

Maximising the Local Economic Impact of Heritage Conservation for Cultural Tourism

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Abstract—Cultural tourism is one of the fastest growing segments of the tourism industry. For developing countries rich in cultural and natural heritage, cultural tourism is one of the main contributors to local economic development often providing the motivation to conserve a local community's cultural heritage. The challenge facing many private, public and development organisations is ensuring that heritage conservation for the purpose of cultural tourism provides net positive local economic development benefits to a broad section of the community. Using the case study of the Aga Khan Development Network in the poor mountainous communities of Shigar and Khaplu, in northern Pakistan, this paper identifies the necessary and sufficient conditions required to maximise local economic development while conserving heritage sites for the purpose of cultural tourism.

Keywords—heritage conservation, cultural tourism, cultural heritage, local economic development, livelihoods, pro-poor tourism, responsible tourism

I. INTRODUCTION

In 1992 the Aga Khan Cultural Service, Pakistan (AKCS-P) commenced working on cultural heritage in the mountainous region of northern Pakistan as the operating arm of the Historic Cities Programme of the Aga Khan Trust for Culture (AKTC).

Over the past 22 years AKCS-P's projects have included the restoration of several forts and palaces, and other landmark buildings, in conjunction with the rehabilitation of historic settlements. In parallel with the physical rehabilitation of the traditional built environment, the non material expression of culture has also been a focus such as languages, traditional music, festivals, food, games and handicrafts, as well as the development of women's social enterprises that focuses on training women in non-traditional areas such as carpentry, mechanics, surveying etc. The restoration and conservation of heritage buildings by AKCS-P was not initially undertaken for the purpose of tourism development. However when looking at ways for long term sustainability of the heritage assets and ways to improve the livelihoods of the people, cultural tourism was identified as a potential tool [1], [2].

Despite northern Pakistan's rich mix of cultural and natural heritage, tourism activities since the 19th century have been heavily focused on the areas' outstanding landscape and dramatic mountain scenery, with most visitors coming to mountaineer and trek with little knowledge or concern for the social and cultural context of the area. Whilst this tourism has spurred economic growth in key urban and rural areas the narrow focus has had negative impacts on the environment and on local communities causing irretrievable losses in traditional cultural heritage and placing natural resources under threat [1].

While some individual travellers are cultural tourists to the area, cultural tourism per se remains underdeveloped and has not received the attention it deserves. A better appreciation of the local heritage and the active promotion of responsible cultural tourism can have far reaching implications fostering a deeper understanding of cultural diversity in northern Pakistan and beyond [1].

II. THE CASE STUDIES OF SHIGAR AND KHAPLU, NORTHERN PAKISTAN

The small and isolated towns of Shigar and Khaplu are located 3 ½ hour's drive from each other in Baltistan - one of the most remote and dramatic areas of north eastern Pakistan. The area, with a population of approximately 400,000¹, forms part of the province of Gilgit-Baltistan and is sandwiched between three Asian powers – China, India and Pakistan.

For a long time Baltistan, one of the poorest areas of Pakistan, was only accessible for a few months of the year due to its harsh climate and rugged landscape. Things have changed significantly since the opening of the famous Karakoram Highway (KKH) in 1978 and the construction of the road and bridges that lead from the KKH into Baltistan [3]. In addition, the introduction of access by air from Pakistan's capital Islamabad has also brought with it significant changes. As a result the livelihoods of the people of Baltistan have been improved bringing electricity, goods and services, tourism and funding from Non Governmental Organisations (NGOs) and

¹ The Government of Gilgit-Baltistan, 2013

organisations such as the Aga Khan Development Network (AKDN) [3]. However, despite these improvements, poverty² is prevalent, with the communities of Shigar and Khaplu facing many environmental, health and education problems due to lack of resources and inadequate institutional capacity. In addition Shigar and Khaplu are extremely conservative societies where women are considered secondary to men. Local religious leaders hold great sway over the community and do not look favorably at women working outside of their home and fields.

