UNIVERSITAT
POLITÈCNICA
DE VALÈNCIA

DEPARTAMENTO DE COMUNICACION AUDIOVISUAL, DOCUMENTACION E HISTORIA DEL ARTE

Programa de Doctorado:
CONSERVACIÓN DE MUSEOS. MUSEOLOGÍA Y CULTURA CONTEMPORÁNEA

Tesis doctoral:

AN APPROACH TOWARDS HOLISTIC ASSESSMENT

OF SOCIO-ECONOMIC IMPACTS

Presentada por:
BEGOÑA SÁNCHEZ ROYO

Dirigida por:
DRA. MARÍA NURIA LLORET ROMERO

SEPTIEMBRE 2011

AN APPROACH TOWARDS HOLISTIC ASSESSMENT OF SOCIO-ECONOMIC IMPACTS

Begoña Sánchez Royo

This thesis uses the case study of the Fallas festival in the city of Valencia (Spain), to assess the value of intangible cultural heritage. Within this framework the thesis explores a number of different issues: for example how social agents frame different qualities and benefits of cultural heritage in order to describe the value and claims for funding the arts. It finds that value assessment for claiming funds presents many challenges such as: identifying the values of the heritage in question; describing them; and ranking them according to their contribution to the public welfare. It examines the methodological techniques for assessing heritage values and goes on to discuss a number of tools that are, or could be, used for assessment.

The thesis also explores how public bodies legitimise cultural funding. It examines the role of non-government arts organisations in supporting the arts. It proposes the analysis of donor decisions through a multi-attribute technique where donors state their importance to donor situations under specific conditions or attributes. Finally, it describes how the stakeholder approach can be applied for searching new ways of funding festivals. It also considers how intangible cultural heritage goods can be assessed within the process of cost-benefit evaluation. It also analyses how public bodies, as the principal supporters of culture, deal with the problem of valuing intangibles on social investments.

The study uses the Fallas festival to test the research hypothesis. It uses a number of economic and statistical techniques to evaluate the Fallas Festival, these include Contingent Valuation, Choice Experiment and Descriptive and Multiatribute Statistics. The statistical techniques reveal that historical benefits are intrinsically valuable in the Fallas festival. The historical value that the members of the neighbourhood associations place on the Fallas festival justify that local social agents should support this festival.

ENFOQUE HOLISTICO DE VALORACIÓN DE LOS IMPACTOS SOCIO-ECONÓMICOS

La presente tesis doctoral analiza el caso de las fiestas de Las Fallas en la ciudad de Valencia (España) a fin de valorar el patrimonio cultural intangible. Dentro de este marco se exploran los siguientes aspectos: cómo los agentes sociales atribuyen cualidades y beneficios al patrimonio cultural que justifican su financiación. Se comprueba que la asignación de valor para conseguir financiación presenta varios desafíos tales como: identificar los valores del bien en cuestión; describirlos; y clasificarlos de acuerdo a su contribución al bienestar público. Asimismo, se examina las metodologías y técnicas para la estimación de valores en el patrimonio cultural y aborda los métodos y técnicas disponibles, o posibles, para su estimación.

De la misma forma el estudio de investigación explora cómo las instituciones y entes públicos legitimizan la financiación del patrimonio cultural. Se examina el papel de las organizaciones culturales no gubernamentales que financian el patrimonio cultural. Se propone el análisis de las decisiones de donación a través de la técnica multiatributo donde los donantes consignan su importancia de financiar de forma voluntaria bajo determinadas circunstancias o de acuerdo a ciertos atributos de los bienes culturales. Finalmente, se describe cómo el enfoque de los grupos de influencia puede ser aplicado para la búsqueda de nuevas formas de financiación de los festivales. Por otro lado el estudio de investigación examina cómo el patrimonio cultural intangible puede ser evaluado a través del análisis coste-beneficio. Se explora cómo las instituciones y entes públicos, en su papel de principales financiadores de cultura, gestionan el problema de valorar intangibles en inversiones públicas/sociales.

La investigación utiliza el caso de las fiestas de Las Fallas para cotejar sus hipótesis. Se utiliza una combinación de técnicas económicas y estadísticas para evaluar esta festividad. En concreto se emplea la Valoración Contingente, Experimentos de Elección y Técnicas Estadísticas Descriptivas y Multiatributo. Las técnicas estadísticas revelan que los beneficios históricos de las fiestas de Las Fallas son valorados de forma intrínseca. El valor histórico que los miembros de las asociaciones de vecinos en la ciudad de Valencia (las comisiones falleras) asignan a las fiestas de Las Fallas justifica el que los agentes sociales apoyasen esta fiesta.

ENFOCAMENT HOLÍSTIC DE VALORACIÓ DELS IMPACTES SOCIOECONÒMICS

Aquesta tesi doctoral analitza el cas de les festes de les Falles de la ciutat de València (Espanya) amb la finalitat de valorar el patrimoni cultural intangible. En aquest marc, s'exploren els aspectes següents: de quina manera els agents socials atribueixen qualitats i beneficis al patrimoni cultural que justifiquen el seu finançament. Es comprova que l'assignació de valor per a aconseguir finançament presenta diversos reptes com: identificar els valors del bé en qüestió; descriure'ls; i classificar-los d'acord amb la seua contribució al benestar públic. Així mateix, s'examinen les metodologies i tècniques per a l'estimació de valors en el patrimoni cultural i s'aborden els mètodes i les tècniques disponibles, o possibles, per a la seua estimació.

De la mateixa manera, l'estudi d'investigació explora com les institucions i els ens públics legitimen el finançament del patrimoni cultural. S'examina el paper de les organitzacions culturals no governamentals que financen el patrimoni cultural. Es proposa l'anàlisi de les decisions de donació a través de la tècnica multiatribut, on els donants consignen la seua importància de finançar de manera voluntària sota determinades circumstàncies o d'acord a certs atributs dels béns culturals. Finalment, es descriu com l'enfocament dels grups d'influència es pot aplicar per a la recerca de noves formes de finançament dels festivals. D'altra banda, l'estudi d'investigació examina com el patrimoni cultural intangible es pot avaluar a través de l'anàlisi cost – benefici. S'explora com les institucions i ens públics, en el seu paper de finançadors principals de cultura, gestionen el problema de valorar intangibles en inversions públiques / socials.

La investigació utilitza el cas de les festes de les Falles per comparar les hipòtesis. S'utilitza una combinació de tècniques econòmiques i estadístiques per avaluar aquesta festa. En concret, s'utilitza la Valoració Contingent, Experiments d'Elecció i Tècniques Estadístiques Descriptives i Multiatribut. Les tècniques estadístiques revelen que els beneficis històrics de les festes de les Falles es valoren de manera intrínseca. El valor històric que els membres de les associacions de veïns a la ciutat de València (les comissions falleres) assignen a les festes de les Falles justifica que els agents socials donen suport a aquesta festa.

Table of Contents

Table of Figures

"We are living in an era that knows the cost
of everything and value of nothing"

Ansel Adams

Preface

The process of completing a doctoral thesis can be seen as a road. Along this road I have followed a winding path. There have been 'invasions' of other academic disciplines. I have enjoyed looking at the world from unusual perspectives, examining, so to speak, the value of tangible and intangible things around us with the eye of an observer with economic background.

My starting point in this journey has been the conception of culture from a holistic perspective, both in conceptualizing the notion of culture and its measurement techniques. In a review of relevant literature the lack of a holistic approach to culture aroused my interest. In other words, the lack of a comprehensive and multidisciplinary evaluation of culture that assesses its different characteristics. That was the reason why I took a step of faith and touch different disciplines. There are people who shake their head to show disapproval and call it an abyss, but do nothing to fill it; there are also those who work to widen it, as if culture was a nebula in the universe.

Sometimes I am asked with curiosity, why I write about culture and intangible things though I am an economist. Indeed, I have no answer for those people but for myself, I write to communicate, to transmit information and thoughts from mind to mind, from place to place and from time to time. I write for individuals who are curious about many things, wish to choose among them and do not wish to delegate this choice to others.

I wish to express my appreciation to all the people and organisations whose contributions have made this thesis possible. I am eternally grateful to my family.

Saving the best for last ... to Jaime.

The sleep of reason may breed monsters
Etching and aquatint made by the painter
Francisco Goya, Spanish, 1746-1828
In memory of Matias,
you were awake in times of collective amnesia in Spain.

1 The general orientation of the study

The assessment of values that people actually attach to cultural heritage goods is called valuation. This concept is based on the underlying metaphor of *culture as an entity* or *thing*. It is the same metaphor that makes it possible to talk about the value of culture. If culture is like an 'entity', then that 'entity' must have a specific value. When this thing called culture is transferred from one party to another it is very useful to question what is its value?

In order to answer this question it is necessary to address the following points: what is understood by value? What is the nature of value? And most of all, what types of methods for valuation or measurement exist?

Value in an etymologically way relates to the concept of "values". According to Trompenaars and Hampden-Turner (1997), values determine the definition of good and bad, as opposed to norms that reflect the mutual sense a group has of what is right and wrong. A value reflects the concept an individual or group has regarding what is desired. It serves as a criterion to determine a choice from existing alternatives.

Following the Longman Dictionary of Contemporary English (Proctor, 1978) as well as Trompenaars and Hampden-Turner (1997), value is defined as the degree of *usefulness* or *desirability* of something, especially in comparison with other things. So in order to determine the value of culture it is necessary to somehow find out the degree of usefulness of culture as a 'thing'. The term usefulness is used to emphasize the utilitarian purpose of valuation. This is in line with Rescher's (1969, 61-2) value theory. He states that values are inherently benefit oriented. People engage in valuation "to determine the extent to which the benefits accruing from realization of some values are provided by the items at issue".

However, usefulness is not the only aspect of value. As many academics and cultural professionals argue, cultural heritage has an intrinsic value. This value makes things desirable.

Assuming that the term desirability is included in the definition of value, usefulness and desirability are not mutually exclusive. Things can be desirable because they are useful. Likewise, things can be valuable because they are beautiful, pleasing, or in other ways desirable. The interaction of these two terms is the base for addressing the *cultural significance* of heritage goods.

Cultural significance is used here to mean the importance given to some things over others and thereby transform some objects and places into 'heritage'.

Related to the nature of values ascribed to any particular cultural heritage object or group of objects, academics from economic and cultural backgrounds distinguish various values that individuals may attach to that object. While the former discuss the exchange and use value of these objects, the latter focus on their cultural and social values. Although there are many modes of conceptualizing and gauging value, the following typology includes the kinds of value most often associated with cultural heritage sites (though it does not assume that every heritage site has every type of value). The *option value* is the (imaginary) satisfaction that someone experiences of having the opportunity to use or enjoy a particular piece of heritage. The *existence value* amounts to the value contained in the enjoyment of the mere existence of a heritage good (not of enjoyment of its presence or actual use of it). The *bequest value* is the value that future generations derive from a heritage good, and the *prestige value* is as the name suggests: the prestige that a community or individual derives from having a particular heritage good. Finally, the *educational value* captures all benefits that heritage generates in terms of education. The variety of values is matched by the variety of stakeholders participating in the provision of cultural heritage goods in society. The identification and ordering of values serves as a vehicle to inform decisions about how best to take care of these assets in their physical and qualitative state.

If the value of cultural heritage goods is a social construction for cultural significance, the assessment of values that people actually attach to heritage goods, that is, *valuation* requires implicit or explicit criteria, or yardsticks for usefulness or desirability. Rescher (1969, 61) describes valuation (he uses the term evaluation) as "a comparative assessment or measurement of something with respect to its embodiment of a certain value".

Furthermore, he states that any valuation makes use of a value scale, reflecting the fact that this value is found to be present in a particular case to varying degrees. This value scale can be an ordinal scale that reflects the varying degrees of value but does not show us the interval between the positions on the scale. However, a value scale can also be a cardinal scale. Such a scale is of an interval or ratio level (Swanborn, 1981). With regard to an interval level, the interval between the varying degrees of value is known, whereas on a ratio level it is also known what constitutes zero value. Cardinal scales can be represented numerically. The advantage of using money as the

denominator of value is that it creates a value scale at the ratio level that allows for mathematical transformations.

In other words, *economic analyses* provide objective basis for decisions about relative worth or cultural significance of cultural heritage goods by expressing different values in the common denominator of price, or money. And the basic technique for economic valuation is cost-benefit analysis.

Having said that, it does not mean either that *all* the values of cultural heritage can be expressed in terms of price nor is the market for cultural goods *efficient.*[1] The market can fail when it does not lead to an efficient outcome (i.e. price) or when this outcome is undesirable.[2]

Apart from that, values are context dependent and moreover, they are multivalent and mutable. Likewise, the participation of stakeholders in the valuing process is crucial. In this environment, the articulation and understanding of values have acquired greater importance in debates about what heritage to fund, how to conserve it, where to set the priorities, and how to handle conflicting interests. Just the simple fact of labelling something as cultural heritage is a value judgment that distinguishes that object from others for particular reasons. These judgments and narratives for labelling meaning and value to culture are called 'social discourses' around the value of culture.

1.1 Formulation of the research problem and hypothesis

There is a growing body of empirical evidence suggesting that participation in culture and the arts can produce a wide range of benefits that contribute to public welfare. However, there is a lack of specifics about the mechanisms by which arts participation creates specific benefits, under what circumstances the benefits are most likely to occur and the level of arts participation needed to generate such benefits.

To address these issues, it is worth considering what actually happens when individuals participate in the arts and provide financial support, how their financial support is influenced by their socio-economic features, and how their experience influences the generation of specific benefits either intrinsic or economic.

This research explores how effective an example of intangible cultural heritage good is in creating specific benefits when it is supported by non-profit associations. The case study of the Fallas festival in the City of Valencia, Spain, is presented and the values of the neighbourhood associations (comisiones falleras) who provide much of the funding

---

[1] The market is efficient when there is equilibrium within, the quantities demanded are equal to the quantities supplied and in case of disequilibrium the adjustment in price will, in principle, bring about a new equilibrium.
[2] It is the case of cultural heritage goods as public goods or externalities.

are analyzed. It also aims to fill the gap of specifics around studies on the benefits of the arts. Although this is a supply-side approach this case-study has two peculiarities that differentiate it from the general trend: the focus on an intangible cultural heritage and the low dependency on public funding. Working from the following hypothesis:

1. The pattern for arts funding participation depends on the level of engagement with the arts experience. In other words, to contribute funding to the arts is a function of how intense the arts experience is at an emotional, mental and social level of engagement.

2. Intrinsic values explain the intensity of funding engagement to the arts experience. The greater an individual's level of funding contribution (i.e. participation) with the arts, the more likely that person experiences the intrinsic benefits.

3. Intrinsic values are not limited to the private domain; they can also influence the governance model. These kinds of effects help to build effective arts funding programs to manage the relations of power in decision-making.

4. Assuming that different levels of arts participation are related to the production of benefits. Individuals who continue to engage over time in the arts experience do so because they find it intrinsically worthwhile. The claiming of intrinsic benefits in the arts offers rationale to other social discourses.

In order to test these hypotheses three broad categories are worth considering: the meaning of the word 'participation' and 'intrinsic value', the tensions over social discourses to support arts funding and the difficulties of measurement in the cultural sector.

It should be acknowledged that some insights and definitions in this section have their origins in other commentaries as many of them are specific and different from the author's background, but the shape of this synthesis and the testing of these hypotheses is novel.

Understanding the meaning of participation and intrinsic value

The literature around the benefits of the arts uses a multiplicity of meanings for the term 'participation'. Including:

(i) *participation as consultation*; that is, individuals are invited to play an active part in generating ideas as well as making decisions alongside with other social agents about the direction and form of a concrete cultural heritage good/service.

(ii) *participation as influence*; here the most basic opportunity to exert an influence is to use the right to vote. Another way of participating and exerting an influence on the direction and form of a concrete cultural heritage good/service is by joining a political party or a cultural association; and

(iii) *participation as cost-benefit-sharing*; that is, ensuring that affected parties receive a share of the resulting benefits of such cultural good and contribute in the costs.

At the most basic level, a cultural festival such as the case-study of Las Fallas festival provides the context for people to come together through their attendance. Regular involvement in such festival can produce social solidarity and social cohesion through the creation of community symbols (e.g. Fallas monuments and the flowers parade of our Lady) as well as community identity.

Besides, these kind of events can offer opportunities for building social capital, since interest and regular involvement can lead people to participate in arts-based associations (e.g. 'comisiones falleras' in the Fallas festival).

The move from social capital (i.e. membership of groups with shared norms and values) to community associations involves the development of both a sense of collective efficacy and skills in leadership and organization.

The way in which cultural festivals facilitate this process is through the raising of funds for local arts projects and the running of arts-based associations. Besides, these kinds of events can also help the creation of links between different social agents, thus developing intergroup cooperation. For instance, the flowers parade to our Lady which is a part of The Fallas festival is supported by the Local Council, the different neighbourhood associations of the Fallas festival around the city of Valencia and the Catholic Church.

On the other hand, developing such collective action of arts-based associations requires not only a sustained involvement over time, but also what might be called 'same-group participation'. In other words, the same groups of individuals participate over time. Surprisingly, these circumstances of concurrence and stability of membership occurs for the 382 neighbourhood associations that support the Fallas festival.

Likewise, there is something different and somehow peculiar around the type of participation analyzed in this festival. The arts-based associations that support it engage their members in every level of participation. They create and promote this festival. The art of the Fallas festival (i.e. the Fallas monuments) is created by groups

of artists. They interact with the neighbourhood associations called 'comisiones falleras' over a period of time which develops social bonds. Such symbiosis builds a sense of community and creates a social identity among their participants. This kind of relationship is different to other types of group activities such as those associated with sports and religious services because of the communicative nature of the arts, the personal nature of creative expressions and the trust associated with revealing one's creativity to others.

If arts appreciation is based on attending such experiences, the collective appreciation accrued by members of the Fallas associations has not only effects at a personal level on the individual, but also the shared interpretation of this experience with others. It provides common ground for social interaction and special ties among people with different background through the agency of art.

In principle, all forms of arts participation (i.e. by creation, appreciation and supporting) can help to develop not only individual benefits, but also benefits affecting at the social welfare such as the capacity for collective action. However, taking part as arts steward's members is regularly the most direct path for building a sense of community and generating social capital. This form of participation includes different roles such as volunteers, board members, donors, civil servant, and even audience members according to some authors.

This research is focus on donors or arts financial supporters shaping non-profit organizations. Members of the different neighbourhood associations working together toward the shared objective of the Fallas festival gives the opportunity to develop ties and bonds and a commitment to a collective action.

At this stage it is worth stating that, the arts financial support through the different neighbourhood associations in the Fallas festival involves disparate groups of people with different economic and personal backgrounds coming together to work on a common event. Such organizational capacities where the arts provide one point of agreement among disparate interests gives an idea that arts participation can benefit individuals and communities. Starting from a private level such as providing pleasure; it can transcend to indirect spill over effects on the public sphere (e.g. by providing learning skills). Besides, the aggregation of arts participation can have direct effects on the public sphere as it raises the demand for culture and the arts.

The connection between participation and funding articulates a series of social discourses where arts organizations and people involved in the arts claim how participation in the arts benefits society and what makes it valuable.

Assuming that the term 'value' is socially constructed, 'intrinsic values' are those effects inherent in the arts experience that add value to people's live (McCarthy *et al.*, 2004). They set up the basis for participating in the financial support of the arts. In other words, intrinsic values can explain why people are drawn to the arts. Besides, they can be used in other social discourses because of their indirect effects on society.

One can find intrinsic meaning in a person's experience arriving because that person *is* there not because *it is there*. What one finds intrinsic is what they and others can agree on, that is not meaning that a particular object or phenomena holds independent of the meaning one finds intrinsic or non-intrinsic. However, object and the experience are inseparable and that makes it independent. Using a natural phenomenon to illustrate this perspective: smoke does not intrinsically mean a fire. However, smoke meaning fire completely embodies meaning for ones perspective; surely it is part of the passage of fire but has no intrinsic value or meaning to a fire, except from such perspective where benefits and risks are present.

To sum it up, intrinsic values explain why individuals participate in funding the arts. As these kinds of values are not constrained by the aesthetic experience, they also can provide a common experience that draws people together and influences the way a community perceives itself. These kinds of effects on society can be used in other social discourses.

The tensions over social discourses in funding the arts

This research aims to analyze the specific nature of benefits when individuals, as members of non-profit arts organizations, support an intangible cultural heritage good.

This context of civic funding and arts participation stands out from the general trend within EU countries where governments (local and central) still remain the largest supporters of the arts in comparison to other sectors.

The arts' high dependence for on-going public funding within a context of global economic reforms and financial stagnation, gives rise to questions of the relative potential of the arts in producing benefits compared to other social investments.

The resulting situation frames a context where arts organizations not only articulate social discourses to legitimate claims for benefits in line with the political agenda, but also considerable attention to quantitative evidence.

This utilitarian perspective of value of the arts where social discourses are focused on the ways of achieving broad social and economic goals that have nothing to do with the arts per se is called 'instrumental value'. This perspective has influenced how civil

servants and public sector managers of arts-based organisations articulate another social discourse based on the notion of 'institutional values' and how performance and presence of publicly arts-based organisations can generate benefits to society in form of trust in the public realm (i.e. government legitimacy).

Likewise, the influence of economics in the arts has made to generally identify 'arts participation' with 'consuming arts'. To this regard the term 'use value' is addressed to market value which can be assigned a price. Besides, the term 'non-use value' is given to economic values not traded in markets which are difficult (but not impossible) to express in terms of price.

In order to test how the intrinsic value of culture can explain why individuals participate in funding the arts, members of the different arts based non-profit associations of Fallas festival (comisiones falleras) were asked about the level of their intrinsic values when funding the festival.

Furthermore, in order to test if other social discourses can explain why individuals participate in funding the arts; the institutional discourse of the Agenda 21 for Culture is proposed. The reason for testing an institutional discourse against the intrinsic one is because they are similar. Intrinsic discourse derives the benefits from the individual's aesthetic experience. Such experience makes that person decide to spend time and/or money at one experience compared to another. In the institutional discourse something similar happens: the benefits derived from the performance of a certain arts entity is what makes individuals decide to participate in the activities of such an arts entity and not in others.

On the other hand, instrumental and public discourses emphasize how individual participation in the arts either when it is sustained over the time or when aggregated across individuals can trigger benefits. Besides, these kinds of discourses fail to consider that the benefits they claim can all be produced in other ways. The so-called 'socio-cultural' instrumental values of the arts, such as cognitive benefits, can be generated by better education, for example, by providing more mathematics courses. Likewise, the so-called 'economic' instrumental values can be generated by other types of social investment, such as a new sports stadium.

The institutional discourse of the Agenda 21 for Culture has also the peculiarity of being adopted by local governments across the world for addressing specifically the role that cultural development plays in a citizen's life experience, and the contribution made by arts and culture to the health and vitality of cities and local communities.

In this regard, members of the different arts based non-profit associations of Fallas festival (comisiones falleras) are asked about its principles of: 'Culture and Environment' and 'Governance'. In the former they are asked about their willingness to pay to avoid environmental damage generated by the Fallas' monuments. In the latter they are asked about their preference for sharing funding and the distribution of competencies with other social agents (government and profit seeking companies).

Difficulties in measuring the arts

There is a general of lack of consensus in how to measure the value of the arts because of the multifaceted nature of the notion of value and arts in combination with the different interpretation of social agents through their social discourses. The perspective of this research is holistic, not only in conceptualizing the notion of value, but also in measuring the value of the arts.

This research measures the value of the arts by using economic and non-economic techniques. These include:

- Non-economic techniques, data mining. Predictive modelling using a Decision Tree and Contingency Tables.

- Economic valuation techniques based on stated preference methods: Contingent Valuation (CV) and Choice Experiment (CE).

Interestingly, the British Department for Culture, Media and Sport (DCMS), along with the Economic and Social Research Council (ESRC) and the Arts and Humanities Research Council (AHRC), recently undertook a programme of work to understand the best methods for measuring the value of culture, in the context of government decision-making called 'Measuring Cultural Value'. Although considerable emphasis is placed on the economic *techniques* they also make reference to the *non-economic* techniques. In this thesis non-economic techniques are used to test the hypothesis that:

- The pattern for arts funding participation depends on the level of engagement with the arts experience. In other words, to contribute funding to the arts is a function of how intense the arts experience is at an emotional, mental and social level of engagement.

- Intrinsic values explain the intensity of funding engagement to the arts experience. The greater an individual's level of funding contribution (i.e. participation) with the arts, the more likely he or she experiences the intrinsic benefits.

Economic techniques are used to test the hypothesis that:

- Intrinsic values are not limited to the private domain; they can also influence the governance model. These kinds of effects help to build effective arts funding programs to manage the relations of power in decision-making.

- Assuming that different levels of arts participation are related to the production of benefits. Individuals who continue to engage over time in the arts experience do so because they find it intrinsically worthwhile. The claiming of intrinsic benefits in the arts offers rationale to other social discourses.

1.2   Reasons for selecting Fallas Festival Valencia as the study area

Broadly, by analysing the literature around cultural heritage it is apparent that there is a lack of any conceptual or theoretical overviews for modelling or mapping the interplay of economic, cultural, political, and other social contexts in Spain and most of all in relation to the intangible cultural heritage.

The focus on this research is the intangible cultural heritage and the case study selected is the festival of Las Fallas in the city of Valencia which is a fusion of ephemeral artistic constructions and sculptures of wood and paper called Fallas (tangible movable artefacts) with a wide programme of events and celebrations, fireworks and religious processions (intangible heritage).

The reason of selecting this case study lies in the minimal explicit acknowledgement of the importance of the non-profit organisations' sphere in financing culture and their increasingly significant role played in funding culture.

Because of limited public financial resources, the challenge is to develop alternative ways of financing the arts and culture that allows the engagement of the worlds of arts and culture with other economic agents. One way to do this is to stimulate the participation of the third sector in funding culture to increase the value of culture in society.

Figure 1: An example of a Fallas monument in Valencia

The Fallas festival can be described as a social festival where local community takes care of this festivity as a tradition. The Falla is both the object and the subject of this celebration. The Falla as an object is the most visible part of the festivity in each neighbourhood of the city (see Figure 1) these satirical sculptures are on average

between 5 and 30 meters high. The Falla as a subject constitute a sort of tableau vivant for processions, parades, fireworks and public events.

Importantly enough it is the behind-the-scenes part of each Falla, which consists of approximately 382 neighbourhood associations called 'comisión fallera'. These associations are a network of long-standing voluntary organisations with long standing same-group participants that have more than 200,000 members in the Valencian region.

This figure is quite significant considering that the city of Valencia itself has 815,440 residents. Each civil association is rooted in a neighbourhood of Valencia or even in a smaller area such as a street. The organisational unit of each neighbourhood association is the 'comisión fallera'. The meeting place of every 'comisión fallera' is called 'Casal'. This physical base is where a wide range of social activities take place. These activities are the heart of the permanent sociability of the Falla.

The registered participants of these associations are called falleros/falleras. Each Falla chooses an annual Festival Queen called Fallera Mayor (FM). The network of these neighbourhood associations is coordinated by a central committee which has links with the Council of the city of Valencia (Ayuntamiento).

1.3 Data about the City of Valencia

Geography and weather

La Comunidad Valenciana is one of the 21 Autonomous Communities in Spain. It lies in the east of the country and comprises three provinces (Castellón, Valencia and Alicante), 34 historical counties (known in Valencian as comarques) and 542 municipalities, spanning an area of 23,255 km^2. It borders Catalonia in the north, with Aragon and Castilla La Mancha in the west, with the region of Murcia to the south, and with the Mediterranean to the east.

Valencia's geographical landscape can be divided into two parts: inland and coast. The mountains and rock formations of the Iberian and Subbetica mountain ranges dominate the landscape inland. The coastal region is relatively flat and comprises low sandy beaches and coastal lagoons and pools, some of which have dried up.

The region of Valencia has a Mediterranean climate with warm, dry summers and mild winters. The rainy season is mainly in spring and in autumn. There is often torrential rainfall. Inland in the higher reaches of the region the rainfall may turn to snow. The average temperature in the coastal zone does not fall below 15ºC, although in the mountain areas temperatures can fall below freezing.

Figure 2: The three provinces of La Comunidad Valenciana

Population

The population of this autonomous region is 5,029,601.[3] The population breakdown between the three provinces in the region of Valencia is: Valencia: 2,358,919, Alicante: 1,657,040 and Castellon: 527,345. The main cities in the autonomous region of Valencia after the capital itself (Valencia) are Alicante, Castellon, Elx, Alcoi, Torrent, Elda, Sagunto and Gandia. The population of the region is mainly located around the coast with fewer inhabitants further inland. The population profile of the Valencian region.

	Total	Age 0-9	Age 10-19	Age 20-29	Age 30-39	Age 40-49	Age 50-59	Age 60-69	Age 70-79	Age 80-89	Age 90 and more
Total	815.440	76.968	71.423	111.276	143.771	125.959	99.328	81.039	65.276	34.800	5.600
Men	393.358	39.374	36.664	57.276	74.690	62.480	46.411	36.554	26.984	11.514	1.411
Women	422.082	37.594	34.759	54.000	69.081	63.479	52.917	44.485	38.292	23.286	4.189
From the city of Valencia											
Total	429.127	66.577	53.343	64.405	74.739	59.553	40.868	32.245	24.048	11.676	1.673
Men	210.133	34.188	27.300	33.436	37.579	29.105	19.431	14.680	10.126	3.902	386
Women	218.994	32.389	26.043	30.969	37.160	30.448	21.437	17.565	13.922	7.774	1.287
From the Comarque of Valencia											
Total	21.121	973	587	681	2.916	5.281	3.854	2.936	2.460	1.245	188
Men	10.144	511	322	343	1.508	2.666	1.827	1.412	1.059	451	45
Women	10.977	462	265	338	1.408	2.615	2.027	1.524	1.401	794	143
From the Comunity of Valencia											
Total	64.629	1.079	1.243	2.957	7.299	10.210	12.304	11.487	10.539	6.330	1.181
Men	28.084	574	647	1.349	3.388	4.783	5.576	5.139	4.276	2.060	292
Women	36.545	505	596	1.608	3.911	5.427	6.728	6.348	6.263	4.270	889
From the Spainsh Territory											
Total	159.722	2.157	2.725	7.223	16.069	25.546	31.632	30.501	26.557	14.854	2.458
Men	70.786	1.134	1.406	3.516	8.003	12.196	14.502	13.653	10.829	4.881	666
Women	88.936	1.023	1.319	3.707	8.066	13.350	17.130	16.848	15.728	9.973	1.792
Foreigners											
Total	140.841	6.182	13.525	36.010	42.748	25.369	10.670	3.870	1.672	695	100
Men	74.211	2.967	6.989	18.632	24.212	13.730	5.075	1.670	694	220	22
Women	66.630	3.215	6.536	17.378	18.536	11.639	5.595	2.200	978	475	78

Source: `Padró Municipal d'Habitants' on 01/01/2009. Population listing aproved by the Local Council on 27th march 2009.

---

[3] Figures from the Spanish National Statistics Institute (INE) and relate to 1 January 2008.
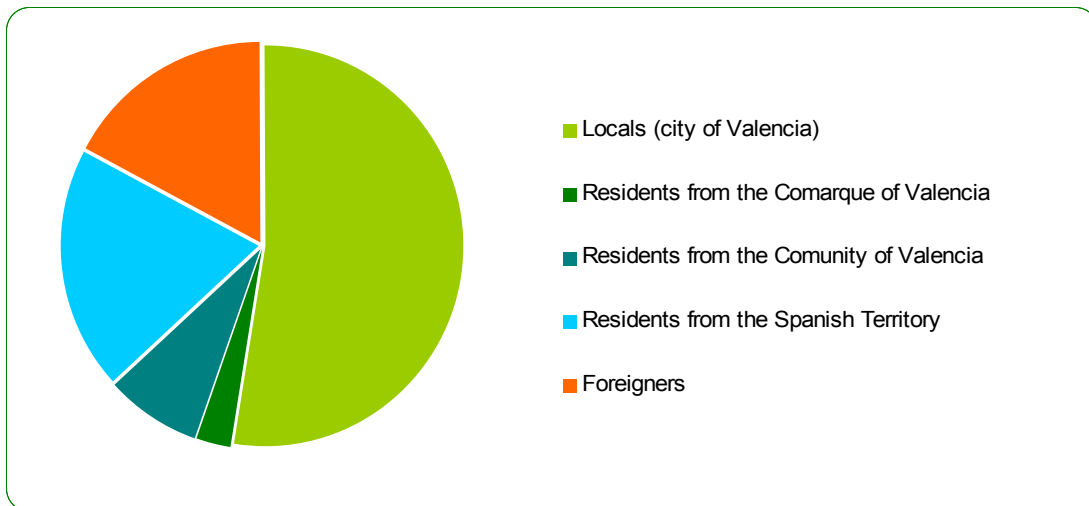
Figure 3: The place of birth, age and sex of the population of Valencia.

Administration

The capital of the autonomous region is Valencia. The Autonomy Statute was approved for Valencia in 1982. Article 9 of Valencia's regional regulations states:

"The Generalitat of Valencia (Regional Government) is made up of various different ministries and departments: Valencia Assembly (known as 'Corts' in the local language), the President, the Government (known as 'Consell' locally) as well as other institutions which have been established in the present Statute". Valencia's Assembly is made up of 89 members. They include 20 from the province of Alicante, 22 from the province of Castellón and 37 from the province of Valencia. The Autonomy Statute states that the local government "is a collective institution of the Government of Valencia that holds political and legislative powers. It runs the assembly that exercises its power under the guise of Valencia's self government".

Figure 4: Administrative zones in the city of Valencia

Valencia regional government expenditure budget: organic classification, 2008

Millions of €

01 Valencia Regional Government Parliament	41.44	11 Industry, Commerce and Innovation	235.31
02 Accounts Auditor	6.13	12 Agriculture, Fisheries and Food	363.08
03 Valencian Culture Council	2.01	14 Environment, Water, Urban Planning and Housing	452.82
04 Judicial Consulting Council of the Valencia Regional Government	2.78	15 Tourism	77.95
		16 Social Welfare	552.80
05 Regional Government Presidency and President's regional ministry	97.62	17 Valencian Language Academy	4.23
06 Economy, Treasury and Employment	219.57	18 Culture and Sport	230.82
07 Justice and Public Administration	328.32	19 Debt Service	478.84
08 Infrastructure and Transport	509.05	20 Miscellaneous expenses	510.60
09 Education	4,072.10	22 Central Government Affairs	93.39
10 Healt	5,454.53	23 Immigration and Citizen's Services	94.82

Figure 5: Regional government expenditure in Valencia in 2008 – Culture and Sport is the twelfth most funded entity (Data source: 'The Comunitat Valenciana in figures 2008 by IVE [Instituto Valenciano de Estadística]).

Tourism demand and supply

The statistics showed here are based on data published by the National Statistical Institute (INE) and the hotel occupancy survey by the Valencia Tourism Convention Bureau (TVCB)[4] from 2008. Other sources include The Statistical Office of Valencia City Council, Consellería de Turisme, the museums and monuments cited, ETM

---

[4] This organisation is a non-profit foundation set up in 1991 and is co-sponsored by the Valencia City Council, the Valencia Chamber of Commerce, the Valencia Trade Fair organisation, the Valencia Business Confederation and private companies from the tourist sector.

(Metropolitan Transport Authority of Valencia), ECM (European Cities Marketing), RENFE, AENA, National Institute of Meteorology, and Port Authorities.

In 2008 Valencia had 45 museums, 48 libraries, 16 theatres, 136 art gallery exhibitions and one world heritage site (the Silk Exchange). This is in addition to 22km of beaches. The INE estimated that the tourist economy was worth €1.5 billion in 2008, with 24,786 employees in the hotel and catering sector in 2007.

	2008
MUSEU DE LES CIENCES PRINCIPE FELIPE PRINCIPE FELIPE SCIENCE MUSEUM	2.023.524
L' OCEANOGRÀFIC L'OCEANOGRÀFIC	1.245.931
IVAM VALENCIA INSTITUTE OF MODERN ART	630.580
LONJA SILK EXCHANGE	607.719
BIOPARC BIOPARC	530.000
L' HEMISFÈRIC L'HEMISFÈRIC	498.713
MUVIM MUVIM	267.045
CENTRO VALENCIANO DE CULTURA VALENCIA CULTURE CENTRE	156.964
CATEDRAL CATHEDRAL	150.000*
TORRES DE SERRANOS SERRANOS TOWERS	129.765
MUSEO NAC. DE CERÁMICA GONZALEZ MARTI GONZALEZ MARTI NATIONAL CERAMICS MUSEUM	118.841
ALMUDÍN ALMUDIN	89.239
MUSEO DE CIENCIAS NATURALES MUSEUM OF NATURAL SCIENCES	75.664
MUSEO FALLERO THE FALLAS MUSEUM	72.435
ATARAZANAS SHIPYARDS	49.951
L' ALMOINA L'ALMOINA	45.755
TORRES DE QUART QUART TOWERS	45.660
MUSEO DE LA CIUDAD CITY MUSEUM	40.335
MUSEO DE HISTORIA DE VALENCIA VALENCIA HISTORY MUSEUM	39.034
MUSEO TAURINO BULLFIGHTING MUSEUM	38.484
CASA-M. BENLLIURE BENLLIURE MUSEUM-HOME	30.431
MUSEO HISTÓRICO HISTORIC MUSEUM	29.884
CASA-M. BLASCO IBAÑEZ BLASCO IBAÑEZ MUSEUM-HOME	28.664
PALACIO CERVELLÓ CERVELLO PALACE	25.933
MUSEO DEL CORPUS-CASA DE LAS ROCAS HOUSE OF LAS ROCAS	21.614
CRIPTA SAN VICENTE CRYPT OF SAN VICENTE	21.581
SALA MUNICIPAL D´ EXPOSICIONS EXHIBITIONS CITY HALL	14.759
GALERÍA EL TOSSAL THE TOSSAL GALLERY	9.747

Figure 6: The number of visitors to the museums and monuments of Valencia in 2008

1.3.1 Las Fallas Festival

Fallas Festival takes place in March and is intended as a tribute to St. Joseph, patron saint of the carpenters' guild, where it is said the tradition arose from.

The most recognisable elements of the fiesta are the "Fallas" monuments. These are artistic creations that also display irony and humour, they are exhibited in the streets

during Fallas week, between the 15th and 19th of March. At midnight on the last day they are set on fire. During the fiesta days and even in the weeks beforehand the streets are used for firework displays, music, street performances, and parades.

Figure 7: The finale of the Fallas festival is the burning of the Fallas monuments

This fiesta has a complex, well-tuned business and administrative structure led by the Junta Central Fallera (or Fallas Central Board) which is its governing body and organizes all official events. Every monument is set up by an association called a "comisión fallera" (Fallas Committee), managed by its members, the "falleros". During each Fallas Year (which officially begins on March 20th and ends the following March 19th), they meet periodically to decide on the fiesta's main lines of action.

All kinds of activities take place throughout the whole year: from sporting (Valencian pelota and football championships, etc) to cultural events (theatre, poetry or dancing contests, etc) plus displays of Valencia's own folklore, traditions and customs. Many of these activities are organised by the Fallas Committees themselves, complementing the work of the Junta Central Fallera.

The number of Falleros and Falleras registered to attending the Offering of Flowers to Our Lady are shown in Figure 8. Assuming that this figure is related to the population of the city of Valencia (i.e. 815,440 residents), it follows that almost 13% of the residents

actually take part in the Fallas Festival, which means that this festival has an important position in the city's social and cultural life.

Type	registered number
Adult Females	35,175
Young Females	18;055
Adult Males	28,700
Young Males	14,347
	96,277
Musicians	9,155

Figure 8: The number of registered participants for the offering of Flowers to Our Lady 2009 (data supplied by the Junta Central Fallera)

Description of the festival

Every year on 19 March the city of Valencia celebrates a particular sort of festival called the 'Fallas' in honour of Saint Joseph. The night of St. Joseph is celebrated as a Fire Festival as all the artistic statutes of wood and paper are bunt at midnight. This is the highlight when the mass of participants (falleros), visitors and tourists who have been filling the streets of Valencia during the previous days[5] meet in streets and squares across the city of Valencia to witness the burning of these statutes and the consequent destruction of the product of an enormous quantity of work and effort. For many it is difficult to understand why an entire year's work, for thousands of people (most of them falleros), costing hundreds of thousands of Euros can all be deliberately destroyed in one evening. But this is the essence of Fallas. The Fallas were created to be burned in this moment, washing away winter worries in a tribute to spring. Before the burning it was just another project, even if in many cases they are enormous ones (see for example Figure 1). The burning, on the other hand, releases the true meaning. When the satirical statutes (called *ninots*) begin to disappear beneath the ashes it means that they and all the satirical and critical meaning that they represented are purged. Now this semi-pagan perspective is mixed with a semi-patriotic and semi-religious symbolism which is explained further the following sections.

The monument of 'Falla' can be regarded as the object and subject of this celebration. The Falla as an object is most visible part of the festivity in each neighbourhood of the city. These ephemeral monuments of wood, cardboard and glass fibre between 5 and 30 metres high, comprise free-standing satirical and figures (*ninots*) of mythical and fictional characters and popular celebrities drawn from situations and scenes of life

---

[5] According to some in crowds of up to 2 million people.

either from Spain or the rest of the world. In other words, these monuments constitute a sort of tableau vivant or static theatre depicting popular or topical themes.

The behind-the-scenes of this celebration are the neighbourhood associations called 'comisiones falleras'. These neighbourhoods are long-standing voluntary associations which usually comprise between 200-300 members. The physical base or headquarters for the wide range of social activities of each association is known as the 'Casal'. These casals are distributed principally around the urban area of the city and they are the repositories for the awards, standards and banners given for past Fallas monuments, plus exhibits of the explanatory Fallas booklet called the "llibret", and other festivity paraphernalia.

In these headquarters their registered participants (falleros) arrange their own neighbourhood festival programme where everyone can join in. During the whole year they hold meetings, pay dues, seek out financing for their budgets, and congregate for meals, parties and social celebrations. These places can be regarded as a kind of social clubs where their participants (falleros) meet all throughout the year, have fun and collect money to erect their Falla monument. These neighbourhoods can be regarded as the real soul of the Fallas festival. During the climax of the Fallas festival (between the 14th and 19th of March) their members (falleros) take over the streets of much of the city and party out there night and day. They work hard all year round to collect funds and build the Falla monument, they dress in the elaborate traditional costumes and they are devoted to the fiesta.

It is usual for all members of a fallero's family participate in the fiesta, so that the continuity of the Fallas festival is ensured. They parade continuously the streets of the city to Valencian tunes (like 'Paquito el chololatero') with a background of music making and street entertainment.

All the neighbourhood associations are part of the Central Fallas Association, a Valencia City Council body that coordinates the Fallas festivity throughout the city. Each neighbourhood association hires an artist to make the 'Falla' monument according to its pre-established budget.

Figure 9: Setting up the Falla monuments during the 'planta'

Many associations propose the idea or theme of the Falla they would like to have made. However, it is the artist who finally brings in a sketch of the creation and fills in the details at the next meeting. If the sketch is approved, the artist then makes a 1:20 scale model in clay or plasticine to give a three-dimensional idea of the scene. After a second approval from the neighbourhood association members (falleros), and after signing a contract, the artist proceeds to make a full-scale model in the workshop, and then sections it up and prepares it for assembly in the streets at the first day of Fallas' week, that is on the '*setting up*' night, called the '*planta'*. Then, the monument is conveniently decorated with 'ninots'.

The following sections are concerned with the main symbols that express the Fallas festival. The idea of focusing on the symbols and cultural representations transmitted in this festival may help to understand the way in which intangible cultural heritage link to the individuals, society and its institutions.

The approach adopted is to identify the main aesthetic forms that symbolize, represent and communicate social and political life through the notion of 'sociable conversations'.

By sociable conversations is understood the variety of forms of play, humour, communal eating, festive work and joyful parading expressed and reproduced by the festive community.

The Fallas' core symbols show that the sociable conversations are fully engaged with the wholeness of life (and death). The central symbols are ephemeral and artistic, like the Festival itself. The institutional (civic and religious) symbols are secondary to the primordial 'ephemeral' ones. However, civic symbols are more important in Fallas festival than in other local religious festivities of 'saints' and 'virgins'.

Finally, it must be pointed out that Fallas festival takes place exactly in the middle of Lent, a period characterized by the limitations of excess imposed by the Catholic Church. The co-existence of the Fallas as a cultural and social representation and the religious sacred figures such as the Virgin Desamparados (Our Lady of the Unprotected) has not always been peaceful, considering the moral restrictions imposed by the Spanish post civil-war. In this context, the recent main role of the Virgin as the central figure in the Fallas festival is a sample of how this 'sociable conversation' evolves along the years and how it promotes other conversations shaped by 'tacit' agreements.

Samples of these 'tacit' agreements and mutual dependence are:

- *The Catholic Church and the City Council of Valencia and the neighbourhood associations*: the Church depends on these associations and the City Council for the organisation of the mass ritual of the Offering of Flowers to Our Lady.[6]

- *The City Council of Valencia and the neighbourhood associations*: the City Council is depending more and more on these associations to sustain a Festival which attracts many tourists and gives 'character' to the city.

- The 'official' religious perspective by the Catholic Church and the 'popular' religious perspective by the falleros in The Offering to Our Lady. During this Offering, the gigantic Virgin's body is constructed with the flowers offered by the falleros along their festive parade. This event combines these two perspectives: the devotion of the participants[7] and the 'mysterious' and sacred feeling attributed to it and the emotion of social union and enjoyment of parading in the centre of the City. The Offering thus combines a significant figure of the Catholic Church and a civic organisation in the context of a social festive.

---

[6] The Offering is mainly organised by the City Council of Valencia, it sends representatives during the two days of the huge ritual, the presence of the Catholic Church is reduced to the reception of the Festival Queen by the Archbishop in the Basilica.

Figure 10: The offering of flowers to Our Lady during Fallas Festival

Symbols and cultural representations

Fallas festival concedes a main role to the ephemeral symbols such as:

- the art showed at the Fallas monument

- Fireworks and crackers

The Fallas monuments satisfy the human feeling of satirical criticism and effective change. The instrument for achieving that is humour, laughter and cracking jokes. The Fallas monument begins with a critical sense of humour. The message and content of this critique is social, economic and political. It is exposed to the public and burnt, afterwards it is born again. The logic behind that is to criticise something controversial and the next year to criticize something else. The monument needs to be set on fire so to provide the opportunity to question and criticize in the future. Future monuments grow again from the ashes, like the Phoenix myth.

The themes and characters of Fallas monuments are essentially of two types:

- One type is related to current social and political life. Consequently, politicians are usually the object of criticism and satire, so that Fallas monuments produce a critique of established power.

- The other type is related to the Valencian traditions and popular myths. Monuments often present the human body in a grotesque way displaying exaggerations, distortions and metamorphoses of certain parts of it.

Fallas monuments are burnt on 19 March in an atmosphere of collective melancholia, but once the grotesque figures and statutes are burnt, the conception of a new Falla monument starts. It is surprising to notice how a *static* monument has the power to '*move*' people even after disappearing; it is like the feeling of emptiness left by the monument gives light to the conscience it was indeed occupying a place. This renewal is expressed in satire. Fallas monuments symbolise this satirical perspective which links catharsis and cyclical renovation.

Fireworks displays, crackers and mascletàs are collective rituals where people enjoy the beauty of the ephemeral with the emphasis on marvellous sights and sounds

Institutional symbols
The institutional symbols in the Fallas festival can be broken down in civic and religious ones.

The most important civic symbols are The Valencian Flag and hymn. The most important religious symbols are the Virgin and Saint Joseph. Fallas festival uses the Flag and Hymn to mark the areas of festivity. They decorate the streets with Valencian flags and coloured lights, using a varied repertoire of music to animate the streets. The sui generis essence of this festival concerns the role of the civic symbols in the main formal celebrations such as the nomination and proclamation of the Queens of the Fallas for the year, the Exaltation, the Crida, the parade of the Ninots, the Offering of Flowers, the Planta and the Cremà.

Moreover, the gala costume of falleros includes the Valencian flag that gives the Fallas festival a closer link to the 'civic' institutional symbols than to the religious ones. However, these are few in number and take place only during the festival, in other words, they are not part of the permanent sociability of the festivity. Most of all, the key symbols of this festivity are different: flowers, the Virgin, fireworks or the Falla monument.

Participants of neighbourhood associations (falleros) identify religion with the Catholic Church, its formal beliefs and sacred figures. As some academics point out[8], falleros do not regard the Fallas festival as religious as other local traditional festivities of 'saints' and 'virgins'.

The Offering of Flowers to Our Lady of the Unprotected is the main religious symbol of the Fallas festival, however, it is not as 'officially religious' as it would appear to an outside observer. It combines a significant figure of the Catholic Church and a civic organisation such as the Falleros Commission in the context of a social festivity. It was created by the Fallas Central Committee in 1944. This event became established some years later as its success increased. During the 1960s and 1970s the Offering took form of a spectacular mass offering held in the open Square of the Virgin, where Her Basilica is located. By contrast, a plan to develop an Offering of Flowers to Saint Joseph failed when the same Franco authorities proposed it in the 1950s.

The City Council of Valencia organises the Offering and has representatives during the two days of the huge ritual, but the Catholic Church is not continuously represented. The presence of the Church is reduced to the reception of the Festival Queen by the Archbishop in the Basilica. The participants in the Offering organised by the different Falleros Commissions and the neighbourhood's territorial sections, parade towards the centre of the Virgin's Square. Women and men, dressed up in gala costumes, carry flowers to the central figure of the Virgin.

The figure of the Virgin is a gigantic lattice-work of wood and her body and clothing are made of the flowers that the participants offer in accordance with a rational timetable and colour scheme. A group of skilled people climb up through the wooden structure to arrange the flowers in an artistic display. Each bunch of flowers contributes to the floral composition of the Virgin's mantle and robe. Each year the design on the robe is different. This flowered design is an ephemeral construction. Therefore, the understanding of this so-called 'officially' religious symbol turns up also from the perspective of the ephemeral. Her dress and figure is 'destroyed' (i.e. the flowers perish after a few days) and renewed next year, like the Fallas monuments.

The devotion towards the Virgin is quite intense for the Falleros, though the Virgin is not the most important symbol in the festival. There are non-devotes or non-religious members within the Falleros Commissions who just respect the custom of the other members in the neighbourhood association and give priority to other festive matters.

---

[8] X. Costa and G.M. Hernández (1998) The Offering of Flowers to the Virgin in the Festival of the Fallas of Valencia'. International Sociology Association Conference, Montreal (Canada).

1.4 Aims and objectives of the study

The Fallas festival is an example of an intangible cultural heritage good funded by non-government organisations (NGOs) called 'comisiones falleras'. It has been used in order to address the research questions of:

1) How individuals are guided by the principle of sustainability to make decisions about funding an intangible cultural heritage in balance with the environment.
   In other words, to what extent individuals participate in the funding of an example of ICH for the ideal of sustainable development.

2) How individuals are guided by the principle of local cultural governance to make decisions about funding an intangible cultural heritage in balance between public and private interest, public functions and the institutionalisation of culture. In other words, to what extent individuals take an active participation in the funding of an example of ICH for the ideal of transparency of decision making.

3) How individuals are guided by their intrinsic values to make decisions about funding an intangible cultural heritage. In other words, to what extent individuals take an active participation in the funding of an example of ICH in relation to the intensity of their intrinsic values.

1.5 Value of the research

The idea that intangible culture can (and should) be preserved in much the same way as monuments and archaeological sites is not particularly old; not until 2001, did UNESCO add 'masterpieces' of intangible culture to its World Heritage List (Nas 2002)

Indeed, festivals, as one manifestation of intangible cultural heritage must be a 'young and developing academic field' (Formica, 1998), a field in which the few empirical investigations there are concern primarily economic matters. This research focused on the case study of Las Fallas Festival in the city of Valencia addresses the festival phenomenon from angles other than the economic for instance, anthropology, sociology, management, marketing and tourism.

Almost ten years ago, Formica (*ibid.*) published a meta-analysis of the festival and special event research field. However, he based his investigations only on festival- and special event-related articles found in four leading tourism journals in the period between 1970 and 1996. Some of the major tendencies found in his analysis are still

relevant today. Among other things, he pointed to the overwhelming majority of quantitative studies. Of the reported studies 63% were of this kind, whilst 7% were qualitative and 30% were what the author termed conceptual, meaning that the articles were not based on research as such, but were descriptions of, or reports from, special events or festivals. These investigations were mainly limited to economic/financial impact of festivals, marketing, profiles of festival/event, sponsorship, management, trends and forecasts. All the studies had a general lack of a "robust theoretical background" in common (*ibid*, 135). In addition, the large majority explored festivals held in North America, and were written by authors working for North American institutions. This bias was so clear that the author feared it could lead to ethnocentrism within the research field.

Quantitative studies still constitute a large part of research into festivals, whilst conceptually oriented articles occur, surprisingly, in journals mainly dedicated to empirical research. In addition, there is a range of articles treating the festival phenomenon from a more theoretical or even philosophical angle. However, as mentioned before, economic and related matters dominate such investigations. The North American bias is not so overwhelming as it was ten years ago, at least not when looking at the field from a wider perspective, but it nonetheless still seems to suffer from a Western, white-world orientation dominated by North-American, European and Australian researchers.

By reviewing the literature available it is noticeable the lack of theory in many of these studies. For instance, some authors write about festivals and their significance for the development of community identity without taking into consideration any aspects of identity theory, either at the level of the individual or that of the municipality.

Besides, several authors complain about the lack of empirical research into festivals (see for instance Formica, 1998; Quinn, 2005; Waterman, 1998). However, festivals and connected popular large events like carnivals have been treated theoretically from different angles and through diverse disciplines. Such writings, as mentioned above, constitute a basis for more empirically oriented festival studies, such as this, and must hence be considered to be part of the festival research field.

Since the focus of this research goes beyond economic impact and addresses to the social and cultural value of arts festivals it tries to answer some of the 'research questions regarding the social, environmental, and cultural impacts of festivals and special events on local communities' (Gursoy *et al.*, 2004) and progress in the slow

growth of research beyond economic impacts and motivations (*ibid.*, 171). Interestingly, this perspective is in line with the holistic approach taken.

This overarching research contribution is concreted through these inputs:

To fill the gap of limited amount of literature that discusses the valuation of intangible cultural heritage goods

Most of the standards for the protection and management of cultural heritage goods[9] pertain to material culture often termed 'tangible' cultural heritage. Though there is a tendency to focus attention on 'intangible' heritage[10], including the products and processes of artistic and creative expression, this thesis attempts to fill the void in research considering the valuation of intangible cultural heritage goods.

1.5.1 The need for a conceptual framework

Valuing, valorising and management of material heritage plays an important role in modern society. Cultural heritage is a universal, cross-cultural phenomenon, part of every social group's imperative to their history, as well as narratives and performances, to support their collective memory. Yet there is little research to support why cultural heritage is important to human and social development and why management is seemingly a vital function in civil society as most of all in relation of intangible cultural heritage. The general norm is to consider the benefits of cultural heritage as a matter of faith.

The "discipline" of management is, in fact, a loose amalgam involving the social sciences, the humanities, the hard sciences, and public policy, but with a limited body of knowledge about its functions and influences within society at large. Generally, two overall approaches appear to predominate in most cultural management models: those

---

[9] Standards for the protection and management of cultural heritage issued in majority by international cultural institutions and supranational government such as: the United Nations Educational, Scientific and Cultural Organization (UNESCO); the International Council on Monuments and Sites (ICOMOS); the Council of Europe (COE); and national governments.
[10] Intangible cultural heritage is defined as: Practices, expressions and representations, as manifested in:
- oral traditions and expressions;
- traditional dance, music and theatre;
- social practices, rituals and festive events;
- knowledge and practices regarding nature and the universe;
- traditional craftsmanship; and
Skills and knowledge and objects and spaces that:
- communities and groups recognise as belonging to their cultural heritage;
- are transmitted from generation to generation;
- are constantly recreated;
- provide communities and groups with a sense of identity and continuity; and
- are compatible with international human rights instruments.
(Convention for the Safeguarding of the Intangible Cultural Heritage, Article 2 UNESCO, October 2003).
Intangible cultural heritage is also referred to as 'living heritage'. Tangible Cultural Heritage includes all resources that have some physical embodiment of cultural values such as historic towns, buildings, archaeological sites, cultural landscapes and objects.

which attempt to show the economic/commercial linkages of culture and the arts to the communities in which they are located, and those which discuss the more amorphous attributes of culture and the arts such as their contribution to creativity, community cohesion, innovation, spiritual development, and many overall quality of life characteristics.

In the light of the above, this research takes another view of the management model. Instead of focussing on a single impact dimension (economic or social), it aims to take a multi-dimensional view of impact by offering a holistic analytical framework that attempts to capture the complex, multi-dimensional nature of impact, the multiple influences on impact, and a guide to which impacts should be examined. This model is in line with the one developed by CUBIST Research Group at the University of Brighton but the novelty of the perspective given here is the consideration of intangible cultural heritage.

Given the current climate of globalization, technological advancement, population mobility, and the spread of participatory democracies and market economies, it has become clear to the broad management community that these other societal trends are profoundly changing cultures and communities. The future challenges of the management field will stem not only from heritage objects and sites themselves but from the contexts in which society embeds them. These contexts; the values people draw from society, the functions cultural heritage serves for society, the uses to which heritage is put, are the real source of the meaning of heritage, and the raison d'être for management in all senses. As society changes, so does the way management shapes and supports civil society. At a more empirical level, it is required to know how the values of individuals and communities are constructed with regard to cultural heritage, how these values are represented through a valorisation process, and how the financial aspect can play out more effectively in management policy and practice, through better-negotiated decision making.

Provide a context for and help to integrate the interrelation of the varied spheres of value attributed to cultural heritage goods, financing and valorisation, with the ultimate aim of elucidating how cultural heritage management can be made more effective in serving society.

This research offers a systematic context to model the social impacts and influences of intangible cultural heritage goods and by extension those to cultural heritage sites.

Taking as its starting point the broad perspective of cultural heritage and its varied spheres of values, the model would, in effect, present a theory for describing (though

not predicting) how heritage is created, how heritage is given meaning, how and why it is contested, and how societies shape heritage and are shaped by it. It would also create typologies of conservation decisions, responses to these decisions, and the different stakeholders that become involved in conservation decisions. The model would outline the variety of social processes that combine to give heritage relevance and currency in societies - and sometimes create obstacles to such processes.

This research includes elements such as: collective memory; nationalism; constructing identity through art, design, and visual media; cultural fusion and other ways of effecting and representing cultural change; market dynamics and commodification of culture; policy making; state politics versus local politics; etc. Most, if not all, of these processes have been theorized and documented on their own, in separate disciplines, but they have not been brought to bear on material heritage good with the express purpose of mapping how the "ecology" of (intangible) heritage conservation works.

However, it is worth stating the difficulties associated with developing an analytical model without being reductionist. No single theory will fully explain the creation of heritage. Indeed, the goal of this research is not to establish a unitary theory of valuing the intangible cultural heritage but to offer a framework for assessing the multi-dimensional feature of culture.

The present research addresses some fundamental ideas and concepts that would contribute directly to the development of such a framework:

- To assure the relevance of all conservation work to society, the field should continue efforts to integrate and contextualize the varied spheres of cultural heritage conservation.

- Reference is made to the varied spheres of value for cultural heritage goods, these goods are important because of the meanings and uses that people attach to these material goods and the values they represent. These meanings, uses, and values must be understood as part of the larger sphere of socio-cultural processes within a particular society.

- Cultural heritage should be framed as a social activity, not only as a technical one, bound up with and shaped by a myriad of social processes (the subjects of social sciences and humanities), as are all aspects of culture and the visual arts. This framing is critical to enabling the cultural sector to realise the goal of supporting a civil society and educating - with a balanced body of knowledge - the next generation of artists.

- As a social activity, cultural management is an enduring process, a means to an end rather than an end in itself. This process is creative and is motivated and underpinned by the values of individuals, institutions, and communities.

- Heritage is valued in numerous and sometimes conflicting ways. These different means of valuing influence negotiations among stakeholders and thus shape conservation decision making. Cultural heritage, as a field and as a practice, must integrate the assessment of these values (or cultural significance) in its work and more effectively facilitate such negotiations in order for cultural heritage conservation to play a productive role in civil society.

1.6   Assumptions

When using Stated Preferences (SP) and other statistics techniques, the working assumption is that respondents make honest attempts to answer the questions they are confronted with.

The possibility that responses may be self-interested rather than honest is not a problem that is peculiar to Stated Preference techniques (SPT) and Choice Experiments (CE) studies. Almost all social surveys offer some incentives for strategic behaviour. Consider, for example, a survey of voting intentions before an election. A respondent who was motivated solely by rational self-interest might choose their answer by thinking about the effects of the publication of the survey on other voters; thus, a supporter of party X might pretend to be intending to vote for party Y so as to induce complacency among the supporters of Y. Or consider a survey of the extent of unreported crime. If someone would like to see more public spending on the police, it might be in their interest to pretend to have been the victim of non-existent crimes. In these examples, of course, the self-interested benefits to be gained by answering dishonestly are tiny. But the same is true of stated preference surveys, provided the sample size is sufficiently large.

In many social surveys, self-interest provides no obvious incentive to respondents to answer in one way rather than another. For example, this is typically the case in censuses and panel surveys on which econometricians rely for their data. If respondents are motivated solely by rational self-interest, we have no reason to expect honest answers to such questions. Conversely, if there are forces at work which can generate systematic honesty in the absence of positive incentives to be honest, the same forces might be expected to have some influence even when there are weak incentives to be dishonest.

For example, it might be hypothesized that, other things being equal, honesty involves less cognitive strain than dishonesty, or that the social setting of interviewer and interviewee evokes norms of honesty. These hypotheses might explain honesty in the absence of incentives; but they would also imply a tendency for respondents to give honest answers rather than strategic ones when the incentives for strategic behaviour are sufficiently weak.

Thus, when assessing the validity of the assumption that stated preference surveys elicit honest responses, it is legitimate to draw on evidence from social-survey research in general. Social psychologists have done a great deal of research into the relationships between attitudes (as reported in surveys) and actual behaviour. The balance of evidence, drawn from many studies, is that behaviour and attitudes are positively correlated (Schuman and Johnson, 1976; Hill, 1981). Of course, the mere demonstration of such a correlation is a relatively weak result, but attitudes are more remote from behaviour than the intentions into which stated preference surveys enquire. For example, compare the attitude 'I agree strongly that the Government should spend more money on national museums' with the intention 'If there were a referendum on the issue, I would vote for more spending on national museums.'

Experimental psychology and experimental economics offer another source of evidence. Many investigations of decision-making behaviour were first carried out by asking subjects to make hypothetical choices, and have subsequently been replicated in settings with financial incentives. In most cases, the same patterns of behaviour, often patterns that are inconsistent with received economic theory, are found in both types of experiment.

However, such similarity in patterns of behaviour across experiments does not imply that incentives do not affect behaviour at all. For example, psychological effects such as response compatibility and anchoring might come into play irrespective of incentives, and these might generate preference reversals, but subjects might still be more risk-averse in the presence of incentives.

Further evidence comes from experiments which compare responses to hypothetical questions about willingness to trade with real trading behaviour. Bishop and Heberlein have carried out a series of investigations of individuals' valuations of hunting permits in cases in which these are strictly rationed (Bishop and Heberlein, 1979, 1986; Bishop *et al.*, 1983; Heberlein and Bishop, 1986). A typical experiment is conducted with two random samples drawn from a population of applicants for hunting permits. Subjects in one sample are treated as in a normal stated preference survey: WTP or willingness to

accept (WTA) is elicited by using hypothetical questions. Subjects in the other sample are offered genuine opportunities to buy or sell permits. The results are mixed, but the general picture seems to be that hypothetical responses overstate real WTP and WTA.

People may be honestly reporting their beliefs about how they would respond to trading opportunities, were these to arise; but those beliefs may be systematically biased (for example, in a hypothetical context people may underestimate their aversion to giving money). It is suggest that observed differences between hypothetical responses and real behaviour are more plausibly explained by such effects than by assuming that survey respondents act strategically. It seems reasonable to proceed on the working assumption that respondents in stated preference surveys make honest attempts to answer the questions they are confronted with.

> **When talking about cultural heritage, the research alternates the expressions of culture, cultural heritage goods, cultural heritage goods and services, heritage and the arts, treating them more or less as synonyms.**

This wide range shows the interdisciplinary approach of this research and how it addresses the multi-dimensional feature of culture around artists, economics, cultural academics, professionals and politics.

> **The notion of cultural heritage starts from the acknowledgment that heritage is a social activity contained in different discourses like (cultural) products.**

Given this assumption that culture is like a 'product' associated with a certain discourse[11] , then that 'product' must have a specific value. When this cultural product is transferred from one party to another the process of valuation takes place and the process where new values around this cultural product are attached is called valorisation.

> **When talking about civil society, the research alternates the expressions of local community, non-state actors treating them more or less as synonyms. In certain cases, when defining the principles of civil society, the definition of non-profit organizations (NPOs) can be equivalent to the one of civil society. Nevertheless,**

---

[11] See the definition of 'discourse'.

the civil society notion is wider than the one of NPOs containing more social agents than these one.

Civil society includes a wide sphere of non-state actors, distinct from governments, which engage in activities of public consequence. These include actors such as non-governmental organisations, charities, social movements, interest groups, families, churches, cooperatives. Trade Unions are most of the time depicted as part of civil society, although they are involved in specific participation processes (social dialogue). This common definition is mostly based on a 'by default' approach, building upon two common characteristics of these groups (their non-profit and non-governmental nature) and fails to tackle their diversity, as well as the role of the third sector and social economy, the activity of which can be defined as profit making, but not capitalistic. One of the key and most discussed issues remains the inclusion of economic actors, which some scholars define as being part of civil society, along with other interest groups. This research follows this wider definition as European institutions have generally opted for.

Nevertheless, the absence of a single approach to civil society can raise considerable problems when it comes to defining how public and private interest should be taken into account by public authorities. NGOs themselves are not exempt from this controversy, but generally tend to define civil society as neither related to the state nor to the market.

1.7 Delimitations

The research activity of collating data about the financing of the Festivity of Fallas in the city of Valencia has been strongly limited by the scarcity and partiality of data. Besides, it has been difficult to avoid double-counting transfers to lower levels of government and to different public financing bodies. Often the data were presented without (or with limited) context, offering multiple, and considerably different, interpretations.

However, this has not altered in essence the main objective of the study in analysing how the financial arrangement can influence the type of benefits generated by the festival as the neighbourhood associations are the ones that mainly support the object of study.

Relating to the design of the survey experiment it may present two main disadvantages: one may be attached as 'biased' research because it does not take into

consideration other kind of actors in the festival such as tourists, local people without active involvement in the festival, private enterprises (hotels, restaurants and so on) and public authorities. The reason for it is that the main concern of this research is to explore the relation between the same group of participants that over time support the festival through their membership fee and the type of benefits behind their involvement.

Another disadvantage related to the design of the survey experiment was regarded to its implementation as it took place in the month when the festival takes place, and besides it is the culmination of the work made by the different neighbourhood associations for an entire year.

The design of the experiment is analysed in the following chapters and the different problems and delimitations applied to the techniques applied.

1.8   Definition of key concepts

Concepts provide the general representations of the phenomena to be studied and are the 'building blocks' that determine the whole course of the study (Veal, 1997). This section seeks to define the concept which is in the domain of the inquiry, that is, **cultural heritage goods.**

Cultural heritage defined as cultural heritage goods

Quite often the concept of 'cultural heritage good' is used as an umbrella term or covers a wide range of elements, this can create confusion. In general, the term includes objects, structures, and other products of cultures and individuals that have been passed from previous generations to the present and are valued because they are representative of a particular culture and are, at least partly, valued because of their age (though this reasoning is much in line with the one from archaeologists, heritage is valued for these and many other reasons.) These objects of inheritance supposedly distinguish themselves from apparently ordinary goods like houses, cars or magazines, because they are "cultural".

Presumably, the label cultural implies a specific valuation, indicating that the object has something distinctive and can be considered to be part of a certain tradition, group, community, region, nation, continent, or whatever entity. Furthermore, to call an inheritance cultural implies that its valuation is a social activity rather than an act of a single individual.

Figure 11 provides a general classification of cultural heritage, with a few examples of each category. It is common to include intangibles such as languages and traditions as part of cultural heritage, the focus on this research is the festival of Las Fallas in the city of Valencia which is a fusion of ephemeral artistic constructions and sculptures of wood and paper called Fallas (tangible movable artefacts) and a wide programme of events and celebrations, fireworks and religious processions (intangible heritage). This selection is in line with the assumption explained in following chapters about culture considered as an *entity*.

CULTURAL HERITAGE

TANGIBLE HERITAGE	

IMMOVABLE	BUILT HERITAGE
	  Monuments, buildings, sculptures, inscriptions, cave dwellings
	  (Listed) buildings; buildings in use
	  Groups of buildings', city centers
	
	SITES (also underwater)
	  Arqueological, historical, ethnological
	
	CULTURAL LANDSCAPES

MOVABLE	ARTIFACTS
	  Paintings
	  Sculptures
	  Objects
	  Collections
	
	MEDIA
	  Audiovisual media
	  Books
	  Plays
	  Scores
	
	CONSUMER AND INDUSTRIAL GOODS (TOURIST GOODS)

INTANGIBLE HERITAGE
Art expressions: music, dance, literature, theater Martial arts Languages Living cultures (Oral) traditions Narratives Revolutions Networks Festivals and Folklore

Figure 11: A typology of tangible and intangible cultural heritage

The tangible category comprises a wide range of elements; it includes monumental cathedrals like the one in Chartres, France; city mansions like Gaudi's Casa Mila in Barcelona; the many country houses all over the United Kingdom; the prehistoric painted caves of Lascaux; a sculpture like the Statue of Liberty in New York; underwater sites all over the world; the ancient city centre of Evora in Portugal; archaeological sites such as Pompeii in Italy; the Great Wall in China; the temple site in Palenque, Mexico; and the Borobudur in Indonesia.

If one acknowledges that the heritage is a social activity, it should be noted that all these cited examples of cultural heritage did not become heritage instantaneously. Recognition as such usually involves a long process of deliberation and negotiation,

involving both conscious decisions and cultural change. The listing of objects and structures as cultural heritage is critical. Listing (or designation) is managed by different authorities, at a range of geographical scales. Some cities keep a list of their local heritage like the city of Valencia the legal typological classification of cultural heritage (http://www.cult.gva.es/dgpa/index.html).

Most Western countries have a list of their cultural heritage. UNESCO has drawn up the World Heritage List. In some countries, private organizations have their own lists, separate from the official one. Listing not only involves recognition but usually also enforces a regime of preservation, conservation, or restoration. But just because something is not on a designated list does not mean it is not cultural heritage. Such designations involve costs so authorities tend to be selective about what is included rather than using a broad brushstroke approach.

Movable objects of cultural heritage pose a range of special challenges. They can be easily traded (and thus exported) or otherwise removed from the public domain. As a consequence, this brings controversy between economics and humanists or culturalists (apart from the disputes over repatriation or illicit trade).

Figure 12 illustrates the different 'domains' under each category of cultural heritage as outlined by UNESCO.[12]
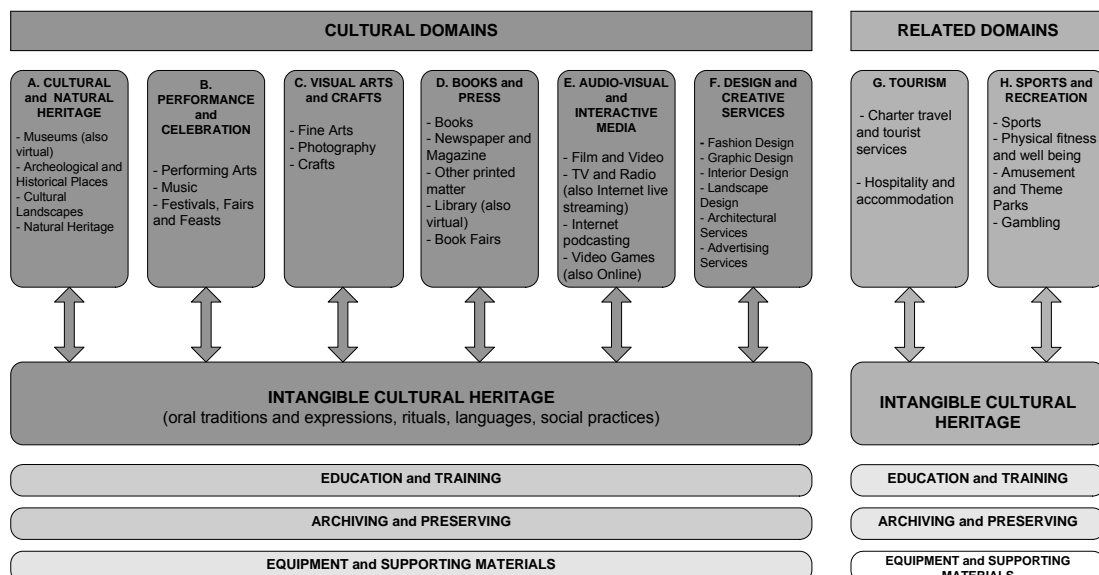
Figure 12: Cultural domains associated with tangible and intangible cultural heritage

---

1.8.1 Definition of cultural Industry

By a review of many academic articles it could be seen that the concept of cultural industries is defined in various different ways. Some people argue that it should apply only to fields where the original work can be reproduced and where the reproduction calls on technology, in other words primarily the audiovisual domain (music, film, and multimedia) and the written word[13]. Others, however, would have it apply to any area founded upon creativity and whose products are generally protected by copyright.

The United Kingdom, for example, which is apparently the first country to have explored the question of classifications by carrying out a mapping operation, refers to 'those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property', and UNESCO concurs, with the nature of the content being the deciding factor:

> Cultural industries all 'use creativity, cultural knowledge and intellectual property to produce products and services with social and cultural meaning', regardless of the commercial value which they may have.

So cultural industries can extend to all areas associated with the arts and culture: heritage management, the performing arts (theatre, dance, storytelling, puppets, the circus, etc), the plastic arts, photography, fashion, design (sometimes grouped together under the umbrella term of visual arts), crafts, architecture, the culinary arts, advertising, etc.

Classifications vary from country to country: the United Kingdom lists 13 areas, while Colombia recognises 16. Some countries also include cultural tourism, for example festival tourism or so-called 'ethnic tourism'.

To reconcile these definitions, two expressions tend to be used: cultural industries for the former and creative industries for the latter.

In this research it is used the expression cultural industries in its widest meaning and containing the notion of creative industries. This is because from many points of view, it is the most relevant. Firstly, there is practically no area in which all the works are unique: artists and craftspeople working in bronze, for example, often make use of reproduction. Next, every area at some point in time needs resources deriving from the cultural industries in the strict sense: the plastic and performing arts, for example, are given added value by documentary films, magazines, books and so on. In addition,

---

[13] This is the definition adopted in the study conducted in 2004 for the Organisation Internationale de la Francophonie.

there is interplay between all the fields: activities carried out to help in the development of one field contribute to the development of the others, in just the same way that obstacles hampering the development of one also hamper the others. For instance, at the start of any endeavour and at its end alike, from the genesis of an artistic calling until the time the results are put before the public, we find structures such as neighbourhood cultural centres which by their very nature are multidisciplinary. At the creative stage, many artists' paths cross: musicians call on choreographers for their shows, or on graphic designers for their album sleeves, while writers nurture theatre and audiovisual creations.

Once detached from the idea of reproducibility, the concept of a cultural industry boils down simply to considering all the organisation necessary upstream and downstream of the actual act of creation, all the activities which have to be pulled together, like the links in a chain, to ensure that this act is performed, that it is valued and that it reaches its intended audience.

These activities are extremely numerous and may take different forms depending on the country concerned: so it is impossible to draw up an exhaustive, universal list of them.

However, there is a general consensus to the effect that four stages can be distinguished: the origin of the product; creation and production; promotion and distribution; and feedback.

- *The origin.* This is the level of everything that precedes and stimulates the creation: the socio-cultural milieu as a whole, the roots of the cultural and artistic activities in everyday life, the vitality of the debate about art and culture; artistic training in schools, in cultural centres and by the media; the training of artists and all those intervening in the cultural industries (managers, technicians, copyright lawyers, etc), scholarship programmes, internships; every activity designed to stimulate or facilitate creation, such as artists' residencies, competitions and prizes, commissions from public institutions, NGOs or the private sector, political movements, etc.

- *Creation and production.* Creation may be an individual act, but often, it involves a number of artists: musicians, composers, lyricists, etc. In a number of fields, creation and above all production on a smaller or larger scale also involve a multitude of supplies (musical instruments, paper, recording media, textiles, etc); infrastructures and equipment (recording studios, reproduction factories, printers, etc); a huge range of technicians, producers who raise the

necessary funding and administer the production process, agents who negotiate contracts between the artists and the other parties involved, etc.

- *Promotion and distribution.* Promotion is of crucial importance because more than any other industry, the cultural industry needs to create demand. The building up of the audience calls for voluntarism, particularly in areas which are famously hard to break into, such as the visual arts, contemporary dance or publishing. Promotion requires classic marketing activities (market analyses, advertising, etc), media support, campaigns designed to attract target audiences such as schools, community organisations or businesses, educational and critical activities which foster an understanding of the works, and so on. Distribution, too, calls for a lot of infrastructures and the involvement of many parties. When it comes to the performing arts, for instance, live event distribution requires stage spaces, festivals and so on. The distribution of the products (films, books, records, works of art, craft items, etc) needs static or mobile display spaces (cinemas, trucks carrying digital projection equipment, etc), and spaces for reading (libraries or mobile libraries) or exhibitions (museums, art galleries, fairs and shows) etc. Distribution involves huge numbers of operators (promoters, impresarios, tour organisers, hall managers and planners, wholesalers and retailers, etc) who need to have all the requisite qualifications in terms of management, copyright management, labour regulations, taxation, accountancy, ICT skills, and so on.

- *Feedback.* This final link in the chain of activities ensures that new creative, production and distribution processes can be stimulated and nurtured: the analysis of the audience and the success of the products shown, any remuneration paid to artists or works, publications covering them, media coverage and so on.

In some areas and up to a certain point, many of these activities can be covered by the artists themselves.

A theatre company can make its own costumes, do its own sound and lighting, scout out performance spaces, advertise the shows, run the box office and so on. People working in the plastic arts can get their names known by opening their studios to the public and selling their works themselves, and in the short term this will even be more profitable than being handled by a gallery. But if they are to take responsibility themselves for production, promotion and distribution, artists need to gain all the skills necessary and invest a great deal of time in them, to the detriment of their creative

activities. And even so, their creations may still not be showcased to their greatest advantage and may even be compromised. A plastic artist, for instance, will not reap the benefits that a gallery or a contemporary art centre can deliver in terms of promotion, documentation of their work, stability or regular growth in prices. If they are too close to the clientele, artists are more liable to be moulded by the clients' taste, instead of guiding it. And artists seeking to forge an international career without a sound understanding of their markets run the risk of being exhibited in niches which will cut them off definitively from other sectors. Expression, creativity, innovation, in a nutshell the contents, form the very foundation of the cultural industries; so it is worth having the artists devote themselves 100% to these aspects, while other specially qualified people handle the marketing side. Wherever they are developed, the cultural industries involve a huge range of specialist intermediaries.

These value chains can be organised in very different ways. Depending on their nature and the specific context of a given country, they may be taken on by public institutions, private businesses, co-operatives or non-profit organisations. The term industry and the focus on the economic side of culture must not mask an essential characteristic of the cultural sector: the importance of public action and non-commercial actors. The concept of a cultural industry includes all categories of actors, public, private and those from civil society, and all categories of actions, commercial and non-profit.

1.8.2 Definition of cultural sector and creative sector

However, with the aim of harmonizing terms and concepts when defining the 'cultural' sector or the 'creative' sector this research follows the notions given by the Brussels-based consultancy KEA in its European Affairs' study on the Economy of Culture in Europe commissioned by the European Commission and published in 2006. This study works with what it calls the **'cultural <u>and</u> creative' sector**, trying to reconcile the two. Although each sector covers different areas (as detailed below) the research uses these concepts as equivalent. The 'cultural sector' covers for the study visual arts, performing arts and heritage, but also 'cultural industries' (film and video, video-games broadcasting, music, book and press publishing). The 'creative sector', is defined as using cultural input for the production of non-cultural goods and covers design, architecture, and advertising). Related industries, which are dependent on the two above-mentioned, are also considered.

1.8.3 Definition of discourses

Regarding the notion of cultural heritage, it is defined as the result of man's interrelation with his environment. It is considered as something dynamic and changing

(i.e. it implies diverse things for different people and cultural groups, and all this at different moments in time), result of the materialization of discourses which end up generating cultural products. Discourses are packages of knowledge-power characteristic of each historical context that influence the materialization of the individuals' actions and the negotiation of their culture and identity and whose order produces some permissible ways of being and thinking at the same time that disqualifies others (see Foucault 1969, 17 and McHoul *et al.* 1993, 4).

Keeping in mind that there no consensus regarding the concept of culture due to the variety of theoretical anthropological approaches and also due to its dynamic and changing character. It is worthwhile to clarify that these discourses and practices which constitute cultural heritage (either tangible or intangible) are generated and constructed with respect to social space:

> The space as social product is a complex and versatile object: is what materially the society creates and recreates, with a defined physical entity; it is a social representation and a project, in which individuals, social groups, institutions and social relationships operate, with their own representations and projects. The space is offered to us also, through a socially constructed discourse that mediates at the same time that carries our representation and our social practices. It is a social product because only exists through the existence and reproduction of the society. This space has a double dimension: it is at the same time material and mental representation, physical object and mental object.[14]

It is interesting to note that the relation of culture with social space is developed independently of whether a direct interaction with them is being maintained or not. Besides, this relation may be, on one hand, material (in this case it is related with a concrete element, in other words, it is tangible cultural heritage). But these attributes are generated as the individuals or agents incorporate them into their discourses and susceptible of being valuable. And, on the other hand it may be mental (i.e. intangible cultural heritage) as it is represented, perceived, valued and adapted in diverse ways by the individuals through discourses and practices.

---

[14] Translated from Spanish into English by Aura Tatiana Ome Baron from Ortega, Valcárcel. "La Geografía para el Siglo XXI". [The Geography for the XXI Century']. In Joan Romero (coordinator).Geografía humana: procesos, riesgos e incertidumbres en un mundo globalizado [Human Geography: processes, risks and uncertainties in a global World]. Spain: Ariel, 2004: p. 33-34.

1.8.4 Definition of civil society

The working definition used for this study is that adopted by a number of European Development NGOs in their position The Role of Civil Society in the EC's Development Policy published in 2002[15]. Civil society organisations have four main characteristics:

1. They are established voluntarily by citizens seeking to promote their concerns, values or identities;

2. They are organised around the promotion of an issue or the interests of a particular section of society;

3. They are autonomous from the state, which is essential if they are to provide credible contributions from their numerous and diverse constituencies;

4. Finally, they do not aim at optimising profits.

On the other hand, civil society is generally considered to fulfil three main types of functions:

Democratic functions: this function is illustrated by the numerous studies that considered the impact of civic culture on political participation (Almond and Verba, 1980, and Inglehart, 1997).[16] A number of which even mentioned the capacity of civil society to counterbalance governments in order to inhibit tyrannical tendencies;

- *Stabilizing functions*: some authors emphasise the importance of civil society in support of a culture of trust and cooperation between governments and citizens in order to stabilize the functioning of democratic institutions;

- *Economic functions*: opinions on the economic functions of civil society vary. However, it is generally acknowledged that, although civil society does not have as a key function to provoke economic growth, it has some important effects on it. In certain cases it was proved that civil society has a stimulating effect, as for example in Inglehart's (1997) analysis in 43 countries, where the author proved that the relatively dense networks of associational membership seem to be conducive to economic growth but only in earlier stages of development.

Civil society is thus an aggregate, encompassing a wide variety of organisations and relationships. The attributes of specific civil society actors must be described on a case-by-case basis. In some cases, civil society organisations act as consumers' representatives, in other cases, they act as citizens' representatives, or users' representative, patients' representatives etc.

---

[15] To be found on http://www.eurostep.org/pubs/position/ge2160.pdf (last visited: 15/08/2010).

[16] Almond and Verba (1980) have argued that any membership has an impact on political competence and thus on pluralism, one of the most important foundations of political democracy.

The role of a civil society organisation needs to be understood with reference to its specificity (i.e. who it represents and to what end). Today the idea of civil society has a number of positive connotations. It is readily associated with values such as autonomy, responsibility and solidarity. Increases in the political and economic weight of civil society organisations are generating greater political recognition, in part a sign of a healthy democracy.

1.8.5 Definition of NGOs

The term NGO covers a diversity of entities, deeply rooted in the history of Member States. A recent study written by the Active Citizenship Network counted more than 30 legal denominations throughout 22 European countries,[17] among others those of 'charities' or 'friendly societies' in the United Kingdom, 'Wohlfahrtsverbanden/Vereine' in Germany or 'Association Loi 1901' in France (as illustrated by Figure 13). Their emergence followed different steps in Western Europe and Eastern Europe. As the centralized socialist system had prevented the activity of autonomous citizens' movements, independent civil society organisations had to develop in secrecy and thus "social groups formed on the basis of independently articulated interests and goals"[18]. Meanwhile, Western European citizens' organisations developed in different political and sociological contexts which are still reflected in their structures today, as they are frequently divided into four broad models: Rhenish, Anglo-Saxon, Scandinavian, and Mediterranean.[19]

Tentative classification of NGOs' legal denominations[20:]	
Categories	Denominations
Legal form	Association; federation; foundation; limited liability company; registered society; society; international organization; non-governmental organization; cooperative; collective entity of public law; unincorporated association; trust fund; voluntary organization
Fiscal status	Non-profit organization; public interest organization; charity; collective entity of public utility; public benefit organization

Source: Moro Giovanni (2004), Public Institutions Interacting with Citizens' Organisations, Active Citizenship Network. http://www.activecitizenship.net/documenti/Final (last visited: 24/04/2009)

Figure 13: A classification of NGO's legal denominations

---

[17] Moro, G., Public Institutions Interacting with Citizens' Organisations, Active Citizenship Network, 2004, http://www.activecitizenship.net/documenti/Final%20CNE%20Survey%20Report.pdf (last visited: 05/02/2009)
[18] Weigle M. and Butterfield J., "Civil Society in Reforming Communist Regimes: the Logic of Emergence", Comparative Politics, vol. 25, No 1, October 1992, p 1-23. Since the collapse of the USSR, Eastern and Central European civil society is facing considerable cultural changes, a flourishing of civil movements, partly driven by EU enlargement: "The Europeanisation of interest representation in the new EU member states from ECE. NGOs and Business Interest Associations in comparative perspective", Nieves Pérez-Solórzano Borragán, School of Political, Social and International Studies, University of East Anglia, Norwich, September 2005, work in progress, http://www.uea.ac.uk/psi/people/Perez-Solorzano%20documents/Europeansiation%20NP-S.PD (last visited: 05/02/2009).
[19] Edith Archambault, interview "Quatre grandes cultures associatives en Europe", in Les initiatives citoyennes en Europe, Alternatives Economiques, Hors Série Pratique n°19, May 2005
[20] The original table's last row, presenting policy areas, was deleted.

