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Be Interested and Beware: Joining Economic Valuation and Heritage Conservation

Randall Mason

Economic thinking can provide great insight into heritage conservation. The cause of integrating heritage conservation into broader social agendas could be well served by engaging with economic discourse. Written from the perspective of the conservation field, this essay draws out distinctions between economic and conservation discourses, examines why and how economic arguments are made about conservation, and advocates serious engagement of cultural economics by the heritage conservation field. Strategic and epistemological barriers to the inclusion of economic discourse in conservation are surveyed, and several arguments for including economic discourse as a more integral part of conservation practice are weighed. The essay concludes that thoughtful, critical engagement with economics discourse will lead to a dynamic new research agenda and strengthen the conservation field's hand in policy discussions and decisions.

Keywords: Conservation Discourse; Economics; Economic Development; Research; Values

Conservation Discourse and Economics Discourse

Heritage conservation has transformed in the last generation, from a fairly closeted practice pursued as an end in itself, to a field increasingly viewed as the means to other social ends (greater sense of place, sustainable development, cultural diversity, tourism income, and so on). As part of this transformation, economic concepts, values, goals, and discourse applied to heritage have grown in prominence. These changes are welcomed by some, are unwelcome to others, but they are congruent with longer-brewing changes in conservation which have brought real-world conservation activity into partnership with forces for economic development and community improvement.¹

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Given these changes, it is urgent for conservation professionals and advocates to have some fluency with economic discourse, as it has become a *lingua franca* of public discourse (as well as public policy) in contemporary society.

Two distinct ways of thinking about heritage have emerged in contemporary society—termed here ‘economic discourse’ and ‘conservation discourse’. These are not the *only* discourses about heritage, but represent important impulses within professional circles. Both are complex, have long histories, and are distinctly different. Conservation discourse employs historical narratives, connoisseurial judgements, materials science and visual media in making its arguments; economic discourse relies on mathematics and quantitative expressions. Conservation discourse takes as given the benefits of heritage conservation; economic discourse questions the benefits of heritage conservation sceptically, deferring to the judgement of markets as efficient means of making decisions and allocating resources.

Economists regard preservation first as a market phenomenon, a set of goods and services best appraised in terms of prices. But conservation discourse regards heritage as priceless, and therefore beyond economic analysis. Both conservation and economic discourses about heritage have an air of fundamentalism about them, yet seeing the alternatives as a zero-sum game is a mistake. It is a fact ‘on the ground’ that economic concerns are very important to the operation of heritage conservation. Many heritage policy and management decisions are dominated by economic considerations. Yet from the perspective of heritage professionals, economics is regarded as an alien, threatening discourse. It is untenable, living in a market-dominated world, not to include economic values from our planning, management and decision-making frameworks. The question should be *how*.

* * *

The focus of this article is *strategic* discourse about economics and conservation—how economic concepts and analytics are used—as opposed to the *technical* discourse of actually performing econometric analyses measuring the monetary value of specific heritage conservation goods.² Two strategic topics will structure the balance of this article.

First, values theory is introduced as a broad and integrated way to frame thinking about the role of conservation in contemporary society, and a way to organise conservation decision making. While values-centred theory may seem to complicate the motives, goals, and means of conservation professionals, it clarifies the reasons why a broader understanding of heritage places’ values—including economic values—is essential.

Second, several arguments are offered to explain conservation professionals’ need to be interested in—and beware of—cultural economics.³ These begin with the often confused distinction between economic thinking and business thinking, then elaborate on ways that economics as a social science can illuminate heritage conservation practice. In turning to economics, conservation professionals should not simply look for new or different justifications for conservation. One should step back and study *how* and *why* conservation is a benefit to society. The crux of many conservation issues is

judging the trade-offs made between conservation and its alternatives—just the sort of complex social question of greatest concern to the economics field. There is a strong intellectual base to build upon. A long line of brilliant economists have shed light on the relationship between economics and culture and bridged moral and mathematical calculus: Adam Smith, Thorstein Veblen, John Kenneth Galbraith, and Amartya Sen. An extensive literature has evolved to deal with similar issues in the environmental fields. And the field of cultural economics has focused attention on the points of contact between economics discourse, methods, and the cultural sphere.

The Central Place of ‘Values’ in Conservation

Values-centred theory is a powerful way to describe the variety of meanings, uses and functions ascribed to heritage places in contemporary society. The significance and scope of values-centred conservation theory has been outlined elsewhere, in the context of archaeological resources and heritage more generally.⁴ Of particular relevance to this article, a values-centred approach to conservation demonstrates why an understanding of economic value is essential.