Unlike other remote towns in Baltistan which rely on valuable trekking dollars³ Shigar and Khaplu have agro based economies with over 96% and 85% respectively of households earn a living solely from farming (wheat, barley, fodder crops and apricots) [4]. Only 4% and 15% of the community is engaged in other forms of employment. Currently government office jobs provide the second major form of employment, followed by commercial activity, trading, crafts and tourism [4], [5], [6].

Tourism is seasonal, operating in a six-month window from April to September. In winter the area experiences sub zero temperatures and all tourism services and facilities close down. Domestic and international tourism to Shigar and Khaplu is a relatively new concept. Previously both towns were used merely as transit points for trekkers and mountaineers heading to Karakoram peaks such as K2, Gasherbrum and Mashabrum, with tourists rarely staying overnight due to lack of accommodation and tourist activities. This however has changed significantly with the cultural development work of AKDN in both villages and the restoration and conservation of two key heritage assets: Shigar Fort and Khaplu Palace.

A. Shigar Fort

In 1999, the reigning Raja of Shigar donated Shigar's ancient and dilapidated Fort to the Aga Khan Foundation (AKF). The AKCS-P were entrusted to undertake the task of managing and restoring it on the condition that it be restored as a public good, to be accessible and provide income to the local community, and allow for further development work to be carried out in Shigar. After five years of intensive restoration work, and at a cost of US\$1.4 million, the 400 year old Fort was finally restored to its former glory. In 2005 Shigar Fort opened as a 21 room heritage hotel with restaurant and cultural museum run by the Aga Khan Fund for Economic Development (AKFED) – Tourism Promotion Services' (TPS) Serena Hotel brand. Twenty percent of the hotels net revenue and 10% of the transport revenue is put back into the community of Shigar via a civil society organization – the Shigar Town Management Development Society (STMDS). The funds contributed are for social projects as well as cultural

activities in Shigar. Additionally 20% of the net revenue is also distributed to the Baltistan Cultural Development Foundation (BCDF) – a regional cultural institution set up by AKCS-P.

B. Khaplu Palace

Following on from the success of the restoration of Shigar Fort, in 2005 Khaplu Palace was gifted by the rajas Zakria Ali Khan and Nasir Ali Khan to AKF with AKCS-P entrusted to facilitate the conservation of Khaplu Palace as a heritage site for community use.

In July 2011, after six years of restoration and conservation work at a cost of US\$3 million, Khaplu Palace also opened as a 21 room heritage hotel and cultural museum as part of its long term sustainability plan. Like Shigar, Khaplu Palace is run by TPS's Serena Hotel brand with 20% of the net revenue shared with the local community via the Khaplu Town Management Development Society (KTMDs) and 20% with BCDF.

The opening of Shigar Fort and Khaplu Palace as heritage hotels and cultural museums heralded a new and authentic cultural tourism experience in Pakistan. For the first time in northern Pakistan authentic heritage accommodation for up market domestic and international travellers was provided, enriching the visitor experience, and offering a compelling reason to stay longer. A night at either hotel costs anywhere between US\$120 to US\$350 per night – a 200% premium on its competitors.

Since the opening of Shigar Fort and Khaplu Palace the destinations attract annually approximately 6,000 and 2,000 tourists respectively of which 90% are domestic tourists and 10% are international visitors⁴.

Of the small percentage of international visitors to Shigar and Khaplu, 90% of these are expats living in Pakistan, with only 10% of foreign visitors coming from abroad – a result of Pakistan's continual terrorism issues since 9/11 [7]. This highlights the importance of domestic tourism as a key market tapping the disposable income from the wealthy metropolitan areas of Pakistan for the impoverished rural areas of Baltistan.

