million yuan as interest, out of 3.8 million of expenditure = 50.6%).

At least for 2005, the result was a loss, while – if we understand it correctly – *danwei* institutions (operative institution below the local government) are not allowed to present negative results.

The main financial problems of the institution are, however, quite substantial. As already stated, until 2000–2001 the museum was in a good condition, but recent events have complicated things (see Table 3 and 4).

The first phenomenon regards the new economic status. Following a 1998 governmental decision which establishes that museums and sites with current revenue greater than current expenditure would not receive any more the support from the local administration, except for special projects – Guan Lin assumed the status of a financially self-sufficient institution in 2001. This means that all current expenditure, such as salaries of permanent employees, are completely charged to the museum itself.

The second phenomenon regards the loan which today burdens the Guan Lin administration. In 2002 the city government decided that the square in front of the entrance of the site should be enlarged, and in 2002 the museum was pressed to contract a debt with a bank of 13,000,000 RMB to pay for the cost of the restoration of the square. Here again, there are two main problems, seen from the general debate on museum management:

- On the one hand, there is the gap between formal economic responsibility and autonomy of the museum and decision-making power (essentially at the local government level).
- Moreover, there is a question of the amounts and of the attitude to sustain the servicing of credit and to pay it back. Prior to this decision, the museum showed a positive financial situation. In 2006, there was still a good attitude to produce a gross margin, with very low personnel costs (including welfare expenses: $1,320/3,825 =$ about 34% of expenditure), so that the expenditure and revenue statement could be billed extensively at 1.9 million yuan (50.6% of expenditure, as seen above, under the item “other operating expenditure”).

Table 3. Guan Lin Financial statement

Assets	2005	2004	2003
1	2	3	4
One: Assets	16,118,410,	16,301,359	15,999,558
	13,636,041	13,867,985	13,614,099
Cash	3,450	1,639	10,720
Cash in bank	545,950	726,605	424,539
Notes receivable			
Accounts receivable II (debt owed by other organizations)			
Advance to suppliers			
Other accounts receivable	13,,086,641	13,139,741	13,178,841
Inventory			
Finished goods			
Investment	700	700	700
Properties	2,481,669	2,432,674	2,384,759
Intangible assets			
Liabilities			
Two: Liabilities	13,313,049	13,224,974	13,080,968
Loans	12,980,000	13,000,000	13,000,000
Notes payable			
Accounts payable II (Debt owed to other organizations)			
Accounts advanced from customers			
Other payables	333,049	192,674	80,968
Budgeted accounts payable			
Public accounts payable		32,300	
Tax payable			
Net Assets			
Three: Net Assets	2,805,361	3,076,384	2,918,589
Operations fund	149,163	418,941	300,285
Common fund	148,463	418,941	299,585
Investment fund	700	700	700
Fixed funds	2,481,669	2,432,674	2,384,759
Special purpose fund	89,529	139,770	83,546
Operational balance	85,000	85,000	150,000
Other operation balance			
assets-liabilities-net assets = 0	0	0	0
	2,005	2,004	2,003
Four: Income	3,611,605	3,600,776	3,317,567
Grant from the state	100,000	700,000	
Grant from the higher authority			
Restricted appropriation			230,000
Operation income	3,500,000	2,454,000	2,525,000
Including: Non-budgeted income			
Other operation income			
Payment from the auxiliary organizations			
Miscellaneous gains	11,605	446,776	562,567
Five: Expenditure	3,931,623	3,540,568	3,040,738
Fund distributed			

Table 3. (cont.)

1	2	3	4
Special purpose funds distributed			
Restricted fund expenditure		5,000	80,000
Operation expenditure	3,881,382	3,420,237	2,960,738
	50,241	15,331	
Other operation expenditure			
Operation cost			
Sales tax			
Payment to the higher authority		100,000	
Grant to the auxiliary organizations			
Property constructed expenses			
Differences (profit)	-320,019	60,208	276,830

Source: internal document.

However, a 13 million loan would be impossible to be reimbursed by any cultural institution, with Guan Lin's numbers in such a context, within 3 years (the time frame of the loan), by requiring more than the yearly budget just for the capital reimbursement every year.