The two main points of values-centred theory are that buildings and places have a number of different kinds of value,⁵ which is regarded differently by the various stakeholders involved with the site; and reckoning with a broader range of a place’s values will result in better conservation decisions and outcomes.

A place has *heritage value* owing to its age, or association with an historic event or person; it may have cultural or symbolic value stemming from its significance in the identity of a cultural group; it may have aesthetic value if it is regarded as beautiful, sublime, or artistic. While several, distinct kinds of value can be identified, they also overlap and are interrelated. These cultural values are the traditional core of conservation interest.⁶ Heritage places have a number of other, more *contemporary values*, including economic values, social values, and environmental values. These values are legitimate concerns of recognised stakeholding parties, and shape public attitudes and decisions very strongly, but traditionally have been underemphasised in conservation because they seem independent of the place’s meaning as ‘heritage’. Each category warrants a more nuanced breakdown.

Economic values are interpreted in several different ways. The scheme proposed here highlights the distinction between *use value* and *non-use value*: use values are defined as those readily tradable on markets and translatable into prices (for instance, the value of a building on the real-estate market); non-use values are defined as those for which markets do not exist (e.g. the aesthetic value of a building because it is perceived as beautiful).⁷ Social value stems from the collective use of a heritage place for other than heritage reasons, for instance as a gathering place for music concerts or a place to picnic. Environmental value stems from a place’s role in natural landscapes or ecological systems, comprising, for instance, part of a stream valley or the edge of a forest stand. Taken together, these contemporary values figure prominently in decisions about conservation and development, and they are often (though not necessarily) related directly to the place’s core historical and cultural values.

Historical and contemporary values represent two distinct perspectives on the value of heritage places—akin to looking at the same place through the different ends of a telescope. These perspectives co-exist and often compete—think of an urban neighbourhood under threat of redevelopment, or an archaeological site where agricultural or urban land uses threaten resources. At the level of discourse, two complications arise out of this very real cleavage between historical and contemporary values.

First, value is an essential concept in economics, though used in a distinctly different way from that of conservation discourse. In economics, value is an overarching proxy for the real and potential benefits attached to a place, and it is reducible to a price; as opposed to the plural sense of ‘values’ foundational to the idea of cultural value, in which each different expression of value is idiosyncratic and irreducible. Economic values are expressed in price, whereas cultural values are classified as significant or not. Further, economic values derive from individualised benefits tradable in markets; cultural values are by definition held collectively as well as individually.

The lens of cultural value multiplies the aspects of a place’s value, celebrating them as idiosyncratic, contingent, and ‘constructed’ by the person or group valorising the object. The lens of economic value tends to discipline and reduce the place’s complexity. Vis-à-vis heritage conservation (and culture in general), economists tend to present market/use values not as one fraction of the total collection of values ascribed to a particular place but rather as a totalising system encompassing all types of values.⁸ The logic behind this system of economic valuation is a clear product of neoclassical economics, standardising value to enable its quantification and universal application. This kind of valuation discourse runs at cross-purposes to the elusive, ‘priceless’ aspects of cultural value. Economic values are but *one* aspect of a site’s values, it is argued here, *not* to be studied in isolation from the other values of heritage.

The second complication around the concept of value stems from the idea that heritage conservation yields both private benefits and public benefits, which is to say use (market) values and non-use (beyond-market) values. If conservation yielded mostly private benefits, economic logic would suffice as a discourse about heritage value, relying on market prices (as with the real estate markets for historic houses). But heritage conservation also creates value *outside* of market processes which cannot be priced—for instance, the value of heritage in forming national pride or community feeling—and these public goods cannot be measured directly.⁹ This leads to the difficulties of quantification, and to the whole range of methodological approaches economists have devised to account for both kinds of value.

Extensive literatures in the subfields of environmental and cultural economics test ways of measuring flows of both economic and cultural benefits.¹⁰ Economic (use) values are easy to measure, based on price data from markets where such values are traded (admission to heritage sites, for instance); cultural values are more difficult, and there are no standard metrics. Since economic and cultural values of heritage cannot both be ranked on a shared scale (dollars)—this would be comparing apples to

oranges—some more sophisticated way of characterising the trade-offs between cultural and economic values (heritage and contemporary values) must be sought.

Decision Making versus Problem Solving as Professional Traditions within Conservation

Within conservation discourse there is a rather important distinction between *decision making* and *problem solving* and the roles each plays in conservation practice. They represent two quite different modes in conservation work, with correspondingly different traditions, discourses and methods. Highlighting this distinction helps understand the barriers to including economic discourse in heritage conservation discourse.

