

Incentives mechanism for the conservation of traditional villages in Japan and South Korea

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Abstract

A variety of incentive mechanisms have been formulated by authorities in Japan and South Korea to promote the conservation of cultural heritage, specifically in preserving their distinctive traditional villages. However, the coexistence of traditional villages in the contemporary landscape has been considered fragile for these countries, as many of them are torn down due to the urbanization pressures. Apart from that, scholars have criticized the so-called incentives policy due to its inability to provide equal and equitable distributions of benefits to local residents within the village area. This paper seeks to describe the various types of incentive policies applied in Japan and South Korea. The following questions are examined: (1) What are the current incentives policies offered for the conservation of traditional villages? (2) How does the incentives program work? (3) What are the limitations of incentive policies in meeting community needs? Reflecting the differences of the policy provisions, this research adapts a comparative study; mixed method approaches were employed, including a questionnaire survey as a tool of data gathering coupled with in-depth interviews. This study also identified constraints on the current incentives policy implementation from the view of local residents, and whether or not such policy addresses their aspirations and needs.

Keywords: incentives policy, conservation, cultural heritage, traditional villages, comparative study.



1 Introduction

Traditional villages reflect a unique combination of natural, cultural and social characteristic of a country's identity. However, the coexistence of the traditional villages in the contemporary landscape is fragile, as many of them are torn down due to the urbanisation pressures. Numerous studies have attempted to explain the importance in preserving traditional village in the challenging urban landscape, for example; Saleh [1] and Sharifah Mariam Alhabshi [2]. Other authors such as Alberts and Hazen [3], and Pendlebury *et al.* [4], have attempted to gauge the difference between the use of authenticity and integrity principles in guiding preservation efforts and balancing the needs and goals of multiple stakeholders in historic areas.

Potential conflict may also form if there is a mismatch between effectiveness of contemporary incentives policy with residents' needs on the actual site. According to Stern *et al.* [5], the financial aspects of a conservation incentive program are not the only important factors. He pointed out that the success of a program may depend on its ability to get the attention of its intended audience, and communicate in a way that is understandable and credible and address itself to user needs. Success may depend not only on the size of the incentives offered but on the form of the incentives and on the way the programs are organized, marketed, and implemented. This view was supported by Meng and Gallagher [6], who wrote that a single incentive may be more effective in a particular area. thus success of incentives programme requires various efforts, not solely internally nor externally.

Besides that, scholars have criticised incentives policy for its inability to provide equal and equitable distributions of benefits to local residents within a particular conservation area (see Spiteri and Nepal [7], Hahn and Stavins [8], Kohtz [9] and Kleiman *et al.* [10]). For the above reasons, in dealing with the efficiency of the current incentives program this paper takes a stand, by which a policy formulation of cultural heritage conservation and incentives program must consider the needs of residents or local communities.

2 Incentives policy in Japan and South Korea

The system of preservation of cultural heritage in Japan and South Korea plays a key role in shaping the cultural and political development for both countries. According to Scott [11], Japan possesses one of the most complete systems for promotion of cultural heritage protection, which has been heralded as a model for domestic regulation in many countries. For South Korea, Hyung [12] points out that invasions and colonization by Japan from 1910 to 1945 caused the Korean to assert their ethnic identity and distinguish it from other East Asian nations. Thus, both countries have implemented diverse measures necessary for the preservation and utilisation of cultural heritage assets. In Japan, the designation, selection and the registration of cultural properties is carried out by the Ministry of Education, Culture, Sports, Science and Technology (MEXT). With its special body, the Agency for Cultural Affairs acted as the main agency



at the national level to promote Japanese art and cultural heritage preservation [13]. In South Korea, cultural heritage was previously under the Ministry of Culture and Tourism. However, by 1999, it was elevated to a sub-ministerial agency as part of the Korean government organization reform. At the national level, the major arm of the cultural heritage preservation was undertaken by the Cultural Heritage Administration, which is aimed at promoting Korean cultural heritage [14].

In Japan, municipalities are the central figures in promoting a preservation project, in terms of giving permission for the alteration of the present state, repairs and enhancement within preservation districts. Conservation repair work is carried out by the owners of Important Cultural Properties or their custodial bodies for wooden historical structures, while financial support is available to cover large expenses. As many of these properties have roofs made of plant materials like thatch, wooden shingle, and cypress bark, they are extremely vulnerable to fire. For this reason, the Agency for Cultural Affairs provides necessary subsidies for the owners or custodial bodies to install or repair fire-preservation facilities and other necessary disaster prevention systems (Table 1).

