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The Economy and Environment Program for Southeast Asia (EEPSEA) was established in May 1993 to support training and research in environmental and resource economics across its 10 member countries: Cambodia, China, Indonesia, Laos, Malaysia, Papua New Guinea, the Philippines, Sri Lanka, Thailand, and Viet Nam. Its goal is to strengthen local capacity for the economic analysis of environmental problems so that researchers can provide sound advice to policymakers.

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Saving Thailand's Temples: How Much Are People Willing to Pay?

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Ancient temples are among Southeast Asia's most important cultural artifacts. They are priceless in terms of their historical and religious importance. They are also vital foreign currency earners as key destinations for tourists. Unfortunately, many temples are in poor condition and deteriorating. One of the key challenges across the region →

A summary of EEPSEA Research Report 2005-RR12, *Economic Valuation of Cultural Heritage: A Case Study of Historic Temples in Thailand* by Udomsak Seenprachawong, School of Development Economics, National Institute of Development Administration, Serithai Rd. Bangkok, Thailand 10240. E-mail: udomsak.s@nida.nida.ac.th

“This would be enough ...

➔ is how to finance the conservation of this cultural heritage.

A new EEPSEA report from Thailand has looked at how much Thais would be willing to pay (WTP) to conserve the nation's temples. It finds that, on average, individuals would be willing to make a one-time payment of 200 Baht (USD 5.30), either as a tax surcharge or as a voluntary donation to finance a preservation program for ten historic temples. Extrapolating these results nationally, it finds that this would produce more than enough money to finance a temple conservation program. The study also proposes the main elements of a national program to preserve historic temples in Thailand.

The study was undertaken by Udomsak Seenprachawong, from the School of Development Economics at the National Institute of Development Administration in Bangkok. The main aim of the study was to inform national cultural conservation policy and investment. Such work is important: Thailand has experienced swift economic growth in recent decades that has led to the rapid expansion of housing and other

urbanizing developments. This in turn has threatened many of the country's key cultural sites. Historic temples are in particular danger, despite the fact that they are considered to be among its finest examples of ancient cultural structures. Exposed to the outdoor environment, temples are subject to weathering damage. In many cases, there has been serious deterioration.

Valuing Temple Conservation

In order to see how Thailand's temples are valued by the general population, Seenprachawong used two methods; Contingent Valuation (CV) and a Choice Experiment (CE). Survey respondents were given a description of a conservation program (in the CV exercise) or a set of attributes pertaining to the temples and their up-keep (in the CE) and asked how much they would be willing to pay for the program, assuming that their fellow citizens would pay the same amount. This was the first use of CV and CE to study cultural heritage in Thailand and, as such, is a test for the applicability of this technique to this area of national life.

Although a random survey of the entire Thai population would have

been ideal, for practical reasons the survey was done in the Bangkok Metropolitan Area (BMA). Using data from the National Statistical Office, the population of the BMA was divided up into similar districts and households were randomly selected from these. Over 500 households were surveyed.

Each household respondent was provided with written and pictorial information describing the current state of historic temples in the central region of Thailand. This was followed by a description of a proposed management program to restore ten temples. The temples that were the subject of this hypothetical program are among the most important in Thailand and are currently at serious risk of deterioration. They were built between the years 1595 and 1814.

Each respondent was given a card which specified a pre-determined amount of money. The respondent was then asked whether they would be willing to pay this amount for the management program. The card was then put into a sealed envelope to prevent the interviewer knowing the respondent's answer. This was done to prevent respondents from trying to please the interviewer by expressing a high willingness to pay.

Average WTP to preserve historic temples

Sub-sample	Number of temples	Payment vehicle	Parametric WTP (Baht/person)	Non-parametric WTP (Baht/person)
1	Two temples	Income Tax	70	278
2	Two temples	Donation	99	206
3	Ten temples	Income Tax	214	362
4	Ten temples	Donation	243	290

Taxes Or Donations?

The survey respondents were split into four sub-samples, in order to

to finance temple conservation.”

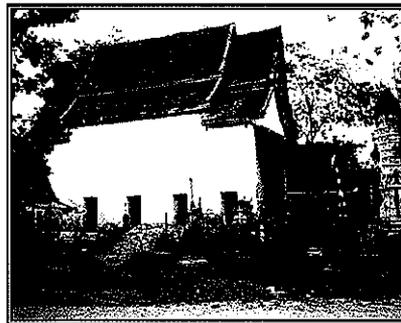
test a number of different factors that might influence payment decisions. Two payment vehicles were assessed: a one-time income tax surcharge and a one-time voluntary donation. A subsection of respondents were also asked their views on conserving only two temples, to see if this would have any effect on the amount of money they would be willing to pay (a scope test to see if people's WTP is related to the size of the good in question). Respondents who were not willing to pay anything were asked to state their reasons. The questionnaire also included attitudinal and demographic questions.