Given the absence of a commonly agreed definition, for the purpose of this study, NGOs are defined as organisations which share most (if not all) of the following features:

- Non-State actors;

- Non-profit making organisations;

- Democratic organisations (joining is voluntary and free, the functioning of the organisation is based upon democratic rules);

- Independent from the government;

- Act in the public interest;

- Rely on voluntary work and activists' involvement, but often also employ professionals;

- Have a mandate from their constituency.

When defining the importance of NGOs' participation in public life, it is crucial to stress not only the diverse nature of the issues they deal with, but also the modalities of their participation in public life, in other words, how they contribute to participatory democracy. The modalities of NGOs' work fall within two broad directions:

- **Service provision** has historically been a key activity of the NGO sector and continues to be, in some specific fields such as the fight against social exclusion, the most visible part of the iceberg. Service providers range from small, local community groups to transnational organisations and are active in an extremely wide scope of fields, which cannot be fully listed here. As millions of citizens throughout Europe are involved in networks of voluntary associations[21] in one way or another on issues of their concern, it is important to note that volunteers make a key contribution to service provision, through such diverse activities as providing social services, giving advice to refugees, protecting the local habitat, running a women's shelter, or organising a project for a community in Africa. Service provision is thus a key element of 'active citizenship'. Beyond service provision, NGOs also play an increasing role in the implementation of public policies, in particular in such fields as development, peace building or human rights.

---

[21] European Volunteer Centre, *Manifesto for Volunteering in Europe*, http://www.cev.be/Documents/CEVManifesto_ES.pdf (last visited:12/02/2009)

- **Political advocacy and lobbying** have become major dimensions of NGOs' work, although the exact terminology of this activity is still highly contested. While both activities aim at influencing public policies, advocacy involves a wide range of activities ranging from research, education, or awareness raising campaigns to direct contacts with policy makers. Lobbying designs a narrower approach, more directly focusing on policy-makers.

- **Lobby/advocacy** and service provision activities should be seen as complementary **rather than** mutually exclusive. The move to political advocacy can in many fields be traced as a secondary move, once it became clear that the political circumstances relating to NGOs' work needed to be changed.[22] It is therefore not surprising that an important number of organisations are involved in both types of activities, particularly as expertise gained through service provision is often an important legitimising factor for NGOs involved in lobbying/advocacy activity.

A number of key concepts and terms will be used throughout this research. Many of them are generic, but many have subtly differing definitions in different sectors and disciplines. These will be defined within an appropriate context in later chapters. For example, in Chapter 5 the criteria for differentiate tangible and intangible cultural heritage is given. Chapter 3 analyses the three main categories of intangible heritage (feast, festival and fair).

1.9   Working plan and organisation of chapters

The starting point of this research has been the holistic approach both in the conceptualization of benefits around culture and the arts and the measuring techniques applied for eliciting these benefits. This research is framed within the context of European countries where evidence shows that governments (local and central) remain the largest supporter of culture in comparison to the market and non-profit economic sectors and most arts institutions present a high dependency on publicly funds.

The present chapter introduces this thesis. It outlines the context which has generated the research questions, discusses the reasons for selecting the case study of the Fallas festival in the city of Valencia and clarifies the use of terms within the framework of this study.

---

[22] Beger N., "Participatory Democracy: Organised Civil Society and the 'New' Dialogue" (July 2004).   Federal Trust Constitutional Online Paper No. 09/04. Available at SSRN: http://ssrn.com/abstract=581442 or DOI: 10.2139/ssrn.581442

Chapter 2 explores how social agents frame different qualities and benefits of cultural heritage in social discourses (narratives) in order to describe the value and claims for funding the arts. It finds that value assessment for claiming funds presents many challenges. Among these challenges are: identifying the values of the heritage in question; describing them; and ranking them according to their contribution to the public welfare. Finally, it examines a number of issues regarding methodological strategies for assessing heritage values and goes on to discuss a number of tools that are, or could be, used for assessment.

Chapter 3 introduces the emerging literature on qualitative methodologies for value assessment in culture and the arts. It explores how values and attitudes of social agents shift at cross-national level. It analyses the literature about qualitative methodologies and proposes the discourse one for assessing the value of intangible cultural heritage. Finally, it explores the different categories within intangible cultural heritage.

Chapter 4 explores the conventional discourses by public bodies to legitimise cultural funding. It examines the role of non-government arts organisations in supporting the arts. It proposes the analysis of donor decisions through a multi-attribute technique where donors state their importance to donor situations under specific conditions or attributes. Finally, it describes how the stakeholder approach can be applied for searching new ways of funding festivals.

CHAPTER 01	DESIGN GOALS
General orientation of study	- Formulation of research problem and hypothesis - Objectives of the study - Research philosophy and approach
CHAPTER 02	DESIGN GOALS
Benefits of Cultural Heritage and Value Assessment	- Definition of value typologies: socio-cultural and economic* benefits. - Tools for eliciting socio-cultural values - Tools for eliciting economic values by market based approaches - Tools for eliciting economic values by non-market based approaches
CHAPTER 03	DESIGN GOALS
Intangible Cultural Heritage	- Definition of Intangible Cultural Heritage - Classification of Intangible Cultural Heritage
CHAPTER 04	DESIGN GOALS
Social Discourses for supporting culture	- Definition of narratives used by social agents for funding the arts - Governance
CHAPTER 05	DESIGN GOALS
Intangible Cultural Heritage and Cost-Benefit Analysis	- Intangible cultural heritage through economic impact studies - Intangible cultural heritage through cost-benefit methodology
CHAPTER 06	DESIGN GOALS
Case Study of the Fallas Festival: analysis and findings	- Case Study framework - Description of methodology and techniques used - Application of Contingent Valuation Experiment - Application of Choice Experiment Experiment - Application of Descriptive Statistics (contingency tables) - Application of Multivariate Statistics (decision tree) - Conclusions and directions for future research

Figure 14: The structure of the thesis

Chapter 5 explores the literature about impact studies of intangible cultural heritage. Besides, it describes how intangible cultural heritage goods can be assessed within the process of cost-benefit evaluation. Finally it goes on to analyse how public bodies, as

main supporters of culture, deal with the problem of valuing intangibles on social investments.

Finally, Chapter 6 describes the case study of the Fallas festival and tests the research hypothesis. Two of them closely related to the principles stated by the institutional document of the Agenda 21 for Culture and the other two related to the relation between level of funding and intensity of intrinsic values.

2 Benefits of cultural heritage and value assessment

2.1 Introduction: the definition of cultural heritage

Before starting the exploration of valuation of cultural heritage, it is necessary to define the domain and concept of cultural heritage given in this research. By a review of different academic papers it is observed that the concept of cultural heritages is an umbrella term that comprises objects, structures, and other products of cultures and individuals that have been passed from previous generations to the present and are valued because they are representative of a particular culture and are, at least partly, valued because of their age.

Presumably, the label cultural implies a specific valuation, indicating that an object has something distinctive and can be considered to be part of a certain tradition, group, community, region, nation, continent, or entity. The general classification of cultural heritage differentiates tangible from intangible and adds few examples of each category. For example, monuments: architectural works, works of monumental sculpture and painting, groups of buildings, etc[23]. Besides, the tangible category is usually broken down into immovable and movable cultural heritage and comprises elements ranging widely.

It should be noted that all these examples of cultural heritage did not become heritage instantaneously. Recognition as such usually involves a long process of deliberation and negotiation, involving both conscious decisions and cultural change. The listing of objects and structures as cultural heritage is critical. Listing (or designation) is managed by different kinds of authorities and stakeholders, at a range of geographical scales. Some cities keep a list of their local heritage. Most Western countries have a list of their cultural heritage. Unesco has drawn up the World Heritage List. In some European regions, such as the one of Valencia, local councils have their own lists, separate from the national one. Listing not only involves recognition but usually also enforces a regime of preservation and public funding.

The notion of cultural heritage appointed in this research starts from the acknowledgment that heritage is a social activity packed in different discourses like (cultural) products. These discourses issued by individuals, cultural professionals and institutions in general are articulated in narratives, concepts, ideologies, practices,

---

[23] For a detailed classification see Article 1 of the World Heritage Convention http://whc.unesco.org

cultural objects, texts or scenes. In an attempt to define the domain and concept of cultural heritage there are identified three common threads running through all the types of cultural heritage:

1) Heritage is certainly valued by individuals, though its raison d'être is, by definition, to sustain a sphere of public interest and public good. In other words, the essence of cultural heritage is the expression of group identity not entirely reducible to individual consumer choice.

2) Cultural heritage is valued in a number of different and sometimes conflicting ways. The variety of values ascribed to any particular heritage object (e.g. economic value, aesthetic value, cultural value, political value, educational value) is matched by the variety of stakeholders participating in the heritage management process. Balancing these values is one of the most complex challenges in management decisions. Connected to this challenge of valuing (i.e. the assessment of existing value) is the valorisation (i.e. the addition of value) of cultural heritage.

3) The growing influence of market-based approaches on social concerns is a factor of growing prominence in cultural management and policy making. This development goes hand in hand with the globalization of society. A balance of different valuing systems (economic and cultural) is needed in order to make investment and policy decisions.

Another interesting issue stemming from the notion of cultural heritage as a social activity is the utility of the arts in producing benefits over other social investments. The arts' high publicly funding dependence in combination with the conditions for on-going publicly funding to the arts organizations within a context of global economic reforms and financial recession, frames a context where arts organizations not only articulate social discourses to legitimate claims for benefits in line with the political agenda, but also considerable attention to quantitative evidence.

This utilitarian perspective of value of the arts where social discourses are focused on the ways of achieving broad social and economic goals that have nothing to do with the arts per se are called 'instrumental values'. This perspective has influenced that civil servants and public sector managers of arts-based organisations articulate another social discourse based on the notion of 'institutional values' and how performance and presence of publicly arts-based organisations can generate benefits to society in form of trust in the public realm (i.e. government legitimacy).

Likewise, the influence of economics in the arts has made to generally identify the 'arts participation' with 'consuming arts'. To this regard the term 'use value' is addressed to

market value which can be assigned a price. On the other hand, the term 'non-use value' is addressed to economic values not traded in market which are difficult (but not impossible) to express in terms of price. This type of discourse is commonly known as 'public value' of the arts.

Finally, in contrast to the other kind of discourses where the arts experience is only a means to achieving benefits in other areas such as education, health, there is a discourse around the **intrinsic value** inherent to the arts experience. It is valuable for itself rather than as a means to something else. Besides, they constitute the reason why individuals are motivated to become involved in the arts. However, these kinds of benefits are intangible, difficult to define and sometimes beyond the language of common experience (i.e. they are purely of value to the individual as they are constrained to his/her personal and private benefit).

In the following sections there is a review of the categories of benefits attributed to the arts and how they are integrated into different social discourses where arts organizations and advocates claim for the benefits of funding the arts. Likewise, there is a review of the different techniques to measure the benefits of the arts and quantify their public contribution to society.

2.2   Characterization of heritage value

Cultural heritage is the legacy of physical artefacts and intangible attributes of a group or society that are inherited from past generations, maintained in the present and bestowed for the benefit of future generations.

The meaning of the term 'cultural heritage' as it was stated in the previous section was not always the same. As history testifies, its concepts, definitions and values are expression of the society. They may therefore encompass the evolution of it. As a social product, 'cultural heritage' has in essence a truly dynamic nature and recent decades have seen the concept of heritage, much like that of culture or art, undergoing a profound change.

The concept of heritage in the present time is an open one. It reflects living culture every bit as much as that of the past. Heritage as a concept has gradually grew so to include new categories such as the intangible or landscape heritage, while at one time it referred exclusively to the monumental remains of cultures a relevant effort was subsequently made to extend the conceptualization and description of the intangible heritage. This is due to the fact that closer attention is now being paid to humankind and how evolves.

As the concept of what is heritage has evolved and expanded, new groups of specialists from other academic disciplines have joined the specialists in cultural heritage. These groups of specialists have their own 'values', which often differ from the ones of heritage specialists. Despite this democratisation is a positive development in the cultural heritage field and shows evidence of the importance of this sector in today's society it has brought new considerations to the discussions about the meaning of culture heritage and its role in society. Whereby the understanding of values have acquired greater importance and has been a concern of a number of researchers in the past decade (Matarosso 1997; Williams 1997; Sandell 1998; Persson 2000; Sheppard 2000; Evans 2001; Parker, *et al.* 2002).

In recent years, the demand of cultural destinations has become a major force in the global economy (Greffe 1990, 1999; Pearce and Mourato 1998). Aware of the economic benefits brought by tourism, such as an increase in the numbers of jobs and the multiplier effects that it can have on other related sectors, many European destinations market themselves to increase the number of arrivals, often promoting their cultural assets (both built and inbuilt ones). Cultural urban tourism is one of the forms of tourism that is expected to witness the most important growth in the future (Riganti 2008).

This new socio-economic context has shaped a new conception of values as opposed to the normative, art historical view traditional in the heritage field. These are related to the benefits that visitors get from the expectations, experiences (educational, visual, recreational), and memories offered by heritage assets. Even non-visitors can benefit from these assets indirectly through magazines, films, or, increasingly, the Internet (virtual visits). Besides, if an individual does not use a cultural asset at present they can benefit from the possibility of being able to use it at some point in the future. This option value of cultural destinations is akin to an insurance premium.

Furthermore, people may attach a value to the conservation of cultural resources for a number of reasons; without ever using or visiting them. There may be altruistic feelings associated with the knowledge that other people may enjoy cultural heritage. Or there may be bequest motivations accruing from the desire to conserve cultural goods for future generations. There may even be existence values; that is, benefits that come from the knowledge that cultural heritage is being conserved for its own sake. These non-use values are thought to be a significant proportion of the total economic value of cultural heritage.

In the following section is going to analyse the wide range of heritage values that can be identified for the purposes of:

- informing policies and planning decisions, and

- informing all the academic disciplines and relevant stakeholders involved in cultural heritage management.

2.3 Value typologies

The value perspective taken in this research stems from the typical binomial conceptualization of Value in cultural heritage. In the first conception, value is taken as morals, principles, or other ideas that serve as guides to action (individual and collective). The second one is focussed on the qualities and characteristics seen in things, in particular the positive characteristics (actual and potential). This research is concerned directly with the second conception.

The perspective taken here is an anthropological one, and it values the attempt to understand the full range of values and valuing processes attached to heritage, rather than to the normative, art historical view common in the conservation field, which a priori privileges artistic and historical values over others. The reason for that follows the holistic perspective taken in this research.

Value suggests usefulness and benefits. Heritage is valued not as an intellectual enterprise but because (as one aspect of material culture) it plays instrumental, symbolic, and other functions in society. This issue is explained below, as different types of value are described.

In the sphere of material heritage, the simple question of "What is the value of this thing?" provokes a whole range of answers, all meaningful and legitimate, and therein lies an important issue. In a given moment, a given heritage site, building, or object has a number of different values ascribed to it; heritage is multivalent.

For example, Avebury as UNESCO World *Heritage* Site has spiritual value as a place of worship (i.e. mainly at the solstices); it has historical value because of the events that have transpired there (or simply because it is old); it has aesthetic value because it is beautiful and a fine work of architecture; it has economic value as a piece of real estate; it has political value as a symbolic representation of a certain kind of social order; and so on. This point raises the question that different values are claimed by different stakeholders. This multivalence is an essential quality of the arts and culture in general and, as argued below, logically suggests a holistic value assessment.

A second important insight about the notion or attribution of cultural values on the things is that they are contingent, not objectively given. The values of cultural heritage goods and services are not simply "found" and fixed and unchanging. Values are produced out of the interaction of an artefact and its contexts; they don't emanate from the artefact itself. Values can thus only be understood with reference to social, historical, and even spatial contexts, through the lens of who is defining and articulating the value, why now and why here? And most of all how can be measured its contribution to society. This point requires some reconsideration of the kinds of research and knowledge that are needed to claim for funding. Traditionally, values were articulated by experts' analysis of heritage as a work of art or a record of the past. Nowadays, within a context of global recession, high dependence of publicly funding on cultural sector and the influence of economic rationale for decision-making the attribution of cultural value on things has begun to embrace such factors as economics, cultural change, public policy, and social issues.

The analysis of value typologies also raises the question of: where do values come from? The answer generates considerable debate. Why has material culture received the main emphasis over immaterial or intangible culture by most cultural organizations and experts over the centuries? The answer seems to lie on the processes of value formation, that is, in the different social discourses. The viewpoint adopted in this research borrows from this question and addresses in the case study the analysis of a sample of intangible cultural heritage.

The pragmatic questions at hand aim to address the following question:

How can the value characterisation be useful for policy-makers, cultural heritage managers, academics and relevant stakeholders involved in cultural heritage management?

There are so many different kinds of values due to the multi-face feature of culture and the arts. Besides, the interactions among these vales are complex as many of them are subjective and context related. Establishing a typology of values will contribute to understand the different valuing processes at play in eliciting the benefits of culture and the arts through economic and non-economic techniques.

As a general rule, the classifications of arts values tend to play down some kinds of value and lift others. For instance, the institutional document in the Burra Charter minimizes the economic values as they are seen as derived from cultural and historical values and are therefore given secondary consideration.

A broad distinction is often made between economic and cultural values. This distinction is widely shared and remains a very useful analytic convenience. The economic-cultural distinction resonates because:

- It relates debates around the commercialization /non-commercialization of the arts and how commerciality distorts the values attached to culture.

These two main categories (socio-cultural and economic) do not actually refer to different, discrete sets of values. Economic and cultural are two alternative ways of understanding and labelling the same, wide range of heritage values. The major difference between them resides in the very different conceptual frameworks and methodologies used to articulate them.

The same point must be made concerning the subcategories within the "socio-cultural values" group; they are not distinct and exclusive; in fact, they overlap quite extensively. This intermingling contrasts with the categories of the "economic values" column, which are intended to be distinct and exclusive of one another.

2.4 Socio-cultural values

Socio-cultural values are values attached to an object, building, or place because it holds meaning for people or social groups due to its age, beauty, artistry, or association with a significant person or event or (otherwise) contributes to processes of cultural affiliation.

In many cases different categories of socio-cultural values are interconnected within them. For instance, a La Sagrada Familia in the city of Barcelona as a sample of cultural heritage good can be defined for the spiritual/ religious value, but also defined for its historical value (the history of generations worshiping in the church and playing a role in the development of the surrounding community) or even for an artistic value (the particular design by the artist Gaudi).

This example illustrates how uses are closely related and arranged in different

values.

2.4.1 Historical value

Some academics relate the historical value to the notion of *authenticity*. Authenticity is often experienced by several ways: heritage material's age, from its association with people or events, from its rarity and/or uniqueness, from its technological qualities, or from its archival/documentary potential.

2.4.2 Cultural / symbolic value

Cultural/symbolic value refers to those shared meanings associated with heritage different to the historical ones as there is no relation to chronological aspects.

Symbols contribute to the interpretation of culture. It is indeed necessary to investigate what cultural symbolism means and how it expresses the 'cultural potential.' Culture and its symbolism at every level are free from the stresses and strains of mere chronological drives.

A symbol has either an indirect connection or no connection at a cultural heritage good or service. Symbols allow people to develop complex thoughts and to exchange those thoughts with others. Language and other forms of symbolic communication, such as culture and the arts, enable people to create, explain, and record new ideas and information.

2.4.3 Political value

In general terms, political values stem from the connection between civic/social life and the physical environment. These values are ideas expressing the attitude of social groups as a whole, toward the needs of other social groups and of the whole of that society. These ideas have significance for political subjects and how culture and the arts contribute to the public welfare.

2.4.4 Social value

Social values can be defined on the basis of community or group membership. The social values of heritage facilitate social relations and communication within a community. These usually include the use of a physical place or location for social gatherings such as celebrations and collective games such as sports games.

2.4.5 Spiritual / religious value

Spiritual/religious values are often derived from the beliefs and teachings from religious institutions. However there are cases where this kind of value is attached to secular experiences of wonder, awe, and so forth.

Some authors define this value as the harmonious connection between the living and supernatural spirits that control life. This includes peaceful co-existence with the physical (natural) and the unseen (cosmic) environment.

The spiritual value is quite relevant in the tourism strategy of some 'holy' cities such as Jerusalem, Mecca, and Assisi. And even there are cases of governments which place a special emphasis in this value, for example, in the Kenya government its former president Jomo Kenyatta is reported as describing the value of land to the Kikuyu people in 1938 as follows: 'it supplies them with the material needs of life through which spiritual and mental contentment is achieved. Communion with ancestral spirits is perpetuated through contact with the soil in which ancestors of the tribe lie buried... it is the soil that feeds the child through lifetime; and again after death it is the soil that nurses the spirits of the dead for eternity. Thus the earth is the most sacred thing above all that dwell in or on it' (Mackenzie, 1998, 24).

Figure 15: Avebury in Wiltshire, UK is a cultural heritage site with spiritual value. For some believers it is where two Lay lines converge

Many cultural heritage sites are regarded as sacred or spiritual places where people can communicate with spirits, both good and bad. For instance, some tribes of Native American believers have a holy location where they have sun dances. Gulliford (2000) classifies sacred places into several types, many of which relate to physical features, for example, vision quest sites, group ceremonial sites or burial sites.

2.4.6 Aesthetic / intrinsic value

Despite the conventional trend among academics, experts, politics and arts advocates that some aesthetic/intrinsic benefits are largely of private value. This research holds the view that there are other intrinsic benefits of value to the individual and has valuable public spillover effects. Besides, there are others largely of value to society as a whole.

Intrinsic values at individual and private level include:

- *Captivation.* The initial response of rapt absorption, or captivation, to a work of art can briefly but powerfully move the individual away from habitual, everyday reality and into a state of focused attention. This reaction to a work of art can connect people more deeply to the world and open them to new ways of seeing and experiencing the world.

- *Pleasure.* The artist provides individuals with an imaginative experience that is often a more intense, revealing, and meaningful version of actual experience. Such an experience can produce pleasure in the sense of deep satisfaction, a category that includes the satisfaction associated with works of art the individual finds deeply unsettling, disorienting, or tragic.

Intrinsic values at individual level with public spill-over effects:

- *Expanded capacity for empathy.* The arts expand individuals' capacities for empathy by drawing them into the experiences of people vastly different from them and cultures vastly different from their own. These experiences give individuals new references that can make them more receptive to unfamiliar people, attitudes, and cultures.

- *Cognitive growth.* The intrinsic benefits described above all have cognitive dimensions. When individuals focus their attention on a work of art, they are "invited" to make sense of what is before them. Because meanings are embedded in the experience rather than explicitly stated, the individual can gain an entirely new perspective on the world and how he or she perceives it.

Intrinsic values at a collective level:

- *Creation of social bonds.* When people share the experience of works of art, either by discussing them or by communally experiencing them, one of the intrinsic benefits is the social bonds that are created. This benefit is different from the instrumental social benefits that the arts offer.

- *Expression of communal meanings*. Intrinsic benefits accrue to the public sphere when works of art convey what whole communities of people yearn to express. Examples of what can produce these benefits are art that commemorates events significant to a nation's history or a community's identity, art that provides a voice to communities the culture at large has largely ignored, and art that critiques the culture for the express purpose of changing people's views.

2.5   Economic values

Economic values overlap a great deal with the socio-cultural values (historical, social, aesthetic, and so on) described above, and they are distinguished most because they are measured by economic analyses. In other words, economic values are different because they are conceptualized in a fundamentally different way (according to the notion of total economic value [TEV]). According to neoclassical economic theory, economic values are the values seen primarily through the lens of individual consumer and firm choice (utility) and are most often expressed in terms of price. Not all economic values, however, are measured in terms of market prices.

2.5.1   Total Economic Value (TEV)

The total economic value (TEV) of a resource can be broken down into two components: the "**use value**" component, which expresses the monetary value of that resource associated with the present use of that resource, and the "**non-use value**" component, which contains the remaining monetary values people attach to that resource, independently of the present use of that resource. If non-use values are large, ignoring them in cultural resource policymaking could lead to serious errors and resource misallocation. In some cases, non-use values have been found to account for most of the value of a resource. Desvousges *et al.* (1996) survey CV studies that have examined the various components of **WTP**.

It is important to stress that revealed preference methods are only able to measure use values, while stated preference methods are able to measure both use and non-use values.

There can be drawn a distinction between use and non-use value to define the benefits and impacts related to the arts. The main distinction they draw is related to use versus non-use values, corresponding to the types of economic values measured through markets and outside of markets.

Not all the benefits stemming from cultural heritage are marketable or depend on the direct consumption of a cultural heritage good or service and, in the other way round, not all the impacts brought by the arts to society are also marketable, for example, the excessive number of visitors can negatively impact the cultural resources.

Economic literature refers to them as non-use values. Non-use values are usually sub-divided into existence value (individuals derive satisfaction from the very existence of a given item of cultural heritage, even though they may not consume the services of the item directly themselves); option value (individuals want to maintain the possibility that they might consume the asset's services at some time in the future) and bequest value (the desire to bequeath heritage to future generations).

A) Use value (market value)

Use values are market values are those most easily assigned a price. Use values of material heritage refer to the goods and services that flow from it that are tradable in existing markets. For instance, admission fees for a historic site, the cost of land, and the wages of workers are values. Because they are exchanged in markets, these values can be easily expressed in terms of price, and they are susceptible to economists' many analytical tools based on neoclassical theory.

B) Non-use value (non-market value)

Non-use values are economic values that are not traded in or captured by markets and are therefore difficult to express in terms of price. For instance, many of the qualities described as socio-cultural values are also non-use values. They can be classed as economic values because individuals would be willing to allocate resources (spend money) to acquire them and/or protect them.

The economics field describes non-use values as emanating from the public-good qualities of heritage; those qualities that are "non-rival" (consumption by one person does not preclude consumption by someone else) and "non-excludable" (once the good/service is provided to anyone, others are not excluded from consuming it). A public archaeological site would exhibit these qualities very clearly. Markets fail to provide public goods and services, and non-use values therefore pose a difficult methodological problem for economists.

In large part, non-use values are an alternative way of looking at the socio-cultural values described and distinguished above. Socio-cultural values and non-use values are two ways of slicing the same pie, as it were.

Non-use values are often broken down into the following, closely related categories (which are not exhaustive) in order to specify exactly which qualities of heritage motivate economic decisions.

- *Existence Value*: Individuals value a heritage item for its mere existence, even though they themselves may not experience it or "consume its services" directly. Some authors relate the notion of existence value to intrinsic one (Gray 2004 and Attfield 1998). The intrinsic value is premised on the assumption that values are fundamentally contingent, that is, they are socially as well as spatially constructed. The notion of intrinsic value is parallel to the notion of authentic in cultural heritage, which presumes that some kind of historic value is represented by*,* inherent in*,* some truly old and thus authentic material (authentic in that it was witness to history and carries the authority of this witness)*.* Thus, if one can prove authenticity of material, historical value is indelibly established.

- *Option Value*: The option value of heritage refers to someone's wish to preserve the possibility (the option) that he or she might consume the heritage's services at some future time.

- *Bequest Value*: Bequest value stems from the wish to bequeath a heritage asset to future generations. This is determined by a person's concern that future generations should have access to resources and opportunities. It indicates a perception of benefit from the knowledge that benefits from the arts are being passed to descendants.

2.6 Methodological strategies for value assessment

There is a widespread scarcity of funds for investing in cultural heritage sites. Major funding sources, such as public sector funding bodies, have many competing demands on their budgets. Heritage is often highly valued in cultural and social terms but policy makers increasingly seek justification for allocating incremental funds on the basis of perceived socio-economic benefits. It becomes clear the importance to value assessment and the possibility to compare costs and benefits of different cultural tourism strategies to identify the best management solutions.

In the previous section it was detailed the wide range of values in cultural heritage. As cultural heritage is a social product so its values are embedded in culture and social relations which are ever in flux.

Besides, political context and stakeholders in the heritage are ever present. The practical purpose of value assessment is to make evidence about the contribution that cultural sector can make to social and economic goals.

Devising value-assessment methodologies and techniques is not to search for the single best answer; nor is it to yield objectivity, technical precision, or a one-size-fits-all technique for effective cultural heritage management. Rather, the focus on methodologies will bring relevant information to social agents when making decisions about the allocation of funds to the arts. These kinds of assessments lend transparency to the process, and will abet the goal of achieving wider, meaningful participation in the process.

This section airs a number of issues regarding methodological strategies for assessing heritage values and goes on to discuss a number of tools that are, or could be, used for assessment. In a survey of these available tools, one recurring theme is to find a common ground shared by economic and cultural perspectives for valuing and valorising heritage.

Some strategic issues underlying the choice of methods and tools should be considered. This section highlights four such issues:

- some general issues and conditions surrounding the activity of value assessment;

- quantitative and qualitative methods for value assessment, and the fundamental and practical differences between them;

- the need for a "toolbox" methodological approach to heritage value assessment, one that flexibly combines a wide variety of assessment tools;

- Identification of stakeholders and the widely recognized political issue of participation. In other words, the political and pragmatic imperative to give voice to experts, professionals, and other "insiders" to management, planning, and decision making, as well as to give voice to laypeople, local communities, and other "outsiders" to the process.

Stemming directly from these four issues it is the understanding of the contributions and limits of the economic and cultural discourses as it relates to management.

The analysis of the different social discourses contributes to the understanding of heritage values by clarifying some basic insights about individual behaviour, economic institutions, politics, and the essential economic functions of society:

- *Scarcity and competition*: Resources are scarce (or rather, limited), and competition for scarce resources is a driving force in society.

- *Markets*: Markets are a preferred way of allocating many kinds of resources and are premised on the sovereignty of individuals. Market dynamics guide decision making about many aspects of society, including heritage conservation (as in the case, for example, of a government agency deciding to allocate conservation funds to projects that will generate the most tourism revenue).

- *Public goods*: In certain cases, resources cannot be allocated effectively through market mechanisms (examples include clean air, as well as heritage); the overall value of such goods is not reflected by the prices individuals are willing to pay in the market. Such "public goods" show the limitations of markets and the necessity for types of economic exchange and economic institutions in addition to markets (i.e. government grants or voluntary donations).

- *Market failure*: Markets fail to provide for certain public goods; this basic economic phenomenon (market failure) leads to collective action for the provision of "heritage goods"*,* most often the collective action is taken by a governmental body. Economists recognize that market failure is the rule, not the exception, in the case of cultural heritage, and their search for analytical tools and approaches takes off from this insight.

- *The role of non-market institutions*: Given that markets fail to provide for cultural heritage, economists search for other types of transactions, analytical tools, institutional mechanisms, and decision-making processes to take care of the provisioning of heritage goods in society. These efforts often focus on ways of simulating or extending market principles into areas where markets traditionally fail (contingent valuation or cost-benefit analyses are examples of this); another line of inquiry for economists is policy analysis, which focuses on the ways in which government steps in when markets fail.

Of course social discourses cannot discern important cultural and social values in a manner that maintains the integrity, potential and rich meaning of these values when they are expressed simply in terms of price.

For each of these social discourses, values are formed around or through material or immaterial culture: objects, collections, buildings, and places. And thus heritage is understood to serve certain, well-defined social purposes.

However, there is hope for bringing balance among the different social discourse by the holistic concept. The holistic approach pursues the creation of indicators beyond the mere assumption that the principal function of public arts policy should be to maintain a supply of arts organizations. That is, focus on the supply side. The holistic approach pays attention to the cultivation of the arts demand, they integrate the role of the arts as they develop the capacity of individuals to gain benefits from their arts experiences. To this regard the arts can enrich individual lives and enhance the public welfare.

As a general condition several aspects have to be taken into account while selecting a value assessment technique:

- The principle that the value assessment process actually consists of a few discrete but closely related parts. Value assessment is not a simple matter of simultaneous identification and measurement, like taking the temperature. Assessment can be broken down into three parts: identification, elicitation and elaboration (including exploring connections and overlaps), and ranking and prioritization.

- There is no single value-assessment method that gives a perfect, total, or even adequate knowledge to inform management decisions on the ground. Given the varied nature of heritage values, knowledge about them is best gained by adopting a number of quite different perspectives (epistemologies) and, it follows, methodologies. The optimal course is to gauge sufficiently all heritage values of a project or site and to inform management decisions on the ground, a suite of varied methods (quantitative or qualitative, economic or anthropological).

- Context is one of the watchwords by which one can assure a varied, robust perspective on which values to assess. Context, as used here, refers to physical, geographical surroundings; to historical patterns and narratives; and to the social processes with discernible impact on heritage and its conservation. These include the cultural, social, economic, and other conditions contributing to significance, as well as the management setting and physical surroundings of the site. Heritage sites and objects must be understood in relation to their contexts, in other words **holistically**. One cannot fully understand a site without understanding its contexts, which, perforce, extend beyond the site itself both literally and conceptually. Management professionals have traditionally been very skilled in looking at certain contexts of heritage, relating to economic and financial issues, and have developed methodologies and tools for analyzing

these contexts. But an understanding of heritage values in the fullest sense requires that management professionals cast a wider net and consider more and different contexts of management (heritage conservation and socio-political context). Alongside, it is desirable that management professionals and decision-makers reach out to other fields and disciplines, many of which have already gained some experience in assessing such contextual issues, and bring more rigour to this engagement. For instance, in approaching management planning for an archaeological site, it is often imperative to understand and deal with the pressures and opportunities presented by tourism development and to preserve the physical integrity of the site. This not only includes the tourism activities but also the values that shape decisions well before and well after the actual visit (e.g., to define their carrying capacity). Such planning requires an understanding of economic forces, methods of economic analysis, public policy, cultural tensions, and trade-offs that often accompany tourism development, as well as the relationship of these factors to traditional conservation aims and principles. Moreover, in this example, the meaning of the archaeological site to the communities living around it may well be one of the driving forces behind the effort to plan and conserve. In this case, management professionals need to understand the values as seen by that community, which suggest a whole range of methodologies for articulating those values (ranging from ethnographic studies, to focus groups and interviews and to community involvement).

- Complications arise because cultural heritage is a social product. Values come into play only when they are articulated and championed by stakeholders. But whom does one consult or ask? How broad is the net of informants and spokespeople and experts? Where can one draw the line to limit the number of voices so that the diversity of values is representative and manageable and not overwhelming? There is no universal solution to this dilemma, but neither does one have only intuition to follow. These questions are addressed by constituency analysis and the ethnographic methods described in the following section.

2.7 Tools for eliciting socio-cultural values

Traditionally due to the market pressure on cultural heritage sites, the decision to choose a particular tool to elicit the heritage value and the impact of a certain cultural tourism strategy is often made based on a Cost-Benefit Analysis (CBA) and usually in the context of budget constraints. Given that many effects of cultural heritage sites are not easily measured through market based approaches (i.e. there is no price assigned

for them) the trade-offs of CBA are substantial. The indicators of value for an investment (Net Value and Net Present Value) are not capable to include the intrinsic value, and bequest value which do not have market price.

However, it is evident that although the effects of cultural heritage and impact of cultural tourism strategies are not traded in markets does not mean that they do not have value. The problem is how to measure these values in comparable terms to market goods and services. The most common and most appropriate framework for aggregating the value of cultural heritage sites and the effects of cultural tourism strategies is total economic value (TEV). This approach does not necessarily assess the total value of a cultural heritage site or project, but rather allows changes to be calculated for all values (use and non-use values) associated with one or several sites or projects. TEV can be assessed as willingness to pay (WTP) or willingness to accept (WTA) payment. WTP is the more common method, as more tools for estimating economic value are relevant to this approach. WTP can also be considered a conservative estimate in cases where WTA would be preferred, although this approach may underestimate values if WTA is the more appropriate method (Horowitz and McConnell 2002). The net sum of WT-P and WTA across use and non-use values defines the TEV.

As it was stated in the previous section having at one's disposal the most effective method for eliciting and assessing heritage values is important, however, the real power comes through using the eliciting heritage value to engage the different. Stakeholders do the valuing.

In this section, several kinds of tools are detailed; they include economic impact studies, contingent valuation studies, ethnographic studies of particular culture groups, and historic contexts written by historians or artists. Certain methodologies are better suited to gauging particular values and bringing to table stakeholders' interests. **There are no hard-and-fast rules to guide the choice of tools, only rules of thumb.**

A wide range of methodologies is used in a large number of fields relevant to matters of culture and the arts. This section addresses the kinds of methods able to gauge cultural values in a broad, comprehensive (though not necessarily exhaustive) way. Several assumptions are made from the start: that gauging cultural values adequately will require a suite of different methods; that this suite will likely include both quantitative and qualitative methods; that one of the goals of the suite approach is inclusiveness; that this suite will have to be adjusted as it is applied from case to case.

Culture and the arts has traditionally relied on expert appraisals (of artworks, buildings, and other objects, by art historians, architects, and archaeologists) for guidance on what to value and pay for. Expert appraisals from a number of different disciplinary perspectives will continue to be an important input to value assessment, though they have already started to be combined and integrated with other kinds of assessments (such as the economic tools), attuned to capturing the values of other stakeholders.

The use of tools and methodologies to elicit the socio-cultural benefits of the arts have provided additional insight into assessing values, in that they inform understanding of the evolution of and use of objects and places, identify original elements and materials, help interpret artists'/ creators' "original intent," and relate changes to intrinsic factors (design, material composition, and so on) and to extrinsic factors (environment or human intervention).

A wide range of qualitative methodological approaches is used in humanities and social science disciplines and professional fields (especially urban planning, the development field, and environmental conservation) to study social phenomena. Most methods are rooted in a certain discipline, for instance, ethnography with anthropology, archival research with history, but the spread of interdisciplinary research make it somewhat misleading to identify certain methods with only their originating disciplines. The main direction in the social sciences and humanities has been "pollination" across disciplines.

The following general methodologies are offered as a spectrum of basic approaches, not specific to any one arena but, rather, applied in anthropology, archaeology, geography, sociology, city planning/urbanism, and various hybrid fields. Each one is newly used in heritage value assessment and has potential use for assessing values and benefits in claim for the funding of the arts.

2.7.1 Expert analysis (textual/iconographic/formal/semiologic)

Detailed analysis of particular objects, things, symbols, and texts is the stock-in-trade of experts in any academic or professional field. An expert interprets values and other phenomena through theoretical screens (tacitly making a great many epistemological assumptions) and interprets how they are embedded in their wider contexts. Often the outcome is some appraisal of the value of the object or phenomenon according to a scale of values internal to the profession. Such disciplinary distinctions purposely tend to isolate the judgments of these experts from other inputs (if expert knowledge is not set off from others' knowledge, it loses its value), so they work against the goal of wider participation. Who are these experts? They are the professionals trained in nearly any

humanistic or professional field: historians, art historians, architects, anthropologists, geographers, and so on. Since these analyses are inherently the province of experts, analyses are de facto valuable if they are done by experts, there are few opportunities to compare or verify the judgments made.

2.7.2 Ethnography

Ethnography includes methods of describing and recording the characteristics of a culture. Ethnography is usually, though not necessarily, qualitative. It relies on information-gathering activities such as interviews, oral histories, observation, and recording of the characteristics of material culture. With a number of particular information-gathering tools at hand, ethnography seems well suited as an approach to eliciting heritage values.

Initially seen as a positivist methodology, ethnography has come to focus on recognizing the subjectivity of the observer as well as on recording the characteristics of the culture that is the object. Many ethnographic approaches have been developed in the field of anthropology, from participant observation studies of exotic cultures early in the twentieth century to "thick description" (emphasizing the embedded nature of cultural practices/ features in their myriad contexts, knowledge of which is built up by thick description) to today's very value-sensitive approaches to representing the many voices contributing to culture.

Some anthropologists and designers have jointly employed ethnographic methods as part of land- and community-planning projects, synthesizing information about social and physical contexts and using this information to generate design and planning solutions. Setha Low describes the specific ethnographic approach she and her colleagues have used in studying and planning heritage projects. It has also employed interviews, focus groups, mapping exercises, and structured observation techniques (Low 1981; McHarg 1992).

Surveys are used in myriad fields, from market research in the business world to those done to collect data for sociological studies. They can be designed and conducted in a great many ways (to elicit simple data or complex responses, gathered in person, on paper, by telephone, and so on). Interviews, too, can be designed in a variety of ways, structured or unstructured, using graphic or written or recorded responses. Interviews can be undertaken strategically, focusing on a few key informants, or extensively, with samples of hundreds. An enormous literature of applied work exists on these tools.

2.7.3   Primary and secondary research and writing historical narratives

The basic humanistic methodology of research, interpretation, and writing a narrative account remains one of the most effective to construct and express knowledge about values. Constructing a story, based on primary and other research, is a particular way of documenting and describing social phenomena. Narratives deal with causation in a more circumspect way than, for instance, do statistical methods. Often the contexts and settings of a phenomenon are bundled into stories alongside human actors and institutions. Understanding is gained by the unfolding of a story through characters and influences, not, by contrast, through abstracting relationships among isolated variables.

In the last few decades, the work of social historians has gained more and more influence in the heritage field. Historians' work speaks most directly to the associational (often termed historical) values that are a major motivation behind conservation.

Secondary literature is focused on generating information relevant about a concrete cultural good or service quickly. Thanks to technological progress it has become especially time effective, given the widening availability of online bibliographic and information-search resources.

2.7.4   Descriptive statistics

This simplest of quantitative methods is widely used by the whole range of qualitative disciplines, signalling the virtual impossibility of really separating qualitative and quantitative epistemologies. One application of the simplest kind of descriptive statistics is content analysis (of, say, media coverage or interviews: how many times was aesthetic value mentioned versus economic value?). More commonly, demographic analysis is used to characterize a population in shorthand. Tabular data are gathered in tables and sometimes mapped or presented graphically, giving an effective, though often quite cursory, account of the current state of a population.

2.7.5   Multivariate statistics: data mining

Multivariate statistics are also used widely by social scientists, to understand and theorize relations among different phenomena. As noted in the earlier discussion of quantitative and qualitative methods, multivariate statistics is scientific in the sense that it attempts to isolate variables and find causal relationships, whereas descriptive statistics aims to build more simple contextual understanding.

Data mining

Data mining is the process of extracting patterns from large data sets by combining methods from statistics and artificial intelligence with database management. Within

data mining techniques for classification, decision trees (DT) is a widely used technique. It is based on supervised learning, the process of automatically creating a classification model from a set of observations or cases. The induced model consists of visible or hidden patterns, essentially generalizations over cases, which are useful for distinguishing the classes. Once a model is induced, it can help predict the class of other unclassified cases.

In general terms, supervised induction techniques offer several advantages over traditional statistics-based models in discrete choice modelling such as the stated preference techniques analysed in the previous section. Some of the main advantages are: 1) no specific model structure need be specified in advance and no IIA property is assumed, thus reducing the incompatibility between model structure and explanatory data; 2) they have the capability of modelling non-linear systems, which represent more complex relationships involved in human behaviour; and 3) the induced patterns can be extracted from a subgroup of observations with homogeneity while statistical-based models check only for conditions that hold across an entire population of observations in the training dataset.

Decision Trees

Decision trees are a type of ruled-based tool. The attractiveness of decision tree-based models rests on the fact that decision trees represent intuitive rules. Decision trees are "drawn" with the root at the top and the leaves at the bottom. An observation enters the tree at the root node, where a test driven by a trained algorithm determines which branch node the observation will encounter next. This process repeats until the observation arrives at a leaf node. Different leaves may make the same choice, but each leaf makes that choice for a particular reason. The tests are chosen to best discriminate among target choices. Each path from the root to a leaf represents a decision rule.

Decision Tree algorithms

The most commonly used decision tree algorithms include Chi-Square Automatic Interaction Detector (CHAID), classification and regression trees (CART), and C4.5 algorithm (the enhanced version of the Iterative Dichotomiser 3 ID3).

Compared to the first two decision tree algorithms, C4.5 can produce trees with varying numbers of branches at each node (over CART algorithm) and deal with both continuous and discrete variables (over CHAID algorithm). This study uses C4.5 for constructing the decision tree (DT) model.

As a supervised learning algorithm, C4.5 uses recursive partitioning to form a tree structure with if-then rules (each of which is applied with an explanatory variable) as splitting criteria. Each branch on different levels of the tree represents a subgroup of observations with homogeneity of different degrees. Homogeneity increases from top to bottom where the bottom leaves contain the cases with the same mode choice while the top branches offer the roughest split. Each branch from the top node to a bottom leaf node can be described as an if-then rule sequence or ruled set.

The C4.5 algorithm generates a DT model in two phases: construction and pruning. The former follows these principles. From top to bottom of a decision tree, a training data group is divided at each stage of subdivision (i.e., node) according to an explanatory variable selected based on the splitting criterion. The division continues until all observations in a subgroup have the same mode choice at the bottom. The splitting criterion used in C4.5 is the so-called "information gain ratio" based on information theory.

In the second phase of a DT model, the pruning process, a question arises: how to determine a confidence level (or confidence interval) for the pessimistic pruning, or, what is an acceptable tree size of the trained DT model with sufficient prediction accuracy after pruning? To this regard the relationship of prediction error rate and decision tree size through empirical analysis has to be examined in order to find out where little improvement on prediction accuracy has been obtained when the tree size increased to a certain value - making this threshold an appropriate place to prune. It represents a critical point for the balance between simple and readable tree structure and high prediction accuracy.

Expert judgment

With careful integration, expert judgments and public valuation may play useful complementary roles toward the assessment of cultural values. As noted previously, valuation practitioners know that the preparation of a well-structured survey needs to receive information from many sources (i.e., experts, people working at cultural institutions, museum managers, users, and non-users) in order to take into account comprehensively all the relevant aspects of the problem at stake. Integrating expert views in preliminary phases is advisable in this context (see Mourato *et al.* 2001 for an example).

Taking this practice a step further, alternative approaches to non-market valuation, where elicitation of contingent values actually derives from small focus groups of stakeholders (rather than from the general public), have been proposed (Cookson

1998). Although the goal of eliciting people's WTP from well-informed and interested agents is acceptable and useful, to use this technique as the sole method to elicit values seems to be unrealistic and to suffer from many theoretical, statistical, and procedural distortions, namely, departing from a demand-led assessment. Valuation studies should not be influenced by experts' perspective only, which is to be considered among other important views. Hence, in our opinion, the use of experts and other key stakeholders has an important role to play, mostly in the design stages of the economic survey instrument and in the ex-post evaluation of results.

2.7.6 Social assessment

Social assessment methods were developed by the World Bank in order to provide an integrated framework for incorporating participation and social analysis into development projects (World Bank 1994). They involve consultations with stakeholders and directly and indirectly affected groups. These methods offer great potential to complement an economic assessment of cultural policies, as issues such as gender, ethnicity, social impacts, and institutional capacity also need to be taken into account in cultural policy evaluation.

The complementary use of social assessment tools in parallel with an economic valuation methodology will help ensure that the change in the cultural good (e.g., a management change aimed at increasing access) is acceptable to the range of people intended to benefit from it, and that gender and other social differences are reflected in the policy evaluation. It is also essential to identify adverse social impacts of cultural projects and to determine how they can be mitigated (e.g., the local social impacts of increases in entry fees to cultural destinations). Impacts in disadvantaged groups (e.g., the poor, less educated groups, minority groups, and indigenous people) are particularly important to assess and overcome.

2.7.7 Experimental psychology tools

Stated-preference methods are designed to uncover values rather than motivations. Thus, experimental psychologists have argued that there is a need to go deeper into understanding individual motivations for WTP than is common practice among valuation practitioners (Kahneman, *et al*. 1999; Tversky and Kahneman 1982; Green and Tunstall 1999; Kahneman and Thaler 1991). The psychological approach claims that the set of assumptions defining the microeconomic neoclassical environment is too restrictive, too static, and not sufficiently focused on the process of preference formation and on underlying motivations. Several contributions have emerged from this line of psychological/economic research, with some interesting, although generally

ambiguous, results. The abstract idea of '*homo economicus*' certainly appears in need of being extended and developed, but it does not appear flawed in its foundations.

It seems that the entangled and complementary realms of individual motivations and economic values should be the joint targets of socio-economic investigation. In other words, the joint use of economic and behavioural psychology tools is both needed and encouraged. For example, the model developed by Fishbein and Ajzen offers a way to infer behaviour by a chain of connections, starting from beliefs and then going to attitudes and intentions and finally to behaviour (Fishbein and Ajzen 1975). Along the chain, each step is determinant and explanatory for the following one. Stated-preference methods elicit WTP measures that are "intentions of behaviour." Therefore, an interesting way of testing the validity of stated values is to examine closely the relationship between them and the beliefs and attitudes held by respondents toward the cultural good of interest and toward culture in general, via the inclusion of adequate measurement scales in the survey instrument. Since stated-preference studies typically elicit varying amounts of qualitative and non-monetary information as well as monetary values (both in the focus group stages and in the final questionnaires), it would not be infeasible to expand the qualitative component of these surveys. Another avenue already pursued by some authors is to check whether intended behaviour, as expressed by WTP, is a satisfactory indicator of real behaviour; this checking can be done in a laboratory setting (see Foster, *et al.* 1997 for a review).

2.7.8 Participatory rural appraisal

Participatory rural appraisal (PRA) is an approach for shared learning between local people and outsiders (Chambers 1992). The term is somewhat misleading, as PRA techniques are applicable in urban settings and can be employed to complement economic assessments. In the context of cultural heritage evaluation, these techniques can enable researchers and local people to work together in identifying, planning, and designing the best cultural policy package. There is a wide range of participatory data collection methods that can be used; these include semi-structured interviews, focus groups, non-monetary preference ranking exercises, participant observation, transect walks, mapping exercises, and other visual illustrations.

PRA techniques might constitute a valuable aid in furthering our understanding of people's motivations for cultural use and conservation and in providing insights into their behaviour, particularly in what relates to uses of cultural heritage in developing contexts. For example, there may be values that a structured survey will not be able to uncover properly and that only careful observation and group exercises might identify.

This might be the case in assessing values that local communities in developing countries hold toward their cultural heritage.

2.8 Tools for eliciting economic values using market based approaches

It is possible to apply two types of analysis models to cultural heritage sites in urban tourist destinations – **market and non-market**. Market analysis models are the traditional analyses carried out by economists who identify direct and indirect expenditure effects such as: the tourist expenditure in a cultural heritage sites, the increase of historic attraction revenues, the investment in cultural resources and the number of jobs and businesses created in tourism.

2.8.1 Financial analyses

Financial analysis answer to the question: *Can we make a profit from this activity?*

A financial analysis determines whether a business will generate sufficient revenues to cover its costs and make a reasonable profit. It generally includes a short-term analysis of the availability and costs of start-up capital as well as a longer-range analysis of debt service, operating costs and revenues. A financial analysis for a private business is analogous to a fiscal impact analysis for a local government unit.

Economists have long-established methodologies for determining the financial implications of a project. These techniques include:

- *The business plan/profit and loss analysis:* Here the potential measured effects are direct costs and revenues based on purely financial/commercial criteria, even allowing for any subsidies, grants, etc. While this might be a relevant basis for evaluating the financial sustainability of a project, particularly one that must satisfy break-even objectives this method fails to capture the real worth or impact to a local economy or society.

- *Cash flow forecasting:* This technique is used to create a model of the way in which cash circulates within a project or organisation. Where cash streams exist, forecasting is used to show the viability of a particular project. It can be used to assess if the predicted income will cover the operating costs, and whether the profitability of the project will be sufficient to justify the effort expended on it. As with the business plan methodology, this technique is purely financial and does not capture the real worth or impact to a local economy or society.

- *Investment appraisal techniques:* A specific project may be evaluated in commercial terms to arrive at a rate of return measure. The investment appraisal technique can be adapted to calculate a social rate of return using non-market valuation techniques. There are a number of established methods of investment appraisal. These are:

- *The payback method:* This is used to determine how long it will take for the future income from the project to cover the initial cost of the project. This establishes the payback period of the project. Shorter payback periods are considered better than longer ones.

- *Return on Investment (ROI):* Also called the Accounting Rate of Return (ARR) or the Return on Capital Employed (ROCE). This is used to establish a project's rate of return. Most sectors have different ways of ascertaining the rate of return.

- *Discounted Cash Flow (DCF):* There are two principal appraisal methods in the DCF field. These are Net Present Value (NPV) and Internal Rate of Return (IRR). These methods take into account the effect of time on the value of money. Future income is expressed in terms of what it is worth now when money is expended.

- *Financial Analysis and Social Financial Analysis*: Financial Analysis (FA) studies the financial implications for the owner of the site or the instigator of the project being studied. Social Financial analysis (SFA) differs from financial analysis because the financial implications are considered for other parities directly involved such as consumers.

Economic modelling

A number of economic modelling methodologies have been developed to assess various expenditure flows through economies. These techniques include:

- *Local macro-economic impact analysis*: This normally involves some economic modelling in an attempt to assess the total income, output, and employment effects on the local economy. The aim here is to capture the indirect, as well as the direct, effects on the local economy (i.e. multiplier effects are important to capture here). Typical methods used here are:

- *Income/expenditure models*: These capture local multiplier effects (more practically this adds in expenditure in the area that results indirectly from visitors

to a heritage site, such as on local hotels, restaurants, transport, etc). This method still measures actual expenditure flows.

- *Input/output models*: These capture the inter-relationships between different sectors in the local economy via a matrix analysis.

It is normally possible to derive approximations of employment effects (direct and indirect) from the above methods.

- *Satellite accounting methods*: This is normally carried out at a macro or regional level, using national input/output data extracted to examine the sectoral impact that draws from many sub-sectors. It has been used by World Travel and Tourism Council (WTTC 2004) and World Tourism Organisation (WTO 2000, 2002) to isolate the impact of tourism on an economy. However, it is difficult to apply to a single site given the lack of disaggregation of the data, but this might be relevant at a regional macro level or national level.

Within the cultural sector the local macro-economic impact analysis is used over the satellite accounting methods. Besides, some academics point out that impact studies in cultural and arts organizations is a growing field of study. Scott (2003) points out three trends that have contributed to the rise of impact evaluation. Firstly, increasing competition and financial pressure have forced museums to focus more on what they do and how this meets community needs. Secondly, 'greater public accountability and transparency demand evidence of service provision'. And thirdly, government policies require museums to demonstrate their achievements in areas such as social inclusion, access and equity. As part of this growing focus on impact evaluation, there is one interesting study addressed to science centres and science museums carried out by Garnett (2002) (Phase 1). The author surveyed existing work on the impact of science centres and science museums on their communities, collecting and analysing reports on research aimed at exploring such impacts.

Garnett produced an annotated bibliography of 180 items and a model for the impact of a science centre or science museum, a model which is summarised in Figure 16.
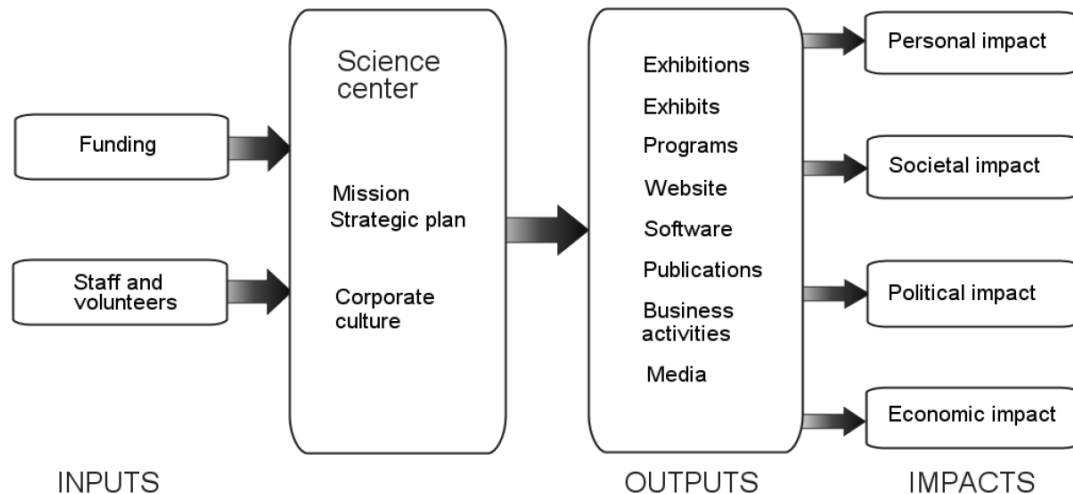
Figure 16: A model of science centre impact

In this kind of study 'inputs' are the resources that the cultural heritage centre or museum receives and, in this context, are usually reflective of public monies allocated through state and federal Treasuries or local government funding.

'Outputs' are the activities that this organisation produces using the inputs. Outputs might be exhibitions, programs and publications. It is relevant to state that outputs result in 'outcomes', which are the short to medium term results of outputs.

An outcome might be the number of people coming to see an exhibition and evidence that the audience enjoyed or learned something from the exhibition when they saw it.

In this context, impact is effect of outputs and outcomes over the longer term. 'Impact indicators' are measures of the long-term effect of outcomes on individuals, people and society at large (Wavell, *et al.*, 2002).

Cultural institutions in general and museums in particular play (and are expected to play) an increasing number of roles in contemporary society, and their specifically cultural roles have been joined by, and are sometimes overshadowed by, new, more instrumental roles as agents of economic development, tourism and social cohesion (Ellis, 2002: 8).

Traditionally, research on the impact of these organisations has tended to focus on the immediate personal impact of the site experience on the visitor. In concrete, some examples as learning in a free choice setting (Falk and Dierking, 2000) and sharing community memories (Witcomb, 1999) have been explored to some degree.

There is not a large literature about the long term impact of museums and their overall contribution to social, human and economic capital. Though recently, as research interest within academics is growing a range of issues are emerging. Relation to core purpose, clarity of outcomes, terms and definitions, appropriate methodology, relevant indicators, establishing cause and effect, ethical issues, the conflict between advocacy and research and the absence of substantiating evidence are all issues around which there are unresolved considerations.

Many of the impacts claimed for museums use terms such as social cohesion, community identity and empowerment. Here again, there is a lack of agreement on what these terms actually mean. Jermyn (2001) argues that terms such as confidence, social capital and community, though commonly referred to, are often used and applied inconsistently and in different ways.

It is remarkable to state that where evaluation studies do occur in museums, the studies are often driven to program specifically, focused on immediate outcomes rather than longitudinal analyses and lacking methodological structures to make them comparative with other studies (Alison and Coulter, 2001: 6). Moreover, these studies have not been constructed to assess social impact leading researchers to conclude that there is little evidence of longer-term impact or the causal relationship between sector use and impact. For example, little evidence has been found to establish:

- How immediate interaction and engagement with collections is related to cognitive learning and decision-making;

- The therapeutic benefits of interaction and engagement;

There is also widespread consensus among academics about the lack of robust evaluation and systematic evidence of the impact of arts projects, or cultural services, more broadly, despite a wealth of anecdotal evidence.' (Reeves, 2002: 31-32)

On the other hand, there is a growing body of literature discussing impact evaluation and its implications for the arts and cultural industries, there have also been vigorous debates about the feasibility and efficacy of measuring impact and the recurrence of a number of consistent themes:

- The need to plan with long-term impact in mind

- the need for common definitions to underpin impact assessment

- the need for more robust methodologies and valid evidence

- the need to use both quantitative and qualitative data

- the standardisation of methodologies across the sector to enable comparisons.

In the current political climate, cultural heritage centres are no longer being allowed to justify their existence, solely in terms of the care and display of their collections. Demonstrating impact is now required. Though impacts are claimed, the current methodological and sectoral issues mean that evidence of impact is lacking.

Matarasso (1996) states that evaluation is fundamentally about assessing the worth of something against values criteria. This raises the question as to whose values are being applied. In the recent past, the values have been those of economic rationalism. In the future they will be those of societal well-being and sustainability.

Economic impact analysis

This kind of model answers the question of: What is the contribution of tourism to the economy of the region?

This kind of analysis traces the flows of spending associated with tourism activity to identify changes in sales, tax revenues, income, and jobs due to tourism. The principal methods here are visitor spending surveys, analysis of secondary data from government economic statistics, economic base models, input–output models and multipliers.

Fiscal impact analysis

This kind of model answers the question of: Will government revenues from tourism activity from taxes, direct fees, and other services cover the added costs for infrastructure and government services?

This kind of analysis identifies changes in demands for government utilities and services resulting from some action and estimates the revenues and costs to local government to provide these services.

Demand analysis

This kind of model answers the question of: *How will the number or types of tourists to the area change due to changes in prices, promotion, competition, quality and quantity of facilities, or other demand shifters?*

This kind of analysis estimates or predicts the number and/or types of visitors to an area via a use estimation, forecasting or demand model. The number of visitors or sales is generally predicted based on judgement (Delphi technique), historical trends (time series methods), or using a model that captures how visits or spending varies

with key demand determinants (structural models) such as population size, distance to markets, income levels and measures of quantity and competition.

Feasibility study

This kind of model answers the question of: *Can/should this project or policy be undertaken?*

This kind of analysis determines the feasibility of undertaking a given action to include political, physical, social and economic feasibility. The economic aspects of a feasibility study typically involve a financial analysis to determine financial feasibility and a market demand analysis to determine market feasibility. A feasibility study is the private sector analogue of cost-benefit analysis.

The feasibility study focuses largely on the benefits and costs to the individual business or organisation, while Benefit/Cost analysis looks at benefits and costs to society more generally.

Environmental assessment

This kind of model answers the question of: *What are the impacts of an action on the surrounding environment?*

This kind of analysis determines the impacts of a proposed action on the environment, generally including changes in social, cultural, economic, biological, physical and ecological systems. Economic impact assessment methods are often used along with corresponding measures for assessing social, cultural and environmental impacts. Methods range from simple checklists to elaborate simulation models.

2.8.2 Cost-benefit analysis

This kind of model answers the question of: *Which alternative policy will generate the highest net benefit to society over time?*

A Cost-Benefit analysis estimates the relative economic efficiency of alternative policies by comparing benefits and costs over time. This analysis identifies the most efficient policies from the perspective of societal welfare, generally including both monetary and non-monetary values. This kind of analysis makes use of a wide range of methods for estimating values of non-market goods and services, such as the travel cost method and contingent valuation method.

This method takes the analysis beyond direct and indirect expenditure effects mentioned above in order to attempt to encapsulate the social costs and benefits of the project as a whole. Cost-Benefit Analysis (CBA)24 is widely used in the business and public world for planning, product, and proposal evaluation, and other purposes. It has also been used to evaluate the impact of heritage-related projects such as the Glasgow Canal Project (Button and Pearce 1989). It is a methodology which summarizes the positive and negative implications of a project or potential purchase. The positive and negative impacts are then weighed and compared. The key advantage of cost-benefit analysis is that it can take into account externalities and non-monetary costs and benefits.

This method involves attributing monetary values (using various valuation techniques) to externality factors (positive and negative) to discover whether a project represents a net social benefit to society, however the latter is defined. The costs include direct costs such as the purchase cost of the project to the institution. External costs can be considered. These could include the negative impact on other institutions and businesses in the area. Non-monetary costs can also be considered. This could include increased visitor numbers causing inconvenience to local residents.

In reality cost-benefit analysis is an umbrella term for a number of different types of analysis that range from the purely financial to economic and socio-economic, some of these have greater relevance for the cultural heritage sector than others (ICOMOS 1993). It should be noted that the nomenclature used for these variants within the cost-benefit analysis family can vary across sectors. The range of methodologies includes:

- *Cost Revenue Analysis*: Cost Revenue Analysis (CRA) studies the financial implications for government (this could include local, regional, national government). The method looks at the taxes that would need to be raised in order to support a cultural heritage site or project (such as conservation) and also considers the revenues that would be generated by that expenditure. This could consider a single government organisation (CRA) or a number of government organisations (Social CRA).

- *Cost Benefit and Social Cost Benefit Analysis*: Technically, the term cost-benefit analysis (CBA) refers to the study of the use of resources in the economy only by the cultural heritage site in question or also by other institutions who are affected (SCBA).

24 Some authorities refer to cost-benefit analysis (CBA) and others use the term benefit-cost analysis (BCA). The latter term is widely used in North America.

- *Community Impact Analysis*: Community Impact Analysis (CIA) considers the cost and benefit implications for all sectors of the community would are affected by a cultural heritage site or project.

It is evident that there is a considerable diversity in the criteria that can be adopted for inclusion in cost-benefit analysis. An overview of the principal differences among some of the methodologies detailed above is shown i

Figure 17. However, it should be noted that there is no cross-sectoral definition of the various cost-benefit analyses, so the exact methods used are not standardised, (often studies require a combination of different perspectives, which just come under the broad umbrella term cost-benefit analysis).

		Financial			Economic		Socio-economic
		FA	SFA	CRA	CBA	SCBA	CIA
Site	On	■	■	■	■	■	■
	Off			■	■	■	■
Sector	Promoter	■	■	■	■	■	■
	On site		■	■		■	■
	Off site			■		■	■
	All relevant						■
Costs and benefits	Direct		■	■	■	■	■
	Some indirect			■		■	■
	Community						■

Figure 17: The different tools available to analyse costs and benefits (ICOMOS 1993)

The types of benefits received include the direct monetary benefits such as the revenues derived from users of a product. Private non-monetary benefits include consumer surplus, which are the benefits that users receive beyond what they pay to enter. External benefits include those benefits received by non-users of the project, such as an increased number of visitors spending their money in nearby businesses (e.g. restaurants and shops). These values are then weighed and compared. If the positive benefits outweigh the negative costs, then the project is likely to be considered viable. Naturally, valuing some of the 'externalities' poses methodological problems, but at least cost benefit analysis tries to capture all relevant social costs and benefits to arrive at some view of net social benefit.

5.3.1. Advantages and disadvantages of CBA

The widely known advantages of using this technique are:

- *Integrates market and non-market costs*: All the costs and benefits of a project are identified and quantified. In addition, to the monetary values this includes externalities and non-monetary costs and benefits. This is much more effective than methodologies that assess purely monetary values.

- *Widely used*: The methodology is widely used and has been extensively tested across many different sectors.

Related to the disadvantages:

- *Assigning values*: In order to add the costs and benefits up a financial value is often assigned to each. However, attempting to assign monetary values to externalities such as aesthetic values, quality of life, etc can be problematic.

- *Consistent methodology*: Although it is a widely-used technique, most sectors, industries, and institutions have subtly different ways of approaching the analysis and calculation. Different methods are used to calculate non-financial values. If cost-benefit analysis were used for assessing the impact of ICT in the cultural heritage sector, it would be necessary to reach agreement on a consistent methodology in order for the analysis to allow inter-site comparison.

2.9 Tools for eliciting economic values using non-market based approaches

2.9.1 Revealed preference techniques

These methodologies rely on actual consumer behaviour to determine values and benefits.

Hedonic pricing

The hedonic pricing method has been used in the field of environmental economics to provide an estimate of the value of environmental amenities and urban goods that affect prices of marketed goods. Hedonic price analysis was first used by Andrew Court in 1939, although the technique gained widespread popularity with the work of Zvi Griliches in the early 1960s (Goodman 1998). Although the technique is not widely used to determine values for cultural heritage sites, it has been applied to cultural heritage in both the United States and Australia.

In the United States the creation of historic preservation districts has been used as a means of regenerating urban areas (Kilpatrick 2000). These districts encompass both

residential and commercial properties. The hedonic price method has been used to evaluate the value and benefits of the creation of historical preservation districts in Sacramento, California. The results suggest that the districts have a positive impact on residential property prices in four out of the six districts surveyed (Clark and Herrin 1997). In Australia, a hedonic price study of historic properties in Sydney's upper north shore determined that heritage-listed houses were found to command a price premium over unlisted houses. This was considered to be an indication of the combined value of the heritage character of properties and their listing status. The historical significance of the heritage properties was considered to have had a beneficial influence on price (Deodhar 2004).

House prices are the most common vehicle for estimating the value of environmental amenities, although other vehicles such as wages can be used (e.g. Smith 1983). Hedonic valuations assume that individuals place a value on the characteristics of a good, rather than the good itself. In this way the price will be a surrogate for the value of a set of characteristics, including cultural heritage characteristics that people consider important when purchasing the good.

The rationale of hedonic property price analysis is that property prices are determined not only by the characteristics of the property, but by the environmental attributes of the locality such as the neighbourhood and community, and other local environmental characteristics. In this scenario, if the factors not related to cultural heritage are controlled for, then the remaining price differences can be ascribed to differences in the quality and value cultural heritage. The higher price will be a reflection of the perceived value of cultural heritage to people who buy houses in the area.

Advantages

- *Market-based*: The hedonic pricing method is relatively straightforward and uncontroversial to apply, because it is based on actual market prices and fairly easily measured data.

- *Good value indicators*: Property markets, the most common vehicle for hedonic studies, are reasonably efficient in responding to information, so can be good indicators of value.

- *Data availability*: Data on property sales and characteristics are usually easy to obtain from a number of sources. This makes the technique relatively inexpensive to apply.

Limitations

- *Proximity to markets*: Many heritage sites do not have a large number of residential properties near them. In these cases the number of sale transactions would be too small to be statistically viable.

- *Relationship to markets*: Any benefits that could be inferred or measured are constrained to goods that are related to the property or similar markets. Non-use values especially, are not linked to any marketed goods or services (Bennett 2000: 38).

- *Externalities*: The housing market can be complex and may be affected by externalities such as taxes, interest rates, or other factors. Hedonic pricing assumes that individuals have the opportunity to select the features that they want, within the constraints of their income.

- *Model specifications*: Different specifications of the model used can significantly alter the results.

- *Statistical requirements*: Large amounts of data are needed, then gathered and studied, requiring significant statistical expertise.

- *Data availability*: If the data is readily accessible then the survey can be done quickly, but the property price information is not always accessible. If data must be gathered and compiled, the cost of an application can increase substantially.

- *Assumed linearity of price and characteristics*: The relationship between price and characteristics of the property may not be linear - prices may increase at an increasing or decreasing rate when characteristics change4.

Travel cost

The underlying assumption of the travel cost methodology is that the amount individuals are prepared to pay to travel to a cultural heritage site is a reflection of the value of the goods and services provided by that heritage site. Using this framework, the expenses that individuals incur in order to visit a site, in terms of time and travel costs, are a proxy for the 'price' of access to the site. This data can be used to estimate willingness to pay.

Because travel costs increase with distance, the further away people live from a site, the less often they will visit. The number of visits to a site can be affected by other factors. The greater the choice of alternative sites, the fewer visits will be made to a site. Higher income earners will on average make more trips. Personal interest will also

impact on the number of visitors. Statistical modelling should try to take these factors into account.

Travel cost methodology determines the number of visits from different distances from the site, and the travel cost from each zone. This is used to create an aggregate demand curve for visits to the site. The demand curve is used to determine how many visits individuals would make at various travel cost prices. This can then be used to provide an estimate of willingness to pay for site visitors. This applies if they are charged an admission fee or not. The most controversial aspects of the travel cost method include accounting for the opportunity cost of travel time, how to handle multi-purpose and multi-destination trips.

As with the hedonic price methodology, travel cost has not been widely applied to the valuation of cultural heritage sites. In a seminal study, Martin (1994) used the travel cost method to assess the use value for the Museum of Civilisation in Quebec, and contingent valuation to determine the non-use value. A decade later Bedate *et al.* (2004) used the travel cost method to estimate the demand curve for three different cultural heritage sites in the Castilla y Leon region of Spain. These included a historic village, a museum in the provincial capital, and a historic cathedral. A cultural artistic event was also studied.

Poor and Smith (2004) also undertook a travel cost analysis of St. Mary's City in southern Maryland, USA. This heritage city was the British Colonial capital of the State of Maryland in the seventeenth century. Three years of sample visitor data were compared using three functional forms of visitor demand. It was found that, depending on which of the functional forms were used, the annual average individual consumer surplus ranged from $8.00 to $19.26. Interestingly, this study is one of the first to employ a revealed preference methodology rather than a stated preference methodology to estimate the consumer surplus welfare measures of a cultural heritage site.

Advantages

- *Accepted economic techniques*: The travel cost method is based on widely accepted economic techniques for measuring value based on market prices.

- *Actual behaviour*: As a revealed preference technique, it uses data derived from actual behaviour, rather than individuals' responses to hypothetical scenarios.

- *Dataset size*: Because the method is non-controversial, visitors tend to be willing and interested in contributing, making the technique easy to apply.

- *Easy interpretation*: Travel cost results are usually easy to interpret, even for non-economists.

Limitations

- *Cost allocations*: The simplest travel cost models assume that individuals will make a trip for the express purpose of visiting the cultural heritage site being studied. However, it is often the case that individuals undertake a variety of activities during a single trip. In these cases it can be difficult to allocate the correct proportion of the travel costs to the site being studied.

- *Opportunity costs*: The definition and measurement of the value of time spent travelling is highly contentious. The time spent travelling is considered to be an 'opportunity cost' because the time could have been used for other purposes. This opportunity cost needs to be added to the travel costs. There is considerable debate as to the measure to use: is it the individual's wage rate, or some defined fraction of their wage rate - this value will have a significant impact on the final benefit estimate.

- *Substitute sites*: If a traveller has a number of potential sites that could be visited, but chooses the study site out of preference, then this implies a higher value than an individual who travels with the express intention of visiting the study site. The complexity of the model has to be increased in order to account for this scenario.

- *Local bias*: Some individuals may choose to live close to a cultural heritage site or sites because they have a high value for the site and the services or amenities that it provides. These individuals will have low travel costs, but high values for the site. These will not be captured using a travel cost methodology.

- *Local origin zones*: Estimations of demand functions require sufficient differences between the distances travelled to alter travel costs and for these differences to influence the number of trips made. Sites near or in major cities may not be assessable by this method because many individuals may come from 'origin zones' that are quite close to one another.

- *Non-use values*: Travel cost cannot be used to measure non-use values or off-site values. These are a significant feature of cultural heritage sites.

2.10 Stated preference techniques

Most cultural heritage goods and services are not traded in traditional markets; furthermore, they are often not closely related to any marketed goods. It is therefore

impossible for economic analysts to use an individual's market purchases to determine their willingness to pay for cultural heritage goods. Revealed preference techniques are also retrospective they are only applicable if the future changes being studied are related to the past (Bennett 2000). Their results are poorly able to be extrapolated to circumstances that are significantly different from the past, as could be expected with the use of advanced technologies.

These limitations go some way to explaining why revealed preference techniques are not widely used in the cultural heritage arena (Hansen *et al*. 1998). In this field stated preference surveys using hypothetical scenarios have been widely used to ask people directly what they are willing to pay for a good or service.

Depending on the technique used within the family of stated preference, individuals are asked to value their willingness to pay (WTP) or willingness to accept (WTA) for a change in the level of provision of a good/service where only its price attribute is varied; whereas in other techniques individuals are asked to value their willingness to pay (WTP) or willingness to accept (WTA) for a change in the level of attributes of that good/service.

So that, the individual maximum WTP or the minimum WTA a compensation for a change in the provision of such good/service is assumed to be the value the individual attaches to such a change.

The changes of attributes in the provision of a good/service are shaped in two ways: an improvement or damage in the situation of an individual. Taking the case for the eliciting the value of a cultural heritage good (CHG) an individual can be asked the following situations:

- **Cultural improvement:** The value of the CHG improvement in such a situation can be measured either by:

   - the individual's maximum willingness to pay (max WTP) to obtain the cultural improvement (estimated by the compensating surplus 'CSU'); or by

   - The individual's minimum willingness to accept (min WTA) as compensation to forgo the cultural improvement (estimated by the equivalent surplus 'ESU').

- **Cultural damage** the value of the cultural damage in such a situation can be measured either by:

   - the individual's maximum WTP to avoid the cultural damage (estimated by the 'ESU'); or by

- The individual's minimum WTA a compensation to agree to the cultural damage (estimated by the 'CSU').

The measure of this change is indeed the essence of the notion of economic value. It measures the change in human wellbeing arising from the provision of a good or service under scrutiny. The notion of wellbeing in turn reflects what individuals prefer. Wellbeing is therefore a preference-based concept. Besides, wellbeing emanates from preference satisfaction.

As a general rule, preferences are expressed in market places where individuals choose the quantity and price of goods. The notion of willing to pay (WTP) is link to preferences as it can be a measure of preference satisfaction and then a measure of wellbeing.

WTP has a formal relationship to the notion of a demand curve.

Figure 18 shows the usual depiction of a demand curve for an individual. The horizontal axis measures the total number of units that can be bought and the vertical axis measures the price per unit. Points on the individual's demand curve show, for each quantity purchased, how much that individual is willing to pay for that last (marginal) unit.

For example, the individual is willing to pay 10€ each for the first ten units, 8€ for the next ten units, 6€ for the following ten units and so. The total WTP for thirty units is [(12-6)*(30*0,5)+(6*30)]=270€. Hence the marginal WTP is given by the points on the demand curve and total WTP is given by the area under the demand curve up to the amount purchased.

Suppose the market price settle at 6€ per unit, then total expenditure is 30*6€=180€ and this is less than total WTP of 270€. The difference between total WTP and actual expenditure, that is 270€-180€=90€, is the consumer's surplus. Consumer surplus is then a measure of the net benefit to the consumer of buying 30 units at the market price since he or she pays out 180€ but 'gets back' 270€ in the form of wellbeing as measured by WTP. The 270€ in this case is a measure of the *gross* change in wellbeing from buying 30 units, and 90€, the consumer surplus, is a measure of the net change in wellbeing. So the basic formula is:

Total WTP= actual expenditure/market price + consumer's surplus.
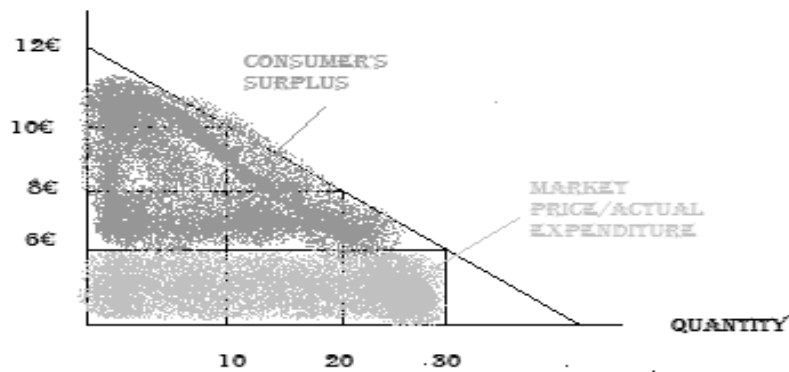
Figure 18: A demand curve

One basic issue in undertaking stated preferences techniques for the estimation of cultural values is the choice of whether to ask individuals their maximum WTP or their minimum WTA for a given cultural change.

To understand the conceptual difference between the maximum WTP and the minimum WTA, the case of the valuation of a cultural improvement is explained.

With a cultural improvement the individual, currently at the utility level U_0, ceteris paribus, is brought to U_1 (see Figure 19). The maximum amount of money the individual is willing to pay to secure this improvement is such that after the payment they would at most be back to U_0 (the respondent should not be prepared to pay any amount of money such that they falls below the utility level U_0). This maximum amount of money is the compensating surplus 'CSU'.
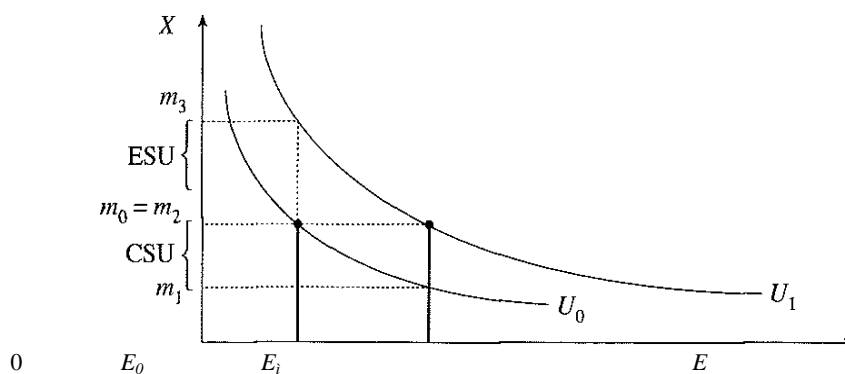
Figure 19: Cultural improvement: compensating surplus and equivalent surplus

If, however, the same individual is already enjoying (or has a right to) the improvement, ceteris paribus, and has the utility level U_1, then they consider it a loss to have to give up the cultural improvement and asks to be compensated for this loss. To calculate how much to ask as minimum compensation the respondent looks at the utility level attainable with the cultural damage (that is, without the cultural improvement). This is U_0. They will then ask at least a monetary compensation high enough to reach the level of utility U_0 gain back to the level U_1. This is the equivalent surplus (ESU).

It is apparent that the appropriate measure of the value of a cultural asset is related to a system of intellectual property of the individual on such an asset. The CSU measure assumes the individual has no consolidated rights in the cultural improvement, assuming therefore as a benchmark the utility level without cultural improvement U_0. The ESU measure assumes instead that the individual somehow deserves, or has a right to, the cultural improvement, and puts the individual at the higher utility level U_1 attained (or attainable) with the cultural improvement.

Randall and Stoll (1980), suggest that the possible differences between the compensating surplus and equivalent surplus are barely significant in most practical situations. However, Hanemann (1991) shows that this is not always the case, especially when the cultural heritage good/service has no close substitutes. In such cases, the minimum WTA can exceed the maximum WTP several times over. Carson (1991) also argues that when individuals are asked to state their minimum WTA, they tend to state their expectation of the maximum they could hope to extract as compensation, rather than their true minimum WTA. On these grounds also Mitchell and Carson (1989), Pearce and Turner (1990) and Knetsch (1990) advise caution on the use of the WTA approach.

2.11 Typology of stated preference techniques

What seems to be the most general and widely accepted classification of stated preference techniques is that between Contingent Valuation (CV) and Multi-Attribute valuation (MAV) techniques (Merino-Castello 2003a),[25] that is, between contingent

---

25 Within this section the technique of benefit transfer methodology can be included as it uses monetary estimates provided by existing studies ('source' research) of similar sites and applies these values to a new study ('target' research) for which a monetary valuation is required. Hence the valuations are 'transferred' from one study to another. As this research focuses on the relationship between funding and benefits and how it articulates a series of social discourses that frame the selection of different techniques of measurement that social agents can use for claiming the benefits of funding the arts, the notion of transferability is beyond the scope of analysis.

valuation and both conjoint analysis and choice modelling approaches (see Figure 20)[26].
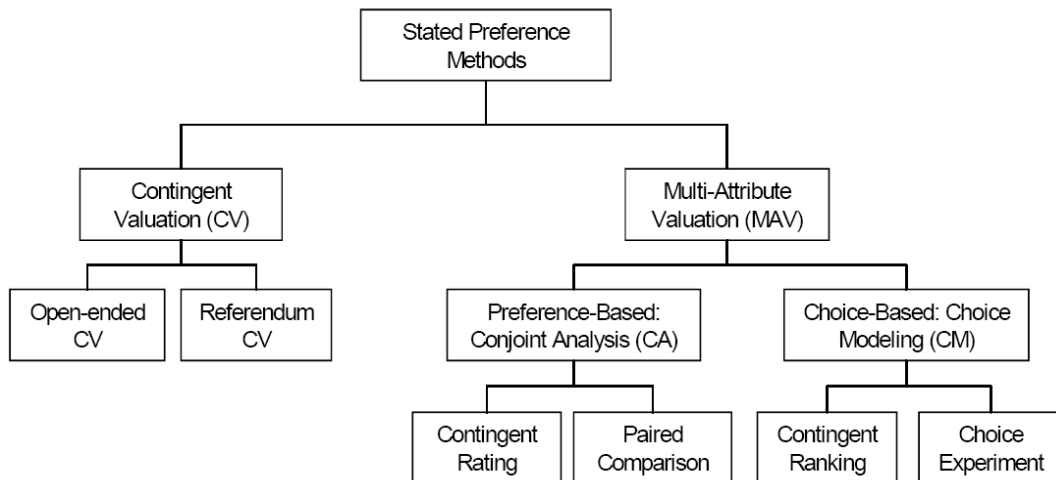
Figure 20: An overview of Stated Preference methods

2.11.1 Contingent valuation

The contingent valuation method (CVM) is a non-market valuation technique based on stated preference, which tries to extract an estimation of the 'willingness to pay' for a good or service from users and non-users. It is designed to capture the value of a cultural heritage site or the value of some potential investment in a site.

Ready and Navrud (2002a, 6) explain willingness to pay as:

> "the value that a person gets from being able to enjoy a cultural heritage good is defined as the largest amount of money that that person would willingly pay to have that opportunity."

Contingent valuation is the only accepted way of determining a financial value for non-use values in cultural heritage. These 'passive use' values that do not involve a market and may not even involve direct participation are extremely difficult to quantify otherwise. They include amongst others option, existence, and bequest benefits. In the current climate of diminishing funds for the cultural heritage sector, there is increasing urgency in assigning a financial value to non-use and passive use at cultural heritage sites. Individuals are obviously willing to pay for non-use, or passive use, but traditional economic analyses tend to treat these benefits as zero. Since people do not reveal

---

[26] Bateman *et al.* (2002) use the concept of choice modeling instead of multi-attribute valuation (MAV) techniques. However, this new term is adopted in order to distinguish between preference-based and choice-based approaches.

their willingness to pay for them through their purchases or by their behaviour, the only option for estimating a value is by asking them questions.

The contingent valuation method was first proposed in 1947 and applied in a Harvard Ph.D. dissertation on the economic value of recreation in woodlands in Maine. Numerous applications of the method to various public goods and studies of its methodological properties were conducted in the 1970s and 1980s. A review of the use of contingent valuation by Carson *et al.* (2000) found more than 2,000 academic and other papers on the subject. These studies are mainly from the environmental arena but also cover the fields of transport, health, education, and the arts, and across the globe.

The issues associated with developing a financial estimate of economic value based on how individuals respond to questions about hypothetical market scenarios, as opposed to observing their actual behaviour, is a source of enormous controversy and debate. Considerable endorsement was given to the methodology in 1993, when the US National Oceanic and Atmospheric Administration (NOAA) published its report of the findings of its expert panel on the subject. The panel included a number of eminent social scientists, and was co-chaired by two Nobel laureates, Kenneth Arrow and Robert Solow.

