

## Heritage management fund guarantee: Concept and experiences

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### Abstract

A successful heritage management is highly dependent on the fund guarantee that support the culture heritage in any phases both in construction and maintaining for sustainable protection of the heritage. This article focuses on Heritage Management Fund Guarantee practice in several counties especially those who conducted a favorable result, such as the USA, Italy, the UK, and Japan. Their experiences provide insights into how funds guarantee heritage management both in public funding and non-public funding. Also, some actions they conducted related to national park indeed offer a reference for China in terms of the huge project of national culture park as the main heritage management practice in China recently. Particularly, this paper presents the concept of fund guarantee for

heritage management. Then, the source of funds guarantee for heritage management is discussed, namely public funding of the governments and non-public capital investment. Public funding includes state investment, local government investment and tax relief, while non-public investment involves international heritage assistance, corporate and private investment, and income from operation of heritage site. Later, the measures and experiences of heritage management fund guarantee are analyzed. multi-channel funding has been formed internationally, with financial allocations from national and local governments mainly, supplemented by other channels like foundations and enterprises.

**Keywords:** Heritage Management, Fund Guarantee, Social Capital, Public Funding.

### INTRODUCTION:

Regarding heritage management, say the relationship between cultural heritage protection and utilization, China has not formed a management concept that is consistent with the characteristics of national cultural heritage and China's traditional aesthetics and value orientation. In the early days, they focused on the scientific research value of heritage and the protection of heritage but failed to integrate with the development of market economy. That

results in a rigid management of protection for protection. Later, they began to overemphasize the commercial value of heritage, but unable to fully reflect the public welfare value of heritage. In reality, the separation of property rights adopted in China's heritage management expresses strong economic attributes. Particularly, China's cultural heritage sites basically implement the ticket management model, but the ticket revenue is used for the further development of resources, rather than resource protection. In addition, the new era has put forward new requirements for cultural heritage management, and it is necessary to drive cultural values deep into the hearts of the public through innovative carriers. Nonetheless, whether new concepts such as "education activation" are consistent with the dynamically changing social environment remains to be tested. By and large, the protection of cultural heritage should first establish a conceptual understanding of the value of traditional culture. Actually, protection and development and utilization are not just simple commercial operations. The report of the 19th National Congress of the Communist Party of China proposed "strengthening the protection and utilization of cultural relics and the protection and inheritance of cultural heritage" and emphasized that "protecting and inheriting historical and cultural heritage is responsible for history and the people." From cultural relics management to cultural heritage management, from protection first to protection first and rational utilization, the changes in objects and guiding principles also allow cultural heritage to bear both economic and cultural values.

Internationally, in essence, the concept of heritage management emphasizes public welfare and the protective and sustainable development of resources. More often than not, these national heritage managers regard themselves as service providers rather than owners or managers. Consider, for example, the U.S. National Park Service summarizes its responsibilities as: "To protect the natural and cultural resources and values of national parks so that our descendants can enjoy, receive education, and inspire (National Park Service, 2023). Besides, Farrelly et al., (2019) mainly discussed the role of the producer (heritage administrator) of cultural heritage in cultural relics, which believed that cultural heritage has three basic characteristics: physical form, connection with cultural and historical significance, and active conveying meaning. Due to this non-profit concept, these countries have established supporting operating mechanisms and management mechanisms. For instance, cultural heritage sites basically implement free or low-ticket operating models, and management expenses mainly come from national financial allocations. This "public welfare" management concept can continue to develop under the protection of laws and regulations. The United States is a typical representative of this concept of public welfare. It also implements this concept in the construction of national parks. In fact, apart from indispensable infrastructure, no other commercial development is carried out within the park. Moreover, the UK not only pays attention to the economic value of cultural heritage protection, but also strives to realize its social value, such as education, community development, etc., and protects the rural landscape through mandatory or economic compensation.

This paper discusses the heritage management fund guarantee in a global view through experiences from several countries who use both public and non-public funding. Nonetheless, the various values provided by culture heritage and social capital related views are presented firstly to understand heritage management fund guarantee development and practices in later sections.

