



Valuing Cultural Heritage and the Historic Environment

Introduction to Session

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Why Cultural Heritage and the Historic Environment?

- Sponsors – English Heritage and the Heritage Lottery Fund
- Report - 'Valuation of the historic environment - the scope for using results of valuation studies in the appraisal and assessment of heritage-related projects and programmes'
- Previously:
 - HLF 'Capturing the Public Value of Heritage' Conference (Jan 06);
 - DCMS Seminar 'Valuing Culture: what are we willing to pay' (Jun 05)



Definition

- DCMS - both the man-made and natural historic environment, including:
 - landscapes, archaeology, parks and open spaces, museum and archive collections, artefacts and works of art, traditions, customs and languages
- UNESCO – ‘material’ cultural heritage includes monuments (architectural, sculptures, paintings), buildings, sites
 - Generally this is either ‘moveable’ (paintings & sculptures), or ‘immoveable’ (buildings & archaeology)



Economic Analysis

- Public goods and non-market goods provide rationale for public funding of cultural heritage and the historic environment (CH&HE)
- From environmental economics comes the notion of total economic value (TEV)
- $TEV = \text{Use value} + \text{Non-use value}$
- Non-use value can be the public good aspect of CH&HE, esp. where it is possible to charge entry fees (i.e. capture at least part of use value)



Decision Making Contexts

Context	Relevance to CH&HE
CBA: projects and programmes	Investment in public goods
CBA: Policies	Reg. impact assessment
Demonstration of 'importance'	'Value to nation'
Setting priorities	Allocating funding
Establishing basis for tax or charge	Est. ext. cost / use value
'Green' national accounting	Not so far applied
Corporate 'green' accounting	Not so far applied
Legal damage assessment	Liability settings




Economic, Cultural or Intrinsic Value?

- Cultural value – includes aesthetic, spiritual, social, historical, symbolic & authenticity value
 - Need to consider both economic and cultural value when thinking about public goods such as CH&HE (Throsby 2001; 2003)
- Economic value is inappropriate – expert opinion & ‘pricelessness’
- Intrinsic value – independent of human values



Existing Valuation Literature

Study	Valuation Scenario
Adamowicz et al (1995)	Preserving canals
Alberini et al (2004)	Regeneration, St. Anne's Sq. Belfast
Brown (2004) (3 studies)	Aspects of National Trust properties
Garrod et al (1996)	Renovation of buildings, Newcastle
Maddison & Mourato (2002)	Impact of road options, Stonehenge
Pollicino & Maddison (2001)	Cleaning pollution, Lincoln Cathedral
Pollicino & Maddison (2004)	Cleaning pollution, Oxford
Powe & Willis (1996)	Visitor benefits, Warkworth Castle
Willis (1994)	Access to Durham Cathedral



Irreplaceability, uniqueness and heterogeneity

- Irreplaceability – CH&HE assets are complex, heterogeneous goods
- Uniqueness, low-substitutability, etc. suggest higher economic value
- Heterogeneity of CH&HE assets may have implications for the suitability of value/benefits transfer



Summary

- Does economic valuation capture the entire value placed on CH&HE assets?
- Do the characteristics of CH&HE assets have implications for value/benefits transfer and the use of economic values in appraisal?
- Panel discussion – conclusion of the session