The panel was charged with reviewing if contingent valuation measures of non-use value could be used to determine liability issues in the aftermath of the 1989 Exxon Valdez oil spill. The panel concluded that provided that contingent valuation studies are carried out following a number of stringent conditions that gave due consideration to the biases affecting the methodology, the technique "can produce estimates reliable enough to be the starting point of a judicial process of damage assessment, including lost passive-use values" (Arrow *et al.* 1993: 43). However, the panel did also note that "there will always be controversy where intangible losses have to be evaluated in monetary terms." (Arrow *et al.* 1993, 45). Despite strenuous debate (i.e. Harrison 2002), further endorsement was given by Carson *et al.* (1996). There are indications that the contingent valuation method is gaining mainstream acceptance in Europe. The UK government recently commissioned a major CVM survey with 11,000 respondents designed to value the environmental costs and benefits of active quarries (London Economics 1999).

The contingent valuation method requires respondents to provide values based on hypothetical scenarios. Contingent valuations' reliance on what respondents say they will do, rather than their actions, is paradoxically one of the method's greatest

attributes, and its most controversial feature. The principal techniques used to elicit a value from respondents are:

- Sequential Bid Contingent Valuation (SBCV): In this methodology individuals are presented with a number of financial amounts that are increased until the respondent is no longer willing to pay.

- Open Ended Contingent Valuation (OECV): Individuals are asked how much they would pay for a particular cultural good.

- Closed Ended Contingent Valuation (CECV): Individuals are given a single value; they only have the option of responding yes or no to this value. The value is varied across the sample, and is used to determine averages.

Advantages

- *Flexibility*: Contingent valuation is extremely flexible. Contingent valuation is the most widely-accepted method for estimating total economic value in cultural heritage sites. Its flexibility allows it to be used to provide values of all types of non-use, or 'passive use'. It can also estimate use values, as well as existence values, option values, and bequest values.

- *Widely-tested*: Contingent valuation has been extensively used in the field of environmental economics (Carson *et al*. 2000) and is increasingly used in the arts and cultural field (Noonan 2002), and cultural heritage studies (Pearce *et al*. 2002). A considerable body of research has been undertaken and is being conducted to improve the methodology, make results more valid and reliable, and better understand its strengths and limitations.

- *Accessible results*: Even for non-economists the outputs of contingent valuation studies are not difficult to comprehend. Financial values can be presented as a mean or median value per person, per household, or as an aggregate value for the population being studied.

Limitations

- *Resource intensive*: Contingent valuation is highly resource intensive. A properly-conducted contingent valuation survey is both time-consuming and expensive because it requires the use of focus groups, a pilot survey (pre-testing), 250-500 interviews for open-ended surveys and 500-1000 interviews for closed-ended surveys, and a detailed statistical analysis of the data (Bateman *et al*. 2002: 110, Bennett 2000: 40). Such a survey would require

outside consultancy and would be beyond the financial means of most cultural heritage institutions.

- *Hypothetical versus real markets*: There is considerable debate as to whether a hypothetical market can be compared to real economic markets. The hypothetical context could affect respondent's answers. Individuals may give a higher willingness to pay response if they feel that the scenario is hypothetical and that they will not have to pay.

- *Experience and information*: Contingent valuation assumes that individuals are aware of the numerous values that heritage encapsulates. Individuals have much more experience in making choices with market goods, so their purchasing decisions in markets are likely to reflect their true willingness to pay. Contingent valuation assumes that people understand the good in question. Unfortunately, most individuals are unfamiliar with placing values on cultural heritage goods and services. If individuals are forced to value attributes with which they have moderate or no experience such as cultural heritage, then this can affect the results of a WTP survey. In these instances, the type and amount of information presented to respondents could affect their answers. A number of methodological studies have been conducted in the field of cultural heritage in order to determine the importance of information provision in contingent valuation surveys and the impact this has on respondents WTP (Riganti 1997, Riganti and Willis 2002).

- *Strategic response bias*: Individuals can give false responses during a survey in order to increase their personal net benefit. This can take the form of 'free riding' where individuals underbid because they feel others will pay more and they will still secure the good (Ready and Navrud 2002b: 20). Alternatively, individuals may overbid in order to receive more of the good if they believe they will not have to pay.

- *Income-dependent*: WTP has a dependency on income. Individuals with a high disposable income can pay more for a non-market benefit. The preferences of higher income individuals may marginalise those of the less-well-off. Of course, this does mirror actual market conditions.

- *WTP and WTA*: Two different methodologies exist for determining the payment question. The most common is when individuals are asked what they would be willing to pay in order to preserve or retain the current level of goods and services at a cultural heritage site. Less commonly, individuals may be asked

what they are willing to accept as compensation for the loss of the goods and services provided by a cultural heritage site. Studies have shown that the two methodologies yield different results - WTA exceeds WTP (Bateman *et* al. 2002). This has been seen by some as an indication that individuals' responses are an expression of what they would like to happen, not real valuations.

- *The ordering problem*: Research has shown that in some cases, people's expressed willingness to pay for something has been found to depend on where it is placed on a list of things being valued.

- *Interview bias*: It is possible that a respondent may overstate their willingness to pay in order to please the interviewer. With cultural heritage sites, respondents may feel it is 'the right thing to do' even if they do not value the good in question highly (Ready and Navrud 2002b: 20).

- *Question bias*: Related to interview bias a respondent may reveal their values about the act of giving for a social good (sometimes called the 'warm glow' effect) even though they believe that the specific good being surveyed is unimportant in itself.

- *Payment biases*: Research has shown that the willingness to pay amounts provided by individuals can be influenced by the specific payment vehicle chosen. A common form of questioning uses taxes as a payment vehicle, however, some users may feel strongly about increased taxes and their responses may be a protest against this rather than their actual value for the good. Other payment vehicles such as donations or contributions may influence people to consider how much their 'fair share' of the contribution is.

- *Starting point biases*: An early contingent valuation methodology was Sequential Bid. This prompted individuals with a starting bid, which was then increased or decreased based upon whether the respondent agreed or refused to pay the amount in question. Research has shown that the choice of starting bid has a strong influence on individuals' final willingness to pay response.

- *Strategic bias*: Strategic bias arises when an individual deliberately biases their answers in order to attempt to influence a particular outcome.

- *Non-response bias*: When sampling respondents the bias inherent in non-response is problematic, because individuals who do not respond are usually likely to have different values to the individuals who do respond.

- *External validation*: External validation of non-use values can be difficult.

- *Acceptance*: Despite the wide use and extensive research into the technique in the last two decades, there are still many authorities who do not accept the results of contingent valuation. There is considerable debate in the research community over whether it adequately measures people's willingness to pay for a cultural heritage good or service. A number of economists, psychologists, and sociologists question the financial estimates that result from contingent valuation.

This apparently long list of disadvantages associated with contingent valuation methodologies is a function of the widespread and extensive study of the technique in the environmental and now the cultural heritage arenas. Contingent valuation should be part of a wider decision-making process and not a stand-alone tool. The known methodological biases of contingent valuation should be avoided as far as possible and the results treated with reasonable caution.

2.11.2 Multi-attribute valuation (MAV)

Multi-attribute valuation (MAV)[27] encompasses a family of related stated preference techniques that includes:

- *Choice experiments*: Choice experiments present individuals with a number of alternatives and the respondents are asked to choose their preferred alternative.

- *Contingent ranking*: Requires individuals to compare and rank alternative hypothetical options. Each alternative is made up of different attributes. These different attributes are provided at different levels across the available alternatives. Individuals are asked to rank the alternatives in order of preference.

- *Paired comparison*: In this type of survey respondents are given two alternatives and asked about the strength of their preference for the choices. Their preferences can be rated using a numeric or semantic scale.

- *Contingent rating*: Individuals are given a number of scenarios one after the other. They are then asked to rate each one numerically or semantically

---

[27] Bateman *et al.* (2002) use the concept of choice modelling instead of multi-attribute valuation (MAV) techniques. However, in this research it is used the new term in order to distinguish between preference-based and choice-based approaches. This difference is important while addressing the econometric model.

according to their preferences. This methodology differs from the others described above because there is no actual comparison of the choices.

MAV was originally developed for marketing research and transport to measure preferences for different characteristics or attributes of a multi-attribute choice (Bateman *et al.* 2002).

MAV is similar to contingent valuation, in that it can be used to estimate both economic and non-use values for cultural heritage sites. Like contingent valuation, it is a hypothetical method, which requires individuals to make choices based on a hypothetical scenario. Unlike contingent valuation, it does not directly ask respondents to state their values in financial terms. These values are inferred from the hypothetical choices that the respondents make.

MAV is particularly valuable for the evaluation of the outcomes of several policy options, where non-use values are important. MAV can be used to rank options as well as estimate financial values.

MAV methodology has started to be applied to cultural heritage in recent years. Research by Maddison and Foster (2001) used a choice experiment at the British Museum (UK) to determine the WTP to reduce congestion in the museum. This was followed by a study conducted at the Galleria Borghese Museum (Italy), which combined a contingent valuation survey with a choice experiment. This was used to determine the WTP for entry to the Galleria, and the provision of additional (multimedia) services, and exhibitions (Mazzanti 2003a, 2003b).

Advantages

- *Benefit transfer potential*: Contingent choice usually provides a much greater number of valuation estimates per survey than contingent valuation. This is because the method produces a functional relationship between attributes, respondent characteristics, and values. The greater number of values produced makes the technique more cost-effective than contingent valuation and increases the prospects of the values being used for benefit-transfer (Bennett 2000).

- *Holistic*: The contingent choice method can be used to value the outcomes of an action as a whole, as well as the various attributes or effects of the action.

- *Better experience*: Individuals rarely have significant experience in determining financial values for cultural heritage products. People are often better able to

rank choices. Contingent choice also provides an opportunity to check for consistency of responses.

- *Qualitative ranking*: Individuals are usually more inclined and better able to provide qualitative rankings or ratings that include prices, rather than attempt an actual financial valuation of cultural heritage goods.

- *Relative values*: Contingent choice can be used to estimate relative values. Although the estimation of absolute financial values may not be as precise as those obtained through contingent valuation, the relative rankings can be used as the basis for policy decisions.

- *Fewer biases*: Many of the potential biases that have been associated with contingent valuation, such as protest bids, are significantly reduced using contingent choice.

Limitations

- *Difficult to evaluate tradeoffs*: As with contingent valuation, some individuals may find some tradeoffs difficult to evaluate, because they are unfamiliar with the area of study.

- *Respondent's behaviour*: Because contingent choice is a more recent innovation to the field of cultural heritage compared to contingent valuation less research has been devoted to the understanding of respondents' behaviour. It is unclear if individuals resort to simplified decision rules if the contingent choices become too complicated. This could be a source of bias in the statistical analysis.

- *Complexity*: As the number of attributes is increased, the respondent is forced to make an increasing number of comparisons. It has been found that individuals can become fatigued with a large number of choices and may lose interest or take short cuts in answering the questions (Bateman *et al*. 2002). Providing too many attributed may be detrimental to a survey. Alternatively, providing individuals with a limited number of hypothetical options could channel respondents into making choices that they would not usually make.

- *Complex statistics*: In order to estimate willingness to pay values from MAV surveys considerably more complex statistical techniques need to be applied compared to contingent valuation

- *New methodology*: MAV has only recently been applied to environmental economics and cultural heritage. There is still considerable debate as to its applicability for the valuation of non-market commodities is largely untested.

Review of the pros and cons of non-market economic techniques

Within the family of stated preference techniques, the CV method has been extensively used in valuing cultural heritage destinations (Navrud and Ready, 2002b). Moreover, CV has been used to value heritage improvements at holiday destinations (Alberini *et al.*, 2005a; Signorello and Cuccia, 2002; Whitehead and Finney, 2003), visits and preservation of archaeological sites (Beltran and Rojas, 1996; EFTEC, 1999; Santagata and Signorello, 2000, 2002; Riganti and Willis, 2002), congestion and traffic scheme improvements at cultural monuments (Brown and Mourato, 2002; Maddison and Mourato, 2001, 2002; Scarpa *et al.*, 1997; Willis, 1994), conservation of museum collections (Brown, 2004), preservation of historic buildings (Chambers *et al.*, 1998; Garrod *et al.*, 1996; Del Saz Salazaar and Marques, 2005; Grosclaude and Soguel, 1993, 1994; Kling *et al.*, 2004; Pollicino and Maddison, 2004; Powe and Willis, 1996), preservation of religious buildings (Alberini and Longo, 2006a and 2006b; Mourato *et al.*, 2002; Pollicino and Maddison, 2002; Navrud and Strand, 2002), and arts festivals (Snowball, 2005).

Noonan (2003) concludes that while most studies have poorly applied the contingent valuation methodology, the methodology, when rigorously applied to cultural goods, can produce important information for cultural good management programs. By contrast, Throsby (2003) argues against the use of contingent valuation, which, he feels, provides an incomplete view of the non-market value of cultural goods. He argues that cultural value is multi-dimensional, unstable, contested, lacks a common unit of account, and may contain elements that cannot be easily expressed according to any quantitative or qualitative scale. These include aesthetic properties, their spiritual significance, their role as purveyors of symbolic meaning, their historic importance, their significance in influencing artistic trends, their authenticity, their integrity, their uniqueness, and so on. His suggestion is to look for alternatives to contingent valuation to solve the valuation problem. For example, he suggests to deconstruct the idea of cultural value into its component parts and to seek simple scales to represent judgments based on defined criteria. Finally, Epstein (2003) considers that cultural amenities are the kinds of things that government hopes to create or preserve, often with tax Euros, for which valuation has to be done by non-market means if it is to be done at all. At this point, the reluctance to use contingent

valuation comes at a far higher price than in ordinary disputes: either we use it or we do nothing at all.

More recently, researchers have begun to use Multi-Attribute techniques to assess the different characteristics of public programs affecting cultural tourism destinations. In this respect, respondents are asked to choose between hypothetical public programs or commodities described by a set of attributes (see Hanley *et al.* 2001). Respondents trade off the levels of the attributes of the programs or goods, one of which is usually its cost to the respondent, and choose their most preferred option. By including price/cost as one of the attributes of the good, WTP can be indirectly ascertained from respondents' choices. Finally, if the choice set presents respondents with the "do nothing," or "status quo" option, researchers can assess the WTP for any hypothetical cultural heritage good defined by the attributes used in the Multi-Attribute exercises.

Many academics consider multi-attribute techniques as a recent innovation in stated preference. This technique finds its origins with Lancaster (1966) who proposed the idea that a 'good' can be treated as the combination of a group of characteristics, which are the things that really matter to individuals. The first applications of multi-attribute valuation (MAV) were in the fields of marketing and transportation research. Since then, MAV has been applied in several other disciplines such as:

- *Nature-based tourism*: Most applications of MAV analyze the choice for beach destination tourism. For a review of the literature on the use of this technique for valuing the demand for recreation and nature-based tourism, see Hearne and Salinas (2002), Crouch and Louviere (2003), Huybers (2003), Hearne and Santos (2005).

- *Culture-based tourism*: Louviere and Hensher (1982) applied MAV to tourism related activities to forecast the choice of attendance at various types of international exhibitions held in Eastern Australia in conjunction with the Australian 1988 bicentennial celebrations. Adamowicz *et al.*, (1995) studied the cultural heritage values associated with the preservation of the historical inland waterway system in Great Britain; Costa and Manente, (1995) investigated the characteristics that affect visitation patterns in a city of art in Italy, Venice; Morey *et al.* (2002, 2003) studied the preferences of 259 residents in four US cities for different management options of Washington DC's marble monuments; Mazzanti (2001, 2002a, 2002b, 2003) used MAV to study the preferences of visitors of the Galleria Borghese Museum in Rome; Alberini *et al.* (2003) explored the potential of conjoint choice questions for urban planning

decisions by eliciting people's preferences for regeneration projects that change the aesthetic and use character of specified urban sites; Maddison and Foster (2003) used MAV to explore how 400 English speaking visitors to the British Museum are affected by congestion in specific rooms of the museums during the month of August 2000; Suh and Gartner (2004) used MAV to explore the preferences of 420 international urban travellers for visits to Seoul, Korea; Colombino *et al.* (2004) reported the results from a survey using MAV to elicit people's preferences for cultural heritage management strategies for the Paestum world heritage site, Italy; Apostolakis and Jaffry (2005) studied tourists' preferences and choices for the heritage attractions at the Knossos Palace and the Heraklion Archaeological Museum in the Greek island of Crete; Alberini *et al.* (2006) elicited the preferences of 311 residents of Venice, Italy, for regeneration projects of the historical Arsenale, an historic area of the city currently underused; Snowball and Willis (2006) interviewed 78 people at the Grahamstown National Arts Festival in South Africa in July 2003, respondents were asked to trade off hypothetical management programs of the festival and Tran and Navrud (2006) applied both contingent valuation, and MAV to study the preferences of both residents and tourists at the My Son World Heritage Site in Vietnam.

- *Other*: photo cameras (Simonson and Tversy, 1992); orange juices (Swait and Adamowicz, 2001); different types of meat (Gillespie *et al.*, 1998); paper (McDermott, 1999); different surgery treatments (San Miguel *et al.*, 2000); choice of housing (Katoshevski and Timmermans *et al.*, 2001; Oppewal and Timmermans, 1999; Orzechowski *et al.*, 2005) and for valuing public environmental goods.[28]

In MAV, respondents are shown a set of alternative representations of a good and are asked to pick their preferred option. If the "do nothing" or status quo option is included in the choice set, the experiments can be used to compute the value (WTP) of each alternative. This approach has the advantage of simulating real market situations, where individuals face two or more goods characterized by similar attributes, but different levels of these attributes, and are asked to choose whether to buy one of the goods or none of them. Another advantage is that the choice tasks do not require as much effort by the respondent as in rating or ranking alternatives.

Hanley *et al.* (2001) offer a survey of applications in environmental economics.

Advantages and disadvantages of SP techniques over RP techniques

As explained in previous chapters when assessing the value of externalities or public (quasi public) cultural heritage goods, the use of **stated preference (SP) techniques have important advantages over revealed preferences (RP)**:

- SP allows the estimation of consumer preferences in those situations where information on the choices made by individuals is not available;

- In addition to this, it is possible to estimate the preferences of individuals for attributes or characteristics of products that are currently non-existent;

- SP solves the problem of co-linearity that exists between product characteristics when RP is used. This is probably the most common limitation of RP data and one might well wonder why many economists would argue that severely ill-conditioned RP data are superior to SP data just because they reflect "true" market choices and

- SP allows the range of possible values in product characteristics to be extended. In many cases, RP is limited by the low variability of some product characteristics (such as price) that prevent the parameters of the utility function from being estimated efficiently.

Despite some advantages, SP data are not always considered to be valid for model estimation due to the uncertain reliability of information elicited under hypothetical scenarios. SP data may contain biases and large random errors if the decision making protocol exercised in a hypothetical situation differs from that exercised in a real choice context. Some of the difficulties include (Morikawa *et al.*, 2002):

- The respondent considers only the most important attribute of the alternatives (the prominence hypothesis);

- The response is influenced by an inertia of the current actual choice;

- The respondent uses the questionnaire as an opinion statement for his or her own benefit;

- The respondent does not consider situational constraints, and

- The respondent misinterprets or ignores an attribute if the attribute value lacks reality.

In order to avoid all these problems, it becomes crucial to design the experiment perfectly. Namely, this implies correctly describing the hypothetical scenario, designing

the questionnaire, identifying the attributes and their corresponding levels, constructing choice sets and alternatives and WTP estimation.

Advantages and disadvantages within SP techniques: CV and MAV

Contingent valuation is a direct survey approach which is able to estimate individuals' preferences. By means of an appropriately designed questionnaire, a hypothetical market is described where the good or service in question can be traded. This contingent market defines the good itself, the context in which it would be provided and the way it would be financed. Respondents are then asked to express their maximum willingness to pay for, or their minimum willingness to accept, a hypothetical change in the level of provision of the good.

Theoretically, contingent valuation is well rooted in welfare economics, namely in the neo-classical concept of economic value based on individual utility maximization.

This assumes that stated WTP amounts are related to respondents' underlying preferences in a consistent manner (Hanley *et al.*, 2001). This technique derives its name from the fact that the value estimates are contingent on a hypothetical scenario that is presented to respondents for valuing.

The choice of elicitation formats for willingness to pay questions in contingent valuation surveys has already passed through a number of distinct stages (Hanley *et al.*, 2001).

The original form of contingent valuation constitutes an open ended question, in which respondents are asked to state their willingness to pay (or accept compensation) for a specified change or improvement. The open-ended CV method is now rarely used because it has been found to be vulnerable to a range of biases, for example, respondents find open-ended questions too difficult to answer because they are not accustomed to paying for non-market goods and services. Respondents may have a preference for one alternative over the other but do not know their maximum willingness to pay for a good (CIE, 2001). Ordinary Least Squares (OLS) regression is employed for the estimation under the open-ended CV version.

Owing to the problems of eliciting values using an open-ended question, most CV studies are now undertaken using the referendum or dichotomous choice elicitation. The preference data generated using this method is encoded in binary forms, as respondents are only given the option of answering yes or no, which implies the adoption of a random utility function. In this case, the coefficients values are obtained through the estimation of a binary logit model using the maximum likelihood procedure. After receiving the endorsement of the NOAA experts panel in 1993 (Arrow *et al.*,

1993), the use of dichotomous choice questions substantially increased, particularly in US applications.29 However, an increasing number of empirical studies revealed that dichotomous choice results seemed to be significantly larger than open-ended values, possibly due to "yeah saying" (Hanley *et al.*, 2001).[30]

So that, both approaches appear to have some limitations for estimating values:

- Only one attribute or scenario can be presented to a sample of respondents for valuation.

- It is a poor method for estimating consumer values because respondents are unlikely to provide an accurate response when presented with a hypothetical scenario.

- It may induce some respondents to behave strategically, particularly when public goods are involved.

Partly as a response to these problems, valuation practitioners are increasingly developing an interest in alternative stated preference formats such as Multi-attribute valuation (MAV) methods which includes conjoint analysis and choice modelling.

The main difference between contingent valuation and multi-attribute valuation is that the former analyzes one attribute of the product at a time while the latter explores more than one attribute simultaneously.

This may not be a limitation for CV if the objective of the study is to estimate values for a one-dimensional attribute. However, it is an inefficient method of value estimation if multiple attributes are involved and we are interested in the values attached to each of them and tradeoffs between them.

For this reason, contingent valuation is mainly used to contrast different policies while MAV techniques are more focused on marketing due to the decomposition of products into attributes.

---

[29] The National Oceanic and Atmospheric Administration (NOAA) organized a panel of experts headed by Robert Solow and Kenneth Arrow.

[30]The phenomenon of yeah saying appears when respondents accept to say "yes" and pay the specified amount to avoid the embarrassing position of having to say "no".

Multi-attribute valuation techniques are a family of survey-based methodologies for modelling preferences for goods, where goods are described in terms of their attributes and the levels that these take.[31]

Respondents are presented with various alternative descriptions of a good, differentiated by their attributes and levels and are asked to rank the various alternatives, to rate them or to choose their most preferred. By including price/cost as one of the attributes of the good, WTP can be indirectly ascertained from people's rankings, ratings or choices.

Attribute valuation approaches allow a more direct route to the valuation of the characteristics or attributes of a good and of marginal changes in these characteristics. Although CV can be used to value such changes, the number of scenarios considered is limited to one.

Therefore, there will be a presumption, that multi-attribute valuation approaches will be preferred over contingent valuation approaches in contexts where it is important to value several attributes.

Some advantages of multi-attribute valuation methods that solve the drawbacks of contingent valuation are:

- The only way that a CV study can estimate these attributes is to design different valuation scenarios for each attribute level, however, this is very costly. Multi-attribute methods provide a natural way to do this because they look at more than two alternatives,

- since multi-attributes designs are based on the attribute theory of value, they are much easier to pool with cost models or hedonic price models than CV;

- multi-attribute designs can reduce the extreme multi-collinearity problems because attribute levels are usually designed as orthogonal and

- Multi-attribute methods may avoid some of the response difficulties that appear in CV (Bateman *et al.*, 2002).

Advantages and disadvantages within MAV techniques: Choice-based and preference-based techniques

Two different types of multi-attribute techniques have been suggested:

---

[31] The conceptual microeconomic framework for multi-attribute valuation lies in Lancaster's characteristics theory of value which assumes those individuals' utilities for goods can be decomposed into utilities for composing characteristics.

- preference-based approaches which require the individual to rate or rank each alternative product and

- choice-based approaches which make the consumer choose one of several alternative products.

```
                    ┌──────────────────┐
                    │  Multi-Attribute │
                    │ Valuation (MAV)  │
                    └──────────────────┘
             ┌──────────────┴──────────────┐
   ┌──────────────────┐          ┌──────────────────┐
   │ Preference-Based:│          │ Choice-Based: Choice│
   │Conjoint Analysis (CA)│      │  Modeling (CM)   │
   └──────────────────┘          └──────────────────┘
      ┌──────┴──────┐               ┌──────┴──────┐
┌───────────┐ ┌───────────┐   ┌───────────┐ ┌───────────┐
│ Contingent│ │  Paired   │   │ Contingent│ │  Choice   │
│  Rating   │ │Comparison │   │  Ranking  │ │Experiment │
└───────────┘ └───────────┘   └───────────┘ └───────────┘
```
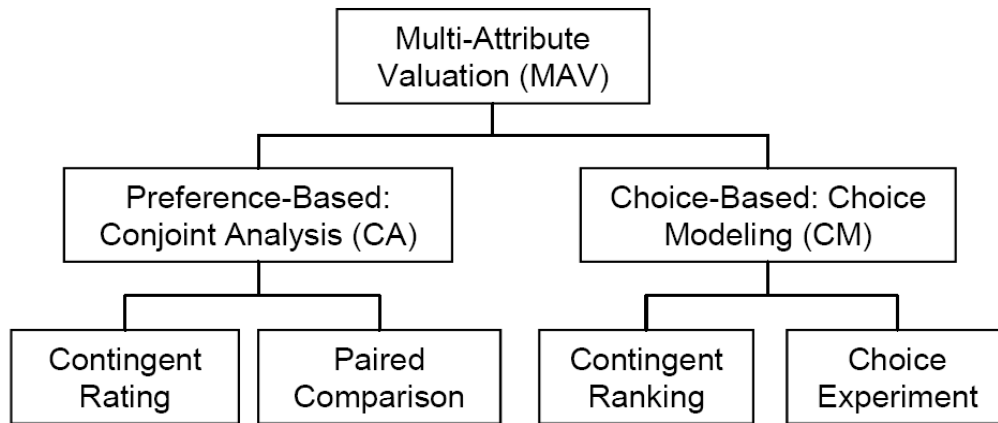
Figure 21: An overview of Multi-Attribute Valuation (MAV)

The former is a research technique in which individuals are asked to evaluate a series of hypothetical and real products, defined in terms of their features.

The latter differs in that individuals are asked to view a series of competing products and select one or, in some cases, more than one. In this regard, choice-based approaches are based on a more realistic task that individuals perform every day, the task of choosing a product from among a group of competitors while preference-based approaches do not require respondents to make a commitment to select a particular option. This is one of the reasons why choice-based approaches are better than or, at least, preferred to preference-based approaches.

Choice-based approaches originate from the discipline of economics and have been widely used for valuing a diverse range of goods and services. On the contrary, preference-based approaches have their origins in the marketing literature and are mainly focused on gaining an insight into individual preferences rather than estimating economic values (Louviere, 1988).

The growing acceptance of choice-based approaches among marketing research practitioners is primarily due to the belief that obtaining preferences by having respondents choose a single preferred stimuli from among a set of stimuli is more realistic and it is thus a better method of approaching actual decision processes.

Generally speaking, preference-based approaches are labelled with the global term of conjoint analysis while choice-based approaches go under the name of choice modelling. Choice Modelling is sometimes referred to as Stated Preference Discrete Choice Model (SPDCM).

One of the main differences between them is the form of the utility function: preference-based approaches use a deterministic utility function while choice-based approaches use the random utility function where the stochastic component includes all unidentified factors that affect choices. In the deterministic case, the utility function is assumed to be related to an individual's ratings via a transformation function ϕ:

$$U_{ij} = \phi\left[V_{ij}(X_{ij})\right]$$

that can take the following shapes: (i) vector model (linear), (ii) ideal point model (linear plus quadratic) and (iii) part-worth function model (piecewise model). The vector model estimates the fewest parameters by assuming the potentially restrictive linear functional form, whereas the part-worth model estimates the largest number of parameters because it permits the most general functional form. These data are typically analyzed using ordinary least squares (OLS) regression techniques which implies a strong assumption about the cardinality of the ratings scale (Bateman *et al.*, 2002).

In contrast choice-based approaches use the random utility function that represents the integrated behavioural theory of decision-making and choice behaviour and are composed of a deterministic component Vj and a stochastic one e j:

$$U_{ij} = V_{ij}(X_{ij}) + \varepsilon_{ij}$$

The Random Utility Theory (RUT) leads to families of discrete choice models that describe the behaviour of individual choice probabilities in response to changes in attributes and/or factors that measure differences across individuals. The most commonly used estimation method is the maximum likelihood.

Individual preferences can be elicited by asking respondents to rank the options presented to them, to score them or to choose their most preferred. These different ways of measuring preferences correspond to different variants of conjoint analysis and choice modelling (see Figure 22).

There are four main variants according to the measurement scale for the dependent variable: contingent rating, paired comparison, choice experiments and contingent ranking. These techniques differ in the quality of information they generate, in their

degree of complexity and also in their ability to produce WTP estimates that can be shown to be consistent with the usual measures of welfare (Bateman *et al.*, 2002).

		Utility Model	Elicitation Format	Measurement Scale	Model Specification	Estimation Method	Welfare Consistent Estimates
	Contingent Valuation (CV)	Open-ended CV: deterministic Referendum CV: stochastic	Open-ended CV: preference-based Referendum CV: choice-based	Open-ended CV: WTP in monetary units Referendum CV: yes, no	Linear Regression Model	OLS	YES
Conjoint Analysis (CA)	Contingent Rating	Deterministic	Preference-based	Score alternative scenarios on a scale of 1-10	Linear Regression Model	OLS	Doubtful
	Paired Comparison	Deterministic	Preference-based	Score pairs of scenarios on similar scale	Linear Regression Model	OLS	Doubtful
CHOICE MODELING (CM)	Choice Experiments	Random Utility	Choice-based	The most-preferred between two or more alternatives	Conditional Logit Model	Maximum Likelihood	YES if non purchase option is included
	Contingent Ranking	Random Utility	Choice-based	Rank a series of alternatives from most to least preferred	Rank Ordered Logit	Maximum Likelihood	YES if non purchase option is included

Figure 22: A comparison of conjoint analysis and choice modelling

Both contingent rating and paired comparison belong to the family of conjoint analysis (CA), which implies the use of a deterministic utility function and ordinary least squares as the estimation procedure. However, these two variants differ in the measurement scale for the dependent variable.

In a contingent rating exercise, respondents are presented with a number of scenarios one at a time and are asked to rate each one individually on a semantic or numeric scale. This variant does not, therefore, involve a direct comparison of alternative choices. Ratings must be transformed into a utility scale. The indirect utility function is assumed to be related to individual's ratings via a transformation function. These data are typically analyzed using OLS regression techniques which imply a strong assumption about the cardinality of the ratings scale. These assumptions relate either to the cardinality of rating scales or to the implicit assumption of comparability of ratings across individuals: both are inconsistent with consumer theory. Hence, contingent rating exercises do not produce welfare consistent value estimates.

In a paired comparison exercise, respondents are asked to choose their preferred alternative out of a set of two choices and to indicate the strength of their preference in a numeric or semantic scale. This approach combines elements of choice experiment (choosing the most preferred alternative) and rating exercises (rating the strength of preference). Also in this case, the utility function is estimated using ordinary least squares.

Within the family of choice-based techniques, choice experiment and contingent ranking can be distinguished. They use of a random utility function and the maximum likelihood as the estimation procedure.

In a choice experiment, respondents are presented with a series of alternatives and are asked to choose their most preferred option. A baseline alternative, corresponding to the status quo, is usually included in each choice set.

Choice experiments give welfare consistent estimates for four reasons.

- They force the respondents to trade-off changes in attribute levels against the cost of making these changes.

- The respondents can opt for the status quo.

- There can be used an econometric technique parallel to the theory of rational and probabilistic choice.

- Estimations of compensating and equivalent surplus can be derived. In this case, a McFadden's conditional logit model using the maximum likelihood procedure can be used.

In a contingent ranking experiment, respondents are required to rank a set of alternative options from most to least preferred. Each alternative is characterized by a number of attributes, which are offered at different levels across options.

Respondents are then asked to rank the options according to their preferences. In order to interpret the results in welfare economics terms, one of the options must always be in the individual's currently feasible choice set. This is because, if a status quo is not included in the choice set, respondents are effectively being forced to choose one of the alternatives presented, which they may not desire at all.

Ranking data provide more statistical information than choice experiments, which leads to tighter confidence intervals around the parameter estimates.

As stated before, the specification model for the preference-based approaches is the linear regression model and the estimation procedure is the ordinary least squares (OLS).

On the other hand, the specification model of the choice-based approaches is the multinomial logit model and the estimation procedure is the maximum likelihood (MLE).

Due to the differences in the measurement scale, the model specification for the choice experiments is McFadden's conditional logit while the model specification for the contingent ranking is the rank ordered logit or exploded logit of Beggs *et al.* (1981).

To sum up, contingent valuation and choice experiments can both generate results that are consistent with welfare theory. Contingent ranking can also generate welfare

theory-consistent results, if do-nothing is included as an option so that the respondents are not forced to rank other options. On the other hand, contingent rating is not widely used in economic valuation mainly due to the dubious assumptions that need to be made in order to transform ratings into utilities; however, due to their simplicity, conjoint analysis variants have been frequently used in marketing fields.

Literature review of non-market studies in Europe

This review focuses on the emerging at non-market valuation studies of cultural heritage sites that have been conducted in Europe. The most widely used non-market valuation technique in the cultural heritage sector is contingent valuation. This 'stated preference' methodology has been widely used in the field of environmental economics since the 1960s, but the adoption of the technique in the cultural heritage field has been much more recent. However, since mid-nineties there is a significant spreading of the other stated technique 'Multi-attribute valuation' mainly due to the influence of tourism and marketing techniques into cultural heritage. About the Revealed preference techniques, they have been used far less as a means to value heritage sites but there is evidence that this is beginning to change with increased use of the Travel Cost Method at heritage sites.

One potential use of economic valuation is as a tool for testing the possibility of setting up local or national taxes aimed at financing culture, fees aimed at regulating access and raising funds, and voluntary donation mechanisms aimed at raising money without imposing a fee. However, the existing cultural heritage valuation studies are scarce and limited in scope and content. This section reviews the current body of evidence and discusses the implications of its findings.

This review focuses on the emerging literature on the valuation of cultural benefits by means of stated-preference techniques (mainly CV). This review follows the criteria of McLoughlin and Kaminski in breaking down the different studies into types of cultural heritage sites (2006, 2007). It is only in recent years that CV methods have started to be applied within the realm of cultural heritage economics, and so far, very few studies have been undertaken.

Early studies on cultural heritage valuation were small-scale surveys, exploratory in nature and mostly confined to finding a price for the good in question using a then-novel methodology in the sector (see, for example, Willis 1994 and Martin 1994). Since then, some progress has been achieved at various levels: sampling, study design, implementation, statistical estimation, testing the validity of the estimates produced,

and exploring the nature of people's preferences toward cultural goods. In this respect, however, cultural heritage is still a long way from the level of knowledge already gathered in other areas, such as the environment or health.

Existing studies vary widely, both in terms of the type of good or activity analyzed and the type of benefit evaluated. As documented in Appendix i, there are some instances where similar types of goods were evaluated (cathedrals, castles, archaeological sites, groups of historic buildings, recorded heritage). However, the type of benefit estimated is usually different, as is the sample frame used, making it difficult to make meaningful comparisons among studies.

While the conclusions of each study are different, some consistent findings emerge from the studies that have been conducted to date. These are framed into three topic areas:

- Lay attribution of value and link among income, education and cultural benefits

- Value of users and non-users

- Cost of commissioning a valuation study

Generally, the findings suggest that, on average, people attribute a significantly positive value to the conservation or restoration of cultural assets. The implication is that damages to cultural goods are undesirable and that the public would be willing to pay positive amounts to avoid them or to slow the rate at which they occur. Mean values range from less than a dollar (for example, Bulgarians were found to be willing to pay about $0.60-$1 to preserve their monasteries [Mourato *et al.* 2002]) to over $150 (for example, the conservation of an archaeological park in Italy was valued at about $216 by local residents [Riganti and Willis 1998]), with the distribution skewed toward lower value ranges. Perhaps a more meaningful measure for comparison purposes is WTP as a proportion of per capita gross national product (GNP): typical annual household WTP amounts for cultural heritage conservation are calculated to range from 0.0i percent to 0.5 percent of per capita GNP.

The large dispersion of estimated values is due to large differences in the type and scope of the cultural change being evaluated, to taste and income variations in the sampled populations, and to disparities in value elicitation methods. Clearly, these values are only indicative and should be taken cautiously, given the small number of studies on which they are based.

Several of the studies depicted show a relatively large proportion of respondents stating a zero WTP (up to 89 percent in the case of the recreational value of defaced

aboriginal rock paintings in Canada [Boxall *et al*. 1998]). Some of these responses can be considered protests against some aspect of the survey instrument (i.e., a dislike of paying taxes or a rejection of the contingent scenario) and thus are not a reflection of people's true preferences. Others, however, are "genuine" zero values arising from budget constraints, from lack of interest in cultural issues, and from the fact that cultural heritage preservation is typically ranked low among competing public issues, as is shown consistently by attitudinal questions.

On the other hand, the insensitivity to the scope of the change being valued (embedding) affects cultural values. Indeed, in an early cultural valuation study, Navrud, Pedersen, and Strand found that respondents were insensitive to the scope of the air pollution damages to the Nidaros Cathedral in Norway (Navrud, *et al*. 1992). This potential problem has been insufficiently addressed by the existing literature.

Evidently, embedding will be less of a problem for flagship cultural goods with no substitutes (e.g., the Pyramids in Egypt). But it may distort results significantly when cultural goods perceived as being non-unique are evaluated (e.g., historical buildings, castles, churches, and cathedrals): for example, the estimated values for a particular cultural good may reflect a desire to preserve all similar goods and thus overstate the value of the good. And, as Navrud, Pedersen, and Strand discussed, this type of bias may also affect the evaluation of the scope and duration of conservation policies for a single site (Navrud, *et al*. 1992). More research is needed in this important area.

The welfare of a significant proportion of the population seems to be unaffected by changes in cultural goods/activities. In some instances, the positive estimated values are driven by a minority of the population; typically, the users of the cultural good and the richer and more educated segments of the population (e.g. improving the landscape of Stonehenge in the United Kingdom by tunnelling a nearby road generates positive benefits to 35 percent of the U.K. population, a group that was found to be on average wealthier and more educated than the 65 percent who were not willing to pay anything for the improvement [Maddison and Mourato 2001, 2002]).

This finding has important implications for the funding of cultural heritage goods. For example, in instances where more than two-thirds of the population express a zero WTP, the imposition of a tax may be infeasible; targeted voluntary donations or entry fees may provide more appropriate means of extracting existing values (although the former invites free-riding behaviour); or, if a tax mechanism is used, care must be taken to ensure that the distributional effects are taken into account with offsetting expenditures. In order to reduce distributional conflicts, education and information

policies are important and should be targeted at increasing the consumption of culture by affecting tastes or by reducing the costs to disadvantaged groups of consuming culture. There is large potential for cross-fertilization between valuation of preferences for culture and the implementation of cultural educational policy.

The link between income, education, and cultural benefits found in cultural valuation studies also seems to suggest that the value of cultural heritage conservation will grow as incomes and education rise. It lends some support to the proposition that future generations might attribute a larger value to heritage conservation than do present generations, in part because of higher incomes and education levels.

Value of users and non-users

Most of the studies summarized indicate that there can be significant values from recreation and educational visits to cultural destinations (e.g. foreign visitors to the Fes Medina in Morocco valued a visit at $38-$70 [Carson *et al.* 1997]). Hence, policies aimed at increasing and facilitating access to cultural sites can also be expected to enhance economic cultural values.

Nevertheless, it is misleading to assume from these results that charging users optimal entry fees will solve all the financing problems of cultural sites. First, user values alone may not be enough to deliver sustainability for the large proportion of cultural goods and services that are not unique in many respects and where substitute destinations exist, which explains the accumulated deficits and/or degradation experienced by many cultural sites. Second, it may institutionally be difficult to charge optimal prices. For example, entry fees might be regulated, or there might be a membership system in place whereby members can gain free access to certain cultural destinations in exchange for a fixed membership fee. Such a circumstance happens in the United Kingdom with the National Trust, a charity founded in 1895 to preserve places of historic interest or natural beauty permanently, for the benefit of the nation. The National Trust is the largest conservation charity in Europe, with 251 properties opened to the public and 2.5 million members in 1997. Members account for a large proportion of all visits to the Trust's properties, but, as they are entitled to free access via their membership fee, they would therefore not be affected by increases in entry fees.

A number of related issues should also be taken into account when user pricing mechanisms are designed: on the one hand, the effect of higher prices on visitation rates should be carefully considered and addressed, given the current focus on making heritage available to the general public; on the other hand, the possible trade-off between access and conservation (i.e., too many visitors might cause deterioration of a

site by overuse) should be analyzed explicitly, and future studies should attempt to measure tourist carrying capacity of a site, as well as calculate any possible congestion costs.

About non-users valuation, studies dealing with non-use values of cultural heritage sites show that these can be important. In cases where the relevant population benefiting from improvement or maintenance of the cultural good is thought to be sizable, possibly crossing national borders, the total aggregated benefit can be very large: even when individual WTP is very small, when multiplied by a vast number of people, a large value will be obtained. This is the case when unique and charismatic cultural heritage goods are at stake. For example, the estimated value of improving the landscape of Stonehenge for the U.K. population was found to be mainly driven by non-use values (mainly a desire to protect the site for future generations), with 53 percent of the population never actually having visited the stone circle (Maddison and Mourato 2002).

However, as noted above, there is a trade-off, as the available evidence also suggests that the proportion of those stating zero WTP is largest among non-users. Drawing from the environmental valuation literature, non-use values are also thought to decline with the availability of substitute sites and with households' distance from the site ("distance decay"). Future research should pay close attention to the geographical limits of WTP.

Cost of commissioning a valuation study

The lack of financial resources and/or the lack of knowledge about valuation methods have led to several poor valuation studies, in terms of consistency with economic theory, survey design, statistical performance, and sample significance. This is as true for cultural heritage valuation as it is for valuation studies in other areas. In some cases, the lack of sound preliminary investigation, by means of pilot studies, focus groups, and interviews, has led to "quick," and consequently faulty, studies, confirming the golden rule of empirical analysis: the result one gets is dependent on the quality of the data one inputs. Moreover, a good valuation study requires adequate financial and human resources, as it is a time-consuming and complex activity; but, more often than not, sponsoring bodies are unwilling to allocate enough time and resources for practitioners to produce a good study. The recent emphasis on producing best-practice guidelines developed by field practitioners is an attempt to ameliorate this situation (Arrow *et al.* 1993; Bateman *et al.* 2002).

Whatever the budget available, good knowledge of the theoretical underpinnings of valuation, of the lessons yielded by previous studies, and of survey implementation guidelines helps in achieving efficiency (measured in quality of output divided by costs). Interdisciplinary teams of economists, other social scientists, cultural managers, and marketing researchers may set up valuable and reliable cost-effective studies, exploiting economies of scale in (1) preparing more than one valuation study/experiment at the same time, and (2) integrating the valuation experiment with broader socioeconomic or marketing investigations.

2.12 Revealed preference methods

The revealed preference methods techniques have seen fewer applications in the field of cultural heritage compared to stated preference methodologies, despite having much more widely-used economic principles.

Travel Cost Analysis

As with the hedonic price methodology, travel cost has not been widely applied to the valuation of cultural heritage sites. European studies using travel cost methods are rare. The only exception is the work of Bedate *et al.* (2004), which uses the travel cost method to estimate the demand curve for a historic village, a museum in the provincial capital, and a historic cathedral in the Castilla y León region of Spain. Travel cost is more widely used in North America (i.e. Martin 1994, Poor and Smith 2004), where the technique originated, although a recent study from Armenia (Alberini and Longo 2006a and 2006b) suggests the application of the method is becoming more widespread.

Castilla y León

The study by Bedate *et al.* (2004) uses a zonal travel cost model to estimate the demand curve for a historic village (Uruena), a museum in the provincial capital (Museum of Burgos), and a historic cathedral (Cathedral of Palencia) in the Castilla y León region in northern Spain (a cultural festival was also valued).

A zonal travel cost model was constructed, with zones based upon bordering regions, regions not bordering central Spain, peripheral regions in Spain, and regions outside of the Iberian Peninsula. Surveys conducted mainly in the summer of 1998 were face-to-face interviews with tourists.

The research attempted to provide an estimate of the consumer surplus (use value) obtained from visits to the heritage sites. The study used transport costs (entry charges were considered to be zero), but not other expenses incurred during the journey. Using

this data visits per capita were extrapolated for each zone, allowing the creation of a demand curve.

The walled town of Uruena revealed a total consumer surplus of €272.26 based on 130 valid responses, the Cathedral of Palencia had a total consumer surplus of €712.20 (based on 190 valid responses) and the total consumer surplus for the Museum of Burgos was €1171.97 (based on 294 responses). The researchers note that the longer the distance travelled the lower the number of visits. In the cases where this was not true the state of the road and transport network provides a credible explanation for the results.

Hedonic Price Method

The hedonic price method continues to be the most underused of the non-market valuation methodologies in the European context. As with the Travel Cost Method this is a revealed preference methodology, but this technique uses the increase, or decrease, in property values of buildings around a heritage site as the surrogate value. Hedonic pricing has been used even less frequently as an evaluation technique (Clark and Herrin 1997, and Deodhar 2004).

The hedonic pricing method has been used in the field of environmental economics to provide an estimate of the value of environmental amenities and urban goods that affect prices of marketed goods. Hedonic price analysis was first used by Andrew Court in 1939, although the technique gained widespread popularity with the work of Zvi Griliches in the early 1960s (Goodman 1998). Although the technique is not widely used to determine values for cultural heritage sites, it has been applied to cultural heritage in both the United States and Australia. Simpler analyses confirm that there is a premium on heritage properties.

House prices are the most common vehicle for estimating the value of environmental amenities, although other vehicles such as wages can be used (e.g. Smith 1983). Hedonic valuations assume that individuals place a value on the characteristics of a good, rather than the good itself. In this way the price will be a surrogate for the value of a set of characteristics, including cultural heritage characteristics that people consider important when purchasing the good.

The rationale of hedonic property price analysis is that property prices are determined not only by the characteristics of the property, but by the environmental attributes of the locality such as the neighbourhood and community, and other local environmental characteristics. In this scenario, if the factors not related to cultural heritage are

controlled for, then the remaining price differences can be ascribed to differences in the quality and value cultural heritage. The higher price will be a reflection of the perceived value of cultural heritage to people who buy houses in the area.

2.12.1 Contingent valuation methodology

The earliest application of non-market analysis in the 'cultural' field was the contingent valuation study undertaken in Australia to determine the value of support for the Australian arts, using increased taxes as a payment vehicle. The success of this early study was an impetus to the use of contingent valuation techniques in the cultural arena. The technique was used increasingly for other cultural valuation studies throughout the 1980s, including a referendum on a Swiss municipal theatre, the value of performing arts and culture in Ontario, cultural attractions in Britain, and the purchase of two Picasso paintings by a Swiss city (Noonan 2002).

However, it was not until the early 1990s that non-market analyses began to be applied to cultural heritage sites. The earliest published study was a contingent valuation survey undertaken at Nidaros Cathedral, Norway (Navrud *et al.* 1992, and Navrud and Strand 2002). This was followed by a blossoming of site valuations in 1994, including a valuation of the damage caused by air pollution at Durham Cathedral, UK (Willis 1994), the value of maintaining 16 historic buildings in Neuchatel, Switzerland (Grosclaude and Soguel 1993, 1994), and a valuation of three historic sites in Italy.

1996 saw studies of the renovation of buildings in Grainger Town, Newcastle, UK (Garrod *et al.* 1996), and the WTP to gain entry to Warkworth Castle, UK (Powe and Willis 1996). It also saw the first publication of what was to become an extensive and sophisticated series of reports on the Royal Theatre in Copenhagen (1996).

The first valuation of an archaeological site was conducted in 1997, with the study of the archaeological complex at Campi Flegrei in Naples, Italy (Riganti 1997). The nineties closed with an evaluation of alternative road options for Stonehenge, UK (Mourato and Maddison 1999, Maddison and Mourato 2001, 2002).

Recently, contingent valuation has been used to determine WTP values for cleaning Lincoln Cathedral, UK (Pollicino and Maddison 2001), and retaining cultural services at various Italian museums (Bravi *et al.* 2002). The value of Italian heritage assets was assessed at Napoli Musei Aperti, Naples, Italy (Santagata and Signorello 2000, 2002), the baroque city of Noto, the Bosco di Capodimonte, and museum services in the Galleria Borghese museum, in Rome. Museums and archives have also been intensively studied, including the Surrey History Centre, UK (Özdemiroğlu and Mourato

2002), congestion at the British Museum (Maddison and Foster 2001), and the National Museum of sculpture in Valladolid, Spain (Sanz *et al.* 2003).

It is apparent that the application of non-market valuation studies of heritage sites is not evenly distributed across Europe. By far the greatest proportion of such studies has been conducted in the UK where the methods are officially recognised by the government, followed closely by Italy. With the exception of Denmark, Greece, and Finland, in the EU and Switzerland and Norway most European countries have not published non-market valuations for their heritage assets (see Figure 23).
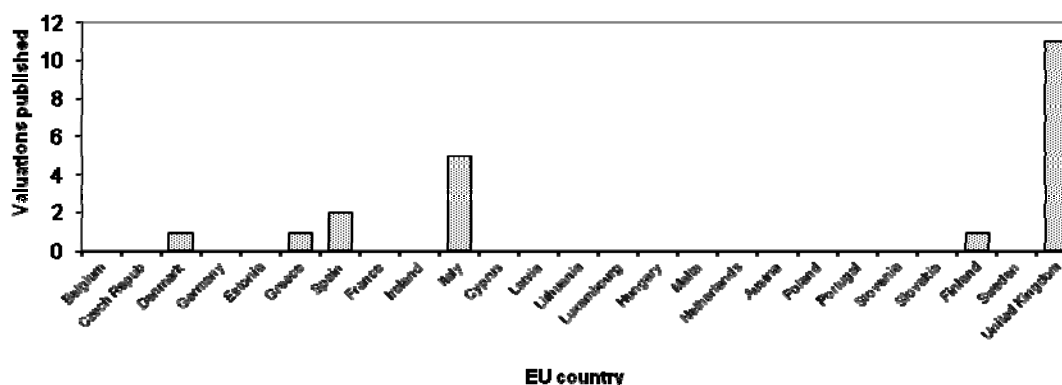
Figure 23: The distribution of non-market valuation studies that have been conducted across the EU[32]

Some samples of studies that use this technique are shown below:

Cathedrals

Some of the earliest applications of contingent valuation in the cultural heritage sector were carried out at cathedrals.

Nidaros Cathedral (Norway)

The first evaluation of a cultural heritage site using the contingent valuation method took place at Nidaros Cathedral, Trondheim, Norway (Navrud 1992, and Navrud and Strand 2002). Nidaros Cathedral is the oldest surviving medieval building in Scandinavia, which is built over the grave of St. Olav, the patron saint of Norway, and holds the Norwegian crown jewels. Navrud (1992) used contingent valuation to estimate visitor's WTP values for reducing the deterioration of the building caused by air pollution. This was achieved using two different lines of questioning:

- Individuals were asked exactly how much they would be willing to pay to reduce air pollution. As this was the cause of the degradation of the cathedral this

---

[32] The number of valuations in the graph relates to the number of published articles rather than the number of actual valuations of individual heritage sites.

method would solve the issue at its root. Individuals were also asked how much they would be willing to pay to restore the damage caused by air pollution to the cathedral.

- Face-to-face interviews were conducted with individuals outside the cathedral between June and August 1991. An open-ended question format was used, and the payment vehicle was a one-off payment.

It was found that respondent's willingness to pay for the reduction of air pollution required to preserve the cathedral was 318 NOK, but the WTP for the repair of pollution damage to the cathedral was 278 NOK. It was noted that 65 percent of the respondents felt that the original structure of the cathedral had a greater meaning to them than a restored structure.

In order to test for whole-part bias, the study compared the WTP for reducing damage to all Norwegian cultural heritage sites with the willingness to pay for reduced damages to Nidaros Cathedral.

Using the cathedral's 165,000 visitors in 1991 as a base, the aggregated benefits of these results were calculated. Applying the mean WTP values provided estimations for visitors of 52.5 million NOK for preservation and 48.9 million NOK for restoration and repair. Approximately, 41,000 foreigners visited the cathedral in 1991, providing an average WTP attributed to foreigners of 238 NOK and 174 NOK respectively. The value of preserving and restoring the cathedral was 10 million and 7 million NOK (Navrud and Strand 2002: 38-9).

It has been suggested by Pollicino and Maddison (1999: 4) that because the study samples only the views of the cathedral's visitors rather than all Norwegians, it represents an underestimate of the willingness to pay. They also note it is unclear if the respondents were valuing other benefits deriving from the reduction of air pollution in addition to the decrease in damage to the Cathedral.

Durham Cathedral (UK)

This study by Willis (1994) was used to determine WTP for access to Durham Cathedral in the UK. The survey was undertaken to ascertain if visitors could be charged an entrance fee in order to obtain revenue for building restoration. The analysis was used to determine what the change in visitor numbers would be at different price levels. The survey was also used to find out about visitor motivations (for example, 71 percent of those surveyed were engaged in sightseeing). At the time of the survey, Durham Cathedra had free access, although donation boxes with a picture

of a one pound coin were located near all entrances and exits. Ninety-two visitors were questioned when leaving the cathedral. The individuals were asked if they had already given a donation voluntarily. It was found that 51 percent of respondents had made no contribution, and only 12 percent had contributed more than the suggested amount of a pound.

A payment-card format was used to determine the WTP for access to the cathedral. When asked for a maximum WTP, 31 percent suggested that they would give more than the suggested donation. Furthermore, 49 percent said that they were willing to pay over £0.76. The optimum access fee calculated by Willis was £0.875. It was therefore evident that the maximum annual revenue that could be achieved from entrance fees was slightly lower that the revenue then obtained from annual donations. The reason that an entry charge would not raise significantly more than the donations was because many of the visitors who contributed less than the entrance charge would either cease to visit or visit less frequently. It should be noted that in this context, the benefit most visitors to the cathedral gain exceeds the revenue from donations. Therefore, a consumer surplus accrues to most visitors.

Lincoln Cathedral (UK)

This contingent valuation study by Pollicino and Maddison (2001, 2002) was used to determine a WTP valuation for a masonry cleaning program at Lincoln Cathedra. Air pollution had caused much soiling on the cathedral's stonework. The mechanism used was a hypothetical increase in the cleaning cycle from forty years to ten years, and the payment vehicle was a rise in annual household tax. Face-to-face interviews were conducted with 328 Lincolnshire residents. The survey instrument was designed to comply with the NOAA recommendations for contingent valuation design and use.

Photographs were presented to respondents to show the cathedral as it could look with 15 years of accumulated grime and pollution on the façade and after the stonework had been cleaned. Respondents were therefore valuing the change of appearance that followed the cleaning cycle.

A double-bounded, dichotomous-choice method was used and found evidence of a starting point bias. The research concluded that respondents living in the region of Lincoln did place a high value on the preservation of the cathedral's appearance and supported a higher WTP for the increased cleaning cycle. Households in Lincoln had a mean WTP of £49.77 and an aggregate WTP of £1.8 million. Households outside of the city had a mean WTP of £26.77 and an aggregate of £5.5 million. The geographical extent of the WTP was estimated to extend to 40-53 miles from the cathedral.

Historic areas and buildings

Historic buildings, groups of buildings and localities have been widely studied using the contingent valuation technique.

Historic buildings in Neuchatel (Switzerland)

This research by Grosclaude and Soguel (1993, 1994) attempts to determine the WTP for restoration of damage, caused by traffic pollution, to historic buildings in Neuchatel, Switzerland. Sixteen buildings were included in the survey. Two hundred residents were surveyed. Those interviewed were told that the local authority could no longer afford to undertake all the restoration and maintenance required and so the residents would be required to contribute to a fund for the maintenance work. Each was shown photographs of the sixteen buildings in order to ascertain which buildings respondents wanted restored. The survey used an open-ended question format to determine residents WTP an annual sum to maintain the buildings. A number of individuals could not provide a precise WTP and so iterative bidding was instigated by the interviewer. A multiple regression analysis using a Box-Cox transformation was used to identify the variables that affected individuals' willingness to pay. The mean WTP for the sample was 14.3 Swiss Francs and the median WTP was 5.0 Swiss Francs. Twenty-two individuals were unconcerned about the protection of the buildings. If these individuals were removed from the analysis the values for mean and median WTP increase to 16.0 and 7.5.

The authors estimated annual WTP for six buildings was 108 Swiss francs per household. The external aggregated cost for the whole town was SFr. 1.5 million or SFr. 250,000 per building.

Grainger Town, Newcastle (UK)

This study by Garrod *et al*. (1996) determined whether a sample of 202 taxpayers in Newcastle were willing to pay increased taxes for the restoration of historic buildings in Newcastle's Grainger Town. Those interviewed were presented with an open-ended WTP question. The study found a median WTP of £10.00. The bid values were seen as a function of use, demographic, and other variables. Respondents were also asked to allocate financial resources to different areas of Grainger Town. It was found that precedence was given to parts of Grainger Town that had the highest levels of dereliction (Garrod and Willis 2002).

Napoli Musei Aperti (Italy)

This contingent valuation survey by Santagata and Signorello (2000, 2002) was used to determine WTP values for a group of historic and cultural monuments, the Napoli

Musei Aperti (NMA), in central Naples. 468 residents of Naples were questioned for the survey. Individuals were asked if they would contribute voluntarily to a non-profit organisation running the NMA heritage sites rather than relying solely on government support.

The survey was also used to obtain an estimate of individuals' annual expenditure on cultural goods and services. Respondents were reminded of this figure before being asked a dichotomous-choice WTP bid. An open-ended question was then asked in order to elicit WTP. This form of questioning identified an anchoring bias.

The study estimated mean WTP values of 17,000 lire derived from the open-ended questions and 30000 lire from and dichotomous-choice questions. The average user WTP was 24,000 lire, compared to 8,000 lire for non-users. This was despite the city spending only 4800 lire per capita on the NMA. Various funding mechanisms were considered in light of these results.

Warkworth Castle (UK)

This study by Powe and Willis (1996) was used to determine visitor's WTP to enter Warkworth Castle, Northumbria. In this research 201 individuals were surveyed on leaving the castle. At the time of the survey the entrance fee for adults was £1.80, pensioners £1.35 and members of English Heritage gained free admission. The mean WTP for all visitors was £2.53, and the median £2.34. Of the sample groups, paying visitors had a WTP of £2.62, pensioners £2.55, and surprisingly English Heritage members £2.30.

When questioned further, over 90 percent of the respondents stated that they expected that some percentage of their entrance fee was used for preservation of the castle. In these circumstances, the visitor's mean WTP for entrance if the fee was not to be used for preservation of the site dropped to £1.62 and the median WTP to £1.50. The visitors were asked for their WTP if the funds were used exclusively for preservation of the fabric of the castle, assuming that they had already paid their stated WTP for entrance to the castle. The mean WTP for preservation was £0.50. It was concluded that visitors to Warkworth Castle have a mean WTP for preservation of £1.41 and a median of £1.84 (Garrod and Willis 2002). The total benefits provided to visitors at Warkworth Castle were estimated to be more than 2.5 times the revenue gained from the entry fees. The authors suggest that if "funding for heritage sites were to be purely determined by financial revenue, generated from entrance charges, then this would lead to less preservation of heritage than would be optimal or best for society." (*Op cit.* 274).

The historic town centre of Noto (Italy)

This study by Signorello and Cuccia (2002) considers the preservation of the historic centre of the town of Noto in southern Sicily. Before being superseded by Syracuse in 1817 Noto was a provincial capital. This historic town centre is built in the Baroque style after a devastating earthquake in 1693. Noto in conjunction with seven other towns in the region comprise a UNESCO World Heritage Site.

The authors used a contingent valuation survey using both double-bounded dichotomous choice and open-ended question formats. The questionnaire was applied using face-to-face interviews with tourists. The scenario used was the respondents' WTP for a potential entrance fee for tourists to the historic quarter of Noto. The fee would be devoted to the conservation and maintenance of the historic buildings.

The authors identified protest bids using a question which asked for reasons for a zero response to the open-ended willingness to pay question. It was found that protest bids accounted for 16 percent of the sample. The principal reasons for protest bids were that some though an entry fee to the historic centre was unfair, and some considered that the Local Authority should pay.

Mean WTP for all the tourists sampled was 11,500 ITL. A demand curve was constructed from the WTP data and a revenue maximising entrance fee was estimated to be 10,000 ITL. Both Italian and foreign tourists provided the same mean WTP which indicates that the respondents were valuing the access to the good rather than any non-use value connected with the maintenance or restoration work, which would be expected to be higher amongst Italians.

The Bosco di Capodimonte (Italy)

This study by Willis (2002) considers the Bosco di Capodimonte north of Naples in Italy. The research attempted to establish a revenue maximising entry fee for admission to the Bosco Park, which at the time of study had free entry. However, the maintenance and conservation costs of the park led the managing body to consider options for charging an entry fee.

The Bosco Park comprises 143 hectares of woodland bordering the Capodimonte Palace and gardens. These were built in the mid-eighteenth century as a royal hunting ground by Charles III, King of Naples. The Bosco contains a number of historic buildings, including the Royal China factory which made Capodimonte porcelain, the Royal Shooting Lodge, the Royal Stables, the Hermitage, and the church of St. Gennaro. The parkland consists of three principal types, formal avenues of trees, irregular areas with trees separated by open space, and 10 hectares of lawns with an

eighteenth century irrigation system. Willis notes that the Bosco is both a cultural good (a park with both historical buildings and landscapes) and an environmental good. The park can be used as an environmental good independently of its cultural heritage nature.

A contingent valuation survey (based on iterative bidding) was conducted during the summer of 1999, during which time 494 questionnaires were completed. The respondents were presented with one of three iterative bidding cards with prices which ranged from 1,500-4,000 lira on Card 1, 2,000-8,000 lira on Card 2, and 4,000-16,000 lira on Card 3. The iterative bidding question format permits a demand curve to be created using the bid amount and the proportion of respondents willing to accept that bid amount. This would be the basis for establishing the revenue maximising entry price.

A demand curve was estimated from the sample data from which a mean revenue maximising price of 5,131 lira per visit was estimated. If everyone were to pay this amount for entry the gross revenue would be 534.8 million lira per annum. However, the number of visits would decrease from 283,313 to 104,225 per annum.

Archaeological sites

Archaeological sites have been poorly represented in non-market valuations in the cultural heritage sector. Two principal studies have been undertaken:

Stonehenge (UK)

Stonehenge is managed by English Heritage and is a UNESCO World Heritage Site. Constructed during the Neolithic and Bronze Ages (between 5,000 and 3,500 years ago) Stonehenge is a circular henge monument (bank and ditch) containing the stone circle. It is located in a well-preserved remnant prehistoric landscape containing 450 archaeological sites, mainly burial mounds, on Salisbury Plain, Wiltshire. However, two roads (the A303 and A344) pass very close to Stonehenge, causing noise pollution to the visitors, and breaking up access to the prehistoric landscape complex.

This survey by Maddison and Mourato (2001, 2002, and Mourato and Maddison 1999, Maddison and Mourato 2001) was used to determine if UK residents preferred the current road layout near Stonehenge or a tunnel option that would route the roads out of site from the monument. In total 129 UK visitors to the site and 228 UK households were surveyed to determine WTP values for the alternative road options. Those surveyed were shown photographs of the current road and a representation of what the new tunnel would look like. After the respondent stated a preference regarding the

alternatives they were asked for a WTP value using a payment ladder format for a two-year tax increase to support their road preference.

The mean WTP per household for the tunnel option was £12.80 and £4.80 for retaining the current road layout (giving rise to an aggregate value of £265 million for the tunnel and £116 million for the current road). There was a fairly even split between respondents on which option they would prefer (144 preferred a tunnel and 126 wanted to retain the current road layout). Using the median WTP approach, the authors found the aggregate benefit of the tunnel to be essentially zero. Despite this result the UK government is planning to build a 2km tunnel to route traffic past the Stonehenge environs.

Campi Flegrei archaeological park (Italy)

This study by Riganti (1997) and later Riganti and Willis (2002) looks at the Campi Flegre Archaeological Park in the city of Naples. The archaeological park is on the site of the first-century-AD summer residence of the Roman emperors, and contains extensive examples of Imperial Roman remains. The authors attempted to determine the maximum monthly amount that individuals were willing to pay to preserve the heritage site. The payment vehicle chosen was a monthly payment to an independent conservation body.

Two sets of interviews were conducted. 448 interviews were conducted in March 1995 with visitors to the site and residents of Naples (Riganti 1997), while a second survey was conducted in July 1997 which collected 497 interviews. In 1997, a double-bounded question survey format was used to retest the single-bounded format used in the 1995 survey. The samples were split into two equally-sized groups, where one group was given more background information.

The survey elicited five different WTP responses for the following scenarios: conserving the entire area of Campi Flegrei allowing the restrictions on urban development to continue; conservation of parts of Campi Flegrei that were not yet publicly available; conserving Campi Flegrei for use by future generations, conserving the Bagnoli area only; and conserving the Bagnoli area for use by future generations.

The aim of the papers is to study the methodological issues associated with nested values associated with respondents' total value for conserving the area. When different tests were used to test the internal consistency, the results suggested that the respondents did not recognize the different scopes involved with the scenarios, but greater information did help them understand the goods being studied. The average WTP per household was 420,000 lira per annum.

Theatres

Theatres have been widely studied using non-market valuations in the cultural sector. A few such sites can be considered historical entities such as the Royal Theatre, Copenhagen founded in 1748.

The Royal Theatre (Denmark)

A number of sophisticated econometric contingent valuation reports have been produced by Bille (1996, 1997, and 2002) regarding the aggregate WTP for the Royal Theatre, Copenhagen.

1,843 Danes were surveyed by telephone about their willingness to pay for the Royal Theatre in Copenhagen using tax as the payment vehicle. An open-ended WTP question was used in conjunction with a "too much, too little" question about government financial support for the Royal Theatre. Furthermore, in order to study the effect of information on WTP, a split sample was used to determine the effect on individual's WTP of being told what a Dane actually pays on average in tax for the Royal Theatre each year. The WTP difference between users and non-users of the Royal Theatre was also studied; it was found that theatre users were willing to pay at least three times as much as non-users.

The survey found that there was a mean WTP of 154 Danish Kroner's (DKK). The median WTP was DKK 60. The median was found to be equal to the per capita tax expenditure on the Royal Theatre regardless of the information that the individuals received. However, it was found that the provision of information to individuals led to an anchoring bias (45 percent of WTP responses equalled DKK 60). A sophisticated model is forwarded to explain the WTP, taking into account the selection issues resulting from theatre visitation (Bille 2002: 219-28).

Bille concludes that the Royal Theatre would be unable to exist if visitor income alone had to pay for operating costs. More interestingly, non-user WTP is the largest part of the total WTP. In this way Bille argues that it is possible to economically justify the public grant received by the Royal Theatre using the taxpayer's (non-user) WTP as the basis. Billie (1996) notes that "This valuation method is far preferable to economic impact studies, which have often been used as an argument for public support of cultural activities. The Danish taxpayers value the Royal Theatre and are willing to pay the price."

Museums

Museums across Europe have been widely studied using non-market valuation techniques.

The National Museum of Sculpture (Spain)

This research by Sanz *et al.* (2003) used two different contingent valuation surveys to estimate the economic value of the National Museum of Sculpture in Valladolid, Spain. One survey was used to determine the direct use value of the museum and was presented to visitors to the museum; and the other was used to try to capture the passive use value and was presented to potential users in the town of Valladolid.

Both surveys made use of a double-bounded, dichotomous choice format for the valuation question, followed by an open-ended question. The payment vehicle was a contribution to a special fund for preservation and running of the museum. The contingent valuation survey for estimating use value was a self-completing survey, so that visitors themselves were the ones who filled it in when they decided to collaborate. 1,147 surveys were conducted, of which 1,108 were considered valid. The passive use value of the museum was estimated using a telephone survey of the people of Valladolid. 1,014 usable surveys were obtained.

The mean WTP of direct users of the museum ranged between €25 and €30 using a conservative scenario, and between €33 and €40 using a more optimistic scenario; the value assigned by potential users of the museum (passive use values) was approximately €27 and €36 for each of these scenarios. It also showed that there was a degree of acceptance of the payment vehicle chosen. Importantly, it was found that when parametric, non-parametric and semi-parametric valuation methods were compared in a single study (using the double-bounded, dichotomous choice survey), there was no statistically-significant variation in the demand function for the analysed cultural good and its expected WTP, no matter what approach was used.

The Museum of Central Finland

This study by Tohmo (2004) aimed to determine the WTP for the Museum of Central Finland in Jyväskylä. The research also looked at the factors that could affect the residents' willingness to pay for the museum. A contingent valuation questionnaire was sent by post to a random sample of 800 Jyväskylä residents aged 18 and over in November and December 1997.

The individual's willingness to pay varied from zero to 1000 Finnish Markkas (FIM). The average WTP to retain the museum was FIM 103 (with a median of FIM 50). Almost 30 percent of the respondents provided a zero bid for their WTP for the Museum of

Central Finland. It was hypothesised that this was a function of the fact that 46 percent of the respondents had never visited the Museum, and these non-users would tend to feel that they gained no benefit from the site. In fact, the author suggests that based on this percentage of non-users, the proportion of zero bids could have been expected to be even higher.

Unsurprisingly, the average WTP of non-users was only FIM 56 (median FIM 5). For non-users the average WTP was FIM 56. Although a large percentage of the respondents had not visited the museum very often, they did report some willingness to pay for its continued existence and for the possibility of making a future visit. The author argues that this non-use value of the museum can be used to further legitimize public support.

It was found that for each citizen (in 1996) FIM 78 in tax revenue was transferred to the Museum of Central Finland. It is apparent that the residents actually contribute less in taxes to the upkeep of the museum than they report that they are willing to pay to keep the Museum open (FIM 103). The residents' willingness to pay is used to legitimise the upkeep of the museum, suggesting that at the very least the present amount of tax revenue can be directed towards the support of the museum.

Bolton Museum (UK)

Following the success of the contingent valuation of the British Library in 2003 (see below) Bolton Metropolitan Borough Council (BMBC) and the MLA (Museums, Libraries and Archive Council) commissioned a valuation of Bolton's three museums, 15 libraries and central archive. At the time of the survey the museum, art gallery and aquarium had 249,179 visits per annum.

The survey used WTP and WTA questions to ascertain value. Face-to-face questionnaires were conducted in 2005 with Bolton residents providing 325 usable surveys. The WTP question elicited a monthly mean value of £2.77 for users and £1.14 for non users, this compares to £1.16 which is contributed in tax each month per council tax payer.

The WTA question was only asked to users of the museum and provided a valuation of £2,584,000. Interestingly WTA usually provides a higher value compared to WTP, the decision to exclude non-users gave a lower value than the WTP for the museum service. However, the WTA figures for the Libraries gave a total figure for Bolton of £6,431,000 compared to a WTP of 4,500,000 and the archive was valued at £889,000 compared to £250,000.

The cost of providing the museum service in Bolton was £1,800,000. The contingent valuation survey found that the total mean WTP value of users was £2,753,000 while with non-users it was £1,713,000, providing a total value of £4,466,000. This resulted in a cost benefit ration of 2.48:1.

Overall the survey found that the cost of providing the museums, libraries and archives for Bolton was £6,550,000 while the total mean user value was £7,391,000 and the non-user value was £2,954,000. The total value placed on the services by users and non-users was therefore £10,345,000. The cost benefit ratio for all three services was therefore 1.6:1 (BMRC and MLA 2005).

Archives

Interest in archives has been a relatively recent phenomenon. The only non-market valuation that has been conducted is the pilot case study at the Surrey History Centre (UK).

Surrey History Centre (UK)

This research by Özdemiroğlu and Mourato (2001) studied the Surrey History Centre, a local authority archive in Woking, UK. The History Service collects and preserves archives and printed material of relevance to the history of Surrey, and makes them available for reference. The archives include county and government records, newspapers, magazines, journals, books, manuscripts, prints, drawings, letters, sound archives, oral histories, music collections, photographic collections, film, microfilm, maps, and collections in electronic format.

A pilot study of sixty interviews was conducted with 'users' and 'non-users' of the site in May 2000. Thirty-eight interviews were conducted with 'users' of the centre, and 22 interviews were conducted with 'non-users' who had never visited the centre in the local town of Woking. The intention was to determine if use and non-use values could be determined for the recorded heritage conserved at the Surrey History Centre. The authors stress that this was a pilot study with a correspondingly small sample size (60), and that a properly-conducted contingent valuation study would require between 500-1000 interviews rather than 60. As a consequence these values should not be considered as final results.

Two valuation scenarios were studied: the WTP to prevent the closure and dispersal of the collections and WTP to prevent the closure of the site to users but the retention of the collections. A payment ladder format was used to elicit WTP. In line with NOAA recommendations of best practice respondents were also reminded of their budget

constraints. Respondents who were not willing to pay for the preservation scenarios were questioned as to their reasons.

It was found that no respondents felt that they did not benefit from the recorded heritage, while the majority indicated that they 'strongly' or 'almost strongly' benefit. The authors found that in order to prevent the closure of Surrey History Centre and the loss of its collection users were willing to pay on average £34 per annum, and in order to prevent the closure of access £24 per person per annum. On average 'non users' were willing to pay £13 per annum, for both scenarios (Özdemiroğlu and Mourato 2001: Table 11). The median of was approximately £20 for 'users' and £10 for 'non-users', because the median was lower than the mean, this was seen as indicating that the responses are skewed towards the lower end of the willingness to pay distribution.

The authors concluded that recorded heritage is a complex good that provides multiple benefits. People are willing to pay significant amounts to preserve the recorded heritage and access to recorded heritage assets (or the information contained within) is crucial. The preservation of recorded heritage assets for future generations (bequest value) seems to be the dominant benefit; the WTP for access (use value) exceeds willingness to pay for preservation (existence value).

Bolton central archive (UK)

A contingent valuation survey was conducted as part of the wider economic valuation of the Bolton museums, libraries and archives service commissioned by Bolton Metropolitan Borough Council (BMBC) and the MLA (see above). Bolton's central archive had 9,293 visits per annum at the time of the survey. The cost of providing the Central archive service in Bolton was £250,000.

The contingent valuation survey found that the total mean WTP value of users was £204,000 while with non-users it was £76,000, providing a total value of £280,000. The cost benefit ratio of the service was therefore 1.12:1.

Overall the survey found that the cost of providing the museums, libraries and archives for Bolton was £6,550,000 while the total mean user value was £7,391,000 and the non-user value was £2,954,000. The total value placed on the services by users and non-users was therefore £10,345,000. The cost benefit ratio for all three services was therefore 1.6:1 (BMRC and MLA 2005).

Libraries

Although libraries technically fall outside of the definition of pure cultural heritage sites, some institutions can make a case for inclusion. One such example is the British

Library, London, which contains books and manuscripts dating back to the ninth century.

The British Library (UK)

This study by Pung *et al.* (2004) uses contingent valuation to measure the economic impact of the British Library, London on the UK economy. The research was undertaken between August and October 2003. Three principal attributes of the library were valued. These were:

- The reading room services

- The document supply services and

- Public exhibitions.

Recent digital and Web initiatives were not evaluated so as not to bias the results, and non-UK library users were excluded from the survey.

In total 2,359 individuals were interviewed for the study including, 229 reading room users, 100 remote users, in addition to 2,030 members of the general public who did not make use of British Library services.

The authors found that the questions attempting to determine 'willingness to pay' gave lower value estimates compared to questions attempting to determine 'willingness to accept'. This is a function of the fact that willingness to pay estimates are constrained by respondent's disposable income.

For non-users general public a random sample of the population of all regions of the UK was conducted. 84 percent of respondents felt that the British Library had value for society as a whole. Individuals were willing to pay on average £6.30 in taxes, which is double the current average contribution of approximately £3.00. The willingness to pay was found to be strongly linked to income and region with the southeast having the highest WTP, although all regions were willing to pay more on average than they currently pay through taxes (Pung *et al.* 2004: 88).

Overall the study revealed that the British Library generates £363 million worth of value per annum, both in direct value to the library's users (£59 million) and the indirect value to society (£304 million). This is 4.4 times the annual government funding of £83 million. This study is the first example of the use of contingent valuation to provide a figure for the total economic value of a major national research library.

Debates in favour of and against this methodology

Noonan (2003) summarizes the empirical literature on contingent valuation of cultural monuments. He concludes that while most studies have poorly applied the contingent valuation methodology, the methodology, when rigorously applied to cultural goods, can produce important information for cultural good management programs. By contrast, Throsby (2003) argues against the use of contingent valuation, which, he feels, provides an incomplete view of the non-market value of cultural goods. He argues that cultural value is multi-dimensional, unstable, contested, lacks a common unit of account, and may contain elements that cannot be easily expressed according to any quantitative or qualitative scale. These include aesthetic properties, their spiritual significance, their role as purveyors of symbolic meaning, their historic importance, their significance in influencing artistic trends, their authenticity, their integrity, their uniqueness, and so on. His suggestion is to look for alternatives to contingent valuation to solve the valuation problem. For example, he suggests to deconstruct the idea of cultural value into some components and to seek simple scales to represent judgements based on defined criteria. Finally, Epstein (2003) considers that cultural amenities are the kinds of things that government hopes to create or preserve, often with tax Euros, for which valuation has to be done by non-market means if it is to be done at all. At this point the reluctance to use contingent valuation comes at a far higher price than in ordinary disputes: either we use it or we do nothing at all.

Much controversy surrounds the use of CV when most of the value of the good derives from non-use values, as has been typical in litigation over the damages to natural resources and amenities caused by releases of pollutants. Critics of contingent valuation allege that the quality of stated preference data is inferior to observing revealed preferences, consider contingent valuation a "deeply flawed method" for valuing non-use goods and point at the possible biases affecting contingent valuation data (Hausman, 1993).

2.12.2 Multi-attribute valuation techniques

More recently, researchers have begun to use multi-attribute valuation (MAV) to assess the different characteristics of public programs affecting cultural tourism destinations. In a MAV based survey, respondents are asked to choose between hypothetical public programs or commodities described by a set of attributes (see Hanley *et al.* 2001). The programs differ from one another for the levels taken by two or more attributes. Respondents trade off the levels of the attributes of the programs or goods, one of which is usually its cost to the respondent, and choose their most preferred option. If

one of the attributes describing the programs is the cost, researchers can infer the implicit value of each attribute (see Hanley *et al.* 1998). Finally, if the choice set presents respondents with the "do nothing," or "status quo" option, researchers can assess the WTP for any hypothetical project defined by the attributes used in the MAV exercises. Some authors consider that contingent valuation as a special case of MAV, where respondents are asked to choose only between one hypothetical program and the current situation, or status quo.

MAV is a recent innovation in stated preference techniques. The method finds its origins with Lancaster (1966) that proposed the idea that a 'good' can be treated as the combination of a group of characteristics, which are the things that really matter to consumers. The first applications of MAV were in the fields of marketing and transportation research. Since then, MAV has been applied in several other disciplines (see for example Louviere and Hensher, 1982; Louviere and Woodworth, 1983).

Already in its very beginning, Louviere and Hensher (1982) apply the technique to tourism related activities to forecast the choice of attendance at various types of international exhibitions to be held in Eastern Australia in conjunction with the Australian 1988 bicentennial celebrations.

MAV has then been applied in different fields, providing insights of consumers' preferences for different products, such as photo cameras (Simonson and Tversy, 1992), orange juices (Swait and Adamowicz, 2001), different types of meat (Gillespie *et al.*, 1998), of paper (McDermott, 1999), different surgery treatments (San Miguel *et al.*, 2000), choice of housing (Katoshevski *et al.*, 2001; Oppewal and Timmermans, 1999; Orzechowski *et al.*, 2005) and for valuing public environmental goods.

In their study of a cultural exposition in Australia, Louviere and Hensher (1982) were among the first to use MAV for valuing cultural tourism programs. Early applications of valuing cultural heritage visits include studies that investigate the preferences of cultural visitors in Canada (Cosper and Kinsley, 1984); the cultural heritage values associated with the preservation of the historical inland waterway system in Great Britain (Adamowicz *et al.*,1995); the hypothetical choices of Dutch tourists for visiting the city of Paris (Dellaert *et al.*, 1995, 1997); the characteristics that affect visitation patterns in a city of art in Italy, Venice (Costa and Manente, 1995); the choice of museums (Stermeding *et al.*, 1996); the trade-offs that residents in the municipality of Allinge-Gudhjem in Denmark are willing to make with respect to tourism impacts that affect the number of jobs created, traffic congestion, waste generation, and taxes

(Lindberg *et al.*, 1999); the choice among different theme parks in the Netherlands (Kemperman *et al.*, 2000).

In 1996 Morey *et al.* (2002, 2003) study the preferences of 259 residents in four US cities for different management options of Washington DC's marble monuments. Using mixed logit models they find that the WTP to preserve monuments varies significantly across individuals. They find that while most of the respondents hold a positive WTP for the preservation of the monuments, a significant proportion of young and non-Caucasian respondents hold a negative WTP for the preservation programs.

Mazzanti (2001, 2002a, 2002b, 2003) uses MAV to study the preferences of visitors of the Galleria Borghese Museum, a worldwide known heritage site in Rome.

Between August and October 2000, 185 respondents were randomly interviewed to elicit their preferences for hypothetical management options for the museum that entail different levels for conservation activities, opening hours and additional services to visitors, in terms of multimedia services and additional temporary exhibitions. Mazzanti finds that respondents prefer programs that enhance the level of conservation of the museum, and that offer temporary exhibition together with additional multimedia services. However, in most specifications of the econometric models the author finds that the respondents are not affected by an increase in the time allowed to visitors to see the museum. Only in one specification the coefficient for the time for visiting the museum is negative and significant, suggesting that visitors prefer a program for the museum that shortens the time allowed to visitors to see the museum, which is counterintuitive. When the author further explores this result, he finds that while foreign visitors still prefer a program that decreases the time allowed for a visit, Italian visitors do prefer a program that leaves the museum open for more hours.

Alberini *et al.* (2003), explore the potential of conjoint choice questions[33] for urban planning decisions by eliciting people's preferences for regeneration projects that change the aesthetic and use character of specified urban sites. The authors survey 254 respondents intercepted in the shopping area of downtown Belfast, Northern Ireland, in December 2001 to elicit their preferences for a set of projects representing hypothetical transformations of St. Anne's Square in Belfast, an area that has important cultural and historical dimensions. The authors find that residents of Belfast prefer, ceteris paribus, more expensive regeneration projects. They discuss possible reasons for this counterintuitive finding, including the possibility that people may have

---

[33] Preference-based technique of multi-attribute valuation.

interpreted the price as an indicator of the quality of the intervention, or that the attributes used to describe the square did not adequately capture all of its dimensions.

Huybers (2003) survey 384 persons during August 2002 at three shopping centres in Melbourne, Australia, was used to elicit their preferences over short break holidays. The results highlight that respondents shy away from crowded destinations, prefer holidays that offer an event or a festival, while they are not particularly affected by the environmental setting of the main holiday activities or by the travel time to reach the destination.

Maddison and Foster (2003) use MAV to explore how 400 English speaking visitors to the British Museum are affected by congestion in specific rooms of the museums during the month of August 2000. The authors conclude that while the congestion externality caused by each visitor is equal to about 8 pounds, they cannot recommend an optimal entrance price because of the expected fall in visits if the Museum implemented an admission fee. Quite surprisingly, the authors do not report any comment on the fact that the interviews were carried out in August, arguably the busiest month of the year for the Museum.

Suh and Gartner (2004) use MAV to explore the preferences of 420 international urban travellers for visits to Seoul, Korea. They find that for both pleasure and business trips, travellers from Japan tended to give more importance to shopping activities, while travellers from Europe and North America evaluated the 'intangible' attribute of local culture as more valuable.

 Using a computer-based questionnaire, Alberini *et al.* (2006) elicit the preferences of 311 residents of Venice, Italy, for regeneration projects of the historical Arsenale of Venice, Italy, an underused historic area of the city. The authors investigate how the regeneration of the site would lead to an increase in tourism flows in the area and contribute to significant economic, environmental and social impacts. They find that the residents of Venice are generally not opposed to regeneration projects and new uses for the Arsenale. However, people will not accept any transformation of the Arsenale. On the contrary, they have well-defined preferences for reuse. For example, they like projects that supply housing for residents, but they are much less favourable to hotels, as this would lead to an increase in tourism flows in the Arsenale area of the city.

Snowball and Willis (2006) interview 78 people at the Grahamstown National Arts Festival in South Africa in July 2003. Respondents were asked to trade off hypothetical management programs of the festival described by different numbers of main shows, fringe shows, free shows and street theatre, art exhibitions, craft markets, and ticket

prices. The results of their study show that respondents are willing to pay higher prices for subsidising main shows and craft markets, but are not willing to pay more for fringe shows. The authors conclude that, on efficiency and equity grounds, less public funding support should be provided to main and art events, while fringe and free events should be expanded.

Hasler *et al.* (2006) use an e-mail-based questionnaire to survey 1,636 respondents selected from the GALLUP's internet panel to assess their preferences for a program that would limit the access, affect biodiversity and protect ancient artefacts in the Great Aamose (Store Amose) area situated in the western part of Zealand in Denmark. They find that, on average, respondents are willing to pay about €160 per year as additional tax for protecting ancient artefacts. They find that preferred programs are those that protect biodiversity and ancient artefacts, but do not improve the public access to the area. They justify this result by claiming that most respondents to do not visit the area of Great Aamose and might fear that an improved public access to the area might endanger both biodiversity and ancient artefacts.