### **Cultural Heritage: Cultural Value, Social value and Economic Value**

Wang & Wang (2016) provided a summary of the four characteristics of cultural heritage. First, the idea of cultural heritage is tied to values. Cultural heritage and time are intertwined, secondly. Third, cultural heritage has to be remembered and kept in a certain way in order to endure. Fourth, items generated and created throughout human history are referred to as cultural legacy.

In terms of cultural and economic value of heritage, the cultural and heritage services (flows) that legacy assets (stocks) generate are valuable to society. These services have cultural, social, and economic relevance (Rizzo & Thoroby, 2006). Legacy assets serve as a representation of this through their unique characteristics. If innovation was used in the creation of an asset, if it has symbolic meaning, and if it could include intellectual property of some kind, then it also has cultural value (Throsby, 2003). In general, most studies focus on the social effects of heritage projects, such as enhancing social cohesion, fostering social inclusion, community empowerment and capacity building, increasing confidence, civil pride, and tolerance, broadening learning opportunities, skill development, and so on (Throsby, 2003). Additionally, historical resources promote creativity in society, business, and research (Sacco et al., 2018). Consequently, businesses, well-educated people, and visitors are drawn to heritage (Angellini & Castellani, 2019).

Many scholars underline that the economic and social values of heritage are connected (Wright & Eppink, 2016). On the one hand, wealth and well-being are brought to a region by economic expansion (Velthuis, 2008). However, social harmony—that is, societal cohesiveness, the lack of conflict, tolerance, etc.—is a requirement for economic growth. Therefore, the potential of history to contribute to a place's identity is viewed as beneficial to the growth of the tourism industry as well as the welfare of the local populace. According to Yard et al. (2020), a better social environment also results in a better investment climate. Furthermore, cultural heritage fosters sustainable progress by fusing modernity and tradition and by fusing the past with fresh ideas that strive to influence the present and future (Cerisola, 2019). Thus, heritage is viewed as a resource that may benefit many stakeholders on a social and economic level in addition to helping to maintain historical memory when utilized effectively. It increases a location's visibility, making it more competitive in the modern world, and it provides inspiration for creative industries and modern arts (Belfiore, 2020).

### **Social Capital and Links with other kinds of Capital**

Granted, the embarrassing problem is that, according to social capital literature, even the majority of studies pertaining to "community" bases almost exclusively focus on "social" or "relationship" components over "capital," such as economic or monetary features (Zhang & Zhao, 2020). While social capital is not tangible and may take many different forms, it shares many characteristics with financial, human, and physical capital in that they can all aid in the management and promotion of economic growth. According to Sanders & Lowney (2006), these capitals specifically have the following traits: (1) they are created through accumulation; (2) they have scale effects; (3) they require regular updating; and (4) they are productive.

There are two connections between cultural and heritage capital and social capital. Murzyn et al. (2013) state that social capital among different social groups may be fostered via cultural and heritage capital, and this in turn encourages social cohesion. Conversely, social capital is employed in the process of finding and creating heritage (Bagnall, 2003; DeSilvey, 2010). Cultural or legacy capital and natural capital are quite similar. According to Rizzo & Thoroby (2006), we have been endowed with both natural resources and cultural heritage assets. Since both have been impacted throughout time by human intervention. Cultural and historical assets, when combined, create a coherent whole that often shapes and enhances natural assets (Jones et al, 2016). Natural resources and cultural and historical treasures need to be protected and maintained for the enjoyment of future generations. Both provide services that improve people's quality of life. According to Ateca-Amestoy et al. (2020), the uniqueness and variety of each set them apart. In addition, human capital, cultural capital, and legacy capital are all correlated. On the one hand, cultural and historical materials foster critical thinking and innovation (Bucci & Segre, 2014). On the other hand, education provides individuals with the knowledge required to interpret and understand the symbolic significance and substance of cultural and historical assets. Thus, there is a positive correlation between education level and cultural involvement level (Suarez-Fernandez et al., 2020).

