FACTORS INFLUENCING THE MOBILIZATION OF FINANCIAL RESOURCES FOR THE CONSERVATION AND DEVELOPMENT OF CULTURAL HERITAGE IN HUẾ CITY

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Abstract: ***As a heritage city and a major cultural and tourism center, Huế City has enacted numerous policies aimed at conserving and promoting cultural heritage values in alignment with sustainable urban development. In this process, financial resources play a pivotal role, determining the effectiveness of policy implementation and sustaining long-term conservation activities. The establishment of the Huế Heritage Conservation Fund is a commendable initiative; however, its nature remains experimental and has not yet been implemented on a larger scale. Meanwhile, specialised studies on financial resource mobilisation for the conservation and development of cultural heritage in Huế City remain limited. Against this backdrop, this study analyses the factors influencing the mobilisation of financial resources for the conservation and development of cultural heritage in Huế City and, on that basis, proposes recommendations to improve the effectiveness of mobilising financial resources for the conservation and development of the city's cultural heritage in the upcoming period.***

• Keywords: *financial resources; conservation and development; cultural heritage; Huế City*

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1. Introduction

Thừa Thiên Huế was formerly the capital of the unified Vietnamese state for 143 years (1802-1945) and was among the country's most important political and cultural centers throughout history. Over many centuries, Huế City has conserved and retained a cultural heritage system of the largest scale, highest integrity, and greatest representativeness in Viet Nam, including numerous tangible and intangible cultural heritages recognised by UNESCO, together with nearly 1,000 historical monuments with distinctive value. With its status as a "heritage city" and "Vietnam's Festival City," Huế also plays a strategic role in the cultural-tourism development space of the region and the nation as a whole. In addition to its exceptional historical and cultural values, Huế was once expected, together with Hà Nội and Hồ Chí Minh City, to become one of the three major political, economic, and cultural-tourism centers of the North, Central, and South regions. In recent years, the local authorities have promulgated and implemented various guidelines and policies to conserve and promote cultural heritage values, aligned with the orientation toward sustainable development of a heritage-oriented city.

Among the success determinants of heritage conservation and development, financial resources play a decisive role because they are the direct elements that ensures the capacity to implement policies, execute conservation-restoration projects, and maintain conservation activities over the long term. The recent establishment of the Huế Heritage Conservation Fund represents a notable step forward, demonstrating efforts to mobilise participation and contributions from the community and visitors. Nevertheless, this model remains experimental, its impact scope is still limited, and it has not been systematically replicated.

Given the above context, selecting and conducting research on the topic Factors Influencing the Mobilisation of Financial Resources for the Conservation and Development of Cultural Heritage in Huế City is necessary and meaningful in both theoretical and practical terms. This research not only contributes to strengthening the scientific basis for designing financial policies in the field of heritage conservation and cultural development, but also provides important evidence for the sustainable development orientation of the heritage city of Huế in the coming period.

2. Theoretical Foundations of Factors Influencing the Mobilisation of Financial Resources for the Conservation and Development of Cultural Heritage

At the international level, the concept of cultural heritage is primarily grounded in two UNESCO

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conventions: the 1972 Convention Concerning the Protection of the World Cultural and Natural Heritage and the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage. Together, these conventions reflect a shift in heritage thinking from a static view centered on tangible assets to a broader and more dynamic understanding that also places communities and intangible values at the center. Vietnam's 2025 Law on Cultural Heritage follows this distinction between tangible and intangible heritage while also incorporating national cultural particularities. Accordingly, cultural heritage may be understood as the totality of tangible and intangible values created through history, recognized as having historical, cultural, scientific, aesthetic, and identity significance, and preserved and transmitted for present and future generations.

Financial resources play a decisive role in the conservation and development of cultural heritage because they determine the capacity to implement policies, finance restoration projects, and sustain conservation activities over time. In this study, financial resources for heritage conservation and development are understood as the monetary expression of social wealth that can be mobilised and used for this purpose. However, such resources exist only as potential unless appropriate mechanisms, policies, instruments, and actors are in place to transform them into effective financial funds. In this sense, the mobilisation of financial resources refers to the process of converting potential resources in society into actual financial means for conserving and promoting cultural heritage values (Phạm Quỳnh Mai & Lưu Huyền Trang, 2024).