Tran and Navrud (2006) apply both contingent valuation and MAV to study the preferences of both residents and tourists at the My Son World Heritage Site in Vietnam.

The attributes used in the MAV study are price (entrance fee for foreign visitors, and preservation fee via an increase in tax for local residents), proposed preservation plan, infrastructure upgrading, and additional services. They find that foreign tourists would have been willing to pay US$6.21 and US$1.53 to help the preservation of the monuments and to improve the infrastructures at the site respectively. Local residents are willing to pay US$2.1 and US$1.3 for supporting the preservation efforts and for improving the site infrastructures respectively. Interestingly, both groups are not willing to pay anything for an improvement of the services at the sites. The results from the foreign sample should be taken with some cautions though, given that respondents were asked to state their willingness to pay under a non incentive compatible scenario: respondents knew that they will never have to pay the additional amount they stated they would pay.

The British Museum (UK)
This study by Maddison and Foster (2003) reports on work conducted to value the reduction of congestion at the British Museum. The British Museum in London is a heavily visited national attraction with 5.4 million visitors recorded in 1999. This level of visitation can affect the quality of the experience that is provided because of queuing,

noise, and inability to view the exhibits. The research attempted to determine a value for the congestion costs imposed by visitors to the British Museum on other visitors. A number of potential solutions are forwarded to try to solve the issue of congestion. The possibility of charging was forwarded, and so was putting more artefacts on display. Interestingly, however, so was the use of an Internet-based virtual tour of the museum. The authors considered that this would not eliminate congestion, because a virtual tour would not provide the same levels of satisfaction as an actual visit to the site. There was also a concern that the cost of technology might outweigh the benefits of reduced congestion.

A choice experiment was conducted on 400 visitors to the museum in August 2000. The visitors were shown photographs of three exhibits at their most crowded, and photos of the same exhibits when less crowded. The survey implied that the crowded photos were associated with free admission, and the less-crowded photos with an admission charge (these were randomly chosen at £3, £6, £12, and £20). The respondents then indicated a preferred option.

The authors suggest that there is an estimated congestion cost of £5.99 imposed by the marginal visitor (i.e. the individual's assessment of the congestion cost imposed by an additional visitor was estimated to be 0.04 pence, this was then multiplied by the number of visitors to obtain the aggregate congestion cost imposed by the marginal visitor on all other visitors). The marginal congestion cost does not, however, relate to the optimal charge, because if a charge were imposed, then the visitor numbers would fall and the congestion externality would change. The authors consider that the methodology used could be applied to other sites struggling with issues of mass visitation.

St. Anne's Cathedral Square, Belfast (UK)

This study by Alberini, *et al.* (2003) focuses on St. Anne's Cathedral Square, in Belfast Northern Ireland. The square in the Cathedral Quarter is located in one of the oldest areas of Belfast city. Much of the architecture dates to the nineteenth and early twentieth Century. The square is part of a conservation area and as such the height of buildings is not permitted to exceed six stories high.

The St Anne's Square historic area is showing signs of deterioration because of long-term neglect and a lack of investment. A choice experiment was conducted in which respondents were asked to choose between pairs of regeneration projects for St. Anne's Square or a hypothetical square that was computer generated and designed to similar to St. Anne's in all details except for the historical and cultural aspects.

Four attributes were chosen for analysis: the building height, the comparative amount of open space and built space, the relative retail and residential usage, and the cost of the regeneration project. There were in total 72 alternative regeneration options, of which respondents were presented with the choice of two alternatives, which were randomly selected.

The valuation survey design is noteworthy for its omission of a *status quo* option in the choice sets, where the existing state of the square may be chosen by the respondents. Methodologically the researchers considered that the *status quo* for the hypothetical square would be poorly defined, suggesting that in order for a comparison, St. Anne's must also be treated similarly. Furthermore, the analysis was not designed to estimate willingness to pay, but to assess how the preferences of respondents are influenced by the architectural and land use attributes of public spaces. Face-to-face interviews with 254 respondents were conducted Belfast City centre in December 2001. A total of 244 usable responses were obtained.

The analysis suggested that respondents favoured regeneration projects for St. Anne's that involved more open space. While in the hypothetical square, the proportion of open space is found not to be statistically significant. The respondents also favoured projects which preserved the current six storey height of buildings and increased the residential use of buildings. While in the hypothetical square, respondent's higher proportions of residential buildings were favoured less. In the hypothetical square the higher the cost of a project, the less likely respondents were to choose them. In contrast in St. Anne's Square the higher the cost of a regeneration project, the more likely it was to be favoured by respondents. The study found that the implicit marginal prices for the hypothetical square were as follows. A 50 percent increase in open space equated to £3.00, a single percent increase in retail space at expense of residential space equated to £0.40, and respondents WTP to avoid an increase in building height on the square was £7.20.

Galleria Borghese museum (Italy)

One of the first studies to measure the WTP associated with ICT (specifically multimedia services) at a cultural heritage site was conducted by Mazzanti (2003a, 2003b) at the Galleria Borghese museum, in Rome. The Galleria Borghese museum, located within the Villa Borghese Park in Rome, is considered by the author to be one of the most important of the state-owned cultural heritage sites in Italy. The site was refurbished between 1984 and 1997, and this research was the first major survey carried out since the restoration project.

The study was based on a survey carried out at the site in the summer of 2000, which collected 185 valid questionnaires (92 percent of the total conducted) after on-site interviews with visitors. The questionnaire was composed of three sections: the first looked at the subject of the study, the second contained a contingent valuation questionnaire, and the final was a choice experiment followed by a request for socio-economic information.

The survey actually valued a variety of elements, of which multimedia services was one. The author used a choice experiment in which the various attributes of the site were broken down so that visitors could provide willingness to pay for various hypothetical changes in the attributes. The two contingent valuation studies (using a payment ladder format) were carried out in order familiarise visitors with monetary valuation and to get information on (monetary) values attached to the current offerings for visit length and site conservation.

The various services offered by the Galleria Borghese museum were described to users including:

- The entry fee

- The level of conservation activity at the site.

The visitors were asked to make choices about:

- Increasing the level of conservation and restoration

- Increasing visit hours

- The addition of multimedia services

- The addition of multimedia services, plus a temporary exhibition.

It was found that visitors expressed a preference for an increase in spending on conservation, for an increase in the level of multimedia services and a possible temporary additional exhibition complementary to the main one. The visitors questioned were, on average, not prepared to pay for increasing the time of the average two hour visit.

Using the figures from 2000 for paying visitors and from WTP values, the author calculated the increase in economic surplus, which could be derived from a supply increase (i.e. and additional temporary exhibition and multimedia services and a conservation earmarked fund). The contingent valuation experiment revealed that the gross economic surplus, which could theoretically be captured by introducing new

services and conservation funds, ranged between 21-121 percent of the direct revenue raised by fee charges, and between 15-88 percent of the total yearly economic surplus.

Knossos Palace and the Heraklion Archaeological Museum (Crete)

This study conducted by Apostolakis and Jaffry (2005) used choice modelling to value visitors' preferences and their willingness to pay for hypothetical developments to Knossos Palace and the Heraklion Archaeological Museum in Crete. Six attributes were studied: advertising, congestion, promotion, eating and drinking facilities, and other attributes which included the "use of A/V material for the interpretation of the exhibits" as well as kindergarten facilities.

To study these, a choice experiment survey was conducted for each site. Three hundred self-administered questionnaires were distributed for each site. The questionnaires were distributed randomly in hotels across Crete. The survey targeted visitors as well as non-visitors to the two heritage attractions. In total 253 usable responses were obtained, giving a response rate for the Heraklion Archaeological Museum of 42.7 percent, whereas the response rate for the Knossos Palace was 41.7 percent (Apostolakis and Jaffry 2005: 312).

Analysis of the results revealed that three factors of the hypothetical developments had a strong influence on potential visitation rates – congestion, kindergarten facilities and A/V interpretation. At both attractions tourists with young children felt that the provision of kindergarten facilities increase the probability of visitation. A 50 percent deterioration in congestion levels in both sites would reduce of tourists' satisfaction levels and lead to a potential reduction in visitation. Middle-aged tourists exhibited positive preferences for the provision of A/V interpretation at the Heraklion Archaeological Museum, but not Knossos Palace. As Apostolakis and Jaffry (2005: 315) note, "given that more than half of tourists in Crete (52 percent) fall in the 31-50 age category. This result suggests that the majority of tourists belonging in this age group who responded to the museum survey prefer the introduction of A/V material in the form of video and three dimensional representations of the museum and its exhibits."

The researchers translated tourists' preferences into monetary units using marginal willingness to pay estimates. From these it was found that tourists with children younger than 10 years old reported that they would be willing to pay €4 for the introduction of kindergarten facilities in the Knossos Palace and an extra € 4.7 at the Heraklion Archaeological Museum. At the Heraklion Archaeological Museum middle aged tourists were willing to pay €2.67 for the provision of better A/V interpretation

facilities. These results make it clear that tourists are prepared to pay extra in order to find out more about heritage sites through better interpretation.

3 Intangible cultural heritage

3.1 Introduction

As it was stated in the previous chapter, that having at ones disposal the most effective methods for eliciting and assessing heritage values is important. However, the real power of a value-based approach for cultural heritage sites comes through using these techniques for the benefit of the actual groups concerned with the stewardship of these sites. It is reasonable to assume that no single valuation tool will likely emerge to solve all the complexities around the different typologies of value. Instead, it is necessary to recognize that managers and stewards of cultural heritage sites have to balance the aesthetic, ethical, spiritual and economic value held by many stakeholders and their financial and social demands. As noted, the question of stakeholders and their perception of value is an essential issue in value assessment. How do they define value? Which value typology and paradigm prevails in the value assessment is at least partly dependent upon understanding the underlying values and attitudes of the key actors.

There are both theoretical and empirical reasons to believe that more fundamental values may serve as "prototypes from which attitudes and behaviours are manufactured" (Homer and Kahle 1988). These fundamental values are defined "as desirable trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or other social entity" (Schwartz 1994: 21). These values may influence attitudes toward external objects and events, which again may predict behaviours toward those external events or objects. Schwartz (1994) expressed that values serve the interest of a social group, motivate action, serve as moral standards for conduct, and are acquired through socialization.

Thus, when studying marked differences in attitude between key actors and stakeholders which seek to conserve the cultural significance of heritage, it is reasonable to expect, at the outset, significant differences regarding fundamental values expressed by the same groups. However, attitudinal diversity does not imply large differences in values. Like most conflicts over cultural resources, controversies between stakeholders (i.e. policy-makers, cultural professionals, economists and civil society), are complex phenomena involving more than competing social values.

Economic issues and interest conflicts obviously play a part, and socialization has also been shown to be influential.

Disagreement about the management of cultural heritage sites in general and museums in particular, reflects conflicts between the different stakeholders involved in the value assessment. During the last years, in many Western countries within the Organisation for Economic Co-operation and Development (OECD) this disagreement is based around the value paradigm shift from the dominance of the utilitarian/instrumental one to a more holistic approach for assessing culture.

If there is a need to identify potential differences in the values that are thought to contribute to differences between key groups in attitudes towards a cultural resource issue, it is necessary to consider the following points:

- the articulation of values characteristics of different stakeholders

- the performance of cultural sector in the context of policy decisions about evidence.

This section reviews literature reflecting the tensions and problems encountered in the value-based assessment of cultural heritage. There are different dimensions of tangible and intangible heritage both of which are important components of developing sustained cultural policies at the local level. However, special emphasis is given to intangible heritage management as evidence shows that it is more difficult to manage.

3.2 Valuing culture

This section offers a review of the qualitative methods in anthropology available for assessing socio-economic values at cultural heritages sites in general and in museums in particular. The benefit of this exploration for cultural heritage managers and stewards is that these techniques can be applied to elicit stakeholder and community values. Besides, the evaluation of these techniques can help articulate the complexity of social relations and cultural dynamics at play in the design, planning and running of cultural heritage centres.

Before examining the literature about value assessment it is worth mentioning the work of Ronald F. Inglehart and Christian Welzel at the World Values Survey (WVS) as it can provide a more complete picture about value shifts at a cross-national and inter-generational level (http://www.worldvaluessurvey.org/). Their conclusions can serve as insights for the development of qualitative techniques in the value assessment at cultural heritage sites.

3.2.1 Cross-national values dimensions

The world value survey led by Inglehart and Welzel is one of the largest comparative projects that might help to place observations onto a map of contemporary differences

in value preferences. Combining this with varying trajectories in nation-making is one way to see how cultural goods like museums are influenced by these societal processes. Or it could be a tool for contextualizing individual preferences in more depth.

The World Values Survey (WVS) is based on a large body of evidence analysis using three different approaches:

- Cohort analysis;

- Comparisons of rich and poor countries; and

- Examination of actual trends observed over the past 35 years.

The study identifies eight country classifications according to their cultural context:

1) **Protestant Zone (excluding English-speaking countries):** Denmark, Estonia, Finland, Germany-West, Germany-East, Iceland, Latvia, Netherlands, Norway, Sweden, Switzerland.

2) **English Speaking Zone:** Australia, Canada, Great Britain, Ireland, New Zealand, U.S.A.

3) **European Catholic Zone:** Austria, Belgium, Croatia, Czech Republic, France, Hungary, Italy, Lithuania, Luxemburg, Malta, Poland, Portugal, Slovakia, Slovenia, Spain.

4) **European Orthodox and Islamic Zone:** Albania, Armenia, Belarus, Bosnia-Herzegovina, Bulgaria, Georgia, Macedonia, Moldova, Romania, Russia, Turkey, Ukraine, Yugoslavia.

5) **Confucian Zone:** China, Japan, South Korea, Taiwan, Vietnam.

6) **Latin American Zone (plus the Philippines):** Argentina, Brazil, Chile, Colombia, Dominican Republic, El Salvador, Mexico, Peru, Philippines, Uruguay, Venezuela.

7) **Islamic Zone (plus India, without European Islamic societies):** Algeria, Azerbaijan, Bangladesh, Egypt, India, Indonesia, Iran, Jordan, Morocco, Pakistan.

8) **Sub-Saharan African Zone:** Nigeria, Tanzania, Uganda, Zimbabwe.

Considering this classification, the survey develops a comprehensive measurement of all major areas of human concern, from religion to politics to economic and social life and two dimensions dominate the world picture:

- Traditional/ Secular-rational, and

- Survival/Self-expression values.

According to the authors, these two dimensions explain more than 70 percent of the cross-national variance in a factor analysis of ten indicators, and each of these dimensions is strongly correlated with scores of other important orientations.

- **The Traditional/Secular-rational values dimension**: reflects the contrast between societies in which **religion is very important** and those in which it is not. A wide range of other orientations are closely linked with this dimension. Societies near the traditional pole emphasize the importance of parent-child ties and deference to authority, along with absolute standards and traditional family values, and reject divorce, abortion, euthanasia, and suicide. These societies have high levels of national pride, and a nationalistic outlook. Societies with secular-rational values generally have the opposite preferences on these topics.

- The second major dimension of cross-cultural variation is linked with the transition from industrial society to post-industrial societies-which brings a polarization between **Survival and Self-expression values**. The unprecedented wealth that has accumulated in advanced societies during the past generation means that an increasing share of the population has grown up taking survival for granted. Thus, priorities have shifted from an overwhelming emphasis on economic and physical security toward an increasing emphasis on subjective well-being, self-expression and quality of life. Inglehart and Baker (2000) find evidence that orientations have shifted from Traditional toward Secular-rational values, in almost all industrial societies. But modernisation is not linear when a society has completed industrialization and starts becoming a knowledge society, it moves in a new direction, from Survival values toward increasing emphasis on Self-expression values.

The map below (Figure 24) reflects country classification and their distribution into the two major dimensions of cross-cultural variation.
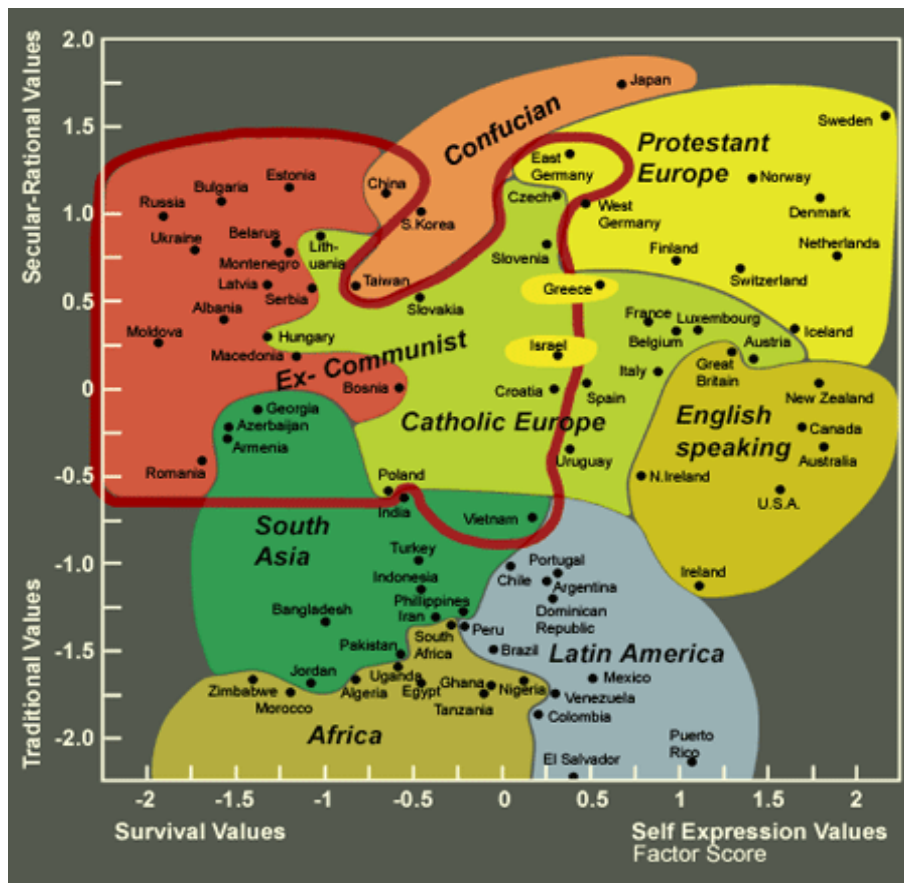
Figure 24: The relationship between countries and values according to the World Values Survey (Inglehart and Welzel 2005: 64)

According to this map Sweden is the most individualized country in terms of values, and has the highest degree of generalized trust, also towards state-responsibility. Here it is a scheme comparing traditional /secular values with survival/self-expression values. The map gives rise to numerous questions and intriguing commonalities such as: India and USA existing on par on the traditional/secular scale? In the case of similarity between Germany, Spain and Greece on the survival/secular level; does this generate possible hypotheses on the working of their national museums?

A central component of this world values perspective involves the polarization between Materialist and Post materialist values, reflecting a cultural shift that is emerging among generations who have grown up taking survival for granted. Self-expression values give high priority to environmental protection, tolerance of diversity and rising demands for participation in decision making in economic and political life. These values also reflect mass polarization over tolerance of out groups, including foreigners, gays and lesbians and gender equality. The shift from survival values to self-expression values also includes a shift in child-rearing values, from emphasis on hard work toward emphasis

on imagination and tolerance as important values to teach a child. And this comes with a rising sense of subjective well-being that is conducive to an atmosphere of tolerance, trust and political moderation. Finally, societies that rank high on self-expression values also tend to rank high on interpersonal trust.

According to the authors' opinion: 'this produces a culture of trust and tolerance, in which people place a relatively high value on individual freedom and self-expression, and have activist political orientations. These are precisely the attributes that the political culture literature defines as crucial to democracy'. In the analysis with data from the Values Surveys, Ronald Inglehart and Christian Welzel (2007) shows that open and observable support for democracy reflects intrinsic support[34] only in so far as it is coupled with self-expression values, and this coupling captures only a minor part of the variance in support for democracy.

As shown in Figure 24 self-expression values explain about 20 percent of the variance in the percentage of solid democrats. But this effect reflects a curvilinear relationship, indicating that widespread self-expression values are a sufficient but not necessary condition to create majorities of "solid democrats" (i.e. the percentage of people scoring at least +3 on the -6 to +6 system preference scale). If a given population is slightly above the midpoint on the self-expression values scale, at least half of its citizens will be solid democrats. There are no exceptions: relatively widespread self-expression values seem to be sufficient to create majorities of solid democrats. But the reverse does not hold: societies whose citizens place relatively low emphasis on human self expression do not necessarily have a low proportion of solid democrats. Quite the contrary, societies that fall on the lower half of the self-expression values scale can show either high or low levels of overt support for democracy, ranging from almost 0 percent in Vietnam to 95 percent in Bangladesh. Lip service to democracy can be based on a variety of motives, including the belief that being democratic means being rich and powerful. At this point in history, the fascist and communist models have lost their appeal, and democracy has a positive image in most parts of the world (see Inglehart and Norris, 2003). Accordingly, public support for democracy is not necessarily linked to a culture that emphasizes human choice. At the individual-level, support for democracy tends to be linked with self expression values because almost everyone who places strong emphasis on self expression also supports democracy. But there are many other people who do not emphasize self-expression values but support democracy for other reasons, such as the belief that democracy means being

---

[34] Democracy valued intrinsically means that it is valued as an end in itself, whereas democracy valued instrumentally means that it is valued as a means to improving material living standards.

secure and prosperous. But these other motives are instrumental; they do not reflect a high valuation of democracy *per se*, and this type of support can quickly vanish if a society's experience under democracy is disappointing. Their findings suggest that overt mass support for democracy leads to effective democracy only in so far as it is linked with self-expression values.

Finally Figure 25 illustrates, the extent to which the societies of different cultural zones have effective democracy, largely reflects the discrepancy between intrinsic and instrumental support for democracy. Rising self-expression values transform instrumental into intrinsic support for democracy, the only sort of support that really helps democracies to emerge and to survive.
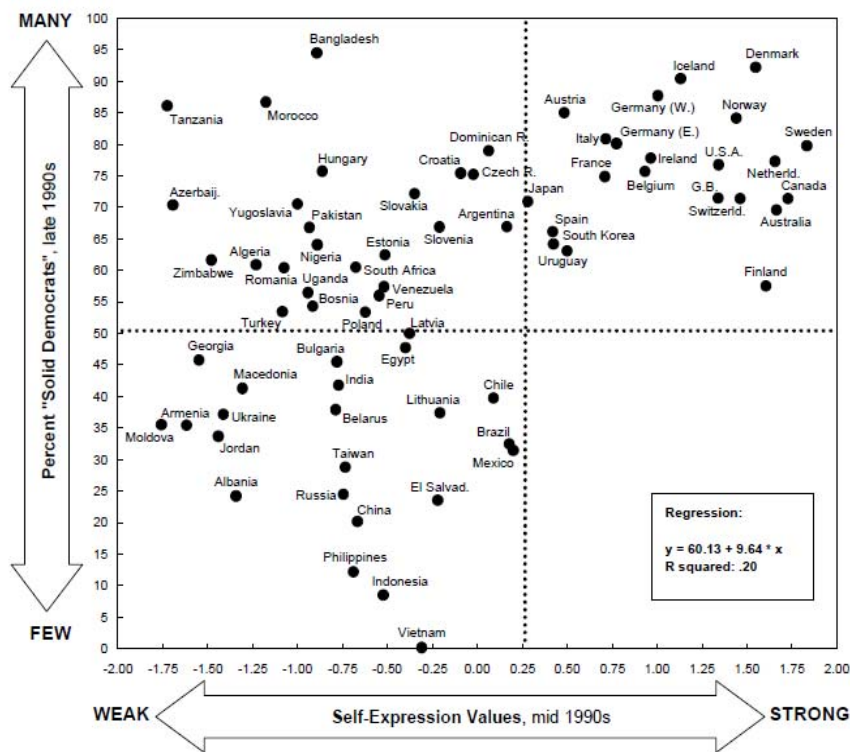
Figure 25: Self-expression Values and Support for Democracy (source: Inglehart and Welzel 2005, fig 11-5)
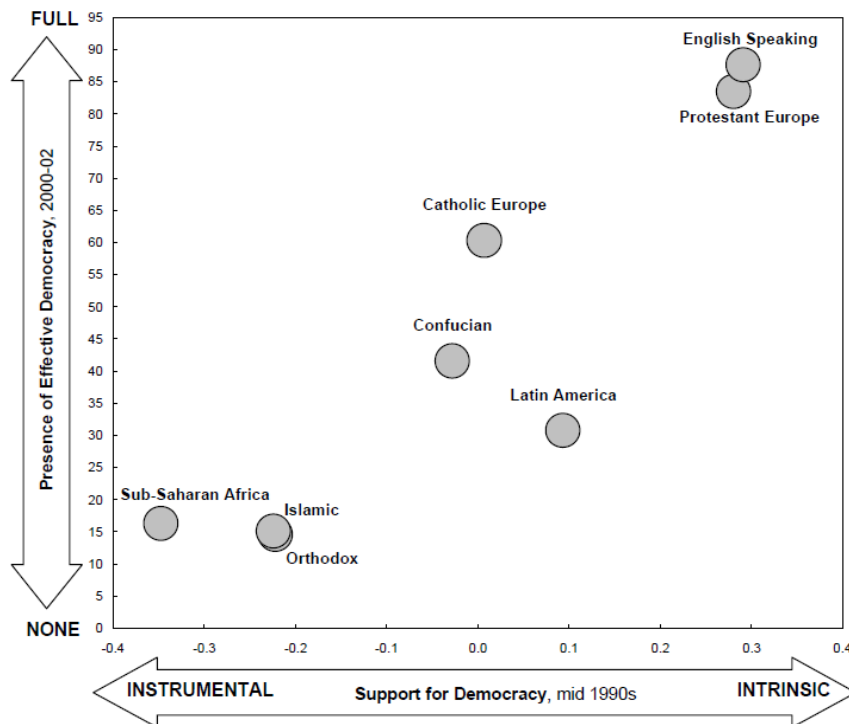
Figure 26: Instrumental versus Intrinsic Support among Cultural Zones (source: Inglehart and Welzel 2005, fig 11-7)

This study is a useful tool for international cultural heritage organisations such as UNESCO, ICOMOS, etc. For instance, while defining adaptable management techniques for cultural properties that form the World Heritage Site list, the knowledge of how basic values have changed in a particular country can help them to address conservation principles, techniques and policies more effectively.

Different countries, similar types of cultural heritage goods, museums, similar negotiations, differing experiences and actors – all of these are possibilities need to be considered also according to the capacity of the comparative approach chosen.

3.2.2 Cultural anthropology and perceptions

This section reviews the qualitative methodologies in anthropology available for assessing the socio-cultural values of cultural heritage goods. The knowledge discipline of Anthropology (from the Greek ἄνθρωπος, "human" or "person") consists of the study of humanity and cultural anthropology (also referred to as social anthropology and ethnology) is focused on the study of human culture. In regards to humanity, culture can deal with a host of subjects, such as religion, mythology, art, music, science, government systems, social structures and hierarchies, family dynamics, traditions, as well as cuisine, economy, and relationship to the environment. Any and all of these factors make up important aspects of culture and behaviour.

Interestingly, it is a holistic study (in line with the aim of the present research) and it is traditionally distinguished from other disciplines by its emphasis on cultural relativity, in-depth examination of context, and cross-cultural comparisons. This discipline is able to provide a better understanding about the complexity of social relations and cultural dynamics about how the value of cultural heritage sites is perceived either at an individual level (i.e. for eliciting individual user's experiences and perceptions of the site) or at a social level (i.e. providing methods that uncover the historical significance of the site). Moreover, the focus of research of this discipline also covers the group scale and the individual within the group.

The review starts with a brief overview of qualitative methodologies. The limitations of the main methodologies are discussed. The discourse methodology is proposed as the most inclusive and useful for solving intangible heritage preservation and safeguarding issues.

According to the anthropologist Setha Low (1987) the qualitative methodologies in cultural studies are characterized by their humanism and holism (a philosophical position that argues that humans and human behaviour cannot be understood or studied outside the context of a person's daily life, life world, and activities). The methodological approaches in line with this definition include:

- cognitive

- observational

- phenomenological

- historical

- ethnographic, and

- discourse.

Each of these approaches focuses on distinct aspects of the social world, and the approaches vary in terms of their appropriateness for different problems, their levels of analysis, and the role of the researcher. Although these determinations are not fixed and may change over time, they provide a preliminary framework for selecting the qualitative methods that would be most appropriate for eliciting and assessing socio-cultural values at heritage sites. While all qualitative methods have some utility in evaluating heritage sites, some approaches have distinct advantages.

The six methodologies identified are arranged in order of their complexity and scope of inquiry:

- *Cognitive approach*: it focuses on one dimension of human activity (a mental or behavioural process) from an individual scale of research. It includes both the study of cognition as a mental process (often reflected in language) and cognition as a set of categories that structure perception through the attribution of meaning. One application is in the area of semantics. It refers to the linguistic analysis of the structure of meaning in a language and culture. Most semantic work is based on the intensive interviewing of key informants to produce linguistic taxonomies, hierarchies of concepts and terms that describe an individual's understanding of the world and that collectively describe the culture (Low 2000). For instance, a cultural heritage professional in festivals working with an anthropologist could develop a taxonomy of festival types by asking informants to name all the kinds of festivals that exist in their town. Once a list of all the possible festival types is developed, the researcher then asks what distinguishes each festival type and repeats the procedure until a complete linguistic map of all festival kinds and their characteristics has been produced.

- *Observational approach*: this focuses on one dimension of human activity (a mental or behavioural process) from a group and an individual within the group scale of research. It includes simple observation of activities and behavioural mapping, as well as elaborate systems of time-lapse photography of public spaces (Whyte 1980), ethno-archaeological techniques (Kent 1984), and non-verbal communication strategies for understanding the environment. For instance, William H. Whyte spent seven years filming street behaviour with a small movie camera located on the top of Rockefeller Centre (Whyte 1980). The idea is to use observations of contemporary peoples' customs and habits, everyday behaviour, and social and ritual activities to interpret intangible cultural heritage. Finally, observation of non-verbal behaviour can be used to theorize about how people understand a certain intangible cultural good. Indeed, intangible or even non-fixed features of cultural heritage are more important for the understanding of non-verbal communication.

- *Phenomenological approach*: this integrates human activity with the environmental context from an individual scale of research. It differs in its epistemological point of view in that the object of study is not separated from the act of perceiving. Studies focus on "place" and on "how place grows out of experience, and how, in turn, it symbolizes that experience" (Richardson 1984, 65). The emphasis is on the individual perceiver and his or her experience as empirical evidence of the world.

- *Historical approach*: this integrates human activity with the environmental context from a societal (large group) scale of research. It locates a particular category of intangible cultural heritage in its temporal context. From a preservation and safeguarding perspective, historical approaches are very important for societal historians, because they can provide insight into past values of the location and how perceptions and significance have changed over time. Intangible cultural heritage professionals, however, have to bring into consideration the values of current users and locals as well as those of other communities (such as tourists) and past users. While historical approaches address past users and locals and the study of immaterial culture and its evolution, they do not address the current users of a certain intangible cultural heritage good, who are best understood through ethnographic approaches.

- *Ethnographic approach*: this includes human activity, environment, and social, cultural, and/or political context from a group and an individual within the group scale of research. It is a broader approach and includes the historical, as well as the social and political, context of the site as a means of understanding contemporary socio-cultural patterns and cultural groups. Ethnographic research (i.e. the process of describing a culture) has the ability to predict local response to design and planning proposals accurately, and it can help evaluate complex alternatives through systematic cultural understanding. Depending on the magnitude of the geographical area, the length of time spent, and the historical depth of the study, ethnography can produce a complete cultural description of a site, as well as descriptions of interconnected non-local communities and of relevant adjacent sites. For instance, Low (2002) describes the ethnographic study of Jacob Riis Park at the edge of Brooklyn and Queens in New York City which found that the restoration done by the National Parks Service (NPS) of Robert Moses's bathhouse was of little importance to new visitors to the site, who come to the beach to picnic in the shade and to enjoy family activities. These new users, mostly recent immigrants from Central and South America, are not aware of the history of the site and do not understand the fencing off of the historic 'mall' area (with a direct view of the Empire State Building). Instead, they are upset that so many of the few remaining trees on the site are cordoned off. Their response has been to ignore the fencing and to picnic under the trees wherever possible. The ethnographic study illuminated this source of conflict, providing the possibility of better communication, design, and planning of the historic site in the future.

- *Discourse approach*: it includes human activity, environment, and social, cultural, and/or political context from an individual and societal influence on the individual scale of research. It includes social experience, the reciprocal acts of speaking and being spoken to, and the emergent product of that speaking, the object of the conversation. Discourse approaches consider the object of study, the text, the context, and the interpretation of the object as one continuous domain. They are able to elicit individual users' experiences and perception of the intangible cultural heritage good and provide methods that uncover historical significance and social change. However, this approach is not widely used in cultural studies. This approach considers culture to be shared, even though it is not localised in concrete signs and to exhibit continuity over time. Empirically this approach is attained by the comparison of actual instances of discourse usage.

The utility of any methodology described before is derived from the researcher's need to answer questions at a specific scale, in a time frame that controls the degree of involvement, and within the domain of a particular research problem. The application criteria derive from the same decision variables.

3.3 Theoretical framework of intangible cultural heritage

3.3.1 Objectives and scope

The objective of this section is to generate a conceptual proposal to understand the intangible cultural heritage from a holistic perspective as well as to serve as a framework reference for the design of qualitative and quantitative value assessments.

This proposed framework differentiates the concepts 'feast, festival and fair' applied to Spain, understanding its idiosyncrasy, conservation, protection and terms of reference at a theoretical and legal level (within the international framework of UNESCO and worldwide reference document 'The Agenda 21 for culture[35]' for cities and local governments).

The classification of ICH is designed as a **tool for valorisation** and to show that what makes ICH exceptional is not only its intrinsic value but the '**conversations**' or '**social discourses**' that make them cultural goods. It is understood by the term conversation not only the deliberations in which the values of cultural goods are realised but all the

---

[35] The Agenda 21 of Culture is an agreement by cities and local governments from all over the world to enshrine their commitment to human rights, cultural diversity, sustainability, participatory democracy and creating conditions for peace.

discourses, literature, publications and discussions among the individuals and bodies who pay, benefit and care for it.

For instance, Las Fallas in the city of Valencia it is a festivity and considered as ICH because it is recognised by the people who participate in it (i.e. the falleros, local community, artists, public authorities among others).

3.4   Definition of intangible cultural heritage (ICH)

For the proposed ICH definition and classification relevant bibliography was reviewed. The political framework considered is the one of UNESCO[36] and the Agenda 21 of Culture. Both of them are international bodies. The selection for that goes in line with the premise taken in this research of "Think Globally, Act Locally" where it is presumed to consider the protection and safeguarding of ICH around the world and to take action in their own communities and citizens that live within the areas of action. These efforts are referred to grassroots efforts where volunteers and local communities are the main funders.

Since World War II UNESCO has supported a series of world heritage initiatives, starting with tangible heritage, both immovable and movable, and expanding to natural heritage and most recently to intangible heritage. Although there are three separate heritage lists, there is increasing awareness of the arbitrariness of the categories and their interrelatedness.

Tangible heritage is defined as "a monument, group of buildings or site of historical, aesthetic, archaeological, scientific, ethnological or anthropological value".

Natural heritage is defined as "outstanding physical, biological, and geological features; habitats of threatened plants or animal species and areas of value on scientific or aesthetic grounds or from the point of view of conservation" and includes such sites as the Brazil's Central Amazon Conservation Complex. Natural heritage initially referred to places with special characteristics, beauty, or some other value, but untouched by human presence, that is, as wilderness, but most places on the natural

---

heritage list*,* and in the world*,* have been shaped or affected in some way by people, an understanding that has changed the way UNESCO thinks about natural heritage. At the same time, natural heritage, conceptualized in terms of ecology, environment, and a systemic approach to a living entity, provides a model for thinking about intangible heritage as a totality and a holistically point of view, rather than as an inventory, and for calculating the intangible value of a living system, be it natural or cultural.

In recent decades there has been an important shift in the concept of **intangible heritage**[37] so that it includes not only the masterpieces, but also the masters. The earlier folklore model encouraged scholars and institutions to document and preserve a record of disappearing traditions. The most recent model aims to sustain a living, if endangered, tradition by supporting the conditions necessary for cultural reproduction. This means according value to the "carriers" and "transmitters" of traditions, as well as to their 'habitus' and habitat. Like tangible heritage, intangible heritage is culture, like natural heritage, it is alive. The task, then, is to sustain the whole system as a living entity and not just to collect "intangible artefacts."

The key distinction between intangible and tangible culture heritage is that the former are LIVING examples of human creativity and ingenuity, embedded in the community. Besides, these living expressions or samples of human creativity can have either material or non-material outcomes.

Intangible Cultural Heritage (ICH) comprises a living form of heritage which is continuously recreated and which evolves as communities adapt their practices and traditions in response to their environment. It provides a sense of identity and belonging in relation to our own cultures which in turn promotes respect and understanding for the cultures of others. As the world changes, modernisation and mechanisation are part of this living process – in many cases they might even assist and promote creativity. However, people play the key role in the creation and carrying forward of ICH. Communities, collectively, are the ones who create, carry and transmit ICH. A community might share an expression of intangible cultural heritage that is similar to one practiced by others. Whether they are from the neighbouring village, from a city on the opposite side of the world, or have been adapted by peoples who have migrated and settled in a different region, all are ICH as they have been passed from one generation to another, have evolved in response to their environments and are valued in and by each community.

---

[37] Previously and sometimes still called folklore

UNESCO's efforts to establish an instrument for the protection of what it now calls intangible heritage dates from 1952. The focus on legal concepts, such as intellectual property, copyright, trademark, and patent, as the basis for protecting what was then called folklore, failed - folklore by definition is not the unique creation of an individual, it exists in versions and variants rather than in a single, original, and authoritative form, it is generally created in performance and transmitted orally, by custom or example, rather than in tangible form (writing, notating, drawing, photographs, recordings).

During the eighties, legal issues were distinguished from preservation measures and in 1989 the UNESCO General Conference adopted the Recommendation on the Safeguarding of Traditional Culture and Folklore. Through a New Standard-Setting Instrument, the Protection of Traditional Culture and Folklore significantly shifted the terms of the 1989 document. First, rather than emphasize the role of professionals and folklore-oriented institutions to document and preserve the records of endangered traditions, it focused on sustaining the traditions themselves by supporting the practitioners. This entailed a shift from artefacts (tales, songs and customs) to people (performers, artisans, and healers), their knowledge and skills. Inspired by approaches to natural heritage as living systems and by the Japanese concept of Living National Treasure, which was given legal status in 1950, the 2001 document recognized the importance of enlarging the scope of intangible heritage and the measures to protect it. The continuity of intangible heritage would require attention not just to artefacts, but above all to persons, as well as to their entire 'habitus' and habitat, understood as their life space and social world.

Accordingly, UNESCO defined intangible heritage as:

> All forms of traditional and popular or folk culture, i.e. collective works originating in a given community and based on tradition. These creations are transmitted orally or by gesture, and are modified over a period of time through a process of collective recreation. They include oral traditions, customs, languages, music, dance, rituals, festivities, traditional medicine and pharmacopoeia, the culinary arts and all kinds of special skills connected with the material aspects of culture, such as tools and the habitat.

And, at the March 2001 meeting in Turin, the definition further specified:

> Peoples' learned processes along with the knowledge, skills and creativity that inform and are developed by them, the products they create and the resources, spaces and other aspects of social and natural context necessary to their sustainability; these processes provide living communities with a sense

of continuity with previous generations and are important to cultural identity, as well as to the safeguarding of cultural diversity and creativity of humanity.

This holistic and conceptual approach to the definition of intangible heritage is accompanied by a definition in the form of an inventory, a legacy of earlier efforts at defining oral tradition and folklore:

The totality of tradition-based creations of a cultural community expressed by a group or individuals and recognized as reflecting the expectations of a community in so far as they reflect its cultural and social identity; its standards and values are transmitted orally, by imitation or by other means. Its forms are, among others, language, literature, music, dance, games, mythology, rituals, customs, handicrafts, architecture and other arts.

Elsewhere in the Implementation Guide, terms like "traditional," "popular," and "folk" situate oral and intangible heritage within an implicit cultural hierarchy made explicit in the explanation of "What for, and for whom?": "For many populations (especially minority groups and indigenous populations), the intangible heritage is the vital source of an identity that is deeply rooted in history."

Intangible cultural heritage is regarded to give communities a sense of identity, provide a link from their past, through the present, and into their future. An understanding of the ICH of different communities is also considered as promoting with intercultural dialogue, encouraging mutual respect for other ways of life and social cohesion that helps individuals to feel part of their community and to feel part of society at large. The value of ICH is defined by the communities themselves - they are the ones who have to recognize these manifestations as part of their cultural heritage. The social value of ICH may, or may not, be translated into a commercial value. The economic value of the ICH for a specific community is the value of the knowledge and skills that are transmitted within that community, as well as the product resulting from those knowledge and skills. Both play a major role in giving the community its sense of identity and continuity and in supporting social cohesion without which development is impossible. ICH does not only have a direct economic value resulting from the consumption of its products by the community itself or by others through trade. It also has an indirect economic value resulting from the non-formal transmission of knowledge, as well as on the impact it has in other economic sectors. Examples of its direct economic value may be the commercial use of its products, such as selling the tickets for a performance, trading in crafts or attracting tourists.

UNESCO's role is to provide leadership and guidance, to create international agreement and cooperation by convening national representatives and experts, and to lend its moral authority to the consensus they build in the course of an elaborate and extended process of deliberation, compromise, and reporting:

> "to take the necessary measures for the safeguarding of the intangible cultural heritage present in its territory"

This process produces agreements, recommendations, resolutions, and provisions. The resulting covenants, conventions, and proclamations invoke rights and obligations, formulate guidelines, propose normative and multilateral instruments, and call for the establishment of committees. The committees are to provide guidance, make recommendations, advocate for increased resources, and examine requests for inscription on lists, inclusion in proposals, and international assistance. Recommendations are to be implemented at both national and international levels. State parties are to define and identify the cultural assets in their territory by creating inventories. They are to formulate heritage policy and create bodies to carry out that policy. They are expected to establish institutions to support documentation of cultural assets and research into how best to safeguard them, as well as to train professionals to manage heritage. They are supposed to promote awareness, dialogue, and respect through such valorising devices as the list.

On May 18, 2001, after decades of debate over terminology, definition, goals, and safeguarding measures for what had previously been designated "traditional culture and folklore", and before the "Report on the Preliminary Study on the Advisability of Regulating Internationally, Through a New Standard-Setting Instrument, the Protection of Traditional Culture and Folklore was presented to the UNESCO Executive Board", UNESCO finally announced the first nineteen "Masterpieces of Oral and Intangible Heritage of Humanity." Another question is the nature of such lists and if this list is the most tangible outcome of decades of UNESCO meetings, formulations, reports, and recommendations.

James Early, Director of Cultural Heritage Policy for the Smithsonian's Centre for Folklife and Cultural Heritage, and Peter Seitel, Project Co-Coordinator for the UNESCO/Smithsonian World Conference, reported their disappointment that "UNESCO's institutional will became focused on adopting the Masterpieces program as UNESCO's sole project in a new convention on ICH (Intangible Cultural Heritage)" that would make the convention a tool for "national governments to proclaim the richness of their cultural heritage," rather than focus on the culture-bearers themselves. The Call

for Action in the proceedings of the 1999 Smithsonian-UNESCO meeting on Safeguarding Traditional Cultures specified a wide range of actions that could be taken with and on behalf of culture bearers. While acknowledging the importance of valorising cultural assets, the Call for Action did not stop there. Nor did it specifically recommend the creation of a list of the Masterpieces of Oral and Intangible Heritage of Humanity.

Not only is each word in this phrase highly charged, but also the phrase itself suggests that heritage exists, as such, prior to, rather than as a consequence of, UNESCO's definitions, listings, and safeguarding measures. Having said that heritage is a mode of cultural production that gives the endangered or outmoded a second life as an exhibition of itself, it is worthwhile to state that one of UNESCO's criteria for designation as a masterpiece of intangible heritage is the **vitality** of the phenomenon in question: As Kirshenblatt-Gimblett[38] puts it, referring to the UNESCO requirement of 'vitality' as a criterion for designation as a 'Masterpiece of Oral and Intangible Heritage of Humanity': 'if it is truly vital, it does not need safeguarding; if it is almost dead, safeguarding will not help.' if it is truly vital, it does not need safeguarding; if it is almost dead, safeguarding will not help.

There is a risk of reducing intangible heritage to a set of expressive traditions that are atomically, not 'holistically', recognised. As Richard Kurin (2004)[39] warns: this is to miss 'the … intricate and complex web of meaningful social actions undertaken by individuals, groups and institutions … Whether they survive or flourish depends upon so many things – the freedom and desire of culture bearers, an adequate environment, a sustaining economic system, a political context within which their very existence is at least tolerated. Actions to safeguard 'tangible' inventoried items of cultural production are unlikely to safeguard adequately the larger, deeper, more diffuse cultural patterns and contexts.'

Accordingly to UNESCO, the proclamation of the first nineteen "Masterpieces of Oral and Intangible Heritage of Humanity" includes:

- The Garifuna Language, Dance and Music, Belize (nominated with the support of Honduras and Nicaragua)

- The Oral Heritage of Gelede, Benin (supported by Nigeria and Togo) The Oruro Carnival, Bolivia

- Kunqu Opera, China

---

[38] Kirshenblatt-Gimblett, Barbara (1998) Destination Culture: Tourism, Museums, and Heritage. Berkeley: University of California Press.
[39] Kurin, Richard (2004) 'Intangible Cultural Heritage in the 2003 UNESCO Convention' in Museum international, 221-222, May 2004, Paris: UNESCO /Blackwell Publishing.

- The Gbofe of Afounkaha: the Music of the Transverse Trumpets of the Tagbana Community, Cote d'Ivoire

- The Cultural Space of the Brotherhood of the Holy Spirit of the Congos of Villa Mella, Dominican Republic

- The Oral Heritage and Cultural Manifestations of the Zapara People, Ecuador and Peru

- Georgian Polyphonic Singing, Georgia

- The Cultural Space of 'Sosso-Bala' in Niagassola, Guinea

- Kuttiyattam Sanskrit Theatre, India

- Opera dei Pupi, Sicilian Puppet Theatre, Italy

- Nogaku Theatre, Japan

- Cross Crafting and its Symbolism in Lithuania, Lithuania (supported by Latvia)

- The Cultural Space of Djamaa el-Fna Square, Morocco

- Hudhud Chants of the Ifugao, Philippines

- Royal Ancestral Rite and Ritual Music in Jongmyo Shrine, Republic of Korea

- The Cultural Space and Oral Culture of the Semeiskie, Russian Federation

- The Mystery Play of Elche, Spain

- The Cultural Space of the Boysun District Uzbekistan.

Consistent with the stated criteria, this list recognizes communities and cultural manifestations not represented on the tangible heritage list, including the oration, performance, language, and ways of life of indigenous peoples and minorities.

Responses to UNESCO's first proclamation of Masterpieces of the Oral and Intangible Heritage of Humanity have been mixed. In an article entitled "Immaterial Civilization," which appeared in The Atlantic Monthly, Cullen Murphy, noting the campaign of Alfonso Pecoraro Scanio to have pizza declared a masterpiece of world heritage, found the UNESCO list underwhelming: "These are indisputably worthy endeavours. But the overall impression is of program listings for public television at 3:00 A.M." Murphy proceeded to offer candidates of her own for the 2003 list. They included the white lie, the weekend, and the passive voice, among others. Such ironic statements index the process by which life becomes heritage and the contemporaneous (those in the

present who are valued for their link to the past) becomes contemporary (those of the present who relate to their past as heritage).

While the white lie, the weekend, and passive voice would not pass the test of being endangered masterpieces, such commentaries are a reminder that a case could be (and has not been) made for the intangible heritage of any community since there is no community without embodied knowledge that is transmitted orally, by gesture, or by example. By making a special place for those left out of the other two World Heritage programs, UNESCO has created an intangible heritage program that is also exclusive in its own way (and not entirely consistent with its stated goals). Thus, the Bolshoi Ballet and Metropolitan Opera do not and are not likely to make the list, but Nogaku, which is not a minority or indigenous cultural form, does makes the list. All three involve formal training, use scripts, are the products of literate cultures, and transmit embodied knowledge from one performer to another. Moreover, Japan is well-represented on the other world heritage lists and the Japanese government has been protecting Nogaku, a Japanese theatre form, as an Intangible National Property since 1957.

By admitting cultural forms associated with royal courts and state-sponsored temples, as long as they are not European, the intangible heritage list preserves the division between the West and the rest of the world and produces a phantom list of intangible heritage, a list of that which is not indigenous, not minority, and not non-Western, though no less intangible.

World heritage lists arise from operations that convert selected aspects of localized descent heritage into a trans-local consent heritage; the heritage of humanity. While the candidates for recognition as Masterpieces of Oral and Intangible Heritage of Humanity are defined as traditions, that is by mode of transmission (orally, by gesture, or by example) world heritage as a phenomenon is not. As a totality, as the heritage of humanity, it is subject to interventions that are alien to what defines the constituent masterpieces in the first place. World heritage is first and foremost a list. Everything on the list, whatever its previous context, is now placed in a relationship with other masterpieces. The list is the context for everything on it.

The list is also the most visible, least costly and most conventional way to "do something", something symbolic about neglected communities and traditions. Symbolic gestures like the list confer value on what is listed, consistent with the principle that you cannot protect what you do not value. UNESCO places considerable faith too much faith, according to some participants in the process, n the power of valorisation to effect revitalization.

In addition to maintaining the list, UNESCO also selects and supports proposals for various programs and projects, "taking into account the special needs of developing countries." Such projects include documentation, both the preservation of archives and the recording of oral traditions; the creation of research institutes and organization of scientific expeditions; conferences, publications and audio-visual productions; educational programs; cultural tourism, including the development of museums and exhibitions, restoration of sites, and creation of tourist routes; and artistic activities such as festivals and films.

Although Las Fallas Festival is not included on the UNESCO list, of intangible heritage, this festival is a prime example of putting UNESCO's and the Agenda 21 for Culture's principles into practice as the latter holds in its guiding document the cultural development of humanity aspect.

Article 9. Cultural heritage, tangible and intangible, testifies to human creativity and forms the bedrock underlying the identity of peoples. Cultural life contains both the wealth of being able to appreciate and treasure traditions of all peoples and an opportunity to enable the creation and innovation of endogenous cultural forms. These qualities preclude any imposition of rigid cultural models.

Article 10. The affirmation of cultures, and the policies which support their recognition and viability, are an essential factor in the sustainable development of cities and territories and its human, economic, political and social dimension. The central nature of public cultural policies is a demand of societies in the contemporary world. The quality of local development depends on the interweaving of cultural and other public policies – social, economic, educational, environmental and urban planning.

Interestingly enough is how the process of safeguarding, which includes defining, identifying, documenting, and presenting particular cultural traditions and their practitioners, produces something valuable and starts a process of valorisation. The following chapters will explore how such value and different types give form to the idea of uniqueness attached to ICH. However, it is worth stating that the valuation of a certain event or celebration of ICH is not sufficient to ensure adequate safeguarding, but it may ensure that those events or elements of ICH most in need of public support can be identified.

3.5 Notion of intangible cultural heritage (ICH)

This section explores the notion of ICH or 'living heritage' in line with the 2003 UNESCO Convention for the safeguarding of ICH and offers a definition and classification for the notions of 'Festivity', 'Festival' and 'Fair' using the **domain definitions** set out in Article 2.2. of the above Convention.

The definition of ICH contained within the UNESCO Convention detailed before is:

> "The 'intangible cultural heritage' means the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage. This intangible cultural heritage, transmitted from generation to generation, is constantly recreated by communities and groups in response to their environment, their interaction with nature and their history, and provides them with a sense of identity and continuity, thus promoting respect for cultural diversity and human creativity. For the purposes of this Convention, consideration will be given solely to such intangible cultural heritage as is compatible with existing international human rights instruments, and complies with the requirements of mutual respect among communities, groups and individuals, and of sustainable development."

The domain definitions of Article 2.2 of this Convention are:

- oral traditions and expressions, including language as a vehicle for intangible cultural heritage

- performing arts

- social practices, rituals and festive events

- knowledge and practices concerning nature and the universe

- traditional craftsmanship.

These 'domain definitions' provide this research with a number of terms of reference for the notions of 'Festivity', 'Festival' and 'Fair' within the area of ICH. However, despite this apparent clarity of domains, ICH is a complex concept. It refers to 'living heritage' manifested *inter alia* through these domain definitions. The classification provided in the next section reflects the state of the art on the available research and literature on this concrete part of ICH. Although it is beyond the scope of this research to be

complete and exhaustive, it may function as a first step towards a guide to the living heritage of Feast, Festival and Fair for the Spanish context.

3.6 Feasts, festivals and fairs

3.6.1 Historical review

Broadly speaking, history is the study of the past and about how the past informs the present or, indeed, the close future. In the case of festivals, feasts and ferias, historical analysis provides insights into the reasons why specific social or institutional practices flourish, their modes of symbolic representation and how they evolve over time.

Despite similarities and differences among these three main manifestations of ICH in addressing the common denominator of _social identity_ the focus of the research is Festivals because they frame the discourse of identity in relation to *arts*.

Festivals can be linked to many traditions, such as carnivals, ferias and feasts. In their long history, festivals might also sometimes be linked to important places in collective memory.

b) Influence of traditional feasts (non-religious and religious) on Festivals

Festivals have their roots in traditional feasts both non-religious and religious ones. The most noticeable sample of non-religious feast is the carnival. Carnivals are often subversive and deeply rooted on the border between pagan and contemporary religious life. In Classical Antiquity, harvest time, spring or solstices were celebrated with feasts which employed what would now be termed the arts, but without explicitly assigning them a cultural value. As for the origins of the Fallas, they seem to be connected with the pagan celebration of the spring equinox. Tradition has it that in the past craftsmen working through the winter would extend their working hours by using a light perched on a stand which they called a 'parot'. This was something like a large candelabrum with various arms or wooden appendages. When spring came, they would celebrate the lengthening of the days that made their 'parot's superfluous by taking them out of doors and burning them in the street on the eve of St Joseph's day. Logically, this custom was initiated by the carpenters of the city. Today there is evidence that since 1497 carpenters have been celebrating this Patron Saint's day with a feast. There is a 15th century document which refers to "the day on which the joiners burn the pole." Later on, the stand was adorned with old garments, much like a scarecrow, and was burnt in a bonfire along with odds and ends and leftovers from the workshop. After this, the stand was given a human visage intended to mock a well-known personality in the neighbourhood. Thus the Ninot, or doll-like effigy, was born. It

soon became a fundamental element in the Fallas feast, no longer used on its own, but accompanied by a whole pageantry of figures.

Festivals also contain a potential threat to the social order like Carnivals. In Classical Antiquity, the Roman festival of Saturnalia was an event where the social order was reversed. A 'king' was chosen and he was given all power, with the injunction to use it as arbitrarily as possible. The archaeologist Salomon Reinach gave this description of it: 'an individual drawn by lot took the title of "King" and gave strange orders to his subjects like sing, dance or carry a woman with a flute on your back etc. For the Romans it was like derision of royalty.'[40] Saturnalia seems deeply to have deeply influenced carnivals. Reinach went on to write:

> "The carnival of the Christian peoples is not different to the Roman Saturnalia. Yet, in Italy, in Spain and in France, where the Roman influence has been longest and most profound, a characteristic feature of the carnival is the construction of a grotesque figure who personifies the feast and who, after a short moment of glory, is destroyed or burned in public. This king of the carnival is hence only a relic of Saturn."

The case of Las Fallas Festival contains also an influence from the carnivals. Each neighbourhood erects grotesque figurines like dolls in the monuments called Fallas which are burned on the 19th of March. Besides, the sense of social order change happens most of all to every Fallas Queen elected by each neighbourhood association from among its maidens who form the court of honour of that particular Falla. Towards the end of the year, these associations present one of these ladies - not necessarily their Fallas Queen - to the competition from which the judges chose thirteen Valencian women who will make up the court of honour of the main Fallas Queen of the entire city of Valencia. Children's Fallas follow the same process. For many years, the Fallas Queen of Valencia was chosen by the Mayor, who was the honorary president of the Central Fallas Committee. This committee called the "Junta Central Fallera", is responsible for coordinating all of the Fallas commissions. For this reason, the Fallas Queen would often be chosen from women belonging to the most influential families of the city. Thus the Fallas Queen roster contained many illustrious surnames such as Franco, Suarez, Fernández de Córdoba and others. In 1961 this biased process changed when Lolita Alfonso Sánchez, an orphan from the House of Goodwill, became the Valencia Children's Fallas Queen. This marked a new starting point for the

---

[40] Reinach, S. (1905), „Le Roi supplicié", Cultes, mythes et religions, Vol. 1:332-341. Paris, Ernest Leroux. Cited in 'European Arts Festivals from Historical Perspective, July 2009. Editors Jeronne Segal and Liana Giorgi (ICCR) http://www.euro-festival.org/docs/Euro-Festival_D2.pdf (last time visited: 7th September 2010).

selection of Fallas Queens among Valencians. Today, the election of the Fallas Queens of Valencia is governed by democratic vote among the candidates being presented.

Another key role played by festivals through history is the association with "cleansing" or "purging". For instance, the French historian Le Roy Ladurie[41] (1979) described the importance of carnivals and festivals in rural societies in 16th century France. Focusing on the small town of Romans in the Prealps, he showed how the festival of the Feast of the Presentation of Jesus at the Temple before Ash Wednesday was initially used to settle and ritualize social conflicts, was exploited to express social demands, thus fulfilling a more important role in society. Le Roy Ladurie insists on the fact that the carnival was simultaneously:

- 'burlesque' with its masks and costumes,

- 'serious' in the strict regulations on how the festival was to take place, and

- 'sacred' in its relationship to religion (both Catholic and Protestant).

Interestingly, fire also plays a dominant role in carnivals. From a psycho-analytical perspective, this expresses the "cleansing" or "purging" enabled by the use of fire during a festival. Even though, the fascination with fire (and putting it out) described by Freud in Civilization and Its Discontents, is still alive in contemporary festivals such as Fallas.

> "We recognize as belonging to culture all the activities and possessions which men use to make the earth serviceable to them, to protect them against the tyranny of natural forces, and so on. There is less doubt about this aspect of civilization than any other. If we go back far enough, we find that the first acts of civilization were the use of tools, the gaining of power over fire, and the construction of dwellings."[42]

The sense of affiliation is intensified in both carnivals and festivals. Jean Duvignaud (1976) goes as far as to state that, according to Rousseau, new nations should 'discover the existential reality of their *social contract* in festivals embodying the spirit of their union. Besides, Karin Friedrich in her book on Festive Culture in Germany and

---

[41] Le Roy Ladurie, E. (1979), Le carnaval de Romans. De la Chandeleur au mercredi des Cendres 1579-1580, Paris, Gallimard.
[42] Sigmund Freud. Civilization and Its Discontents, 1929. http://www.lightoftheimagination.com/Freud-Civil-Disc.pdf (last visited: 12th October 2010).

Europe from the Sixteenth to the Twentieth Century,[43] quoted from the French philosopher to exemplify this line of thought:

> "Plant a pike in the middle of a market place and crown it with some flowers, assemble the people and you have a festival. Even better: give the spectacle an audience, turn the spectators into actors, and make them discover themselves in each other and love each other, so they will be even more united".

Festivals also completely recast space and time. Like carnivals, they usually incorporate processions. Participants often gathered in open fields or squares and then followed new itineraries through the city, avoiding the usual religious procession routes. In the Fallas festivals there are many parades of 'falleros' wearing regional costumes with bands playing music.

Festivals can be considered as the Revolution's own history in the making. On the day after the fall of the Bastille, the day was commemorated by a feast. Fire still had the important aspect of purification. Festival participants often used fire, specifically to burn down Royalist and Catholic symbols. For example, in the UK 'Bonfire Night' on the 5th of November celebrates the anniversary of the Gunpowder Plot:

> *"Remember, remember,*
> *the fifth of November,*
> *Gunpowder, treason and plot.*
> *We see no reason why Gunpowder treason*
> *Should ever be forgot!"*

The elements of carnival costumes and gastronomy are still very much alive in festivals. It is usual to find people who take the opportunity of festivals time to dress up, sometimes in a provocative manner. Like carnivals, many festivals offer a place to exercise the freedom of speech. The Venetian carnival provides another example of how carnivals can merge into festivals, as soon as the cultural element is appropriately highlighted.

c) The influence of patriotic feasts upon festivals

Apart from carnivals, many other feasts have influenced the development of festivals as an element in European culture. The book 'Festive Culture in Germany and Europe from the Sixteenth to the Twentieth Century' by Friedrich (2000) contains a definition of festivals as: 'the manifestation through which a society or group makes plain its

---

[43] Karin Friedrich (2000).Festive Culture in Germany and Europe from the Sixteenth to the Twentieth Century Lampeter: Edwin Mellon Press.

consciousness of its own identity and its determination to preserve its identity', the author emphasizes the political role of festivals. One of the conclusions of this book is that the distinction between festivals designed 'for the people' or 'by the people' should be abandoned. Instead, in this book emphasises 'the crucial role of power relationships, between festival organizers, participants, festival agendas and programmes'. In other words, it highlights the key role played by the discourse.

Whereas feasts are primarily concerned with merely expressing joy and celebration, festivals have an anthropological base made up of mystical, ritualistic and symbolic aspects, which constitute the impressive appearance of festivals, on the one hand, and the interest in political exploitation, on the other. In the foreword to Friedrich's book, McGowan noted, for example, that in Germany in the 1930s, festivals were:

> "[V]ehicles of persuasion, ways of getting the people to believe in a confident and united nation. By the time Hitler came to power, the whole festival apparatus was ready for his exploitation. Martyrs to the National Socialist cause were honoured like saints, and their sacrifice was turned into a triumph celebrating the party's assumption of power, which was made manifest in processions, chants and increasing mass hysteria. […] As festivals became Europeanized and increasingly politicized, broad themes and similar forms were common across national borders. To detect distinctiveness, it will be necessary to continue to study individual festivals in their precise context [...]."

On the Iberian Peninsula and in the south of France, another ancient type of feast also helps to explain the development of festivals; they are fairs (ferias). Defined as urban, social, economic and cultural events, they rely on ancient traditions and are not specifically linked to political issues. Fairs include the aspect of commercialisation of art, but also relate to traditional cultural events. According to Alessandro Falassi (1987) the term *festival* derives from the Latin *festum*. However there were originally two terms for festive events in Latin: *festum*, for "public joy and merriment," and *feria (fair)*, meaning "abstinence from labour to honour the gods." In classical Latin, the two terms became synonyms, as the two types of events increasingly merged.

At the time when religions were at the core of social life, churches, cathedrals and monasteries were built and rapidly shaped the public space. To some extent, festivals can be considered as secular places attached to a common history and collective memory. In relation to Las Fallas the expression of the collective memory takes form on the satirical Fallas monuments is that represent a reprehensible social action or attitude. They have a specific subject and aim to criticise or ridicule. They are more

than mere bonfires or pyres because they show scenes referring to people, events or collective behaviour that their makers - the falleros - consider should be criticised or corrected. The two most popular subjects for falleros in the 1850s were eroticism and social criticism.

In 1858, the falleros in the Plaza del Teatro were officially prohibited from erecting a moving falla with a direct allusion to social inequality with verses written by Josep María Bonilla, but they went ahead all the same the following year. The press gave the name of "erotic falla" or "anti-conjugal tendency" to the many Fallas that alluded to racy or risqué subjects with verses using double-entendres that reflected a hedonistic or lewd mentality.

Throughout the 19th century, the Town Council and the city authorities generally disapproved of these Fallas. Their policy of repression, which aimed to modernise and civilise the city's customs by eradicating popular celebrations such as the Carnival and the Fallas, was rigorously applied during the 1860s when heavy taxes were levied on permits for setting up Fallas or playing music. This led to a counter-reaction to defend local traditions and, in 1887, the magazine La Traca awarded prizes to the best Fallas. The initiative was continued by an association called Lo Rat Penat. This explicit support from civil society provoked competitiveness amongst the different neighbours' committees, stimulating interest in the Fallas and encouraging artistic creation. Criticism did not disappear regarding the subjects of the Fallas (in some cases, it these were politically radical) but a new trend arose favouring a more formal structural and aesthetic concerns.

Although Las Fallas in the city of Valencia only 'officially' lasts a week it is the culmination of the work and efforts of an entire year. Much of the city mobilises itself and contributes to the Fallas, which also enjoys the institutional support of the City Council. Every neighbourhood association (comision fallera) set up their own falla and help to give the festivity an exceptionally attractive air.

However, special mention should be given to the so-called 'Mega-events'. They can be described as large, festival-like events. In many ways these kinds of events fall under the festival definition made by Falassi (1987) in that they are periodically recurrent, social occasions. However, most mega-events (with the exception of carnivals) do not occur more than once at the same place which is why they are not included in the classification for this research.

Benefits from the Olympic Games have been investigated, either as expected, potential ones for the host population, such as impact on tourism, or long-term effects on host

municipalities. For instance, Mihalik and Simonetta (1998) were concerned with the perceptions of the host population for the 1996 Summer Olympic Games in Atlanta regarding their support for the Olympics, willingness to attend the Games and expectations of potential benefits. Faulkner *et al.* (2001) emphasised that research aimed to evaluate the effect of such events on tourism in the host city and country were sparse. Such research was seen as important for being able to derive benefits from future events. Spilling (1998) discussed the long-term industrial impacts of the Winter Olympic Games in Lillehammer, Norway, in 1994. He concluded that the long-term impacts were very marginal and completely out of proportion compared to the huge costs of hosting the Olympic Games. Also touching upon long-term effects and the problem of achieving sustainable impact, Ritchie (2000) attempted to demonstrate how legacy planning could help to ensure that hosting mega-events could contribute to the development and consolidation of facilities and programmes that would benefit residents for many years.

The World Athletics Championship in Gothenburg, 1995 was studied by Hultkrantz (1998), who found that, although the event attracted a large number of visitors, the economic effect on tourism was not as large as expected, because the domestic and foreign event attendants 'crowded out' regular foreign tourists to the region. He therefore questioned the often-used approach of assessing the benefits of mega-events' impact on tourism from just attendance numbers.

d) The peculiar relationship between festivals and the arts

As has been shown from a comparison with non-religious feasts (principally carnivals), religious feasts and fairs, the history of festivals differs in the importance they give to culture. Anne-Marie Autissier (2009) uses the definition of a festival given by the European Association of Music Festivals in 1957:

> 'A festival is first of all a festive event, a complete programme of artistic representations which transcends the usual programme quality in order to attain an exceptional level in a precise place. Therefore, it offers a specific beauty that can only be attained during a limited period of time'

To attain such an exceptional level in art is, of course, a difficult task, but it is precisely what gives the selected works of arts their symbolic value, which can later be traded. This applies, for instance, to film festivals and explains why small laurels (recalling a tradition from Classical Antiquity) flourish on film posters for each selection, even in small festivals, and even if the film has not been awarded a prize. The director Quentin Tarantino, initially an obscure employee in a video shop, is the prototype of a director

who became a star thanks to festivals. His film, Reservoir Dogs, was awarded a prize at the Sundance Film Festival in 1992 and two years later he received a major accolade with the Golden Palm in Cannes. An award or even merely the selection for a festival is often an important stage in the career of an artist, the main prize of an important festival can be comparable to the Nobel Prize for a scientist. This recalls the importance of festivals in educational issues. And even though in some cases the so-called fringe festivals have been established to promote young artists or productions that could not easily have gained recognition over the artistic market.

The cultural value of festivals is determined in each of the art forms represented. Some festivals are linked to a special genre or art domain and even associated with the work of a chosen or charismatic artist. A sample of this is the Bayreuth Festival, which is closely associated with the work of Richard Wagner.

On the other hand, festivals may have a reputation for creativity and awkwardness. This relates, for example, to electronic music, which emerged from wild feasts (rave parties) and festivals like the Sónar music in Barcelona.

Festivals usually provide legitimization for new artistic movements, but some of them are explicitly specialized in this goal. The 'New Genre Festival', which has existed in Oklahoma since 1993, makes the following statement:

> New Genre refers to non-traditional forms of art, which are experimental and fresh. The New Genre Festival presents a diverse range of artists, many of whom cross disciplinary lines, to create exciting new art works. These works push the limits of traditional media while incorporating the new media made possible by today's technology.[44]

This new artistic movement is happening as well in Las Fallas Festival. In recent years there have been some experimental and innovate monuments of Fallas that push traditional designs and incorporating new media such music and visual effects.

On the economic level, festivals have also play an important role in tourism and urbanism, but also in respect to the development of the market in special genres or art domains. The revolution caused by the development of the internet has transformed

---

[44] http://www.livingarts.org/genre/newgenre2009/ng16.html (last visited: 05/01/2010)

traditional business models and created, for instance, a new role for rock festivals. In the last decade, the sales of CDs have reduced by half and professional artists increasingly rely on the fees that they obtain from live performances. This in turn has led to a huge inflation in the price of festival tickets as artists attempt to compensate for diminishing revenues from CD sales.

According to Ekman (1999), festivals also create opportunities for drawing on shared stories, cultural practices and ideals, this can provide local continuity in an arena where local knowledge is produced and reproduced. However, Quinn (2005) is critical about what she calls 'hype' about the theoretically catalytic effect that festivals may have in urban contexts. She quotes a lack of "hard evidence" (ibid., 928) and a profound lack of empirical research on arts festivals' roles in and contributions to urban life. Although sceptical, and wanting more comprehensive studies of the impact of festivals', she has analysed what researchers have written about experiences of city festivals such as those in Glasgow, Edinburgh, Galway, Barcelona and Sydney, and found four themes that seem to contribute to an understanding of the relationship between festivals and cities: 1) the festival as image-maker; 2) the festival as tourist attraction; 3) the festival as community; and 4) globalisation and local diversity.

The potential of festivals to be tourist attractions has mainly been investigated from the perspective of festivals' economic benefit. Quinn's (2005) objection is that this is a far too narrow approach; and that the function of festivals, as can be seen from ideas of festivity displayed in the literature, should go far beyond mere economy. With respect to the festival as a community, she emphasises that festivals need to be rooted in society, and that it is the responsibility of artistic leaders to put together a programme that meets the diverse needs of different visitor community groups within a place.

Quinn (ibid.) sees, as does Waterman (1998), festivals as events that mix the local and the global; they are "vehicles through which cultural meanings are expressed for interpretation both by the place-based communities themselves and by the outside world" (ibid. p. 938). She also underlines that festivals need to add something that the local community does not offer to function effectively. That the festival continually reflects on its own role is a precondition for such contributions to endure. Among her conclusions are that arts festivals' impact has been thought of in a far too narrow way, focusing mainly on economics, and that researchers have a role to play in investigating other impacts of festivals, such as improving the quality of life for the attendees and other cultural and social outcomes.

3.6.2 Classification of intangible cultural heritage (ICH)

The definition of 'intangible cultural heritage' (traditional culture and folklore) does not exist in Spanish legislation except for the aspects referred to in Title VI of the Law 16/1985 of 25 June, concerning Spanish historical heritage and Ethnographic Heritage (see articles 46 and 47 in annex 2).

'Intangible cultural heritage' (traditional culture and folklore) is included in the 'knowledge and activities which are or have been expressions of traditional culture', and in their rooting and customary transmission, as established in Title VI of the Law on the Spanish historical heritage. This norm considers the cultural heritage from a perspective focussed on material expressions, without special emphasis on traditional culture and folklore (oral or intangible) which would permit referring to its identification or protection through legal norms.

However, traditional culture is taken into consideration in its festive and popular aspects, which do not correspond to the concept of material expression, as is the case for the feasts of tourist interest. These very diverse celebrations, which, culturally speaking, are rich in the whole country, are mentioned in the Declaration of feasts of tourist interest, depending on the General Directorate of Tourism, Ministry of Economy and Finance. This Declaration concerns feasts which contain a tourist interest at the national or international level (Orden Ministerial of 29 September 1987 - B.O.E. of 27 October 1987). This Declaration competes with the corresponding organs in the Autonomous Communities.

Having clarified what is understood in legal terms in Spain by intangible cultural heritage and what it implies. This section draws a classification showing three important categories of ICH, namely: the festival, feast and fair.

These 'domain definitions' provide this research with a number of terms of reference for the notions of 'Festivity', 'Festival' and 'Fair' within the area of ICH. However, despite this obvious clarity of domains, ICH is a complex concept. It refers to 'living heritage' manifested *inter alia* through these domain definitions. As UNESCO states: these definitions are neither comprehensive nor prescriptive and insists that the different forms of ICH are defined by the communities that participate in them.

The classification of 'Feast', 'Festival' and 'Fair' in this research has taken into account, firstly, the legal terms and consideration of the Spanish Law and, secondly, the work being undertaken in other countries with especially the UK and Latin-America. The former because of their extensive literature and research within the area of ICH and the

latter because of the resemblance of intangible categories because of the Spanish colonial influence.

It is intended to distinguish between these notions and treat them as separate legacies from earlier generations. It may function as a first step towards a guide to the living heritage in the Spanish context.

As noted in Chapter 1, immaterial heritage is understood as those products of human creativity, that although they cannot be touched, they can be imagined, heard, taught, counted, danced and enjoyed.

Figure 27: Typology of feasts
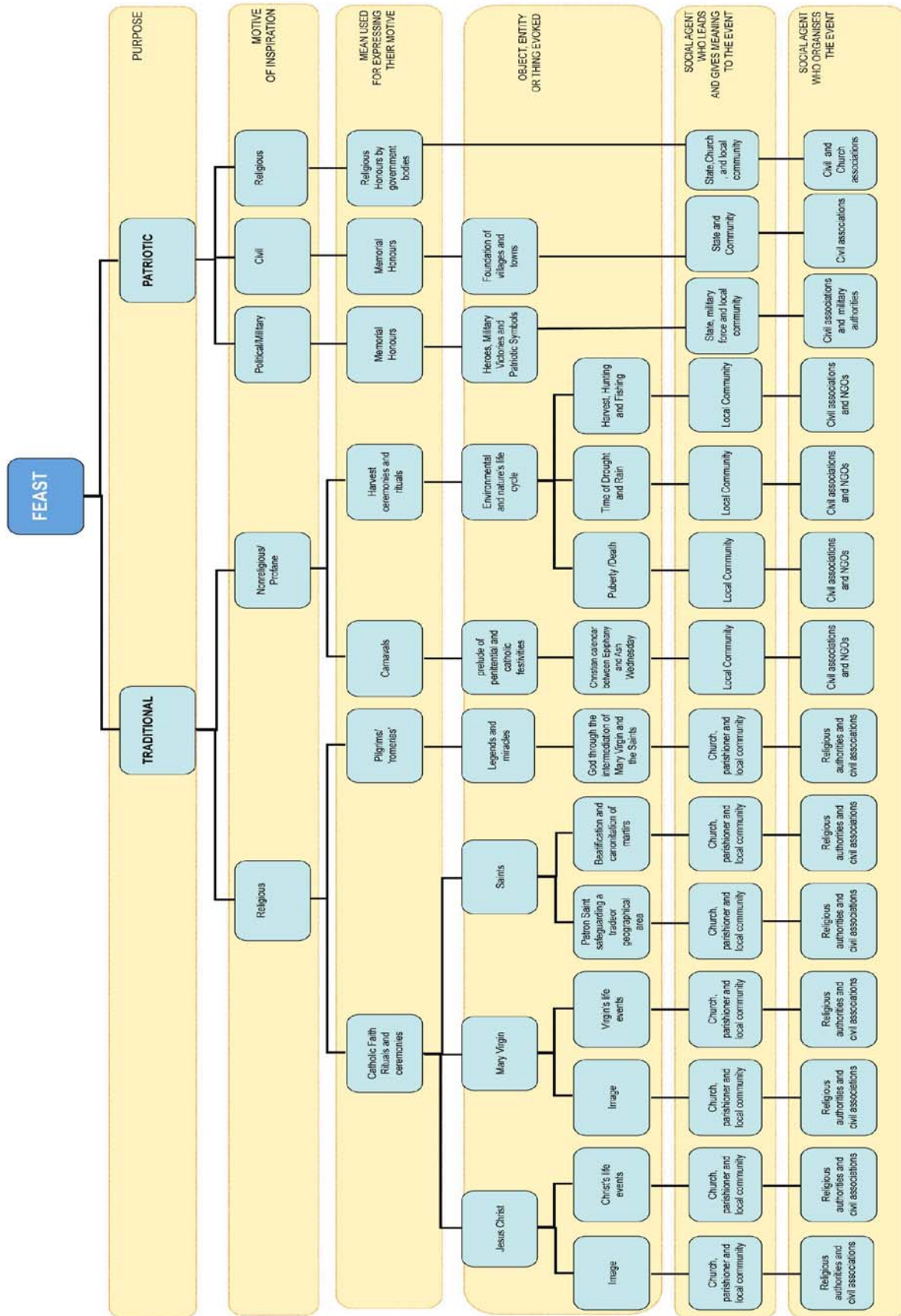
Figure 28: Typology of fairs

FAIR

PURPOSE	Community gathering for promoting social inclusion, local cultural values and trade of local products		to promote social cohesion and alliances among neibourhood communities, villages; to difussion cultural values and traditional products
MOTIVE OF INSPIRATION	Cultural industries and trade of traditional and local products	Flora and Wildlife; exhibition of traditional and local products	Celebrations and Memorial Honours
MEAN USED FOR EXPRESSING THEIR MOTIVE	Exhibitions and Displays	Exhibitions and Competitions	Civil society
OBJECT, ENTITY OR THING EVOKED	Technology, innovation, lucrative exchange	Biodiversity, production	Central Government, local authorities, local community
SOCIAL AGENT WHO LEADS AND GIVES MEANING TO THE EVENT	Central Government, local authorities, local community	Central Government, local authorities, local community	Civil Associations, NGOs and enterprises
SOCIAL AGENT WHO ORGANISES THE EVENT	Civil Associations, NGOs and enterprises	Civil Associations, NGOs and enterprises	Civil Associations, NGOs and enterprises

Figure 29: Typology of festivals
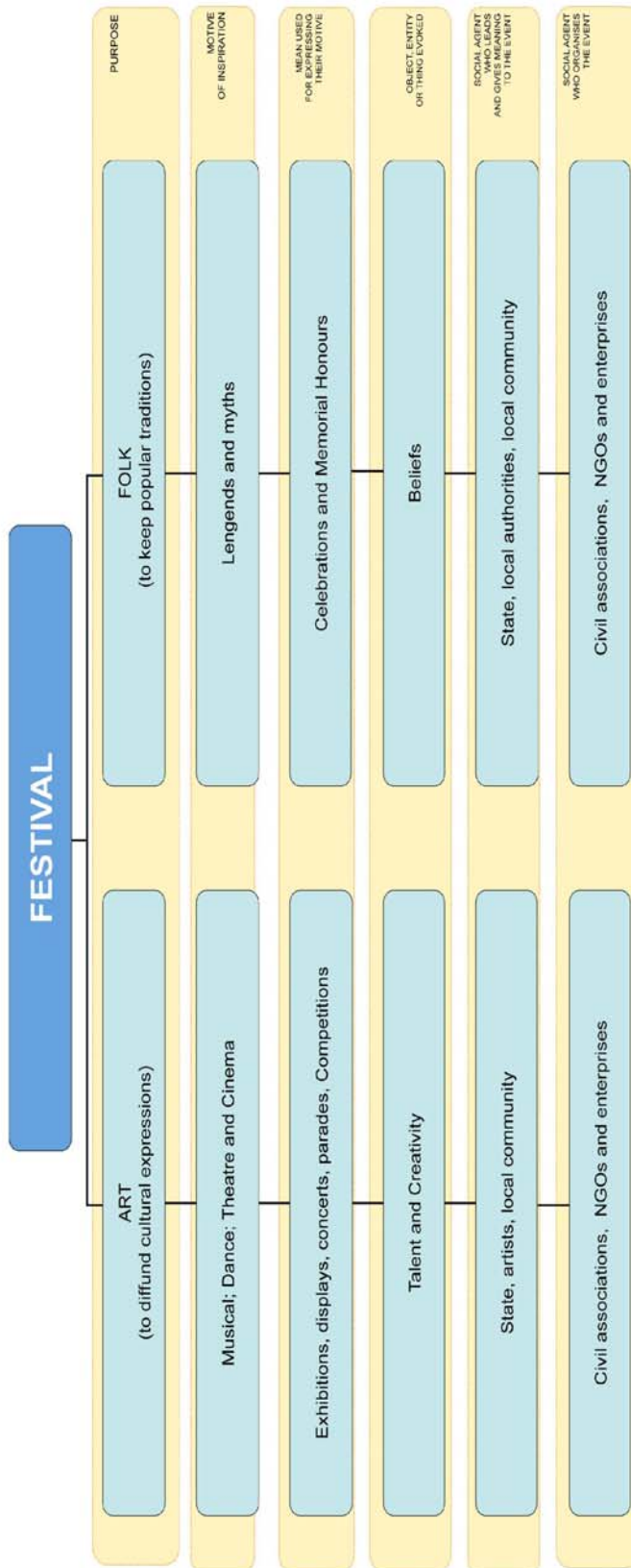
Figure 20. Typologies of festival

4 Social discourses for supporting culture

4.1   Introduction

The notion of cultural heritage used in this research is based on the acknowledgment that culture is a social activity packed in different discourses like products. These discourses are issued by individuals, cultural professionals and institutions and articulated in narratives, concepts, ideologies, practices, cultural objects, texts or scenes.

This section focuses on some discourses issued by the public sector and non-profit organisations involved in funding cultural heritage and how depending on these discourses and their own principles the valuation of cultural heritage is affected.

The section explores firstly the *conventional*[45] discourses by governments (or political sector) within the Organisation for Economic Co-operation and Development (OECD) for supporting culture. This is due to evidence shows that governments (either at local or central level) still remain the largest supporters of culture in comparison to other social agents such as non-profit organisations (NGOs) and profit-seeking companies. Then, an overview of the different types of support by NGOs is provided as evidence shows that there is no much explicit acknowledgment of the importance of NGOs in supporting culture though initiatives appear to be increasingly significant.

4.2   The discourses for public support of culture

There are five justifications that most clearly support some type of government intervention in the provision of cultural goods.

The first justification is that there are potential positive externalities associated with cultural goods. For example, cultural goods are included in the types of amenities that have been found to be positively correlated with the relocation of businesses and individuals, thereby promoting economic development.

The second justification concerns the fact that some cultural goods share characteristics of a quasi-public good, especially with respect to having to incur substantial sunk costs which would not be recoverable in private market. Under this justification, the government can help provide the funding necessary to support these sunk costs.

---

[45] i.e. within the publicly policy framework. The kind of discourses reviewed are mainly based on the cultural policy literature from the OECD countries.

The third argument is around the notion that some cultural goods are 'significantly worthy' goods. Tied into this argument is that some cultural goods require people to be exposed to them before they will acquire a taste for the good. Thus, demand for such goods does not exist until one acquires a taste for the good. The government may play a role under this argument to the extent that it can provide a vehicle by which to encourage exposure of cultural goods to consumers who are not likely to be exposed to such a good.

The fourth justification, there is an argument that some cultural goods are *not accessible to all members of society* if they are privately provided. As such, there is a question of whether the government can play a role in terms providing greater access to these goods to individuals that may not otherwise be able to afford them. This argument is particularly strong if combined with the third argument that for some goods, one must acquire a taste for the good.

Finally, there is an argument that some cultural goods should be treated as an 'infant industry'. To the extent that some goods represent new art forms or there are new organizations, the government could be involved at the early stages to support the existence of these new art forms and/or organizations. Figure 30: provides a brief summary of these justifications for government support.

Justification	Sub-Category	Definition	Application	examples
Positive Externalities	Demand Side	Consumers only take into account the personal value of a good/service; failure to take into account the value to other consumers results in a demand for the good/service that is less than socially optimal	Participation in the production of a cultural good; observing a final good; preservation of historical buildings, communities; impact on future generations	(1) Societal Benefits: Members of society with an interest in culture are better members of society and their influence benefits others. (2) Economic development articulated in three key ways: culture itself may generate positive economic activity; culture may promote specific types of complementary goods and services, such as tourism and other service industries; culture enhances the amenities provided in a given community, thereby encouraging individuals and businesses to relocate to the community (3) The impact of culture today on future generations is a type of externality if the recipients of the culture today do not take into account the appreciation of the culture by future generations. Under this hypothesis, demand for the culture will be less than is socially beneficial. This type of externality concerns primarily activities such as the creation and/or preservation of culture. It is less concerned with the production of culture. Given the potential impact of today's cultural activities on future generations, This argument about how decisions today affect choices tomorrow, it is extremely difficult to measure. One way of looking at this problem is to focus on the role
	Supply Side	Producers do not take into account benefits in production that would allow for the production of more goods (or a better quality of good)	Artists exposed to other artists provides inspiration and facilitates higher quality goods (peer effects); economic development (e.g. tourism)	(1) Peer Effects: One type of artistic undertaking will inspire others and facilitate the creation of other activities (2) Economic development articulated in three key ways: culture itself may generate positive economic activity; culture may promote specific types of complementary goods and services, such as tourism and other service industries; culture enhances the amenities provided in a given community, thereby encouraging individuals and businesses to relocate to the community
Public Good		A good/service can be enjoyed by many consumers; the marginal cost of providing the good is zero; it is very expensive to exclude others from using the good. If this latter qualification is not met, the good can be considered a quasi-public good.	Statues in Parks, Street Festivals, Theatrical Performances, Museums, Sporting Events, Television Broadcasting, Film Showings	A good is considered a public good if more than one consumer can enjoy the same good (e.g. a park, theatrical performance). To be a pure public good, two conditions must be met. First, the additional cost associated with one more person enjoying a good or service must be zero (or close to zero). Second, excluding individuals from using the good or service must be prohibitively expensive. With respect to pure public goods, the easiest examples of these goods will be things in public spaces such as statues, sculptures, and paintings on the sides of buildings. Radio and television broadcasting are other examples where there is no practical limit to the number of listeners/viewers who can be served without the depletion of supply to others (Baumol, 2003 and Frey, 2003). For these types of goods, the key problem is how one collects the revenues necessary to produce the pure public good. If consumers can access the good for free (or nominal cost), then they have the incentive to "free-ride" and not pay anything for the good. And to this extent, suppliers of these goods have no incentive to produce the good as there are sunk costs associated with the provision of the good.
Good is Significantly Worthy or Requires Exposure		A good/service provides some societal benefit that requires government support above and beyond the type of support that would be provided for other goods that do not provide the societal benefit; alternatively, to acquire a taste for a cultural good, one must first be exposed to the good/service	Finished cultural goods/services	A good is identified as a merit good if some "outside analyst" (e.g. the government) considers the good to be intrinsically desirable, uplifting or socially valuable for other people to consume, independently of the actual desires or preferences of the consumer herself. In the case of such goods, demand will be lower than is socially optimal (Frey, 2003, Montmarquette, 2003). The potential problem with this type of justification for government involvement is that it involves a subjective decision of what is and is not important for consumers. Alternatively, culture may be considered an industry in which consumers have imperfect information about the quality or importance of the goods and services provided.
Equality of Exposure		Private provision of goods/services results in only certain economic groups from enjoying the good	Finished cultural goods/services	This is especially the case for culture that is considered "high culture" such as opera and ballet.
Infant Industry		New types of cultural goods and/or new cultural organizations are highly susceptible to failure, suggesting that for the new cultural good (or organization) to survive, government support is needed	New forms of cultural goods/services and/or new organizations that support a process involved in the provision of cultural goods/services	This argument is limited to new and emerging forms of culture and/or new organizations. Under this concept, because new organizations (or forms of culture) are more susceptible to failure, government support could help these organizations to sustain the pitfalls of early development until the organizations become more mature.