Table 1: Type of heritage incentives system in Japan.

Types	Descriptions
Tax Incentives	<u>National tax</u> <ul style="list-style-type: none"> ▪ 30% of inheritance tax deduction for accessed values within preservation districts for groups of historic buildings. ▪ No land value tax is imposed on land within important preservation districts for groups of historic buildings.
	<u>Municipality tax</u> <ul style="list-style-type: none"> ▪ No fixed assets tax is imposed on listed historic buildings within important preservation districts for groups of historic buildings. ▪ The fixed assets tax for land on which are located listed historic buildings that are within important preservation districts for groups of historic buildings is reduced to within one half of the property's taxable value. The fixed assets tax for land, for buildings, other than listed historic buildings is also reduced in accordance with the particular conditions within the municipalities.
Long term preservation for the rebirth of towns and villages	After enduring wind and snow, many of the buildings which comprise preservation districts for groups of historic buildings are dilapidated and are in need of immediate repairs. Such buildings that are not in harmony with the characteristics of the preservation districts should be enhanced so that they become harmonious with the historic landscape.
Disaster prevention facilities	The preservation districts which are mostly composed of wooden buildings need disaster prevention measures. Many preservation districts are improving disaster prevention device, such as improvement of fire prevention facilities and the reinforcement of stone walls which are in need of repair, while at the same time considering the historic landscape. They also practice disaster prevention training periodically.

Source: Agency for Cultural Affairs (2012).

On the other hand, the current incentives policy in South Korea has created a positive attitude towards cultural heritage conservation through the provision of the financial and non-financial incentives mechanisms (Table 2). The heritage incentives system, which promotes the preservation of historic property and sites

in South Korea, can be divided into five types as follows: public subsidies, loans, tax relief, planning incentives, and fire prevention systems.

Table 2: Types of heritage incentives system in South Korea.

Types	Descriptions
Public subsidies	Public subsidies are mainly for the conservation works to heritage properties. The schemes are administered by either the central or local government. These schemes assist owners to undertake conservation works, which usually bound with the particular rules and regulations. It includes financial support for the repair of physical properties, mainly for the exterior such as roofs, fences, walls, windows, gates, and so on.
Loans	The loan scheme offer owners partial funding for the conservation work of heritage properties with low interest rates.
Tax relief	Tax relief gives benefits to the owner of heritage properties or area for the annual tax reduction.
Planning incentives	Planning incentives instruments involve heritage property registration, purchase of identified heritage properties, regeneration plans for historic districts such as putting electric poles and cables underground, street or alley beautification, providing public parks, increasing parking and so on.
Fire prevention system	Fire prevention systems include activities such as anti-fire training and patrolling, installation of the alarm-type sensor equipments in vulnerable houses, and regular practice of fire drills.

Source: Adapted from Cultural Heritage Administration (2011).

3 Research methodology

Reflecting the differences of the policy provisions, this research adopts a comparative study approach, whereby mixed method approaches were employed which includes a questionnaire survey as a tool of data gathering, and coupled with an in-depth interview. This study was conducted within the World Heritage



Figure 1: Diagrammatic map of the study area.



Site zone in Japan and South Korea, namely the Ainokura Village and Ogimachi Village in Japan, and the Hahoe Village and Yangdong Village in South Korea (Figure 1).

Stratified sampling was used in the questionnaire survey to classify the specific residents, based on the residents who received the heritage incentives from the authorities. The survey data were collected during winter 2012 and 2013, with questionnaires written in Japanese and Korean. Most questions were a combination of multiple choices questions, followed by open-ended queries. For instance, respondents were asked about types of incentives they have received, their perception on the effectiveness on the current incentives policy and their needs on the cultural heritage conservation. Survey questionnaires were held with 138 households, including 12 from Ainokura and 72 from Ogimachi Village, Japan; 24 from Hahoe and 30 from Yangdong Village (Table 3). In this regards, face-to-face interviews and mail distribution survey techniques were conducted. For face-to-face interviews, researcher delivered the questionnaire to the home of respondents and explained the study with the assistance of interpreters who conducted the bilingual interviews. For the mail distribution survey, more than 400 questionnaires with self-addressed, stamped envelopes were distributed within the study areas.