Problem solving is the traditional focus of conservation (fixing a wall, matching the correct mortar, determining the history of a building, determining the chronology of an archaeological site, etc.). Such clearly defined technical issues are best tackled by experts, whose knowledge and skills are applied according to scientific method or craft traditions, and the result sought is an optimal solution. The mentality of ‘fixing’ is perfectly attuned to many problems of material preservation, architectural conservation, and archaeological site conservation, but poorly suited to issues arising from social phenomena.¹¹

Problem solving is the province of the technician, scientist, or crafts worker. Decision making is the province of the manager or planner. These do not represent alternative approaches to all conservation issues; rather, they identify two distinct and different kinds of issues—and ways of thinking—faced by conservation professionals.¹² Intellectual and professional traditions of the field predispose conservation professionals to look askance at economics discourse to the extent that it goes beyond the solution of conservation problems and ventures into the less-comfortable sphere of politics and decision making. This is not a criticism of the conservation field so much as an observation that the fabric-centred discourse in Western conservation has (until fairly recently) had the field far more concerned with fixing heritage places than with probing how and why societies use heritage.¹³

Conservation has traditionally been dominated by problem solving—and remains the core—but decision making has become an equally important focus of conservation work. Matters of public policy, cooperation among professions, garnering popular support, consulting stakeholders, integrating conservation with development or other social agendas—all emphasise decision making far more than problem solving. Training and attitudes in conservation remain firmly rooted in problem solving, and the confidence and restricted set of analytics associated with it, while decision making is barely acknowledged to be a core part of conservation practice. Economic discourse, as a result, is not accepted as core to conservation in practice. Disdain for, or ignorance of, economic discourses are evidence of the conservation field’s failure (as of yet) to embrace fully the importance of decision making. But conservation professionals should be interested in economic discourse for the pragmatic reason that economic values strongly influence decision making. However reluctant one might be to admit it, many decisions about conservation are made by politicians, bureaucrats, investors, owners, and other outsiders to conservation discourse.

Be Interested and Beware

The narratives of cultural value and its ‘pricelessness’ create, as argued above, resistance to dealing fully with economics in conservation, let alone adopting the methods of academic economists. Because ‘pricing the priceless’ is anathema in the traditional discourse of heritage, economics, quantitative measurement and financial justification are deemed secondary to cultivating historical memory, repairing fabric, and safeguarding culture on behalf of future generations. Intellectually, this distinction has long been tenuous—there have long been markets for art, after all—sustained in the interest of creating conservationists’ disciplinary hegemony over heritage. Practically, this distinction is no longer defensible, though it remains a durable part of the conservation field’s culture.¹⁴

If the conservation field has kept its distance from economics, how has the economics field regarded heritage conservation? Heritage conservation is a marginal concern in most economic, business and economic development discourses. Conservation rarely figures as a significant part of regional or national economies, though contrary arguments are made,¹⁵ and growth in such heritage-reliant sectors as tourism and renovation/DIY suggest conservation’s growing importance as an economic phenomenon. For the relatively small cadre of economists who study cultural activities as economic phenomena (‘cultural economists’), however, heritage presents an interesting case. Heritage conservation raises issues of market failure, public-good provision and the measurement challenges posed elsewhere in the cultural sector (museums, plastic and performing arts),¹⁶ and relates well to the concepts and analytics that environmental economists have created to deal with environmental conservation. Adopting the perspective of the heritage conservation field, this section draws on insights from cultural economics to offer arguments for and against conservation professionals’ engagement with economics discourse and tools.

Why Should those in the Conservation Field be Interested in Economics?

There are many political, philosophical, and practical reasons for those in the conservation field to be interested in economics and economic arguments. Five overarching points are outlined here.

First, economics is more than markets and profit seeking; it is a social science in the broadest sense, concerned with a wide range of philosophical and social topics centred on material well-being and how it is produced, distributed and consumed. Economic thinking in this sense is exciting, eye-opening, and powerful.¹⁷ It can illuminate the whole range of human and social phenomena. For conservation, economics opens up another lens on how and why society needs heritage and its conservation and how these demands can be met.

Second, a matter of conservation philosophy: the core argument draws on values-based conservation theory and practice as represented, for instance, in the Burra Charter: accounting for more of the values of a heritage site leads to better, more sustainable conservation decisions. This should be extended to encompass economic values.

Why? Economic motives and values are among the reasons that societies are willing and even eager to undertake heritage conservation—the cultural values of heritage are key for conservation advocates, but are *not* the most important ones for everybody. This is not simply a case of deciding whether cultural or economic value is more important—it's not a zero-sum game. Economic and cultural values of heritage sites are intimately linked. Tourism development, for instance, promotes cultural values but in the process also converts them to economic values (and there is something lost in the translation). Owners of historic homes are interested, in some measure, in sustaining the economic value of their investments as well as the aesthetic, cultural or other personal values that are embodied in the place.