A choice experiment (CE) was also used to find out in more details exactly what people value when it comes to temple conservation. People were asked to choose between a no-change scenario and a temple conservation program for which four key attributes were specified. These attributes were: the number of temples to be protected; their architectural significance; their age; and their historical importance. The particulars of these attributes were varied between respondents to get an indication of what type of conservation work people were most keen to see carried out.

What Are The Temples Worth?

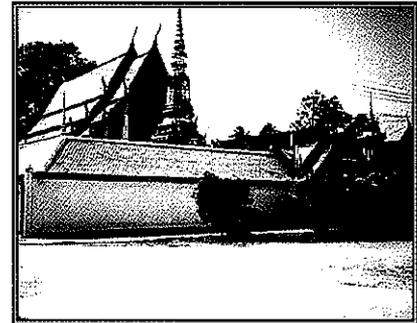
Seenprachawong found that Thais have a positive attitude towards the

วัดอินทาราม



Indraram Temple

วัดบางไผ่ใหญ่



Bangkaeyai Temple

Examples of two historic temples to be preserved by a government program

restoration of historic temples. It is generally felt that the deterioration and damage of historic temples is undesirable and that the public is willing to pay to preserve these temples. Indeed, respondents were, on average, willing to pay over 200 Baht to implement the preservation program for the ten historic temples highlighted by the study. Not surprisingly, the findings from the CE study show that Thai people prefer a preservation program for temples with architectural and historical importance.

Perhaps more surprising was the finding that there is no significant difference in the amount people would be willing to pay between the two payment vehicles. For example, the average willingness to pay for the temple conservation program using a one-time income tax surcharge was estimated at 214 Baht per person. In comparison, the average willingness to make a one-time voluntary donation for the same work was

estimated at 243 Baht per person.

This finding goes against the conventional thinking among researchers in Southeast Asia. The consensus has been that people's mistrust of taxes and government make it impossible to use mandatory income taxes for conservation, and that voluntary donations are the only feasible payment vehicle. In this study, the two payment vehicles were almost equally attractive to respondents.

Enough Money To Save The Temples

The significance of these figures becomes apparent, when they are looked at from a national perspective. In 2004, there were over 6.5 million adults in Thailand registered as income-earners. Of these, just over 1.2 million were exempt from paying income tax. This means that over 5.3 million people are liable to pay income tax. Given that the majority of people surveyed said they would be

willing to pay an income tax surcharge of 214 Baht to preserve ten temples, this means that the government could collect about 1,165 million Baht in total revenue if this surcharge was applied. This aggregate Willingness to Pay is much higher than the cost of the restoration of ten temples - which stands at about 2.5 million Baht.

This ground-breaking study showed that the stated preference methods like CV and CE can be useful in estimating the non-market value of historic temples in the central region of Thailand. These estimates can be used to determine the level of effort and resources that should be devoted to restoring historic temples. It is clear from the national willingness to pay figures that current expenditure on the preservation of historic temples are justified and should perhaps be increased.

A National Temple Conservation Program

Despite the fact that, as this study shows, historic temples are considered valuable cultural artifacts, currently,

there is no national program to preserve them. Instead, each individual temple has its own restoration program financed by public donations. According to Seenprachawong, this arrangement is not sufficient - a national management scheme is required.

Seenprachawong suggests that the Foundation for the Conservation of the Natural and Local Cultural Environment, which was established in 1993, could work with the Local Units for the Conservation of Natural and Cultural Environment (LUCNCE) to establish a trust fund for cultural conservation. This would be financed mainly by voluntary donations from the public. To stimulate voluntary contributions from the public, the fund could seek matching funds from agencies like UNESCO. Additional funds could also be generated by fund-raising activities organized by the Foundation (e.g. the sale of postcards, T-shirts, and other souvenirs or organizing shows, such as classical dance, at heritage parks).

To co-ordinate the conservation work, Seenprachawong advises the LUCNCE and the Fine Arts Department to make a complete inventory of the restoration needs of listed temples every five years. The Foundation could then allocate budgets to the municipalities based on this inventory. Local communities and the private sector (in regions where historic temples are located) should also be key players in any temple preservation program. For example, local people and firms should get involved in fund raising and in designating and registering the temples. Monetary incentives could be given to those communities who preserve their historic temples well. The public's willingness to pay for temple conservation must be harnessed before these irreplaceable buildings are lost forever.

(37.6 Baht = 1 USD: April 2006)

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