Figure 30: Summary of government justification of cultural funding

4.2.1 Why do governments fund cultural heritage?

The rationale for government support for culture and the arts is around the discourse of public value (i.e. of public interest). There are two justifications that most clearly support some type of government intervention in the provision of cultural goods. The first justification is that there are potential positive externalities associated with cultural goods. For example, cultural goods are included in the types of amenities that have been found to be positively correlated with the relocation of businesses and individuals, thereby promoting economic development. The second justification concerns the fact that some cultural goods share characteristics of a quasi-public good, especially with respect to having to incur substantial sunk costs which would not be recoverable in private market. Under this justification, the government can help provide the funding necessary to support these sunk costs. This section provides an overview of the different reasons why governments support cultural heritage.

A. Positive externalities

A positive externality is one in which more than one consumer of a good or service benefits from the consumption of the good. In the standard supply and demand model, consumer's demand is based on individual preferences and the individual's budget constraint. Given this, the demand curve maps for each price the maximum amount consumers are willing to buy given their individual preferences. If individuals took into account the additional value associated with other consumers benefiting from their purchase of the good, the demand curve, at any given price would result in more goods being purchased. Because consumers do not take into account the benefits of the good to other consumers, the good is underprovided. As such, public support of cultural activities will produce more of these activities and enhance public welfare (Baumol, 2003, and Frey, 2003).

A positive externality can also be associated with the production of culture. The supply curve represents a mapping of the quantities of a cultural good that suppliers are willing to produce for a set of given prices. For each price and quantity combination, the supplier has taken into account the costs of labour, materials, and other supplies needed to produce the good. If the supplier does not take into account benefits in production that would allow her to produce more goods at a given price, the supplier will be under producing the cultural good. As such, public support of the production of culture can increase the supply of these goods.

Identifying the externalities associated with culture is difficult. We discuss below the four primary types of externalities that advocates of government support have asserted.

(1) Peer effects

This asserted externality concerns the supply of culture. Examples would include such things as the potential benefits associated with artists working together. For example, two artists working together may learn to improve their technique, allowing them to produce a higher quality or different type of good.

This externality would apply most directly to the creation of culture such as the visual arts, music composition, choreography, and writing. It would have limited application to such things as the production of existing work.

There is little research to support the notion that one type of artistic undertaking will inspire others and facilitate the creation of other activities. The asserted externality would have the most justification under the notion that there are potentially positive peer effects among groups of artists. While there is no research on whether there are peer effects in culture, research has been done on other types of peer effects. Sacerdote (2001) confirms that student performance is, in part, a function of the student's peers. Guryan (2001) also finds that peer effects play a role in the dropout rates of black students. Gius (1999) suggests that peer effects impact one's decision to commit a crime.

Under this more narrow justification, potential government involvement would be limited to finding ways to bringing artists and other individuals in the cultural sector together. This could be done through the education system, through the support of non-governmental organizations designed to promote the development of artists, and/or through the establishment of communities of artists. For example, Providence, Rhode Island combined its interest in redeveloping a blighted community with providing a community of artists (Schuster, 1999). The state gave an income tax exemption to writers and artists who resided within the area. It also created a sales tax exemption for writers, authors, and composers who resided and did business within the blighted community.

Another example of government funding seeding a community of artists can be seen in The Netherlands at the NDSM docklands of North Amsterdam. This derelict shipyard was first colonised by artists, they were followed by other cultural entrepreneurs and cafés and restaurants. The huge neighbourhood now contains facilities like the Scheepsbouwloods, a 20,000m^2 structure, containing around 80

artists' studios, and two historic ship slipways that host additional studios. The concern for many is to maintain the authentic character of the neighbourhood without which it will lose its identity. Funding for the redevelopment came from both government and private sources (http://www.creativeamsterdam.nl/page/911/en).

While programs have been adopted in various localities to support artist communities, there is no rigorous quantitative research to measure the impact of these communities on the production of artistic goods.

(2) Societal benefits

Whether members of society that are exposed to and consume cultural goods and services are better and have a positive influence on other members of society is yet another very difficult question to answer. This asserted externality concerns the demand side of cultural goods. If individuals do not take into account how their actions will affect society, they will not reflect the potential benefits from participating in a cultural activity in constructing their demand for the activity.

Many types of activities would be covered by this type of externality. The activities would include taking an art class, participating in a festival, volunteering in a museum, and observing a final production. If culture is a critical component in a program of education, then to the extent that education benefits economic development and society, exposure to culture would also benefit economic development and society.

Williams (1997) in a commissioned work has suggested that culture projects create a greater understanding of different cultures which leads to stronger skills in community leadership and management. The evidence to back this suggestion, however, is lacking.

The justification for providing government support under this argument would be most relevant for the following examples. Museums that focus on the historical and cultural components of society would be justified if the exhibits help individuals to gain a better understanding and respect of different cultures. Historical sites that document the life and culture of the communities affiliated with the site would also be justified under this argument. Festivals that commemorate aspects of a group's culture that would help individuals understand and appreciate different ways of life would also be supported under this argument. Also, education programs designed to introduce individuals to different cultures could also be supported under this argument.

(3) Economic development

This asserted externality could affect the demand or the supply of culture. There are three key ways that culture potentially can contribute to economic development.

First, culture, in and of itself may generate positive economic activity. Second, culture may promote specific types of complementary goods and services, such as tourism and other service industries. Third, culture enhances the amenities provided in a given community, thereby encouraging individuals and businesses to relocate to the community.

(4) Culture and sustainable development

The impact of culture today on future generations is a type of externality if the recipients of the culture today do not take into account the appreciation of the culture by future generations. Under this hypothesis, demand for the culture will be less than is socially beneficial. This type of externality concerns primarily activities such as the creation and/or preservation of culture. It is less concerned with the production of culture. Given the potential impact of today's cultural activities on future generations, this type of justification is important with respect to the promotion of local culture.

Given this last argument concerns how decisions today affect choices tomorrow, measuring such an impact of these decisions on future generations is extremely difficult.

One way of looking at this problem is to focus on the role of historic preservation of buildings in a community. Given these buildings have economic value; it can be compared how the value of these buildings changes over time relative to buildings that do not have a historic association.

Designation of historic districts has been used as a tool to revive or halt the deterioration of central-city neighbourhoods. So that, the value placed on these buildings by existing individuals was low. If it was lower than would be optimal given the potential for greater appreciation by future generations, it would be probable that the government intervention through the preservation of the communities has an impact on property values. But for the preservation to be worthwhile (from a future generation standpoint), the increase in the property values should be greater than any increase in property values in communities where there is no historic preservation.

In analyzing the impact of historic preservation on property values, it is important to compare similarly situated communities. So then, if historic preservation is used in a deteriorating neighbourhood, this factor must be controlled for in any analysis.

In any given neighbourhood, an historic designation can be value enhancing or value-detracting. The argument that the designation is value enhancing is based on the assumption that the designation provides a form of insurance of future neighbourhood quality (Leichenko *et al.* 2001). In addition, it is believed that the designation will have

positive spillover effects on neighbouring areas. In contrast, the historic designation may impose restrictions on alterations and demolition that may be costly and inefficient (Leichenko *et al.* 2001).

In comparing the average growth rate in property values in historic areas with those in non-historic areas, the research is mixed as to whether historic preservation results in higher property values by homes in historic areas. Leichenko, *et al.* (2001) use data that identify specific houses for a group of nine cities in Texas to study the issue of whether historic designation benefits the property values of these houses. In this study, the authors find a positive effect from the historic designation for seven of the nine cities. To the extent that historic preservation is one way of promoting culture for future generation, the stronger empirical evidence suggests there is a potential benefit given to future generations.

It is difficult to assess the impact of today's culture on future generations. The importance of this justification for government support, however, should not be easily dismissed. To the extent that government support of 'culture and the arts' helps to define valuable points of reference to discuss potentially better instruments of governance regarding an economy of constant change because of the new technologies, increasing of social demands within a context of international financial crises and more locally units and production niches in the cultural sector (as the notion of local identity is getting more associated with it).

The concept of governance defined in this research refers to the process of coordinating and steering practices and activities of different public and private actors. It addresses to forms of management or practices which are non-hierarchical, decentralised and organised within networks of different actors. Especially in these aspects and within cultural and the arts sectors, governance as a form of contextualised regulation differs from more traditional forms of 'public' control which are top-down to more centralistic and managerial in character. <u>The concept of governance is closely related to the notion of 'local community participation'</u>[46].

The empirical notion of 'governance' and 'local community participation' is addressed in Chapter 6; however, for politicians and cultural agents, the concept of 'governance' is often 'terra incognita' for changing public service provision of culture.

B. Public Good

A good is considered a public good if more than one consumer can enjoy the same good (e.g. a park, theatrical performance). To be a pure public good, two conditions

---

[46] This premise is stated in describing the research hypothesis.

must be met. First, the additional cost associated with one more person enjoying a good or service must be zero (or close to zero). Second, excluding individuals from using the good or service must be prohibitively expensive. With respect to pure public goods, the easiest examples of these goods would be things in public spaces such as statues, sculptures, and paintings on the sides of buildings. Radio and television broadcasting are other examples where there is no practical limit to the number of listeners/viewers who can be served without the depletion of supply to others (Baumol, 2003 and Frey, 2003). For these types of goods, the key problem is how one collects the revenues necessary to produce the pure public good. If consumers can access the good for free (or nominal cost), then they have the incentive to "free-ride" and not pay anything for the good. And to this extent, suppliers of these goods have no incentive to produce the good as there are sunk costs associated with the provision of the good.

Most cultural goods, however, do not exhibit the properties of a pure public good insofar as only one of the two conditions is met. It is easy to exclude consumers from attending a performance if a ticket is not purchased. In most productions, the additional cost associated with one more individual enjoying a good or service is often close to zero. Thus, the public goods concept applies most easily to the production phase of culture.

Examples include theatres, stadiums, and museums. A theatre is designed to hold a fixed number of patrons. Once a performance is set, the cost of providing the performance to one patron is close to the same cost as providing the performance to many patrons because these patrons are able to see the performance simultaneously. Similarly, once a museum creates a display, many patrons can view the display at the same time.

The economic problem which can result in government intervention is that to create an exhibition or to set a performance, there are large sunk costs. In economics, goods are priced on marginal costs (the additional cost associated with providing one more unit of the good), not on sunk costs. In the production of culture, sunk costs are incurred repeatedly. For example, once a theatre is built, the theatre owners must still incur the costs of set design, hiring actors, directors, etc. for each production performed within the theatre.

Given these sunk costs can be substantial and they are incurred again and again, it is important to figure out a means by which to pay for them. The role of sunk costs in culture production provides some justification for allowing for price discrimination

among the patrons of the performances. The different prices that may be charged can be based on age, number of performances attending, number of individuals in a group, etc.

Baumol (2003) presents a theoretical argument for allowing price discrimination for a cultural organization to remain solvent. Throsby (2003) suggests that sunk costs play an important role with respect to the entry of organizations in the culture market and this, in turn, affects the role of culture in developing the local economy and generating tourism.

Another issue associated with the production of live events is referred to as "Baumol's Cost Disease" (Baumol and Bowen, 1966). In many industries productivity increases over time for a number of reasons including improved technology, increased capital per worker, increased skill, improvements in management, and economies of scale as output rises. However, with live cultural events it is comparatively difficult to apply such productivity increases so there is a "productivity lag."

For example, a street or theatre performance will require the same number of performers to produce. This number does not change over time, because the individual performers cannot effectively increase their productivity.

But while in culture it can be difficult to increase productivity, the costs of many of the inputs used in the culture industry will inevitably rise because of productivity increases in other industries. Artists' wages must rise over time by the same proportion as wages in the general economy if the arts industry expects to hire the workers it needs for a performance. As such, if there are limited productivity gains in the culture industry, the costs of a performance will increase over time. Of course 'Baumol's cost disease' does not necessitate government intervention, because real wages will increase over time as the economy develops. As such, the public will have the capacity to pay more for access to a cultural event (Heilbrun, 2003).

Empirical research into "Baumol's cost disease" in the performing arts by researchers such as Netzer (1970) Peacock, et al. (1982); Baumol and Baumol, (1984); and Schwarz, (1986) have found little evidence of differential rates of inflation in the sector relative to other sectors of the economy. This research suggests that production-side adjustments are made by performing arts groups over time.

For example, using data from the 1970s Baumol and Baumol (1980) found that there was actually a slower rate of cost increase in the live arts during periods of high inflation. Often, in periods of inflation, there is a reduction in philanthropic support and when combined with a heightened money illusion from the inflation, there can be

reluctance to raise ticket prices. The net effect is to compel performing companies to undertake cost reduction strategies such as reducing labour inputs and lower wage increases. These production adjustments in conjunction with increased demand act as a counter to the cost disease in the performing arts. Overall it appears that there is little evidence that the problem causes the loss of performing arts companies.

C. Merit good/imperfect information

If an outside agency such as the government considers a good to be intrinsically desirable or socially valuable for people to consume, independently of the actual preferences of the consumer then the good may be considered a merit good. In the case of such goods, demand will be lower than is socially optimal (Frey, 2003, Levy-Garboua and Montmarquette, 2003). The issue with this type of justification for government involvement is that it involves a subjective decision of what is and is not important for consumers.

Alternatively, culture may be considered an industry in which consumers have imperfect information about the quality or importance of the goods and services provided. This may be particularly true with respect to one's initial exposure of culture.

Baumol and Bowen (1966) showed that audiences for the arts are skewed to the right in income, age, occupation, and levels of education (see, also, Dobson and West (1988) and Dickenson, 1992). Levy-Barboua and Montmarquette (2003) and Frey (2003) show that taste for culture is acquired based on one's exposure and that the shadow price (or value) of culture declines over time. O'Hagan (1996) presents evidence of the importance of early arts education in accounting for later participation in arts events that is independent of incomes or attendance costs.

Under the combined notions of imperfect information and merit goods, government support could be justified based on a need to encourage exposure to culture by segments of the population (e.g. by age, income, education, and/or ethnic status). This type of support would be most applicable in the area of supporting the production (and consumption) of existing culture. It is also an important justification for providing government support to the extent that local culture is viewed as an evolving good for which promoting exposure is important.

D. Equality of opportunity

It is evident from a number of studies the income distribution of cultural consumers is skewed to the right (e.g. Baumol, 2003; Frey, 2003). This is especially the case for culture "high culture". The issue is whether this is a function of choice or merely the opportunity of exposure. O'Hagan (1996) suggests that participation in culture by

older age groups is attributable to early arts education. This is corroborated by Gray (1998) who used survey data from the United States, to determine that taking art classes as a child, increases the probability of attending an art museum as an adult.

Even if such people do not participate in a cultural event, they may still wish to support culture. For example, in willingness to pay studies, there is some evidence that individuals who never attend a cultural event are willing pay some taxes to ensure that they continue (e.g. Morrison and West, 1986; Throsby and Withers 1985).

4.2.2 How do governments fund cultural heritage?

Western countries have a long history of subsidizing the arts, but the development of clearly defined policies for that support, and the establishment of national cultural agencies to administer them, are a relatively recent phenomenon.

The premise for these and other Western cultural administrative agencies stems from the instrumental approach of culture outlined by economics principles

However, in most Western countries, there is some controversy among what constituents the nature and amount of government funding for the arts.

Given the various justifications for providing government support for culture the options for government range from directly providing a cultural good to providing ways to encourage support by private companies and NGOs.

As follow some of the types of government funding that affect most directly the provincial support of culture are discussed below.

However, it is worthy to state that the aim of this section is to give a general overview around types of government support so this section does not cover issues associated with the regulation of culture (e.g. copyright protection, trade protection), the labour market for artists, or the organizational structure of cultural organizations (e.g. not for profit or corporate status).

In addition, this section does not discuss support and/or inducements provided by federal or municipal governments or the relationship between the different layers of government support.

Encouraging private donations

Gifts by individuals can be ideal, primarily for the reason that a given donor is able to choose where and when to give. To the extent the government wants to support culture, encouraging private donations is one way of giving the most freedom to individuals. On the other hand, however, it also limits the government directions of

such support insofar as some type of goods may receive more support than other types of goods. Analogously, depending on the underlying motivation for the gift, a private donor may not fully internalize all relevant social externalities associated with the provision of culture.

One means by which to induce individuals to give is through an income tax incentive or deduction. However it is worth to state that they are difficult to implement and, once implemented, they can be difficult to change given that different political actors are involved in the process of implementing and monitoring them.

Private sector giving

There are two key types of private sector giving: *sponsorship* and *donation.*

Under sponsorship, a private institution is likely to become involved for one of four key reasons: the promotion of the company's name or image, because the cultural good is directly linked to the types of goods/services produced by the company, to lobby or influence key policy makers, and non-monetary benefits to the managers or owners of the corporation (O'Hagan and Harvey, 2000).

With respect to private sector giving, Young and Burlingame (1996) identify four main concepts that motivate such giving. First, giving contributes to a firm's ability to make a profit. For example, donating computers to a school promotes use of and allegiance to the corporation's computers. Donations also promote a good feeling among workers within the donating company, potentially resulting in greater loyalty and/or productivity by the workers. Second, community culture may drive the firm to be socially responsible and ethical. Under this type of reasoning, a firm will donate out of duty. Third, a firm may be driven by politics to donate. If a firm is interested in preserving corporate power and autonomy and minimizing government interference, it may see private donations as a means by which to minimize the role of government involvement in the provision of culture. Fourth, given that firms are complex structures, philanthropy by the firm may help it to manage the various stakeholder groups with which it must deal.

Fully understanding the firm's motivations for giving is difficult given there has been limited research on this topic (LeClair and Gordon, 2000).

Government subsidies or grants

There is little research that explores the impact of government grants on the activities of an organization. Netzer (1992), using a survey methodology, demonstrates that subsidies to the arts lowered ticket prices, increased attendance, and increased artists' salaries. The subsidies did not impact access to the arts by individuals that

might not otherwise attend such events. However, considering that the research was based on a single survey, it may not fully reflect the potential long-term benefits of government subsidies.

Nevertheless, it is important to consider whether there are differences in the incentives provided based on whether a cultural organization is directly or indirectly subsidised by the government. One issue that inevitably rises with government subsidies, especially during times of fiscal austerity, is whether these government grants are a substitute for private donations.

There are hypotheses that would support a positive relationship between government grants and private donations. Payne (2001) explores the relationship between government funding and private donations at research universities and finds a positive relationship between government funding and private donations.

With respect to universities, given the complexities of university activities, some donors may look to government funding (especially with respect to research) as a signal of quality. If so, this would explain a positive relationship between private and public grants to universities. Similarly, for some types of culture, donors may look to the government for a signal of quality and, therefore, increase their donations with an increase in government funding.

In addition to private donors reacting to changes in government funding, cultural organizations may react to changes in government funding. To most of the cultural institutions, private donations do not magically drop from the sky. Instead, these cultural organizations must employ fundraisers and host fundraising functions to encourage private donations. Given that organizations are not passive in their collection of donations, if a cultural organization receives government funding; this may make the organization less eager to collect private donations. Andreoni and Payne (2003) explore this issue and find, indeed, for a group of arts organizations in the United States, that fundraising expenditures fall when government funding increases. Whether this change in fundraising efforts is socially desirable is not clear but it shows a feeling of self-content in these organisations.

Regardless, if there is a decrease in fundraising efforts by a cultural organization, then one can expect private donations will also decline. Thus, in addition to having a direct effect on the decisions of private donations, government funding may also have an indirect effect on these decisions as a result of its effect on the fundraising efforts of the organizations receiving the government funding.

Given a relationship among private giving, fundraising efforts, and government funding, in adopting policies towards government funding, one should reflect on how these policies would affect other revenue sources of the affected organizations. This is certainly an issue that requires further study.

Treatment of NGOs

Non-profit cultural organizations are eligible to receive donations from individuals and corporations.

A policy issue related to granting non-profit status is how the government should treat activities by these organizations that are similar to activities performed by for-profit organizations. For example, if a museum has a gift shop, should the proceeds of the gift shop be treated as taxable income despite the museum having a non-profit status? While this may seem at first glance to be a relatively minor issue, tax-exempt organizations have become increasingly involved in the provision of commercial activities (Cain and Meritt, 1998).

Given many of the programs supporting culture are broadly defined and based on an instrumental agenda i.e. based on economic rationalism that investment in arts and culture has a high 'multiplier effect' generating direct and indirect expenditure, attracting inward investment and tourism, and creating jobs (Myerscough, 1988), the government could restructure these funding opportunities to be focused and aimed at specific cultural industries. Similarly, the different processes involved in the production of culture (e.g. creation, development, final production, distribution, consumption) are also lumped together in many of the funding opportunities. Given each phase of the cultural production process can involve different types of individuals and organizations, another way cultural funding could be restructured would be based on which phase of production funding is being provided.

4.3   The discourses for NGOs support of culture

This section outlines the context and importance of gaining a greater understanding of NGOs decision-making for supporting the arts and culture. Besides, it aims to provide insights and theoretical background for addressing the question, "what are the key factors influencing NGOs' funding decisions?"

Before detailing relevant literature in a review and stepping through how identifying and value somehow these factors, it seems important to first justify this aspect for the sake of the research question.

The justification here will incorporate aspects such as defining 'giving' and 'giving decisions', conceptual developments in donor behaviour models and a tool of information for NGOs' decision-makers..

Within this research factors are any attribute, criterion or issue that influences the giving decisions of individual donors.

The relevance of investigating the factors of NGOs' funding around West European countries comes from the fact that a significant amount of goods and services are produced each year by organizations that do not have profit-making as a goal, do not distribute any profits to their members, and are largely reliant on the voluntary provision of labour and resources to operate effectively.

NGOs' are commonly referred to as charitable giving organizations, non-profit organizations (NPO's), not-for-profits (NGOs) and voluntary organizations (VO's) and collectively referred to as the third sector.[47] As Klamer *et al.* (2005) states in the study 'Financing the arts and culture in the EU' the third sphere is very active in supporting the cultural sector although its role is sometimes not so evident this sphere may successfully balance market and government objectives. There is little explicit acknowledgement of the importance of the third sphere. Even so, its role appears to be increasingly significant. Within the European Union there are different legislations and types of non-profit organisations such as: trusts, private associations (clubs, friends' societies, etc.) and foundations.

Despite this study focuses mainly on the activity of foundations (or, in the United Kingdom, trusts). In some Mediterranean countries, it is observed that support from bank foundations traditionally plays a significant role. For instance, in Spain, the major contributors are the foundations Caja Madrid, Juan March and La Caixa; their 2005 contribution to the arts and culture amounted to €104 million. In the United Kingdom, the third sector is partially supported by grant-making trusts, whose support for arts and culture amounted to 9 percent of their total budget in 2002. However, another study (Arts and Business 2005) suggests that trust and foundation support to the arts in the UK has no steady trend. For the period 2001-2004, funding increased by an average of 30 percent, and then decreased almost by 15 percent in 2004-2005. The largest share (up to 78 percent) goes to London art organisations.

Sargeant (1999a, 216), commenting from a UK perspective states "Charities have multiplied in number with a few growing almost exponentially in size to dominate the sector." In Spain, the report by the Real Instituto Elcano de Estudios Internacionales y

---

[47] Along this research these concepts are interchangeable and equivalent.

Estratégicos in 2004 'Cultural Policy in Spain'[48] states that the bodies that best represent the spirit of the third sector are, without doubt, the associations. Keeping aside the considerable financial contribution to the cultural sector by the bank foundations this report states that despite the lack of hard evidence, there are two apparently contradictory observations to be made: the level of involvement in voluntary associations is low in comparison to the media of the Western Europe and in the case of cultural or artistic associations; but the number of active associations is amazingly high (175,689 registered in 1997, of which 64,772 came under the heading of 'Cultural or ideological'.). Areas in which voluntary associations are most active are folklore and cultural property. Of late associations are springing up around cultural institutions such as: 'Friends of the xxx Theatre', 'Friends of the xxx Museum', etc.). Finally, this research mentions the key role played by the neighbourhood associations in bringing people into contact with culture. Of the 2,516 neighbourhood centres currently in operations, most operate on the principle that they are the container, into which their volunteer staff can bring the content, meaning that in practice they are used as venues for a broad range of cultural projects.

So how do NGO organisations survive in the face of intense competition for the charitable revenues given that the number of slices of the pie is increasing faster than the size of the pie itself? Another expression of the question may be what strategic approaches could be taken to retain or enhance the NGO giving market share for a NGO organisation? And, additionally what strategic approaches could be taken to grow the NGO pie?

Competition between charitable organisations is even more complex in times of financial stress. Besides, the struggle for donations can be more intense among those charitable organisations representing 'like-causes' (Mazzarol and Adam 1996) The need for donations can also increase further when large broad based charities with high donatives pulling power focus on specific issues in fundraising drives (i.e. domestic violence, homelessness, or more recently natural catastrophes such as the earthquake in Chile). Alternatively the call for donations increases as regional charities compete with national charities and the presence of international charitable organisations seeking support on a global scale further adds to this growing concern for funding. As a result the amount of donations available to charities is less concentrated as more causes seek support from a common funding base.

---

[48] This report was coordinated and edited by the Real Instituto Elcano de Estudios Internacionales y Estratégicos with contributions by Lluís Bonet and Ana Villarroya (Universitat de Barcelona), Pau Rausell (Universitat de Valencia), Emmanuel Négrier (CNRS/Universitat de Barcelona), Jesús Prieto (Universidad Nacional de Educación a Distancia), Víctor Fernández, Juan Prieto and Santiago Alvarez (Universidad de Oviedo), Xavier Fina (Universitat Autònoma de Barcelona), Rubén Gutiérrez and Cristina Martín (Fundación Autor).

Apart from the economic impacts, changes in the social, political and environment also lead NGOs' to embrace marketing concepts related to individual consumers (or in this case individual donors). Practices such as segmenting databases for targeting direct mail campaigns and scheduling television advertising on the basis of audience type and audience size are all familiar examples of how NGOs' embark these kinds of actions. The philosophy appears to be one of "our best donors/prospects have XYZ characteristics and that is why they give". The characteristics may be demographic, giving pattern lifestyle or a range of other characteristics that charities incorporate into the profile of their unique "best donor". This kind of marketing approach divert the attention from the factors that are significant in giving decisions to answering questions such as how successful a particular targeting marketing strategy turned out to be.

Within the context of increasing competition among NGOs' and prevailing response of NGOs' with 'conventional' marketing concepts, the majority of international literature on donor behaviour[49] has tended to concentrate on relationships between individual giving factors rather than on how the factors of giving decisions rank, correlate or differ for specific causes or giving vehicles.

For instance, measuring the proportion of potential donors influenced by an individual attribute of an organization (e.g. trust, government funding, etc) or an individual giving determinant (e.g. affordability, value fit) in isolation does not offer insight into the overall significance of an individual factor within a giving decision process. The issue an NGO would have in utilising such data on individual factors (either individually or collectively) appears to be one of attempting to logically apportion marketing effort to account for determinants as presented in the Fink-Jensen and Lau (2003) study. For example, if one factor has extremely high influence in the overall decision making process a NGO marketer could simply not afford to ignore it in any marketing activity he or she undertakes. By knowing, for example, that 91% of individuals are motivated by the cause itself does not tell us how important this factor is compared with, for example, ability to afford a gift which is the reason given by 53% of donors asked why they didn't give more.

This background justifies the study of the underlying reasons why donors choose particular organisations to give to, or in other words, to identify the significant factors involved in a decision to choose a particular alternative. In the case study of the city of Valencia the most-preferred choice for funding (or giving) Las Fallas Festival by neighbour associations is analysed.

---

[49] See Appendix 2 Studies related to giving.

Before ending this section, it is useful to define a 'giving decision' or funding as the act of reaching a conclusion or making up one's mind to make a financial contribution to a fund or cause.

4.3.1 Why do NGOs fund cultural heritage?

The need for greater understanding of decision-making is borne of the need for better fundraising efficiency which should be achieved as a result of knowing the key factors involved in a donor decision making process. This need has a pre-requisite - the recognition that NGO marketers, using conventional marketing concepts and principles are unlikely to retain and enhance charitable giving revenues. This is because they now experience more competitive markets (Webb, *et al.*, 2000; Sargeant and Lee, 2004) greater public financial accountability (Yavas, *et al.*, 1993: Handy, 2000) and greater donor stewardship expectations.

It is hoped that a greater understanding of the how and why funding a NGO helps to:

- Reduce the likelihood that a NGO carries out inefficient marketing and fundraising operations;

- Reduce the likelihood that a NGO concentrates on the wrong method(s) of giving;

- Accentuate the right organisational attributes in its marketing messages;

- Employ the right brand personalities, and

- Implement appropriate donor stewardship policies and processes.

It follows that if a NGO is aware of the significant and insignificant factors of giving to their organisation/sector then gains in fundraising efficiency. A better fundraising ratio and better fundraising total revenue has many benefits to both donors and recipients associated with a cause but it also results in enhanced perceptions of the value of philanthropy, brotherhood and altruism in creating an equitable and caring society.

The case study of Las Fallas Festival offers an opportunity to identify and quantify the how and why the benefits of funding the festival by NGOs' benefits at three different levels: individual, organisational and societal.

Individual benefits from knowing that a donor of a NGO[50] has had greater impact on addressing a societal concern and less being spent on fundraising costs. Organisational benefits from being able to deliver better outcomes and enhance

---

[50] In this case, the donor is a fallero.

NGOs[51] reputation and profile. Societal benefits as the society as a whole is able to value a public good or service[52] and transfer resources to address it. Assuming that many NGO marketing researchers have not given much attention to how factors correlate with each other or correlate with donor segments[53]. There is a need to analyse in a more comprehensive way the factors of giving decisions.

Focus on the concern of this research, (intangible) cultural heritage (ICH) and non-profit organisations (NPO), it is observed that most cultural heritage in Western European countries relies on a mixed-funding model, consisting of public money, private sponsorship and box-office or merchandise revenue. So that, it is necessary to take a broader perspective that, apart from capturing and measuring the factors of giving decisions, contains a thematic overview of the different influences on impacts at funding of cultural heritage organisations and how it affects the valuation of the cultural heritage product offered.

With these premises, this research proposes a holistic model for analysing the connection of valuation and the different sources of funding within a cultural heritage organisation.

---
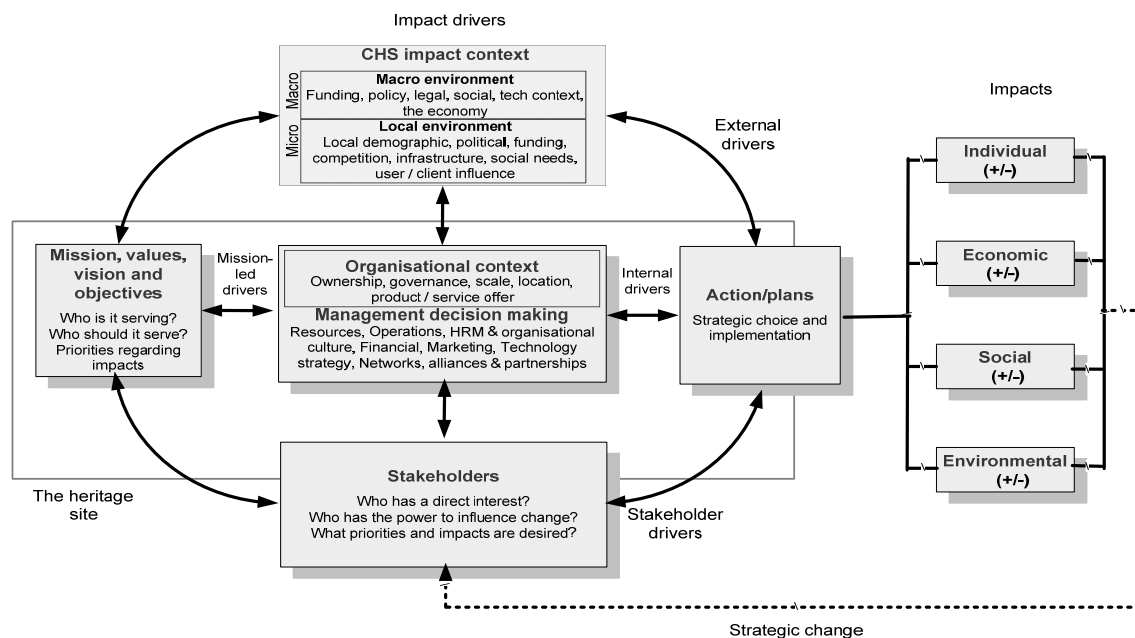
[51] In this case, the NGOs' are the different neighbourhood associations (comisiones falleras).
[52] In this context, when saying 'a good or service has public value' is meant that it has public interest and is based on the principle that it is the public themselves the ultimately define and authorize value who, therefore, need to be involved in values identification and attribution (Kelly et al, 2002; Mason, 2002; Holden, 2004, 2006; Blaug et al, 2006).
[53] As it is observed in the relevant marketing literature of donor decision making (see Appendix 2

Figure 31: A holistic model for impact assessment in cultural heritage (McLoughlin et al. 2006)

This holistic model is based on the analytical impact framework for cultural heritage sites proposed by McLoughlin *et al.* (2006) and inspired in four giving behaviour models for identifying the factors of donor funding.

The giving behaviour models considered in the holistic framework are grounded on social psychology. The holistic framework goes a step forward to consider the intrinsic values that members of NGOs place on cultural good and hypothesise if they can shed some light in the motives for funding the arts.[54]

The range for psychological models considered starts covers both *cognitive* and *purchase* giving decision process suggested by many consumer behaviourists through economic explanations around the notion of *reciprocity and societal responsibility.* However, it is worth stating that despite differences can be complementary.

The donor behaviour models that inspired the holistic approach are detailed below:

- Sargeant *et al.* (1999)
- Bendapudi, *et al.* (1996)
- Guy and Patton (1989)
- Burnett and Wood (1988).

Guy and Patton (1989, 6) echoed the earlier sentiments of Burnett and Wood (1988) in recognising a gap in the understanding of donor decision making processes - " Relatively few attempts have been made by marketers to understand why people give to help others, or to understand the decision processes involved or the factors that influence giving." They state that NGOs should begin with a basic understanding of donor motivations and behaviour rather than the mere adoption of specific marketing techniques commonly applied to the mass marketing of products and services. Besides, they believed that 'motivation' is translated into 'behaviour' only after the individual has completed a decision process that leads to that behaviour. This is justified by suggesting that for people to help others in need they must first interpret there to be a need and that they are capable of assisting.

Guy and Patton's objectives were to answer four questions:

---

[54] This issue is addressed in detail at chapter 6.

- Why do people give and what are the motives?

- What is the decision process that individuals follow?

- What are the mitigating factors that may enhance or inhibit this helping behaviour?

- How could an understanding of donor behaviour be applied in marketing techniques?

In largely rejecting economic explanations for donor behaviour, Guy and Patton (1989) look to theory in social psychology and other behavioural sciences to shape their giving model which essentially is based around a fundamental helping decision process (Penrod, 1983) - a process somewhat different from the purchase decision process suggested by many consumer behaviourists. The economic explanation suggests that people help simply because they expect some economic or social reward in return - the old idea of homo economicus. The economic explanation is principally concerned with expectation of reciprocation, societal responsibility and the like rather than explaining giving as a series of individual responses to specific needs. Guy and Patton's model consists of a decision making process (they term "helping decision process") containing five basic steps and two types of Potential Mitigating Factors (internal and external).

INTERNAL MITIGATING FACTORS	HELPING DECISION PROCESS	EXTERNAL MITIGATING FACTORS
DEMOGRAPHICS	1. AWARENESS OF ANOTHER PERSON IN NEED	NATURE OF THE APPEAL FOR HELP
PERSONALITY VARIABLES	2. INTERPRETATION OF THE SITUATION	OTHER PEOPLE INVOLVED
SOCIAL STATUS	3. RECOGNITION OF PERSONAL RESPONSIBILITY	AVAILABILITY OF ALTERNATIVE COURSES OF ACTION
MOOD		
KNOWLEDGE, ABILITY AND RESOURCES	4. PERCEPTION OF ABILITY/COMPETENCE TO HELP	ENVIRONMENTAL FACTORS
PREVIOUS EXPERIENCIE	5. IMPLEMENTATION OF HELPING ACTION	

Figure 32: Guy and Patton's model for donor decision making (based on Guy and Patton, 1989)

The authors then detail literature that justifies the inclusion of mitigating factors and succinctly explain the five steps of the decision making process. However, they very rarely suggest how or where an individual mitigating factor will impact on the helping decision process. So that, the model suggests a process that is influenced by a series of potential mitigating factors but it does not specify the relative magnitude of impact for particular factors. Nevertheless, the model suggests that donors go through a process rather than make a decision solely on the basis of certain determinants or constructs such as empathy, value-fit or trust. But while describing such process they state that"... a breakdown can occur at any of the steps in the process and thus negate any potential helping behaviour. None of the steps can be ignored, as each is necessary but not sufficient in generating the donation" (Guy and Patton, 1989, 9). This argument seems quite simplistic and potentially restrictive. As pointed out in later work by Sargeant (1999a) donor decision processes can vary greatly with variation in the giving situation (street collection, direct response television, planned payroll giving, and bequests). There is also the situation where less than five steps in the process is sufficient to generate a giving decision. This could be the case where other steps are irrelevant or insignificant or the decision has low levels of involvement.

Relating the model of donor behaviour by Bendapudi, *et al.* (1996), they were clearly concerned at the lack of attention within the marketing literature to key giving factors such as social norms for helping, donor perceptions and familiarity of the charity and the portrayal of the help recipient. Their model is like an extension of the work of Burnett and Wood (1988) and Guy and Patton (1989) in three important directions: accounting for the diverse motivations that underlie helping behaviour; addressing the role of the soliciting charitable organization in the helping decision process and examining donor motivations and organizational context in tandem.

This model is founded on a premise that basic steps in the decision processes are the same for different kinds of helping. They devise a process map of people's helping decisions that included the four steps (perception, motivation, behaviour and consequences).

Besides, it defines pathways of giving a little further than previous models in that it suggests a type of behaviour can categorise the individual taking a particular pathway. They are described as a 'hard-core non-donor', 'converted donor', 'lapsed donor' or 'a repeat donor'.

Throughout the 1990s, a natural development of donor behaviour models was to question the thinking on the donor decision process as it became ever more apparent

that donor recruitment and retention required an understanding of why people give to their cause, some authors were motivated to claim, "Whatever people's motivations for donating to charity, if research into donor behaviour is to progress it needs to look beyond "why" people donate to consider the reality of "how" they donate".

A recent attempt to develop a model of determinants of giving was conducted by Sargeant *et al.*, (1999). A theoretical model of giving behaviour was developed, which comprised of six distinct dimensions. These were:

- *Inputs*: Charity Appeals, Brands, Facts/Images, Mode of Ask.

- *Extrinsic Determinants*: Age/Gender, Religion, Social Class/Norms, Income.

- *Intrinsic Determinants*: Need for Self-Esteem, Guilt, Pity, Sympathy, Empathy, Fear.

- *Perceptual Reaction*: Portrayal, Fit With Self, Strength of Stimulus, Perceptual Noise.

- *Processing Determinants*: Past Experience, Judgmental Criteria.

- *Outputs*: Cash, Time, Kind, Size of Gift, Lifetime Value.

As this model represents the most recent model of donor giving behaviour that accounts for the marketing, economic, clinical psychology, social psychology, anthropology and sociology literatures, it could be argued, it contains the most comprehensive list of widely accepted giving factors and the most recent appraisal of the utility of a donor behaviour model currently available.

The authors suggest further research is needed to validate the proposed model and to define the nature of the relationships between the variables identified. As if to unconsciously endorse the need for work on identifying and quantifying determinants, they even suggest "the extent to which each variable might vary in its significance and impact remains uncertain. Further empirical work is therefore essential" (Sargeant *et al.* 1999, 229). They do however advise caution with respect to the model they postulate. Accounting for charity donations as the result of a cognitive process involving considerable information processing is a rationale that has questionable legitimacy.

Questioning the legitimacy of previous models in this respect seems increasingly likely given the variety of giving vehicles and new technologies now employed in fundraising. For example, lately new giving methods emerging in Spain have included automated telephone giving, internet giving, donation with purchase and text giving.

To sum up, the rationale for identifying the factors for donor decisions is the attempt to empirically investigate the importance of factors or their impact on giving/not giving under specific conditions.

This attempt is outlined in a multi-attribute approach which makes the donor to choose one funding option among several alternative funding options.

The case study of Las Fallas Festival offers a recreation of different sets of hypothetical alternatives. Each of them shows a different set of attributes for funding sources of the neighbourhood associations that afford the festival. Three funding sources are identified: market, public funding and NGO associations. Each funding source has different values and principles which affect to some extent the valuation of the festival.

The empirical work of this analysis is carried out in Chapter 6. However, the options for analysing choice factors in multi-attribute decision processes, the difference between preferred and choice approach in multi-attribute technique and the reasoning behind the selection of the choice experiment technique is explained in the following section.

4.3.2 How do NGOs fund cultural heritage?

In this research, investigating the factors of funding involvement in cultural activities is not as focusing on a consequence of what is preferred as what attributes actually determined the choice for that given set of alternatives. In other words, the focus is on the 'relative impact' of attributes on the alternative selection rather than the 'relative popularity' of alternatives.

If a given attribute (i.e. a particular type of funding source) is important in alternative decision making but all alternatives perform well with respect to this attribute then the attribute has low determinacy and therefore would not provide a good target for those wishing to influence alternative selection.

Merely understanding the impact of a list of attributes by itself will not provide the best determinant information. The determinacy score of attributes is the key - high determinacy score indicates an attribute that requires attention by those wishing to influence alternative selection.

As a brief introduction about the different techniques used for analysing the multiple attribute funding decisions, the two options used in the research are:

- Multivariate statistics: decision tree

- Multi-attribute valuation

The former has been already theoretically described in Chapter 1. Despite the latter has been described in previous chapters along with its counter partner in the stated preference techniques (contingent valuation).

Differences among the different multiple-attribute valuation techniques

In looking at multiple attribute valuation techniques, there are two main approaches: the preference-based ones which require the individual to rate or rank each alternative product and the choice-based ones which make the individual to choose one among several alternative products.

The former is a research technique in which consumers are asked to evaluate a series of hypothetical and real products, defined in terms of their features.

The latter differs in that consumers are asked to view a series of competing products and select one or, in some cases, more than one. In this regard, choice-based approaches are based on a more realistic task that consumers perform every day, the task of choosing a product from among a group of competitors while preference-based approaches do not require respondents to make a commitment to select a particular option.

This is one of the reasons why choice-based approaches are better than or, at least, more preferred to preference-based approaches.

Choice-based approaches originate from the economics discipline and have been widely used for valuing a diverse range of goods and services. On the contrary, preference-based approaches have their origins in the marketing literature and are mainly focused on gaining an insight into consumer preferences rather than estimating economic values (Louviere, 1988). The growing acceptance of choice-based approaches among marketing research practitioners is primarily due to the belief that obtaining preferences by having respondents choose a single preferred stimuli from among a set of stimuli is more realistic and it is thus a better method of approaching actual decision processes.

Generally speaking, *preference-based approaches* are labelled with the global term of conjoint analysis while choice-based approaches receive the name of choice modelling.[55]

One of the main differences between them is the form of the utility function: preference-based approaches use a deterministic utility function while choice-based

---

[55] Choice Modelling is also called Stated Preference Discrete Choice Modelling (SPDCM).

approaches use the random utility function where the stochastic component includes all unidentified factors that affect choices. In the deterministic case, the utility function is assumed to be related to an individual's ratings via a transformation function 0:

$$Uj = 0[V_j (X_{ij})] \quad (1)$$

that can take the following shapes: (i) vector model (linear), (ii) ideal point model (linear plus quadratic) and (iii) part-worth function model (piecewise model). The vector model estimates the fewest parameters by assuming the potentially restrictive linear functional form, whereas the part-worth model estimates the largest number of parameters because it permits the most general functional form. The ideal point model falls between these two extremes (Green and Srinivasan, 1978, 1990). These data are typically analyzed using ordinary least squares (OLS) regression techniques which implies a strong assumption about the cardinality of the ratings scale (Bateman *et al.*, 2002). Choice-based approaches on the other hand use the random utility function that represents the integrated behavioural theory of decision-making and choice behaviour and is composed of a deterministic component Vj and a stochastic one ε_j:

$$Uj = Vj(Xj) + \varepsilon$$

The Random Utility Theory (RUT) leads to families of discrete choice models that describe the behaviour of individual choice probabilities in response to changes in attributes and/or factors that measure differences across individuals. The most commonly used estimation method is the maximum likelihood.

Figure 33).

These techniques differ in the quality of information they generate, in their degree of complexity and also in their ability to produce WTP estimates that can be shown to be consistent with the usual measures of welfare (Bateman *et al.*, 2002).

Both contingent rating and paired comparison belong to the family of conjoint analysis, which implies the use of a deterministic utility function and ordinary least squares as the estimation procedure. However, these two variants differ in the measurement scale for the dependent variable.

In a contingent rating exercise, respondents are presented with a number of scenarios one at a time and are asked to rate each one individually on a semantic or numeric scale. This variant does not, therefore, involve a direct comparison of alternative choices. Ratings must be transformed into a utility scale. The indirect utility function is assumed to be related to individual's ratings via a transformation function. These data are typically analyzed using OLS regression techniques which imply a strong assumption about the cardinality of the ratings scale. These assumptions relate either to the cardinality of rating scales or to the implicit assumption of comparability of ratings across individuals: both are inconsistent with consumer theory. Hence, contingent rating exercises do not produce welfare consistent value estimates.

In a paired comparison exercise, respondents are asked to choose their preferred alternative out of a set of two choices and to indicate the strength of their preference in a numeric or semantic scale. This approach combines elements of choice experiment (choosing the most preferred alternative) and rating exercises (rating the strength of preference). Also in this case, the utility function is estimated using ordinary least squares (OLS).

On the other hand, choice experiment and contingent ranking belong to the family of choice modelling, which implies the use of a random utility function and the maximum likelihood as the estimation procedure.

In a choice experiment, respondents are presented with a series of alternatives and are asked to choose their most preferred option. A baseline alternative, corresponding to the status quo, is usually included in each choice set. Choice experiments give welfare consistent estimates for four reasons. First, they force the respondents to trade-off changes in attribute levels against the cost of making these changes. Secondly, the respondents can opt for the status quo. Thirdly, we can represent the econometric technique used in a way which is exactly parallel to the theory of rational and probabilistic choice. Fourthly, we can derive estimates of compensating and equivalent surplus. In this case, we estimate a McFadden's conditional logit model using the maximum likelihood procedure.

In a contingent ranking experiment, respondents are required to rank a set of alternative options from most to least preferred. Each alternative is characterized by a number of attributes, which are offered at different levels across options. Respondents are then asked to rank the options according to their preferences. In order to interpret the results in welfare economics terms, one of the options must always be in the individual's currently feasible choice set. This is because, if a status quo is not included in the choice set, respondents are effectively being forced to choose one of the alternatives presented, which they may not desire at all. Ranking data provide more statistical information than choice experiments, which leads to tighter confidence intervals around the parameter estimates. We estimate a rank ordered or an exploded logit model using the maximum likelihood procedure.

4.4   A stakeholder approach for searching funding

It is commonly argued that the process of globalisation has led to a decrease of the economic and political power of the individual citizen and the erosion of traditional forms of identity.

In many European countries, it is the local level that has provided an arena to respond to these challenges through the construction of new forms of governance. It is important, therefore, to consider the role of participation in modern governance, focusing, for example, on the appropriate balance between representative democracy, participation and "technocratic" expertise.

In general, two sets of influence on local participation can be identified.

- The first concerns the consequences of 'macro' changes in the economy and society (cf. Hall and Jacques, 1989) such as an economic shift from Fordist to a post-Fordist 'mode of accumulation', and the related shifts from a welfare to a post-welfare 'mode of regulation', and from a 'providing' state to an

'enabling' state. In this context, the trend from government to governance has sought to make the new paradigm more governable.

- The second set of influences on local participation is more 'micro' level approach and is about the belief that local participation produces more effective policy outcomes (e.g. DETR, 1999). We consider each of these influences, in turn, below.

The 'micro' level rationale for local participation is based on a number of factors.

- The European Union recognises the fundamental democratic right of individuals to participate in the public arena. They have, at a minimum, a right to be fully informed about decisions that affect their quality of life and, ideally, they should also have a right to exercise influence over this process. It is possible that not all individuals will aspire to become involved, but should be able to do so. In other words, individuals cannot be force to participate in issues that affect their lives, however, they should be given the opportunity where possible.

- At the same time, politicians argue that local participation leads to more effective, efficient and equitable policy outcomes. Although this hypothesis needs empirical verification there is little doubt that local individuals possess unique expertise and experience on daily issues that may surpass professional and political stakeholders. Local community represents a resource whose knowledge can be exploited to produce more informed policy initiatives, for example, see Taylor (1995). Besides, politicians argued that local participation produces more sustainable policy outcomes.

The history and nature of, and the rationale for, participation differ between European countries.

In the United Kingdom partnership has been a defining feature of regeneration policy since its inception but the composition of partnerships has differed over time. Local participation has emerged as a key feature only during the past decade. The 1977 White Paper Policy for the Inner Cities proposed partnerships between the State and local authorities (but not, at this point, local people) as the solution to the structural economic and social decline of urban neighbourhoods, including large estates. The period of office of the Thatcher government (1979 to 1990) was characterised by the centralisation and privatisation of regeneration policy. Partnerships between the State and the private sector (e.g. Urban Development Corporations), deliberately bypassing elected local authorities and individuals, were developed in a classic 'top down'

approach. The government of John Major (1990 to 1997) responded pragmatically to the perceived weaknesses of this approach (specifically, the failure to deliver benefits to local people either directly, or through 'trickle-down') and encouraged local multi-sector partnerships that included, for the first time, individuals, through programmes such as City Challenge and the Single Regeneration Budget. The principle of local participation has been central to the approach of the Blair government to the regeneration of large estates and other deprived urban neighbourhoods through programmes such as New Deal for Communities, which are, in theory if not necessarily in practice, 'community led' (Taylor, 2003). Local participation has, therefore, been central to estate regeneration policy and practice in England for the last decade; a result of past policy failures and promotion of participation by the community and voluntary sector and research charities such as the Joseph Rowntree Foundation (www.jrf.org.uk).

In Spain on the other hand, only since recently the government has been encouraging local participation. It seems that in relatively young democracies (for example Spain plus Central and Eastern European Countries) the stimulation of local participation by the government is relatively new in comparison with older democracies such as the UK and Netherlands. It seems logical that in countries where the idea of involving individuals in policymaking has been developed only recently the role of local participation in urban policy is less developed and less formal instruments are available.

4.5   Balancing community participation and public service provision in the cultural sector

Within the context of global economic hardship and from a supply-side approach, cultural institutions address community participation as an argument to secure their public financial support. They focus on the instrumental benefits of the arts, particularly economic growth, higher education level and social integration. To this regard, the role of community participation is associated with the one of taxpayers and engagement of individuals' financial resources to local community affairs. Besides, this argument assumes that the more participation the better and indirectly the raises question of how much community participation is appropriate.

However, this supply-side approach focused on economic rationale of benefits to support cultural sector funding downplays the importance of building demand because the arts and culture can enrich individuals' lives and contribute to the public welfare. Besides, too much reliance on instrumental arguments is not sustainable

because it tends to ignore the fact that the instrumental benefits that cultural sector claims to produce can be generated by other types of social investment, such as a new playground school for instance.

There are three funding sources identified: market, public funding and NGO associations. Each funding source has different values and principles which affect to some extent the valuation of the intangible cultural heritage analysed here, the festival. The boundary lines among the different funding sources represent the integration of different roles of the players. Strong evidence indicates that the three funding players operate simultaneously in supporting festivals[56] and their intermingling is more the rule than the exception.

Nevertheless, according to studies at European level[57] public sector funding remains the largest supporter of culture in comparison to private sector (third sphere and market) and despite little explicit acknowledgment of the importance of the NGO sector, its role appear to be increasingly significant. Examples from the EU countries show that it is possible for NGO organisations to "contaminate" the public and market sphere with third sphere objectives, principles and management procedures.

In the current financial hardship cultural heritage organizations have to build a new budget legitimacy and looking for new forms of financing. The stakeholder concept seems a tentative but appropriate approach to describe the nature of the relationship among the three different funding players and the contexts in which they operate.

Broadly speaking, stakeholders can be defined as any people, groups, organizations who may affect or be affected by the development of an activity or a project. Stakeholders have not to be confused with partners: the latter are already committed to a project, while the previous are potential supporters, and only a convincing set of arguments and actions can turn their neutrality or opposition into support.

The theory of stakeholders originated in the United States business sector, within the fields of strategic management and the human resource management. It has then been widely applied as a tool of analysis and orientation for strategic development, particularly by the environmentalists and more recently also by service agencies and public bodies working in arts and cultural development.

---

[56] See "Festivals: Challenges of Growth, Distinction, Support Base and Internationalization", which was funded by The EU Culture 2000 program and the Tartu City Government. http://www.tartu.ee/?lang_id=2&menu_id=11&page_id=1739 (last visited: 28/11/2010).
[57] Financing the arts and culture in the EU. STUDY. Directorate General Internal Policies of the Union. Policy Department Structural and Cohesion Policies. Culture and Education. Authors: Arjo Klamer, Lyudmilla Petrova, Anna Mignosa, Stichting Economie and Cultuur http://www.europarl.europa.eu/activities/expert/eStudies.do?language=EN (last visited on 20th December 2009).

The stakeholder analysis is a good tool to consider the position and the role of a festival in a community and in the wider operative contexts and then to identify the objectives and the budgeting strategies.

Although this approach is resource intensive it provides festival's organisers with a better understanding of their environment and players, their needs, priorities and expectations, and consequently to reduce even financial risks

Managing stakeholders is a key point for the development of a festival: identifying them in relation to the festival project, checking their interests, their importance, their influence and how those interests can influence the festival development. However, there is also another strategic point that should be interconnected to the stakeholder approach; it is the two-dimensional paradigm of festivals: the spatial-temporal and the relational variables. The former is related to the 'here and now' notion, a festival starts, lasts a short time and is performed in a place. The latter is related to the relationship exchange which comes from agreements with different social agents, reflects a continuous process and depends on the ability of the festival promoters to establish a 'commitment' to its public.

Stakeholders can be divided into groups which are common to cultural heritage organizations and festivals but can include entities that are stakeholders specifically associated with a particular festival or typology of festival; therefore specific categories of stakeholders can be identified. Nevertheless, the most common are detailed below:

People within the festival organisation

The "heart" of the festival machine is the team that includes the staff, the collaborators and the volunteers. The healthier the heart, the better the body work. The motivation of the team is a main source of energy: a well organized and motivated team makes the difference in making the festival happen. It could be said that the difference between just working "at" the festival and working "for" the festival consists mainly in motivational implications.

A good feeling, sharing problems and solutions, improving personal and professionals tools and experiences, working in a pleasant human environment are keys to motivate the team in renewing the festival's continuity and success.

Motivation and a feeling of involvement are the basic elements in the volunteers work, bringing important resources to the festival working machine. The volunteer work can be complementary to the professional work in the festival and play a very important role since the absolute majority of festivals have a lean structure. Volunteers can be

involved in different ways, connecting their potentialities with the professional skills and roles of the rest of the staff. Volunteers are more effective when involved in activities connected with their personal interests and experiences.

Guest artists are the paramount reason of the festival, without them a festival would not exist. A festival's quality depends also on the care for the artists, including related aspects which can make the difference, such as attention in providing the appropriate working and accommodation, meeting the technical and logistical requirements, a transparent communication, an effective promotion, interesting and appropriate occasions to meet the audience, professionals and experts. All these aspects play an important role in helping the artists perform under the best conditions, creating not only a good image for the festival but also cultivating long term relationships. Reputation in the communities of artists is a crucial component in enhancing the profile of a festival and a very effective way to increase its competitiveness in the arena. Some examples of motives of volunteers in such cultural events include: good feelings, sharing problems and solutions, improving personal and professional experiences, working in a pleasant human environment and reputation. It is evident that many of these can be considered to be intrinsic values.

Public authorities

The involvement of public authorities includes a wide range of players, from the European Union to the national ministries, regions, provinces, municipalities. Festivals with a strong international dimension can seek support from the agencies supporting trans-national exchange and cooperation, such as the national cultural institutes etc.

Public authorities can be involved in many forms, from applying for funding to asking for patronage, from other forms of support to logistic collaboration.

In the current critical phase of a decrease in public funding for cultural sector, it is of the utmost relevance for festivals to explore a wide range of different funding opportunities, looking far beyond the cultural budgets to the funding, supporting social, educational, tourist programmes within the framework of public policies at all levels. In most big and middle sized cities in the last few years ad hoc agencies have been established by the local authorities, often in association with a variety of private partners, in order to stimulate and to manage urban regeneration and local development processes; in other towns other bodies are responsible for city marketing: enhancing the profile of the territory can attract capital investments or tourists. All these players are relevant stakeholders of festivals and although they

seldom directly funding a festival, from time to time they support a production because it is staged in a specific site or addresses a certain issue.

Besides this, the involvement of such agencies can open the door to other public and private players who might be otherwise difficult to reach.

Local community

The local community is in many respects the key direct and indirect stakeholder. The way a festival affects and/or is perceived to affect the needs and interests of its members (locally based associations, interest based groups, businesses) has a direct impact because it influences the individual decisions of attending the performances and the events but moreover, it induces a positive, neutral or negative cooperative attitude. The feedback towards the festival among the individuals at the end of the day has probably become the most important factor in the decision making process of the public authorities but also of the players of private sector such as larger companies and foundations that operate on a wider scope than the local scene.

Individuals and visitors attending the festivals are very often searching for more than an artistic performance; they look for a socializing experience within a creative and inspiring milieu. Festivals can therefore play a very important role also within a local community that goes beyond enjoyment and aesthetics.

It is then not surprising that festivals can create opportunities for local development processes and can be a very interesting and useful tool for urban regeneration, setting up or bringing special events in deprived urban areas, interacting with local changes, stimulating creative interventions, planning activities that can affect regeneration processes, in the short and long term.

A festival enables individuals to create a new vision, a way of looking at the place where they live from another point of view; it can improve the quality of communication among individuals and enhance the mutual understanding of social, ethnic, age and cultural groups. Holding events in a "risky" area can help in making it more attractive and safer for the duration of the event and hopefully beyond.

All these elements can create and/or reinforce the self-confidence of individuals and change the perception of the area within and outside the community, an essential step in any process of urban regeneration. The social benefits deriving from a festival

may have a more relevant impact, if an adequate follow up of permanent artistic and cultural activities is planned.

Contributing to a process of regeneration is also a very effective way to provide the local community with social and environmental benefits which transcend the simple economic impact connected with the expenditure of the audience and the guest artists and staff during the duration of the festival.

Where ethnic communities have a strong share in the population of the territory, festivals can represent a creative and powerful chance to open a new intercultural dimension as well as to reach out to new audiences.

The variety of cultures of the inhabitants was taken by the organizers as a positive resource to mobilize the various communities and social groups, stimulating an interactive and cooperative practice during the creation and the preparation of the festivals

Private sector

The private sector is another key stakeholder for festival, particularly in times of de-crease of public subsidies earmarked for arts and culture almost everywhere all over Europe. The involvement of the private sector in the festivals can be pursued through a variety of forms and at different levels.

A wide range of local businesses can have an interest in supporting festivals, since many of them are a relevant component of the tourist supply and all festivals represent today an essential element of the image of a city or a region. Shopkeepers, restaurants, hotels, wine and food producers and farmers in the countryside, tourist initiatives and every private activity that could provide some service to meet the festival's needs, can find its own opportunity to reinforce or expand their position in the market. A business can support financially the whole festival, or a specific event within the frame of the festival (e.g. a production, a single performance, an award), through a sponsorship in cash or in kind. The latter includes a wide range of possibilities that include providing venues, locations, catering, equipments as well as supplying services such as advertising, transports, consulting or many other tangible and intangible resources.

When a festival (big or small) generates an impact on the whole community, the local stakeholders include the chamber of commerce, associations of industrialists or any

other association of local producers or traders and they may even be interested in becoming a partner.

Sponsorship is a way of involving the business community, based on a bilateral agreement that identifies mutual benefits. Sponsorship demands a strategic and creative approach, identifying businesses that can be linked to the festivals activities, themes and related aspects, individualizing the reasons of a potential interest of the sponsor, and being able to find for each case the appropriate solutions.

Seeking sponsorship therefore requires a commercial approach, together with awareness that sponsor's interest in an event is directly linked with business aims, sponsorship being a part of the marketing and communication strategy of the involved firm. To involve business players means finding common objectives and setting up cooperative process in order to build permanent partnerships, and this demands a direct involvement of the partner in all the phases of the project as a creative working collaboration.

NPF organisations

Across Europe foundations are playing a small but rising role. They may support – and in some cases they already do - festivals in developing innovative and challenging initiatives that step into contentious territories where public authorities do not like to venture.

It is important to understand that foundations cannot replace the decline of public spending for arts and culture not only because they do not have the financial means to cope with this ambitious goal, but above all because they want to pursue their own agenda with their own priorities that may include geographical scope, fields of intervention and other.

Many foundations are increasingly willing to support artistic and cultural projects when they have some social impact that means addressing the main social and political challenges of the contemporary European society. As it was previously stressed, because of their more flexible nature, festivals can react more promptly than most cultural institutions to the opportunities and demands of the civil society, without compromising their mission and artistic vision.

The arts and cultural heritage organisations

Arts organizations, from festivals to any other local, national or international organizations and cultural institution form this cluster of stakeholders.

If a distinction can be made, a subgroup of primary stakeholders comprises the performing arts festivals and all the other bodies active in the same fields (theatres, companies, producers, agents etc) on the global scene, while a secondary subgroup is made up of all the other relevant cultural institutions (such as museums, libraries, cultural centres etc) particularly but not exclusively operating within the same territory of the festival.

Among those belonging to the first subgroup abovementioned, a festival can identify the most appropriate subjects with whom a range of collaborations can be established (from the simple exchange of information to artistic co-productions, complex projects and joint cooperative processes).

At local level, a festival can promote partnership outside its own specific field or artistic form, with all the arts organizations and the cultural institutions, identifying the mutual needs and benefits.

Long term projects and networking processes, involving arts organization locally or regionally, can lead to interesting developments, creating the opportunity of collaboration for local operators, contributing to audience development and educational programmes, as well as promoting and enhancing the profile of the festival among the arts community and the other stakeholders. Public and private funders usually acknowledge the added value of cooperative initiatives among arts organizations as opposed to an indifferent or competitive attitude.

Transnational networks (both thematic or issue based networks as well as the more trans-sectoral ones) are also important stakeholders of festivals. They indeed represent a good opportunity to enhance festivals' international visibility in the artistic community as well as the best arena for establishing useful relationships whose benefits can range from the increase of knowledge and the sharing of experiences to the chance of contacting new professionals and new artists – with positive feedback on festival programming. Networks have also proved to be the most appropriate environment to look for partners, to develop transnational co-productions and joint projects.

Mass media communication

The importance of the festival's ability to attract media coverage cannot be underestimated for a number of reasons. Particularly when a festival is medium-sized or small, and with a limited budget, effective activities by a press office can indeed compensate for a limited and very often ineffective use of advertising or other forms of paid communication. A festival that lasts a few days or a few weeks is both an

opportunity and a pitfall when managing relationships with the media. The combination of a significant number of shows in one particular place and one particular period, the wave of new ideas and the internationalisation that festivals often bring with them, and the fact that festivals are an opportunity for visibility and renown also for the city and its surrounding area, are all certainly conditions that can elicit a positive response from the media and, in some cases, transform the festival into a real media event. Conversely, the fact that it is an ephemeral event that runs its course in a short period of time means that the festival's communication runs the risk of cannibalisation by exceptional or unforeseeable events (an outstanding example of it was on the morning of 11 March 2004, when in the middle of the Fallas festival and three days before Spain's general elections in the city of Madrid there were several train bombings). Besides there are other risk of diverting the attention of mass media due to the competition from other festivals that start up in the same period.

Another great dilemma in festival communication concerns the advisability of keeping the attention of the media and public alive the whole year round, and not just before the festival actually opens. In this case, if festivals approach the diversification and wealth of local culture not as a form of unwelcome competition, but as an opportunity to create economies of scale and communication, networking can also be used as an instrument to limit the "communications lethargy" into which festivals lapse during the year.

A festival, as a condensed event in time and space, offering a very special opportunity, requires a condensed, impressive and immediate communication to get attention, attract participation and diffuse the festival knowledge: media are a basic group of stakeholders, becoming fundamental to inform people, to promote the festival, to communicate its image, identity and value as well as providing a way to promote. Traditional and more technologic communication tools are various and their effect is usually complementary (press, television, radio, flyers, poster, printed media, public relations, website, internet, mailing list, SMS); they can be supported by more creative and personalized promotional tools, from interviews to performances, from inserts in unexpected contexts to special promotional events. Relation with media requires continuity to maintain attention alive and to update information.

5 Intangible cultural heritage and cost benefit analysis

5.1 Introduction

This section explores the literature about impact studies of intangible cultural heritage. Besides, it describes how intangible cultural heritage goods can be assessed within the conventional and widely-used process of cost-benefit evaluation. Finally it goes on to analyse how public bodies, as main supporters of culture in general terms, deal with the problem of valuing intangibles on social investments.

Although impact evaluation is widely-used for monitoring the outcomes of social investments and how they contribute to the public welfare it should be noted that cost-benefit analysis[58] and its resulting net social benefit is quite distinct from *economic impact*, although they are often confused.

Economic impact refers to the tracking and measurement of money as it changes hands within a given geographic area. Net benefit refers to a comparison of benefits and costs (in this case the social benefits and social costs) to see if the former offset the latter. Impact is a concept related to the absolute size of monetary spending, while net benefit is concerned with the relative size of components of that spending, as well as other non-monetary considerations. As stated in previous chapters, economic impact has come into fashion as a policy decision-making tool. At first glance it seems simple – whichever provides the biggest impact wins. But economic impact makes no attempt to assess for quality of impact, only quantity. This raises the question of: *is bigger always better?*

Within the above mentioned criteria for decision-making the objective of public bodies is to maximise social welfare. Maximising welfare is then understood as the efficient allocation of public resources on the different social investments. As it was explained in Chapter 4, one of the economic justifications for governments to support culture and the arts is that some cultural goods and services may be treated as public (or quasi-public) goods. However, can this be applied to intangible cultural heritage goods too?

---

[58]   Net Social Benefit in time t (NSB) is the result of $(B_t - C_t)$ where B_t are the social benefits of a given project or proposal in time t, C_t are the social costs of it in time *t*.

5.2   Intangible cultural heritage and its consideration as quasi-public goods

The notion of public or quasi-public in relation to cultural goods is complex to define because it involves a mix of economic and social criteria. It shows how important the holistic perspective is for understanding the relation between the process of valuation and funding of cultural heritage.

Using this holistic perspective, public cultural goods and, as a whole the funding of culture and the arts, should be regarded as something dynamic that changes over time, and that result from a social construction process, created as such from the economic needs of a certain society.

When breaking down the notion of public (quasi-public) cultural goods, it is observed that the cultural goods (and services) that are part of it may be tangible or intangible.

In this sense when speaking of tangible property, allusion is made to the cultural material heritage, meaning objects or material elements such as ceramics, architecture, gold or silver work, and archaeological places. In this regard the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage stipulates elements of heritage as:

> [...] monuments: architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature, inscriptions, cave dwellings and combinations of features, which are of outstanding universal value from the point of view of history, art or science; groups of buildings: groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of outstanding universal value from the point of view of history, art or science; sites: works of man or the combined works of nature and man, and areas including archaeological sites which are of outstanding universal value from the historical, aesthetic, ethnological or anthropological point of view[59].

Another component of the cultural heritage is related to the intangible goods, with manifestations that remain 'alive' through folklore, dances, rituals and traditions, among others, which therefore allow speaking of an immaterial cultural heritage. This notion and the different categories of expressions within are explained in Chapter 3.

As it can be seen, the classification of tangible and intangible cultural heritage is based on the distinction of THINGS from EVENTS but interestingly enough, even

---

[59] UNESCO Convention concerning the Protection of the World Cultural and Natural Heritage. 1972, article 1, p 3. http://whc.unesco.org/archive/convention-en.pdf accessed on 9 May 2010.

things are events. The existential philosopher Stanley Eveling remarked, "A thing is a slow event" (cited in Kirshenblatt-Gimblett 2004). Although this may be considered as a perceptual issue it shows the relationship between the actual rate of change and "the windows of our awareness". As the anthropologist Robert Plant Armstrong (1971, 1981) has noted: "a thing can be an *affecting presence*".

This perspective is in line with the assumption of this research (see section 1.1) of the underlying metaphor of *culture as an entity*. This metaphor shows the interdependence and symbiosis between tangible and intangible cultural heritage. While the intangible heritage only gains expression through the physical existence of the tangible heritage, the tangible heritage is almost meaningless -except for its aesthetic value-without its intangible elements, without its history, its cultural background.

In recent years both English Heritage (EH) and the British (Government) Department for Culture Media and Sport (DCMS) have increasingly promoted this somewhat intangible dimension of heritage. As seen in publications such as 'The Power of Place' in December 2000 (English Heritage, 2000). Moreover, the idea that intangible cultural heritage can (and should) be preserved in much the same way as monuments and archaeological sites is not particularly old. Indeed, the intangible cultural heritage has received international recognition and its safeguarding has become one of the priorities of international co-operation thanks to UNESCO's adoption and subsequent promotion of its Convention for the Safeguarding of the Intangible Cultural Heritage in 2003.

One reason for the importance of intangible cultural heritage derives from its potential to provide of a strong sense of identity and continuity to individuals and communities. These social activities or expressions of living creativity packed in different arrangements like products include, among many others: feast, festivals and fairs.[60]

Every type of intangible cultural heritage product contains a different blend of attributes which make them as unique in the context of the community.

When assessing the value and contribution to the public welfare of such products there is a common practice among academics and policy makers alike to forget that the primary intention of policy research and implementation is to improve the quality of people's lives. On the other hand, economists, in particular, have a bad reputation for including only financially based benefits and costs and missing a variety of socially oriented benefits and costs because of the difficulties faced in measuring them.

---

[60] See chapter 3 for details of this classification.

When using an economic impact analysis or *typical* cost-benefits analysis type framework for evaluating different cultural heritage projects, the assessment they made is based on their market benefits (and costs) consequently projects with a high component of "intangible" or public good benefits may appear less desirable to society than they actually are. Policy makers usually compensate for this discrepancy between calculated market values and the intuitively perceived higher value of culture by making *ad hoc* provisions for cultural funding. This solution may, in turn, lead to a misallocation of funding among different cultural projects.

By applying an holistic framework that includes the variety of non-market benefits (and costs) of cultural heritage, despite the difficulties faced in measuring them, it is possible to estimate the net social benefit and somehow to determine whether a certain project or policy creates more net benefits to the economy than other mutually exclusive option.

5.3   Appraisal of intangible cultural heritage through economic impact studies

Several reports and evaluations suggest that festivals' economic impact on host societies may be large (Maughan and Biancini, 2004; SQW Limited and TNS Travel and Tourism, 2005; Sussex Arts Marketing, 2004), however evidence of the opposite also exists (Mehmetoglu, 2002; Spilling and Andersen, 1990). Economic impact seems to vary in accordance with the kind and size of the event, and the number of festival attendees attracted from outside the host society. There are several methodological problems connected to making exact estimations of such impact (Crompton and McKay, 1994).

In the UK, reports have been written relatively recently that show festivals contribute considerably to the local or regional economy. For instance the Brighton Festival and Fringe, (Sussex Arts Marketing, 2004) was estimated to have an overall economic impact on the local economy of £20.36 million. For every £1 spent on tickets by festival goers "the Brighton Festival created an additional spend of £22.26 on the city's economy" (ibid, 5). Regarding cultural festivals in the East Midlands of England (Maughan and Bianchini, 2004), the 11 festivals investigated were said to have contributed £570,000 to the East Midlands' economy. In addition, £7 million was gained by local shops and businesses in the festivals' host areas. Profits from the Edinburgh Festivals in 2004/2005 (SQW and TNS Travel and Tourism, 2005) were estimated at £170 million in Edinburgh and a slightly higher amount (£184 million) for the whole of Scotland. Recently, an investigation was also made into the economic impact of Quartfestivalen, a large popular music and rock festival based in

Kristiansand in southern Norway (Aronsen, 2006). The total impact of this festival was calculated at NOK 100,300,000.

There are some problems with estimating festivals' economic impact in the way shown above. First of all, since the investigators tend to use different models for their estimation, the findings are impossible to compare with each other. Secondly, the festivals themselves often commission the reports, which are designed to produce the positive findings that are needed to legitimate the further existence of the festivals and further public funding. Thirdly, the investigations are mostly carried out by regional research institutes, which may have their own economic and political interests in presenting 'good results' from the region in which they operate. Such issues are also touched upon by Crompton and McKay (1994), who consider that festival economic impact studies are often "not conducted impartially or objectively" (ibid, 33). The reports tend to become advocacy documents, and are used to "legitimize the event's public support by endowing it with an aura of substantial economic benefits" (ibid.). The authors even go so far as to say that the external consultants making the investigations are not neutral but hired to tell their clients what they want to hear. In order to show the most typical mistakes made when estimating economic impact, Crompton and McKay (ibid.) made a fictive best- and worst-case analysis of one particular festival. The analysis showed that economic impact can range from $322 million to $16 million, depending on which calculation tools one chooses to use. Getz (2005), in discussing the different methods and concepts of economic impact measurement and evaluation of events, lists what he calls a number of misleading presumptions about event impacts. These are that: "all festivals and special events create economic benefits" (ibid, 385); "events create lots of employment" (ibid, 386) and "all the expenditure of all event-goers can be counted as economic benefits" (ibid, 387). He suggests that the reasons why such presumptions are so widespread are related to what he calls the relative immaturity of event- and festival-related research. Ericsson (2003) also comments on the methodological challenges connected to calculating festivals' economic impact. She touches upon the 'crowding out' effect mentioned by Hultkrantz (1998) above, and the problem of having to count festival attendances rather than attendees.

In the comparative analysis of Economic Impact Studies of Artistic Festivals carried out by Alexandros Vrettos (2009) he states that: "As a result we see that; one study, that of Valladolid, has created a multiplier based on their analysis and by following guidelines of the economic science. Edinburgh used multipliers for specific categories of spending made for the tourism sector and Midlands regional multipliers made by

the East Midlands Development Agency. One study; that of Brighton; makes a calculation of a number/item that is named "contribution" and not multiplier. The "contribution" is calculated through a mathematical relation presented in the final report of the respective study. The Brighton study does not really provide reasoning of the parts of the mathematical relation and the contribution number seems to be that of 22.6 or if a printing error has occurred: 2.26. In any case if it was a multiplier it could not be more than 1.6."

Still, not all the festivals that have been studied have been shown to contribute to the local economy. Mehmetoglu (2002) reported a case study of a community-run festival in Norway that had little direct impact on the host community, mainly because it catered mostly for residents. Likewise, Spilling and Andersen (1990) found that the festival Per Gynt stemnet had "relatively limited economic impact" (ibid. p. 42). However, it was seen as having a large cultural significance, both for the audience and for the local environment, and as having contributed much to the development and mobilisation of local cultural life. Ericsson and Vaagland (2002) also came to similar conclusions in their report of three festivals in the southeast of Norway. The festivals were not found to contribute much to the local economy but were nonetheless a resource for local cultural life, and provided important arenas for cohering parts of the local population.

5.4 Appraisal of intangible cultural heritage in socio-cultural impact studies

Formica (1998) felt that few studies had explored the socio-psychological issues related to festivals. Also, Quinn (2005) touched upon the fact that, although the literature is full of references to the social and cultural value of arts festivals "there is a real shortage of in-depth, empirically grounded analysis of the issues involved" (ibid, 939). According to Gursoy *et al*. (2004), researchers have been slow in directing research beyond economic impacts and motivations, despite the fact that the number of festivals and special events has grown considerably in recent years. This growth has opened up "a series of research questions regarding the social, environmental, and cultural impacts of festivals and special events on local communities" (ibid, 171).

Delamere, *et al*. (2001) described the process of developing a scale to measure residents' attitudes toward the social impacts of community festivals. In so doing, they recognised that such impacts were often external to most forms of economic valuation. "These impacts are less tangible than economic impacts, and are more difficult to understand and resolve" (ibid, 11). In a subsequent article, Delamere (2001) verified the scale by testing it on a community hosting a folk music festival.

The final scale included the social benefits of community festivals, divided into community benefits and individual benefits, and also the social costs connected to hosting such festivals:
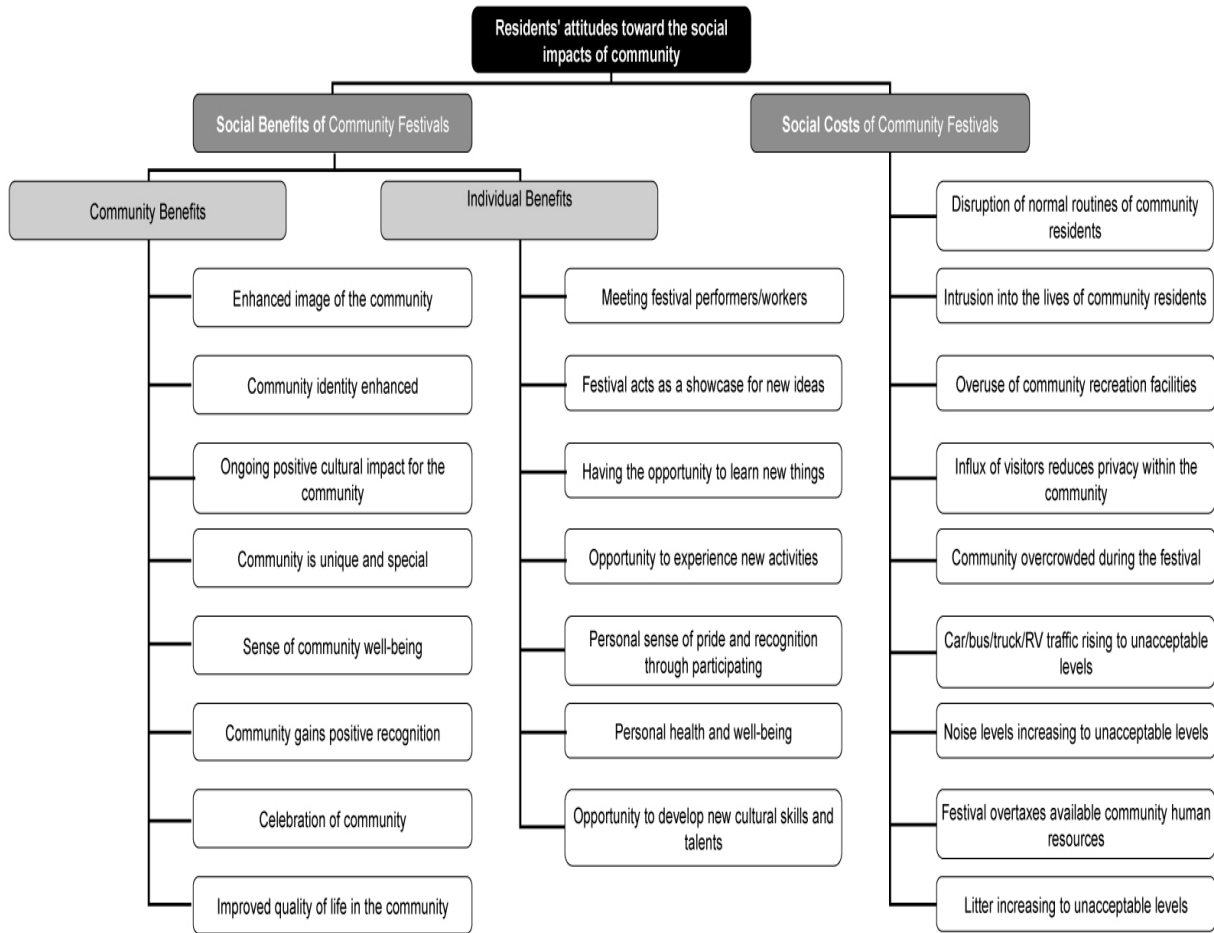
Figure 34: Social costs and benefits of community festivals (based on Delamere 2001, 28- 29).

Perceived impact of festivals and events

Community cohesiveness	Economic benefits	Social incentives	Social costs

Community cohesiveness:
- Generate revenues for civic projects
- Enhance community image
- Build community pride
- Help preserve local culture
- Help create cohesion in the community

Economic benefits:
- Increase employment opportunities
- Increase standard of living
- Encourage locals to develop new facilities

Social incentives:
- Provide more recreational opportunities
- Promote organizations and businesses
- Offer family based recreation activities
- Enhance community image to outsiders
- Help foster relationship between residents and
- Educational - make people aware

Social costs:
- Increase traffic congestion
- Put pressure on local services
- Increase crime rate

Figure 35: Perceived impact of festivals and special events (based on Gursoy et al., 2004, 175).

In investigating the perceived impact of festivals and special events by festival organisers, Gursoy *et al.* (2004) also found both benefits and costs. Their scale is divided into four parts; community cohesiveness, economic benefits, social incentives and social costs, and although not always using exactly the same expressions, there are substantial overlaps between this scale and the one developed by Delamere *et al.* (2001) and verified by Delamere (2001).

In addition to presenting their scale, Gursoy *et al.* (ibid.) made some general observations regarding festivals. They noted, for instance, that festivals and special events reinforce social and cultural identity by building strong ties within a community, and that families, by participating in a festival or special event, demonstrate their commitment to the community, by being an active member, a good citizen, "a potential partner in mutually reciprocal relationships" (ibid, 173). Their findings also showed that festival organisers certainly saw their events as contributing to community cohesiveness and as creating social incentives for the local community, but they did not, interestingly enough when seen in relation to the section above, see them as "major contributors to the local economy" (ibid, 177).

The two studies reported above do not investigate the 'real' social and cultural impact of festivals, but look into what residents of festival-hosting municipalities and festival organizers believe are the impacts. As can be seen, a lot of the focus is on building group and place identity, which might include enhancing the image of the community

and its self-identity, building community pride, creating cohesion, celebrating the community, preserving local culture, giving the inhabitants the feeling that their place of living is unique and special and creating a sense of community well-being. Among the very few empirical investigations made of such issues, there are those by De Bres and Davis (2001) and Derrett (2003).

Frisby and Getz (1989) claim that festivals are held in order to promote and preserve local history or culture. This was partly the case with the festival reported by De Bres and Davis (2001). They claimed that the Rollin' Down the River Festival in Kansas was mainly put on to "promote a sense of community, kinship, and place" (ibid, 327) in what the authors refer to as a state with a particularly poor self-image. During five weeks of, amongst other things, staging historical events, focusing on the rural heritage and giving different communities positive recognition, the inhabitants of Kansas attending the festival were able to "identify easily and in a positive way both with the local community and with the local river towns themselves" (ibid, 334). Although the authors based the article on questionnaires sent to the committee chairs of the festival (only 20 completed questionnaires were returned), the text is close to what Formica (1998) describes as a conceptual one, mainly describing or reporting the festival rather than researching it. However, De Bres and Davis (2001) made some interesting observations. The festival seemed to promote cohesiveness through involving the families of the community, young and old. Hence, the event "brought families together to share their heritage" (ibid, 332). Likewise, they pointed out that events held in small communities were likely to attract more people than events held in larger communities. "Success was, therefore, inversely related to population size" (ibid.).

5.5 Appraisal of intangible cultural heritage in cost-benefit methodology

Cost-benefit analysis (CBA) is a prescriptive technique. It has an explicit normative base (i.e. it is grounded on the moral utilitarian principles) where actions should be undertaken so as to maximize net benefits. It requires all impacts to be stated in monetary terms. The main reason for undertaking cost-benefit analyses is to inform decision-makers and stakeholders about projects or policies that use resources in the most efficient way (i.e. the one that produces the largest possible benefits for a given cost).

It is necessary to state that the author holds the assumption that cost-benefit analysis is not a means for judging private or public decisions. It is just a decision-supporting tool for economic project appraisal.

Cost-benefit analyses are generally undertaken by international lending institutions, NGOs and governments in both developed and developing countries. It is commonly used when the welfare of many individuals must be balanced. The design of this technique is not intended to dictate individual values, but to take them into account when decisions must be made collectively.

The formula used to evaluate the desirability of a certain intervention (policy or project) is given by the Present Value of the Net Benefits (PVNB):

$$PVNB = \sum_{t=0}^{T} \frac{B_t - C_t}{(1+r)^t}$$

where B_t are the social benefits of that intervention in time t, C_t are the social costs of it in time *t, r* is the discount rate and T is the number of time periods that define the life of this intervention. If the present value of net benefits is positive, then the program yields more gains than losses and the program is more efficient than the status quo.

Stated preference techniques are able to measure the benefits, or, in the case of benefits lost, the costs of the policy or project.

The most general and widely accepted classification of stated preference techniques is that between contingent valuation (CV) and Multi-attribute valuation techniques (MAV) (Merino-Castelló 2003b). In other words, between contingent valuation and both conjoint analysis and choice modelling approaches.

