The Designation, Conservation and Reuse of the Built Heritage :

Some Ethical Considerations[1]

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Introduction

The protection and conservation of cultural artefacts is nowadays recognized to be the right thing to do. Those in favor of the protection and conservation of the built cultural heritage are on the right side of history and those against are the villains who do harm. Today, all over the World, academics and professionals, UN Agencies, foundations, IGOs and NGOs promote the values of cultural goods and press for what is “right to do” without any doubt or question. All claim that conservation and protection of cultural goods does good to society and to the economy and that cultural heritage is a driver of development[2].

As a result, a continuously increasing demand for the listing and conservation of what is considered to be worth preserving has brought us to extend the scope of the contents of heritage to cover more and more recent types of constructions. This has started in the early years of the 20th Century and has been firstly analyzed by Alois Riegl[3]. Since then, the rythm of growth of the protected goods is on the increase; the best proof of that being the inflation in the expansion of the World Heritage List.[4]

This ever-increasing demand for the protection of immovable goods- by the public and the professionals alike - forces us to question its ethical values and the limits of the present process: firstly by looking at the common good to society and then at the ethics of its economic function, utility and use. It calls for a critical review of the social, cultural and economic values of the expansion of heritage designation.

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[1] This is a revised and enlarged version of a key-note address given in June 2017 at the annual meeting of the “European Heritage Heads Forum” (Reykjavik, June 2017).
[2] ICOMOS: Paris Declaration, General Assembly of 2011, held in Paris.
[3] Alois Riegl: Die Modern DenkmalKultus, sein Wesen, seine Enststehung, Vienna, Braumüller, 1903
[4] See the World Heritage Convention website: <https://whc.unesco.org/fr/list/stat>

Such concerns can be expressed by the following questions:

- On the ethical aspects of cultural heritage designation and conservation, how and when is it ethical and what are the limits and conditions of an ethical conservation? For whom are we protecting - the citizen, the academics, the tour operators, the professionals of conservation, or for society? How just is the present model of cultural heritage protection? Is it doing good to all?
- Regarding the economic ethics, we should ask whether the protection and conservation of cultural goods brings economic returns to society at large or is it another commodity the consumption of which benefits only a few? Is such process just? When and how does it contribute to the economic good of society?
- About the social and economic values of designation and protection, Is cultural heritage a public good that is a necessity for the welfare of society, deserving to be funded by the state, or is it so because of lobbying? Can the market take care of the protection of heritage and if so, when and how? Can we quantify the returns of designation, protection, conservation and reuse of cultural goods to society and to the economy?

I shall try to answer these questions by taking a different course from the treaded considerations on the immovable cultural heritage by addressing these questions in a global perspective.

I shall start by the concepts and scope of this discussion.

The Concepts in Use and the Setting

The overall ethical value – i.e. its contribution to the higher good, the good to society - is a concept seldom used in cultural heritage, the contribution of which to society is considered to be positive without any doubt. Still, what is commonly accepted as the ethical perspective of heritage conservation can be seen for example in the code of ethics of ICOMOS[5] which deals solely with the implementation of charters and other professional texts. Such ethics are limited in scope to a profession – to specific and

[5]<https://www.icomos.org/images/DOCUMENTS/Secretariat/StatutesAmendments_R2_20130325/st2002-ethical-commitment-en.pdf>

limited processes and procedures; they do not address the place of cultural heritage through the lens of the ethics of life as theorized by Aristotle. For our part, we are rather looking at the general ethical issues raised by the decision to designate and protect an immovable good as cultural heritage. We shall therefore try to understand if and why a designation and conservation of a heritage object is a common good for society in the Aristotelian meaning of ethics.

Do also note that throughout , I shall limit my discussion to the built cultural heritage, omitting archaeological remains and the movable cultural goods. This choice has to do with the possible uses of the goods. Archaeological sites have more severe constraints on their uses than the built heritage while the movable cultural heritage is mostly available in museums and galleries of art. Even though museums represent a case worth discussing for their contribution to society and to the economy that may often prove to be higher than that of the built heritage, I shall discard them for the sake of homogeneity of this discussion.