## **I The concept of heritage management fund guarantee**

### **1. Heritage management**

Culture, as an accumulation and precipitation of a country, is the inexhaustible power of a nation's cohesion, creativity, and social development. National cultural park is a new major cultural heritage management mode to protect and manage heritage, among which the heritage management involved mainly refers to the management of cultural heritage. Cultural heritage was first formally proposed in the 1972 UNESCO Convention on the Protection of the World Cultural and Natural Heritage (An & Zhou, 2023). It included the protection and management of cultural relics, buildings, and sites. With the development and improvement of the concept, the cultural landscape, oral and intangible heritage are introduced into it, together as a cultural

heritage. Cultural heritage management is by the location of the sovereign state, according to national and local laws and regulations and other related requirements, by setting up relevant heritage protection management institutions, in order for the protection of cultural heritage, repair, management and inheritance, enabling effective management means for healthy and sustainable development of cultural heritage (Sun, 2021).

Due to the passage of time and social changes, cultural heritage is usually divided into time periods, namely different times and different sections have different cultural implications, traditional single protection methods cannot protect and manage major cultural heritage. In the process of international development and practice, major cultural heritage management models such as national parks, national cultural properties, cultural routes, and heritage corridors have gradually formed (Keitumetse, 2011). The national cultural park established by China is undoubtedly an effective means to protect and manage major cultural heritage. Particularity, it connects cultural heritage in multiple sections and areas in an orderly manner. Besides, it is a cross-regional heritage management and protection measure that integrates multiple functions and advantages. Moreover, it integrates scattered material and intangible cultural heritage with focus and themes, implements a park-like management and operation model, forms a public cultural carrier with specific open spaces, and creates an important symbol of Chinese national culture (Chinese Academy of Cultural Heritage, 2016). In addition to that, China's research on cultural heritage management has gradually shifted from the protection of physical sites to the value, significance, and utilization of cultural heritage, paying more attention to the output of spiritual culture, aiming to encourage more people to protect and inherit cultural heritage autonomously. The protection models and methods have also transitioned from the original simple and universal rescue resource repair to the current stage of multi-specific preventive and comprehensive maintenance (Guzman et al., 2017).

## **2. Fund guarantee for heritage management**

The protection and management of anything are inseparable from the support and guarantee of funds. Funding guarantee is a guaranteed system to ensure the normal operation and development of things by providing the sources of funds. It can try to avoid getting out of control due to a lack of funds. More often than not, capital security is linked to social security, which is generally a kind of basic guarantee for people or things with great difficulties in life or survival and can maintain the basic survival needs of people or things (Tang et al., 2018). With respect to cultural heritage, it is like an endangered thing that has great difficulties in living conditions and needs help from the state and society. If basic living conditions are not created for it, it will continue to suffer in history. Gradually disappearing and dimming in the torrent of history, and being forgotten by the world, this will become a great regret for mankind (Zhang et al., 2022).

Therefore, the guarantee of heritage management funds is an aspect that cannot be ignored in the construction and management of national cultural parks. It maintains the protection and utilization of various tangible and intangible cultural heritage in heritage sites. In addition, most heritage management adopt non-profit and public welfare measures for protection, utilization, and inheritance (Fatorić & Seekamp, 2017). Hence, in terms of heritage management, financial guarantee is particularly crucial, which determines whether the heritage site can be maintained and developed for a long time. In reality, China has attached great importance to the protection of funds for heritage management (“Chinese Heritage in the Making,” 2018). In 2022 On February 10, the Ministry of Finance and the Ministry of Culture and Tourism issued the "Measures for the Management of National Intangible Cultural Heritage Protection Funds". It specially makes clear requirements and arrangements for the expenditure scope of protection funds, allocation and management of project funds, allocation and management of subsidy funds, and performance management and supervision. It can be seen that the importance and necessity of financial guarantee for cultural heritage management. Accordingly, in the construction of national cultural park, we should ensure the diversification and smoothness of heritage management funds (An&Zhou,2023).