Third, political support and financial support go hand in hand. Among the 'practical' problems faced in conservation is how to build political support (and therefore financial support) for conservation. Making this argument is a very comfortable arena for economics. Cost–benefit analysis, for instance, directly addresses the problem.¹⁸

Politically, legitimating heritage conservation as a market phenomenon could not be more important in our market-centred world. Because of the market-oriented turn of contemporary culture, individuals and institutions from all parts of the political spectrum are interested in knowing about the economic dimensions of cultural activities like conservation. In effect, we in the conservation field are interested in economics because society (global, national) *demand*s that we be interested. It is not tenable to ignore economic values, nor is it tenable to study them in isolation from cultural values (which happens all the time, in the guise of economic impact studies). Quantitative analyses of the economic aspects of these uses of heritage can be politically influential, as evidenced by wide use of economic impact studies.

So economic values must be taken seriously if conservation work and decisions are to be seen as credible by larger society. We cannot act on belief and faith in the importance of cultural heritage to social well-being on the basis of unquantifiable cultural values alone—though such feelings are, of course, important in the intellectual and social history of conservation and remain an important asset in political discourse. We also need to make rigorous, transparent decisions that consider the *many* uses society makes of heritage, including economic and business uses.

Does this work for or against the interests of conservation? There is broad agreement among cultural economists and preservation advocates that the benefits of historic preservation outweigh the costs. More specifically, the economic costs of preservation are outweighed by the benefits—both economic *and* cultural—of a robust historic preservation sector. Much of the economics literature related to heritage conservation is concerned either with articulating these benefits, often in quantitative, monetised terms, or finding those points on the imaginary cost–benefit curve at which the best marginal improvements to benefit can be made. Scepticism about these conclusions is healthy (especially with regard to the uneven distribution of preservation benefits), and adding critical voices to conservation discourse would strengthen the preservation field's ability to make the historic built environment a broadly beneficial public good.

Fourth, decentralisation of control over heritage and its conservation (it is not just the rich or central governments) makes individual and group preferences more

prominent in decision making. Neoclassical economics' focus on preferences of individuals parallels the recognised need to elicit community views on conservation priorities. The point of economic studies of heritage conservation need not be calculating accurate prices, writing sophisticated utility functions, or marshalling large sets of market data. Such mathematical precision and rigour is rarely necessary and often beside the point when it comes to analysing cultural phenomena (though understandably of keen intellectual interest to some academics and economists). Economic methods are very useful as a lens on preferences. Such methods are heavily biased towards the values that are most easily quantified, leaving aside the core, but difficult to quantify, values of heritage places—their cultural significance. So mathematical analyses of economic value are useful but must be accompanied by other methods, in order that the full range of values is taken into consideration.

Fifth, economic methods for valuing heritage, used strategically, can give conservation professionals another set of tools for understanding the social relevance of conservation, on which one can build a more socially beneficial conservation practice. Practically, what can economic methods tell us? There are no universal truths to be found in economic studies of heritage conservation, so one cannot overstate the importance of studying the *particular, situational* questions. Economic research can be very effective in helping answer specific questions about conservation, its efficiency, and its behaviour vis-à-vis markets. Economic studies *can* yield better information with which to make our conservation decisions, since economic values clearly do matter in many instances. Economics discourse and analytics are *less* effective at revealing sweeping truths about conservation and its role in society, so we should learn not to demand such answers. It is difficult to transfer the results of one economic study to another, different situation¹⁹ or to make grand generalisations; but some conservation questions submit well to situational economic analysis, such as:

- characterising the relative benefits of different plans for conserving and developing a particular heritage site, such as alternative schemes for conserving an archaeological site located in an agricultural or urban setting;
- understanding the economic and other social effects of changing preservation policies, such as creating an historic district in a particular neighbourhood;
- financing conservation work: whether in the private sector, public sector, or third/NGO sector, finding the financial resources is often a key issue. Since many projects depend on a mix of financing from all three sectors, being able to project and appraise the needs of a project require some articulation (and quantification) or financial needs;
- protecting property rights and investments: measuring the effect of conservation actions on property values, for instance, is particularly important in the USA;
- debating the effectiveness of public policies: this often involves cost–benefit analysis, the usefulness of which is vigorously debated.

Politically, conservation interests must be willing to accept the possibility that conservation is not always the best decision—trade-offs, being likely and realistic, will sometimes require negotiations that result in destruction instead of conservation.