The purpose of this section is to provide an overview of the role the stated preferences techniques play in cost-benefit analysis.

5.5.1 The role of contingent valuation in cost-benefit analysis

Economists tend to think that markets work well most of the time. When they say that markets "work well" they mean that they efficiently allocate resources.

Resources allocated efficiently are employed in those uses where the marginal benefits are equal to the marginal costs.

Efficiency exists when any further change in resource allocation causes someone to be worse off than before the change. So that, efficiency means that opportunities for "win-win" changes no longer exist.

When markets allocate resources efficiently within some basic constitutional framework, there is little reason for additional government intervention in an economy unless the purpose is to make transfers to the advantage of a designated group at the expense of others not in the group (it is not included in this point the calls for government intervention that are made by self-serving interest groups who use the power of the government for their own gain).

When markets *fail* to allocate resources efficiently there is reason to consider government intervention.

CBA allows the demonstration of whether government intervention is superior to the existing market (and institutional) outcome in terms of efficiency of allocation. Somehow, CBA tries to answer if the social benefits of a specific government intervention are greater than the social costs and consequently if the present value of net benefits is as large as possible. By answering it, CBA achieves its purpose which is to inform social decision-making and facilitate the more efficient allocation of resources.

A distinguishing characteristic among various cost-benefit studies is the timing of the analysis relative to the government intervention:

- Ex-ante cost-benefit analysis is conducted before a government project or policy is implemented to determine expected net benefits.

- Ex-post cost-benefit analysis is conducted after the government project or policy is implemented to determine whether the benefits realized exceeded the costs realized.

5.5.2 The steps of a cost-benefit analysis

There are several stages in a cost-benefit analysis:

I) The cost-benefit analyst must determine standing. Whose benefits and costs count?

II) Definition of the scope of the project and possible alternatives. Typically, policy makers make these decisions.

III) Definition and quantification of the physical impacts of the project.

IV) Measurement of the physical impacts in monetary units.

V) Aggregation of the monetary values of impacts over the population with standing and discounting of those monetary values that accrue in the future

VI) Elaboration of a sensitivity analysis, including various definitions of standing and scope, before making recommendations.

These stages seem to be multidisciplinary in nature. Since economists typically are not experts in culture, ecology, medicine, and other relevant disciplines this task must often be conducted by others. At this stage economists can offer guidance to promote estimating the additional (marginal) effects of the proposed policy rather than average or total effects.

5.5.3 How stated preference techniques fit into CBA framework

The social impacts of a project or policy include market and non-market impacts. The market impacts can be estimated using changes in market prices and quantities.

Revealed preference and stated preference approaches can be used to estimate the monetary values of the non-market benefits.

Revealed preference approaches infer non-market policy impacts with data from past individual behaviour. As explained in the Chapter 3, the hedonic price method uses housing and labour market location decisions, the travel cost method uses participation, site choice, and frequency of recreation decisions, and the averting behaviour method uses purchases of market goods related to the policy to infer non-market policy impacts.

Stated preference methods are implemented with hypothetical questions about future behaviour. As stated before, the contingent valuation method is a stated preference valuation method that asks willingness to pay, willingness to accept or voting questions that directly estimate non-market benefits. The contingent valuation method

is called "contingent" valuation because it uses information on how people say they would behave given certain hypothetical situations, contingent on being in the real situation.

The usual role of the CVM in cost-benefit analysis is to estimate the monetary value of the non-market impacts of a project or policy. However, decisions made in other parts of the CBA will influence the decisions made in the CVM study. For example, the issue of standing will determine the geographic extent of the sample and aggregation rules. Questions about the scope of the project and various alternatives will influence the range of hypothetical questions that must be presented. The physical impacts of the project must be translated into terms that a survey respondent will understand. The appropriate discount rate will influence whether annual or one-shot willingness to pay questions will be used.
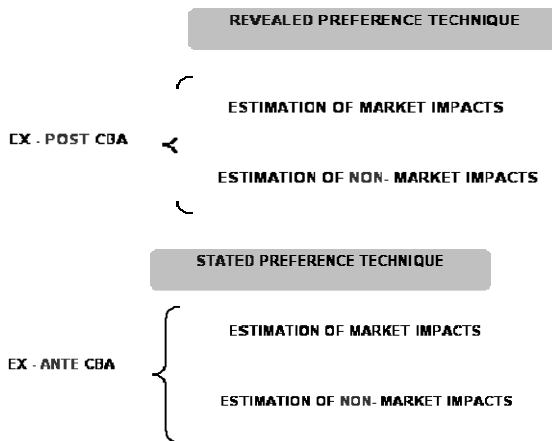
5.5.4 Suitability of Stated Preference methods with CBA

Compared to the revealed preference methods (RP), Stated Preference (SP) methods have advantages. In relative terms, Stated Preference methods are most useful to Revealed Preference methods when:

(i)   An ex-ante cost-benefit analysis must consider policy proposals that are beyond the range of historical experience or just planned but not implemented. New government policies and new projects are often beyond the range of historical experience. In econometric terms it means that SP **methods allow the estimation of consumer preferences in those situations where information on the choices made by individuals is not available.**

(ii)   A cost-benefit analysis **considers the estimation of the economic non-use values of a public policy or NGO's project. For example, the values for people who do not experience the changes resulting from**

that policy or project directly. Direct changes might be experienced through on-site recreation, changes on the job, or changes in the neighbourhood of residence, or through changes in one's own health. For some policies, non-use values may exist but their contribution to total value is not substantial. In these cases revealed preference methods are sufficient. However, for some policies ignoring the measurement of non-use values would lead to significant errors in policy analysis. For example, the benefits of the creation of a public library in an urban area are dominated by non-use values. In these cases the use of the SP methods is necessary. While some academics argue that the measurement of non-use values should be included in a 'challenges' section at drawing a proposal or project, <u>the potential for estimating non-use values is a strength of the SP methods within the context of cost-benefit analysis</u>. The alternative is greater reliance on a less informed, imperfect political system of decision making.

The total value of a policy change (i.e., willingness to pay) can be decomposed into use and non-use values. For example, suppose that the change in q1 is realized while use of the market good related to q1 is restricted to zero. The non-use value, NUV, of the policy change is:

$$NUV_1 = e([\overline{p}_1, p_2, ..., p_m], [q_1, q_2, ..., q_n], v(p, q, y))$$
$$- e([\overline{p}_1, p_2, ..., p_m], [q_1^{/}, q_2, ..., q_n], v(p, q, y))$$

Where $\overline{p}_1$ is the choke price for x_1. It is the price that is just high enough that the individual chooses to consume none of the good even though it is available. Non-use value is the difference in expenditure functions with and without the resource allocation change when use of the resource is zero. Subtraction of NUV from WTP yields the use value of the policy change

$$UV_1 = y - e([p_1, p_2, ..., p_m], [q_1^{/}, q_2, ..., q_n], v(p, q, y))$$
$$- e([\overline{p}_1, p_2, ..., p_m], [q_1, q_2, ..., q_n], v(p, q, y))$$
$$+ e([\overline{p}_1, p_2, ..., p_m], [q_1^{/}, q_2, ..., q_n], v(p, q, y))$$

If, in the absence of policy, the use of the market good is zero, $x^h(p, q, \cdot)$

$= 0$ the use value simplifies to

$$UV_1 = e([\overline{p}_1, p_2, ..., p_m], [q'_1, q_2, ..., q_n], v(p, q, y))$$
$$- e([p_1, p_2, ..., p_m], [q'_1, q_2, ..., q_n], v(p, q, y))$$

In this simple case, the use value is the willingness to pay for the removal of the choke price with the increment in the resource.

Willingness to pay questions tend to elicit the total economic value. For some cost-benefit analyses it may be important to empirically decompose the total value into use and non-use values (e.g., with issues of standing). The non-use value can be elicited from survey respondents in several ways. The first, and the approach the early CVM literature adopted (Greenley, *et al.*, 1981), is with a counterfactual scenario: "Would you be willing to pay €$_t$ for the policy that leads to $\triangle q$ even if you are not allowed to consume $\triangle x_1$?" Counterfactual questions often are difficult for survey respondents to answer because they are placed in an even more unusual situation than a hypothetical situation. Another early approach asked respondents to divide their total willingness to pay into use and non-use percentages (Walsh *et al.*, 1984). Respondents find this counterfactual also to be difficult.

Interestingly enough it is to take another approach and **focus on user groups instead of use and non-use values.** The willingness to pay question would elicit total value as usual from current users and current non-users of the resource. Revealed and contingent behaviour questions could be used to determine use of the resource with and without the policy. If use of the resource changes with the policy, then use values can be estimated and compared to the total value. The residual between total and use values is an estimate of the non-use value (e.g., Huang *et al.*, 1997). Some policies will not affect use of the resource. Then, the entire willingness to pay value is the non-use value.

Estimates of non-use value have drawn criticism because of a concern about theoretical validity. One theoretical validity test that has drawn much attention is the "scope test."

The scope test is the requirement that non-use values, or willingness to pay for that matter, must be non-decreasing in the quantity or quality of the resource change.

$$\frac{\partial NUV}{\partial q_1} = -\frac{\partial e}{\partial q_1} \geq 0$$

While some research has failed to find that non-use values are sensitive to the scope of the policy change (Boyle *et al.*, 1994), others have found sensitivity to scope (e.g., Rollins and Lyke, 1998; Whitehead, *et al.* 1998). These results do not imply that all non-use values estimated with the CVM are valid and useful for cost-benefit analysis. These results do imply, however, that in some important policy contexts non-use values estimated with the CVM are valid economic values for cost-benefit analysis.

Whether non-use values should be included in the cost-benefit analysis is largely an issue of standing (i.e. whose benefits and costs count?), not methodology (see Rosenthal and Nelson, 1992; Kopp, 1992).

To sum up, SP methods allow cost-benefit analysis to estimate individual preferences for attributes or characteristics of products that are currently non-existent.

(iii) Cost-benefit analyses for policies and projects that involve significant uncertainty. Under this circumstance the appropriate measure of the project/policy impacts is an ex-ante measure. Ex-post measures of value can incorporate uncertainty by assigning probabilities to different outcomes. The sum of the probability weighted ex-post willingness to pay amounts from revealed preference methods yields expected surplus.

In contrast, the option price is the ex-ante willingness to pay measured before the uncertainty is resolved. Any willingness to pay estimate elicited from SP methods can be interpreted as an option price, regardless of whether the analyst explicitly incorporates uncertainty in the willingness to pay questions or theoretically or empirically models the uncertainty. This is so because SP respondents will answer willingness to pay questions after considering all of the uncertainties that they are aware of at the time.

In order to define willingness to pay under uncertainty, consider a policy that may yield an outcome of q'_{1a} with a probability of π_a or an outcome of q'_{1b} with a probability of π_b where $q'_{1a} > q'_{1b}$ and $\pi_a + \pi_b = 1$. Note that this is a situation of supply uncertainty.

Similar definitions can be constructed for situations involving demand uncertainty (see Cameron and Englin, 1997). Under supply certainty the corresponding willingness to pay values are WTP'_{1a} and WTP'_{1b}. The expected surplus of the policy is the sure payment regardless of which outcome occurs

$$E[S]_1 = \pi_a WTP'_{1a} + \pi_b WTP'_{1b}$$

The expected surplus is an ex-post measure of benefits and can be estimated with the revealed preference methods.

The option price, OP, is the ex ante willingness to pay for the increment before the uncertainty is resolved:

$$v(p,q,y) = \pi_a v(p,[q'_{1a},q_2,...,q_n],y - OP_1) + \pi_b v(p,[q'_{1b},q_2,...,q_n],y - OP_1)$$

It is the amount of money that must be subtracted from income so that the sum of the probability weighted utility functions are equal to utility under the status quo. In the case of supply uncertainty, willingness to pay questions could explicitly describe the various uncertainties before the valuation question is presented. Respondents would then incorporate the uncertainty into their response. Several studies show that respondents recognize the differences in probabilities. For example, Edwards (1988) elicits willingness to pay under various supply probabilities provided by the survey instrument and finds that the option price varies in the expected direction with the probabilities.

Subjective demand probabilities can be directly elicited from respondents before or after the valuation question is presented. Another approach is to estimate demand probabilities from revealed behaviour. For example, Cameron and Englin (1997) provide an approach to compare option price and expected surplus estimates by using the demand probabilities of recreational fishing participation and fitted probabilities under different acid rain scenarios. While under certain restrictive conditions it is feasible to estimate the option price with revealed preference methods (Larson and Flacco, 1992; Kling, 1993), the CVM is the only approach that can estimate the option price with variation in demand and supply probabilities.

One problem that might be encountered in cost-benefit analysis under uncertainty is the failure of respondents to understand risk and probabilities.

Understanding is especially challenging when probabilities are low. For example, Smith and Desvousges (1987) elicit values of reductions in the risk of death using CVM and find that if the willingness to pay estimates are not related to the baseline risk in expected ways and estimates of the values of a statistical life are not plausible. While this is a potential problem, reviews and comparison studies indicate that the CVM estimates of the value of statistical life tend to fall in the range of the estimates from labour market studies (Blomquist, 2001; Viscusi and Aldy, 2003).

(iv)   Cost-benefit analyses for policies and projects involving a high variability of values in their characteristics. SP techniques solve the problem of collinearity that exists between characteristics when RP techniques are used (Merino-Castelló 2003b). Collineality among multiple attributes or characteristics generates coefficients with the wrong signs or implausible magnitudes, and makes it difficult to separate attribute effects (Freeman, 1993; Greene, 2000; Louviere *et al.*, 2000; Hensher *et al.*, 2005). This is probably the most common limitation of RP data and one might well wonder why many economists would argue that severely ill-conditioned RP date are superior to SP data just because they reflect 'true' market choices. In relative terms, it may be said that SP techniques are more flexible than RP for estimating values in Cost-benefit analyses. However, the flexibility of the SP techniques is a meaningful advantage only if the willingness to pay estimates are valid. One test of validity is through a valuation comparison study. A comparison study is one in which theoretically similar valuation estimates from two or more methodologies between RP and SP techniques are compared. Estimates that are statistically similar (i.e., overlapping confidence intervals) achieve a type of theoretical validity called convergent validity. The achievement of convergent validity is important for cost-benefit analysis because it increases the confidence in the valuation estimate.

5.5.5 Advocacy of stated preference methods in CBA

Although Stated Preference (SP) techniques are well established within environmental and transport economics, are widely used by governments and public

institutions; they are able to provide monetised valuations for cost-benefit analysis and aggregation across individuals is straightforward as units of measurement are in money. Several issues indicate that SP methods are not ideal for capturing users' and non-users' valuations of culture for use in cost-benefit analysis. These issues are mainly two folded in: they are complex and expensive (in terms of both time and money) to apply, and the validity of SP methods for model estimation due to the uncertain reliability of information elicited under hypothetical scenarios.

The first type of drawbacks is regarded to the practical issues while implementing these techniques. The method is costly, requires expertise to implement and if done poorly can produce potentially misleading results (Pearce *et al.* 2002). Existing work with SP techniques is highly variable in quality and there is a lack of studies and data applied to intangible cultural heritage from which to draw 'best practice'.

This lack of best practice guidance specifically for intangible cultural heritage is an especially important issue due to the difficulty associated with applying SP techniques correctly.

When applied poorly, results from this technique are subject of the second kinds of drawbacks mentioned before that directly affects the final monetary figure produced by the method. These problems have been already addressed in previous chapters. However, the problems faced in SP methods within a Cost-Benefit framework are detailed below:

Hypothetical bias

One of the more troubling empirical results in the SP literature is the tendency for *hypothetical* willingness to pay values to overestimate real willingness to pay values in experimental settings (Cummings, *et al.*, 1995; Cummings *et al.*, 1997, Blumenschein *et al.*, 1997). In general, respondents in a laboratory market tend to state that they will pay for a good when in fact they will not, or they will actually pay less, when placed in a similar purchase decision. This result has been found in a variety of applications including private goods and public goods.

One simple illustration of a cause for this result is when the ceteris paribus condition does not hold between the actual and hypothetical scenarios. Respondents in the hypothetical scenario may expect that more income or time will be available in the future and "the future" is when the hypothetical scenario will occur. Then, current income and time constraints are not binding in the survey setting and hypothetical purchase behaviour will be overstated, relative to the current time period. Willingness to pay may be based on future expected income.

Temporal bias

The choice of the appropriate social discount rate can be the most important decision in a cost-benefit analysis for long-lived projects. The same statement could be made about whether the willingness to pay question elicits annual or lump-sum amounts.

Most SP applications elicit annual payments assuming the current period budget constrains the willingness to pay. Aggregation over time is then conducted by multiplying annual payments by the time period of the project after applying a discount rate. The present value of willingness to pay (PVWTP1) is where WTP is the annual stated willingness to pay. This approach is problematic, and overstates the present value, if the respondent assumes they would only pay until the cultural project is completely financed (paying their "fair share"), say, $T = 5$, while the analyst aggregates over the life of the project, $T = 30$. Willingness to pay questions should explicitly state the time period if the benefit estimates are to be used in cost-benefit analysis. An alternative is to assume that respondents are constrained by their lifetime wealth and elicit a lump-sum payment (LSWTP): "Would you be willing to pay €t, this year only as a onetime payment, for the cultural project that leads to $\Delta q1$?" In this case the respondent would apply his or her own rate of time preference to the project and state the present value of willingness to pay.

If the average of the individual rates of time preferences is equal to the social discount rate, the two approaches should yield the same willingness to pay amount, LSWTP= PVWTP . However, there is some evidence that respondents answer lump-sum willingness to pay questions with an unrealistically high implicit discount rate.

Response rates and aggregation

Relatively few SP surveys achieve a response rate sufficient for aggregation over the population without major adjustments. The relevant question for cost-benefit analysis is: "do survey non-respondents have standing?" Assigning full standing and aggregating over the entire population sampled when only, say, 50% of the sample responded to the survey will lead to an overestimate of benefits if respondent willingness to pay is greater than non-respondent willingness to pay. Denying standing to non-respondents is sure to underestimate aggregate benefits.

Multi-part policy

Few government policies are independent of any other governmental policy. Most policies involve either substitute or complementary relationships with others at either the same or different intergovernmental level. For example, the financing of Picasso Museum in participated by the Spanish Cultural Ministry, the Spanish Treasure

Ministry, Generalitat de Catalunya and Barcelona City Council[61]. Depending on the budgeting relationships, these policies may be substitutes or complements for each other. These relationships complicate the application of the SP methods. The resulting problems that may be encountered have been called embedding, part-whole bias, and sequencing and nesting.

For example, consider two related projects that focus on improvement of q1 and q2 . The willingness to pay for the improvement q2′ is Hoehn and Randall (1989) demonstrate theoretically that WTP1 + WTP2 > WTP12 if] are substitutes and WTP1 + WTP2 < WTP12] are complements. If projects q1′ or q2′ are valued independently the willingness to pay amounts may not be different than willingness to pay for joint project, WTP1 = WTP12. Hoehn and Loomis (1993) empirically estimate an upward bias in independently valued substitute projects. This result is troubling if the projects are geographically related, for example, different wilderness areas (McFadden, 1994). Carson and Mitchell (1995) show that this result does not violate the non-satiation axiom of consumer theory if projects [q1′, q2′] are perfect substitutes. Also, several applications using a variety of survey methods have found an absence of part-whole bias (Carson and Mitchell, 1995; Whitehead, *et al.*, 1998).

A related issue occurs with the sequential valuation of projects. Consider a three-part policy valued in two different sequences A= [q1, q2′, q3′] and B= [q2′, q3′, q1′]. The willingness to pay for q1′ in sequence A when placed at the beginning of a series of three willingness to pay questions typically will be larger than in sequence B when the question is placed at the end. Independent valuation, in effect valuing at the beginning of a sequence, will always lead to the largest of the possible willingness to pay estimates. This result is expected for the value of public goods estimated with the SP methods due to substitution and income effects (Hoehn and Randall, 1989; Carson, *et al., 1998*).

Appropriate property rights

For many public goods, the implicit property right of the good is held by society or the government, i.e., someone other than the respondent. In this case it is appropriate to ask a willingness to pay question, which is essentially: how much would you give up in order to obtain something that someone else currently owns? The willingness to pay question does not change the implicit property rights of the resource.

For some types of policy the respondent holds the implicit property right. For instance, in the case of Fallas festival, the time at night that the different neighbourhood associations have to finish their celebrations during the peak week of the festival will take a right away from these ones that historically perceive that they own the right to celebrate the festival during that week. In this case the willingness to pay question essentially asks: how much would you give up in order to avoid losing something that you already own? The willingness to pay question changes the property rights. This complicates the valuation process if the change in the property rights has an effect on the estimated value of the good through, say, protest responses.

To sum up this section, it has been argued that the SP methods are a useful approach for estimating benefits or costs (lost benefits) for cost-benefit analysis. Relative to revealed preference methods, the SP techniques are more flexible; they can be used to estimate non-use values, and ex-ante willingness to pay under demand and supply uncertainty.

In many applications, the SP are the only methodologies that can be used due to the non-existence of related markets, large non-use values, or a significant amount of uncertainty about the outcome of the policy.

However, it should bear in mind that researchers who adopt the SP methods for their cost-benefit analysis should be aware of some of the methodological challenges.

6 The Fallas Festival case study: analysis and findings

6.1 Introduction

The previous chapter examined the context in which public bodies, as one of the main supporters of culture in general terms, deal with the problem of valuing intangibles with social investments. This chapter examines how non-government organizations deal with the problem of valuing an intangible example of cultural heritage goods through the use of a holistic methodology.

6.2 Methodology and sampling strategy

The Fallas Festival is an example of an intangible cultural heritage good funded by non-government organisations (NGOs) called Comisiones Falleras. This situation does not follow the general trend of non-government arts organisations in EU countries which often have a high dependence on continuing public funding.

Besides, the fact of supporting an example of intangible cultural heritage draws directly all the attention into the aesthetic experience, that is, the direct encounter with the festival that produces intrinsic effects at a private and a collective level. One of the implications of this example is that one must experience it to appreciate its value. So that, it is the experience of the festival what creates intrinsic benefits.

The resulting situation frames a context where, on the one hand, non-government festival organisations raise funds through their membership fees and sponsorship to support the festival. So they are not constrained to articulate social discourses to legitimate claims for benefits in line with the political agenda. And, on the other hand, intrinsic values play a special role in explaining why members of these organisations are drawn to support this festival.

On this basis the research question is: can intrinsic benefits be largely of value to society as a whole and contribute to the public welfare as instrumental benefits?

In order to address this question two intrinsic values are identified at a collective level that have effects on the individual's capacity to perceive, feel, and interpret the world these are the creation of social bonds and expression of communal meanings.

The methodology used to answer this question has been based around the articulation of two institutional[62] discourses focused on the way of achieving broad social goals that have nothing to do with the arts per se.

The first institutional discourse is the Agenda 21 for Culture with the statement of the 'governance' principle. The distinctive feature of this discourse is its adoption by local governments across the world specifically for addressing the role that cultural development plays in a citizen's life experience and the contribution made by the arts to healthy cities and local communities.

The other institutional initiative is that adopted by the Arts Council England together with IFACCA (International Federation of Arts Councils and Culture Agencies) to collate examples of good practice in supporting artists or arts organisations with creative and practical responses to ecological concerns (such as environmental sustainability and climate change), and to identify potential partners with whom to develop work in this area.

The research sub-questions are detailed as follows

1) How are individuals guided by the principle of sustainability to make decisions about funding an intangible cultural heritage in balance with the environment? In other words, to what extent are individuals taking a responsible participation in the funding of an example of ICH for the ideal of sustainable development?

2) How are individuals guided by the principle of governance to participate in the process of decision-making about the Fallas festival in order to ensure their interests and aspirations are met?

3) To what extent cost-sharing in intangible cultural heritage gives rise to intrinsic benefits? In other words, is there any relation between the level of funding and the intensity of the intrinsic values derived?

The empirical survey is based on a questionnaire. This was deployed during March 2010 and was applied to members of the different neighbourhood associations (comisiones falleras) who are the main funding agents and supporters of this festival. Several interviews with survey participants and the festival's key stakeholders were also undertaken.

The questionnaire used works as a data-generating tool for the analysis and therefore the quality of the final results is, to a large part, determined by the quality of the

---

[62] As it was stated in chapter 01 that an institutional discourse is considered as a kind of instrumental discourse.

applied questionnaire (Louviere, *et al.* 2000 and Bateman *et al.* 2002). With this in mind the questionnaire used for the present study underwent multiple revisions following on from pre-tests where the questionnaire was tested in a focus group of six members of neighbourhood associations (comisiones falleras) as well as a pilot study on a sample of 30 respondents.[63]

The construction and validation of the questionnaire was carried out firstly by approaching members of the neighbourhood associations.

Comisiones Falleras (CFs) stand for the neighbourhood collectives in Las Fallas Festival. They are usually communities of neighbours on a few adjacent streets and give their members (falleros) a sense of belonging. The falleros support each other, socialise together and collectively undertake neighbourhood projects. The physical place for each CF is called Casals and it is where their members (falleros) celebrate staying together, they socialise and work all year long holding fundraising cultural activities such as theatre, painting awards and so on

n° district	district subnumber	district name	Valencian Municipal Districts	number of CFs associations within each municipal district	n° questionnaires for municipal district
13		ALGIROS	ALGIROS	15	15
16	16.1.	BENICALAP	BENICALAP	14	14
18		POBLES DE L'OEST	BENIMAMET-BURJASOT-BENIFERRI	18	18
3	3.1. , 3.3.	EXTRAMURS	BOTANIC - LA PECHINA	15	15
12		CAMINS DEL GRAU	CAMINS AL GRAU	18	18
4, 5	4.1.	CAMPANAR Y SAÏDIA	CAMPANAR	17	17
11	11.2. , 11.1. , 11.5	POBLATS MARITIMS	CANYAMELAR-EL GRAU-NAZARET	14	14
1	1.3.	CIUTAT VELLA	EL CARME	14	14
1	1.4. , 1.2. , 1.5.	CIUTAT VELLA	EL PILAR-SANT FRANCESC	13	13
9		JESUS	JESUS	13	13
9		JESUS	LA CREU COBERTA	13	13
3	3.2. , 3.4.	EXTRAMURS	LA ROQUETA - ARRANCAPINS	15	15
1	1.1. , 1.2. , 1.5.	CIUTAT VELLA	LA SEU - LA XEREA - EL MERCAT	13	13
11	11.3. , 11.2. , 11.4.	POBLATS MARITIMS	MALVARROSA-CABANYAL-BETERO	17	17
			MISLATA	11	11
7		OLIVERETA	OLIVERETA	18	18
8	8.1.	PATRAIX	PATRAIX	12	12
6, 14		PLA DEL REIAL Y BENIMACLET	PLA DEL REIAL - BENIMACLET	19	19
2	2.2. , 2.3.	L'EIXAMPLE	PLA DEL REMEI - GRAN VIA	13	13
19		POBLES DEL SUD	POBLATS AL SUD	11	11
			QUART DE POBLET - XIRIVELLA	13	13
10		QUATRE CARRERES	QUATRE CARRERES	18	18
15		RASCANYA	RASCANYA	18	18
2	2.1.	L'EIXAMPLE	RUZAFA "A"	12	12
2	2.1.	L'EIXAMPLE	RUZAFA "B"	11	11
4, 5		SAÏDIA	ZAIDIA	17	17
				382	382

Figure 36: The distribution of questionnaires according to municipal district

The full-scale study was conducted by interviewing 382 random members of neighbourhood associations (falleros from comisiones falleras) distributed along the city of Valencia.[64] As there are no official statistics about the number of members in each neighbourhood association in the city of Valencia, the base criteria for the sample were the number of associations by municipal districts (see Figure 36).

Alternatively, a proxy estimation of the number of members could be the one supplied by the Junta Central Fallera for the number of people registered going to the religious offering of Flowers to Our Lady of the Unprotected Mare de Déu dels Desemparats in 2008 (96,277).

---

[63] The pilot survey took place on the beginning of the festival (called La Crida). In the evening crowds gather beneath the Serranos Towers. After a display of fireworks, the 'Fallera Mayor' of Valencia invites everyone to enjoy the fiesta, extolling its qualities.
[64] These kinds of neighbourhood associations can be found in other locations around the province of Valencia, they are beyond the scope in the present study.

This survey focused on the main funding agents of the Fallas Festivals and excluded from its survey universe other direct funding agents (public and profit seeking entities) and visitors/tourists to the Fallas festival as indirect funding agent.

This target for responders in the survey can be addressed as 'truncated' but the *raison d'être* of this survey is the analysis of how valuation and funding is connected and how it derives in the articulation of a social discourse that influences a process of valorisation (i.e. creation of new values attached to this ICH good).

DISTRITOS MUNICIPALES:

POBLATS MARITIMS
  11. Poblats Maritims
QUATRO CARRERES Y POBLES DEL SUD
  10. Quatre Carreres
  19. Pobles del Sud
CAMINS AL GRAU Y ALGIROS
  12. Camins al Grau
  13. Algirós
CENTRO CIUDAD
  1. Ciutat Vella
  2. L'Eixample
  3. Extramurs
PLA DEL REAL Y BENIMACLET
  6. Pla del Real
  14. Benimaclet
CAMPANAR Y LA ZAIDIA
  4. Campanar
  5. La Saïdia
EXTERIOR NORTE
  15. Rascanya
  16. Benicalap
  17. Pobles del Nord
  18. Pobles del Oest
EXTERIOR OESTE
  7. L'Olivereta
  8. Patraix
  9. Jesús

Figure 37: The municipal districts of Valencia

It is worthwhile stating that the date when the questionnaires took place can be applied as a weakness for the design of the survey related to. As it was conducted in the month when the festival is at its highest level for celebration, this context may influence the responders. In order to avoid this, the same survey should be issued during different months in the year. However, this solution is time consuming and

costly. Likewise, the reason of selecting this case study lies in the minimal explicit acknowledgement of the importance of the non-profit organisations' sphere in financing culture and their increasingly significant role played in funding culture (Klamer *et al.* 2006). Because of limited public financial resources, the challenge is to develop alternative ways of financing the arts and culture that allows the engagement of the worlds of arts and culture with other economic agents. One way to do this is to stimulate the participation of the third sector in funding culture for increasing the value of culture in society.

The general approach to follow for running a CV survey:

1. a scenario is described and the impacts of the change in the provision of a cultural good/service are explained;

2. the respondents are invited to consider the proposed context within which the choice concerning the cultural good/service will be made; and

3. The respondents are invited to supply their statements concerning their WTP/WTA, from which the value attached to a change in the provision of the good/service in question is inferred.
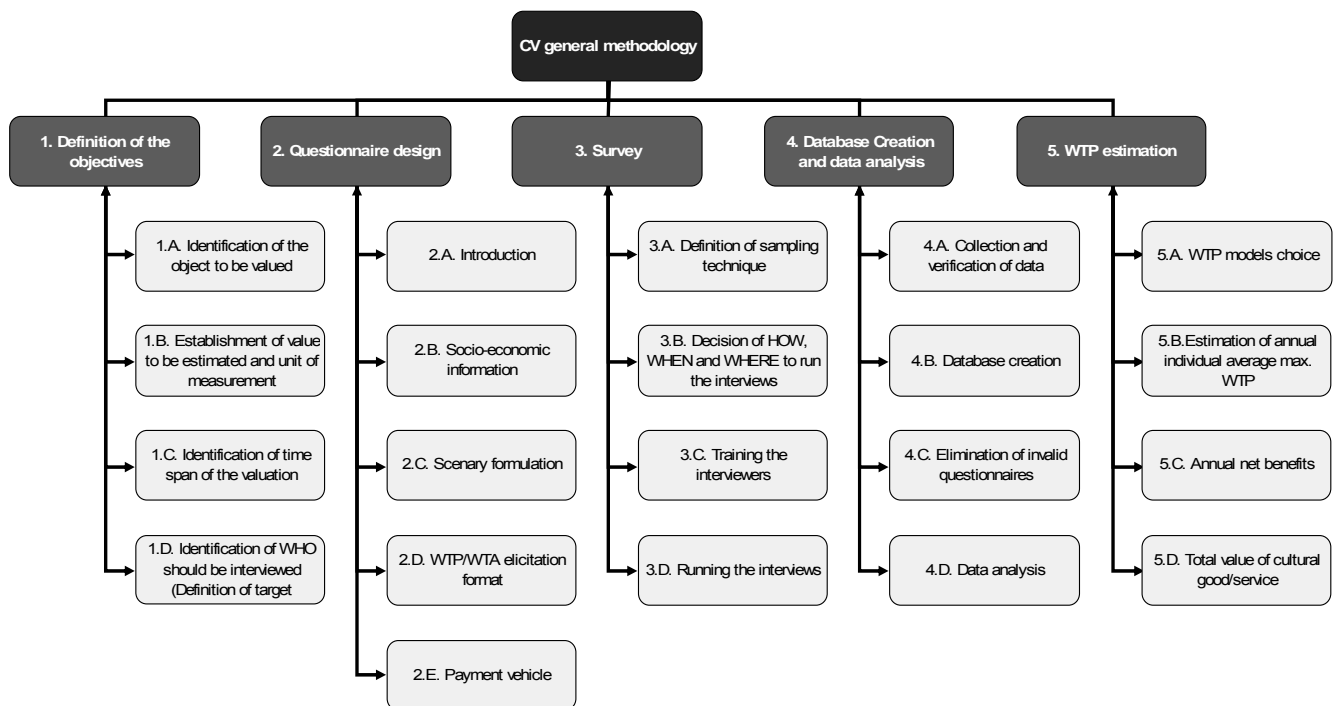
Figure 38: An overview of the general methodology

1. Definition of the objectives

The first step identified in Figure 38 concerns the definition of the objectives of the survey.

1.A. What to value. The purposes of the survey and the object of the valuation exercise has to be identified and stated clearly. What is the cultural good or service we want to place a value on? Are we valuing the whole cultural good, one of its attributes or a specific change in the quality/quantity of the good/service?

1.B. Establishment of the value to be measured and unit of measurement. Is the analyst eliciting the marginal value or the average value to the individual of the good/service? What is the unit of measurement?

1.C. Time span of the valuation. The analyst must decide whether to collect monthly, annual, multi-period WTP/WTA or lump-sum WTP/WTA.

1.D. Who should be interviewed. The relevant economic agents have to be defined, that is, who is affected by the change in the provision of the cultural good or service (individuals, households, production units).

2. Questionnaire design

This activity is of fundamental importance. A well-constructed questionnaire is essential for the success of the whole valuation exercise.

2.A. Introduction. Usually the interviewer presents themselves to the respondent and explains some, although not necessarily all, of the likely reasons for the survey being carried out. This helps to make the interviewee feel involved.

2.B. Socio-economic information. To enable analysis of answers provided and to facilitate their interpretation in the socio-economic context of the respondent, data about the interviewee, the household and the social context are normally collected (for example, age, education, marital status, number of members of the household, annual income of the household and so on).

2.C. Scenario design. The scenario description is of course different for each study. However, in general terms, the scenario usually provides a clear and careful description of the cultural good/service that is the object of the valuation. It also provides information on its changes under given conditions, the impacts of the change on the users/consumers, that is, how the respondents will (could) be affected by the change, possibly the type of policies envisaged to secure (prevent) the change and who will pay for these policies. The WTP/WTA question must be phrased in order to present a clear, readily understood and plausible scenario.

2.D. Elicitation format. The elicitation procedure establishes the way the question used to elicit the value estimate is posed. Different elicitation formats exist. As noted previously, the main ones are:

(i) open ended;

(ii) bidding game; and

(iii) dichotomous choice.

2.E. Payment vehicle. The choice of the payment vehicle is of most importance in the design of the different techniques within the questionnaire. One procedure for determining the most appropriate payment vehicle is to carry out a pilot study in which several alternatives are tested. The analysis of the results allows the identification of the payment method with which respondents are most familiar, and the ones most preferred by them. Possible payment vehicles are entrance fees (for example, at museums), taxes (for example, pollution), a one-off contribution to funds (for example, existence values such as protection of unique cultural heritage goods), and charges (for example, in order to avoid congestion at cultural sites and manage tourism negative externalities on cultural heritage sites).

3. Survey, 4.database creation and data analysis and 5. WTP estimation

These activities are related to practical issues of implementing the different techniques. They are discussed further in the following sections.

6.3   CV model experiment

6.3.1   Model specification of CV

The regression model used is the ordered logit one (also ordered logistic regression or proportional odds model). This model applies for ordinal dependent variables. It can be thought of as an extension of the logistic regression model for dichotomous dependent variables, allowing for more than two (ordered) response categories. The model cannot be consistently estimated using ordinary least squares; it is usually estimated using maximum likelihood. The model is characterized by the regression:

$$y^* = x' \beta + \varepsilon_i$$

Where y^* is the exact but unobserved dependent variable; x is the vector of independent variables, and β is the vector of regression coefficients to estimate. The variable y* cannot be observed, instead the categories of response are observed:

$$y = \begin{cases} 0 & if \quad y^* \leq \mu_1, \\ 1 & if \quad \mu_1 < y^* \leq \mu_2, \\ 2 & if \quad \mu_2 < y^* \leq \mu_3, \\ \vdots & \\ N & if \quad \mu_N < y^*. \end{cases}$$

Then the ordered logit technique will use the observations on y, which are a form of censored data on y^*, to fit the parameter vector β.

In the ordered logit model, there is an observed ordinal variable, y. This variable is a function of y^*, which is not measured. The values of y^* determine what the observed ordinal variable y equals.

The continuous latent variable y^* has various threshold points. In this case, the thresholds of the unobserved latent variable y^* were:

$y^* = 0€$ the score of y would be 1; $y^* = 12€$ the score of y would be 2; $y^* = 20€$ the score of y would be 3; $y^* = 30€$ the score of y would be 4; y^* scores above 30€ y would be 5.

So that, the model to estimate for the continuous latent variable y^* is equal to:

$$y_i^* = \sum_{K=1}^{K} \beta_K X_{Ki} + \varepsilon_i = Z_i + \varepsilon_i$$

Where the ordered logit model estimates part of the above equation:

$$Z_i = \sum_{K=1}^{K} \beta_K X_{Ki} = E(y_i^*)$$

And the random disturbance term ε has a logistic distribution. Although the K, β and the $M-1$ Ks are parameters that need to be estimated and used for the probability that y will take on a particular value. In this case there were $M = 5$,

$$P(y=1) = \frac{1}{1 + \exp(Z_i - k_1)}$$

$$P(y=2) = \frac{1}{1 + \exp(Z_i - k_2)} - \frac{1}{1 + \exp(Z_i - k_1)}$$

$$P(y=3) = \frac{1}{1+\exp(Z_i - k_3)} - \frac{1}{1+\exp(Z_i - k_2)}$$

$$P(y=4) = \frac{1}{1+\exp(Z_i - k_4)} - \frac{1}{1+\exp(Z_i - k_3)}$$

$$P(y=5) = 1 - \frac{1}{1+\exp(Z_i - k_4)}$$

Hence, using the estimated value of z and the assumed logistic distribution of the disturbance term, the ordered logit model can be used to estimate the probability that the unobserved variable $y*$ falls within the various threshold limits.

6.3.2 Development of CV questionnaires

This section considers the practical issues of implementing the questionnaire and the procedures for estimating how the neighbourhood associations value the impact of a negative externality for funding an intangible cultural heritage.

The questionnaire contains two hypothetical (contingent) scenarios to elicit the amount of money a member of these neighbourhood associations would willingly pay for a marginal change in the provision of the Fallas festival. The member is asked questions to determine how much they would value this sample of intangible cultural heritage (the Fallas festival) under two conditions of environmental damage: the former is generally perceived as unlikely and remote and the latter is considered more as a personal concern about the environment and an environmental friendly behaviour:

The aim of this section is to estimate the economic value attached to a negative externality. As externalities are a non-priced good their value cannot be assessed by conventional market techniques. The procedure for applying the CV method in this context took into account the following specific points and a method for obtaining WTP estimates from dichotomous choice data is presented.

A. Definition of the objectives

What to value:

The objective of the valuation exercise is to price the individual's WTP to avoid the impact of an environmental damage or negative externality over Las Fallas festival.

Establishment of the value to be measured and the unit of measurement:

In the context of the survey, the type of value elicited was an extra monthly fee paid by the main funding agent interviewed. The euro (€) was chosen as the monetary unit of measure.

Time span of the valuation

The implicit time horizon of the WTP was taken to be the year of the survey but, ceteris paribus, the elicited WTP can be considered a valid estimation for subsequent periods as well.

Who should be interviewed

Members belonging to the different neighbourhood associations (comisiones falleras) around the city of Valencia who are over 18 years old.

B. Questionnaire design

The questionnaire aimed at collecting information for both a CV method and a Multi-attribute technique (explained in sections 2.11.1. and 2.11.2). In particular, the questionnaire is divided into four sections:

1. The first section is aimed at providing some general information on the interview and interviewers and the perception of values and significance attached to the Fallas festival.

2. The second section is devoted to identifying the socio-cultural benefits of the Fallas festival.

3. The third section is concerned to the specification of two hypothetical scenarios to elicit the WTP for avoiding an environmental damaged associated to the Fallas festival and the funding formulas that members of these associations are willing to trade-off for financing the Fallas festival.

4. The fourth section consisted of the collection of socio-economic data.

CV Scenario design

The following two scenarios were presented to the interviewees:

- Scenario: Environmental damage generally perceived as unlikely and remote:

'Imagine that because the global climate change (huge floods, fires and hurricanes) the wood and paper supply has been drastically reduced.
It has provoked an increased of the price of wood and paper and indirectly it has induced a considerable increase of cost for building the falla monuments.
The direction of your Falla association is planning to increase its membership fee in order to face this new expense'.

Q10. if this were the case, would you be willing to pay an <u>extra</u> monthly fee of…?		
…0€ per month	Q10.1	
…12€ per month	Q10.2	
…20€ per month	Q10.3	
…30€ per month	Q10.4	
…above 30€ per month	Q10.5	

Q10b. If the answer to the previous statement was 0€, would you mind to telling us your reason for it?

Figure 39: The first CV scenario

(2) _**Scenario**_**:** Environmental damage generally perceived as a personal concern about the environment and environmentally friendly behaviour. This kind of concern is derived from a moral sense of duty to protect the quality of life for people applied to environmental issues.

'It is a general practice for building and design the Falla monument nowadays the use of a plastic material called expanded polystyrene (EPS)
This material is colloquially known as 'white cork' and causes environmental contamination if it is burnt though it is much cheaper than wood and paper.

The direction of your Falla association is planning to increase its membership fee in order to use a more environmental friendly material.
Under this scenary: would you be willing to pay an extra in your membership fee of fallas association?

Q11. if this were the case, would you be willing to pay an <u>extra</u> monthly fee of…?		
…0€ per month	Q11.1	
…12€ per month	Q11.2	
…20€ per month	Q11.3	
…30€ per month	Q11.4	
…above 30€ per month	Q11.5	

Q11b. If the answer to the previous statement was 0€, would you mind to telling us your reason for it?

Figure 40: The second CV scenario

Elicitation form

The payment card did explicitly include the zero WTP option. This design of the survey was chosen to enable the analysis of the possibility that the zero response represented some kind of protest by respondents rather than a manifestation of their true WTP.

The payment-card method was preferred because it is essentially a more efficient form of referendum or sequential bidding, avoids starting point bias of the bidding game and yea-say problem of dichotomous choice, allowing a much higher effective sample size and saving effort on the part of respondents because thresholds can be scanned much more quickly.

Payment cards also avoid most of the problems of open-ended questions, although the range of values on the payment card can create its own bias. This should facilitate the valuation task for the respondent and avoid the starting point bias of the bidding game. However, the use of one pre-test survey and the development of two focus

groups with cultural professionals and academics would mitigate somehow this problem in the present case.

A disadvantage of the payment card format is that respondents cannot state the exact amount of money they would be willing to pay, but only the amounts shown on the payment card. In other words, it is vulnerable to biases relating to the range of the numbers used in the card.

Payment vehicle

The payment vehicle (PV) used in this study is the impact of a negative environmental externality on funding a festival.

Survey strategy

Interviews were conducted by three teams of surveyors, all of them with advanced knowledge of the local dialect in the region of Valencia. A training course of two days was given in order to minimize biases due to misunderstanding of the questions by the interviewers. The training course consisted of a careful explanation of all the questions, simulation of interviews among the surveyors and a pilot survey of a sample of 30 respondents at the beginning of the festival (La Crida) in order to check that the respondents were able to understand the questions and that the time required to complete the interview was not excessive. The survey was planned to last seven days and the target for each team was to carry out twenty on-site (face-to-face) interviews per day. Each team of interviewers therefore received 140 copies of the questionnaire with an equal sample size for each bid level.

Each team was integrated by two persons that carried out on-site interviews along the different municipal districts. For each municipal district, physical location of the neighbourhood associations (comisiones falleras) was identified for carrying out on-site face-to-face interviews. Interviewed members of these associations were selected randomly throughout March. The total number of interviews completed was 382. Since the behaviour of members of neighbourhood associations (comisiones falleras) during the Fallas festival celebration is probably different from their behaviour in other moment in the year, the monetary value attached to the negative externality might be overvalued if the observed behaviour in March was assumed to be representative of the whole year. This possible bias was taken into account in the final interpretation of the results.

Collection, verification of the data, and creation of the database

After undertaking the survey, the coordinator of the surveyors collected the completed questionnaires and inserted the data into a user-friendly database format identical to the physical questionnaire and prepared with Access 2003.

Figure 41: The data entry system developed for inputting questionnaire responses

Remarks

Before proceeding with the WTP estimation it is worth nothing that despite the criticisms on the grounds that many in-built biases hamper the validity and reliability of the results obtained in this research, the first concern in this study has been to minimize, as far as possible, the risk of bias by rigorously following the guidelines suggested for improving the quality of results (Mitchell and Carson 1989; Arrow *et al*. 1993). Out of the 15 guidelines set up by the Blue Ribbon Panel Protocol detailed

below, 13 have been met in this study. Among the most important are: the choice of the WTP format; the inclusion of a non-response option among the answers; the choice of face-to-face interviewing; formulation of dichotomous choice questions (yes or no answers); providing respondents with accurate information on the valuation situation; complementing yes or no questions with open-ended format questions such as 'why did you vote no?'; and adding questions aimed at interpreting the responses.

The main guidelines suggested by the panel (Arrow *et al.* 1993):

- For a single dichotomous question (yes-no type) format, a total sample size of at least 1000 respondents is required. Clustering and stratification issues should be accounted for and random sub-sampling will be required to obtain a bid curve and to test for interviewer and wording biases.

- High non-response rates would render the survey unreliable.

- Face-to-face interviewing is likely to yield the most reliable results.

- Full reporting of data and questionnaires is required for good practice.

- Pilot surveying and pre-testing are essential elements in any CVM study.

- Underestimation of WTP/WTA is to be preferred to overestimation of WTP/WTA.

- WTP format is preferred.

- The valuation question should be posed as a vote on a referendum, that is, a dichotomous choice question related to the payment of a particular level of taxation.

- Accurate information on the valuation situation must be presented to respondents; particular care is required over the use of photographs.

- Respondents must be reminded of the status of any undamaged possible substitute commodities.

- Time-dependent measurement noise should be reduced by averaging across independently drawn samples taken at different points in time.

- A 'no-answer' option should be explicitly allowed in addition to the 'yes' and 'no' vote options on the main valuation question.

- Yes and no responses should be followed up by the open-ended question: 'Why did you vote yes/no?'

- Cross-tabulations: the survey should include a variety of other questions that help to interpret the responses to the valuation question, that is, income, distance to the site, prior knowledge of the site and so on.

- Respondents must be reminded of alternative expenditure possibilities, especially when 'warm-glow' effects can be prevalent (that is, purchase of moral satisfaction through the act of charitable giving).

Finally, particular attention has also been paid to the construction of a plausible and understandable hypothetical market. A series of questions about respondents' characteristics, their preferences relevant to the cultural good being valued and their use of the good have also been added in order to check whether the predicted relationships between the variables of the underlying theoretical model are consistent with the elicited WTP.

WTP estimation

If proceeds, logit models are usually applied and besides, the coefficients b' can be estimated using maximum likelihood estimates (MLE) by suitable software.

Once these parameters have been estimated it is possible to describe how the probability of acceptance varies with respect to the level of the 'extra' fee required to the members of the neighbourhood associations and measures of the individual WTP for avoiding the environmental damage from the Fallas festival can be estimated.

As a general rule, in CVM studies it is common to have some respondents who refuse to answer as a protest response or, respond that their WTP is zero (0€).

For registering their responses, the respondents were asked to choose initially between a "yes" or a "no" WTP amount of 0€ before proceeding to specify their WTP amount conditional upon their "yes" answer. To gauge their actual WTP amount, the survey utilized a "payment card" (Mitchell and Carson, 1989) in which the respondents were given the choice of the following range from 0€ to 30€ fee by month.

Besides, respondents could were also able to fill in an amount above 30€ to avoid biases due to the range of the numbers on the card. The ranges of payment used in the survey were: {(from 0€ to 12€), (from 12€ to 20€), (from 20€ to 30€) and (from 30€ to infinity)}.

6.3.3 CV estimation results

For both scenarios of CV (Q10 and Q11) an ordered logistic regression was chosen. This model is able to explain why some respondents are willing to pay and others not. Using the standard statistical computer program Eviews the estimations for both scenarios were:

SCENARIO 1

Dependent Variable: X1
Method: ML - Ordered Logit (Quadratic hill climbing)
Date: 02/16/11 Time: 20:23
Sample: 1 380
Included observations: 380
Number of ordered indicator values: 5
Convergence achieved after 5 iterations
Covariance matrix computed using second derivatives

	Coefficient	Std. Error	z-Statistic	Prob.
[Q1]_membership	0.048928	0.011688	4.186232	0.0000
[Q18]_age	0.422405	0.142251	2.969430	0.0030
[Q19]_education	0.042967	0.215569	0.199317	0.8420
[Q23]_income	0.725230	0.166172	4.364340	0.0000
[Q121]_funding falleros	0.005899	0.097373	0.060580	0.9517
[Q123]_funding governm.	-0.042344	0.087182	-0.485692	0.6272

Limit Points				
LIMIT_2:C(7)	1.482680	0.618655	2.396616	0.0165
LIMIT_3:C(8)	3.440843	0.636463	5.406196	0.0000
LIMIT_4:C(9)	5.231523	0.673980	7.762130	0.0000
LIMIT_5:C(10)	7.026042	0.761810	9.222827	0.0000

Pseudo R-squared	0.070705	Akaike info criterion	2.550941
Schwarz criterion	2.654630	Log likelihood	-474.6788
Hannan-Quinn criter.	2.592085	Restr. log likelihood	-510.7946
LR statistic	72.23155	Avg. log likelihood	-1.249155
Prob(LR statistic)	0.000000		

Ref.E	Variables	Definition of variables	Values
[Q1]	MEMBERSHIP	Years of being a member of the association and funding Fallas festival	continuous
[Q18]	AGE	Years of age	continuous
[Q19]	EDU	Respondent's educational attainment (value 3 indicates university studies and 2 high school)	1 if the response was 2 or 3 and 0 otherwise
[Q23]	INC	Respondent's monthly household income (value 3 indicates between 2.000€-3.000€ and value 4 indicates above 3.000€)	1 if between the response was 3 or 4 and 0 otherwise

[Q121]	FUNDING FALLEROS	Opinion about whether Fallas associations' funding should be exclusively derived from the fee paid by their members. Purpose of this question: do they care enough to pay for the Fallas festival?	1 if the response was 4 or 5 on the Likert scale, and 0 otherwise
[Q123]	FUNDING GOVERNMENT	Opinion about whether Fallas associations' funding should only be derived from public provision and grants. Purpose of this question: do they care enough to let public institutions decide what and how much to pay for Fallas festival?	1 if the response was 1 or 2 on the Likert scale, and 0 otherwise

Figure 42: An overview of scenario 01

The estimated parameters of the explanatory variables [Q1] MEMBERSHIP, [Q18] AGE and [Q23] INCOME were positive and statistically significant as z-Statistic was above 1.9665. These results suggest that there is a positive relationship between the probability of individuals taking a responsible behaviour in funding the festival with the ideal of sustainability as years of membership, age and income increases.

- If years of membership increases in one year, the probability of taking a responsible behaviour increases in 0.048928.

- If age years increases in 15 years[66], the probability of taking a responsible behaviour increases in 0.422405.

- If income increases in 1.000€, the probability of taking a responsible behaviour increases in 0.725230.

However, [Q19] EDUCATION, [Q121] funding falleros and [Q123] funding government variables were statistically insignificant and had positive signs except funding government.

As there are five possible values for y (i.e. M = 5), the values for y were:

$$y_i = 0 \text{ if } y^* \text{ is } 0,2076 \rightarrow 20,76\%$$
$$y_i = 1 \text{ if } y^* \text{ is } 0,4423 \rightarrow 44,23\%$$
$$y_i = 3 \text{ if } y^* \text{ is } 0,2676 \rightarrow 26,76\%$$
$$y_i = 4 \text{ if } y^* \text{ is } 0,0677 \rightarrow 6,77\%$$
$$y_i = 5 \text{ if } y^* \text{ is } 0,0147 \rightarrow 1,47\%$$

Marginal effects of explanatory variables for taking a responsible behaviour in funding the festival with the ideal of sustainability were shown in Figure 43.

---

[65] In general terms, Z scores above (in absolute terms) 1.96 means to reject the null hypothesis at a .05 alpha.

[66] To simplify estimations, intervals are expressed in discrete values, so the interval <25 years old would be 25 years; interval 25-40 years old would be 40 years old; interval 40-55 years old would be 55 years old and the interval >55 years old would be 70 years old.

	Prob (WTP=0€ as extra monthly fee)	Prob (WTP=12€ as extra monthly fee)	Prob (WTP=20€ as extra monthly fee)	Prob (WTP=30€ as extra monthly fee)	Prob (WTP above 30€ as extra monthly fee)
Member	0,010157453	0,021640854	0,013093133	0,003312426	0,000719242
%	1,02%	2,16%	1,31%	0,33%	0,07%
Age	0,087691278	0,186829732	0,113035578	0,028596819	0,006209354
%	8,77%	18,68%	11,30%	2,86%	0,62%
Income	0,150557748	0,320769229	0,194071548	0,049098071	0,010660881
%	15,06%	32,08%	19,41%	4,91%	1,07%

Figure 43: The marginal effect in scenario 01

The marginal effect of Membership on the WTP an extra monthly fee, for taking a responsible behaviour in funding the festival with the ideal of sustainability (within a context of negative externality due to uncontrollable factors such as climate change) suggested that if the respondent increases his/her years of membership, there was an increase by 0.07% in the probability of choosing WTP above 30€; an increase by 0.33% in the probability of choosing WTP = 30€; an increase by 1.31% in the probability of choosing WTP = 20€; an increase by 2.16% in the probability of choosing WTP = 12€; and an increase by 1.02% in the probability of choosing WTP = 0€.

The marginal effect of Age on the WTP an extra monthly fee, for taking a responsible behaviour in funding the festival with the ideal of sustainability (within a context of negative externality due to uncontrollable factors such as climate change) suggested that if the respondent increases his/her age, there was an increase by 0.62% in the probability of choosing WTP above 30€; an increase by 2.86% in the probability of choosing WTP = 30€; an increase by 11.30% in the probability of choosing WTP = 20€; an increase by 18.38% in the probability of choosing WTP = 12€; and an increase by 8.77% in the probability of choosing WTP = 0€. The marginal effect of income on the WTP an extra monthly fee, for taking a responsible behaviour in funding the festival with the ideal of sustainability (within a context of negative externality due to uncontrollable factors such as climate change) suggested that if the respondent increases his/her income, there was an increase by 1.07% in the probability of choosing WTP above 30€; an increase by 4.91% in the probability of choosing WTP = 30€; an increase by 19.41% in the probability of choosing WTP = 20€; an increase by 32.08% in the probability of choosing WTP = 12€; and an increase by 15.06% in the probability of choosing WTP = 0€.

Based on these values of marginal effects, increases in Membership, Age and Income explanatory variables would have a higher probability of choosing WTP =12€ as an extra monthly fee. This price makes reference to individual's responsible behaviour in funding the festival with the ideal of sustainability, within a context of negative externality due to uncontrollable factors such as climate change.

SCENARIO 2

Dependent Variable: X1
Method: ML - Ordered Logit (Quadratic hill climbing)
Date: 02/15/11   Time: 22:06
Sample: 1 381
Included observations: 381
Number of ordered indicator values: 5
Convergence achieved after 5 iterations
Covariance matrix computed using second derivatives

	Coefficient	Std. Error	z-Statistic	Prob.
[Q1]_membership	0.050719	0.011815	4.292639	0.0000
[Q18]_age	0.335707	0.141797	2.367507	0.0179
[Q19]_education	0.009402	0.211789	0.044394	0.9646
[Q23]_income	1.149586	0.295699	3.887693	0.0001
[Q121]_funding falleros	0.364229	0.219903	1.656313	0.0977
[Q123]_funding governm.	0.346253	0.193004	1.794017	0.0728

Limit Points				
LIMIT_2:C(7)	0.802703	0.333939	2.403744	0.0162
LIMIT_3:C(8)	2.691132	0.358172	7.513525	0.0000
LIMIT_4:C(9)	4.370789	0.409808	10.66547	0.0000
LIMIT_5:C(10)	6.195930	0.534964	11.58196	0.0000

Pseudo R-squared	0.063168	Akaike info criterion	2.568300
Schwarz criterion	2.671786	Log likelihood	-479.2612
Hannan-Quinn criter.	2.609360	Restr. log likelihood	-511.5765
LR statistic	64.63055	Avg. log likelihood	-1.257903
Prob(LR statistic)	0.000000		

Ref.E	Variables	Definition of variables	Values
[Q1]	MEMBERSHIP	Years of being a member of the association and funding Fallas festival	continuous
[Q18]	AGE	Years of age	continuous
[Q19]	EDU	Respondent's educational attainment (value 3 indicates university studies and 2 high school)	1 if the response was 2 or 3 and 0 otherwise
[Q23]	INC	Respondent's monthly household income (value 3 indicates between 2.000€-3.000€ and value 4 indicates above 3.000€)	1 if between the response was 3 or 4 and 0 otherwise
[Q121]	FUNDING FALLEROS	Opinion about whether Fallas associations' funding should be exclusively derived from the fee paid by their members. Purpose of this question: do they care enough to pay for the Fallas festival?	1 if the response was 4 or 5 on the Likert scale, and 0 otherwise
[Q123]	FUNDING GOVERNMENT	Opinion about whether Fallas associations' funding should only be derived from public provision and grants. Purpose of this question: do they care enough to let public institutions decide what and how much to pay for Fallas festival?	1 if the response was 1 or 2 on the Likert scale, and 0 otherwise

Figure 44: An overview of scenario 02

The estimated parameters of the explanatory variables [Q1] MEMBERSHIP, [Q18] AGE and [Q23] INCOME were positive and statistically significant as z-Statistic was above 1.96.[67] These results suggest that there is a positive relationship between the probability of individuals taking a responsible behaviour in funding the festival with the ideal of sustainability as years of membership, age and income increases.

- If years of membership increases in a unit, the probability of taking a responsible behaviour increases in 0.050719.

- If age years increases in 15 years[68] the probability of taking a responsible behaviour increases in 0.335707.

- If income increases in 1.000€, the probability of taking a responsible behaviour increases in 1.149586.

However, [Q19] EDUCATION, [Q121] FUNDING FALLEROS and [Q123] FUNDING GOVERNMENT variables were statistically insignificant and had positive signs.

As there are five possible values for y (i.e. M = 5), the values for y were:

$$y_i = 0 \text{ if } y^* \text{ is } 0,23376933911 \to 23,37\%$$
$$y_i = 1 \text{ if } y^* \text{ is } 0,434702303576 \to 43,47\%$$
$$y_i = 3 \text{ if } y^* \text{ is } 0,246890517514 \to 24,68\%$$
$$y_i = 4 \text{ if } y^* \text{ is } 0,0699520248889 \to 6,99\%$$
$$y_i = 5 \text{ if } y^* \text{ is } 0,0146858149118 \to 1,46\%$$

Marginal effects of explanatory variables for taking a responsible behaviour in funding the festival with the ideal of sustainability were shown in

	Prob (WTP=0€ as extra monthly fee)	Prob (WTP=12€ as extra monthly fee)	Prob (WTP=20€ as extra monthly fee)	Prob (WTP=30€ as extra monthly fee)	Prob (WTP above 30€ as extra monthly fee)
Member	0,011856547	0,022047666	0,01252204	0,003547897	0,00074485
%	1,19%	2,20%	1,25%	0,35%	0,07%
Age	0,078478004	0,145932606	0,082882875	0,023483384	0,004930131
%	7,85%	14,59%	8,29%	2,35%	0,49%
Income	0,268737959	0,499727682	0,283821882	0,080415868	0,016882607
%	26,87%	49,97%	28,38%	8,04%	1,69%

Figure 45: The marginal effect in scenario 02

---

[67] In general terms, Z scores above (in absolute terms) 1.96 means to reject the null hypothesis at a .05 alpha.

[68] To simplify estimations, intervals are expressed in discrete values, so the interval <25 years old would be 25 years; interval 25-40 years old would be 40 years old; interval 40-55 years old would be 55 years old and the interval >55 years old would be 70 years old.

The marginal effect of Membership on the WTP an extra monthly fee, for taking a responsible behaviour in funding the festival with the ideal of sustainability (within a context of negative externality due to controllable factors where individual's moral duty applies to environmental issues) suggested that if the respondent increases his/her years of membership, there was an increase by 0.07% in the probability of choosing WTP above 30€; an increase by 0.35% in the probability of choosing WTP = 30€; an increase by 1.25% in the probability of choosing WTP = 20€; an increase by 2.20% in the probability of choosing WTP = 12€; and an increase by 1.19% in the probability of choosing WTP = 0€.

The marginal effect of Age on the WTP an extra monthly fee, for taking a responsible behaviour in funding the festival with the ideal of sustainability (within a context of negative externality due to controllable factors where individual's moral duty applies to environmental issues) suggested that if the respondent increases his/her age, there was an increase by 0.49% in the probability of choosing WTP above 30€; an increase by 2.35% in the probability of choosing WTP = 30€; an increase by 8.29% in the probability of choosing WTP = 20€; an increase by 14.59% in the probability of choosing WTP = 12€; and an increase by 7.85% in the probability of choosing WTP = 0€.

The marginal effect of income on the WTP an extra monthly fee, for taking a responsible behaviour in funding the festival with the ideal of sustainability (within a context of negative externality due to controllable factors where individual's moral duty applies to environmental issues) suggested that if the respondent increases his/her income, there was an increase by 1.69% in the probability of choosing WTP above 30€; an increase by 8.04% in the probability of choosing WTP = 30€; an increase by 28.38% in the probability of choosing WTP = 20€; an increase by 49.97% in the probability of choosing WTP = 12€; and an increase by 26.87% in the probability of choosing WTP = 0€.

Based on these values of marginal effects, increases in Membership, Age and Income explanatory variables would have a higher probability of choosing WTP =12€ as an extra monthly fee. This price makes reference to individual's responsible behaviour in funding the festival with the ideal of sustainability, within a context of negative externality due to controllable factors where individual's moral duty applies to environmental issues.

6.4 CE model experiment

6.4.1 Model specification of CE

The CE is carried out by use of a questionnaire in which respondents are presented with a hypothetical market/*scenario* where they are asked to choose an alternative from a set of three options. They represent how cultural heritage goods are financed (i.e. if a given cultural good is financed mainly by government subsidies, for private donations or by the price paid for its purchase). Each way of financing (i.e. financial arrangement) has specific values, principles and procedures of governance and decision-making. Some of their main features are shown in Figure 46 and Figure 47.
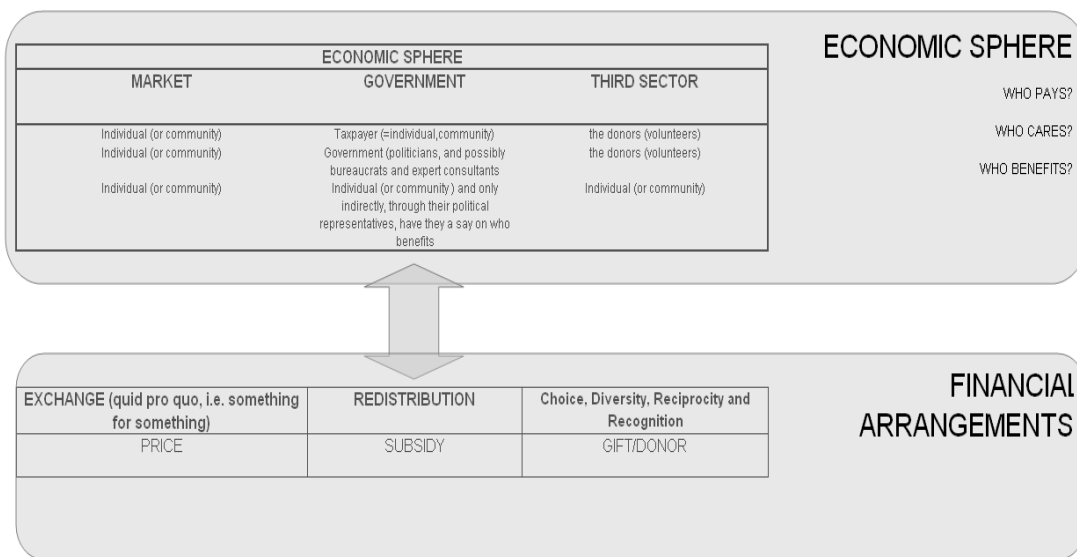
Figure 46: The relationship between the economic and financial sphere for funding cultural heritage goods.

Figure 47: A typology of values, principles and procedures characteristic for each financial arrangement.

In the present study respondents are presented with hypothetical alternative funding combinations for Las Fallas festival. Each of these funding combinations shows different levels of intensity for their attributes as shown in Figure 48.

Attributes and attribute levels	Description	Attribute Level
Political Funding	Financial support to the Fallas Festival made by the Local Council (Ayuntamiento de Valencia)	60% [High] 30% [Medium] 10% [Low]
Market Funding	Financial support to the Fallas Festival made by the private companies and individuals in the search for profit	60% [High] 30% [Medium] 10% [Low]
NGOS' Funding	Financial support to the Fallas Festival made by the members of the different neighbourhood associations in the city of Valencia	60% [High] 10% [Low]

Figure 48: Attributes and attribute levels

The design for the combinations of alternatives and their levels was chosen on the basis of interviews with cultural experts and academics as well as a focus group with seven members of a neighbourhood association in the city of Valencia. The level of attributes was limited to three since the cognitive burden for respondents may be too high when asked to evaluate many attributes.

So that, every alternative for funding consists of three attributes: "political funding", "market funding" and "NGOs' funding". This last attribute has also attached a monetary value known as a payment vehicle for the alternative, which the respondent must consider. This payment vehicle is described to the respondents as an "Annual fee paid by the funding agent".

The employed choice set design contains two alternative designs for funding Las Fallas Festival and the option for the main funding agent (falleros) to choose neither. Each such triple choice set is known as a *choice occasion* (Hanley 1998). This implies 18 possible choice sets.

From the perspective of maximizing the amount of information, it would be desirable if all respondents could make a choice among all possible attribute levels' combinations according to their preferences, in this case within 18 possible choice sets. However, this would be too cognitively demanding as well as time consuming. There are optimal statistical ways to reduce the number of choice sets each decision maker will be given. However, the interest of this analysis is the estimation of selected two-way interaction effects.

Enumeration of all two-way interactions			
political funding a	market funding b	NGOs funding c	price d
ab	bc	cd	d
ac	bd		
ad			

Figure 49: The enumeration of all two-way interactions.

Assuming that such design has the effect of throwing away a significant proportion of information, the design focuses on those interactions that are significant and shed some light on the following key points:[69]

(i)   There must be a choice set designed to explore public and non-government organisation partnerships for funding the Fallas festival.

PUBLIC	VOLUNTARY / NON-PROFIT
procedures, rules, regulations, five-year plans, solidarity, national interest, justice, equity, and control	intrinsic motivation, values, loyalty, responsibility, connections, doing and feeling good, partners and friends, trustees, and volunteerism

This controversy was considered under the heading of "POLITICS OR ART?"

(ii)   There must be a choice set designed to explore non-government and profit-seeking organisations partnerships for funding the Fallas festival.

PRIVATE	VOLUNTARY / NON-PROFIT
customer satisfaction, products, efficiency, management, marketing, prices, profit, freedom, and entrepreneurship	intrinsic motivation, values, loyalty, responsibility, connections, doing and feeling good, partners and friends, trustees, and volunteerism

This controversy was considered under the heading of "ART OR ECONOMIC BENEFIT?"

(iii)   There must be a choice set designed to explore public and profit-seeking organisations partnerships for funding the Fallas festival.

PUBLIC	PRIVATE
procedures, rules, regulations, five-year plans, solidarity, national interest, justice, equity, and control	customer satisfaction, products, efficiency, management, marketing, prices, profit, freedom, and entrepreneurship

This controversy was considered under the heading of "POLITICS OR ECONOMIC BENEFIT?"

(iv)   There must be a choice set designed to explore preferences in decision-making and governance of the main funding agent.

---

[69] These key points are the red boxes in Figure 49.

> Should NGOs' policies, procedures and practices be influenced by market principles or public principles?

This issue was considered under the heading of "ART?"

So that, 4 choice sets are arranged, each of them containing two alternative designs for the funding of the Fallas Festival and the option for the main funding agent (falleros) to choose neither is included to ensure consistency with economic theory. Figure 50 shows an example of a choice set used in the questionnaire.

Figure 50: Choice set example

When the respondent chooses an alternative from the choice set, they are making a trade-off between the different attribute levels and thus his/her preferences are implicitly revealed. The aim of the CE in the present study is to estimate the marginal rate of substitution[70] between the different attributes and their levels.

---

[70] Marginal rate of substitution (MRS) is the relationship where an individual chooses to make a trade-off between two goods MRS is calculated as MRSij = Xi / Xj, where i and j are two different goods. If MRSij is equal to 2, then the individual is indifferent between having either 1 unit of good i or 2 units of good j. Similarly, if MRS is a good j and the other is money (200€), then the individual is indifferent between either having 200 € or 1 unit of good j.

6.4.1 Development of CE questionnaires

Generally speaking, the development of a MAV experiment starts by reviewing literature and consulting experts. These preliminary steps are used to collect information about suitable attributes and attribute levels to include in the experiment. Furthermore, they are often used to test the questionnaire and to provide information about how respondents receive and interpret the information presented. Further sections describe in more detail the development of focus groups and pilot tests conducted throughout Las Fallas Festival experiment.
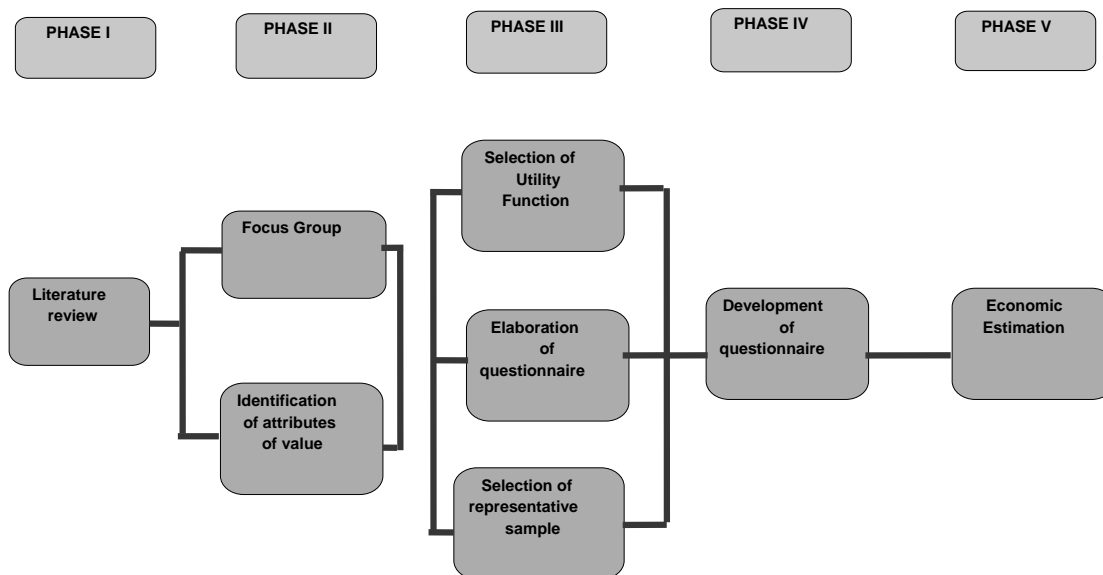
Figure 51: Phases for the experiment design of the multi-attribute approach

The main stages identified in a MAV experiment are:

(i) **Phase I and II**: These stages are the 'preliminary' steps. They require the selection of attributes and assignment of corresponding levels. This state implies identifying the relevant attributes and their corresponding levels to be valued. This is usually achieved with literature reviews, focus groups discussions and consulting experts. Based on the conclusions, the dependent variables of the utility function are selected.

(ii) **Phase III:** Usually called statistical design, it implies the construction of the choice sets by combining the attribute levels in each of the alternatives; it

also determines the choice of a full factorial or a fractional factorial design, the construction of choice sets to be presented to the respondents and the choice of a survey procedure to measure individual preferences (ratings, rankings and choices).

(iii)   **Phase IV:** The collection of responses implies a fieldwork in which a representative sample of individuals is selected and asked to answer socio-economic questions and ranked the alternatives in each of the choice sets. Finally, the construction of the dataset.

(iv)   **Phase V:** Econometric analysis of data. It implies the likelihood estimation procedure in order to obtain the results.

A. The preliminary steps (phases I and II)

Neoclassical economic theory assumes that individuals choose the product/service that provides a greater level of satisfaction. The final decision depends fundamentally on the following factors:

(i)   Product/service characteristics,

(ii)   Product/service price,

(iii)   Socio-demographic characteristics of the respondent (i.e. age, gender, education, income) and

(iv)   Use of the product/service made by the respondent in the past.

Choice modelling estimates the importance of these factors in the decision taken by the individual. Therefore, the first stage of a choice design consists of identifying the relevant attributes, and their corresponding levels, of the good to be valued. Monetary cost is typically one of the factors to be included because it allows for the estimation of willingness-to-pay (WTP). The rest of the attributes and their levels of variation are identified by reviewing the relevant literature, focus group discussions and consulting experts.

The attribute levels should be feasible, realistic and non-linearly spaced, and they should span the range of respondents' preference maps. Kanninen (2002) shows that, in an optimal design, each attribute should only have two levels, even in the case of a multinomial choice experiment and the levels should be set at two extreme points of the distribution of the parameters.

From reviewing the relevant literature, there were identified a priori a set of factors (values and principles) that may influence the different economic agents to fund

cultural heritage goods. In addition, a focus group discussion was also conducted with cultural experts and academics aimed at collecting NGO members' perceptions about the funding cultural heritage goods.

B. Statistical design (phase III)

Statistical design theory consists of combining the levels of the attributes into a number of alternative scenarios or profiles to be presented to respondents by choice sets. In this case, there are one attribute with two levels of variation and 2 attributes with three levels of variation which yields a total of 18 (3^2x2) scenarios of possible alternatives. Such a complete enumeration of all possible combinations is often called "complete factorial" or "full factorial".

If the objective of the survey is to maximize the amount of information, it would be desirable if all respondents could choose all possible attribute levels combinations according to their preferences. One way is to let the individuals compare a small number of alternatives in a choice set. Fractional factorial designs are able to reduce the number of scenario combinations presented with a concomitant loss of estimating power. It is interesting to note that in the past five years there has been important progress in this area and there is now even commercial software such as Ngene (http://www.choice-metrics.com).

It is advisable to add a non-purchase alternative (blank card) to the choice set. In other words, the option to choose none of the rest of the alternatives for getting consistence with economic theory.

C. Data collection (phase IV)

The experiment was conducted by the author with the help of students. It was essential to ensure that respondents understood the context, were motivated to cooperate and able to participate in an informed manner. Their feedback is collected in the questionnaire at question 24 (*please, feel free to add comments about any of your responses to the above questions*). The context for the hypothetical scenario (either for CE and CV) was designed as much realistic as possible in order to encourage reliable and honest responses (but not to bias the answers).

Although some parts of the questionnaire have been already detailed in previous sections, the third part of it was aimed at eliciting the WTP by using CV and CE experiments.

D. Econometrics (phase V)

Before detailing the econometric model it is discussed the underlying economic theory for conjoint choice experiments (see Alberini *et al.* 2007).

a) Economic model

It is assumed that the choice between the alternatives is driven by the respondent's underlying utility. The respondent's indirect utility is broken down into two components. The first component is deterministic, and is a function of the attributes of alternatives, characteristics of the individuals, and a set of unknown parameters, while the other is an error term. Formally,

$$V_{ij} = \overline{V}(x_{ij}, \hat{a}) + \varepsilon_{ij} \tag{1}$$

where the subscript i denotes the respondent, the subscript j denotes the alternative, x is the vector of attributes and individual characteristics, and ε is an error term that captures individual and alternative-specific factors that influence utility, but are not observable to the researcher. Equation (1) describes the random utility model (RUM).

In most applications, it is further assumed that $\overline{V}$, the deterministic component of utility, is a linear combination of the attributes of the alternatives and of the respondent's residual income, $(y - C)$, where y is income and c is the price of the commodity or the cost of the program to the respondent:

$$V_{ij} = \beta_0 + x_{ij} \hat{a} + (y - C)\beta_2 + \varepsilon_{ij} \tag{2}$$

The coefficient β_2 is the marginal utility of income. When faced with a given choice set, it is assumed that the respondent chooses the alternative that provides the highest utility. Because the observed outcome of each choice task is the selection of one out of κ alternatives, the appropriate econometric model is a discrete choice model that expresses the probability that alternative k is chosen. Formally:

$$\Pr(k \ is \ chosen) = \Pr(V_k > V_1, V_k > V_2, ..., V_k > V_k) = \Pr(V_k > V_j) \ \forall_j \neq k \tag{3}$$

where the subscript i is suppressed to avoid notational clutter. This means that:

$$\Pr(k) = \Pr(\beta_0 + x_k \hat{a}_1 + (y_i - C_k)\beta_2 + \varepsilon_k) = \Pr(\beta_0 + x_j \hat{a}_1 + (y_i - C_j)\beta_2 + \varepsilon_j) \tag{4}$$
$$\forall_j \neq k$$

from which follows that:

$$\Pr(k) = \Pr\left[(\varepsilon_j - \varepsilon_k) < (x_k - x_j)\hat{a}_1 - (C_k - C_j)\beta_2)\right] \ \forall_j \neq k \tag{5}$$

Equation (5) shows the probability of selecting an alternative no longer contains terms in (2) that are constant across alternatives, such as the intercept and income. It also shows that the probability of selecting k depends on the difference in the level of the

attributes across alternatives, and that the negative of the marginal utility of income is the coefficient of the difference in cost or price across alternatives.

As explained before, the attributes that influence funding of the Fallas festival are: (i) public sector involvement; (ii) neighbourhood associations' involvement; and (iii) profit-making entities.

The price parameter will give an idea about elasticity and will also allow the calculation of willingness to pay (WTP)[71]. The blank card or outside option was included in order to get consistency with economic theory. The general utility function to be estimated has the following form:

$$U_{ij} = \alpha_i POLITICS_j + \beta_i NGOS_j + \gamma_i MARKET_j + \varepsilon_{ij} \qquad (6)$$

where:

7   POLITICS is a continuous variable that takes three different values.

8   NGOS is a continuous variable that takes two different values.

9   MARKET is a continuous variable that takes three different values.

The estimated coefficients can be interpreted as the marginal utility derived from each attribute.

In regression models socio-economic variables can be included along with choice set attributes, but since they are constant across choice occasions for any given individual (for example, income and age is the same for each choice they make), they can only be entered as interaction terms.

This is the reason why the multivariate analysis technique chosen has been the Factorial Analysis of Variance (Factorial ANOVA). This technique is used to reveal the main and interaction effects of categorical independent variables (called "factors") on an interval dependent variable. A "main effect" is the direct effect of an independent variable on the dependent variable. An "interaction effect" is the joint effect of two or more independent variables on the dependent variable. As mentioned before, whereas regression models cannot handle interaction unless explicit cross-product interaction terms are added, ANOVA uncovers interaction effects on a built-in basis.

---

[71] Given that the purpose of this experiment is to elicit the preferences for different levels of governance, the estimation of WTP compensating variation welfare measure for each attribute has been disregarded.

b) Factorial Analysis of Variance

Overall the main effect model is highly significant as the three first components/factors explained almost 70% of the total variance (column of % accumulated). Where component 1 is Q13 {public and non-government organisation partnerships for funding the Fallas festival}v; component 2 is Q14 {non-government and profit-seeking organisations partnerships for funding the Fallas festival}; component 3 is Q15 { public and profit-seeking organisations partnerships for funding the Fallas festival}; component 4 is Q16 {preferences in decision-making and governance of the main funding agent }; component 5 is Q18 {age}; component 6 is Q19 {education}; component 7 is Q21 {occupation}; and component 8 is Q23 {income}.

Total variance explained

Com pone nt	Initial auto-values			Extracting sums of squared saturations		
	Total	% of variance	% accumulated	Total	% of variance	% accumulated
1	3,411	42,636	42,636	3,411	42,636	42,636
2	1,026	12,819	55,455	1,026	12,819	55,455
3	1,018	12,728	68,183	1,018	12,728	68,183
4	,938	11,727	79,910			
5	,779	9,736	89,646			
6	,426	5,327	94,973			
7	,292	3,651	98,624			
8	,110	1,376	100,000			

Extracting method. Analysis of main components

Figure 52: Factoral analysis for variance

The results for the interaction effect model are showed below:

Matrix of components [a]

	Component	
	1	2
choice_set 01	,918	-,095
choice_set 02	,924	-,106
choice_set 03	,805	-,045
choice_set 04	,843	-,075
AGE	-,424	-,396
EDU	,118	,908
OCC	,101	-,117
INC	-,388	-,056

Extracting method.
Analysis of main components
a. 3 components extracted

Figure 53: *R*esults for the interaction effect model

This table shows the joint effects of combinations of these eight independent variables. It is sensible to state that the concept of interaction between two independents is not related to the issue of whether the two variables are correlated.

The economic meaning of these econometric results is that, concerning the public and non-government organisation partnerships for funding the Fallas festival, respondents have expressed a high preference for increasing their funding participation in the festival and sharing the decision-making of it these public entities. Finally respondents have expressed their preference to lower their funding participation with a higher involvement of public sector in decision-making process of the Fallas festival.

Turning to the interpretation of respondents' socio-economic characteristics concerning the public and non-government organisation partnerships for funding the Fallas festival, it can be seen that occupation and education influence the preference of public and non-government organisation partnerships for funding the Fallas festival. However, the younger and lower income household of respondents the less likely they are to prefer public and non-government organisation partnerships where they have to increase their membership fee.

$$NGOs \_ Public \_ partnerhsip = 0,918\,Q13 + 0,924\,Q14 + 0,805\,Q15 + 0,843\,Q16 - 0,424\,Q18 + 0,118\,Q19 + 0,101\,Q21 - 0,388\,Q23$$

The economic meaning of these econometric results is that, concerning the profit-seeking and non-government organisation partnerships for funding the Fallas festival, respondents have expressed an inverse preference for increasing their funding participation in the festival at a cost of lower decision-making of profit-seeking organisations. Finally respondents have expressed their preference to lower their funding participation with a higher involvement of profit-seeking organisations in decision-making process of the Fallas festival (though relatively lower than the one with public sector).

Turning to the interpretation of respondents' socio-economic characteristics concerning the profit-seeking and non-government organisation partnerships for funding the Fallas festival, it can be seen that education influence the preference of private-seeking and non-government organisation partnerships for funding the Fallas festival. However, the younger and lower income household of respondents the less likely they are to prefer public and non-government organisation partnerships where they have to increase their membership fee.

6.5 Descriptive statistics

6.5.1 Contingency Tables for Socio-demographic characteristics

gender * age			age				
contingency table			<25 years old	between 25-40 years old	between 40-55 years old	>55 years old	Total
gender	male	observed frecuency	42	91	49	8	190
		expected frecuency	53,4	90,2	40,3	6,0	190,0
		adjusted residual	-11,4	,8	8,7	2,0	
	female	observed frecuency	64	88	31	4	187
		expected frecuency	52,6	88,8	39,7	6,0	187,0
		adjusted residual	11,4	-,8	-8,7	-2,0	
	Total	observed frecuency	106	179	80	12	377
		expected frecuency	106,0	179,0	80,0	12,0	377,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	9,976[a]	3	,019
Likelihood Ratio	10,070	3	,018
Linear-by-linear association	9,828	1	,002
N of valid cases	377		

a. 0 cells (0,0%) have expected count less than

5. the minimum expected count is 5,95

gender * education			education				
contingency table			primary school	high school	university	other	Total
gender	male	observed frecuency	38	67	54	31	190
		expected frecuency	36,3	71,6	55,9	26,2	190,0
		adjusted residual	1,7	-4,6	-1,9	4,8	
	female	observed frecuency	34	75	57	21	187
		expected frecuency	35,7	70,4	55,1	25,8	187,0
		adjusted residual	-1,7	4,6	1,9	-4,8	
	Total	observed frecuency	72	142	111	52	377
		expected frecuency	72,0	142,0	111,0	52,0	377,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	2,653[a]	3	,448
Likelihood Ratio	2,666	3	,446
Linear-by-linear association	,417	1	,519
N of valid cases	377		

a. 0 cells (0,0%) have expected count less than

5. the minimum expected count is 25,79.

gender * occupation			occupation						
contingency table			employed	freelance	unemployed	student	retired	homemaker	Total
gender	male	observed frecuency	95	29	30	30	4	1	189
		expected frecuency	92,0	19,1	26,1	37,2	2,0	12,6	189,0
		adjusted residual	3,0	9,9	3,9	-7,2	2,0	-11,6	
	female	observed frecuency	88	9	22	44	0	24	187
		expected frecuency	91,0	18,9	25,9	36,8	2,0	12,4	187,0
		adjusted residual	-3,0	-9,9	-3,9	7,2	-2,0	11,6	
	Total	observed frecuency	183	38	52	74	4	25	376
		expected frecuency	183,0	38,0	52,0	74,0	4,0	25,0	376,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	39,824[a]	5	,000
Likelihood Ratio	47,039	5	,000
Linear-by-linear association	12,534	1	,000
N of valid cases	376		

a. 2 cells (16,7%) have expected count less than

5. the minimum expected count is 1,99.

gender * income			income				
contingency table			<1000€	between 1000 €-2000€	between 2000 €-3000€	>3000€	Total
gender	male	observed frecuency	44	116	29	1	190
		expected frecuency	49,5	114,7	24,8	1,0	190,0
		adjusted residual	-5,5	1,3	4,2	,0	
	female	observed frecuency	54	111	20	1	186
		expected frecuency	48,5	112,3	24,2	1,0	186,0
		adjusted residual	5,5	-1,3	-4,2	,0	
	Total	observed frecuency	98	227	49	2	376
		expected frecuency	98,0	227,0	49,0	2,0	376,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	2,741[a]	3	,433
Likelihood Ratio	2,752	3	,431
Linear-by-linear association	2,530	1	,112
N of valid cases	376		

a. 2 cells (25%) have expected count less than

5. the minimum expected count is ,99.

income * education			education				
contingency table			primary school	high school	university	other	Total
income	<1000€	observed frecuency	19	29	34	17	99
		expected frecuency	19,5	36,7	29,2	13,5	99,0
		adjusted residual	-,5	-7,7	4,8	3,5	
	between 1000€-2000€	observed frecuency	49	94	61	26	230
		expected frecuency	45,4	85,3	67,8	31,5	230,0
		adjusted residual	3,6	8,7	-6,8	-5,5	
	between 2000€-3000€	observed frecuency	7	18	15	9	49
		expected frecuency	9,7	18,2	14,4	6,7	49,0
		adjusted residual	-2,7	-,2	,6	2,3	
	>3000€	observed frecuency	0	0	2	0	2
		expected frecuency	,4	,7	,6	,3	2,0
		adjusted residual	-,4	-,7	1,4	-,3	
	Total	observed frecuency	75	141	112	52	380
		expected frecuency	75,0	141,0	112,0	52,0	380,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	12,449[a]	9	,189
Likelihood Ratio	12,622	9	,180
Linear-by-linear association	,027	1	,868
N of valid cases	380		

a. 4 cells (25%) have expected count less than

5. the minimum expected count is ,27.