### **3. Source of funds guarantee for heritage management.**

When it comes to heritage protection and management, the sources and channels of guaranteed funds are key elements that must be faced head-on. Due to the special nature of heritage and its educational significance, most cultural heritage undertakings are carried out in a non-profit manner. It is hoped that in the process of protecting tangible and intangible heritage, the world will understand the cultural heritage, so as to inherit and promote the culture (Fatorić & Seekamp, 2017). Precisely because of its public welfare nature, in the heritage management system, the source of funding guarantees is mainly led by the national government, and relevant local governments respond actively. They jointly mobilize social capitals, namely organizations and groups, charities, and other people from all walks of life to join in, and help the heritage management, protection, and utilization of the whole society (Zhang et al., 2022). Therefore, the sources of funding for heritage management can be roughly divided into two parts: public capital investment from the state and government departments and social capitals say non-public capital investment from other organizations or individuals.

## **II. Public Funding of the Governments**

### **1. State Investment**

Cultural heritage has the attributes of public goods and belongs to the people. It is precisely stem from this characteristic that the management and protection of cultural heritage is destined to be inseparable from the leadership and support of the state, plus many heritage resources are located in places where the private economy is lacking, and the market mechanism is

ineffective. Therefore, the fund guarantee source for cultural heritage management still relies on the state as the main body, concerning public financial funds are invested for the protection and utilization of cultural heritage (Giliberto & Labadi, 2021). Actually, many countries in the world basically rely on state financial allocations for large-scale areas that need protection such as culture, nature, and heritage. Some countries with high economic levels and high social welfare, such as Japan, the United Kingdom, Germany, Sweden, Norway, and New Zealand, have always adhered to the policy of no entry fees and light development in the management of national parks, and not for profit. That means the funds consumed in daily operations and management basically come from the strong support of national public funds (Wang et al., 2019). Nonetheless, although national parks in some countries (like the United States, Australia, Canada, and some European Union's state members) are not completely public welfare, they will collect part of the entrance fees and concession fees for allowing market operations. However, this portion of the revenue will not be used for the management of the national park, it will be transferred to those in greater need by compensating the indigenous people in the national park. As a matter of fact, the cost of the management and protection of national parks is mainly borne by sovereign states, namely the normal operation of the national park is guaranteed by the state investment.

With respect to the United States, as the birthplace of national parks, it has developed with a fairly mature heritage management mechanism, and the national government has given significant support in terms of financial guarantee. According to the budget report released by the National Parks Authority (National Park Service), there are currently 419 park units in the United States in 2020, the annual budget of 4,115,041,000 dollars, and of \$3,541,163,000 in 2021, mainly by state financial allocation to support the sustainable development of national parks. By and large, in developed countries, the management and construction of national parks is generally regarded as a social public welfare undertaking. The managers are usually national civil servants. Most of the funds required for operation and management are provided by the government budget, and part of the protection funds are composed of franchise income and financing and sponsorship of various societies and individuals (Zou, 2020). As for Germany, according to the statistics of relevant experts, the whole city is estimated that there are more than one million commemorative buildings and historical centers. The protection and management of these heritages is undoubtedly an important obligation of the federal government, which shoulders financing and other work. In fact, the joint protection of architectural heritage has been the focus of the cultural policy of the federal government from the present to the future. Especially after the merger of East and West Germany, the German government invested 1.9 billion euros in 11 years from 1991 to 2002, and in 2003, it then continued to invest an additional 125 million euros of special funds for the protection and management of a series of national historical heritage (Hølleland & Niklasson, 2020).

## **2. Local Government Investment**

Nevertheless, it is not enough to rely on the national government to provide assistance behind the scenes. Heritage management indeed requires the efforts of local governments. According to the findings of the Conference of Ministers of Education and Culture, although the German government has invested more than one billion euros in direct funds for the protection and management of cultural heritage, local governments still need to provide a considerable amount of money to protect and manage cultural heritage through direct support or corresponding plans (Batchelor & Schnabel, 2020). For example, North Rhine-Westphalia, a region in northwestern Germany, actively responded to the national call for the protection of cultural heritage in 2003 and invested 15.8 million euros to facilitate the smooth implementation of the cultural heritage protection plan. Similarly, with regulations in Japan, in the corresponding areas, the state and local governments are supposed to bear half of the subsidy fees to ensure that the heritage site can survive for a long time. Besides, in the Ancient Capital Preservation Law, the national and local governments will bear 80% and 20% of the guarantee funds respectively, while for areas that are clearly required to be preserved in the Urban Landscape Regulations areas are generally borne by local governments themselves (Hølleland & Niklasson, 2020).