Only 20%⁵ of all visitors actually stay overnight in Shigar or Khaplu, staying an average of two nights, and the remainder are day visitors who pass through en route to an expedition, or who visit each destination for a few hours⁶. The number of overnight visitors remains small due to the limited amount of accommodation available in both destinations (Shigar - 26 rooms and Khaplu - 48 rooms). Shigar also has one camping ground with a carrying capacity of about 50 people per night. Average hotel occupancy during the season is approximately 30% to 40% in Shigar and 7% in Khaplu.

There has been limited destination marketing for Shigar and Khaplu. What marketing has occurred has primarily been done

² IUCN 2007 socio economic survey - today one third of Baltistan's population continue to live below the poverty line.

³ Porters, cook, mountaineering guides etc.

⁴ Shigar Fort and Khaplu Palace, 2014

⁵ Ibid

⁶ Mosques, Buddhist ruins, schools, polo games and trout farms.

by the Fort and Palace and through the international and domestic acknowledgement of their successful development projects i.e. awards such as Virgin Holiday responsible tourism, The United Nations Educational, Scientific and Cultural Organization (UNESCO), Pacific Asia Travel Association (PATA) etc.

In 2012 TPS developed a destination marketing campaign promoting the AKDN heritage tourism circuit in northern Pakistan aimed at wealthy domestic tourists. The heritage tourism circuit links Shigar Fort and Khaplu Palace and promotes the area's rich cultural and natural heritage providing visitors with authentic and responsible tourism experiences⁷. Additionally, AKCS-P has published a heritage tourism guidebook that focuses on the promotion of culturally and ecologically sensitive tourism aimed at reviving the Silk Road connections via the heritage tourism circuit.

III. LESSONS LEARNED

There are five key valuable lessons that make the work of AKDN successful in maximizing local economic development in Shigar and Khaplu.

1) Longevity of Commitment - invest for the long term, results do not happen overnight: AKDN have been working in Shigar and Khaplu for more than 15 years. Without such a long term commitment the level of positive livelihood impacts on the community and the economic sustainability of the Shigar Fort (and soon Khaplu Palace) could not have been possible.

A major problem with development initiatives is their short time frames of three to five years. All too often donors and NGOs pull out of interventions before the livelihood impacts can really be cemented and before community based commercial enterprises have had a chance to become sustainable.

The negative aspect of working for such a long time in Baltistan is dependency. In both Shigar and Khaplu communities a dependency culture and a blame culture have emerged with the local community either blaming the government or AKDN for various different things not being done or for them not having access to various resources. In some cases different sections of the community have had their capacity built to be able to move forward yet there is a reluctance to do so by themselves.

2) Cultural Sensitivity: Often development agencies and the private sector (particularly if foreign or outside investors) lack cultural understanding and cultural intellect when they are designing and implementing programmes. AKRSP in Baltistan were culturally attuned prior to commencing their work - they were attuned to the Islamic culture, they understood the language and for the majority of their staff Baltistan is their home. This cultural sensitivity continued throughout the implementation phases where they used the

cultural lessons learned from previous projects to adapt their newer projects as they progressed.

3) Community Participation: The earlier, and more deeply, you involve the community the greater the benefits and sustainability of the intervention. More often than not involving the community means developing effective partnerships with different groups within communities to ensure the poorest of the poor benefit and to ensure the needs of each of the different community groups are met. The earlier, and more deeply, you involve the community the greater the benefits and sustainability of the intervention.

In the case of Shigar and Khaplu it was not the fact that they included the community per se but rather the package and range of activities that were implemented around community participation over such a long period. These included dialogue; pilot projects; skill development; employment and Civil Society Organisations (CSOs). Of these the CSOs proved to be the most challenging with issues relating to nepotism and capacity building. Effective partnerships with CSOs are critical in ensuring that the poorest of the poor benefit from interventions contributing significantly to local economic development [8].