Figure 54: Contingency tables for socio-demographic characteristics
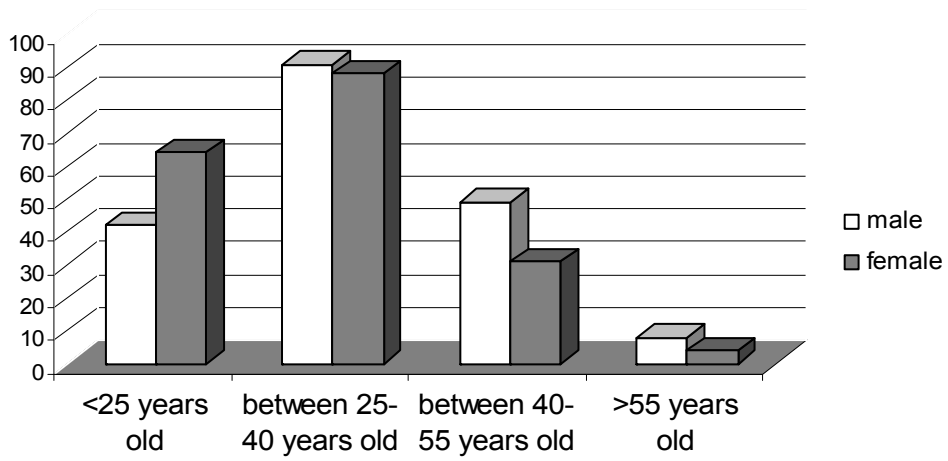
gender * age

gender * education

gender * occupation

gender * income
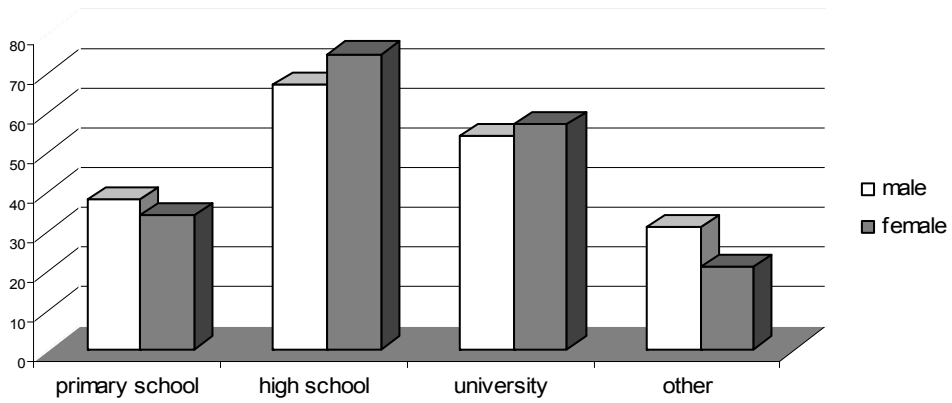
income * education
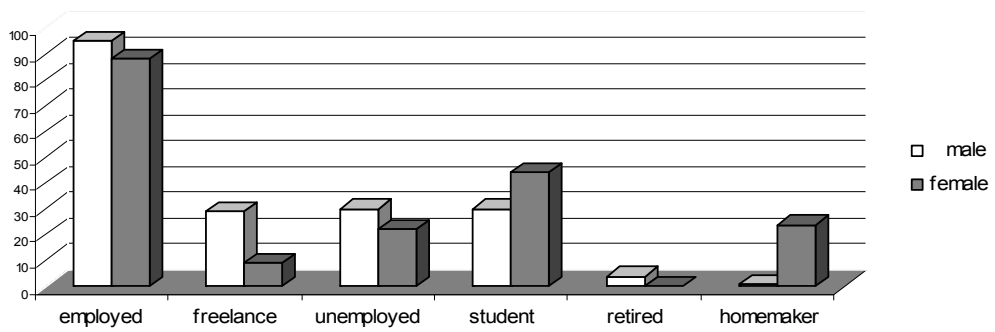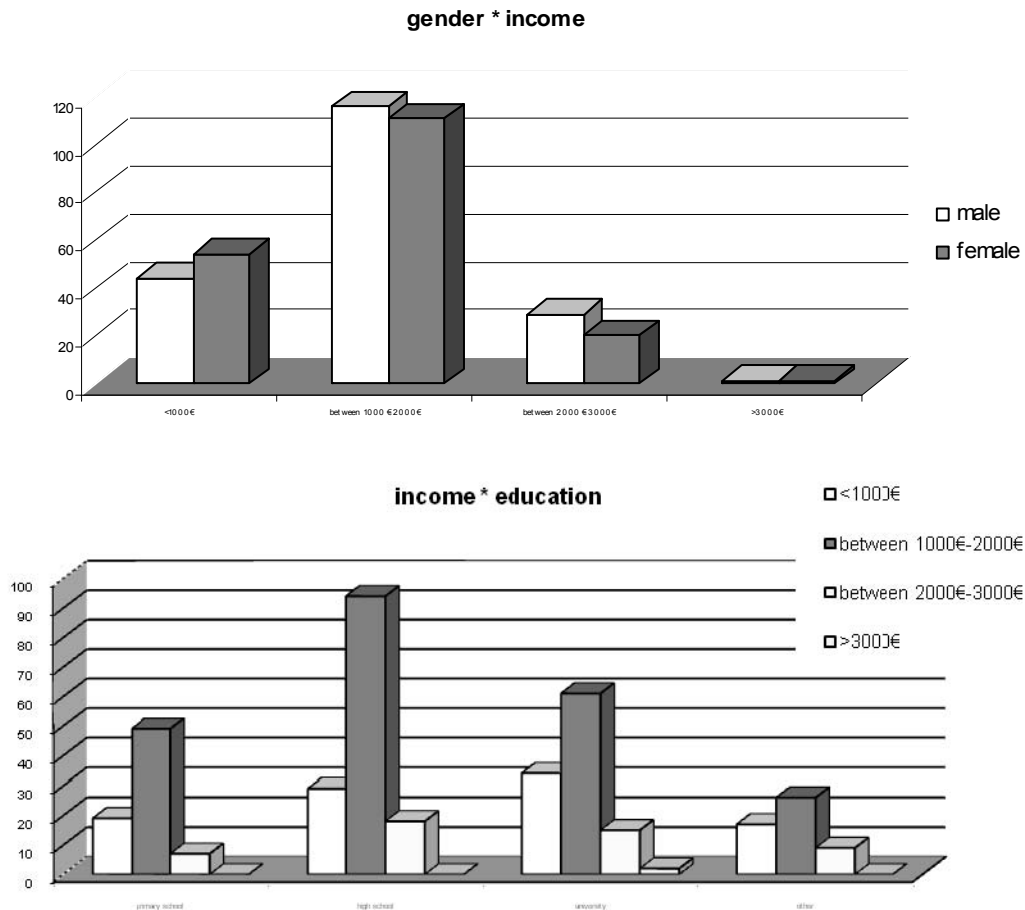
Figure 55: Graphical representation of socio-demographic characteristics

Results of contingency tables

gender * age	age
Pearson Chi-Square	,019

The null hypothesis is rejected, since p < 0.05.

gender * education	education
Pearson Chi-Square	,448

It is failed to reject the null hypothesis

gender * occupation	occupation
Pearson Chi-Square	,000

The null hypothesis is rejected, since p < 0.05.

The p-value is printed as .000. This should be interpreted as p< 0.001, and not be taken as exactly 0.

gender * income	income
Pearson Chi-Square	,433

It is failed to reject the null hypothesis

income * education	education
Pearson Chi-Square	,189

It is failed to reject the null hypothesis

6.5.2 Contingency tables for level of funding and intrinsic values
Bivariate descriptive statistics

A contingency table summarizes the conditional frequencies of two attributes and shows how these two attributes are dependent on each other. Thus, these tables are a fundamental tool for pattern discovery with conditional probabilities, such as rule discovery. Hypothesis tests on contingency tables are based on Chi-square.

Generally the chi-squared statistic summarizes the discrepancies between the expected number of times each outcome occurs (assuming that the model is true) and the observed number of times each outcome occurs, by summing the squares of the discrepancies, normalized by the expected numbers, over all the categories.[72]

In this analysis, contingency tables are interpreted from the viewpoint of the Chi-square test for independence which compares two sets of categories to determine whether the two groups are distributed differently among the categories.

In this context independence means that the two factors are not related. So that, it is aimed to find out whether the level of funding is related to the level of intrinsic values.

The figures below show the detail of tables documenting the frequency of level for funding made by falleros, public sector and private companies and the level of intrinsic values.

To examine statistically whether higher level for funding is attuned with higher levels of intrinsic benefits, it is necessary to establish hypotheses for the question.

The null hypothesis is that the two variables are independent or in this particular case is that the likelihood of higher intrinsic values is the same for different levels of funding. The alternative hypothesis to be tested is that the likelihood of higher intrinsic values is not the same for different levels of funding.

The null hypothesis is not rejected; hence a higher level of funding is not significantly more likely to be attuned with a higher level of intrinsic values.

---

[72] Dorak, M.T., Common Concepts in Statistics, http://dorakmt.tripod.com/mtd/glosstat.html, last accessed 17th May 2011.

Community traditions

falleros funding * community tradi.

contingency table			very low	low	normal	high	very high	Total
falleros funding	very low	observed frecuency	0	1	1	1	3	6
		expected frecuency	,8	,8	1,2	1,1	2,1	6,0
		adjusted residual	-,8	,2	-,2	-,1	,9	
	low	observed frecuency	2	1	1	2	8	14
		expected frecuency	2,0	1,9	2,7	2,6	4,8	14,0
		adjusted residual	,0	-,9	-1,7	-,6	3,2	
	normal	observed frecuency	9	9	15	15	28	76
		expected frecuency	10,7	10,1	14,7	14,3	26,2	76,0
		adjusted residual	-1,7	-1,1	,3	,7	1,8	
	high	observed frecuency	12	11	22	29	42	116
		expected frecuency	16,3	15,4	22,5	21,8	40,0	116,0
		adjusted residual	-4,3	-4,4	-,5	7,2	2,0	
	very high	observed frecuency	30	28	34	24	49	165
		expected frecuency	23,2	21,9	31,9	31,1	56,9	165,0
		adjusted residual	6,8	6,1	2,1	-7,1	-7,9	
Total		observed frecuency	53	50	73	71	130	377
		expected frecuency	53,0	50,0	73,0	71,0	130,0	377,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	16,992ª	16	,386
Likelihood Ratio	17,804	16	,336
Linear-by-linear association	7,700	1	,006
N of valid cases	377		

a. 10 cells (40,0%) have expected count less than

5. the minimum expected count is ,80.

public funding * community tradi.

contingency table			very low	low	normal	high	very high	Total
public funding	very low	observed frecuency	12	12	18	25	29	96
		expected frecuency	13,5	12,7	18,5	18,0	33,3	96,0
		adjusted residual	-1,5	-,7	-,5	7,0	-4,3	
	low	observed frecuency	9	14	26	15	35	99
		expected frecuency	13,9	13,1	19,1	18,6	34,3	99,0
		adjusted residual	-4,9	,9	6,9	-3,6	,7	
	normal	observed frecuency	21	18	16	16	45	116
		expected frecuency	16,3	15,3	22,4	21,8	40,2	116,0
		adjusted residual	4,7	2,7	-6,4	-5,8	4,8	
	high	observed frecuency	8	6	11	13	20	58
		expected frecuency	8,1	7,7	11,2	10,9	20,1	58,0
		adjusted residual	-,1	-1,7	-,2	2,1	-,1	
	very high	observed frecuency	3	0	2	2	2	9
		expected frecuency	1,3	1,2	1,7	1,7	3,1	9,0
		adjusted residual	1,7	-1,2	,3	,3	-1,1	
Total		observed frecuency	53	50	73	71	131	378
		expected frecuency	53,0	50,0	73,0	71,0	131,0	378,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	19,056ª	16	,266
Likelihood Ratio	19,613	16	,238
Linear-by-linear association	,252	1	,616
N of valid cases	378		

a. 5 cells (20,0%) have expected count less than

5. the minimum expected count is 1,19.

lucrative & private funding * community tradi.

contingency table			very low	low	normal	high	very high	Total
lucrative & private funding	very low	observed frecuency	9	8	12	12	12	53
		expected frecuency	7,4	7,1	10,2	9,9	18,3	53,0
		adjusted residual	1,6	,9	1,8	2,1	-6,3	
	low	observed frecuency	8	13	21	14	31	87
		expected frecuency	12,2	11,7	16,8	16,3	30,1	87,0
		adjusted residual	-4,2	1,3	4,2	-2,3	,9	
	normal	observed frecuency	21	20	20	19	45	125
		expected frecuency	17,5	16,8	24,1	23,4	43,2	125,0
		adjusted residual	3,5	3,2	-4,1	-4,4	1,8	
	high	observed frecuency	10	9	16	24	40	99
		expected frecuency	13,8	13,3	19,1	18,5	34,2	99,0
		adjusted residual	-3,8	-4,3	-3,1	5,5	5,8	
	very high	observed frecuency	5	1	4	2	3	15
		expected frecuency	2,1	2,0	2,9	2,8	5,2	15,0
		adjusted residual	2,9	-1,0	1,1	-,8	-2,2	
Total		observed frecuency	53	51	73	71	131	379
		expected frecuency	53,0	51,0	73,0	71,0	131,0	379,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	20,931ª	16	,181
Likelihood Ratio	20,586	16	,195
Linear-by-linear association	1,096	1	,295
N of valid cases	379		

a. 4 cells (16,0%) have expected count less than

5. the minimum expected count is 2,02.

Figure 56: The relationship between funding from falleros, the public sector and private companies and the level of values for community tradition.

Historical value

falleros funding * historical value

contingency table			historical value					
			very low	low	normal	high	very high	Total
falleros funding	very low	observed frecuency	0	0	2	3	1	6
		expected frecuency	,4	1,1	2,2	1,4	,9	6,0
		adjusted residual	-,4	-1,1	-,2	1,6	,1	
	low	observed frecuency	0	2	4	3	5	14
		expected frecuency	,9	2,5	5,1	3,2	2,2	14,0
		adjusted residual	-,9	-,5	-1,1	-,2	2,8	
	normal	observed frecuency	7	9	29	14	17	76
		expected frecuency	5,0	13,8	27,9	17,2	12,0	76,0
		adjusted residual	2,0	-4,8	1,1	-3,2	5,0	
	high	observed frecuency	6	21	35	40	14	116
		expected frecuency	7,7	21,1	42,5	26,3	18,4	116,0
		adjusted residual	-1,7	-,1	-7,5	13,7	-4,4	
	very high	observed frecuency	12	37	69	26	23	167
		expected frecuency	11,0	30,4	61,2	37,9	26,4	167,0
		adjusted residual	1,0	6,6	7,8	-11,9	-3,4	
Total		observed frecuency	25	69	139	86	60	379
		expected frecuency	25,0	69,0	139,0	86,0	60,0	379,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	29,986	16	,018
Likelihood Ratio	30,528	16	,015
Linear-by-linear association	8,609	1	,003
N of valid cases	379		

a. 9 cells (36,0%) have expected count less than

5. the minimum expected count is ,40.

public funding * historical value

contingency table			historical value					
			very low	low	normal	high	very high	Total
public funding	very low	observed frecuency	8	16	24	27	22	97
		expected frecuency	6,4	17,4	35,7	22,2	15,3	97,0
		adjusted residual	1,6	-1,4	-11,7	4,8	6,7	
	low	observed frecuency	4	17	49	20	10	100
		expected frecuency	6,6	17,9	36,8	22,9	15,8	100,0
		adjusted residual	-2,6	-,9	12,2	-2,9	-5,8	
	normal	observed frecuency	10	27	35	28	16	116
		expected frecuency	7,6	20,8	42,7	26,6	18,3	116,0
		adjusted residual	2,4	6,2	-7,7	1,4	-2,3	
	high	observed frecuency	2	7	28	10	11	58
		expected frecuency	3,8	10,4	21,4	13,3	9,2	58,0
		adjusted residual	-1,8	-3,4	6,6	-3,3	1,8	
	very high	observed frecuency	1	1	4	2	1	9
		expected frecuency	,6	1,6	3,3	2,1	1,4	9,0
		adjusted residual	,4	-,6	,7	-,1	-,4	
Total		observed frecuency	25	68	140	87	60	380
		expected frecuency	25,0	68,0	140,0	87,0	60,0	380,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	26,246	16	,051
Likelihood Ratio	26,497	16	,047
Linear-by-linear association	,628	1	,428
N of valid cases	380		

a. 6 cells (24,0%) have expected count less than

5. the minimum expected count is ,59.

lucrative & private funding * historical value

contingency table			historical value					
			very low	low	normal	high	very high	Total
lucrative & private funding	very low	observed frecuency	4	10	18	9	12	53
		expected frecuency	3,5	9,6	19,5	12,1	8,3	53,0
		adjusted residual	,5	,4	-1,5	-3,1	3,7	
	low	observed frecuency	4	15	38	19	11	87
		expected frecuency	5,7	15,8	32,0	19,9	13,7	87,0
		adjusted residual	-1,7	-,8	6,0	-,9	-2,7	
	normal	observed frecuency	12	30	41	29	15	127
		expected frecuency	8,3	23,0	46,7	29,0	20,0	127,0
		adjusted residual	3,7	7,0	-5,7	,0	-5,0	
	high	observed frecuency	3	12	37	26	21	99
		expected frecuency	6,5	17,9	36,4	22,6	15,6	99,0
		adjusted residual	-3,5	-5,9	,6	3,4	5,4	
	very high	observed frecuency	2	2	6	4	1	15
		expected frecuency	1,0	2,7	5,5	3,4	2,4	15,0
		adjusted residual	1,0	-,7	,5	,6	-1,4	
Total		observed frecuency	25	69	140	87	60	381
		expected frecuency	25,0	69,0	140,0	87,0	60,0	381,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	18,941	16	,272
Likelihood Ratio	19,142	16	,261
Linear-by-linear association	,503	1	,478
N of valid cases	381		

a. 5 cells (20,0%) have expected count less than

5. the minimum expected count is ,98.

Figure 57: The relationship between funding from falleros, the public sector and private companies and the level of values for historical value.

Sociability and fun

falleros funding * sociability and fun

contingency table			sociability and fun					
			very low	low	normal	high	very high	Total
falleros funding	very low	observed frecuency	0	0	0	0	6	6
		expected frecuency	,0	,3	,5	1,2	4,0	6,0
		adjusted residual	,0	-,3	-,5	-1,2	2,0	
	low	observed frecuency	1	2	1	4	6	14
		expected frecuency	,1	,7	1,2	2,7	9,3	14,0
		adjusted residual	,9	1,3	-,2	1,3	-3,3	
	normal	observed frecuency	0	3	9	16	48	76
		expected frecuency	,4	3,6	6,5	14,9	50,6	76,0
		adjusted residual	-,4	-,6	2,5	1,1	-2,6	
	high	observed frecuency	1	7	16	20	71	115
		expected frecuency	,6	5,5	9,8	22,6	76,6	115,0
		adjusted residual	,4	1,5	6,2	-2,6	-5,6	
	very high	observed frecuency	0	6	6	34	120	166
		expected frecuency	,9	7,9	14,1	32,6	110,5	166,0
		adjusted residual	-,9	-1,9	-8,1	1,4	9,5	
Total		observed frecuency	2	18	32	74	251	377
		expected frecuency	2,0	18,0	32,0	74,0	251,0	377,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	32,936ª	16	,008
Likelihood Ratio	27,573	16	,036
Linear-by-linear association	4,410	1	,036
N of valid cases	377		

a. 13 cells (52,0%) have expected count less than

5. the minimum expected count is ,03.

public funding * sociability and fun

contingency table			sociability and fun					
			very low	low	normal	high	very high	Total
public funding	very low	observed frecuency	2	7	9	20	59	97
		expected frecuency	,5	4,6	8,2	19,2	64,4	97,0
		adjusted residual	1,5	2,4	,8	,8	-5,4	
	low	observed frecuency	0	6	8	21	64	99
		expected frecuency	,5	4,7	8,4	19,6	65,7	99,0
		adjusted residual	-,5	1,3	-,4	1,4	-1,7	
	normal	observed frecuency	0	4	10	16	86	116
		expected frecuency	,6	5,5	9,8	23,0	77,0	116,0
		adjusted residual	-,6	-1,5	,2	-7,0	9,0	
	high	observed frecuency	0	1	5	17	34	57
		expected frecuency	,3	2,7	4,8	11,3	37,8	57,0
		adjusted residual	-,3	-1,7	,2	5,7	-3,8	
	very high	observed frecuency	0	0	0	1	8	9
		expected frecuency	,0	,4	,8	1,8	6,0	9,0
		adjusted residual	,0	-,4	-,8	-,8	2,0	
Total		observed frecuency	2	18	32	75	251	378
		expected frecuency	2,0	18,0	32,0	75,0	251,0	378,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	18,261ª	16	,309
Likelihood Ratio	19,151	16	,261
Linear-by-linear association	4,827	1	,028
N of valid cases	378		

a. 12 cells (48,0%) have expected count less than

5. the minimum expected count is ,05.

lucrative & private funding * sociability and fun

contingency table			sociability and fun					
			very low	low	normal	high	very high	Total
lucrative & private funding	very low	observed frecuency	0	0	1	9	43	53
		expected frecuency	,3	2,5	4,5	10,5	35,2	53,0
		adjusted residual	-,3	-2,5	-3,5	-1,5	7,8	
	low	observed frecuency	0	3	5	20	58	86
		expected frecuency	,5	4,1	7,3	17,0	57,2	86,0
		adjusted residual	-,5	-1,1	-2,3	3,0	,8	
	normal	observed frecuency	0	8	12	22	85	127
		expected frecuency	,7	6,0	10,7	25,1	84,4	127,0
		adjusted residual	-,7	2,0	1,3	-3,1	,6	
	high	observed frecuency	2	7	14	19	56	98
		expected frecuency	,5	4,7	8,3	19,4	65,2	98,0
		adjusted residual	1,5	2,3	5,7	-,4	-9,2	
	very high	observed frecuency	0	0	0	5	10	15
		expected frecuency	,1	,7	1,3	3,0	10,0	15,0
		adjusted residual	-,1	-,7	-1,3	2,0	,0	
Total		observed frecuency	2	18	32	75	252	379
		expected frecuency	2,0	18,0	32,0	75,0	252,0	379,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	25,394ª	16	,063
Likelihood Ratio	29,735	16	,019
Linear-by-linear association	10,158	1	,001
N of valid cases	379		

a. 12 cells (48,0%) have expected count less than

5. the minimum expected count is ,08.

Figure 58: The relationship between funding from falleros, the public sector and private companies and the level of values for sociability and fun.

Religion

falleros funding * religion

contingency table			religion					
			very low	low	normal	high	very high	Total
falleros funding	very low	observed frecuency	0	1	0	0	5	6
		expected frecuency	,5	,5	1,1	1,0	2,9	6,0
		adjusted residual	-,5	,5	-1,1	-1,0	2,1	
	low	observed frecuency	2	1	2	4	5	14
		expected frecuency	1,1	1,2	2,5	2,4	6,8	14,0
		adjusted residual	,9	-,2	-,5	1,6	-1,8	
	normal	observed frecuency	6	12	14	10	34	76
		expected frecuency	5,8	6,7	13,7	12,9	36,9	76,0
		adjusted residual	,2	5,3	,3	-2,9	-2,9	
	high	observed frecuency	8	9	28	18	52	115
		expected frecuency	8,8	10,1	20,7	19,5	55,8	115,0
		adjusted residual	-,8	-1,1	7,3	-1,5	-3,8	
	very high	observed frecuency	13	10	24	32	87	166
		expected frecuency	12,8	14,5	29,9	28,2	80,6	166,0
		adjusted residual	,2	-4,5	-5,9	3,8	6,4	
Total		observed frecuency	29	33	68	64	183	377
		expected frecuency	29,0	33,0	68,0	64,0	183,0	377,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	18,940ª	16	,272
Likelihood Ratio	20,068	16	,217
Linear-by-linear association	1,673	1	,196
N of valid cases	377		

a. 9 cells (36%) have expected count less than

public funding * religion

contingency table			religion					
			very low	low	normal	high	very high	Total
public funding	very low	observed frecuency	9	11	16	17	44	97
		expected frecuency	7,4	8,5	17,7	16,4	47,0	97,0
		adjusted residual	1,6	2,5	-1,7	,6	-3,0	
	low	observed frecuency	2	9	19	19	51	100
		expected frecuency	7,7	8,7	18,3	16,9	48,4	100,0
		adjusted residual	-5,7	,3	,7	2,1	2,6	
	normal	observed frecuency	14	7	23	17	54	115
		expected frecuency	8,8	10,0	21,0	19,5	55,7	115,0
		adjusted residual	5,2	-3,0	2,0	-2,5	-1,7	
	high	observed frecuency	3	4	11	9	30	57
		expected frecuency	4,4	5,0	10,4	9,7	27,6	57,0
		adjusted residual	-1,4	-1,0	,6	-,7	2,4	
	very high	observed frecuency	1	2	0	2	4	9
		expected frecuency	,7	,8	1,6	1,5	4,4	9,0
		adjusted residual	,3	1,2	-1,6	,5	-,4	
Total		observed frecuency	29	33	69	64	183	378
		expected frecuency	29,0	33,0	69,0	64,0	183,0	378,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	15,338ª	16	,500
Likelihood Ratio	17,784	16	,337
Linear-by-linear association	,071	1	,790
N of valid cases	378		

a. 7 cells (28,0%) have expected count less than

5. the minimum expected count is ,69.

lucrative & private funding * religion

contingency table			religion					
			very low	low	normal	high	very high	Total
lucrative & private funding	very low	observed frecuency	3	8	8	9	25	53
		expected frecuency	4,1	4,6	9,6	8,9	25,7	53,0
		adjusted residual	-1,1	3,4	-1,6	,1	-,7	
	low	observed frecuency	4	7	14	16	46	87
		expected frecuency	6,7	7,6	15,8	14,7	42,2	87,0
		adjusted residual	-2,7	-,6	-1,8	1,3	3,8	
	normal	observed frecuency	14	13	22	20	57	126
		expected frecuency	9,6	11,0	22,9	21,3	61,2	126,0
		adjusted residual	4,4	2,0	-,9	-1,3	-4,2	
	high	observed frecuency	5	3	24	16	50	98
		expected frecuency	7,5	8,5	17,8	16,5	47,6	98,0
		adjusted residual	-2,5	-5,5	6,2	-,5	2,4	
	very high	observed frecuency	3	2	1	3	6	15
		expected frecuency	1,1	1,3	2,7	2,5	7,3	15,0
		adjusted residual	1,9	,7	-1,7	,5	-1,3	
Total		observed frecuency	29	33	69	64	184	379
		expected frecuency	29,0	33,0	69,0	64,0	184,0	379,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	19,030ª	16	,267
Likelihood Ratio	19,035	16	,267
Linear-by-linear association	,075	1	,785
N of valid cases	379		

a. 6 cells (24,0%) have expected count less than

5. the minimum expected count is 1,15.

Figure 59: The relationship between funding from falleros, the public sector and private companies and the level of religious values.

Social cohesion

falleros funding * social cohesion

contingency table			very low	low	normal	high	very high	Total
falleros funding	very low	observed frecuency	2	0	1	2	1	6
		expected frecuency	2,2	1,2	,9	1,0	,7	6,0
		adjusted residual	-,2	-1,2	,1	1,0	,3	
	low	observed frecuency	6	1	3	4	0	14
		expected frecuency	5,0	2,8	2,2	2,4	1,6	14,0
		adjusted residual	1,0	-1,8	,8	1,6	-1,6	
	normal	observed frecuency	34	17	10	10	5	76
		expected frecuency	27,3	15,2	11,8	13,0	8,6	76,0
		adjusted residual	6,7	1,8	-1,8	-3,0	-3,6	
	high	observed frecuency	38	34	24	12	8	116
		expected frecuency	41,6	23,3	18,1	19,9	13,2	116,0
		adjusted residual	-3,6	10,7	5,9	-7,9	-5,2	
	very high	observed frecuency	56	24	21	37	29	167
		expected frecuency	59,9	33,5	26,0	28,6	18,9	167,0
		adjusted residual	-3,9	-9,5	-5,0	8,4	10,1	
Total		observed frecuency	136	76	59	65	43	379
		expected frecuency	136,0	76,0	59,0	65,0	43,0	379,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	35,039	16	,004
Likelihood Ratio	37,466	16	,002
Linear-by-linear association	6,161	1	,013
N of valid cases	379		

a. 9 cells (36%) have expected count less than 5. the minimum expected count is ,68.

public funding * social cohesion

contingency table			very low	low	normal	high	very high	Total
public funding	very low	observed frecuency	31	23	17	18	8	97
		expected frecuency	34,5	19,4	15,3	16,6	11,2	97,0
		adjusted residual	-3,5	3,6	1,7	1,4	-3,2	
	low	observed frecuency	35	20	19	18	8	100
		expected frecuency	35,5	20,0	15,8	17,1	11,6	100,0
		adjusted residual	-,5	,0	3,2	,9	-3,6	
	normal	observed frecuency	45	24	15	19	13	116
		expected frecuency	41,2	23,2	18,3	19,8	13,4	116,0
		adjusted residual	3,8	,8	-3,3	-,8	-,4	
	high	observed frecuency	19	9	8	8	14	58
		expected frecuency	20,6	11,6	9,2	9,9	6,7	58,0
		adjusted residual	-1,6	-2,6	-1,2	-1,9	7,3	
	very high	observed frecuency	5	0	1	2	1	9
		expected frecuency	3,2	1,8	1,4	1,5	1,0	9,0
		adjusted residual	1,8	-1,8	-,4	,5	,0	
Total		observed frecuency	135	76	60	65	44	380
		expected frecuency	135,0	76,0	60,0	65,0	44,0	380,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	17,297	16	,367
Likelihood Ratio	17,329	16	,365
Linear-by-linear association	,644	1	,422
N of valid cases	380		

a. 5 cells (20,0%) have expected count less than 5. the minimum expected count is 1,04.

lucrative & private funding * social cohesion

contingency table			very low	low	normal	high	very high	Total
lucrative & private funding	very low	observed frecuency	21	13	14	3	2	53
		expected frecuency	18,9	10,6	8,3	9,0	6,1	53,0
		adjusted residual	2,1	2,4	5,7	-6,0	-4,1	
	low	observed frecuency	27	18	18	14	10	87
		expected frecuency	31,1	17,4	13,7	14,8	10,0	87,0
		adjusted residual	-4,1	,6	4,3	-,8	,0	
	normal	observed frecuency	52	21	20	21	13	127
		expected frecuency	45,3	25,3	20,0	21,7	14,7	127,0
		adjusted residual	6,7	-4,3	,0	-,7	-1,7	
	high	observed frecuency	29	21	7	24	18	99
		expected frecuency	35,3	19,7	15,6	16,9	11,4	99,0
		adjusted residual	-6,3	1,3	-8,6	7,1	6,6	
	very high	observed frecuency	7	3	1	3	1	15
		expected frecuency	5,4	3,0	2,4	2,6	1,7	15,0
		adjusted residual	1,6	,0	-1,4	,4	-,7	
Total		observed frecuency	136	76	60	65	44	381
		expected frecuency	136,0	76,0	60,0	65,0	44,0	381,0

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	29,702	16	,020
Likelihood Ratio	31,954	16	,010
Linear-by-linear association	3,787	1	,052
N of valid cases	381		

a. 4 cells (16,0%) have expected count less than 5. the minimum expected count is 1,73.

Figure 60: The relationship between funding from falleros, the public sector and private companies and the level of values for social cohesion.

Results of contingency tables

Ho: when social agents pay to sustain the Fallas festival, the level of their funding is related to the intensity of the intrinsic value they receive. Likewise, the likelihood of intensity in intrinsic values is distributed similarly across their level of funding the festival.

In summary: the level of funding is equal to the intensity of an intrinsic value.

H1: when social agents pay to sustain the Fallas festival, the level of their funding is NOT related to the intensity of the intrinsic value they receive. Likewise, the likelihood of intensity in intrinsic values is NOT distributed similarly across their level of funding the festival.

In summary: the level of funding is not equal to the intensity of an intrinsic value.

If $p < 0.05$ -> Null hypothesis (Ho) is rejected in favour of H1.

If $p > 0.05$ -> this fails to reject the null hypothesis.

In general, $p < 0.05$ means that it is worthwhile to interpret the cells in the contingency table. Therefore, some conclusions are made for the relation between these categorical variables:

q121 'falleros funding' /q52 'historical value'./

q121 'falleros funding' /q53 'sociability and fun'./

q121 'falleros funding' /q56 'social cohesion'./

q123 'public funding' /q52 'historical value'./

q124 'lucrative & private funding' /q56 'social cohesion'./

Assuming a 5% of probability (alpha =.05) the higher level of falleros in funding the Fallas festival is not related to their higher intensity in these intrinsic values: historical, sociability and fun and social cohesion.

Likewise, assuming a 5% of probability (alpha =.05), the higher level of the City Council of Valencia in funding the Fallas festival is not related to its higher level of historical value.

Finally, assuming a 5% of probability (alpha =.05), the higher level of profit-seeking companies in funding the Fallas festival is not related to its higher level of social cohesion value.
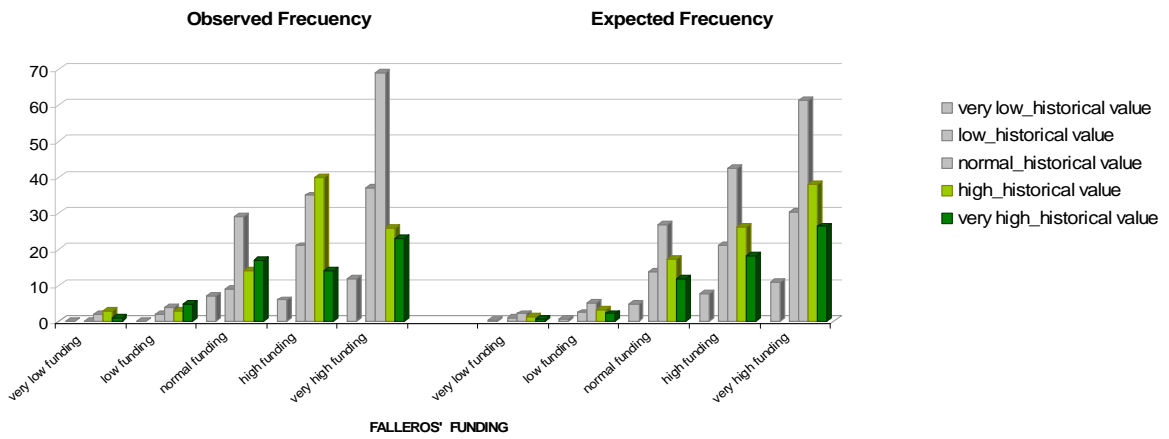
Figure 61: Falleros' funding*Historical value
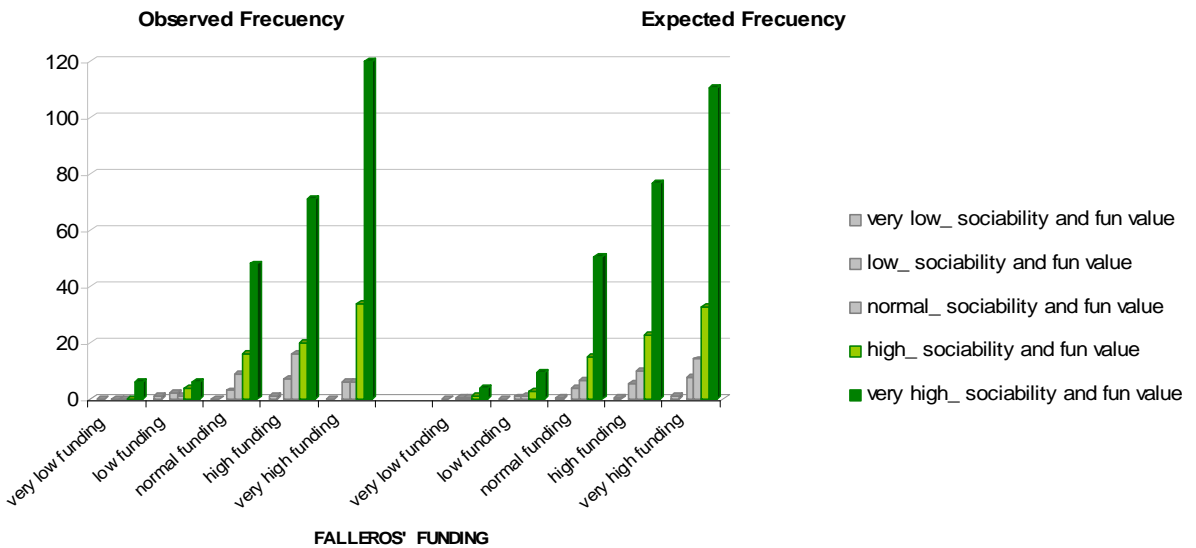
Figure 62: Falleros' funding *Sociability and fun value
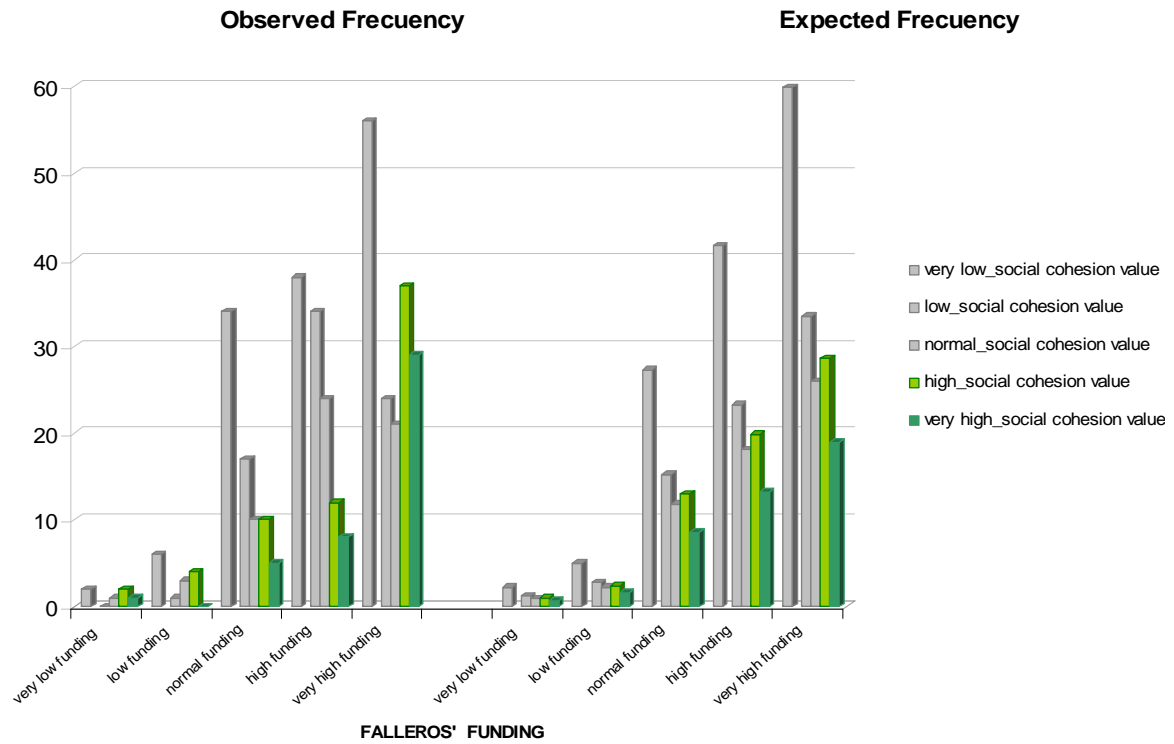
*Figure 63: Falleros' funding *cohesion value*
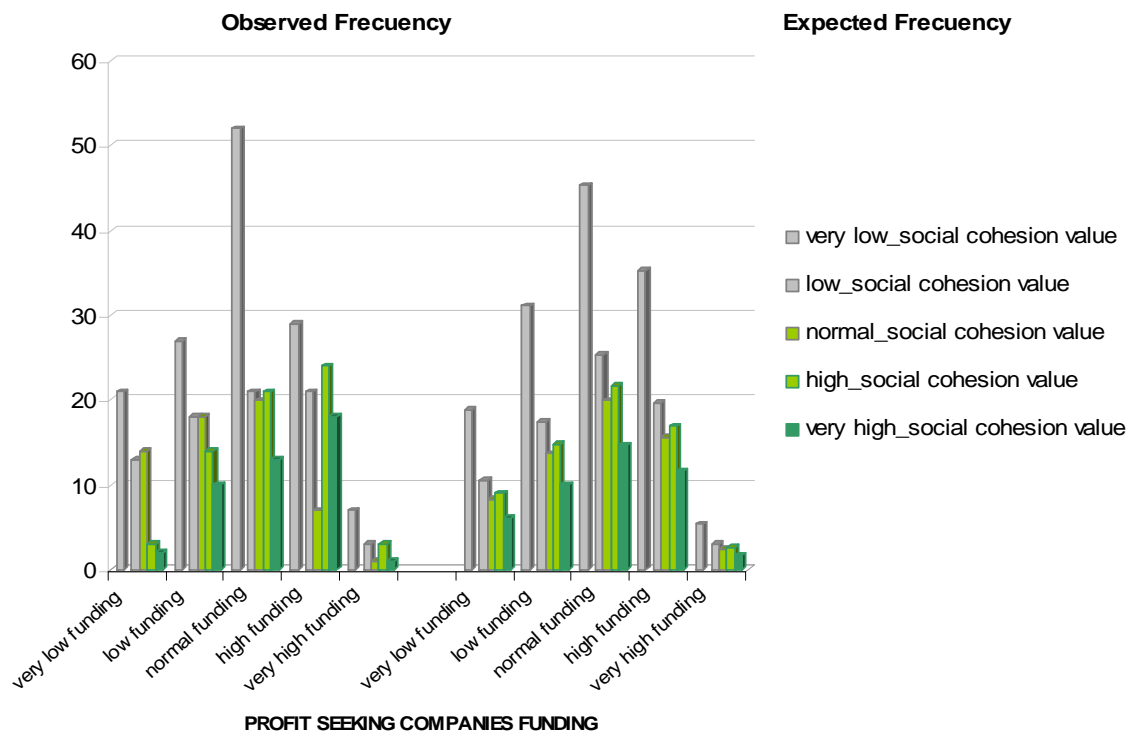
*Figure 64: Profit-seeking companies' funding *cohesion value*
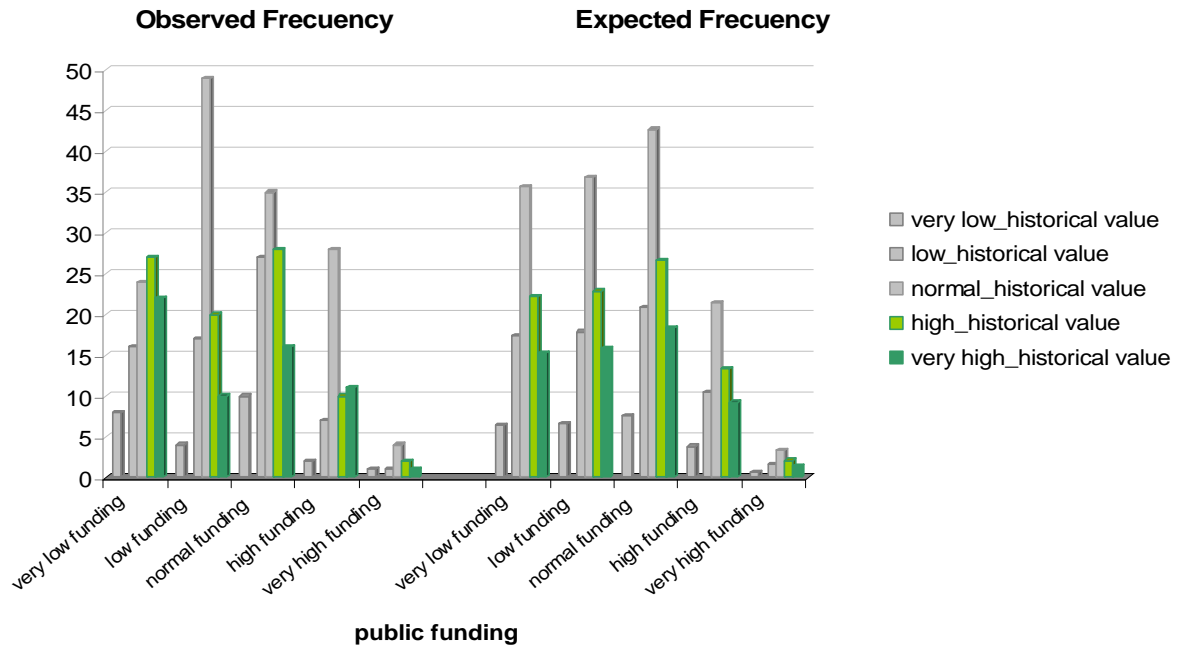
*Figure 65: Public organizations funding *historical value*

6.5.3 Profile of respondents
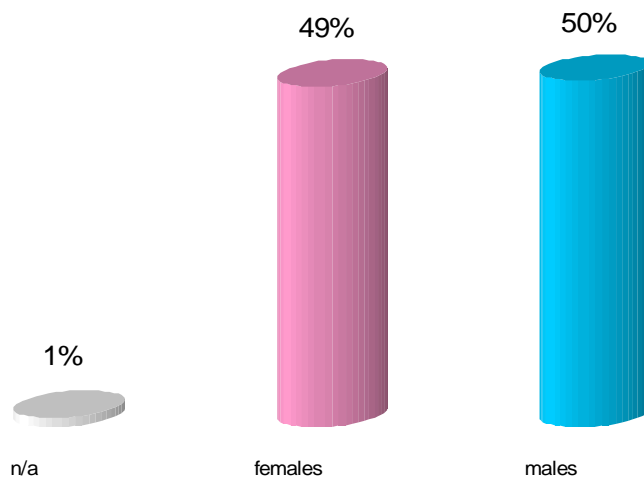
Figure 66: Question 17 respondents gender (%)
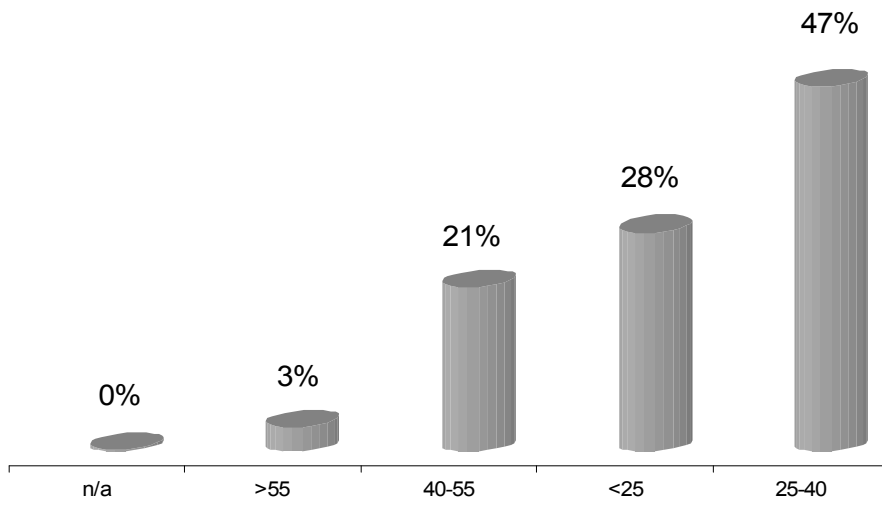
Figure 67: Question 18 respondent's age (%)
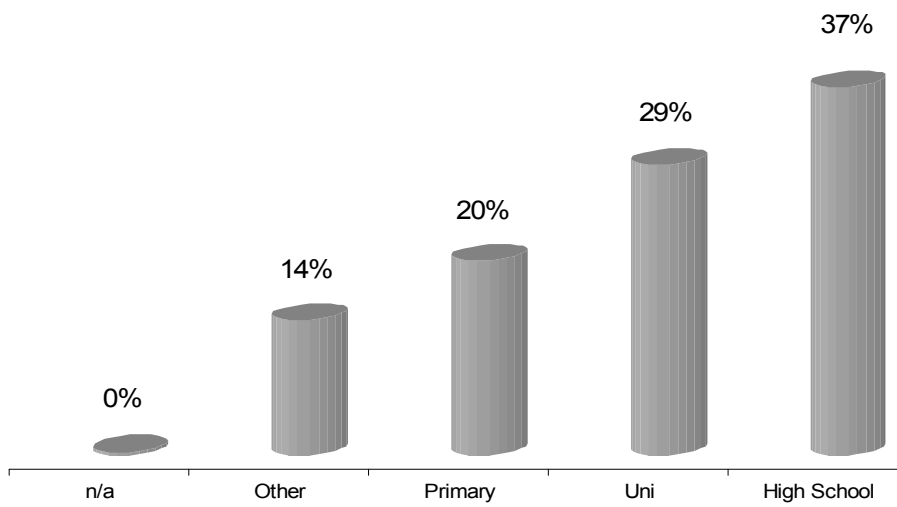
Figure 68: Question 19 respondent's educational attainment (%)
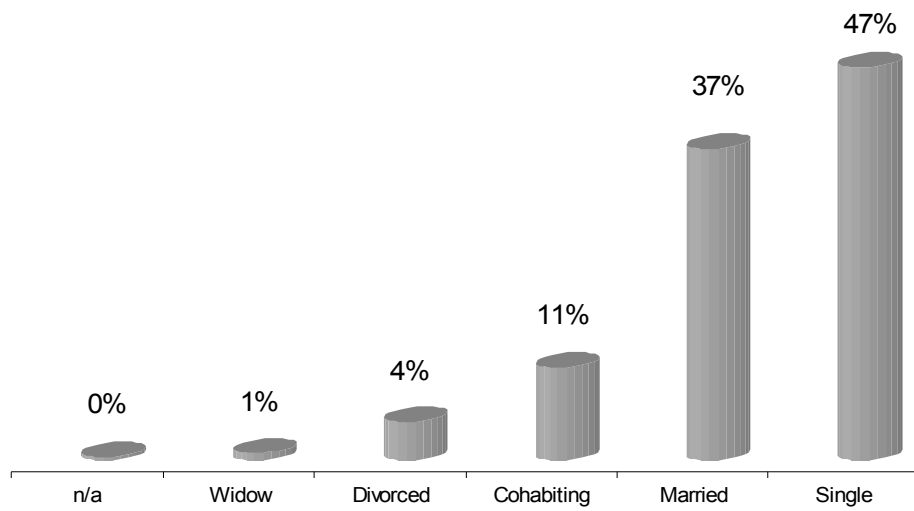
Figure 69: Question 20 respondent's marital status (%)
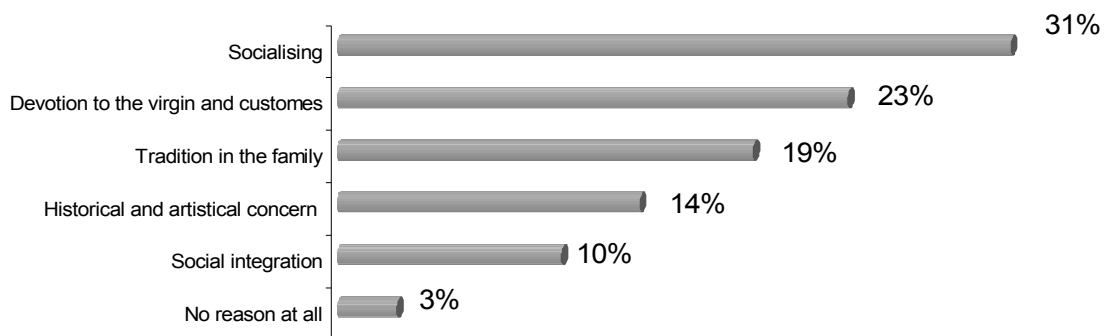
Figure 70: Question 05 respondent's reason for membership (% most popular)
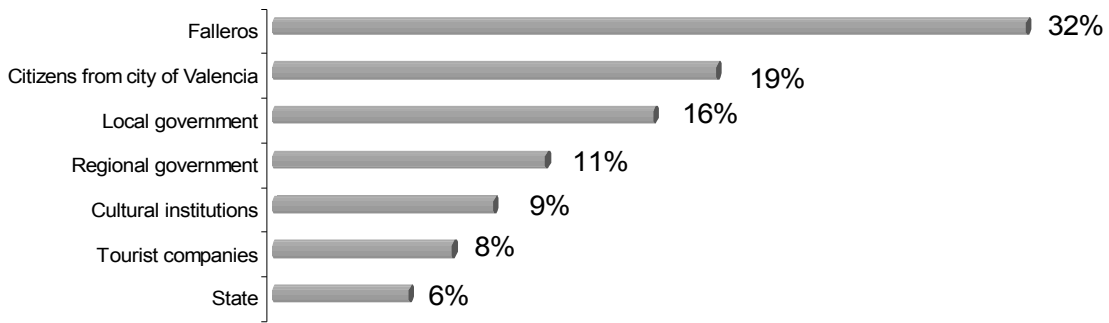
Figure 71: Question 06 Who should be responsible for promoting the Fallas (% most popular)
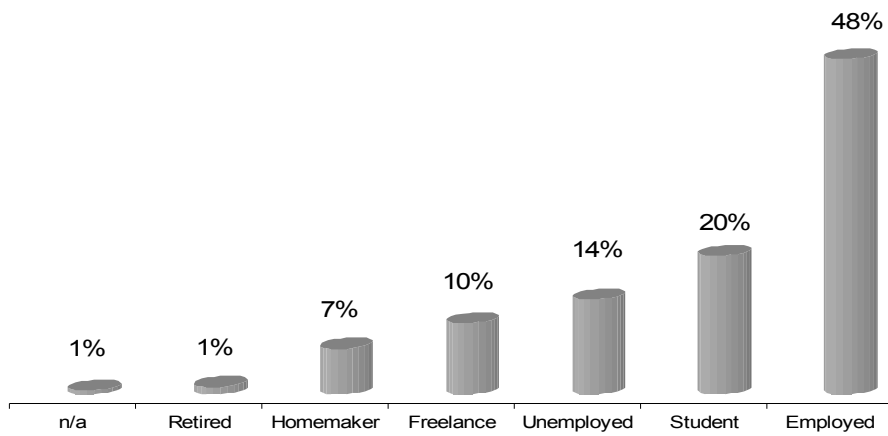
Figure 72: Question 21 respondent's occupation (%)
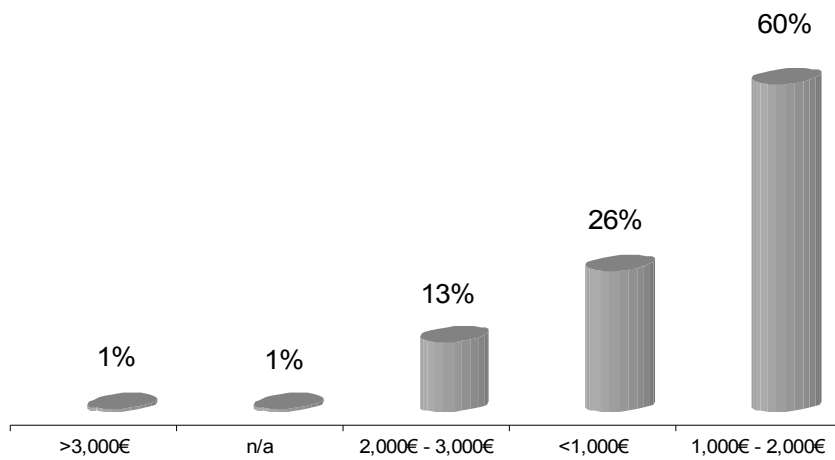
Figure 73: Question 23 respondent's income (%)
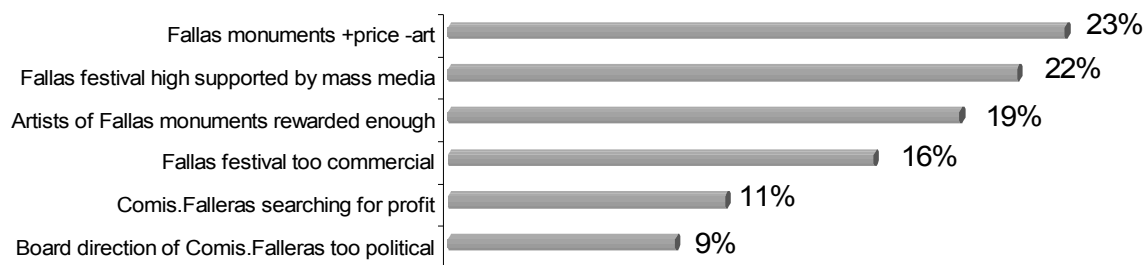
Figure 74: Question 09 respondent's level of agreement with the above statements
(% most popular)
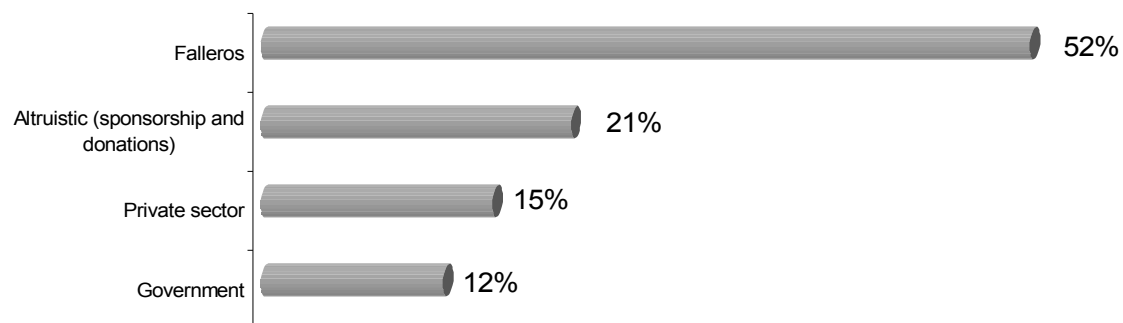
Figure 75: Question 12 who should be responsible for funding the Fallas festival
(% most popular)
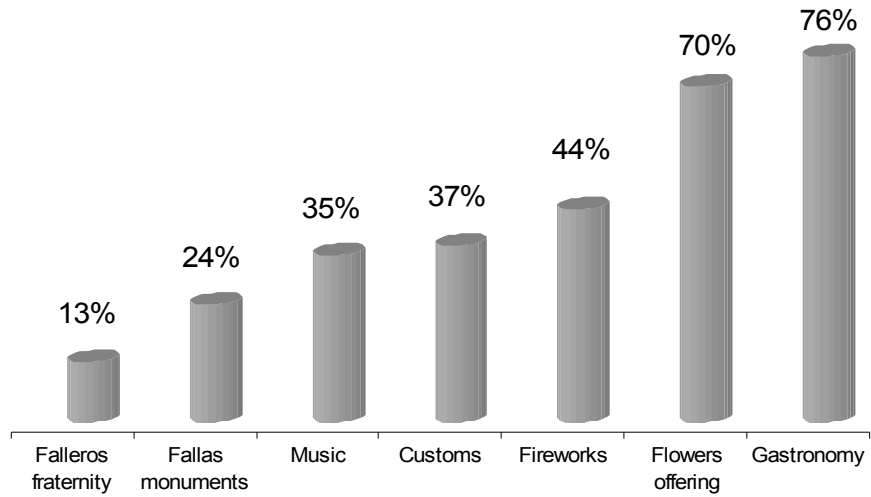
Figure 76: Question 07 Aspects of the Fallas festival of most relevance for respondents (% most popular)
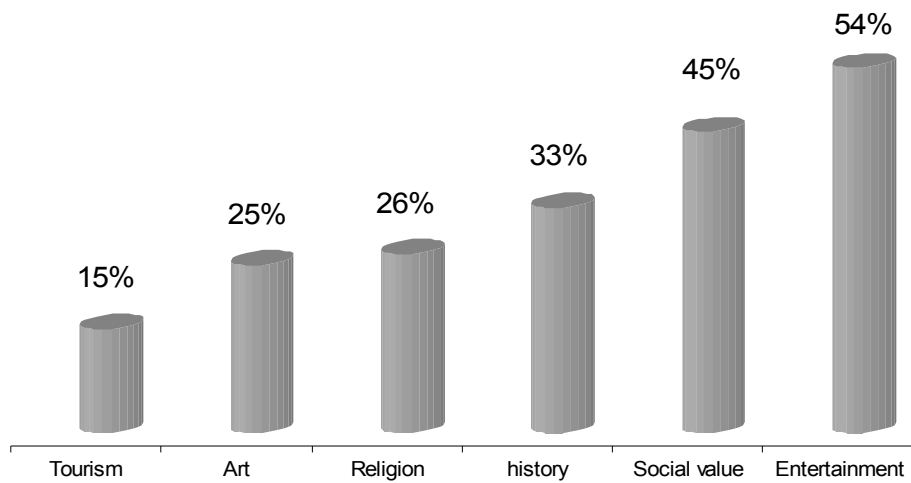
Figure 77: Question 08 What keeps the Fallas festival alive according to respondents (% most popular)

6.5.4 Respondents' reasons for WTP=0€

Reasons given for WTP=0

Respondents' with WTP=0 for either of Contingent Valuation scenarios	Nº_over 382 respondents	%
Respondents with either [Q10.1] or [Q11.1]	106	27,7%

Respondents' reasons for not being willing to pay	Nº_over 106 respondents	%
Respondents with either [Q10b] or [Q11b]	47	44,3%

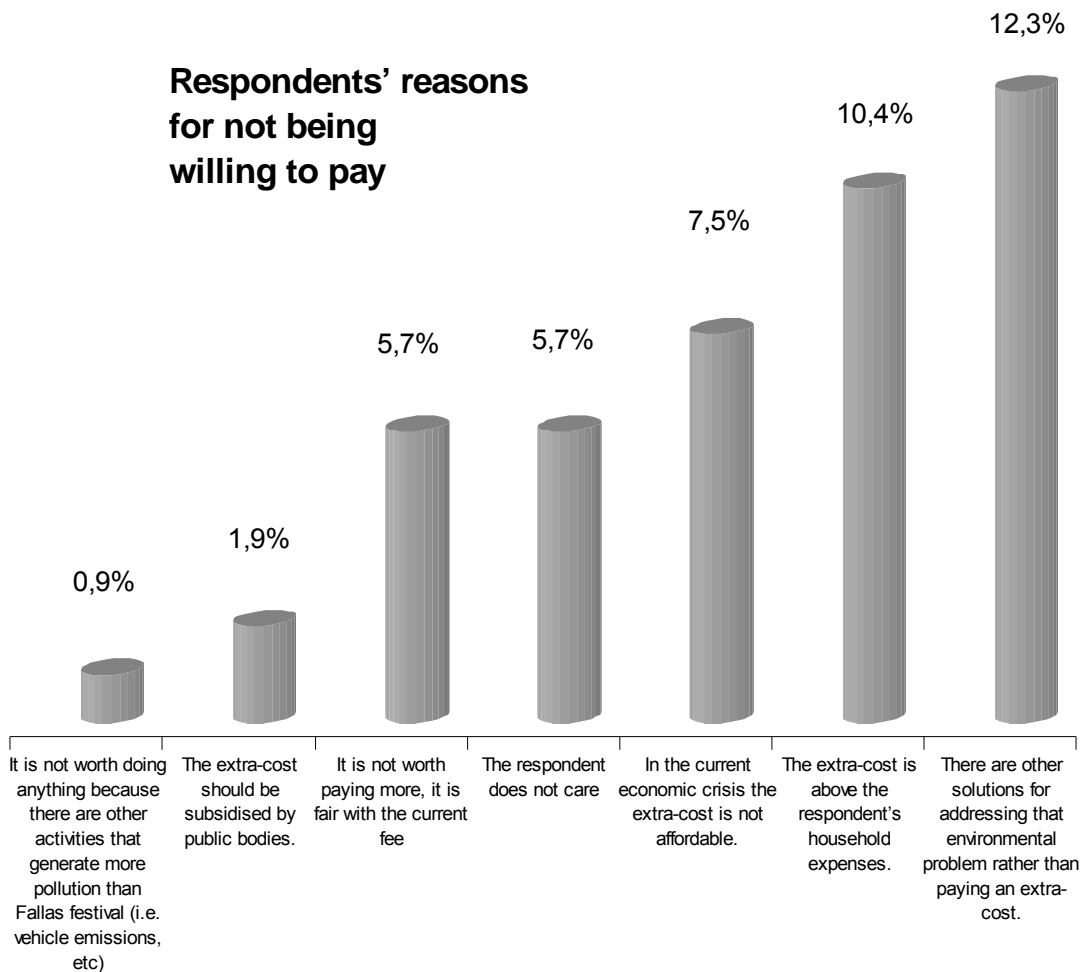| id	Categories of statements	Nº_over 106 respondents	%
RS_01	The extra-cost is above the respondent's household expenses.	11	10,4%
RS_02	The extra-cost should be subsidised by public bodies.	2	1,9%
RS_03	There are other solutions for addressing that environmental problem rather than paying an extra-cost.	13	12,3%
RS_04	In the current economic crisis the extra-cost is not affordable.	8	7,5%
RS_05	It is not worth doing anything because there are other activities that generate more pollution than Fallas festival (i.e. vehicle emissions, etc)	1	0,9%
RS_06	It is not worth paying more, it is fair with the current fee	6	5,7%
RS_07	The respondent does not care	6	5,7%

Respondents' reasons for not being willing to pay

Category	Value
It is not worth doing anything because there are other activities that generate more pollution than Fallas festival (i.e. vehicle emissions, etc)	0,9%
The extra-cost should be subsidised by public bodies.	1,9%
It is not worth paying more, it is fair with the current fee	5,7%
The respondent does not care	5,7%
In the current economic crisis the extra-cost is not affordable.	7,5%
The extra-cost is above the respondent's household expenses.	10,4%
There are other solutions for addressing that environmental problem rather than paying an extra-cost.	12,3%

Figure 78: The profile of respondents with WTP=0

Respondents with WTP=0 * community tradition value

	low	normal	high	very low	very high
community tradition	17%	17%	19%	22%	25%
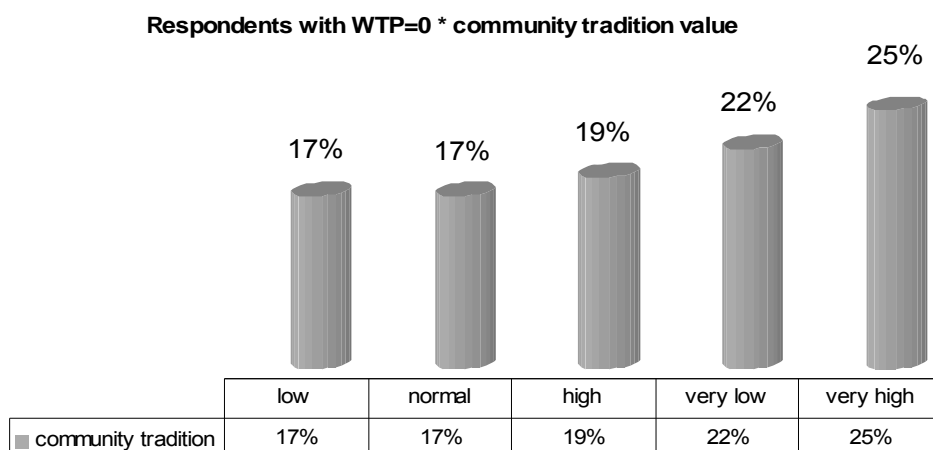
Figure 79: The relationship between respondents with WTP=0 and community tradition value

Respondents with WTP=0 * historical value value

	very high	very low	high	low	normal
■ historical value	8%	12%	14%	26%	40%
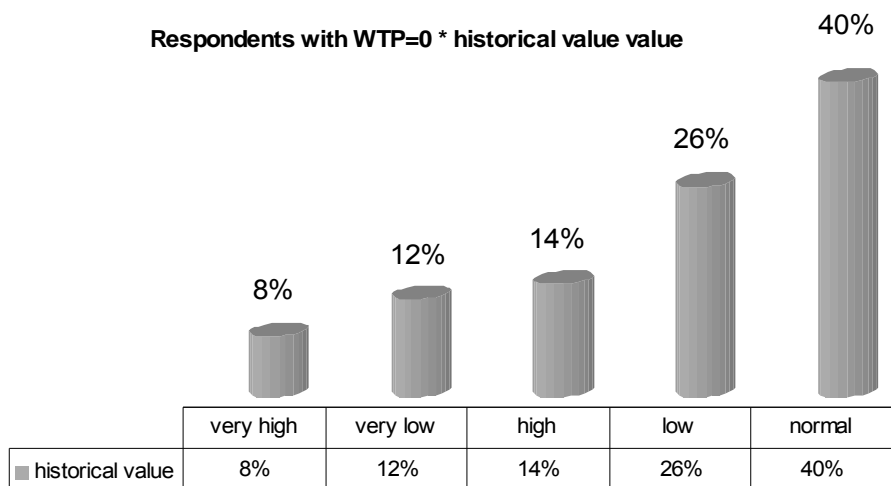
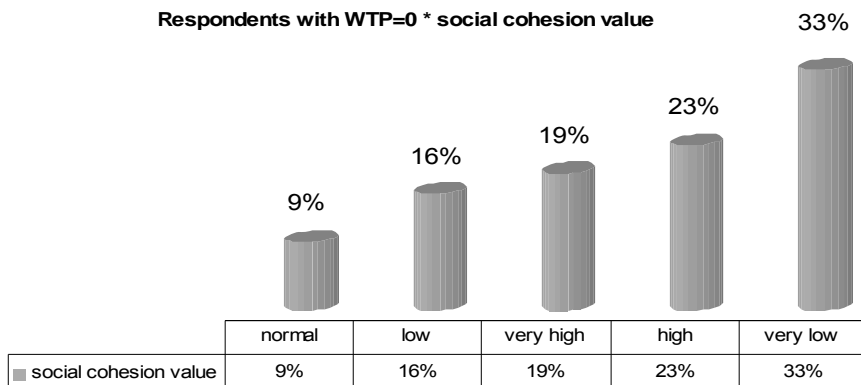*Figure 80: The relationship between respondents with WTP=0 and historical value*

Respondents with WTP=0 * sociability and fun value

	very low	normal	low	high	very high
■ sociability and fun	2%	8%	9%	21%	59%
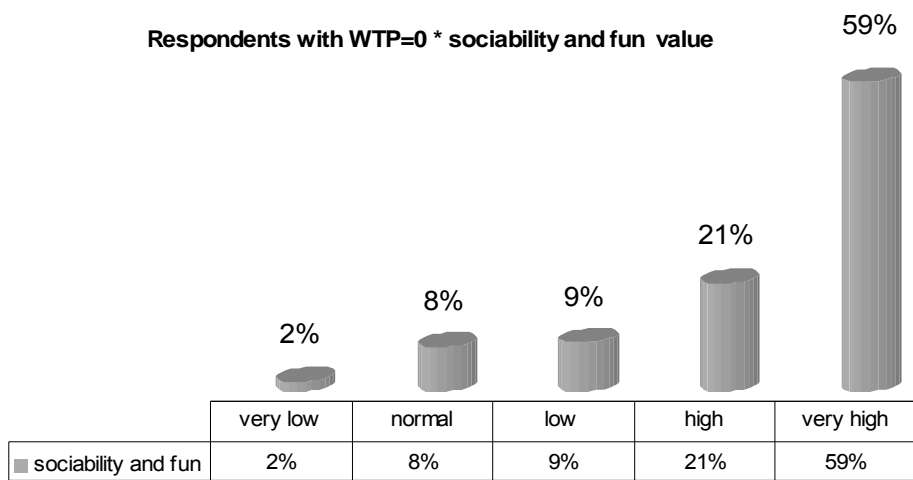
Figure 81: The relationship between respondents with WTP=0 and sociability and fun value

Respondents with WTP=0 * religious value

	very low	low	high	normal	very high
■ religious value	13%	15%	16%	25%	30%
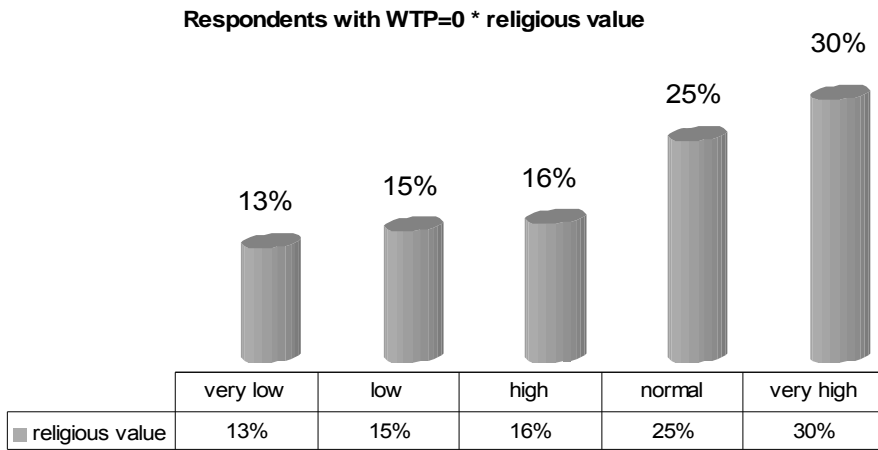
Figure 82: The relationship between respondents with WTP=0 and religious value

Respondents with WTP=0 * social cohesion value

	normal	low	very high	high	very low
■ social cohesion value	9%	16%	19%	23%	33%

Figure 83: The relationship between respondents with WTP=0 and social cohesion value

6.6 Multivariate statistics

6.6.1 Data Mining: The Decision Tree technique

The aim of data mining is to construct a model based on the data collected from the survey in the Fallas festival to the members of the different NGOs that fund the City of Valencia's Fallas festival each year. This model classifies objects of different classes.

Within data mining techniques there are no particular rules that would tell an analyst when to choose one of these classification techniques (called also classifier) compared to another. Sometimes those decisions are made relatively arbitrarily based on the availability of data mining analysts who are most experienced in one technique over another. Besides, choosing the 'classical' classification techniques over some of the 'newer' ones is more dependent on the availability of good tools and good analysts. Although there is always a trade off in deciding the classification technique to be used.

The data mining technique selected is the Decision Tree (DT).[73]

The DT has the advantage of clarity of structure (i.e. the segmentation of data can be viewed as a tree); in conjunction with the potential for a high level of automation (i.e. rapid data processing); and the ease of translating decision tree models into SQL (Structured Query Language) for deployment (i.e. it can be integrated into another IT process that allows queries in relational databases).

The purpose of the DT model applied here is to *suggest* how individuals belonging to the NGOs called 'comisiones falleras' classify their decisions of paying their membership fee for supporting the continuity of the Fallas festival according to different categories of attributes.

The attributes considered were based on the following questions in the survey (see Figure 84):

---

[73] Data mining techniques can be grouped according if they have been developed over the last two decades or not, in that case, it can be identified as the 'classical' ones: Statistics, Neighbourhoods and Clustering and the 'next' ones: Neural networks and Decision Tree.

Q13. Below there are three alternatives for funding a fallas association, each of them shows different weights of funding sources

Please, select the alternative that represents your opinion

POLITICS OR ART?

ANNUAL MEMBERSHIP FEE 800€

Q13.1

60%
30% 10%

ANNUAL MEMBERSHIP FEE 200€

Q13.2

60%
30% 10%

Resignation from membership
ANNUAL MEMBERSHIP FEE 0€

Q13.3

Q14. Below there are three alternatives for funding a fallas association, each of them shows different weights of funding sources

Please, select the alternative that represents your opinion

ART OR ECONOMIC BENEFIT?

ANNUAL MEMBERSHIP FEE 800€

Q14.1

60%
30% 10%

ANNUAL MEMBERSHIP FEE 200€

Q14.2

60%
30% 10%

Resignation from membership
ANNUAL MEMBERSHIP FEE 0€

Q14.3

POLITICS OR ECONOMIC BENEFIT?

ANNUAL MEMBERSHIP FEE 200€

Q15.1

60%
30% 10%

ANNUAL MEMBERSHIP FEE 200€

Q15.2

60%
30% 10%

Resignation from membership
ANNUAL MEMBERSHIP FEE 0€

Q15.3

ART?

ANNUAL MEMBERSHIP FEE 800€

Q16.1

60%
30% 10%

ANNUAL MEMBERSHIP FEE 800€

Q16.2

60%
30% 10%

Resignation from membership
ANNUAL MEMBERSHIP FEE 0€

Q16.3

Figure 84: The attributes considered in the decision tree analysis

These attributes were arranged into four categories or blocks interrelated:

- **(1) level of governance and payment:** this was represented by the scores of questions Q13 and Q14. If Q13 AND Q14 scores 1 then an individual is willing to have a higher participation in the decision-making process about the Fallas festival than politicians and profit-making entities, at a cost of paying a higher membership fee.

This circumstance is represented in the decision tree as **'high'**.

So that, high profile of governance is interpreted as:

- o High competence to undertake relevant tasks in the festival, such as managing budgets, fund raising and planning activities.
- o High familiarity with festival programme rules and internal procedures.
- o High responsibility to financial resources to support the festival
- o High power and influence over plans, priorities and activities in the festival.

If Q13 AND Q14 scores 2 then an individual is willing to have a lower participation in the decision-making process about the Fallas festival than politicians and profit-making entities, at a cost of paying a lower membership fee.

This circumstance is represented in the decision tree as **'low'**.

So that, low profile of governance is interpreted as:

- o low competence to undertake relevant tasks in the festival, such as managing budgets, fund raising and planning activities.
- o low familiarity with festival programme rules and internal procedures.
- o low responsibility to financial resources to support the festival
- o low power and influence over plans, priorities and activities in the festival.

If Q13 AND Q14 scores 3 then an individual is does not wish to have any participation in the decision-making process about the Fallas festival. This circumstance is represented in the decision tree as the 'status quo'.

So that, out profile of governance is interpreted as:

- o no competence to undertake relevant tasks in the festival, such as managing budgets, fund raising and planning activities.
- o no familiarity with festival programme rules and internal procedures.
- o no responsibility to financial resources to support the festival
- o no power and influence over plans, priorities and activities in the festival.

- **(2) preference to negotiate with:** it was represented by the scores of questions Q15 and Q16 and Q1.

If Q15 scores 1 then an individual with low participation in the decision-making process about the Fallas festival, due to their low membership fee, is willing to delegate competences for planning activities in the festival and financial responsibility to support the festival to politicians.

If Q15 scores 2 then an individual with low participation in the decision-making process about the Fallas festival, due to his/her low membership fee, is willing to delegate competences for planning activities in the festival and financial responsibility to support the festival to profit-seeking entities.

If Q15 scores 3 then an individual wishes to have NO participation in the decision-making process about the Fallas festival.

If Q16 scores 1 then an individual with high participation in the decision-making process about the Fallas festival, due to his/her high membership fee, is willing to

negotiate competences for planning activities in the festival and financial responsibility to support the festival to profit-seeking entities.

If Q16 scores 2 then an individual with high participation in the decision-making process about the Fallas festival, due to his/her high membership fee is willing to negotiate competences for planning activities in the festival and financial responsibility to support the festival to politicians.

If Q16 scores 3 then an individual to have NO participation in the decision-making process about the Fallas festival.

Q1 represents the number of years an individual belongs to the non-government organisation called 'comisión fallera' which mainly contributes to the financial support of the Fallas festival. This is a continuous variable.

- **(3) level of intrinsic value at collective level:** it was represented by the scores of questions Q51; Q52; Q53; Q54 and Q56;
Q51 represents community value, it is specified in a five-level Likert scale where score 1 means 'strongly disagree' (i.e. very low level); score 2 means 'disagree' (i.e. low level); score 3 means 'neither agree nor disagree' (i.e. normal level); score 4 means 'agree' (i.e. high level); and score 5 means 'strongly agree' (i.e. very high level).

Q52 represents historical value, it is specified in a five-level Likert scale where score 1 means 'strongly disagree' (i.e. very low level); score 2 means 'disagree' (i.e. low level); score 3 means 'neither agree nor disagree' (i.e. normal level); score 4 means 'agree' (i.e. high level); and score 5 means 'strongly agree' (i.e. very high level).

Q53 represents sociability and entertainment/fun value, it is specified in a five-level Likert scale where score 1 means 'strongly disagree' (i.e. very low level); score 2 means 'disagree' (i.e. low level); score 3 means 'neither agree nor disagree' (i.e. normal level); score 4 means 'agree' (i.e. high level); and score 5 means ' strongly agree' (i.e. very high level).

Q54 represents religious value, it is specified in a five-level Likert scale where score 1 means 'strongly disagree' (i.e. very low level); score 2 means 'disagree'

(i.e. low level); score 3 means 'neither agree nor disagree' (i.e. normal level); score 4 means 'agree' (i.e. high level); and score 5 means 'strongly agree' (i.e. very high level).

Q56 represents social cohesion value, it is specified in a five-level Likert scale where score 1 means 'strongly disagree' (i.e. very low level); score 2 means 'disagree' (i.e. low level); score 3 means 'neither agree nor disagree' (i.e. normal level); score 4 means 'agree' (i.e. high level); and score 5 means 'strongly agree' (i.e. very high level).

There are a variety of algorithms for building DT that share the desirable quality of interpretability. A well known and frequently used algorithm is C4.5. The model implemented here has used this algorithm as it allows attributes with continuous values[74] and it was available at that moment.

A DT consists of inside nodes, branches and leaf nodes, which represent the structure of decision trees. The top node of the tree is called the root node; inside nodes represent tests that are carried out on the values of attributes, branches represent different results on the tests; and leaf-nodes represent the classification of the examples that fall in the node. The principle that algorithm C4.5 uses for structuring data is the extent to which each factor influences

As a supervised learning algorithm, C4.5 uses recursive partitioning to form a tree structure with if-then rules (each of which is applied with an explanatory variable) as splitting criteria. Each branch on different levels of the tree represents a subgroup of observations with homogeneity of different degrees. Homogeneity increases from top to bottom where the bottom leaves contain the cases with the same mode choice while the top branches offer the roughest split. Each branch from the top node to a bottom leaf node can be described as an if-then rule sequence or ruled set.

The goal of this experiment is to find association rules to describe multiple related target attributes. To this regard, those attributes distributed in the four blocks mentioned above.

Based on the results obtained with the C4.5 a number of statements about how individuals belonging to the NGOs called 'comisiones falleras' classify their decisions of paying their membership fee for supporting the continuity of the Fallas festival can be suggested. They are listed as follows:

---

[74] In the model applied the variable Q1 Membership was continuous so the use of C4.5 was appropriate.

- The root shown in Figure 85 uses the attribute 'level of governance and payment' to separate preference to negotiate with politicians or profit-seeking entities from preference to negotiate with nobody. Negotiating with politicians is associated with justifying festival expenditure decisions or requests for funding in terms of contribution to politicians goals and public agenda. Whereas negotiating with profit-seeking entities is related to maximise the expected returns for every decision taken to support the festival.

- If an individual preferred to negotiate competences for planning activities and financial responsibility to support the festival with politicians or profit-seeking entities. And had a high participation in the decision-making process due to his/her high membership fee. A subsequent attribute, 'age', was used to distinguish individuals who were 25 years old or above from those who were under 25 years old.

- If an individual was 25 years old or older, a subsequent attribute, 'preference to negotiate', was used to separate preference to negotiate with politicians from preference to negotiate with profit-seeking entities where an individual had a high participation in the decision-making process because of their high membership fee.

- Since all individuals who preferred to negotiate with profit-seeking entities and had a high participation in the decision-making process because of their high membership fee were 25 years old or older, a leaf-node was created.

- If an individual preferred to negotiate with politicians and had a high participation in the decision-making process because of their high membership fee, a subsequent attribute, 'income', was used to separate his/her monthly income of less than 1,000€ or between 2,000€-3,000€ from that between 1,000€-2,000€.

- Since all individuals who earned less than 1,000€ or between 2,000€-3,000€ preferred to negotiate with politicians and had a high participation in the decision-making process due to his/her high membership fee, a leaf-node was created.

- Since all individuals who earned between 1,000€-2,000€ preferred to negotiate with politicians and had a high participation in the decision-making process because of their high membership fee a leaf-node was created.

- Since all individuals below 25 years old preferred to negotiate either with politicians or profit-seeking entities and had a high participation in the

decision-making process because of their high membership fee a leaf-node was created.