## **3. Tax Relief**

In addition to direct funding from the national or local governments for cultural heritage protection and management, relevant national laws generally also implement tax exemption policies for corresponding heritage management and protection undertakings. For instance, on the basis of direct funds to protect cultural heritage, the German federal government also provides tax deductions and exemptions for expenditures on building protection items in accordance with the relevant regulations of the Income Tax Law. Through tax reduction and exemption, it not only promotes investment in related heritage protection and management undertakings, but also consolidates and improves the investment mechanism, thus further stimulating the long-term development and growth of small and medium-sized enterprises (Tišma et al., 2021). The federal government's 18th funding report of July 25, 2001 stated that in accordance with the relevant provisions of the Income Tax Act 2001, the tax exemption for building conservation expenditures totaled 85 million euros (of which 36 million euros were taxes originally attributed to the federal government). Simultaneously, the German federal government legally recognizes the social donations for the protection and restoration of architectural and archaeological heritage, and implements tax relief measures for them according to law (James, 2012). Among them, they have priority compared to other donations according to the number of tax-free donations (10% of all income) and the main donation rules. Since its establishment on December 31, 1999, the High Endowment Foundation has been able to enjoy annual state tax exemptions of €760 million in line with the Foundation Tax Relief Management Act of June 14, 2000 (Batchelor & Schnabel, 2020). In the United States, under



the guidance of the National Historic Heritage Protection Act, government departments related to historical heritage such as urban planning, housing, taxation, transportation, and environmental protection have also formulated corresponding legal provisions for the protection of historical and cultural heritage, and passed property tax exemptions, easement transfer, development rights transfer, tax deduction and other preferential terms to mobilize social forces and solve cultural heritage protection funds. Likewise, in May 2014, the Italian government stipulated that all companies involved in the restoration of cultural relics can obtain tax subsidies, allowing 65% of the donation amount to be returned to the company in the form of a tax refund within three years after the donation (Moriset et al., 2021).

### **III. Social capital: Non-Public Capital Investment**

The protection and management of heritage is a project that urgently requires a large amount of capital investment. While protecting and managing the heritage itself, we have to pay attention to the improvement and construction of the surrounding ecological environment and infrastructure equipment as well. Among them, it in general also involve the collective relocation of indigenous people in heritage sites, land expropriation, and structural adjustment of related industries (Murzyn-Kupisz & Działek, 2013). In fact, each aspect requires a mass of funds to guarantee. In addition to relying on the strong support of the governments, social support is also an indispensable part of these major projects. In other words, heritage management is regarded as an undertaking that the whole society should carry forward from generation to generation. With the support of public funds, non-public funds also account for a significant part. Social capitals include international aid, corporate or private investment and sponsorship, and heritage sites independent operations and etc., those funds from domestic and overseas sources (Booth, 2021).

#### **1. International heritage financial assistance**

International heritage assistance funds are an essential type of global development assistance and a main way of international economic cooperation (Tang & Li, 2016). It mainly refers to donor of development aid given by developed countries and developing countries with higher income levels to support developing countries so as to improve the national economy and social welfare security, by offering grants and other resources. International development assistance in a broad sense covers a wider scope and also includes preferential or free funds, materials and technology provided by international non-governmental organizations (Gann et al., 2019). In reality, international aid funds come from various sources, including budgetary funds allocated by the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Heritage Fund, funds established by governments and other partners, or extrabudgetary funds donated (Luke & Meskill, 2019).

In addition to the "World Heritage List", the "List of World Heritage in Danger" has also been specially established to protect those world heritage sites that have been seriously endangered. For those areas where the scope of the heritage site is relatively large and the State Party cannot protect and manage it alone, UNESCO will coordinate the work, carry out international joint assistance and protection operations, by using professional forces and resources from around the world to provide international financial and technical assistance to jointly protect the heritage belonging to all mankind. In addition, international organizations such as the World Bank Group also play an active role in protecting existing cultural heritage. In Bosnia and Herzegovina, the World Bank Group partnered with UNESCO and the Khan Cultural Trust to combine grant funding and bilateral financing to rebuild the Mostar Bridge across the Neretva River and old city buildings (Gann et al., 2019).