In practice, heritage conservation is often financed primarily through public resources, while additional support may come from supplementary public spending, private participation, and community contributions (OpenHeritage, 2021). Previous studies show that the mobilisation of financial resources depends on several interrelated conditions. Fiscal reforms and sound budget governance strengthen the State's mobilisation capacity and long-term resilience (World Bank, 2024), whereas economic crises often reduce allocations for culture and heritage. Because public resources are usually limited, diversified financing—especially through private-sector participation—is essential for sustainability (Tạ Đình Long, 2016). At the same time, community support and stakeholder consensus are critical, since local participation strongly affects the success of heritage financing and management (Aas et al., 2005; Nasser, 2003). Cultural heritage also creates both economic and non-economic intergenerational benefits, thereby encouraging broader local engagement (Throsby, 2020). Overall, financial resource mobilisation is shaped by community perceptions, governance effectiveness, socio-economic and natural conditions, and the development of tourism and related services.

The mobilisation of external financial resources, particularly private and institutional investment, is further influenced by the broader legal, policy, and macroeconomic environment. A transparent legal framework, effective governance, and adequate public support help build investor confidence (OECD, 2025), whereas institutional, regulatory, and political risks may discourage long-term private capital mobilisation (Inderst, 2021). Economic fluctuations, inflation, and country risk also affect investors' willingness to participate in long-term projects, including heritage conservation and development (World Bank, 2023). In addition, a more developed and efficient financial system facilitates access to foreign capital and deeper international financial integration. International integration and cooperation also support technology transfer, managerial improvement, and external funding, including ODA and bilateral cooperation for heritage conservation (Phan Thanh Hải, 2013). Thus, the mobilisation of financial resources is closely linked not only to domestic institutional conditions but also to market development, international cooperation, and technological progress.

Building on previous international and domestic studies, and considering the specific characteristics of cultural heritage conservation and development, this study identifies two groups of influencing factors. The subjective factors include organizational implementation capacity, the quality of the management workforce, the application of science and technology, stakeholders' awareness of the role of finance in heritage conservation and development, and local policies promoting financial mobilisation. The objective factors include the socio-economic environment, natural conditions and climate change impacts, the legal environment, the development of tourism and heritage-related service markets, and trends in international integration and cooperation.

Based on the above analysis, the study proposes the following hypotheses:

(H1): The implementation-related factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H2): The technological factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H3): The awareness-related factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H4): Local policy has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H5): The socio-economic environmental factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H6): The natural environmental factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H7): The legal environment factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H8): The tourism and heritage-related service market factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City;

(H9): The international integration and cooperation factor has an effect on the mobilization of financial resources for the conservation and development of cultural heritage in Huế City.

3. Assessment of Factors Influencing the Mobilization of Financial Resources for the Conservation and Development of Cultural Heritage in Huế City

3.1. Research Model

Data

The study is expected to use primary data collected through a questionnaire survey. However, socio-economic and environmental indicators used for policy analysis remain limited and inconsistent. In practice, the same indicator is often constructed by multiple agencies and organizations, leading to discrepancies across data sources. To ensure consistency, the dataset employed in this study is primarily compiled from the *Statistical Yearbook of Thừa Thiên Huế Province* and survey results. In addition, selected socio-economic and environmental data are obtained from reports issued by provincial departments, line agencies, and research institutes. Nevertheless, certain inputs required for the economic modelling framework are estimated by the study itself.

This research adopts a dynamic computable general equilibrium (CGE) model built upon a Social Accounting Matrix (SAM). As an official SAM for Thừa Thiên Huế is not available, the study constructs an estimated SAM by applying technical coefficients derived from the 2017 input–output (I/O) table compiled by the General Statistics Office, combined with the province-specific socio-economic dataset assembled for this research. In cases where some cells of the SAM cannot be populated using official statistical data, estimates are derived through a quadratic programming approach, minimizing the aggregate deviation between observed and estimated values.