Table 3: Demographic profile of Ainokura, Ogimachi, Hahoe and Yangdong.

Demographic Profile	Japan		South Korea	
	Ainokura	Ogimachi	Hahoe	Yangdong
Number of populations	55	1,746	223	370
Number of households	27	571	123	150
Total areas	18 ha	45.6 ha	10.67 km ²	4.17 km ²
Number of incentive recipients	27	180	123	150
Number of samples	12	72	24	30

To attain a holistic view, formal interviews were carried out with the officials of national, state and local government for both countries. The researchers also undertook on-site interviews with groups of specialists, including educators and curators, cultural reference groups such as community leaders, heritage managers, cultural group, private sector and NGOs). The open-ended instruments were prepared based on the insights to investigate the state-of-the-art, as well as how and in what way the incentive mechanism might be interposed for communities in historic villages.

Data were analysed using the Statistical Packages for the Social Sciences (SPSS) Version 16.0. This study employs Bennett's program evaluation method to measure the effectiveness of the incentives programs [15]. Respondents were asked to state their level of agreement for the statements pertaining to the satisfaction towards incentive program inputs, activities, participation, reactions, learning, actions and impacts. Also, *t*-test analyses were used to identify the mean differences of incentives program evaluation and needs between groups, through which the differences between four villages are observed.

4 How does it work?

This study seeks to elicit the perceptions and opinion from residents living in the study area, hence to distinguish the effectiveness of the cultural heritage conservation and incentives program. It is important to note that conservation efforts by the authorities, be they direct or indirect, tend to yield significant benefits to the economy. In relating to this research, numerous incentives program were established either financial or non-financial for cultural heritage conservation. At both places, 92% of respondents in Ainokura and 94% of respondents in Ogimachi, respectively, received financial incentives from their authorities. As shown in Table 4, Ainokura's Village incentives benefits include preservation aids for the repair of buildings and roofs, with the highest budget amounting to ¥29,501,000 for the fiscal year 2004 with allocation shown to have slightly decreased over the years. Maintaining *gassho*-style houses with a steeply-pitched thatched roof requires a communal labour-sharing system called *yui*. It is said that, the oldest *gassho*-style house in Ainokura was built approximately 400 years ago, with the more recent ones are believed to have been built between the past 100 and 200 years. The roofs are re-thatched every 15 to 20 years, with the recent initiatives conducted by the Gokayama Forest Owner's Cooperative.

Table 4: Preservation aids for repair of buildings and roofs in Ainokura Village from 2004 to 2011.

Year	Number of cases	Total (¥ thousand)
2004	8	29,501
2005	6	24,633
2006	7	21,193
2007	2	8,929
2008	4	23,187
2009	5	20,120
2010	4	17,375
2011	3	18,893

Source: Nanto Educational Board (2012).

Architecturally, the *gassho*-style houses in Ainokura are a very rational type of abode, with a strong structural design that enables these houses to survive the harsh conditions resulting from very deep snowfall. In accordance with the provision of the Law for the Protection of Cultural Properties, major and minor repair work is periodically required for any alternation to the existing state of structures designated as Important Cultural Properties. Besides the preservation aids, Ainokura's nominated historic building owners receive maintenance aid up to ¥200,000 annually. Aid for small repair work has also been allocated by the Japanese authorities to the residents for the preservation of buildings and the natural landscape. This aid provides some improvement to the site's man-made environment as well as the natural landscape of the village.

On the other hand, the most significant incentive in existence for Ogimachi Village is a fund for the conservation and landscape preservation allocated by the



national and local government. As shown in Table 5 below, the breakdown of the funds for maintaining the *gassho*-style houses was distributed year by year, except for the landscape. From this data, we can see that conservation expenses from national government peaked in year 2009 with ¥56.56 million and ¥36.763 million for the subsidy. The local government also provides a subsidy for landscape preservation programs, mainly for the beautification of the landscape consisting the paddy fields, canals, roads, and forests. The total subsidy for 2010 amounted for ¥5.114 million, the highest allocation so far.

Table 5: Funds for conservation and landscape preservation in Ogimachi village.