## **2. Corporate or Private investment and Sponsorship**

Corporate and private investment and sponsorship are also a boost to heritage management. It is impossible for government departments to cover all aspects. For some projects that do not involve the core protection of heritage, the government usually rely on the strength of enterprises and the public and select capable people to complete the implementation of specific protection tasks through bidding (Cui & Song, 2020). In the whole process, the government departments play the role of "leader", leading the overall project direction. In the early stage of the project, the government mainly create an attractive environment and conditions to attract enterprises to invest and complete the project development. After the formal development of the project, the government mainly plays the role of "supervisor", namely supervising and guiding the normal operation of the project, so that the project can be completed on time and with quality and quantity guaranteed. At the same time, the government also issue a series of preferential policies to further help the undertaking enterprises to better manage the heritage work (Mojtaba, Taraneh, 2016).

## **3. Income from Independent Operation of the Heritage Site**

Although the public welfare nature of the heritage itself determines that profit-making should not be the main purpose of its business activities, the public nature of the heritage indicates that everyone has the obligation and right to care for and protect the heritage. Further, Wu et al., (2022) suggested that effective utilization means the best protection for culture heritage. Therefore, in some countries with relatively backward economies and insufficient financial capacity, certain admission fees are charged to maintain the daily operation and management of heritage sites. Nevertheless, with the increasingly personalized needs of modern tourists, the traditional sightseeing tour mode is no longer attractive, making it difficult to retain tourists and generate revenue for heritage sites. In such cases, a self-sufficient commercial operation revenue mode for heritage sites has gradually formed. The market is introduced through direct

operation by the government and the issuance of franchise rights. Entertainment activities and special services can be carried out on the premise of comprehensively protecting heritage sites (Wu et al., 2021).

Actually, the way in which franchise rights are issued to allow businesses to carry out profit-making activities varies slightly in different countries. Some national parks allow companies to independently carry out business activities. For example, South Africa's national parks invite bids for tourism-related projects. The winning company pays concession fees to the government and carries out operations. South Africa began to adopt commercial operation policies to manage national parks in 2000. Only when there is a crisis in market operations does the government play a key regulatory and dominant role. However, some national parks generate income through cooperative operations between the government and winning bidders, such as diving and yacht rental projects in the Caribbean Virgin Islands National Park (Xia, 2020).

#### **IV The measures and experiences of heritage management fund guarantee**

##### **Non-Profit Foundations**

Non-profit entities are involved in private or semi-official funding, and establishing foundations to raise money for heritage maintenance is a successful strategy globally. In actuality, there are several kinds of foundations to protect the funding source for cultural preservation. To preserve and advance its cultural legacy, Japan established the Art and Culture Promotion Foundation in 1990. The government of Japan contributed 50 billion yen, while the private sector contributed 12 billion (Zheng & Li, 2018). According to Yu and Chen (2018), there are 128 foundations in the UK devoted to the protection of cultural heritage. Furthermore, 352 foundations in France offer services related to cultural heritage. For example, in 2008, 130 million euros worth of cultural heritage initiatives were supported by the largest French foundation for cultural heritage. In addition, numerous Australian institutions, like the well-known Australian Bush Heritage Foundation, oversee suitable property to preserve its natural assets (Gu, 2017). The foundation's primary source of revenue is the attraction of large numbers of donors; currently, it has around 300 regular contributors. Actually, a small percentage of Chinese Australians leave the foundation with their legacies. Funding is a major source of stability for museums in the United States. As a matter of fact, a number of funds work together to sustain the steady operations of these museums, which do not depend on any one source of funding. The Denver Art Museum, for instance, has around thirty different types of grants (Wu et al., 2021).