Philosophically, conservation discourse regards this as anathema, and an ideological opposition to compromise co-exists uneasily with the political reality that imperfect results are likely. Instead of handling values as a quasi-religious matter, conservation discourse would benefit by embracing critically the sort of deliberate, rigorous study of costs, benefits and trade-offs economic discourse can provide.

The way forward, practically, is balancing economic methods with other assessments of heritage value. Economic values should not be excluded altogether from decision making; having been included they cannot be allowed to trump all other values. There are means of achieving this, it is argued—combining stated-preference studies with ethnographic analysis; evolving cost–benefit analysis to account for cultural factors—though research to develop cost-effective methods remains to be done. This would bring a fuller spectrum of a heritage place’s values into the decision-making frame.

Why Should those in the Heritage Conservation Fields Beware of Economics?

Contemporary market-centred society has already put economic values ‘on the table’ with cultural values, whether one likes it or not. This raises legitimate fears among conservation advocates. Economic discourse threatens the philosophical and ethical bases of conservation primarily in two ways.

First, philosophically, market-centred economic discourse discounts the extra-market (cultural) values of heritage places and marginalises cultural experts behind cultural valuation. Second, business thinking, the main application of economic discourse, often threatens conservation goals directly because it narrowly frames the value of conservation in terms of *market* value. When use values (profits) are allowed to be part of the discussion, they tend to trump all other considerations—especially cultural values, which are regarded as ‘soft’ and less influential because they cannot be measured as easily. The very centrality of markets as a valuation tool limits the applicability of business-driven economic thinking to heritage conservation.

Business thinking, as distinct from economic thinking, presents a more acute threat to conservation. Business thinking is concerned, more narrowly, with making profits.²⁰ By applying economic thinking to the specific end of profit making, business thinking seeks to accumulate, not illuminate. Clearly, business thinking, when applied to conservation decisions, risks ignoring many important cultural values. Economic and business thinking are too often conflated, and this paper distinguishes between them so the conservation field can use both, as appropriate.

A second tension between business thinking and conservation stems from time-frame. Business thinking tends to be short term: about the timeframe of the fiscal year, the financial quarter, or the next election. Conservation policies, actions, and projects, therefore, are fundamentally concerned with long-term effects. So to proffer arguments within a short timeframe runs against the grain of conservation discourse.

Economic thinking is a powerful way of examining the relationships between conservation and broader society, and if it is painted with the same brush as business thinking (often regarded as an enemy of conservation) we lose an important tool in the research toolbox. Still, economic thinking incurs risk for conservation. The idea of

value being determined by markets is problematic to conservation discourse. Why? The reliance of economics on market prices as the lingua franca for value runs contrary to connoisseurs' and scholars' traditional, subjective judgements about heritage value on aesthetic and historic grounds. The influence of cultural authorities is undermined by using the market to determine value. Further, neoclassical economics makes too many assumptions to be a useful lens on heritage on its own. The analytical conveniences built into the discourse—rational maximisation of individual utility; the individual actor as the primary unit of study; the perfect information available to individuals; market prices as the lingua franca of value—preclude consideration of important cultural values that are difficult to express in market terms. Doubt has been cast on these assumptions by many scholars, from pioneering anthropologists to Nobel-winning behavioural economists.²¹ Giving economic logic too much influence undermines the most fundamental, foundational discourse in conservation—the relativity of cultural values and the reliance on cultural experts in assessing them. Cultural economists' sensitive responses to these dyed-in-the-wool risks posed by economic discourse for the cultural sphere hold promise that future research will result in a discourse embracing both economic and cultural values.²²

Heritage conservation exhibits two kinds of *public-good aspects*: tangible goods that are not traded on markets (memorials, for instance); and the political public good stemming from the conservation process (contributing, for instance, to democratic debate or collective identity). Since these, by definition, are not priced, market-based discourse will inaccurately value it (i.e. undervalue it). For cultural economists and conservation advocates alike, these public-good aspects of heritage are the central concern. Economists have worked out some elegant, if limited, ways of estimating the prices of these non-tradable aspects of cultural goods (more about these methods below). For conservation advocates, these public-good aspects are synonymous with the historical and cultural values at the ethical core of conservation. Through the lens of 'public goods' or 'public value', economic and cultural discourses have a strong common basis.

For those outside the conservation fold, economic concerns are often focused on broad, bottom-line questions like 'Does preservation pay [generate profits]?' or 'Does government conservation policy or direct investment in conservation yield sufficient returns?' These are bad and even foolish questions. They are at once too narrow (focusing only on market values) and too broad (it is impossible to generalise across all conservation projects because the kinds of benefits are so varied). Such questions are matters of ethical and political belief, open mostly to provide ideologically determined answers, and it misleads to offer objective answers to them.