Year	Conservation			Landscape	
	National Government			Local Government	
	Number of cases	Expenses (¥ '000)	Subsidy (¥ '000)	Number of cases	Subsidy (¥ '000)
2008	4	31,800	20,670	5	1,096
2009	6	56,560	36,763	12	2,103
2010	6	52,100	33,865	30	5,114
2011	6	53,300	34,645	19	3,749
2012	10	54,820	35,633	0	0
2013	5	43,820	28,483	0	0

Source: Shirakawa Village Office (2013).

Conversely, the data obtained from the Korean authority, notably the Andong City Hall, shown that the total value of support for Hahoe Village was in the form of monetary support. In 2008, the total value of support was ₩4,107 million and decreased to ₩3,296 million in 2009m to the lowest in 2010 with a total allocation of ₩2,500 million. However, the total value of support showed a significant increased for 2011 and 2012, with a total value of ₩3,846 million and ₩3,062 million, respectively (Table 6). Funding in this account also supports direct grants to qualified individuals or organizations, particularly in support of cultural heritage conservation, village facilities and infrastructure, visitor amenities and tourist facilities.

Table 6: Total value of support for Hahoe village repair.

Year	Total value (KRW)
2008	₩ 4,107,000,000
2009	₩ 3,296,000,000
2010	₩ 2,500,000,000
2011	₩ 3,846,000,000
2012	₩ 3,062,000,000

Source: Andong City Hall (2013).

In the same way, for the last five years the Gyeongju City Hall has offered financial incentives in the form of preservation aids to the owners of the historic property in Yangdong Village. In this respect, owners are given a specific amount of aid based on their financial needs to accomplish preservation and

repair work for their designated property. Table 7 shows a breakdown of the total value of preservation aids allocated for the Yangdong Village. The data show that allocations follow a fluctuating trend, with no allocation in year 2008 to ₩5,450 million, and rose to ₩8,250 million in 2010. Although in 2011 the value of support decreased to ₩4,650 million, in 2012 the value increased to ₩5,640 million. It may be said that the financial aid has had a significant impact on the overall physical features of the historic villages, especially for preserving deteriorated houses.

Table 7: Total value of preservation aids for Yangdong village.

Year	Total value (KRW)
2008	None
2009	5,450,000,000
2010	8,250,000,000
2011	4,650,000,000
2012	*5,640,000,000

Note: *As of December 31, 2012.

Source: Gyeongju City Hall (2012).

5 Incentives program evaluation

This study also identified the constraints on the current incentives policy implementation from the view of local residents whether or not such policy addresses their aspiration and needs. By using Bennett's program evaluation method with the five-point Likert scale, respondents were asked whether they agreed or disagreed with the statements pertaining to the satisfaction towards incentive programs' inputs, activities, participation, reactions, learning, actions and impacts.

Table 8: Mean for the incentive program evaluation between Ainokura, Ogimachi, Hahoe and Yangdong.

Incentive programs evaluation	Case study (mean)			
	Japan		South Korea	
	Ainokura	Ogimachi	Hahoe	Yangdong
Program's inputs	3.0360	3.7222	3.0833	3.3556
Program's activities	3.3811	3.7444	3.0750	3.1600
Program's participation	3.8288	4.2037	3.6111	3.0444
Program's reactions	3.4820	3.2963	3.2639	3.1889
Program's learning	3.1036	3.5370	3.9861	2.9111
Program's actions	3.4730	3.4074	3.4722	3.1556
Program's impacts	3.2230	3.5000	3.3750	3.1833
Total mean	3.3611	3.6302	3.4095	3.1427

As shown in Table 8, most respondents in Ainokura, Ogimachi, Hahoe and Yangdong held favourable attitudes for all the incentives program attributes, with a total mean score larger than 3.00. Above all, the highest score for residents' evaluation was from Ogimachi for program participation (4.20),



followed closely by program learning in Hahoe (3.99) and program participation in Ainokura (3.93). The lowest score was 2.91 for program learning in Yangdong Village.

Further statistical tests as shown in Table 9 revealed the ANOVA test analysis for the entire incentives programme evaluation by residents. The ANOVA test were carried out to identify differences in perception towards program's inputs, activities, participation, reactions, learning, actions, impacts, and overall perceptions towards the incentives program between residents in Ainokura, Ogimachi, Hahoe and Yangdong Village. The analysis shows that there is a statistically significant difference in perception towards program inputs, activities, participation and program learning between villages at the $p < 0.05$ level. Other factors were not statistically different in a significant way.