Table 4. Detail of expenditure

Item name	2005	2004	2003
1	2	3	4
Expenditure sub-total	3,825,695	3,863,357	2,846,647
Personel expenditure	1,034,925	940,660	909,368
Base salary	378,436	330,714	293,917
Allowance expenditure	196,815	141,376	124,351
Bonus		26,046	22,701
Social insurance fee	130,629	162,025	275,351
Other personel expenditure	329,045	280,499	193,049
Operation expenditure	2,505,980	2,646,329	1,747,374
Administration fee	53,136	51,196	23,114
Printing and publishing	38,260	49,150	
Utilities	31,096	59,046	64,721
Correspondence	4,765	22,794	26,502
Heating	122,948	3,810	2,958
Transportation	59,124	122,948	63,569
Travelling expenses		93,071	13,654
Conference		310	450
Training	790	1,968	1,870
Business hosting	102,998	71,304	40,378
Employee benefits			
Service fee	30,522	176,136	213,552

1	2	3	4
Employment compensation			
Facility rent			
Property management fee			
Facility maintainace	77,889	25,752	
Materials for specific use	8,929	53,389	31,309
Office supplies		47,450	
Equipment for specific use	48,995	113,630	154,989
Organization-owned vehicles			
Books		865	
Other daily operation expenditure	1,926,530	1,753,509	1,110,309
Support for individuals and families	284,790	276,369	189,905
Pension I	73,070	73,567	67,993,08
Pension II	154,080	152,795	143,739
Veteran allowance			
Support of injured employees	1,120	1,320	1,210
Medical		1,395	1,885
Housing support	50,205	44,321	40,100
Scholarship			
Other expenditure for individuals and families	6,315	2,971	2,971

Source: internal document.

We have been told that this fact is not so unusual in China (many short-term debts are not respected and re-contracted year by year) and that the government was somehow guaranteeing the debt. Whatever the situation is for Guan Lin today, however, this is a good example of a wide-spread (and very well known) problem in China of how bad debts arise in the Chinese banking system: a general problem of sustainability of the system which must be prevented in order to support the internationalization process of the country and avoid the collapse of the system.

4. Conclusions and implications

As usual, positive and negative aspects in the management of various cultural institutions can be addressed. Guan Lin is performing particularly well in terms of effectiveness. However, good performance is more related to visitors than to the back office, since the preservation state of the relics is not so good and desk research (writing reports and scientific papers) seems to be a secondary activity. Monitoring procedures are also good, even if they could be improved, for example communication. From the effectiveness point of view, the site has historically been a “wealthy” institution, but the “loan effect” of recent years has created serious problematic impact on the financial sustainability. Even if the problem is played down at high levels, the CEO was quite worried about it during the time of our research (2006). Moreover,

the problem is also related to a governance issue, with a serious gap between decisions and responsibility (on the financial aspects, i.e. the loan, and on human resource management and permanent staff).

In consequence to the above comments, some final recommendations can be elaborated. Back office activity is rather poor regarding the preservation of relics, deposit conditions and research activity. Providing structured and systematic reports on relic preservation could probably prevent relics from being neglected and become a good basis for more in-depth research efforts.

To improve the site performance, it is important to expand the knowledge about the site visitors through questionnaires or focus interviews (collecting information on the main reasons for the visit, the knowledge of visitors on the site history, etc.). At the same time, a better method to count visitors to the museum and the temple should be found. Special efforts could also be made to attract more foreign visitors, perhaps designing special tours and promotional activities, such as initiatives at special prices, or inviting tourists visiting the Longmen Grottoes to join other interesting sites of the city, such as Guan Lin. As always, human resources should be improved to acquire more marketing and promotion, financial and accountability skills.

On the financial side, a better control on financial management should be made not only by the institution itself, but also from higher institutions (government and the CRB), to avoid similar situations in the future. A solution in this sense could be redesigning the governance relationships between self-sufficient institutions and governmental administrations, filling the gap between decision and responsibility, both in financial and human resource aspects.

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ZARZĄDZANIE MIEJSCAMI DZIEDZICTWA KULTUROWEGO W CHINACH. STUDIUM PRZYPADKU ŚWIĄTYNI GUAN LIN

Streszczenie: Artykuł jest wynikiem trzyletniego projektu badawczego przeprowadzonego przez autorów w miejscowości Luoyang (prowincja Henan, Chiny) we współpracy z władzami chińskimi. Przedstawia on studium przypadku zarządzania świątynią Guan Lin, stanowiącą znane miejsce o bogatych wartościach historycznych i religijnych, które przyciąga wielu turystów z całego kraju. W oparciu o ramy badawcze omawia muzealną i turystyczną skuteczność zarządzania tą świątynią, a także efektywność wykorzystania w tym procesie zasobów ludzkich i finansowych. Artykuł ujawnia poważne problemy w zakresie zarządzania, które są wynikiem błędów o charakterze finansowym, a które występują niezależnie od dobrej skuteczności w obszarach liczebności turystów i sprawności gospodarczej.

Słowa kluczowe: Chiny, zarządzanie dziedzictwem kulturowym, skuteczność, efektywność.