As for the social and economic utility and the place of cultural heritage conservation in the local and national economy, and instead of looking at the impact of cultural heritage through employment creation and resources generation, I wish to take a broader perspective: how much does it contribute to the betterment of the economy – local and regional – since there are other utilities to heritage than tourism, employment and consumption.

I shall also try to understand what are the ethical values now in use in cultural heritage conservation and reuse and whether these values contribute to the overall social good. I shall do so for two reasons: the first second is the long-term perspective of the role of cultural heritage in the economy, a role that is bound to change from a wishfully positive role, a wish based mainly on guesstimates to a well-documented role with reliable statistics and national accounts; the second is the recent financial crisis that is still with us in spite of bursts of growth in some countries. This is becoming now a matter of urgency because of the rise of rightist attitudes vis-à-vis the welfare economics.

in a short pamphlet in which he debated the affordability of ever increasing expenditures by the public sector to cover a continuous expansion of social aid Robert Skidelsky predicted in 1997 the end of the Welfare State.[6],

In Europe - and here in Italy, the resources available to public spending have been stalling or diminishing while the recovery remains slow to come. Social welfare has suffered and the arts and cultural heritage as well: though this trend has been with us for some time, we continue to behave as if nothing has changed. More and more relics of our past are now unused, abandoned, or in dire need of restoration and have lost all utility to society and the economy while the lists of protected goods continues to grow.

However, the culture sector offers employment opportunities; it contracts many different specialties and trades that live from it. Others benefit as well, though indirectly, from the presence and uses of cultural heritage: tour operators, guides, travel agencies, hospitality owners or employees, printed and audiovisual materials producers, subcontractors of all sorts. Cultural heritage has become an industry, but it continues operating with the same tools that today have become obsolete.

We claim that this industry protects representations of our pasts, unveils our roots, uncovers our history, provides new opportunities of income and employment, creates a peaceful and soothing environment, in brief, that it does good to society. This is how we justify the continuous increase in the numbers of listed cultural heritage and our need for more financial and legal public support. However, these justifications remain insufficiently checked by hard data and evidence[8].

Note here that in spite of several attempts by the UN, UNESCO, the EU, the World Bank and others such as the European Heritage Heads Forum and the EPSON project, a clear identification of cultural heritage and of its components is still lacking in most of the countries' national accounts and nomenclature of economic activities. Any measure of

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[6] Robert Skidelky, Beyond the Welfare State; The Social Market Foundation & Profile Books Ltd., London1997.
[8] See : EHHF « Task Force on Economy & Statistics – Reports & Outlook" by Dr. Christine Vanhoutte, Luxemburg, May 17-18, 2018 and reports of previous years.

the contribution of cultural heritage to the economy remains based either on case-specific surveys or on extrapolations from aggregate data.

With these explanations in mind, I shall now move to ethics and the common good.

Ethical Considerations

In his lecture on Ethics in London in 1965[9], the philosopher Ludwig Wittgenstein gave a definition of ethics I shall use throughout this discussion. He wrote:

> "…the enquiry into what is valuable, what is really important, into the meaning of life, into what makes life worth living, into the right way of living…This is an absolute meaning of ethics: it stands above all other meanings that are relative to a target, an action or a predetermined standard".

Following this definition, we may assume that, to be part of the common good, the listing and conservation of cultural heritage must stand in all its facets above the many actions and decisions necessary to reach its goal and make its actors' life worth living. It must contribute to their righteous way of living and be an action of the highest standards.

For more details about the components of the common good and of the ways and means of achieving it, the "Nicomachean Ethics" of Aristotle is a good source. We read[10]:

> "Every art and every inquiry, and similarly every action and choice, is thought to aim at some good; and for this reason, <u>the good has rightly been declared to be that at which all things aim</u>. But a certain difference is found among ends; some are activities, others are products apart from the activities that produce them. Where there are ends apart from the actions, it is the nature of the products to be better than the activities."

