

INTRODUCTION

The Role of Economics in Conservation

Nathaniel Lichfield

Chairman, International Scientific Committee on Conservation Economics, U.K.

The Context

In his everyday activities, as an individual or in a family or wider group, man leads many different lives; spiritual, cultural, social and psychological as well as economic. The lives are concurrent and interdependent. Cultural activities need a social life to support them; religious activities need financial resources for maintaining places of worship.

Within this array, economic life has one special characteristic: to implement a decision to act in any of our lives typically implies the use of economic resources, for without them the decision will not result in action. Daily meditation or jogging absorbs time which could be put to competing purposes, and thus time is an economic resource.

And so it is with conservation of the cultural built heritage. For it to come about needs decisions leading to action, as in the following familiar examples:

- (a) to avert a threat to undermine the heritage, as where the building or object is at risk through decay and could thereby get to the point of requiring demolition;
- (b) to regulate a proposal to later the building and so erode the heritage;
- (c) to resist a proposal to destroy the building for redevelopment and so remove the heritage;
- (d) to carry out a positive programme for conservation, whether or not the buildings themselves be under immediate threat.

In any of these actions there will be an input of resources (costs) and an output of values (benefits). Of particular

relevance here on the output side is the alteration (diminution and enhancement) in the quality of the cultural built heritage.

In conservation, controversy arises in the relationship of these costs and benefits. Should conservation be based upon the axiom that, since it is aimed at a cultural not commercial value which is to be passed on to future generations, it should be carried out regardless of costs? Or is conservation, like, all other things in life, subject to the necessity, on the following propositions, of achieving "value for money"; if costs are ignored, and the decision based simply on the cultural values, it could follow that a significant share of total available resources would be needed for a comparatively insignificant enhancement in total cultural value. If on the other hand only minimal costs are employed it could be that there would be unacceptable erosion of cultural quality, and the resources so used would be wasted in terms of their contribution elsewhere to conservation. Since the resources available for conservation are invariably limited (in the sense that they cannot match up to all the requirements) we need to be sure that they are used with discrimination in the conservation objectives. Any particular budget should be spent to achieve the maximum possible value in heritage quality.

Accordingly in conservation we need to have regard to the economic dimension: in essence, to "value for money". But by this not meant simply the money value and money cost as seen in everyday household, commercial and industrial affairs. We mean *social* value for money, where the value (benefits) and money (costs) need to take wider

considerations into account. For example, what would be the value in cultural heritage quality? What would be the value of the local community which houses the heritage? What would be the value to the nation, taking into account also the benefits from cultural tourism?

It is the purpose of economics in conservation both to explore these considerations and to show how economists can contribute their skills to the achievement of value for money in this wider context.

The Session Papers

It was around this theme that ICOMOS issued its call for papers from the membership in *ICOMOS Information*. The papers to be presented in the economics session are the result. As might be expected, the contribution covered a wide array of circumstances and interests, coming as they do from many diverse authors and countries. As such, they could not by definition be seen to offer a comprehensive treatment of the subject. Such treatment was attempted in my *Economics in Urban Conservation* of 1988 which provided the most comprehensive attack so far presented within one set of covers. The scope can be seen from the list of contents in Annexe 1. Parts III – V relate to economics, preceded by Parts I-II which describe the conservation process to which the economics relates.

From this comprehensive cover it will be seen that the list of papers in this volume provide, as must be expected, a selective cover according to the interests and experience of the authors. But in order to enable the submitted papers to convey as logical a picture as possible of economics in conservation process I, as Chairman, have attempted to arrange them to follow that process, from its inception through to its completion.

Research of the International Committee of Economics

It is relevant here, in this review of the papers of the economics session, to consider certain research work of the

ICOMOS International Committee on the economics of conservation, which has been pursued over recent years. In the main the Committee has concentrated on a particular aspect of the subject which was of concern to the agency which commissioned research on the subject, namely the Ministry of Cultural and Environmental Goods in Italy. The Ministry asked that this Report go into depth in one particular aspect of the conservation process, namely, Cost Benefit Analysis in the Cultural Built Heritage. In terms of the Assembly papers to be presented, they come within the topic of *Evaluation and Choice of Options in Session 4*.

The research falls with three stages:

1. carry out an international state of art review of current theory, principles and practice in the application of costs and benefits in the conservation of the cultural built heritage.
2. apply the findings of stage I to actual projects in Campagna and Basilicata, working with the Ministry.
3. using the previous work, provide technical reports relating to the issues under study, including material for a Ministry Manual for general application.

In this study, Stage I has been completed and published in Italian². An English version of this Report, edited for the different audience, was prepared for circulation to this General Assembly³. Stage II has been published in Italian⁴.

Financing of Conservation

As noted above, this important aspect of the conservation process will be considered in session 7. But it is relevant to add that it has been taken into considerable depth in another arena, and has been made the subject of a detailed Report^{5d}. It is this work which will be presented in brief by Professor Luxen in Session 7, Chairman of the Committee of specialists which produced the Report. This work is continuing under his Chairmanship in the Council of Europe.

References

¹ Nathaniel Lichfield, *Economics in Urban Conservation* (Cambridge: Cambridge University Press) 1988.

² Nathaniel, etc alia, *Rapporto Sull'analisi Costi-benefici per il Patrimonio Culturale Costruito in Restauro* 111-112/1990.

³ Nathaniel Lichfield, et alia, *Cost Benefit Analysis in the Cultural Built Heritage: Principles and Practice* (ICOMOS) 1993.

⁴ Nathaniel Lichfield, et alia, *Cost Benefit Analysis in the Cultural Built Heritage: from Case Studies, in Restauro* 1993.

⁵ Group of Specialists, *Funding the Architectural Heritage* (Strasbourg: Council of Europe) 1991.