Arguments for economic gains tend to be a zero-sum game: a project will be profitable or not profitable; the answer is either yes or no; benefits exceed the costs or vice versa. Weighing conservation against alternative investments on a strictly economic (market) basis, conservation will rarely win. Further, pro-market arguments of economic discourse are risky for heritage conservation to the extent that they are confined to the sphere of market values.²³ By fully adopting the market logic of the bottom line, conservation advocates risk giving up on their strongest, cultural-value

arguments. Values-centred conservation theory protects against this by promoting the principle that one value should not a priori trump all others.

The insights of the economics field are powerful and promising *but* they are limited. Leading cultural economist David Throsby warns of the ‘intellectual imperialism’ of economics.²⁴ The totalising mindset often ascribed to economists—expressed most vividly in the work of Chicago School economists, such as Gary Becker, suggesting that everything can be priced—is rendered more subtly by many cultural economists, who regard their work as modifying an economic axiology to fit the complexities of cultural goods and processes as opposed to swapping their axiology for the traditional Rieglesque axiology of heritage values centred on the multiplicity of cultural values. As markets become more influential in societies around the globe, economic discourse becomes more influential.²⁵ The power and limitations of economics are congruent with the power and limitations of markets as a way of social decision making—they are great for some things, poor for others. Understanding these limits is central to the task of using economic discourse to advance heritage conservation.

Conclusions and Directions

Is heritage priceless, or can it reasonably be priced? The answer is: both. Heritage places bear many kinds of value, and conservation yields diverse benefits—we can describe these benefits as economic and cultural, or public and private. Taking the lead of economists, markets play the decisive role in these distinctions. While private values are easy to price, public values resist quantification and are undermined by expression only in terms of price. Economic and cultural value regimes express many of the same qualities of heritage places in epistemologically different ways. The difficulties arising from economists’ and culturalists’ different conceptions of value²⁶ have led to some innovative thinking by economists about estimating prices for the full spectrum of heritage goods, providing a foundation for future research based on collaborations between economists, other social scientists, humanities scholars, and conservation experts.

Considering the potentials and limitations of economic discourse, the state of the cultural economics literature, and the particular challenges facing the conservation field operating in a market-dominated world, there is cause for enthusiasm and caution in equal measure about economists’ work on heritage conservation.

While conclusive, generalised, scientifically verifiable answers to economic questions about heritage conservation are elusive, a number of reasonable conclusions can be drawn about economic aspects of heritage conservation. Conservation has important economic dimensions and produces certain economic benefits for both private actors and the public at large. Preservation projects can be profitable; and preservation policies can make sound fiscal sense. However, the economic costs and benefits of heritage conservation are too situational to be generalised or extrapolated widely. Making conclusive, generalised statements about the economics of preservation on the basis of a great variety of empirical studies is a future goal—especially in the sphere of political advocacy—but not a current reality.²⁷ More germane to the everyday practice of conservation would be a greater ability to compare trade-offs between conservation

and other development/investment options in particular situations, employing economic methodologies among others.

In light of the broad challenges of values-centred conservation, and the promise of economics and other social-science research to shed new light on conservation, several promising research directions can be identified:

- Economic values can also be viewed as a kind of social value spanning heritage and non-heritage uses of a site. As with other non-heritage values (environmental, social), the economic values of a site can be characterized qualitatively. Narrative description of economic values can be captured readily by commonly used stakeholder outreach methods and incorporated into conservation-planning models.
- Hybrid methodologies can be devised to gauge both economic and cultural values of preservation in more sophisticated ways. By combining or layering economic and cultural methods, their particular shortcomings or blind-spots can offset one another. How do economic and cultural considerations interact when residents, owners or social groups make specific decisions and trade-offs about heritage conservation activities? Contingent valuation methods address this challenge, and while their shortcomings are well documented there is room for further innovation by combining them with the work of other disciplines—for instance coordinating choice-modelling studies with ethnographic study of cultural and social values to inform the planning/management of particular sites. Such research, incorporated into case studies documenting community-level impacts of conservation projects or policies in both quantitative and qualitative terms, could present a more robust way of advocating the benefits of conservation to decision makers. A marriage of economic data and ethnographic methods would help understand how heritage and other cultural factors were weighed against economic considerations. For instance, many residents displaced from New Orleans by hurricane Katrina have had to decide whether or not to resettle, and these decisions were doubtless influenced by both economic and cultural factors.
- Can culture be measured? This is an abiding question. The ‘pricelessness’ narrative in cultural fields suggests not. Despite the perils of quantifying cultural values, some scholars have created proxies derived from market data or other available sources (such as participation in arts and cultural activities). Another sensible approach is creating indicators of cultural change designed to reveal the direction and pace of change rather than measuring it absolutely.²⁸
- More attention should be focused on the *relative* value of conservation versus other kinds of investment. How does one rationalize an investment in preservation as a better trade-off than an investment, say, in a shopping mall, big-box retail development, gambling casino, or a new sports stadium? Anecdotally, such decisions seem to be debated and made on the basis of one kind of value or another. But reframing costs and benefits, accounting for environmental and cultural as well as economic values, could change the calculus. Rethinking cost–benefit analyses—as well as rigorous study of the political frameworks in which these decisions are made—would help illuminate the politics surrounding conservation decisions.