And to decide on the best and most important good to society :

> "For even if the end is the same for a single man and for a state, that of the state

[9] Ludwig Wittgenstein, <u>Lecture on Ethics</u>; Philosophical Review, vol. LXXIV, n° 1, January 1965.

[10] <u>Complete Works of Aristotle</u>, Volume 2; The Revised Oxford Translation Book; Editor: Jonathan Barnes, Princeton University Press (1984).

> seems at all events something greater and more complete both to attain and to preserve; for though it is worthwhile to attain the end merely for one man, it is finer and more godlike to attain it for a nation or for city-states."

Following Aristotle, and if our involvement in cultural heritage aims at bringing good to our society, to the people we work for, all our activities at each stage of any process should be geared towards achieving this good. From the identification and the listing of cultural heritage until the funding of its conservation, its restoration and reuse, each step and activity should be decided upon and undertaken with the objective of contributing to the ultimate good.

We can deduct from this that the listing that does good to society is more important, higher, than the good done to a single person. Does this mean that a listing that does good to society is above any possible harm such listing does to the owner of the listed good? Who decides that a given listing does good? And is this person able to take the right decision?

Aristotle tells us that the good judge is the man who knows, who has been educated in the subject he is to judge and that the man who has received an all-round education is a good judge in general. In the "Eudemian Ethics"[11] he recommends to avoid listening to the crowd whose opinions are based on emotions:

> [1214b]… Now to examine all the opinions that any people hold about happiness is a superfluous task[3] For children and the sick and insane have many opinions which no sensible man would discuss, for these persons need not argument but the former time in which to grow up and alter and the latter medical or official chastisement (treatment with drugs being chastisement just as much as flogging is). And similarly it is also superfluous to examine the opinions of the multitude[4] either; [1215a] for they talk at random about almost everything, and especially about happiness. We ought to examine only the opinions of the wise[1];

[11] Aristotle, Eudemian Ethics, Edited and Translated by Brad Inwood & Raphael Woolf, Cambridge University Press, February 2013.

> for it is out of place to apply reasoning to those who do not need reasoning at all, but experience.

Thus, and since the best judge of what is “good” is the experienced person who knows, we could say that it is up to the cultural heritage specialists to decide. But then, another question comes to the mind: is the heritage specialist the person who knows best about the ultimate good, the good for society?

If the ultimate goal is to do good to society, the decision should fall within the realm of policies. Can we be sure that the interests of some involved in the process do not guide such decision for a different purpose?

The Athenian society and politics in the period of Aristotle were different from ours and its democratic process simpler:

- There was a clear separation of authority between the private sphere – to which the *Oikos* (the family economy and the necessity) was assigned and that of the *Polis* (the politics and the freedom) which managed the public components of society and the city;
- The territory, today a fundamental component of the State, was of little importance - in Ancient Greece, the State’s foundation was its people, not its territory.
- Decisions remained limited to a small number of families who kept the upper-hand in the polis and on the Oikos.

Today, democracy is more complex and its tools are more elaborate. In our democracies, the “experienced ones” of Aristotle, those who know what is good for the people are of a different ilk than those in Ancient Greece: they may come from a variety of fields and the decision can be the result of many opinions taken at different levels.

Of particular importance to our analysis is that the Public sphere – the *Polis* – has become more powerful and extends its authority over large parts of the private sphere: today’s *Oikos* is subjected to a variety of rules and obligations produced by the public sector, technicians and decision-makers.