For data processing and analysis, the study employs quantitative methods. Survey data are processed using SPSS, while Structural Equation Modelling (SEM) is applied to analyze and assess financial resource needs, the capacity to mobilize financial resources, and the impact of such resources on the development of Thừa Thiên Huế into a centrally governed heritage city. Based on the estimated I/O table, a CGE model is subsequently developed to simulate economic growth scenarios for Thừa Thiên Huế up to 2030, with a long-term vision to 2050.

The data utilized in this study are primary data collected through a survey employing five-point Likert-scale questionnaires, ranging from 0 ("strongly disagree") to 5 ("strongly agree"). A total of 350 valid responses were obtained, satisfying the minimum sample size requirements for exploratory factor analysis (EFA) as suggested by Hair et al. (2014).

Research Variables

Dependent Variable: The dependent variable is quantified as the mobilisation of financial resources (NTC).

Independent Variables: The independent variables include organizational implementation factors (TC), technology factors (CN), awareness factors (NT), local policies (CS), the socio-economic environment factor (KTXH), the natural environment factor (TN), the legal environment factor (PL), the tourism and heritage-related service market factor (TT), and the trend of international integration and cooperation factor (HN).

Proposed Research Model

$$Y\ (NTC) = \beta 0 + \beta 1*TC + \beta 2*CN + \beta 3*NT + \beta 4*CS + \beta 5*KTXH + \beta 6*TN + \beta 7*PL + \beta 8*TT + \beta 9*HN + \varepsilon$$

With:

Y: Dependent Variable

TC, CN, NT,… TN: independent variables

β_0: Constant

β_i: the intercept (constant term) X_i

ε: random error term

3.2. Empirical results:

Scale Reliability Test: Cronbach's Alpha

To ensure the reliability of the measurement scales before conducting exploratory factor analysis (EFA), the study uses Cronbach's Alpha coefficient to assess the internal consistency among observed variables within the same factor group. According to Nunnally and Bernstein (1994), a Cronbach's Alpha of at least 0.6 is considered acceptable for exploratory research, and at least 0.7 indicates good reliability. In addition, the corrected item-total correlation must exceed 0.3 for an observed variable to be retained in the scale.

Results of the Cronbach's Alpha reliability test shows that all scales have Cronbach's Alpha values of at least 0.76, indicating good overall reliability. In addition, all items have corrected item-total correlations above 0.3, showing that the observed variables are strongly associated with the overall scale. At the same time, removing any item does not materially increase the Cronbach's Alpha of its group; therefore, all observed variables are retained for the exploratory factor analysis (EFA) step. Notably, several groups exhibit very high reliability, such as NT (0.90), PL (0.88), and TC (0.87), which will constitute strong components in the validated model.

Exploratory Factor Analysis (EFA)

Exploratory factor analysis (EFA) is conducted to examine the convergent validity and discriminant validity of the observed variables in the model.

The test results show that the Kaiser-Meyer-Olkin (KMO) measure equals 0.755 (> 0.5), indicating that the data are adequate for EFA. At the same time, Bartlett's Test of Sphericity yields Chi-Square = 5,441.873 with Sig. = 0.000 (< 0.05), rejecting the null hypothesis that the correlation matrix is an identity matrix. This confirms that the observed variables are linearly correlated and suitable for extracting latent factors.

Table 1. KMO and Bartlett's tests

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0,76
Bartlett's Test of Sphericity	Approx. Chi-Square	5441,873
	df	561
	Sig.	0,000

Source: SPSS results.

EFA results show that nine factors are extracted with eigenvalues greater than 1, and the total variance explained reaches 69.812%, meaning that these nine factors explain 69.812% of the variation in the full set of observed variables. This satisfies the criterion of Hair et al. (2014), under which a total variance explained of ≥ 50% is considered appropriate in social science research. After Varimax rotation, the rotated factor matrix indicates that all observed variables have factor loadings of ≥ 0.65, and no variable loads simultaneously on two or more factors, demonstrating good convergent and discriminant validity of the scales.

Accordingly, the EFA results confirm that the observed variables within each scale group are closely related, and that the initial theoretical model fits the empirical data. The factors extracted from EFA are then used in the multiple linear regression analysis step to test the influence of each factor on the dependent variable in the research model.