Conservation professionals need to engage heritage as a social phenomenon—including its economic dimensions—and be conversant with the methods, theories and logics of economics. Incorporating economic values into conservation will draw more stakeholders into conservation discourse and yield more sustainable decisions about heritage conservation (conservation, after all, is a public enterprise aiming to protect values as seen by the many, not the few). Developing the economic discourse on heritage could make the difference between conservation practised as a zero-sum game and conservation and development as a politically engaged kind of planning and design. Heritage conservation should not remove itself from market logic, the roiling world of political economy, or the precision (at once illusory and persuasive) of economic valuation methods. Cultural economics makes available to us a range of new methodologies and insights. Pursuing the types of questions, methods, and research areas elaborated in this article will inform heritage conservation decision making at all levels and contribute to the success of conservation as a positive force in contemporary society.

The conservation field suffers, in general, from a lack of intellectual and research infrastructure to take on social dimensions of the contemporary conservation field. Economics is part of this, but by no means the only neglected research area in conservation. While excellent research infrastructure supports the work of physical science and material conservation, and the historical and cultural aspects of the field, there is almost none in the realm of social sciences. Economics illuminates more than market values, and we should use economics as another tool for making good conservation decisions and understanding the role of heritage in contemporary society.

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Notes

- [1] This is particularly true in the USA. This article is based mostly on experience with the historic preservation field in the USA, but draws on the international literature in cultural economics, environmental economics, and heritage conservation. In US terminology, preservation refers to the heritage field in its broadest sense, while conservation refers narrowly to material work to arrest decay of buildings. In this article, the broader, international meaning of ‘conservation’ is used to stand for heritage conservation or conservation of built heritage, applying to buildings, districts, sites, towns, and landscapes.
- [2] There is a growing literature on the economics of conservation, mirroring a growing interest in many quarters of the conservation field, its allied fields, and societies at large in the economic dimensions of conservation and heritage. The economic literature on conservation

is substantial and diverse. Reviews of the literature can be found in Mason, *Economics and Heritage Conservation*; and idem, *Economics and Historic Preservation*. Many of the basic issues of heritage conservation economics have been established, based largely on work in the parallel field of environmental economics and benefiting from advances in cultural economics focused on the performing and visual arts. Not surprisingly, the existing literature is weighted towards advocacy studies—those with an underlying commitment to advocating the cause of heritage conservation. This is changing. As yet, there are few analyses with enough critically distant but sympathetic questioning of conservation's role in society. This literature is embedded in a larger debate about valuing culture, which in turn relates to the cultural dynamics of globalisation and the dominance (in most societies) of market discourse and business thinking in relation to the public and private spheres of life. Ackerman and Heinzerling, *Priceless*; Harrison and Huntington, *Culture Matters*; Hutter and Throsby, *Beyond Price*; and Slater and Tonkiss, *Market Society*, provide different perspectives on this.