Today, ethics are subordinated to morals and to the universality of man as a citizen. Ethics have become a science that relates to politics and the economy but not to the common highest good. Corruption – that is a break of a contract - is in all facets of life and perverts all decisions and behaviors. Progressively, business behavior and the greed for wealth have taken over social life and politics. The economic imperative dictates the ethical imperative. As for the citizens, their expectations of benefits from the State and their greed for self-promotion guide their choices and their decisions in society and in the economy. The borders that define the ethical behavior have become blurred and our societies have attempted to replace this disappearance of the limits by an increasing set of ordinances that do not bode well for the moral values of our societies. Regulating the effect of disfunctions does not correct the disfunctions: it does not replace or reinforce the moral values that constitute the ethics of a society. In no way can we replace the meaning of our life – our "*raison d'être*" - by the economic activities we undertake. The product – money, goods, wealth, fame – will never replace our honest contribution to the common good. But, since the absence of ethics is in itself a form of ethics, this perversion of the meaning of life becomes the ethics that guide today's societies[12]. When Nietzche wrote[13] that God is dead he meant the "devalorization" of the most supreme values, the religious and metaphysical ideals bringing in their fragmentation and dispersion the moral ideals now destined to become insignificant.

The supreme good has now disappeared and has been replaced by questions of applied ethics – legal, financial, market, academic, processes and procedures – that take care of narrow components of society and of the economy but in which the absolute good, the supreme goal of morals has become irrelevant and the words of Wittgenstein[14] are now forgotten and useless except for a few:

> "… The absolute good, if it is a describable state of affairs, would be one which everybody, independent of his tastes and inclinations, would necessarily bring about or feel guilty for not bringing about. And I want to say that such a state of

[12] These lines are a free inspiration from Jean-François Mattei, Ethique et Economie, Editions Manucius, Paris 2018.
[13] F. Nietzsche, Ainsi parlait Zarathoustra, Prologue §5.
[14] See note 5 above.

> affairs is a chimera. No state of affairs has, in itself, what I would like to call the coercive power of an absolute judge."

But in the recent past, a new social revolution has begun: that of the emergence of the individual and with it, the most complete change of the understanding of ethics and moral values. The rise of the individual – the smallest indivisible component of society – as the social component standing above all previous constituents of society is fairly recent and the factors that contributed to its rise can be found in many sectors.

In their recent book "Happycratie"[15], the sociologist Eva Illouz and the psychologist Edgar Cabanas explain how the industry of happiness has change our values and society. If, in Ancient times happiness – *eudemonia* in Greek – was at the centre of the Greek philosophy, it was of a different nature than our happiness. In Ancient Greece, happiness and well-being came through doing good. Today, the quest of happiness has nothing to do with virtues. It has become an egoisitc matter of a being who aims at maximizing utilities. But, contrary to the utilities that aimed at maximizing the collective well-being, contemporary happiness is a goal in itself and aims only at the individual happiness. Today, money can buy happiness and, forgetting or responsibility towards our society, we are more and more in search for our personal well-being and "*eudemonia*". This is however more destructive of society than it appears. On the one hand it turns the individual into a formidable consumption machine always looking to keeping up with the neighbor and being one step ahead in what we buy or use or consume. On the other, it pushes us to forget about the common good in our endeavors and actions and looking only at how our actions can promote us.

This takes us to the field of economics where I shall look into the ethics of the economics of cultural heritage.

Economic Considerations

The conflict between personal and societal interests has always been part of humans

[15] Edgar Cabanas & Eva Illouz, Happycratie Comment l'industrie du bonheur a pris le contrôle de nos vies , Premier Parallèle , August 2018

history and, as Joan Robinson perfectly expressed it in 1962[16], this tension between individual wants and society is much felt in economic behaviors:

> "The biological necessity for morality arises because, for the species to survive, any animal must have, on the one hand, some egoism - … On the other hand, social life is impossible unless the pursuit of self-interest is mitigated by respect and compassion for others. A society of unmitigated egoists would knock itself to pieces; a perfectly altruistic individual would soon starve. There is a conflict between contrary tendencies, each of which is necessary to existence, and there must be a set of rules to reconcile them.
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> ….
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> [But] to impose fear of punishment by force goes some way, but it is expensive, ineffective, and vulnerable to counter-attack. Honesty is much cheaper. But observe, it is the honesty of *other people* that is necessary for *my* comfort. If all were honest except me, I should be in a very fortunate situation. The necessity for each to be subject to the good of all gives rise to the need for morality.