In short, a versatile and successful tool for raising money for the preservation of cultural assets is a foundation. By means of fund operation, it sustains the day-to-day functioning of the heritage management enterprise, with a portion of the investment advantages going beyond the principal and enriches the residual income into the principal to guarantee the fund's

consistent growth (Wu & Ma, 2015). Ensuring heritage management money in the form of foundations efficiently gathers various forms of social capital from individuals and groups, and uses it collectively for heritage conservation, which significantly raises public involvement and cultural awareness at the same time.

### **Cultural Heritage Lottery**

According to some scholars, the issuance of cultural heritage lotteries to raise funds for heritage management is a widely accepted method. Several European nations, including Italy, France, and the United Kingdom, have tackled the issue of inadequate funding for heritage protection and management by instituting cultural heritage lotteries (Yang & Wang, 2018). In contrast to the issuance of government bonds, which somewhat contributes to the government's debt load, the fundraising of cultural heritage lots provides an efficient means for the general public to support the cause of heritage protection (Bewley & Maer, 2014).

There are significant ties between the cultural heritage lottery and France. France renovated roughly half of its churches using lottery funds as early as between 1714 and 1729. 2018 saw the passage of the Cultural Heritage Lottery Amendment Bill by the French National Assembly. Additionally, May 31 saw the inauguration of a unique cultural heritage lottery in France, which was announced by President Macron. The purpose of the lottery is to earn money for the preservation of cultural heritage in France. Then, since the "Preservation of Endangered Cultural Monuments Lottery" was introduced in 2018, a total of roughly 50 million euros has been raised thanks to lottery revenue of 22 million euros, national lottery tax refund of 21 million euros, and private sponsorship of 6 million euros.

Accordingly, the Italian government used these money to start 200 cultural heritage management and conservation initiatives between 1998 and 2000 (Gu, 2017). In a similar vein, the UK's cultural heritage lottery is a somewhat well-developed system. The Heritage Lottery Foundation (HLF) was founded in 1994. It holds two weekly lottery draws and donates 4.66 pence for every £1 won to regional cultural heritage conservation initiatives. People vote for the structures they think should be saved the most through TV shows that educate them about cultural heritage, and this helps determine which projects will receive the majority of the lottery cash (Kate et al., 2013).

### **Franchise System**

The most national parks are found in the United States, which was the first nation to create national parks. One of the most important tools for managing national parks in the US is the franchise system. The United States explicitly split the right of management in 1965 with the passage of the Franchise Policy Act. In order to categorize franchising for different kinds of projects in national parks, Congress amended the Concession Management Improvement Act in 1998. Three forms of operation are identified for the project: leasing, small business

licensing, and franchising. This Act removed the priority of contract award and offered franchisees no longer preferential policies as specified in the 1965 Act, which considerably increased franchisees' sense of competitiveness (Zhu, 2012). As a result, current franchisees may maintain their place in the national park franchise market by consistently improving the quality of their services. According to Liu, Xie, and Yang's (2018) survey, franchisees place a high value on corporate collaboration with national parks as it helps to recognize the worth of both commercial services and ecological goods.

### **Inheritance Adoption System**

A heritage adoption system that enables businesses, other groups, or people to take part in the administration and preservation of cultural assets through public-private partnerships, leasing, subscription, and other means is dependent on public and commercial backing. The road to actualizing heritage ownership and administration is being expanded by this "privatization" paradigm. Europe is a prime example of the "privatization" of legacy, and Italy's "homemade" quality epitomizes this phenomenon (Tang, 2015).

The architectural heritage adoption system was established by the Italian government in 1994. Specifically, the inheritance adoption system calculates the number of years of adoption based on the heritage's value appraisal. Generally speaking, the lower the value recognition level, the longer the years of adoption; however, the maximum period cannot exceed 99 years. During the adoption period, the adopter is responsible for managing and providing the daily expenses required for the preservation and utilization of the heritage (Becchio et al., 2017). In addition, adopters are allowed to moderately alter the heritage by erecting souvenir shops, theme restaurants, and other tourism development, as long as they maintain the heritage's original appearance. Nevertheless, a portion of the proceeds from the historic economic ventures must be given to the state. To oversee and plan public involvement in cultural asset conservation measures, Italy established the official "Cultural Heritage and Sustainable Tourism Exchange" information sharing platform in 2002. It drew businesses and investors of Italian ancestry from all over the world. In the meanwhile, a space designated for advertising is left on the construction baffle for businesses who support historical management. This is done to promote the business's name and emblem and to reap social and economic rewards (Zhang, 2013). All social parties who meet the eligibility requirements can essentially support heritage management by using the heritage adoption system.