Table 9: Summary of Levene's test and ANOVA between Ainokura, Ogimachi, Hahoe and Yangdong.

Program's evaluation	p-value (ANOVA)	Significant difference
Program's inputs	0.015	Yes
Program's activities	0.001	Yes
Program's participation	0.000	Yes
Program's reactions	0.795	No
Program's learning	0.000	Yes
Program's actions	0.438	No
Program's impacts	0.227	No
Overall	0.012	Yes

The most striking result to emerge from this data was that residents in Ogimachi rated the highest score for the overall incentives program evaluation compared to their counterparts from other villages. The lowest were by the residents from Yangdong Village, with an overall score of 3.1427. Moreover, a comparison of program inputs, activities, participation and learning revealed that in the four villages, there were largely different perceptions compared to the well program's participation in Ogimachi Village. Emphasis should be deliberated to cultivate the learning experience among communities in Ainokura, Hahoe and Yangdong, especially on the importance of preserving cultural heritage.

Table 10: Parameters on the needs for educational training focused on safeguarding tangible and intangible heritage.

Tangible heritage	Intangible heritage
i. Maintenance and preservation works	Cultural and intangible heritage policy
ii. Repair and restoration of structure	Identifying and delineating intangible heritage
iii. Alteration and new work	Heritage policy and legal instruments
iv. Planning and management of heritage areas	Cultural and historical traditions
v. Policy and legal issues	Cultural and arts management
vi. Fine arts and crafts techniques	Drama, music and festivals
vii. Painting	Language and a work of art
viii. Documentation and assessment	Manners and customs
ix. Cultural landscape	Folk performing arts
x. Entrepreneurship	Religious faith



The following 10 parameters were formulated in order to investigate respondents' perception on the needs for educational training focused on safeguarding the tangible and intangible heritage (Table 10). Respondents were asked to evaluate the importance of the parameters by using three-point scale ordered from the exceedingly required, generally required and not required.

Based on Table 11, the mean of intangible heritage needs for Ainokura, Ogimachi, Hahoe and Yangdong was larger than the tangible heritage needs. This means that the majority of the residents in four villages felt that they need more intangible heritage educational training focused on their historic area.

Table 11: Mean for the tangible and intangible heritage needs between Ainokura, Ogimachi, Hahoe and Yangdong.

Residents' needs	Case study (mean)			
	Japan		South Korea	
	Ainokura	Ogimachi	Hahoe	Yangdong
Tangible heritage	1.9083	1.9538	2.2458	1.9667
Intangible heritage	2.1500	2.0312	2.6625	2.4767

In order to identify the significant differences of tangible and intangible educational training needs between Ainokura, Ogimachi, Hahoe and Yangdong, ANOVA test was carried out. Table 11 reveals that there was a statistically significant difference in intangible heritage needs between four villages at the p -value < 0.05 : $F(3.124) = 2.9$, $p = 0.0$. This finding indicated that the four study area are significantly different from one another, whilst the rigorous efforts should be held to promote intangible heritage educational training needs for the local people.

Table 12: Summary of Levene's test and ANOVA between Ainokura, Ogimachi, Hahoe and Yangdong.

Needs	p-value (ANOVA)	Significant difference
Tangible	0.063	No
Intangible	0.000	Yes

6 Discussion and conclusion

This paper attempts to reconsider the provision of incentives program to incorporate communities' concerns into the overall policy planning. Community participation in the management and conservation of cultural property should therefore be taken into account. Linking the management of heritage to the social and economic needs of people living in communities adjacent in traditional villages is one sure-fire way of achieving sustainability. It must be stressed that without deliberate and concerted effort by national governments and implementing agencies, the outlook for the survival of cultural heritage in Japan and South Korea is bleak.



Furthermore, the prominence given to tourism might lead to unsustainable dependence on tourism, abandoning traditional values and needs of the people. On the whole, the acceptance of the incentives has been proven to play a driving role in encouraging best practices and ensuring the conservation program's success. Hence, the educational training focus should be promoted to the local communities to ensure the sustainability of tangible and intangible heritage. It is important to note that any efforts to preserve the cultural heritage should be aimed not merely at tourism's benefits; the most important thing is to understand the needs of the local people.

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