One can observe this conflict between the common good and the interest of the individual throughout the process of cultural heritage: from its identification to its conservation and reuse. The personal interest of some in the listing and of others in the delisting can go against the good of the many while this common good can harm the economic needs of a person. Similarly, funding the conservation of an additional cultural good could reduce funding of more important social welfare activities. Thus, it is in understanding the limits of the personal interests and of what is thought as common good that "doing good" becomes easier to reach.

The French philosopher, Jean-François Mattei[17], considers that our contemporary world, that of the individual, lonely, escapes from the universality of an ethical principle that would guide the actions of humankind as an absolute foundation. Our world has developed what Mattei calls "applied ethics" -, developed in the Anglo-Saxon world as procedures for universities, companies, or production processes, market regulations,

[16] Joan Robinson, Economic Philosophy, C. A. Watts Publishers, 1962
[17] Jean-François Mattei, Ethique et Economie, Editions Manucius, Paris 2018.

and so forth. Such ethical principles become specific to fields they regulate, enabling actors to use the same language and principles, giving to the market and the processes to function and achieve its goals. We are now far from the global ethics the objective of which is the common good. As already said before, it has been replaced by sets of principles that regulate contracts and processes according to legal texts[18].

What is the impact of this transformation of ethics and values on Cultural Heritage?

At the beginning of the 20th Century, the development of Welfare Economics, championed by Arthur Cecil Pigou in 1912[19] reinvented the state as an economic agent of the redistribution of wealth. It later added art and the protection of monuments and historic buildings to the list after those urgent social needs (health, old age, education, unemployment, housing) for which the state took responsibility to guarantee universal provision.

Three years ago, in 2015, Dave Beech - Professor of Art at Valand Academy at the University of Gothenburg wrote a short essay on the "decommodification" of art[20] in which he questioned the role and impact of funding the arts by the Welfare State. Since the arts and cultural heritage, do not directly contribute to the provision of the urgent needs of the poor, they are not natural candidates to the list of the urgent social needs the recognition of which created the Welfare State[21].

Once again, it remains to be proven by hard data and more research that cultural heritage contributes directly to economic growth in a more efficient manner than other factors of wealth production and whether it alleviates more the conditions of the poor fringes of society. Until that time, the public funding of cultural heritage – in the eyes of liberal economists, will remain unthinkable. However, there is an intermediate solution that I tend to favor.

In the mid 20th century, the Professor of Public Finance, Richard Musgrave, added to

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[18] Cf.footnote 1 above.

[19] Arthur Cecil Pigou, Wealth & Welfare, 1912.

[20] Incomplete Decommodification: Art, State Subsidy and Welfare Economics; in PARSE, Platform for Artistic Research in Sweden, Journal Issue 2, November 2015; University of Gothenburg.

[21] Richard Musgrave, The Theory of Public Finance, McGraw Hill, New York 1959.

welfare economics the theory of a good that is publicly funded because it has merit. The "merit good" is close to public goods but comes second to it: everybody benefits equally from a public good (food control, sanitation and health care, judiciary and security) that does not belong to private goods and cannot be replaced by a similar one in the market. Not everybody can equally buy security or health from the market[22]. In my opinion, the concept of merit good fits well cultural heritage: it qualifies for some public financial support but not like public goods that are almost fully funded by the State.

This public funding of cultural heritage – even incomplete - has led to a process of "decommodification" by partly extracting these goods from the grasp of market forces, hence sacrificing economic rationale. As John Kenneth Galbraith recommended in a conference he gave in 1966:

> "The remedy, in each case, is to subordinate economic to aesthetic goals — to sacrifice efficiency, including the efficiency of organization, to beauty. Nor must there be any apologetic nonsense about beauty paying in the long run. It need not pay."[23]

The immunity from the market is directly proportional to "the strength, scope, and quality of social rights". The "social right" of cultural heritage being less important than the universal public provision of "the core area of human needs", one should not expect from the State a full funding of the protection of all cultural heritage.

