

Heritage Investment: The Forgotten Economic Assets in Thailand

By Phacharaphorn Phanomvan and Fuadi Pitsuwan

In Thailand, most children have been socialized at a young age into thinking that certain subjects of studies in college and certain eventual post graduate professions are more worthy than others. Thai parents often prefer their children to pursue medicine, finance, law, engineering or any other subjects that have a direct link to higher salary. Students interested in humanities or social science subjects tend to get discouraged. Among these unpopular subjects, 'history and archaeology' rank at the bottom of the list. Such prejudice, prevalent in the Thai society, has led to a multitude of missed opportunities where history and archaeology can contribute to tangible financial gains and economic development of the country.



Figure 1 Dvaravati Gold Necklace from the 5th century CE

The two authors of this article are doctorate students at the University of Oxford who are involved in an archaeological research project with some of the world's leading scholars to study ancient sites near the Bang Pakong River Delta. The sites are believed to have been part of the famous Maritime Silk Road, as well as a junction between several Southeast Asian cultures. Similar to the sites that the authors are researching, there are many other partially excavated locations across Thailand, where there are rich material cultures that were contemporary to ancient Persia, Rome, Hellenic, and China, some even goes back to the pre-historic era. Equivalently, there are many different cultures and materials in the region. The sheer level of disregard for history, can be reflected in the fact that seven to nine million tourists flock to Pattaya and Chonburi annually, completely unaware of the fact that the province houses three ancient cities that dates back to at least the 5th century CE and probably one of the most fascinating Holocene period settlement in Southeast Asia (Figure 1). While tourists travel to destinations such as Turkey, Italy, and Greece, enjoy a mixture of history and sea, Thailand's past seems to have been disconnected from its pristine beaches. The authors want to raise awareness on the potential that better excavation programs and management could unlock tremendous value, both in social and economic terms, if the government and its relevant agencies put in place the right management structure and incentives to get the private sector and the community involved.

Other than the fact that virtually all Thai children are socialized to devalue history and archaeology, the problem which persists in all developing countries stems from the mentality of at large that heritage investment is a sunk cost. Private sectors only see heritage and cultural initiatives as part of their CSR-cum-marketing campaigns. The government puts the responsibility of the sector to the Fine Arts Department under the Ministry of Culture whose budget is among the last priority during the often-televised national assembly's deliberation. The locals, on the other hand, benefit more from digging up artefacts and selling the finds into the black market, than helping preserve these national assets which could potentially lift them out of poverty cycles.