- [3] The use of 'beware' is intended to convey 'be aware of' and also 'be wary of'.
- [4] Darvill in Cooper et al., *Managing Archaeology*; de la Torre, *Assessing Values in Heritage Conservation*; Walker and Marquis-Kyle, *The Illustrated Burra Charter*; Mason, 'Theoretical and Practical Arguments for Values-centered Preservation'; Mathers et al., *Heritage of Value, Archaeology of Renown* (essays by Darvill and Clark, in particular); Pearson and Sullivan, *Looking after Heritage Places*.
- [5] 'Value' is used here in the sense of 'characteristic' or 'quality'; not as a synonym of 'ethic' or 'principle'.
- [6] Research value—the capacity of a place to yield future information—is another. The literature on a plural understanding of values as the basis of conservation began with the art historian Alois Riegl (see 'The Modern Cult of Monuments'), and discussion of one or another particular heritage values has long been part of conservation discourse. See the Venice Charter, for instance.
- [7] This terminology is not to be confused with the Marxian framework of use and exchange value, central to the seminal works of Harvey, *The Urbanization of Capital*, and Logan and Molotch, *Urban Fortunes*. Though these authors share an interest in describing the different values ascribed to a particular place, they differentiate the two types of values by their social uses under capitalism: use values are consumed, exchange values are traded. In this paper, 'use' and 'non-use' distinguish those values priceable in markets (use values) from those for which markets do not exist (non-use values). Note that this usage differs from other works dealing with the centrality of 'value' and 'valuation' in heritage conservation, notably Darvill's (in Cooper et al., *Managing Archaeology*; and in Mathers et al., *Heritage of Value, Archaeology of Renown*).
- [8] Typologies of the value of heritage sites in economics are not monolithic. They break down the overall value of a place into different fractions, though according to a different set of distinctions from those of cultural values, and creating categories that ultimately will be expressed in terms of price. Economists' main distinction, discussed below, is between use and non-use values; distinctions within non-use values are common, such as bequest and option values. See Frey, 'The Evaluation of Cultural Heritage'; Mason, *Economics and Heritage Conservation*; and Throsby, *Economics and Culture*.
- [9] By definition there is no market for a public good, although prices can be estimated by creating hypothetical markets. These economic concepts of public and private are yet more complex—cf. discussions about the mixed-good or merit-good nature of heritage conservation. See Mazzanti, 'Cultural Heritage as Multi-dimensional, Multi-value and Multi-attribute Economic Good'.
- [10] Economist David Throsby explains the connection between the two sides of this epistemological cleavage around value by describing conservation as resulting in flows of both economic and cultural benefits. Throsby, *Economics and Culture*.
- [11] Mason, 'Fixing Historic Preservation'.
- [12] A third domain would be interpretation, which is more purely in the realm of cultural values and not taken up here in order to limit the length of the paper.

- [13] This characterisation is overly general—some conservation professionals indeed have been quite concerned with broad economic and political dynamics—but the exceptions prove the rule, and conservation discourse remains quite focused on matters of fabric and technical problem solving. Surveys of the history of conservation reveal our field's original and abiding interest in historic fabric (Choay, *The Invention of the Historic Monument*; Hosmer, *Presence of the Past*; idem, *Preservation Comes of Age*; Jokilehto, *A History of Architectural Conservation*); many of the field's efforts to engage in broader social processes (such as political decisions and cultural crises) have been animated by proselytising the need for conservation rather than analysing its place in society.
- [14] Consider the Burra Charter, for example, the laudable and progressive effort of Australia ICOMOS advocating conservation planning that takes account of a broader range of heritage values than traditionally admitted: economic values are still excluded, defined a priori as secondary to the values making up cultural significance.
- [15] Listokin et al., 'The Contributions of Historic Preservation to Housing and Economic Development'.
- [16] McCarthy et al., *Gifts of the Muse*.
- [17] This idea has been popularised by the recent bestsellers *Freakonomics* (Levitt and Dubner) and *The Economic Naturalist* (Frank).
- [18] Applying cost–benefit analysis to conservation remains controversial, for the same reasons it has engendered so much debate in application to environmental issues: cultural values are resistant to pricing, and introduce methodological problems into CBA frameworks.
- [19] See eftec [Economics for the Environment Consultancy Ltd], 2005, *Valuation of the Historic Environment*, available from www.eftec.co.uk [accessed 2 June 2008].
- [20] Thanks to Michael Hutter for driving this point home to me.
- [21] Mauss, *The Gift*; D. Kahneman, 'Maps of Bounded Rationality: A Perspective on Intuitive Judgment and Choice', Nobel Prize lecture, 8 December 2002.
- [22] de la Torre, *Assessing Values in Heritage Conservation*.
- [23] This risk can be managed, however. Some economic methodologies, outlined below, include provisions for measuring extra-market values. And as Donovan Rypkema has demonstrated, preservation can be a profit-making venture. Rypkema, *The Economics of Historic Preservation*.
- [24] Throsby, *Economics and Culture*.
- [25] Slater and Tonkiss, *Market Society*.
- [26] Klammer and Zuidhof, 'The Values of Cultural Heritage'.
- [27] For an extended discussion of benefits transfer, see Navrud and Ready, *Environmental Value Transfer*.
- [28] D. Kahneman, 'Maps of Bounded Rationality: A Perspective on Intuitive Judgment and Choice', Nobel Prize lecture, 8 December 2002.

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