So, what does cultural heritage, as a "merit good", bring to society and the economy? What is its contribution and what are its constraints? Three aspects deserve to be looked at. They are: Decommodification; Utility and Reuse; Social Justice.

- Decommodification is never total. The protection of a good against unwanted market rules and forces is what the authorities do to protect a cultural heritage good from being traded and consumed in the market. However, market forces continue to play even for those cultural heritage goods that are under the full authority of the State – that is State owned.

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[22] Idem, Page 9.

[23] J. K. Galbraith, Lecture 6: The Cultural Impact. Reith Lectures. Transmit- ted 1966-12-08.

Cultural heritage management is today a mixed production process in which inputs are public and private, and the output being a merit good owned privately or publicly. The degree of one ownership or the other is directly related to the share of public funds in the overall operating and investment costs of the cultural heritage good.

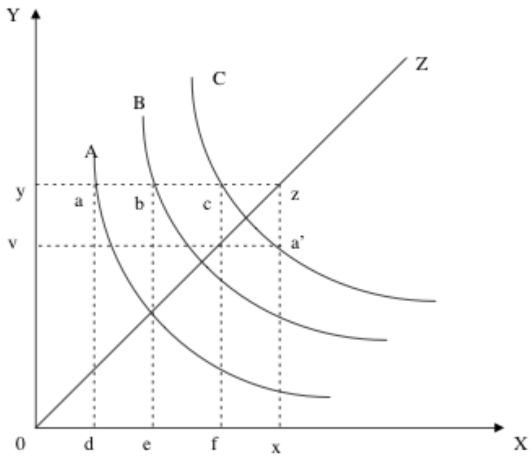
- Reuse of cultural heritage in a manner that fits its tangible and intangible values and gives it a utility value comes next. The economic and partly the social utility of a heritage good determine its ability to contribute to society. How does the utility function apply on cultural heritage? What are the intrinsic limits a heritage good places on its utility?

Any type of reuse, even adaptive reuse contributes to the destruction of the object being used. Since a heritage good is always unique and cannot be replaced by another, attention must be paid to avoid consuming it. This brings strict limits of reuse and hence to returns from heritage.

<DIAGRAM 1>

The following diagramme presents the relationship between return of reuse (axis OY) and life duration of heritage (axis OX). The bisector (OZ) represents the inverse degree of fragility of the considered good. Fragility could be physical, tangible or intangible: an earth structure is physically more fragile than a stone built good and a church intangible values put more limits on its reuse than those of an amphitheater would put.

Isoquants A, B and C represent the different results in life duration due to fragility (from the most fragile A, to the least fragile C) and rate of return (higher y, lower v,…). The higher the return from the use of a good – thus the higher is its exploitation, the shorter will be the life duration of this good.



To these limits of the value of a heritage good for the economy and hence partly for the society, one must add another constraint that increases together with the numbers of listed sites.

Since the economic utility of any good is function of its availability, the more of the same type of heritage goods in a given area, the lesser the utility of this heritage good to the economy. Conversely, since it is the uniqueness of heritage goods that make them valuable, having less heritage of the same type increases its utility and value. It also reduces its global contribution to society and the economy because of the limitations to uses imposed by its protection.

Here, the paradox of heritage resides in the felt but unreal opposition between cultural and social utility on one hand and its general economic utility on the other. As soon as a heritage good enters the market, it combines the two utilities. The ratio of each type of utility is function of several factors but depends mainly on its ownership - public or private - and hence on the degree of funding by the State. Its utility resides also in the fact that the offer of heritage assets is not elastic. The production of cultural heritage goods of a give kind is not possible since each good is unique.

How then can we maximise the social and economic use value of heritage and maintain its heritage values?

Under conditions of elasticity of supply, when the stock of heritage varies according to the demand, the more heritage is used the more the total social and cultural utility of heritage is supposed to increase while its marginal utility decreases. The total economic use value – i.e. the total utility - of heritage increases until the absorptive capacity of the market is reached and its marginal utility becomes nil. This is represented in the following table.