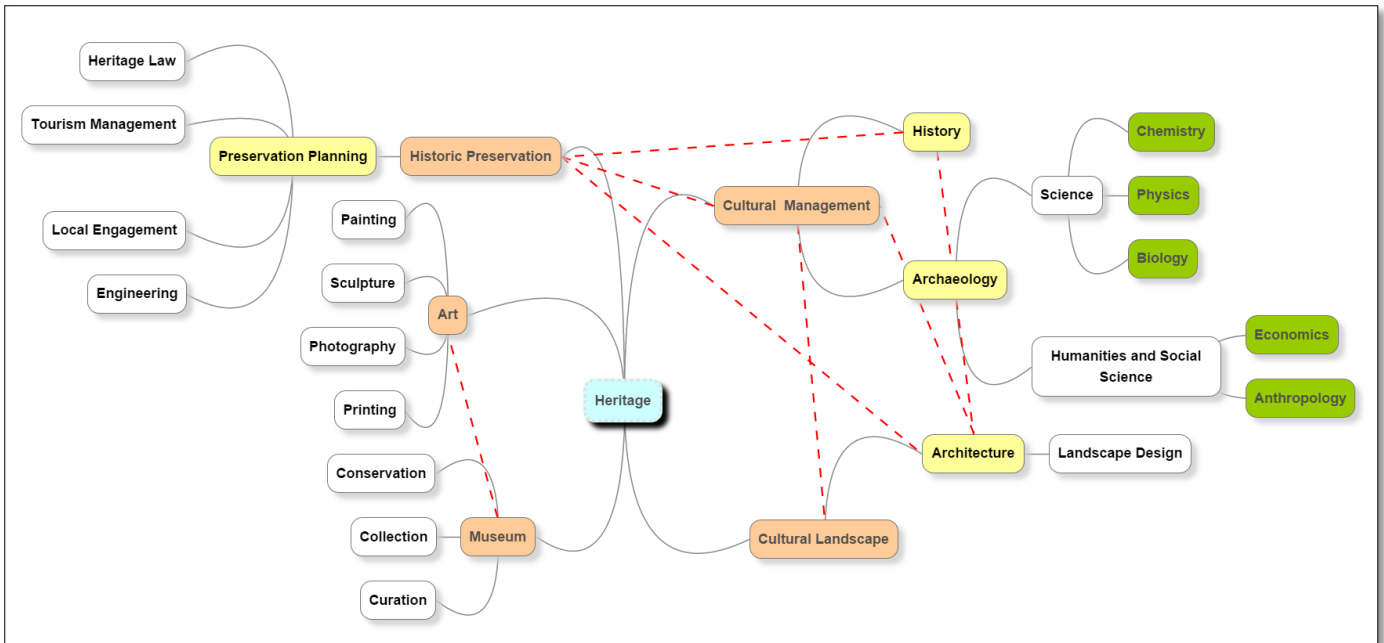


Figure 2 Cultural Heritage Development

In comparison, the authors' experience with world's leading research institutions on this subject is almost the opposite from the Thai case. Relevant parties treat heritage investment as a real driver of social change, economic development and financial gains (see Figure 2 for development associated to cultural heritage). While the government plays an enabling role from both legal and financial perspectives, the private sector also sees tangible financial benefits from heritage investment. The local community too stands to benefit from job creation as a result of archaeological fieldworks that require manpower, and to gain extra income from tourism. In return, historical heritage industries develops on par with other industries, while giving communities the extra sense of identity and unity which feeds back to the knowledge economy. The relationship between heritage and the economy is a reciprocal one, especially for countries that have become key tourists' destinations like Thailand. An example can be drawn from the experience of Ban Chiang Archaeological site that have led to expansion on surrounding heritage industries such as souvenir pottery production and craft industries as well as increased tourist service providers. More examples can be drawn from abroad in cities such as Bodrum, Turkey, that has developed from a simple sponge harvesting and fishery economy into a hub for more valuable creative industries.

Statistically speaking, heritage creates more than just tourism. It's about generating the course of economic development that creates sustainable jobs and income. The Washington state in the US poured \$83.5 million a year on average from 2000-2004 into a heritage conservation project, which in turn generated economic benefits equivalent to \$221 million and created 2,320 jobs. The financial profit from the investment for the state stood at \$8.9 million a year. In total, the state achieved an ROI of 153%. As for private investors, the US government offers federal rehabilitation tax credits to individuals engaged in historical building and monument conservations. That policy has helped drive private investment into historical preservation projects and is often cited as one of the most effective federal programs to promote urban and rural revitalization. According to a report by the US National Park Service, the federal rehabilitation tax credits policy, started in 1976, has led to private investment of over \$55 billion, which is a 5-to-1 private to public investment ratio. In 2010 alone, private investors spent \$3.4 billion and created 41,641 jobs as a result of such incentive.

In many developed countries, entrepreneurial investors have also been creative with their spending on heritage conservation. There are many examples of wealthy individuals acting as patrons for archaeological research project. These private investors take risk to finance excavations, scientific studies and historical research of ancient artefacts. In exchange, they earn the rights to get a return on their investment from traveling exhibition fees at museums all over the world, for a period of time. Successful cases of heritage investment like these are commonplace in the US, Europe, Japan and South Korea. While some may argue that developed nations have more

money than developing nations for such investments programs, but this is more a matter of where private donors gear their resources for donations and development. Temples are rallying millions to finance the construction of new religious and cultural iconographic sites, while old heritage buildings situated within or around monasteries are being disregarded –some are even destroyed to make room for glittering new landscape features. These are testaments to the lack of connectivity between identity, history, and economic development.

In the developing world, despite the lack of numerical data some notable results can still be observed in many instances. For example, commenced in 2003, the Pachacamac Archaeological Project in Peru, described as a "long-term, international and interdisciplinary investigation," has spawned into one of the most important monuments in Peru and one of the largest archaeological research sites in the world. As a religious centre of the pre-Hispanic Andean world, Pachacamac's excavation is an impressive project that brings together specialists from different professions such as chemists, biologists engineers, artists, anthropologists, zoologists and, of course, archaeologists and historians who collaborate with government officials, private sector, and international funding agencies. The local community benefits from getting hired to assist with the excavation. Locals also operate restaurants, accommodations, and shops that cater to the visiting archaeological researchers. Overtime, tourists, who have already begun to visit the site, would replace these researchers. The burgeoning local economy in turn generates tax revenues for the government.

Such an ecosystem described above exists to a certain extent in Thailand, but our heritage sector could be much more vibrant with better management and planning from the government and participation from the private sector. Our famous heritage sites on the UNESCO's World Heritage List at Ban Chiang, Ayutthaya, and Sukhothai were enlisted in the late 1990s. While several more projects are on the Tentative List, Thailand is home to more than one thousand archaeological sites over half that could potentially qualify as large scale development projects. A prime example is the project in the Bang Pakong Delta that the two authors of this article are currently engaging in, where there are several large ancient city and settlement complexes left to decay over time.

There are two main threats to heritage research that are common in any developing country. The first is the threat from organized crime syndicates who take orders for arts and antiquities from abroad. According to the Antiquities Coalition, in China over 400,000 ancient graves were robbed in the past 20 years. In Guatemala, 85% of 5,000 known archaeological sites have been damaged by looters. Cambodia has over 4000 heritage sites, but nearly all have been looted. Cambodian and Thai authorities have confiscated more than 2,000 stolen 1000-year-old Khmer artefacts in route to Bangkok where researchers said dealers, providing the laundering connection among criminals, collectors and museums, are located. As recently as 2014, the Bowers Museum in Santa Ana city of California sent 557 artefacts, believed to have been smuggled to the US from the Ban Chiang archaeological site, back to Thailand. That shipment of the artefacts was so that the Thai authorities can determine the authenticity of the objects. In the words of the Fine Art Department, "the US had asked the department to send staff to examine the artefacts, but the department had turned down the request because the trip to the US would have been too costly. The US then shipped objects to Thailand instead. [...] experts would examine the artefacts. If they were from Ban Chiang, the department would keep, document and later exhibit them. If they did not come from Thailand, they would be returned." This statement signals the dire state of archaeological research in Thailand and many developing countries.