4) Adaptive Reuse & Community Rehabilitation:

Adaptive re-use of a heritage building describes a conscious choice to retain a building of intrinsic value and to give it a new life, usually through a function that differs from that imagined by its builders [9]. Adaptive re-use is a guiding principle of AKDN in northern Pakistan. All restoration and revival of cultural heritage assets must lead to the infusion of new life into the assets making them meaningful for the local communities and the users. In addition the re-use of the asset must have long-term sustainability and profitability allowing for the generation of funds for maintenance and upkeep. This will assist to counter the risk of a restored asset falling into disrepair or vanishing from the community's culture heritage [10].

The restoration of a building should not be seen in isolation. The landmark building that maybe used for tourism purposes acts as an entry point for development by helping to attract attention and resources to the local communities surrounding the heritage asset. This approach placed both Shigar Fort and Khaplu Palace in a much wider physical and socio-economic context and at the centre of multiple interventions widening the circle of beneficiaries before, during and after their restoration ensuring that the poorest of poor benefited. The community development projects primarily dealt with the surrounding physical settlement and the needs of the local communities. The projects harnessed the active participation of the Shigar and Khaplu communities in skills enhancement, institutional capacity development and via employment. In the majority of cases AKCS-P will commence work on rehabilitating a village and then commence restoration work on the landmark building.

⁷ www.serenagilgitbaltistan.com

5) Integrated Approach: Results can be leveraged by ensuring that the key stakeholders, in this case AKDN agencies, pool their strengths and collaborate throughout the process.

Where ever possible each project involved other AKDN agencies such AKCS-P, the Aga Khan Rural Support Programme (AKRSP), the Aga Khan Agency for Micro Finance (AKMF) and TPS. Referred to by AKDN as a Multi-Input Area Development (MIAD) strategy the approach ensures that all agencies join forces, creating synergies and leveraging their strengths and the investment of each intervention. Excellent examples of this include the role of AKRSP in the initial community mobilization stages; the expertise and knowledge of AKCS-P from previous conservation projects in other parts of Pakistan; the assistance of the AKMF to provide financing for families involved in rehabilitation projects; and the role of TPS in managing Shigar Fort and Khaplu Palace given their expertise in hotel management. This supports the findings of [11] that the broader the scope of stakeholders involved in heritage conservation the greater the local economic development benefits.

In the case of AKDN there were however occasions where this could have worked better. AKCS-P is an NGO involved in heritage conservation and community development, and TPS are a large corporate profit making organisation, experts in hotel management but new to responsible tourism management. Bridging the cultural gap between the mandates and comfort zones of these two lead organisations in Shigar and Khaplu was challenging. It was not until 2011 that TPS engaged the services of an international consultant to assist them build appropriate capacity. This supports the view of [12] who emphasize the importance of the private sector adjusting their operational practices so normal business performance is achieved while more local positive impacts are delivered.

IV. CONCLUSIONS

This paper concludes with a set of necessary and sufficient conditions that can be used by the private, public and development sectors as they seek to maximise the local economic development impacts of heritage conservation for the main purpose of cultural tourism.

1) Develop a comprehensive integrated package of development activities that link heritage conservation, community development and cultural tourism objectives.

2) Ensure community consultation and participation from the very beginning of the implementation continuing throughout the operational phase. Be transparent and clear sited as to the exact level of decision making the community should or will have.

3) Develop some interventions that will achieve quick 'wins' delivering tangible benefits to the local community early on.

4) Involve multiple stakeholders leveraging their strengths and clearly defining their roles and responsibilities. Ensure all understand the concept of local economic development to bridge the gaps between different organisational mandates.

5) When developing civil society institutions the following needs to be in place:

a) Roles and responsibilities need to be realistic with sufficient capacity building activities to ensure they can achieve their objectives. Sequence the level of responsibilities in line with their capacity to ensure their responsibilities do not exceed their capabilities. Progress gradually and with sensitivity, building trust and respect.

b) Profit sharing agreements between civil society institutions and the commercial heritage site will enhance the civil society institutions sustainability.

c) When entering profit share agreements a clear and transparent set of criteria determining the basis on which profits are calculated and the shared needs to be detailed and agreed.

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