<DIAGRAM 2>

Decreasing Marginal Utility

Quantity Consumed	Total Utility	Marginal Utility	Economic Use Value	Non Economic Use Value
0	0			
		4	+++	+++
1	4			
		3	+++	+++
2	7			
		2	++	+++
3	9			
		1	+	++
4	10			
		0	0	+
5	10			
		0	-	+
6	10			

0 : from there on, marginal utility of additional unit of heritage becomes negative.
▪▪▪ : lower limit of positive economic use value. The optimum utility is somewhere above

28

The limits to utility are set by two factors pertaining to the heritage good and by the absorptive capacity of the economy:

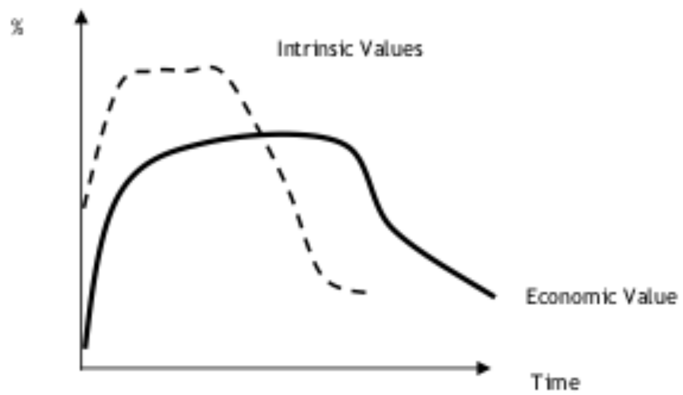
- For heritage, there is a limit when its intangible values (historic, memorial, representative…) are damaged by the use value and when the maintenance cost of heritage becomes higher than its total economic returns.
- For the economy and society together, the utility of heritage goods depends on the capacity of society and its economy to benefit from the presence of the heritage good and to develop and maximize flows of exchange with the good. The more the surrounding society and its economy are elaborate, and the more the heritage good is large, elaborate and resistant to wear, the more they will

benefit from each other.

Now, let us suppose that we have a heritage good that is unique with no similar goods around; it would thus have a theoretical infinite utility for the economy and the society. However, it would continue to be submitted to the opposition between the reuse and the duration of its heritage values.

<DIAGRAM 3>

If the reuse is not adapted to the heritage values of the good, the economic value of the good will start by increasing rapidly over time with its availability for use.. But a continued exploitation of the good will end up by reducing progressively these values, even while the economic value continues to be positive. Then, after a plateau phase, the economic value will go down and will bring the heritage values to a fall. This will bring the good to a situation of total obsolescence and a utility equal to zero (see table below).



Here, it should be noted that, according to Amartya Sen "To try to make social welfare judgments without using interpersonal comparison of utilities, and without, and without using any non-utility information, is not a fruitful exercise"[24]

The third issue has to do with social justice; one of the origins of this issue is to be found in the extension of the Polis sphere to cover parts of the Oikos and to impose limitations on the owner's use of the good: the constraints put by the listing and protection on a private owner of a historic building, reduces his freedom to use his property.

[24] Amartya Sen, Rationality and Social Justice, American Economic Review (85 – 1), pp. 1-24, 1995.

Economic theory tells us that any extended protection of a good has an economic return known as the "reward of waiting"[25] or the "reward of abstinence". Instead of spending, consuming or simply destroying his property, its owner decides to keep it, postponing hence an possible income from its destruction or sale. This decision could well have been taken against a possible high return from a tourist or real estate operation. To paraphrase Joan Robinson and since heritage sites are not abundant and will never meet the exceeding and ever-increasing demand, there should be property in them in order that they may be used in an effective manner. Again, it is the scarcity of these capital goods that makes income from their property possible.

Abstinence and waiting are different from lending. An individual who has lent to a safe debtor has merely to allow time to pass to gather in his agreed interest. Contrary to the lender, the owner who waits has to continue catering for the preservation of his good until the time of consumption. Hence, his reward must cover also the discount of the future; it should be higher than today's interest rate applied to today's value of his good.