Multiple Linear Regression Analysis

The regression results presented in Table 3 show R = 0.645, R^2 = 0.416, and adjusted R^2 = 0.400. This indicates that the linear regression model explains 40.0% of the variation in the dependent variable NTC through the independent variables TC, CN, NT, CS, KTXH, TN, PL, TT, and HN. The Durbin-Watson statistic = 1.937 and lies within the range 1.5-2.5, indicating no residual autocorrelation and supporting the reliability of the model.

Table 2. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.645[a]	,416	,400	,53769	1,937

a. Predictors: (Constant), HN, TC, TT, PL, CN, KTXH, CS, NT, TN

b. Dependent Variable: NTC

Source: SPSS results.

The ANOVA test yields F = 26.717 with Sig. = 0.000 (< 0.05), indicating that the multiple linear regression model is appropriate and statistically significant, meaning that the independent variables in the model have a significant effect on the dependent variable.

Table 3. ANOVA test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69,516	9	7,724	26,717	.000b
	Residual	97,718	338	0,29		
	Total	167,234	347			

Source: SPSS results.

The analysis of standardized regression coefficients (Beta) shows that all independent variables have Sig. values < 0.05, indicating that they all exert positive and statistically significant effects on NTC. Among

them, the natural environment factor (TN) has Beta = 0.371, making it the strongest influencing factor on NTC; next are the awareness factor (NT) with β = 0.244, the international integration and cooperation trend factor (HN) with β = 0.130, local policy (CS) with β = 0.140, and the socio-economic environment factor (KTXH) with β = 0.127. The remaining factors, including organizational implementation (TC), technology (CN), legal environment (PL), and the tourism and service market associated with heritage (TT), have smaller Beta coefficients but remain statistically significant in the model (Sig. < 0.05).

Table 4. Regression coefficients and multicollinearity diagnostics

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	(1,62)	0,41		(3,92)	0,00		
	TC	0,08	0,03	0,12	2,82	0,01	0,98	1,015
	CN	0,09	0,04	0,11	2,50	0,01	0,89	1,120
	NT	0,22	0,04	0,24	5,67	0,00	0,93	1,072
	CS	0,16	0,05	0,14	3,27	0,00	0,95	1,057
	KTXH	0,16	0,05	0,13	3,01	0,00	0,97	1,026
	TN	0,41	0,05	0,37	8,07	0,00	0,82	1,220
	PL	0,09	0,04	0,09	2,17	0,03	0,97	1,033
	TT	0,09	0,04	0,10	2,39	0,02	1,00	1,005
	HN	0,15	0,05	0,13	2,97	0,00	0,90	1,106

Source: SPSS results.

The standardized linear regression equation is determined as follows:

NTC = 0,112TC + 0,11CN + 0,244NT + 0,14CS + 0,13KTXH + 0,371TN + 0,092PL + 0,1TT + 0,13HN

The results of the multiple linear regression indicate that the model is statistically significant overall, while also providing clear evidence regarding both the magnitude and direction of the effects of the independent variables on the dependent variable.

First, with respect to the intercept (Constant), the estimated coefficient is B=-1.62B = -1.62B = -1.62 and is statistically significant at the 1% level (Sig. = 0.00). This suggests that when all independent variables are equal to zero, the expected value of the dependent variable is negative. However, in empirical research, this coefficient is primarily of technical relevance rather than offering a direct economic interpretation.

Regarding the explanatory variables, all coefficients are positive (B > 0) and statistically significant at the 5% level or better (Sig. < 0.05). This implies that TC, CN, NT, CS, KTXH, TN, PL, TT, and HN all exert a positive effect on the dependent variable; that is, an increase in these factors leads to an increase in the dependent variable. These findings are consistent with prior studies that have documented positive relationships between the independent variables and the dependent variable.

In terms of relative influence, as reflected by the standardized Beta coefficients, TN exhibits the strongest effect (Beta = 0.37; t = 8.07), indicating that it is the most important determinant in the model. It is followed by NT (Beta = 0.24), CS (Beta = 0.14), KTXH and HN (both approximately Beta = 0.13), TC (Beta = 0.12), CN (Beta = 0.11), TT (Beta = 0.10), and finally PL (Beta = 0.09). Thus, although all variables are statistically significant, their impacts are heterogeneous, with TN and NT emerging as the most influential factors.