### **CONCLUSION:**

Funding mechanisms for cultural heritage protection in China mainly consist of local government financial funds and tourism revenue. Local government is the main body of cultural heritage protection and management, but this mechanism is not perfect. In addition to the serious shortage of total funds, the funds obtained not only be used for the daily

management of the cultural resource location, the protection of resources and the environment, but also for resource development to promote the development of the local economy. Due to the lack of funds, many cultural heritage management agencies can only generate income by increasing ticket fees, expanding the scale of tourism without authorization, or directly participating in business activities in protected areas (“Chinese Heritage in the Making,” 2018). When managers form interest ties with local governments and private business groups, they cannot focus on resource protection. In franchising, a model is adopted in which the government department organizes the establishment of a state-owned enterprise and then entrusts the management rights to the enterprise. In this respect, government and enterprises are not separated, and enterprises do not receive economic support from the government. They can only put economic benefits first. The Palace Museum has also applied the franchise model in the development of cultural and creative products, handing over all aspects of cultural and creative products to private enterprises through contract signing, authorization and other forms (Xu, 2020).

From an international perspective, the main source of heritage management funds is government financial allocations. In fact, there are certain differences between the three cultural heritage management models implemented in different countries. In the vertical management model, financial allocations mainly come from the central government, while in the other two management models, financial allocations mainly come from local government financial allocations through various financing methods. For example, individual and corporate fundraising and foundation donations account for a large proportion of the total cultural heritage funds (Yang&Wang,2018). Generally speaking, a multi-channel and multi-level funding method has been formed internationally, with financial allocations from national and local governments as the main source, supplemented by other channels such as foundations and enterprises. In franchising, international cultural heritage management pays special attention to the separation of government and enterprises and carries out classified management of cultural heritage. When some heritage properties are of a lower level, market-based means can be used to transfer the management rights or even ownership of the heritage properties to non-governmental organizations. Accordingly, the scarce funds can be used in the higher level of heritage protection, and additional income can be obtained through sale, lease, and other ways (Xu, 2020).

In countries and regions where the protection of cultural heritage is relatively developed in the world, the sources of funds can be summarized as three aspects: first, direct investment from the government; second, indirect investment from the government like the issuance of special lottery tickets; third, social capital say organizations and personal investment (Zhu et al., 2016). In particular, in the government direct investment model, the United States, for example, uses national fiscal expenditures as the source of funds for the national park system, and is currently gradually increasing the proportion of social investment from social groups or

individuals. Besides, the UK's cultural heritage funds mainly come from special government investment. At the same time, some cultural heritage projects are handed over to enterprises for operation, with certain support and preferential policies provided in terms of finance and taxation, such as the "Heritage Subsidy Fund", "National Heritage Memorial Fund" and "Heritage Lottery Fund", etc. Plus, the volunteers' voluntary labor, free provision of real estate and fixed assets are also included in the scope of donations (Hølleland & Niklasson, 2020). In addition, Italy's "Cultural Heritage Lottery" model is a typical type of special lottery. Specially, Italy regards the protection of cultural heritage as a national undertaking. Enterprises and individuals actively invest funds, and also implement "Cultural Heritage Lottery" and other forms to obtain funds. Italy has also made many explorations in introducing social capitals to participate in the protection and utilization of cultural relics. In order to stimulate individual active participation, it has adopted designated personal income tax purposes, providing tax deductions for funds and donations used by enterprises and individuals for the protection and restoration of cultural heritage, and leasing of public cultural property and etc. In 2014, another "art subsidy" policy was introduced with a higher tax credit and more flexible operation, especially to attract small and medium donations (Bewley & Maer, 2014). Finally, with respect to social investment, Japan has gradually formed a funding system in which state investment drives local government funds as the main body, and multi-party cooperation from social groups, charities, and individuals as the supplements (Zheng&Li,2018).

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