The solutions devised so far by the Polis for compensating the owner who decides not to destroy his heritage good remain insufficient. Seldom do they cover the loss of revenue caused by the protection. This means that private owners of heritage goods usually suffer from two injustices: the first is the inability in most cases for the State to compensate enough the owner for the direct and indirect costs imposed on him by the protection of his good; the second is the opportunity cost lost due to the decision to protect. A clear example is that of adjacent and equal plots; one is a protected good while the other is not. The owner of the first one cannot benefit from his property as much as the other one could.

The situation we are confronted with today is rooted in two factors: one is the inflation of the welfare state followed by a recession caused by financial crises that started in 1997[26]; the other is the transformation of what we call today "cultural heritage" and of

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[25] Joan Robinson provides us with an interesting reading of this concept in her book The Accumulation of Capital (Macmillan - St Martin's Press, London 1956) on page 393, in section « Income from Property as the Reward of Waiting ».

[26] For this part, see: Robert Skidelsky, Beyond the Welfare State, published by the Social Market Foundation, London 1997.

the inflation in listing and protecting. Both the managers of the welfare state and the managers of the heritage goods thought they could continue unchecked. Hard facts have proven them wrong.

The Welfare State and, by extension, the public funding of culture, are based on taxation. If the economy shrinks or people's willingness or capacity to pay taxes fall, the Welfare State will lose the ability to cater for some societal needs.

But there is more: the Maastrich criteria limits the size of public deficits and debts, reducing the ability of the States to continue an ever-increasing welfare system. Between 1960 and 1995, the average public spending as a share of national income in industrial countries rose by 20% and the public sector deficits increased from 2% to 10% of GDP, while taxes have gone up by more. This shows that a large part of the fiscal imbalance is structural and not cyclical: even without the last financial crisis that is not finished yet, the welfare state would have become unsustainable.

Since 1960 and for the total OECD countries[27], public expenditures as % of GDP rose from 28,5% to nearly 45%, but social expenditures for the same countries increased from 10% to more than 25%. The trend has stabilized since 2000 with a slight reduction for the recreational and cultural expenditures.

This does not bode well for cultural heritage funding and it is to be expected that returning to the pre-crisis funding of heritage by the public sector will not take place in a foreseeable future.

I wish to conclude by a last and short comment on the concept of cultural heritage that has been much enlarged to cover more and more types. Minted in 1960s, it replaced those of "monument" and "historic monument" as defined by Aloïs Riegl in the early 20th century[28].

On the reasons for the enlargement of the scope of cultural heritage – listing increasingly more types than monuments and historic monuments, The British economist, Sir Alan

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[27] Skidelsky, idem.
[28] Alois Riegl, The Modern Cult of Monuments; originally published as Der modern Denkmalkultus: Sein Wesen und sein entstehung (Vienna: Braumuller, 1903).

Peacock, spoke of the “unusual features of heritage production” in a conference[29] given at the British Academy in October 1994:

> A large proportion of artefacts are not produced with the idea of reminding us of our past, ….. They become identified as heritage goods usually by archaeologists and historians who have obtained some form of official recognition or public acceptance of their status as experts in determining their artistic or historical significance. These experts exercise a pronounced effect on the accretion process, which is reinforced by their influence as holders of senior positions in the heritage services which are provided by public institutions not normally subject to market forces….
>
> The stock of “significant” heritage artefacts, therefore, is by a process of accretion rather than by organized production. It follows that the potential stock of artefacts cannot be responsive to collective or individual demand for possession… “

This increase of cultural heritage goods comes at a cost to the public resources while it reduces the utility of cultural heritage, its economic and non-economic use values. Ultimately, it could well reduce drastically the values of the concept of heritage and hence, kill the chicken that laid the golden eggs.

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[29] Alan Peacock, A Future for the Past: The Political Economy of Heritage; Keynes Lecture in Economics, The British Academy, read on 27 October 1994.