With respect to the reliability of the estimates, the collinearity diagnostics suggest no serious multicollinearity issues in the model. Specifically, all Variance Inflation Factor (VIF) values are low (ranging from 1.005 to 1.220, well below the common thresholds of 5 or 10), and all Tolerance values exceed 0.1. This confirms the absence of strong linear correlations among the independent variables, thereby ensuring the stability and reliability of the estimated regression coefficients.

Overall, the regression results confirm that the constructed model is well suited to the research context, highly stable, and accurately reflects the relationships among factors influencing the mobilization of financial resources in the conservation and development of cultural heritage in Huế City.

4. Conclusion and Policy Recommendations

The estimation results show that financial resource mobilization capacity is simultaneously influenced by multiple economic, social, institutional, and environmental factors, with differing degrees and mechanisms of influence that are mutually supportive. In particular, factors such as trust, awareness, and social consensus play a dominant role, determining stakeholders' willingness to participate in mobilizing and using financial resources for the conservation and development of cultural heritage in Huế City. Conversely, factors such as institutions, technology, and the legal framework have a lower direct impact but serve as foundational elements that establish the environment and necessary conditions for other factors to be effective. Therefore, these factors do not substitute for one another but instead complement and interact throughout the financial resource mobilization process.

Based on the regression results and the relative impacts of factors in the model, several policy recommendations can be proposed.

First, it is essential to refine the financial management mechanisms for developing a heritage city by establishing a tailored financial institutional framework that allows for greater flexibility compared to conventional urban settings. This approach provides strategic orientation for mobilizing and managing financial resources to support Huế's transformation into a heritage city. In parallel, priority should be given to protecting and enhancing the quality of the natural environment as a core foundation for strengthening the capacity to mobilize financial resources for heritage conservation and development. The close integration of heritage preservation with green and sustainable development orientations not only safeguards the long-term value of heritage assets but also enhances their attractiveness to investors and broader societal financial resources.

Second, efforts should be made to enhance the awareness of communities and enterprises, while strengthening social trust through intensified communication, improved financial transparency, and the establishment of mechanisms that encourage the socialization of resources. This constitutes a critical condition for expanding the participation of the private sector and the community in heritage conservation and development. Concurrently, it is necessary to develop a pool of interdisciplinary professionals capable of meeting the requirements of financial governance in the specific context of a heritage city, thereby ensuring effective integration across economic, technical, and cultural dimensions in project planning and implementation.

Third, international integration and cooperation should be promoted, with proactive engagement in accessing external financial resources, aid flows, and international public–private partnership models. Learning from international experiences and flexibly adopting appropriate cooperation models will contribute to diversifying funding sources and enhancing the investment efficiency of heritage projects.

Fourth, attention should be directed toward strengthening the implementation capacity of local authorities and improving the quality of the management workforce, while refining policies for financial resource mobilization in line with the distinctive characteristics of Huế as a heritage city. It is also necessary to enhance two-way feedback mechanisms between public authorities and investors/donors, creating regular platforms for dialogue to facilitate information exchange, promptly address constraints, and ensure transparency in the use of funds.

Fifth, the deployment of digital technology solutions not only improves the efficiency of heritage financial governance but also contributes to positioning Huế as a pioneering model of a "Smart Heritage City," where heritage, technology, and community are interconnected within a sustainable development ecosystem. Several measures may be adopted, including the development of integrated heritage financial data platforms; the application of GIS, BIM, and e-PMIS in heritage project management; the digitalization of public–private partnership processes; the development of smart heritage applications; and the utilization of artificial intelligence (AI) and big data analytics.

Finally, it is necessary to establish a comprehensive monitoring and evaluation system to ensure the sustainability of financial resource mobilization for Huế as a heritage city. A multi-level monitoring and evaluation framework should be developed, involving state management agencies, social organizations, local communities, and international partners. This system plays a central role in measuring, controlling, and enhancing the effectiveness of heritage financial governance in accordance with international standards.

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