The second threat to archaeological research in developing countries is arguably more prevalence. Locals see subsistence digging as a source of income. Illegal excavations of archaeological sites by the villagers allow them to supplement their income from agriculture. In the Bang Pakong Delta, for example, the locals have founded beads, pots, and statues in their own farmlands and in the river. In public areas, illegal diggings usually take place at night to avoid being caught by the local police. The artefacts found are sold on the black market for whatever prices offered. The prevalence of such activities has created an opportunity for the organized crime syndicates to capitalize upon, albeit the fact that the criminals are more interested in larger artefacts. It is pitiful that, with better management, planning and investment, the government could yield more financial gains for the locals through job creation and auxiliary industries. Similar problems are happening at many archaeological sites throughout Thailand at the moment, for example in Klongthom District in Krabi and Baan Phu Khao Thong in Ranong. As for the long-term loss, researchers estimate that for every hole dug and artefact found, 90-percent of the potential knowledge would be wiped out due to the loss, damage and improperly mishandling of artefacts.

Fixing the broken system is not easy and requires a major overhaul of Thailand's approach to archaeological preservation. A few changes could go a long way, however.

Firstly, the well-being of the community in any potential archaeological area should take priority. If the locals see the benefits that they could gain from participating in an excavation project, they will cooperate and help

protect their own community's assets. This will require holding early workshops at new archaeological areas, not only at sites that have already been designated as part of the national heritage. In other words, Thai archaeology needs to develop an inclusive model where not only archaeological students are permitted to engage with field work and conservation activities. In places such as the British Museum and the Ashmolean, it is not rare to find volunteers from every age groups working with experts on artefacts and conservation. This in turn, raises awareness and knowledge in the public and at the same time makes the discipline less exclusive. A step by step walk through about what to expect—e.g. the number of jobs to be created by a new research project, the potential industries that the locals can be a part of, and the preliminary explanation of the national importance of that particular site in their community—is required very early on, before a formal commencement of any archaeological studies.

Secondly, the legal instruments governing cultural and heritage protection needs to be strengthened. The global art market has been experiencing approximately 8% growth annually, a major part of this comes from growing demands from emerging economies and the new trend for investment into art. In the past, matters of provenience are more important to collectors, but for the increasingly lucrative and dynamic market details becomes less relevant. This puts a lot of Asian antiquities under risk providing its classification ambiguities. Even though Thailand has strong laws against looting and trading artefacts, it is not well enforced and database on lost art is not easily accessible. When knowledge on authenticity and provenance becomes exclusive, there are large rooms for the black market to exploit. Moreover, the legal mechanism concerning heritage has been generating a backlash to preservation. Archaeological sites are often found through agricultural activities, land owners and villagers are often reluctant to report findings to officials due to fear of expropriation from the government. As a result, it is not uncommon to find collective efforts to conceal, loot, and destroy sites as quickly as possible. To stop current destructions towards heritage, the government must work with locals on legal awareness, and most importantly equip each localities with capacities to positively develop their heritage rather than leaving them dormant.



Figure 3 Heritage Preservation on Oxford Street, London

Preservation of infrastructure is another important aspect of cultural economy. In the United Kingdom, legal mechanism prevents the destruction of heritage sites and buildings, while the establishment of a national trust allows real estate companies to preserve many aspects of historical buildings. (Figure 3)

Thirdly, a key game changer would be to attract the private sector's involvement. A collaboration between the Ministry of Culture's Fine Arts Department and a financial institution or the Bank of Thailand to educate private investors about the potential financial gains (through traveling exhibition fees, for example) of heritage investment would be a welcome step among researchers. This must be done together with the modernizing of the laws that would spur heritage investment. The Ministry of Finance should consider tax credits and other economic incentives, specific to heritage investment. This would help jump start heritage as a novel investment instrument.

Fourthly, the government and elite local universities must recognize that heritage research requires more than the work of the Ministry of Culture's Fine Arts Department and the Archaeology Department at a university. Technical expertise and funding from the Ministry of Science and Technology would help revitalize the archaeological research industry in Thailand. Science departments such as chemistry, engineering, physics, and

biology should see themselves as relevant to the study of national heritage and the Archeology Department should welcome their participation.

The archaeological site at the Bang Pakong Delta and other sites all over Thailand are national assets that could drive social change and economic growth if the government capitalizes on this opportunity. The Thai ethos that archaeological research is a sunk cost has to give way to a more progressive definition that demonstrates real social and economic gains of heritage investment. The government can push this forward, starting with showing the local community that the national assets in their immediate farmland have directly link to their improved livelihood.

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