- If an individual preferred to not participate in the decision-making process about the Fallas festival; and did not pay membership fee that supported the festival, a subsequent attribute, 'historical value', was used to distinguish individuals who valued the Fallas festival either 'highly' or 'very highly' for its historical value high compared to those who valued it 'very low', 'low' and 'normal'.

- Since all individuals who valued the historical value of the Fallas festival either 'very low', 'low' or 'normal' preferred not participate in the decision-making process about the festival; and did not pay a membership fee that supported the festival a leaf-node was created.

- If an individual valued Fallas festival high or very high for its historical value; preferred not participate in the decision-making process about the Fallas festival; and did not pay membership fee that supported the festival. A subsequent attribute, 'community value, was used to distinguish individuals who valued Fallas festival very high for its community value from those who valued it high, normal, low and very low.

- Since all individuals who valued Fallas festival very low, low, normal and high for its community value; valued high and very high Fallas festival for its historical value; preferred not participate in the decision-making process about the Fallas festival; and did not pay membership fee that supported the festival a leaf-node was created.

- Since all individuals who valued Fallas festival very high for its community value; valued high and very high Fallas festival for its historical value; preferred not participate in the decision-making process about the Fallas festival; and did not pay membership fee that supported the festival, a leaf-node was created.

The C4.5 decision tree algorithm excludes those attributes without association rules. Association rules exhaustively look for hidden patterns, making them suitable for discovering descriptive rules involving subsets related to governance, intrinsic values, socio-demographic variables and level of financial support.

However, it was surprising there were no association rules involving some of the attributes that were excluded: [Q1] MEMBERSHIP; [Q15] PREFERENCE TO

NEGOTIATE WITH; [Q53] SOCIABILITY AND ENTERTAINMENT VALUE; [Q54] RELIGIOUS VALUE; [Q56] SOCIAL COHESION VALUE AND [Q19] EDUCATION.

Through the application of a descriptive decision tree a classification model has been deployed to define what categories of attributes are involved when members of 'comisiones falleras' pay their membership fees in order to celebrate the Fallas festival.
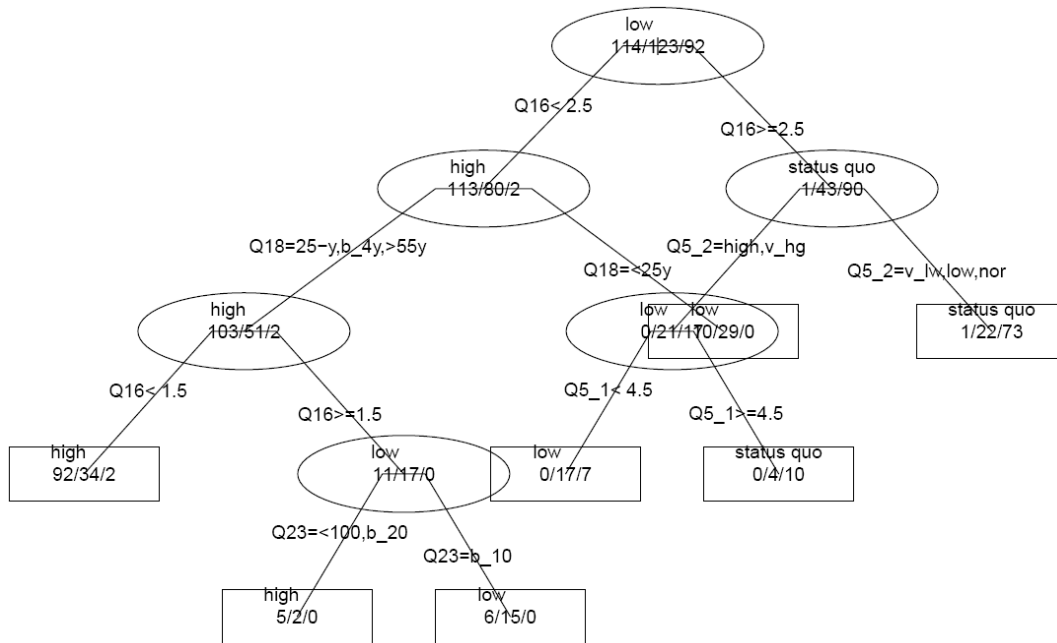

Figure 85: the decision tree classification chart

7 Conclusions and directions for future research

The question of funding culture and the arts is highly relevant, especially in a context of global financial crisis.

Despite the prevailing weight of public sector in funding the arts within the EU, the situation varies country by country.

For instance, in Britain, the government announced on 24 May 2010 that in order to cut the government deficit the Department of Culture, Media and Sports (DCMS) would have its core budget reduced by 24%. Similarly in Spain the government announced a budget reduction of 11.04% for culture in 2010.

Even if public funding will continue to support the cultural sector, it would be very risky to assume that public funding around EU countries would increase.

Considering that there is a significant challenge in funding culture and yet culture and the arts have a widely recognised role in terms of socio-economic development. The goal of this research has been to explore a financial mechanism tailor-made for intangible cultural heritage through the use of a holistic framework.

This framework addresses new forms of funding and financing culture and the arts beyond traditional means such as high dependency on publicly funds and pays attention to private/public partnerships.

This research supports the view that a holistic analysis combining economic and non-economic valuation techniques should be used to provide information to cultural heritage administrators and policy makers for exploring new forms of funding and financing the cultural sector beyond the conventional ones of public funding. This includes public/private partnerships in funding.

When it comes to funding it is necessary to enhance coordination and complementarity among the different social agents: public bodies, non-government arts organisations and private enterprises in order to encourage networking and seeking reciprocal affinities and trust. The more social agents work together in funding the cultural sector, the greater potential to strengthen it.

The starting point for exploring new forms of funding the cultural sector has been the relationship between value and funding. Consequently, it raises the question of what kind of benefits encourages social agents to support the arts?

This research has analysed the specific nature of benefits when individuals, as members of non-profit arts organizations, support an intangible cultural heritage good through a membership fee. Benefits were split into two main categories: intrinsic values (i.e. independent of human preferences and worth it for the value that resides 'in' the asset in question) and 'instrumental' (i.e. in relation to the contribution that cultural activity can make to other agendas either at a public level, such as, health, economy, environment and tourism or at a private and individual level: use or public value).

These two sources of benefits were regarded as complementary to each other and were tested in relation to funding levels through a holistic framework of analysis. This included survey-based economic and non-economic valuation tools aimed at eliciting preferences over funding cultural goods and services. The economic valuation techniques used have been Contingent Valuation and Choice Experiment. These techniques emphasize the monetary element in valuation. In the former the willingness to pay for supporting a concrete example of cultural heritage for public benefits (e.g. the environment) is elicited directly by the question 'how much would you be willing to pay for….?. In the latter the willingness to pay is indirectly elicited by observing choices made by survey respondents and it is applied to public/private partnerships for financing a concrete sample of cultural heritage. Given that these economic techniques do not assess cultural or intrinsic values, but the economic values associated to such values (e.g., sustainability and governance). And most of all, considering that the value of cultural goods and services cannot just be calculated in monetary terms and does not respond to the normal laws of supply and demand. The holistic framework took into consideration two non-economic techniques: Contingency Tables and the Decision Tree. These techniques were used in order to address the relationship between different categories of intrinsic (cultural) benefits, socio-economic features and funding preferences of survey respondents.

The context of the Fallas festival and the way it is mainly financed (i.e. by the membership fees of neighbourhood associations around Valencia) was used in order to explore to what extent different members of these associations react differently in terms of the values/benefits they place on factors affecting their monetary contribution.

This question was tested through the use of the institutional social discourse of the Agenda 21 for culture as one type of arrangement for instrumental values. This institutional document is designed for local governments to draw up their cultural policies. Within this they give importance to bridges with other areas of local governance. It raises the question of how these cultural policies can be coordinated with other local and social agents. Choice experiment (CE) and the decision tree (DT) technique were used to address this issue.

CE covered the trade-offs members of these organisations were willing to make for a higher participation in the decision-making process of the festival at a cost of paying a higher membership. It was pin-pointed with the following questions:

- What were the factors ('attributes') that members of the 'comisiones falleras' considered when deciding whether to accept the alternatives they are offered in governance the Fallas festival?

- What weight did members of the 'comisiones falleras' place on other social agents' participation in the governance of the Fallas festival?

The analysis of these questions using a CE model was complemented by the use of a multivariate model (i.e. the decision tree technique) that asked:

- Were there any systematic differences between sub-groups of members of 'comisiones falleras' either in terms of socio-demographic characteristics or in their intrinsic values to the festival?

- What were the characteristics of those who were willing to pay a higher or a lower membership fee?

The behaviour of these individuals would clearly have impacts on the quality of the festival, although the extent of these impacts was hard to ascertain directly from the results because they were focussed on the drivers of supply and at present there are no corresponding models of demand.

The key policy implication is that this study provides information for well designed cultural policies at a local level. Community-based cultural programs, if well designed and well executed, can be an effective way to engage individuals in the cultural and arts experience and spread the reach of cultural effects.

From the choice experiment to explore public/private partnerships for funding the Fallas festival, it was found that members of the 'comisiones falleras' were less likely to opt for a lower level of participation in decision-making process of the Fallas

festival as a trade-off for lower funding involvement in the festival through their membership fees. Considering that respondents have expressed a positive preference to venture with other social agents funding partnerships for the Fallas festival, it can be inferred that members of these neighbourhood associations perceive benefits from their involvement in this festival. So that, their individual experiences in the Fallas festival opens an array of benefits where they can be from private to the individual to community level.

On the other hand, the results of DT suggested some important implications about the provision of this festival. There were individuals that did not care who was paying for it or and even how much BUT they placed great emphasis the intrinsic values of historical and community benefits. So that, members' of the 'comisiones falleras' identified historical and community benefits as inherent in the festival experience and are valued for them.

Finally, this result yields a question for further research for example the preferences of individuals who do not belong to these non-government arts organisations and explore whether, and the extent, they place intrinsic benefits on the festival.

On the other hand, the Agenda 21 for culture places special attention on the relation between culture and sustainable development. It is notable that this issue has also been regarded by the Arts Council England and IFACCA (International Federation of Arts Councils and Culture Agencies). They are working together to collate examples of good practice in supporting artists or arts organisations with creative and practical responses to ecological concerns such as environmental sustainability and climate change. Besides, Arts Council England aims to identify potential partners with whom to develop work in this area.[75] Report nº 34 'Arts and ecological sustainability' provides examples of good practice in supporting artists or arts organisations with creative and practical responses to ecological concerns (such as environmental sustainability and climate change), and wishes to identify potential partners with whom to develop work in this area. To this regard the case study of the Fallas festival sheds some light about how members of the 'comisiones falleras' respond to ecological concerns under these two scenarios.

- Environmental damage generally perceived as unlikely and remote:

- Environmental damage generally perceived as a personal concern about the environment and an environmental friendly behaviour. This kind of concern is

---

[75] http://www.ifacca.org/topic/ecological-sustainability/ (last visited on 31st May 2011.)

derived from a moral sense of duty to protect the quality of life for people applied to environmental issues.

The analysis of these questions was made by the use of Contingent valuation methodology where members indicate their willingness to pay for avoiding a potential environmental damage associated with the Fallas festival and the funding formulas that members of these associations were willing to trade-off for financing the Fallas festival.

The results indicate that in both scenarios 12€ is the marginal price. Therefore, members' of 'comisiones falleras' did not differentiate in WTP if an environmental damage is unlikely and remote or derived from an environmentally unfriendly behaviour. They gave the same importance in WTP for avoiding that damage.

Finally, contingency tables were used in order to address what weight members' of the 'comisiones falleras' placed on each category of intrinsic benefits when supporting the festival. These results corroborate those of the decision tree. The decision tree and contingency tables reveal that historical benefits are intrinsically valuable in the Fallas festival. The historical value that the members of the neighbourhood associations place on the Fallas festival justify that local social agents should support this festival.

7.1 Directions for future research

The following recommendations are suggested for future research:

- *Inclusion of other social groups*: It would be worthwhile to elicit perceptions from other social groups such as residents of the city of Valencia and tourists in order to explore how effective this example of intangible cultural heritage is in creating specific benefits that contribute to public welfare.

- *Comparison of different social groups' value of intangible cultural heritage*: Additional comparative studies among the different social groups could be conducted to investigate whether there are characteristics that differentiate the assessment of value to this sample of intangible cultural heritage.

- *New formulas for funding*: It would be interesting to explore if these benefits can set up the basis for participating in the financial support of this festival. The context of civic cultural and arts funding and the creation of specific benefits can open the door for new sources of funds to 'public or semi-public' goods and services. This issue is very useful for arts and cultural organisations among EU countries with high dependency on public funding as

it is under threat as government budget deficit is rapidly increasing, on the back of slowing economies and the credit crisis.

- *Developing new marketing perspectives for managers:* Continued research, with the objective of furthering the understanding of benefits, will contribute to the development of high quality and satisfying cultural experiences. This aspect has a direct incidence on cultural consumption and therefore on arts demand. Managers of festivals and special events will be able to apply this knowledge to attract their targeted audience and increase profits.

- *New governance tools*: Continued research in the participation of non-profit arts organisations in the decision-making of cultural heritage goods and services and the assignment of values is recommended. This is a nodal point in terms of democratic questions about citizens' demands and rights. It can provide useful information for policy makers to co-construct, alongside the community, decisions for the common good with long-term future consequences in the community. This 'civil dialogue' with public agents can open the door for new forms of governance.

- *Safeguarding intangible cultural heritage*: Continued research in defining heritage through a holistic vision, where not only the places per se are important, but also the social groups related to them and their cultures and traditions is recommended. This contributes to a more comprehensive interpretation framework for trying to grasp intangible cultural heritage. This kind of heritage lies at the heart of a community's culture and identity but in many places it is under serious threat from unsustainable development. Safeguarding cultural diversity is a way for tolerating difference and social understanding to others.

Appendix 1

Questionnaire about Falleros' perceptions of Las Fallas Festival

Your responses will be kept confidential, and only summary data will be reported
Your contribution will be an invaluable part of a research project on non-government funding for festivals and special events.

Q1. YEARS BEING A FALLERO:		Q2. FALLA CATEGORY:	
Q3. FALLEROS' POSTAL CODE OR STREET:			

For each of the statements below, please indicate the extent of your agreement or disagreement by placing a tick in the appropriate box.
A five-point Likert scale is used to measure the levels of agreement and disagreement with each statement:
1 = TOTALLY DISAGREE **2** = DISAGREE **3** = NEUTRAL **4** = AGREE **5** = TOTALLY AGREE

SECTION I: PERCEPTION ABOUT THE VALUES AND SIGNIFICANCE OF THE FALLAS FESTIVITY
What values do you highlight on the Fallas festivity?

This section contains statements on how falleros inscribed in the 382 neighbourhood associations of Fallas value the festival. It contains statements about the artistic, social and cultural value of this celebration and its attribution as intangible cultural heritage element in the city of Valencia.

Q4. What images or thoughts come to your mind when thinking about the Fallas Festival?

Q5. Please, circle the number that represents your opinion about the following statements:

I am member of the Falla association because it is a community tradition and I would like to contribute my personal effort to keep this festivity alive	Q5.1	1	2	3	4	5
I am member of the Falla association because of its artistic, historical and creative value	Q5.2	1	2	3	4	5
I am member of the Falla association because I can meet a lot of people, and have fun and entertainment	Q5.3	1	2	3	4	5
I am member of the Falla association because it allows me to participate at the parade of the Offering of Flowers to our Lady and wear the Valencian costume	Q5.4	1	2	3	4	5
I am member of the Falla association for no reason at all	Q5.5	1	2	3	4	5
I am member of the Falla association to feel integrated in my neighbourhood	Q5.6	1	2	3	4	5

Q6. Who is responsible for the promotion of the Fallas festival?

... the State	Q6.1	1	2	3	4	5
… the regional government	Q6.2	1	2	3	4	5
… the local government	Q6.3	1	2	3	4	5

... the local cultural institutions	Q6.4	1	2	3	4	5
... the tourist companies	Q6.5	1	2	3	4	5
… the citizens of the city of Valencia	Q6.6	1	2	3	4	5
… the members of the Falla associations	Q6.7	1	2	3	4	5

SECTION II: SOCIO-CULTURAL RELEVANCE OF FALLAS FESTIVAL BY MEMBERS OF FALLAS ASSOCIATIONS AND PEOPLE INVOLVED IN IT

Q7. Please rank the following statements from more relevance to less one about why the Fallas festival is important for you? (7= the most important and 1= the less important)		
The Offering of Flowers to our Lady	Q7.1	
Gastronomy and open-air dancing	Q7.2	
Custom of falleros	Q7.3	
Fireworks	Q7.4	
The monuments and sculptures of Fallas festival	Q7.5	
The fraternity and devotion of local community towards the Fallas festival	Q7.6	
Typical music	Q7.7	

Q8. Please, rank the following statements from more relevance to less one about the question what is fundamental for the existence of Fallas festival? (7= the most important and 1= the less important)		
Social value	Q8.1	
History and tradition	Q8.2	
Religious value	Q8.3	
Art	Q8.4	
Entertainment	Q8.5	
Tourist attraction and income for the city	Q8.6	

Q9. Please circle the number that represents your opinion about the following statements: (1 = totally disagree, 5 =totally agree)						
Fallas festival is becoming too commercial … it is more a tourist attraction than a part of local cultural identity	Q9.1	1	2	3	4	5
The Fallas associations are like small companies searching for funding to pay their private parties and celebrations	Q9.2	1	2	3	4	5
Fallas monuments and statutes are valued more for their cost than for their critical sense and art expression	Q9.3	1	2	3	4	5
The direction of the Fallas associations is quite political and highly influenced by local politics	Q9.4	1	2	3	4	5
The mass media (TV, newspapers, radio) heavily support and promote the Fallas festival	Q9.5	1	2	3	4	5
The artists of the Fallas statutes are rewarded enough from a professional and economic point of view	Q9.6	1	2	3	4	5

SECTION III: HYPOTHETICAL SCENARIO FOR ELICITING FALLAS ASSOCIATIONS' WILLING TO PAY (WTP)

This section contains two hypothetical –contingent- scenarios to elicit the maximum amount a member of a Fallas association would willingly pay for a marginal change in the provision of the Fallas festival. The member is asked questions to determine how much he/she would value this sample of intangible cultural heritage (the Fallas festival) under two conditions of environmental damage: the former is generally perceived as unlikely and remote and the latter is considered more as a personal concern about the environment and an environmental friendly behaviour:

'Imagine that because the global climate change (floods, fires and hurricanes) the wood and paper supply has been drastically reduced.

It has provoked an increased of the price of wood and paper and indirectly it has induced a considerable increase of cost for building the Fallas monuments.

The direction of your Falla association is planning to increase its membership fee in order to face this new expense'.
Under this scenario: would you be willing to pay a higher membership fee to your Fallas association?

Q10. If this were the case, would you be willing to pay an <u>extra</u> monthly fee of…?		
…0€ per month	Q10.1	
…12€ per month	Q10.2	
…20€ per month	Q10.3	
…30€ per month	Q10.4	
…above 30€ per month	Q10.5	

Q10b. If the answer to the previous statement was 0€, would you mind to telling us your reason for it?

'It is a general practice for building and design the Falla monument nowadays the use of a plastic material called expanded polystyrene (EPS)
This material is colloquially known as 'white cork' and causes environmental contamination if it is burnt though it is much cheaper than wood and paper.

The direction of your Falla association is planning to increase its membership fee in order to use a more environmental friendly material.
Under this scenario: would you be willing to pay an extra in your membership fee of Fallas association?

Q11. If this were the case, would you be willing to pay an <u>extra</u> monthly fee of…?		
…0€ per month	Q11.1	
…12€ per month	Q11.2	
…20€ per month	Q11.3	
…30€ per month	Q11.4	
…above 30€ per month	Q11.5	

Q11b. If the answer to the previous statement was 0€ would you mind to telling us your reason for it?

This section contains the recreation of different sets of hypothetical alternatives. Each of them shows a different set of attributes for funding sources of the Fallas associations. There are three funding sources: <u>market</u> (represented by the Euro coin); <u>public funding</u> (represented by the major of the city of Valencia) and the <u>third sector or civil society funding</u> (represented by the female figure of a Fallas association). Each funding source has different values, internal rules and objectives.

Q12. Please circle the number that represents your opinion about the following statements: (1 = totally disagree, 5 =totally agree)

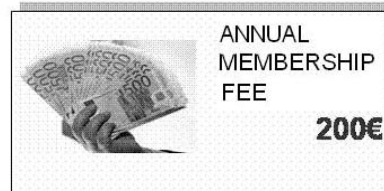|						
…festival's funding survival depends only on falleros' contributions	Q12.1	1	2	3	4	5
…festival's funding survival depends on tourists' spending	Q12.2	1	2	3	4	5
…festival's funding survival depends on public supporting and grant	Q12.3	1	2	3	4	5
…festival's funding survival depends on profit seeking companies sponsorship.	Q12.4	1	2	3	4	5

Q13. Below there are three alternatives for funding a Fallas association, each of them shows different weights of funding sources

Please, select the alternative that represents your opinion

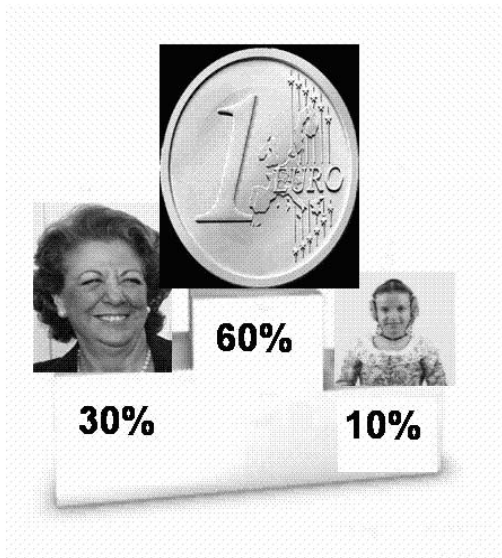## POLITICS OR ART?

Q13.1

Q13.2

Q13.3

Q14. Below there are three alternatives for funding a Fallas association, each of them shows different weights of funding sources

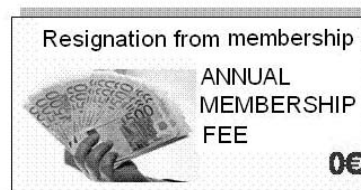Please, select the alternative that represents your opinion

ART OR ECONOMIC BENEFIT?

60%

30%   10%

ANNUAL MEMBERSHIP FEE

800€

Q14.1

60%

30%   10%

ANNUAL MEMBERSHIP FEE

200€

Q14.2

Resignation from membership

ANNUAL MEMBERSHIP FEE

0€

Q14.3

POLITICS OR ECONOMIC BENEFIT?

60%

30%
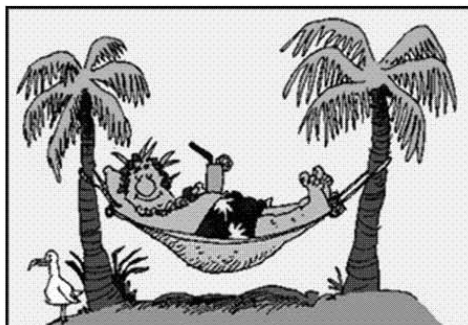
10%

ANNUAL MEMBERSHIP FEE

200€

Q15.1

60%

30%

10%

ANNUAL MEMBERSHIP FEE

200€

Q15.2

Resignation from membership
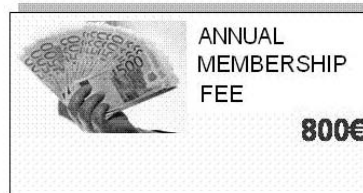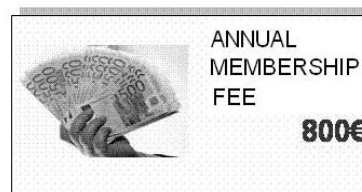ANNUAL MEMBERSHIP FEE

0€

Q15.3

Q16. Below there are three alternatives for funding a Fallas association, each of them shows different weights of funding sources
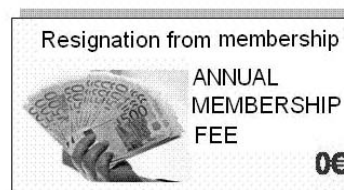Please, select the alternative that represents your opinion

ART?

60%

30%   10%

ANNUAL MEMBERSHIP FEE

800€

Q16.1

60%

30%   10%

ANNUAL MEMBERSHIP FEE

800€

Q16.2

Resignation from membership

ANNUAL MEMBERSHIP FEE

0€

Q16.3

SECTION IV: SOCIODEMOGRAPHIC VARIABLES

17. Gender				
Male:	**Q17.1**		Female:	**Q17.2**

18. Age		
Below 25 years old	**Q18.1**	
Between 25 and 40 years old	**Q18.2**	
Between 40 and 55 years old	**Q18.3**	
Above 55 years old	**Q18.4**	

19. Acquired educational Level		
Primary Schooling	**Q19.1**	
High School	**Q19.2**	
Technical/University	**Q19.3**	
Other	**Q19.4**	

20. Marital status		
Single	**Q20.1**	
Married	**Q20.2**	
Divorced	**Q20.3**	
Cohabiting	**Q20.4**	
Widow	**Q20.5**	

21. Occupation		
Employed by a company	**Q21.1**	
Self-employed/freelance	**Q21.2**	
unemployed	**Q21.3**	
student	**Q21.4**	
retired	**Q21.5**	
homemaker	**Q21.6**	

22. Place of residence		
My home is in the same place as the Fallas association I belong to	**Q22.1**	
My home is in a different place to the Fallas association I belong to	**Q22.2**	

23. Monthly household income		
Below 1.000€	**Q23.1**	
Between 1.000€ and 2.000€	**Q23.2**	
Between 2.000€ and 3.000€	**Q23.3**	
Above 3.000€	**Q23.4**	

24. Please feel free to add comments about any of your responses to the above questions	**Q24.1**	

Thank you for your time!

Appendix 2

Studies related to giving[76]

Author	Journal	Determinants Or Constructs identified	Comments
Bennett and Barkensjo, 2005	Journal of Targeting and Analysis	Relevance, engagement, trust and commitment	Assesses impact of relationship marketing on donor behaviour.
Sargeant and Hilton, 2005	International Journal of Nonprofit and Voluntary Sector Marketing	Reciprocation, empathy, evoked emotion, fundraising service quality, charity performance and professionalism	Proposes that close relationships with beneficiaries of the cause (or experiencing the social state addressed by the cause) is the most significant factor.
Horne, Johnson and van Slyke, 2005	Nonprofit and Voluntary Sector Quarterly	Other funding (government)	Suggests giving behaviour overall is not affected by changes in level of government funding.
Steinberg and Rooney, 2005	Nonprofit and Voluntary Sector Quarterly	Altruism, patriotism	Suggested patriotism, evoked emotion and anger were strong giving motives.
Fillis, 2004	Corporate Reputation Review	Image, Reputation and Identity	Confines discussion to interpersonal influences– emphasis on networking and WOM marketing. Image and reputation are common drivers for donors with egoistic giving motives.
Kottasz, 2005	International Journal of Nonprofit and Voluntary Sector Marketing	Social rewards, awareness, reputation and tax incentives	Reveals strong inclinations towards 'social' rewards in return for donating (invitations to gala events and black tie dinners for example); and for well-known charities with established reputations whilst tax breaks did not represent a significant inducement.
Sargeant, West and Ford, 2004	Service Industries Journal	Organisational effectiveness, service quality, professionalism	Factors positively influencing giving measures included the demonstrable/familial utility deriving from the gift, organisational effectiveness and quality of service supplied. perceived professionalism negatively impacted on giving Efficiency and effectiveness.
Bennett, 2003	International Journal of Nonprofit and Voluntary Sector Marketing	Personal value-organisational value fit, opportunity to express personal values, empathy, hedonism (pleasure of the mind), relevance and image.	Article suggested personality traits such as individualism and materialism were significantly different across the 3 genres of charity studied.
Bennett and Gabriel, 2003	Corporate Reputation Review	Image and Reputation	Confirmed Image and reputation as distinct constructs. Found that image related to compassion, dynamism, idealism, and focus on beneficiaries and being seen as 'non-political'. Reputation related to how well known an organization was.
Gainer and Padanyi, 2003	Corporate Reputation Review	Reputation, NFP peer influence	Implied peer reputation directly affected donor decision making. Not a significant determinant of giving and not widely considered by NFP marketers.

Sargeant and Lee, 2002	International Journal of Nonprofit and Voluntary Sector Marketing	Trust	Proposes that trust influences giving levels. trust levels were associated with perceptions of the nature of fundraising communications. levels are the perception of good judgment exercised by the NFP's management. A factor of not giving as opposed to a factor of giving.
Webb, Green and Brashear, 2000	Journal of the Academy of Marketing Science	Values, morals, awareness, the perceived need, effectiveness and efficiency and image	They propose helping attitude comprises internalized moral values and personal norms (altruism, ego etc), perceived efficiency, effectiveness and need.
Handy, 2000	Nonprofit and Voluntary Sector Quarterly	Trustworthiness, efficiency and effectiveness	Suggests trustworthiness is a key determinant of giving and a degree of efficiency and effectiveness are critical elements of trustworthiness in the minds of donors.
Louie and Obermiller, 2000	Psychology and Marketing	Social desirability and impact of brand personalities (stereotypical assumptions)	An empirical study indicates that Social-desirability pressures may prompt potential donors to respond to look good, instead of citing factors that truly influence their behavior. Reinforcement of a negative gender stereotype by a NFP influences giving behaviour. A relatively weak determinant of giving in our view.
Markham, Johnson and Bonjean, 1999	Nonprofit and Voluntary Sector Quarterly	Perceived need and peer influence	Assesses the impact of community needs and inter-organizational ties on distribution of funds and concludes that there is no relationship between needs and giving, but clear relationships between networking and giving. Possibly a significant determinant for major gifts but of limited importance for the majority of individual donors.
Todd, S. & Lawson, R., 1999	International Journal of Nonprofit and Voluntary Sector Marketing	Demographics and values of frequent and infrequent donors	Suggests differing marketing tools (eg. Direct mail to target known donors) need to be used for retaining heavy donors, upgrading rare donors and attracting new donors, because they have different value profiles and demographics.
Schlegelmich, Diamantopoulos and Love, 1997	Journal of Marketing Practice	Religiosity, generosity self-perception and affordability	Demographic, socio-economic, psychographic and situational characteristics suggested by the existing literature. All determinants studied here have some degree of relevance to the vast majority of donors.
Hibbert and Horne, 1996	The Journal of Consumer Marketing	Mood, donors evaluative techniques and the giving situation	paper proposes that consideration of consumer behaviour advances and suggests the decision to donate is a social learning and conditioning. The situational determinant emerges as an increasingly significant with new technology.
Smith and Berger, 1996	Journal of the Academy of Marketing Science	Framing of communication	The results indicate that suggested anchors and framing influence response rate (choice) but not size of gift. Reference information (factual/statistical and narrative/experiential) influences size of gift (estimation) but not response rate.
Radley and Kennedy, 1995	*Human Relations*	Citizenship, communitarianism, charitable ideology and pro-social behaviour	This paper empirically studies ways of giving, kinds of causes, and beliefs about the role of charity in society. A conceptual framework is constructed showing that charitable giving reflects variations in the relationship of individuals to the community.
Yavas, Rieckenand Babakus, E. 1993	Journal of the Academy of Marketing Science	Perceived risk	This study shows that risk perception has little bearing on money and time donation behaviors. Results also suggest that while perceived risk does not predict donation behavior well, it improves prediction when used in conjunction with demographic variables.

Bibliography

A

Adamowicz, W. L., Garrod, G. D. and Willis, K. G. (1995) Estimating the Passive Use Benefits of Britain's Inland Waterways, *Centre for Rural Economy Research Report*, University of Newcastle upon Tyne, Newcastle.

Alberini, A. and Longo, A. (2006a) The value of cultural heritage sites in Armenia: evidence from a travel cost method study. *FEEM Working Paper No. 112.05*.

Alberini, A. and Longo, A. (2006b) Combining The Travel Cost And Contingent Behaviour Methods To Value Cultural Heritage Sites In A Transition Economy: Evidence From Armenia, *Journal of Cultural Economics*, 30(4): 287-304.

Alberini, A., Longo, A. and Riganti, P. (2006) *Using Surveys to Compare the Public's and Decision makers' Preferences for Urban Regeneration: The Venice Arsenale* FEEM Working Paper 137.06, Milan.

Alberini, A., Longo, A. and Veronesi, M. (2007) Basic Statistical Models for Stated Choice Studies, in B. J. Kanninen (ed.) *Valuing Environmental Amenities Using Stated Choice Studies: A Common Sense Approach to Theory and Practice,* Springer, Dordrecht, The Netherlands.

Alberini, A., Riganti, P. Longo, A. (2003) Can People Value the Aesthetic and Use Services of Urban Sites? Evidence from a Survey of Belfast Residents, *Journal of Cultural Economics,* 27(3-4), 193-213.

Alberini, A., Rosato, P., Longo, A. and Zanatta, V. (2005) Information and Willingness to Pay in a Contingent Valuation Study: The Value of S. Erasmo in the Venice Lagoon, *Journal of Environmental Planning and Management,* 48(2),155-175.

Alberini, A., Longo, A., Tonin, S., Trombetta, F. and Turvani, M. (2005) The Role of Liability, Regulation and Economic Incentives in Brownfield Remediation and Redevelopment: Evidence from Surveys of Developers, *Regional Science and Urban Economics,* 35(4), 327-351.

Alison, M. and Coulter. F. (2001) *Realising the Potential of Government services: the case for museums, London,* Centre for Leisure Research for the Local Government Association.

Almond, G. and Verba S. (1980) *The Civic Culture: Political Attitudes and Democracy in Five Nations*, Sage Publications, London,

Andreoni, J. and Payne A. A. (2003) Government Grants to Private Charities: Do They Crowd-Out Giving or Fundraising? *American Economic Review* 93(3), 792-812.

Apostolakis, A. and Jaffry, S. (2005) A Choice Modelling Application for Greek Heritage Attractions, *Journal of Travel Research,* 43(3), 309-318.

Armstrong, R. P. (1971) *The Affecting Presence: an Essay in Humanistic Anthropology*, Urbana: University of Illinois Press.

Armstrong, R. P. (1981) *The Powers of Presence: Consciousness, Myth, and Affecting Presence*, Philadelphia: University of Pennsylvania Press.

Aronsen, M. (2006) *Qvart 06 – mer enn musikk, Verdiskaping og ringvirkninger. Prosjektrapport*, 08/2006, Agderforskning.

Arrow, K. J., Solow, R., Portney, P. R., Leamer, E. E., Radner, R. and Schuman, H. (1993) Report of the NOAA panel on contingent valuation. *Federal register* 58(10), 4601-4614.

Arts and Business (2005) *Private Investment Benchmarking Survey 2004/05*, http://www.aandb.org.uk/Asp/uploadedFiles/File/REI_PrivateInvestmentSurvey0405.pdf

Attfield, R. (1998) Existence value and intrinsic value. *Ecological Economics* 24(2-3), 163-168.

Autissier, A. M. (2009) *The Europe of festivals: from Zagreb to Edinburgh, intersecting viewpoints*, Paris : Culture Europe International.

B

Bateman, I., Carson, R., Day, B., Hanemann, M., Hanley, N., Hett, T., Jones-Lee M., Loomes, G., Mourato, S., Ózdemiroglu, D. and Pearce, D. (2002) *Economic valuation with stated preference techniques*, Department of Transport. Edward Elgar: Cheltenham.

Baumol, W. J. (2003) Applied Welfare Economics, in Ruth Towse (ed.) *A Handbook of Cultural Economics*, Edward Elgar: Cheltenham.

Baumol, W. J. and William G. B. (1966) *Performing Arts, The Economic Dilemma.* Twentieth Century Fund, New York.

Baumol, H. and Baumol, W. J. (1984) *Inflation and the Performing Arts,* New York: New York University Press.

Becker, G. S. (1964) *Human Capital.* New York: Columbia University Press.

Bedate, A., Herrero, L.C. and Sanz, J.C. (2004) Economic valuation of the cultural heritage: application to four case studies in Spain, *Journal of Cultural Heritage,* 5(1), 101-111.

Beggs S., Cardell, S. and Hausman, J. (1981) Assessing the Potential Demand for Electric Cars, *Journal of Econometrics* 16, 1-19.

Beltran, E. and Rojas, M. (1996) Diversified Funding Methods in Mexican Archaeology, *Annals of Tourism Research,* 23(2), 463-478.

Bennett, J. (2000) *Natural heritage valuation methods: applications to cultural heritage, in Heritage economics: challenges for heritage conservation and sustainable development in the 21st century*. Australian National University: Canberra, 35-43.

Bendapudi, N., Singh, S. N. and Bendapudi, V. (1996) Enhancing Helping Behavior: An Integrative Framework for Promotion Planning. *Journal of Marketing*, 60(3), 33-49.

Benhamou, F. (1996) Is increased public spending for the preservation of historic monuments inevitable? The French case. *Journal of Cultural Economics* 20(2),115-31.

Benhamou, F. (1997) Conserving historic monuments in France: A critique of official policies. In M. Hutter and I. E. Rizzo (eds.) Economic Perspectives on Cultural Heritage, London: MacMillan,196-210.

Bille, T. (1996) *The Danish population's valuation of the Royal Theatre in Copenhagen*. AKF: Institute for Local Government Studies, Denmark: http://www.akf.dk/eng/kgl.htm

Bille, T. (1997) The willingness to pay for the Royal Theatre in Copenhagen as a public good. *Journal of cultural economics* 21(1), 1-28.

Bille, T. (2002) A contingent valuation study of the Royal Theatre in Copenhagen, in Navrud, S. and Ready, R. C. (eds.) Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts. Edward Elgar: Cheltenham, 200-237.

Bishop, P. and Brand, S. (2003) The Efficiency of Museums: a Stochastic Frontier Production Function Approach, *Applied Economics* 35 (17), 1853-1858.

Bishop, R. C. and Heberlein, T. A. (1979) Measuring Values of Extra-Market Goods: Are Indirect Measures Biased? *American Journal of Agricultural Economics*, 61, 926-30.

Blaug, R., Horner, L. and Lekhi, R. (2006) *Public value, politics and public management: A literature review*, The Work Foundation, London. http://www.theworkfoundation.com/Assets/PDFs/politics lit review.pdf

Blumenschein, K., Johannesson, M., Blomquist, G. C., Liljas, B. and O'Conor, R. M. (1997) Hypothetical versus real payments in Vickrey auctions, *Economic Letters* 56, 177-180.

Blomquist, G. C. (2001) Economics of Value of Life, in N. J. Smelser and P. B. Baltes (eds.) the International Encyclopedia of the Social and Behavioral Sciences, New York.

BMRC and MLA (2005) *Bolton's museum, library and archive services*, Scotinform: Edinburgh.

Boniface, P. (1995) *Managing Quality Cultural Tourism,* London: Routledge.

Boter, J., Rouwendal, J. and Wedel, M. (2005) Employing Travel Time to Compare the Value of Competing Cultural Organizations, *Journal of Cultural Economics*, 29(1), 19-33.

Bowen, K. A. (2003) An argument for integration of qualitative and quantitative research methods to strengthen internal validity: http://trochim.human.cornell.edu//gallery/bowen/hass691.htm.

Bourdieu, P. (1986) Forms of capital. In J. G. Richardson (ed.) *Handbook of Theory and Research for the Sociology of Education*. New York: Greenwood.

Boyle, K. J., Desvousges, W. H. Reed Johnson, F., Dunford, R. W. and Hudson, S. P. (1994) An Investigation of Part-Whole Biases in Contingent-Valuation Studies, *Journal of Environmental Economics and Management*, 27, 64-83,

Boxall, P., Adamowicz, W. L., Williams, M., Swait, J. and Louviere, J. J., (1996) A comparison of stated preference approaches to the measurement of environmental values. *Ecological Economics* 18, 243-253.

Bravi, M., Scarpa, R. and Sirchia, G. (2002) Valuing cultural services in Italian museums: a contingent valuation study, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts*. Edward Elgar: Cheltenham, 184-199.

Brown, J. (2004) *Economic Values and Cultural Heritage Conservation: Assessing the Use of Stated Preference Techniques for Measuring Changes in Visitor Welfare*, Ph.D. Thesis, Imperial College London.

Brown, J. and Mourato, S. (2002) *Measuring the Cost of Congestion in Historic Properties: A Stated Preference Approach*, Paper presented at the 2nd World Congress of Environmental and Resource Economists, Monterey, June 24-27th.

Burnett, J. and Wood, V. (1988) A Proposed Model of the Donation Decision Process. *Research in Consumer Behavior*, 3, 1-47.

Button, K. J. and Pearce, D. W. (1989) Infrastructure Restoration as a Tool for Stimulating Urban Renewal - The Glasgow Canal, *Urban Studies*, 26(6), 559-571

C

Cain, L. P. and Meritt, D. A. (1998) The Growing Commercialism of Zoos and Aquariums, *Journal of Policy Analysis and Management* 17(2), 298-312.

Cameron, T. A. and Englin, J. (1997) Welfare Effects of Changes in Environmental Quality under Individual Uncertainty About Use, *Rand Journal of Economics*, 28, S45-S70.

Carlsson, F. and Martinsson, P. (2002) Design Techniques for Stated Preference Methods in Health Economics, *Health Economics* 12, 281-294.

Carson, R. T. (1991) Constructed markets, in J. Braden and C. Kolstad (eds.), *Measuring the Demand for Environmental Quality*, Amsterdam: Elsevier, 121-62.

Carson, R. T., Flores, N. E. and Hanemann, W. N. (1998) Sequencing and Valuing Public Goods, *Journal of Environmental Economics and Management*, 36, 314-324.

Carson, R. T., Hanemann, W. M., Kopp, R. J., Krosnick, J. A., Mitchell, R. C., Presser, S., Ruud, P. A. and Smith V. K. (1996) *Was the NOAA panel correct about contingent valuation?* Resources for the future, Discussion Paper 96-20, Washington DC.

Carson, R. T., Hanemann, W. M., Kopp, R. J., Krosnick, J. A., Mitchell, R. C., Presser, S., Rudd, P. and Smith, V. K. (1997) Temporal reliability of estimates from contingent valuation. *Land Economics*, 151-163.

Carson, R. T. and Mitchell, R. C. (1995) Sequencing and Nesting in Contingent Valuation Surveys, *Journal of Environmental Economics and Management*, 28, 155-173.

Carson, R. T., Wright, J., Carson, N., Alberini, A., and Flores N. (2000) *A bibliography of contingent valuation studies and papers*. Natural Resource Damage Assessment: La Jolla.

CIE (2001) *Review of Willingness-to-Pay Methodologies*. The Canberra Centre for International Economics: Canberra.

Chae, D. R. (2006) *Estimating the recreational benefits of the Lundy MNR: a travel cost analysis*, paper presented at *the ENVECON 2006 Conference, London*.

Chambers, R. (1992) *Rural appraisal: Rapid, relaxed and participatory*. IDS Discussion Paper 311, Brighton: IDS.

Chambers, C. M., Chambers, P. E. and Whitehead, J. C. (1998) Contingent Valuation of Quasi-Public Goods: Validity, Reliability and Application to Valuing a Historic Site, *Public Finance Review*, 26(2), 137-154.

Champ, P. A., Brown, T. C. and Boyle, K. J. (2003) *A Primer on Nonmarket Valuation*. Dordrecht: Kluwer Academic Publishers.

Colbert, F., d'Astous, A., Parmentier, M. (2003) *Consumer Evaluation of Government Sponsorship in the Arts*, Paper presented at the 3rd International Conference on Cultural Policy Research.

Colombino, U., Nese, A. and Riganti, P. (2004) Eliciting Public Preferences For Managing Cultural Heritage Sites: Evidence From A Case Study On The Temples Of Paestum, in: M. Giaoutzi and P. Nijkamp (eds.), *Tourism and Regional Development*, Ashgate, Aldershot.

Cookson, R. (1998) An alternative approach to valuing non-market goods. In P. Mason and M. Acutt (eds.) *Environmental Valuation, Economic Policy, and Sustainability*, Cheltenham: Edward Elgar.

Cosper, R. and Kinsley, B. (1984) An application of conjoint analysis to leisure research: Cultural preferences in Canada, *Journal of Leisure Research* 16(3), 224-233.

Costa, P. and Manente, M. (1995) Venice and Its Visitors: A Survey and a Model of Qualitative Choice. *Journal of Travel and Tourism Marketing*, 4, 45-69.

Council of Europe - European Task Force for Culture and Development (1997) In from the margins - A contribution to the debate on Culture and Development in Europe. Council of Europe Publishing: Strasbourg.

Clark, D. E. and Herrin, W. E. (1997) Historical preservation districts and home sale prices: evidence from the Sacramento housing market. Review of regional studies 27(1), 29-48.

Crompton, J. L. and McKay, S. L. (1994) Measuring the economic impacts of festivals and events: Some myths, misapplications and ethical dilemmas. *Festival Management and Event Tourism* 2 1 (1994), 33–43.

Crouch, G. I. and Louviere, J. J. (2003) Experimental Analysis of the Choice of Convention Site, *Tourism Analysis*, 8(2-4), 171-176.

Cummings, R., Harrison, G. and Rutström, E. E. (1995) Homegrown values and hypothetical surveys: Is the dichotomous choice approach incentive compatible? *American Economic Review* 85, 260–266.

Cummings, R., Elliott, S. Harrison, G. W. and Murphy. J. (1997) Are hypothetical referenda incentive compatible? *Journal of Political Economy* 105(3), 609–621.

Cummings, R., Brookshire, D. and Schulze, W. (1986) *Valuing environmental goods: a state of the arts assessment of the contingent valuation method.* Totawa, New Jersey: Rowman and Allanheld.

D

De Bres, K., and Davis, J. (2001) Celebrating group and place identity: A case study of a new regional festival. *Tourism Geographies*, 3(3), 326-337.

De Hanley, N., Wright, R. E. and Adamowicz, W. (1998) Using Choice Experiments to Value the Environment: Design Issues, Current Experience and Future Prospects, *Environmental and Resource Economics*, 11, 413-28.

Deodhar, V. (2004) Does the housing market value heritage? Some empirical evidence, *Macquarie economics research papers* 3: http://www.econ.mq.edu.au/research/rdp2004.htm.

Del Saz Salazar, S. and Marques, J. (2005) Valuing cultural heritage: the social benefits of restoring and old Arab tower, *Journal of Cultural Heritage*, 6(1): 69-77.

Delamere, T. A. (2001) Development of a scale to measure resident attitudes toward the social impacts of community festivals, part II: Verification of the scale. *Event Management*, 7, 25-38.

Delamere, T. A., Wankel, L. M. and Hunch, T. D. (2001) Development of a scale to measure resident attitudes toward the social impacts of community festivals, part I: Item generation and purification of the measure. *Event Management*, 7, 11-24.

Dellaert, B., Borgers, A. and Timmermans, H. (1995) A Day in the City: Using Conjoint Choice Experiments to Model Urban Tourists' Choice of Activity Packages. *Tourism Management*, 16(3): 347-53.

Dellaert, B., Borgers, A. and Timmermans, H. (1997) Conjoint models of tourist portfolio choice: Theory and illustration. *Leisure Sciences*, 19, 31-58.

Del Saz Salazar, S. and Marques, J. (2005) 'Valuing cultural heritage: the social benefits of restoring an old Arab tower', *Journal of Cultural Heritage*, 6, 69-77.

Derrett, R. (2003) Making sense of how festivals demonstrate a community's sense of place. *Event Management*, 8, 49-58.

DeShazo, J. R. and Fermo, G. (2002) Designing Choice Sets for Stated Preference Methods: The Effects of Complexity on Choice Consistency, *Journal of Environmental Economics and Management*, 44(1), 123-143.

Desvousges, W. H., Hudson, S. P. and Ruby, M. C. (1996) Evaluating CV Performance: Separating the Light from the Heat, in J. D. Bjornstad and R. J. Kahn (eds.) *The Contingent Valuation of Environmental Resources: Methodological Issues and Research Needs*, Cheltenham: Edward Elgar.

DETR (1999) *Involving Communities in Urban and Rural Regeneration*. Department for the Environment, Transport and the Regions, London.

Dobson, L. C. and West, E. G. (1988) Performing Arts Subsidies and Future Generation, in H. H. Chartrand, W. S. Hendon, and C. McCaughey (eds.) *Cultural Economics 88: A Canadian Perspective*, Akron: Association for Cultural Economics.

Duvignaud, J. (1976) Festivals, a sociological approach, *Cultures* 3(1), 13-28.

du Cros, H. (2001) A New Model to Assist in Planning for Sustainable Cultural Heritage Tourism, *International Journal of Tourism Research* 3, 165-170.

E

Edwards, S. F. (1988) Option Prices for Groundwater Protection, *Journal of Environmental Economics and Management*, 15, 475-487.

EFTEC (1999) *The Economic and Financial Sustainability of the Management of the Historic Sanctuary of Machu Picchu*, report to the Finnish Forest and Park Service, London.

Ekman, A. K. (1999) The revival of cultural celebrations in regional Sweden: Aspects of tradition and transition. *Sociologica Ruralis*, 39(3), 280-293

Ellis, A. (2002) *Planning in a Cold Climate*. Lecture at the Getty Leadership Institute, July. Los Angeles: The Getty Centre.

English Heritage (1997) *Sustaining the Historic Environment: new perspectives on the future*, English Heritage, London.

English Heritage (2000) *Power of Place: The Future of the Historic Environment*, English Heritage: London.

English Heritage (2003) *Heritage Counts 2003*. English Heritage: London.

Epstein, R. A. (2003) The Regrettable Necessity of Contingent Valuation, *Journal of Cultural Economics*, 27(3-4), 259-274.

Ericsson, B. (2003) *Local economic impact of culture festivals – methodically impure waters*. Lillehammer: Eastern Norway Research Institute.

European Parliament (2003) *Information note on cultural sponsorship*, Directorate General for Research, Division for Social and Legal Affairs.

Evans, M. (2001) *Renaissance in the regions: a new vision for England's museums*, The Council for Museums Archives and Libraries, London.

F

Falassi, A. (1987) Festival: definition and morphology, in A. Falassi (ed.) *Time out of time: essays on the festival*, Albuquerque: University of New Mexico Press.

Falk, J. and Dierking, L. D. (1995) *Public Institutions for Personal Learning: Establishing a Research Agenda*. Washington, D.C. American Association of Museums Technical Information Service.

Falk, J. and Dierking, L. D. (2000) *Learning From Museums: Visitors experiences and the making of meaning*. Walnut Creek California: AltaMira Press.

Faulkner, B., Chalip, L., Brown, G., Jago, L., March, R., and Woodside, A. (2001) Monitoring the tourism impacts of the Sydney 2000 Olympics. *Event Management*, 6, 231-246.

Fink-Jensen, K. and Lau, M. (2003) Philanthropy New Zealand 2003 giving Behaviours and Attitudes Survey, BRC Marketing and Social Research: Wellington.

Fishbein, M., and Ajzen, I. (1975) *Belief, Attitude, Intention, and Behaviour: An Introduction to Theory and Research.* Reading: Addison-Wesley.

Frey, B. S. (2003) Public Support in R. Towse (ed.) *A Handbook of Cultural Economics*, Edward Elgar: Cheltenham.

Freeman, A. M. (1993) *The Measurement of Environmental and Resource Values: Theory and Methods*, 2nd edition, Washington, D.C.: Resources for the Future.

Frey, B. and Pommerehne, W. (1989) Muses *and markets: exploration in the economics of the arts.* Blackwell: Oxford.

Frisby, W. and Getz, D. (1989) Festival management: A case study perspective. *Journal of Travel Research*, 28(1), 7-11.

Formica, S. (1998) The development of festivals and special events studies. *Festival Management and Event Tourism*, 5(3), 131-137.

Forrest, D., Grime, K. and Woods, R. (2000) Is It Worth Subsidizing Regional Repertory Theatre? *Oxford Economic Papers*, 52: 381-397.

Foster, V., Bateman, and D. Harley, D. (1997) Real and hypothetical willingness to pay for environmental preservation: a non-experimental comparison, *Journal of Agricultural Economics* 48(2), 123–138.

Foucault, M. (1969) *Las palabras y las cosas.* [The words and the things]. Mexico, Siglo XXI Editores.

G

Garnett, R. (2002) *The Impact of Science Centres/Museums on Their Surrounding Communities* (unpublished report). Canberra: ASTC/ECSITE.

Garrod, G. D. and Willis, K. G. (1992) Valuing Goods' Characteristics: An Application of the Hedonic Price Method to Environmental Attributes, *Journal of Environmental Management*, 34(1), 59-76.

Garrod, G. D. and Willis, K. G. (1994) An Economic Estimate of the Effect of a Waterside Location on Property Values, *Environmental and Resource Economics*, 4, 209-217.

Garrod, G. D. and Willis, K. G. (2002) Northumbria: castles, cathedrals and towns, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts.* Edward Elgar: Cheltenham, 40-52.

Garrod, G. D., Willis, K. G., Bjarnadottir, H. and Cockbain, P. (1996) The non-priced benefits of renovating historic buildings: a case study of Newcastle's Grainger Town. *Cities* 13(6), 423-430.

Gius, M. (1999) The Economics of the Criminal Behavior of Young Adults. *American Journal of Economics and Sociology*, 58(4), 947-957.

Gillespie, J., Taylor, G., Schupp, A. and Wirth, F. (1998) Opinions of Professional Buyers toward a New Alternative Red Meat: Ostrich, *Agribusiness*, 14(3), 247-256.

Global Arts Link Ipswich (1999), *Exploring Culture and Community for the 21st century: a new model for public art museums*, Brisbane, Global Arts Link.

Gray, C. (1998) Hope for the Future ? Early Exposure to the Arts and Adult Visits to Art Museums. *Journal of Cultural Economics*, (22), 87-98.

Gray J. M. (2004) *Geodiversity: valuing and conserving abiotic nature*. J. Wiley & Sons: Chichester.

Green, P. and Srinivasan, V. (1978) Conjoint Analysis in Consumer Research: Issues and Outlook, *Journal of Consumer Research* 5(2), 103-123.

Green, P. E. and Srinivasan, V. (1990) Conjoint Analysis in Marketing: New Developments with implications for research and practice. *Journal of Marketing*, 54(4), 3-19.

Greene, W. H. (2000) *Econometric Analysis*. London: Prentice Hall.

Greenley, D. A., Walsh, R. G. and Young, R. A. (1981) Option Value: Empirical Evidence from a Case Study of Recreation and Water Quality, *Quarterly Journal of Economics*, 96, 657-673.

Greffe, X. (1990) *La valeur economique du patrimoine*. Paris: Anthropos.

Greffe, X. (1999) *La gestion du patrimoine*. Paris: Anthropos.

Goodman, A. C. (1998) Andrew Court and the invention of hedonic price analysis. *Journal of urban economics* 44(2), 291-98.

Grosclaude, P. and Soguel, N. C. (1993) *Contingent valuation of damages to historic buildings: a case study of road traffic externalities*. CSERGE working paper GEC-1993-03, University of East Anglia: Norwich.

Grosclaude, P. and Soguel, N. C. (1994) Valuing Damage to Historic Buildings Using a Contingent Market: A Case Study of Road Traffic Externalities, *Journal of Environmental Planning and Management*, 37(3), 279-287.

Gursoy, D., Kim, K. and Uysal, M. (2004) Perceived impacts of festivals and special events by organizers: An extension and validation. *Tourism Management*. 25, 171-181.

Guryan, J. (2001) *Desegregation and Black Dropout Rates*, NBER Working Paper 8345.

Gulliford, A. (2000) *Sacred Objects and Sacred Places: Preserving Tribal Traditions.* Boulder: University Press of Colorado.

Guy, B. S. and Patton, W. E. (1989) The marketing of altruistic causes: understanding why people help, *The Journal of Consumer Marketing*, 6(1), 19-30.

H

Haab, T. C. and McConnell, K. E. (2002) *Valuing Environmental and Natural Resources. The Econometrics of Non-market Valuation*, Cheltenham: Edward Elgar.

Haefele, M. A. and Loomis, J. B. (2001) Improving Statistical Efficiency and Testing Robustness of Conjoint Marginal Valuation, *American Journal of Agricultural Economics*, 83(5), 1321-1327.

Hall, S. and Jacques, M. (1989) *New Times – The Changing Face of Politics in the 1990s.* Lawrence and Wishart, London.

Handy, F. (2000) How we beg: The analysis of direct mail appeals. *Non-profit and Voluntary Sector Quarterly*, 29(3), 439-454.

Hanemann, M. (1991) Willingness to pay and willingness to accept: how much can they differ? *American Economic Review*, 81(3), 635-47.

Hanley, N., Mourato, S. and Wright, R. E. (2001) Choice Modelling Approaches: A Superior Alternative for Environmental Valuation? *Journal of Economic Surveys*, 15(3), 435-62.

Hanley, N., Wright, R. E. and Adamowicz, W. (1998) Using Choice Experiments to Value the Environment: Design Issues, Current Experience and Future Prospects, *Environmental and Resource Economics*, 11(3-4), 413-28.

Hansen, T., Christoffersen, H. and Wanhill, S. (1998) The economic evaluation of cultural and heritage projects: conflicting methodologies, *Tourism, culture and communications* 1, 27-48.

Hasler, B., Lundhede, T. and Bille, T. (2006) *Valuation of Nature Restoration and Protection of Archaeological Artefacts in Great Aamose in western Zealand, Denmark*, Paper presented at the ENVECON Conference, 24th of March, 2006.

Hausman, J. A. (1993) *Contingent Valuation, A Critical Assessment*, Amsterdam: North-Holland.

Hearne, R. R. and Salinas, Z. M. (2002) The use and choice experiments in the analysis of tourist preferences for ecotourism development in Costa Rica, *Journal of Environmental Management* 65, 153-163.

Hearne, R. R. and Santos, C. A. (2005) Tourists' and Locals' Preferences Toward Ecotourism Development in the Maya Biosphere Reserve, Guatemala, *Environment, Development and Sustainability*, 7(3), 303-318.

Heilbrun, J. (2003) Baumol's Cost Disease, in Ruth Towse, (ed.), *A Handbook of Cultural Economics*, Edward Elgar: Cheltenham.

Hensher, D. (1994) Stated preference analysis of travel choices: the state of practive, *Transportation*, 21, 107-33.

Hensher, D. A., Rose, J. M. and Greene, W. H. (2005) *Applied Choice Analysis. A Primer.* Cambridge: Cambridge University Press.

Hoehn, J. P. and Loomis, J. B. (1993) Substitution Effects in the Valuation of Multiple Environmental Programs, *Journal of Environmental Economics and Management*, 25(1), 56-75.

Hoehn, J. P. and Randall, A. (1989) Too Many Proposals Pass the Benefit Cost Test, *American Economic Review*, 79, 541-551.

Holden, J. (2004) Capturing cultural value: how culture has become a tool of government policy, DEMOS, London, viewed 21 November 2009, http://www.demos.co.uk/files/CapturingCulturalValue.pdf

Holden, J. (2006) Cultural value and the crisis of legitimacy: why culture needs a democratic mandate, DEMOS, London, viewed 16 May 2009, http://www.demos.co.uk/files/Culturalvalueweb.pdf

Homer, P. M. and Kahle, L. R. (1988) A structural equation test of the value attitude behavior hierarchy. *Journal of Personality and Social Psychology* 54, 638-646.

Horowitz, J. K. and McConnell. K. E. (2002) A review of WTA/ WTP studies. *Journal of Environmental Economics and Management* 44 (3):426.

Huang, J., Haab, T. C. and Whitehead, J. C. (1997) Willingness to Pay for Quality Improvements: Should Revealed and Stated Data be Combined? *Journal of Environmental Economics and Management*, 34, 240-255.

Hultkrantz, L. (1998) Mega-event displacement of visitors: The World Championship in athletics, Göteborg 1995. *Festival Management & Event Tourism*, 5, 1-8.

Huybers, T. (2003) Domestic tourism destination choices: A choice modelling analysis. *International Journal of Tourism Research* 5, 445-459.

I

Inglehart, R. (1997) *Modernization and Post-modernization: Cultural, Economic and Political Change in 43 Societies*, Princeton, Princeton University Press.

Inglehart, R. and Norris, P. (2003) *Rising Tide*, Cambridge: Cambridge University Press.

Inglehart, R. and Welzel, C. (2005), *Modernization, Cultural Change and Democracy: the Human Development Sequence.* Cambridge: Cambridge University Press

ICOMOS (1993) *Conservation economics: cost benefit analysis for the cultural built heritage.* International Scientific Symposium: Sri Lanka.

ICOMOS (1999) *Cultural Tourism Charter* Paris: ICOMOS. http://www.icomos.org

J

Jackson, R. (1988) A museum cost function, *Journal of Cultural Economics*, 12, 41-50.

Jermyn, H. (2001) *The Arts and Social Exclusion: a review prepared for the Arts Council of England*, London, Arts Council.

Johnson, P. and Thomas, B. (1998) The economics of museums: a research perspective, *Journal of Cultural Economics*, 22, 75-85.

Jude, S. R., Jones, A. P., Bateman, I. J. and Andrews, J. E. (2003) Developing Techniques to Visualise Future Coastal Landscapes. In Buhmann, E. and Ervin, S.M. (eds*.) Trends in Landscape Modeling*, Herbert Wichmann Verlag, Heidelberg, 228-238.

K

Kahneman, D., Ritov, I. and Schkade, D. (1999) Economic preferences or attitude expressions? An analysis of dollar responses to public issues. *Journal of Risk and Uncertainty* 19(1-3), 203-235.

Kahneman, D. and Thaler, R. H. (1991) Economic Analysis and the Psychology of Utility: Applications to Compensation Policy, *American Economic Review*, 81(2), 341-46.

Kanninen, B. (2002) Optimal Design for Multinomial Choice Experiments, *Journal of Marketing Research*, 39(2), 214-227.

Katoshevski, R. and Timmermans, H. (2001) Using Conjoint Analysis to Formulate User-centred Guidelines for Urban Design: The Example of New Residential Development in Israel, *Journal of Urban Design*, 6(1), 37-53.

Kemperman, A. D. A. M. (2000) Temporal Aspects of Theme Park Choice Behaviour. Modeling Variety Seeking, Seasonality and Diversification to Support Theme Park Planning. Ph.D.thesis, Eindhoven University of Technology.

Kemperman, A. D. A. M., Borgers, A. W. J. and Timmermans, H. J. P. (2000) Consumer Choice of Theme Parks: A Conjoint Choice Model of Seasonality Effects and Variety Seeking Behavior. *Leisure Sciences*, 22, 1-18.

Kelly, A. and Kelly, M. (2000) Impact and values, assessing the arts and creative industries in the South West, Bristol Cultural Development Partnership, Bristol.http://www.gettv.edu/conservation/pubhcations/pdf publications/assessing:pdf

Kilpatrick, J. (2000) *Historic districts are good for your pocket book: the impact of local historic districts on house prices in South Carolina*. South Carolina Department of Archives and History: Columbia

Klamer, A. and Zuidhof, P. (1999) The values of cultural heritage: merging economic and cultural appraisals. In Mason, R. (ed.) *Economics and heritage conservation: concepts, values and agendas for research*. Getty Conservation Institute: Los Angeles, 23-54.

Klamer A., Petrova L., and Mignosa A. (2005) Study requested by the European Parliament's committee on Culture and Education 'Financing the arts and culture in the EU'. European Parliament.

Kling, C. L. (1993) An Assessment of the Empirical Magnitude of Option Values for Environmental Goods, *Environmental and Resource Economics*, 3, 471-485.

Kling, R. K., Revier, C. F. and Sable, K. (2004) Estimating the public good value of preserving a local historic landmark: the role of non-substitutability and citizen information, *Urban Studies*, 41(10): 2025-2041.

Knetsch, J. L. (1990) Environmental policy implications of disparities between willingness to pay and compensation demanded measures of values, *Journal of Environmental Economics and Management*,18, 227-37.

Kopp, R. J. (1992) Why Existence Value Should be Used in Cost-Benefit Analysis, *Journal of Policy Analysis and Management*, 11, 123-130.

Kirshenblatt-Gimblett, B. (2004) Intangible Heritage as Metacultural Production. *Museum International* 56(1-2), 52–65.

Kuhn, T. S. (1970) *The structure of scientific revolutions* (2nd ed.). Chicago: University of Chicago Press.

L
Lancaster, K. (1966) A New Approach to Consumer Theory. *Journal of Political Economy*, 74(1), 132-157.

Lanza, A., Markandya, A. and Pigliaru, F. (2005) *The Economics of Tourism and Sustainable Development*, Edward Elgar: Cheltenham.

Larson, D. M. and Flacco, P. R. (1992) Measuring Option Prices from Market Behaviour, *Journal of Environmental Economics and Management*, 22, 177-198.

LeClair, M. S. and Gordon, K. (2000) Corporate Support for Artistic and Cultural Activities: What Determines the Distribution of Corporate Giving? *Journal of Cultural Economics* 24, 225-241.

Leichenko, R., Coulson, E. and Listokin, D. (2001) Historic preservation and residential property values: an analysis of Texas cities, *Urban Studies*, 38(11), 1973-1987.

Levy-Garboua, L. and Montmarquette, C. (2003) Demand, in Ruth Towse, (ed.) *A Handbook of Cultural Economics*, Edward Elgar: Cheltenham.

Lindberg, K., Dellaert, B. G. and Rassing C. R. (1999) Resident Tradeoffs: A Choice Modeling Approach. *Annals of Tourism Research* 26(3), 554-69.

London Economics (1999) *Environmental costs and benefits of the supply of aggregates (phase 2)*. London Economics: London.

Louviere, J. (1988) *Analysing Decision Making: Metric Conjoint Analysis*, Sage Publications, Newbury Park.

Louviere, J. and Hensher, D. A. (1982) On the Design and Analysis of Simulated Choice or Allocation Experiments in Travel Choice Modelling, Transportation Research Record, 890, 11-17.

Louviere, J. and Woodworth, J. N. (1983) Design and Analysis of Simulated Consumer Choice of Allocation Experiments: An Approach Based on Aggregate Data, *Journal of marketing Research*, 20, 350-367.

Louviere, J. J., Hensher, D.A., Swait, J. D. and Adamowicz, W. L. (2000) *Stated Choice Methods: Analysis and Applications*. Cambridge: Cambridge University Press.

Low, S. M. (1981) Social science methods in landscape architecture design, *Landscape Planning* 8, 137-148.

Low, S. M. (1987) Developments in research design, data collection, and analysis: Qualitative methods. In E. N. Zube and R. T. Moore (eds.) *Advances in Environment, Behaviour, and Design*, vol. I, New York: Plenum, 279-303.

Low, S. M. (2000) Culture, politics, and the plaza: An ethnographic approach to the study of urban public spaces in Latin America. In K. D. Moore (ed.) *Culture-Meaning-Architecture*, Aldershot: Ashgate, 233–246.

Low, S. M. (2002) *Anthropological-ethnographic methods for the assessment of cultural values in heritage conservation*. In de la Torre, M. (ed.) *Assessing the Values of Cultural Heritage. Research Report*. The Getty Conservation Institute, Los Angeles, 31-50.

Lucy, P. (1997) In the public interest: making art that makes a difference in the USA, Comedia, Stroud.

M

Mackenzie, F. (1998) *Land, ecology, and resistance in Kenya, 1880-1952.* Edinburgh: Edinburgh University Press.

McCarthy, K., Ondaatje, E., Zarkaras, L. and Brooks, A. (2004) *Gifts of the Muse: Reframing the debate about the benefits of the Arts*, Santa Monica: RAND Corporation.

McHarg, I. (1992) Design with Nature. New York, John Wiley & Sons.

McHoul, A. and Grace, W. (1993) *A Foucault Primer: Discourse, Power and the Subject.* Malaysia: Melbourne University. Press.

Maddison, D. and Foster, T. (2003) Valuing Congestion Costs in the British Museum. *Oxford Economic Papers*, 55, 173-90.

Maddison, D. and Mourato, S. (2001) Valuing different road options for Stonehenge. *Conservation and management of archaeological sites* 4(4), 203-212.

Maddison, D. and Mourato, S. (2002) Valuing different road options for Stonehenge, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts.* Edward Elgar: Cheltenham, 87-104.

Malinowski, B. (1970) *Una teoría científica de la cultura.* Edhasa, Barcelona

Martin, F. (1994) Determining the size of museum subsidies. *Journal of cultural economics* 18, 255-70.

Mason, R. (2002) Assessing values in conservation planning: methodological issues and choices, in M. de la Torre (ed.) *Assessing the values of cultural heritage: research report*, The Getty Conservation Institute, Los Angeles, 5-30.

Matarasso, F. (1996) *Defining values: evaluating arts programmes*, Social Impact of the Arts Working Paper 1, Stroud: Comedia.

Matarosso, F. (1997) *Use or Ornament? The social impact of participation in the arts*, Comedia: Stroud.

Maughan, C. and Bianchini, F. (2004) *The economic and social impacts of cultural festivals in the East Midlands of England. Final report.* Leicester: De Montfort University

Mazzanti, M. (2001) *Valuing Cultural Heritage in a Multi-Attribute Framework: Microeconomic Perspectives and Policy Implications.* Paper presented at the annual conference of the Italian Society of Public Economics (SIEP) on Discrete Choice

Models and Valuation Experiments: An Application to Cultural Heritage, Pavia, Italy, October 5-6.

Mazzanti, M. (2002a) Cultural heritage as a multi-dimensional, multi-value and multi-attribute economic resource, *Journal of Socio-Economics*, 31(5), 529-58.

Mazzanti, M. (2002b), Tourism growth and sustainability. A note on economic issues, *Tourism Economics*, 8(4), 457-62.

Mazzanti M. (2003) Valuing Cultural Heritage in a Multi-Attribute Framework. Microeconomic Perspectives and Policy Implications, *Journal of Socio- Economics*, 32, 549-69.

Mazzanti, M. (2003a) Discrete choice models and valuation experiments. *Journal of economic studies* 30(6), 584-604.

Mazzarol, T. and D. Adam (1996) *Raising A Dollar, A Study Of The Factors Influencing Public Willingness To Donate To Non-Profit Organisation*, Institute For Research Into International Competitiveness, Discussion Paper (96.07).

McDermott, J., Bacon, J. R., Pesek, J. Gempesaw, J. M. and Tilmon, H. D. (1999) A Conjoint Analysis of Paper Demand by Commercial Graphic Designers, *Agricultural and Resource Economics Review*, 28(2), 182-189.

McKercher, B. (2002) Towards a Classification of Cultural Tourists, *International Journal of Tourism Research* 4, 29-38.

McKercher, B. and du Cros, H. (2002) *Cultural Tourism: The Partnership between Tourism and Cultural Heritage Management*, Haworth Press, Binghamton.

Mcloughlin, J., Kaminski, J. and Sodagar, B. (2006) 'Dynamic socio-economic impact: a holistic analytical framework for cultural heritage sites', in McLoughlin, J., Kaminski, J. and Sodagar, B. (eds.) Heritage Impact 2005: Proceedings of the first international symposium on the socio-economic impact of cultural heritage. Archaeolingua: Budapest, 43-57.

Mcloughlin, J., Kaminski, J. and Sodagar, B. (2007) Assessing the socio-economic impact of heritage: from theory to practice', in McLoughlin, J., Kaminski, J. and Sodagar, B. (eds.) 'Technology strategy, management and socio-economic impact': Heritage Management Series Volume II. Archaeolingua: Budapest.

Merino-Castelló, A. (2003a) Eliciting Consumers Preferences Using Stated Preference Discrete Choice Models: Contingent Ranking versus Choice Experiment, http://ideas.repec.org/s/upf/upfses.html

Merino-Castelló, A. (2003b) Demand for Pharmaceutical Drugs: a Choice Modelling Experiment, http://www.econ.upf.edu/docs/papers/downloads/704.pdf

Mehmetoglu, M. (2002) Economic scale of community-run festivals: a case study, *Event Management* 7(2), 93-102.

Mihalik, B. J. and Simonetta, L. (1998) Resident perceptions of the 1996 Summer Olympic Games - Year II. *Festival Management and Event Tourism*, 5, 9-19.

Mitchell, R. C. and Carson, R. T. (1989) *Using Surveys to Value Public Goods: The Contingent Valuation Method*, Washington, DC: Resources for the Future.

Mollard, A., Rambonilaza, T. and Vollet, D. (2007) Environmental amenities and territorial anchorage in the recreational-housing rental market: A hedonic approach with French data, *Land Use Policy* 24, 484–493.

Morey, E. (2001) *Forced Choice and the Status Quo*, working paper, Department of Economics, University of Colorado, Boulder.

Morey, E., Rossmann, K. G. Chestnut, L. G. and Ragland, S. (2002) Valuing Reduced Acid Deposition Injuries to Cultural Resources: Marble Monuments in Washington DC. In S. Navrud and R. Ready (eds.) *Applying Environmental Valuation Techniques to Historic Buildings, Monuments and Artifacts*, Cheltenham: Edward Elgar, 159-83.

Morey, E. and Rossmann, K. G. (2003) Using Stated-Preference Questions to Investigate Variations in Willingness to Pay for Preserving Marble Monuments: Classic Heterogeneity, Random Parameters, and Mixture Models, *Journal of Cultural Economics*, 27(3-4), 215-229.

Morikawa T., Ben-Akiva, M. and McFadden, D. (2002) Discrete Choice Models Incorporating Revealed Preferences and Psychometric Data, *Econometric Models in Marketing* 16, 29-55.

Morrison, W. and West, E. (1986) Subsidies for the performing arts: evidence of voter preference. *Journal of Behavioural Economics* 15, 57-72.

Mourato, S. and Maddison, D. (1999) *Valuing different road options for the A303: a contingent ranking analysis*, CSERGE working paper, University of East Anglia: Norwich.

Mourato, S., Kontoleon, A. and Danchev, A. (2002) Preserving Cultural Heritage in Transition Economies: A Contingent Valuation Study of Bulgarian Monasteries, in Navrud, S. and Ready, R. (eds.) *Valuing Cultural Heritage: Applying Environmental Valuation Techniques to Historic Buildings, Monuments and Artefacts*, Edward Elgar, Cheltenham.

Mourato, S., Ozdemiroglu, E. and Howarth, A. (2001) Beyond dusty archives: The economic benefits of preserving recorded heritage, *Cultural Trends* 39, 85-116.

Murphy, P., Pritchard, M. and Smith, B. (2000) The destination product and its impact on traveller perceptions. *Tourism Management*, 21, 43-52.

Myerscough, J. (1988) *The economic importance of the arts in Britain*, Policy Studies Institute, London.

N

Nas, P. J. M. (2002) Masterpieces of Oral and Intangible Culture: Reflections on the UNESCO World Heritage List. *Current Anthropology* 43(1),139-148.

Navrud, S., Pederson, P. and Strand, J. (1992) *Valuing Our Cultural Heritage: A Contingent Valuation Survey*. Center for Research in Economics and Business Administration: Oslo.

Navrud, S. and Ready, R. (2002) *Valuing Cultural Heritage: Applying Environmental Valuation Techniques to Historic Buildings, Monuments and Artefacts*, Edward Elgar, Cheltenham.

Navrud, S. and Strand, J. (2002) Social costs and benefits of preserving and restoring the Nidaros Cathedral, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts*. Edward Elgar: Cheltenham, 31-39.

Netzer, D. (1978) *The Subsidized Muse: Public Support for the Arts in the United States*, Cambridge: Cambridge University Press.

Netzer, D. (1992) Arts and Culture, in Charles T. Clotfelter (ed.) *Who Benefits from the Nonprofit Sector?* Chicago: University of Chicago Press.

Neuman, W. L. (1994) Social research methods: qualitative and quantitative approaches. 2nd edition. Massachusetts: Allyn & Bacon.

Noonan, D. S. (2002) *Contingent valuation studies in the arts and culture: an annotated bibliography*, Cultural Policy Centre working paper. University of Chicago: Chicago.

Noonan, D. S. (2003) Contingent Valuation and Cultural Resources: A Meta-Analytic Review of the Literature, *Journal of Cultural Economics*, 27(3-4) 159-176.

O

Odunga, P. and Folmer, H. (2004) *Profiling Tourists for Balanced Utilization of Tourism-Based Resources in Kenya*, FEEM Working Paper 23.04, Milan.

O'Hagan, J. (1996) Access to and Participation in the Arts: The Case of Those with Low Incomes/Educational Attainment, *Journal of Cultural Economics,* 20, 269-82.

O'Hagan, J. and Harvey, D. (2000) Why Do Companies Sponsor Arts Events? Some Evidence and a Proposed Classification, *Journal of Cultural Economics* 24, 205-224.

Oppewal, H. and Timmermans, H. (1999) Modeling Consumer Perceptions of Public Spaces in Shopping Malls, *Environment and Behavior*, 31(1), 45-65.

Orzechowski, M. A, Arentze, T.A. Borgers, A.W.J. and Timmermans H. J. P. (2005) Alternate methods of conjoint analysis for estimating housing preference functions:

Effects of presentation style, *Journal of Housing and the Built Environment*, 20(4): 349-362.

Outspan Group (1996) *Benefits and economic impacts associated with the Canadian heritage river system*. The Canadian Heritage Rivers Board: Ottawa.

Outspan Group (1998a) *Economic benefits of provincial parks in Ontario: a case study approach, Ontario Parks*. Ontario Ministry of Natural Resources: Toronto.

Outspan Group (1998b) *Gatineau Park: economic impacts of visitor spending*. The National Capital Commission: Ottawa.

Outspan Group (1999) *Socio-economic benefits framework: cultural sector. Department of Canadian Heritage discussion paper*. The Outspan Group: Amherst Island.

Özdemiroğlu, E. and Mourato, S. (2001) *Valuing our recorded heritage*, CCEM working paper, http://www.uni-hamburg.de/Wiss/FB/15/Sustainability/CCEMpaper.pdf

P

Payne, A. A. (2001) Measuring the Effect of Federal Research Funding on Private Donations at Research Universities: Is Federal Research Funding More Than a Substitute for Private Donations? *International Tax and Public Finance*, 8 (5-6), 731-51.

Parker, S., Waterston, K., Michaluk, G. and Rickard, L. (2002) *Neighbourhood Renewal and Social Inclusion: the role of museums, archives and libraries*, Marketing Management Services International, Glasgow.

Peacock, A.T., Shoesmith, E. and Millner, G. (1982) *Inflation and the Performed Arts*, Arts Council of Great Britain, London.

Pearce, D. W. and Mourato, S. (1998) *The Economics of Cultural Heritage: World Bank Support to Cultural Heritage Preservation in the MNA Region*. Washington, D.C.: World Bank.

Pearce, D., Mourato, S., Navrud, S. and Ready, R. C. (2002) Review of existing studies, their policy use and future research needs, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts*. Edward Elgar: Cheltenham, 257-270.

Pearce, D. W. and Turner, R. K. (1990) *Economies of Natural Resources and the Environment*, Hemel Hempstead: Harvester Wheatsheaf.

Persson, P. (2000) Community impact of science centres: is there any? *Curator*, 43(1), 9-17.

Penrod, S. (1983) *Social Psychology?* Prentice-Hall, Englewood Cliffs, 439-473.

Pollicino, M. and Maddison, D. (1999) *Valuing the impacts of air pollution on Lincoln Cathedral*, CSERGE Working Paper GEC 99-03, University of East Anglia: Norwich.

Pollicino, M. and Maddison, D. (2001) Valuing the benefits of cleaning Lincoln Cathedral. *Journal of cultural economics* 25(2), 131-148.

Pollicino, M. and Maddison, D. (2002) Valuing the impacts of air pollution on Lincoln Cathedral, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts.* Edward Elgar: Cheltenham, 53-67.

Pollicino, M. and Maddison, D. (2004) *Using Contingent Valuation to Value Maintenance Options for Oxford's Historic Buildings*, unpublished paper, Institute of Archaeology, University College London and Institute of Economics, University of Southern Denmark.

Poor, J. P. and Smith, J. M. (2004) Travel cost analysis of a cultural heritage site: the case of historic St. Mary's City of Maryland. *Journal of cultural economics* 28(3), 217-229.

Popper, K. R. (1962) *La lógica de la investigación científica.* Madrid: Tecnos.

Powe, N. and Willis, K. (1996) Benefits Received by Visitors to Heritage Sites: A Case Study of Warkworth Castle, *Leisure Studies* 15, 259-275.

Prideaux, B. and Kinnimont, L. J. (1999) Tourism and Heritage are Not Strangers: A Study of Opportunities for Rural Heritage Museums to Maximize Tourism Visitation, *Journal of Travel Research* 37, 299-303.

Pung, C., Clarke, A. and Patten, L. (2004) Measuring the economic impact of the British Library, *New review of academic librarianship* 10(1), 79-102.

Q

Quinn, B. (2005) Arts festivals and the city. *Urban Studies,* 42(5/6), 927-943.

R

Randall, A. and Stoll, J. R. (1980) Consumer surplus in commodity space, *American Economic Review*, 70(3), 449-55.

Ready, R. C. and Navrud, S. (2002a) Why value cultural heritage? in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts.* Edward Elgar: Cheltenham, 3-9.

Ready, R. C. and Navrud, S. (2002b) Methods for valuing cultural heritage, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation*

techniques to historic building, monuments and artefacts. Edward Elgar: Cheltenham, 10-30.

Reeves, M. (2002) *Measuring the economic and social impact of the arts: a review*, The Arts Council of England, London.

Rescher, N. (1969) *Introduction to Value Theory*. Prentice-Hall, Englewood Cliffs.

Richardson, M. (1984) Place: Experience and symbol. *Geoscience and Man* 24(1-3), 63–67.

Riganti, P. (1997) *Valuing cultural heritage: a contingent valuation study of the archaeological park at Campi Flegrei*. Discussion papers in urban and regional economics 9, University of Reading: Reading.

Riganti, P. (2008) Assessing the impacts of cultural tourism on small and medium sized European cities: a valuation framework for the city of Syracuse, *International Journal of Services Technology and Management*, 10(1), 61-82.

Riganti, P. and Willis, K. G. (2002) Component and temporal value reliability in cultural goods: the case of Roman imperial remains near Naples, in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts*. Edward Elgar: Cheltenham, 142-158.

Richardson, S. L. and Crompton, J. L. (1988) Cultural variations in perceptions of vacation attributes. *Tourism Management*, 9(2), 128-136.

Ritchie, J. R. B. (2000) Turning 16 days into 16 years through Olympic legacies. *Event Management*, 6, 155-165.

Rollins, K. and Lyke, A. (1998) The Case for Diminishing Marginal Existence Values, *Journal of Environmental Economics and Management*, 36, 324-344.

Rosen, S. (1974) Hedonic Prices and Implicit Markets: Product Differentiation in Pure competition, *Journal of Political Economy*, 82, 34-55.

Rosenthal, D. H. and Nelson, R. H. (1992) Why Existence Value Should Not be Used in Cost-Benefit Analysis, *Journal of Policy Analysis and Management*, 11, 116-122.

S

Sacerdote, B. (2001) Peer Effects with Random Assignment: Results for Dartmouth Roommates, *Quarterly Journal of Economics*, 116, 681-704.

Sargeant, A. (1999a) Charitable Giving, Towards A Model Of Donor Behaviour. *Journal Of Marketing Management* 15, 215-238.

Sargeant, A. (1999b) *Marketing Management For Nonprofit Organizations*. Oxford: Oxford University Press.

Sargeant, A. and Lee, S. (2004) Trust and relationship commitment in the United Kingdom voluntary sector: Determinants of donor behaviour. *Psychology and Marketing*, 21(8), 613-635.

San Miguel, F., Ryan, M. and McIntosh, E. (2000) Applying Conjoint Analysis in Economic Evaluations: An Application to Menorrhagia, *Applied Economics*, 32: 823-833.

Sandell, R. (1998) Museums as agents of social inclusion, *Museum Management and Curatorship*, 17(4), 63-74.

Santagata, W. and Signorello, G. (2000) Contingent valuation of a cultural public good and policy design: the case of Napoli Musei Aperti. *Journal of cultural economics* 24(3), 181-204.

Santagata, W. and Signorello, G. (2002) Individual preferences and allocation mechanisms for a cultural public good: 'Napoli Musei Aperti', in Navrud, S. and Ready, R. C. (eds.) *Valuing cultural heritage: applying environmental valuation techniques to historic building, monuments and artefacts*. Edward Elgar: Cheltenham, 238-256.

Sanz, J. A., Herrero, L. C. and Bedate, A. M. (2003) Contingent valuation and semiparametric methods: a case study of the National Museum of Sculpture in Valladolid, Spain, *Journal of cultural economics* 27, 241-257.

Scarpa, R., Sirchia, G. and Bravi, M. (1997) Kernel vs. Logit Modeling of Single Bounded CV Responses: Valuing Access to Architectural and Visual Arts Heritage in Italy, In Bishop, R. and Romano, D. (eds.) (1998) *Environmental Resource Valuation: Applications of the Contingent Valuation Method in Italy*, Kluwer Academic Publishers, Boston.

Schuman, H. and Johnson, M. P. (1976) Attitudes and Behavior, in A. Inkeles (ed.), *Annual Review of Sociology*, ii, Annual Reviews, Palo Alto.

Schuster, J. M. (1999) The Other Side of the Subsidized Muse: Indirect Aid Revisited. *Journal of Cultural Economics*, 23, 51-70.

Schwartz, S. (1986) Long-term Adjustments in Performing Arts Expenditures. *Journal of Cultural Economics*, 10(2), 57-66.

Schwartz, S. H. (1994) Are there universal aspects in the structure and contents of human values? *Journal of Social Issues* 50, 19-45.

Scott, C. A. (2003) Museums and impact, *Curator* 46(3), 293-310.

Sheppard, B. (2000) Do museums make a difference? Evaluating programs for social change, *Curator*, 43(1), 63-74.

Signorello, G. and Cuccia, T. (2002) Estimating and Capturing Non-market Use Value of Heritage Cities: The Case of Noto, in Rizzo, I. and Towse, R. (eds.) *The economics of heritage: a study in the political economy of culture in Sicily*, Edward Elgar: Cheltenham.

Silverman, L. (1995) Visitor Meaning Making for a New Age, *Curator* 38(3), 161-170.

Simmons, D. (1994) Community participation in tourism planning. *Tourism Management*, 15(2), 98-108.

Simonson, I. and A. Tversky (1992) Choice in context: Tradeoff contrast and extremeness aversion, *Journal of Marketing Research* 29(3), 281-295.

Smith, K. V. (1983) The role of site and job characteristics in hedonic wage models, *Journal of urban economics* 13(3), 296-321.

Smith, V. K., and Desvousges, W. H. (1987) An Empirical Analysis of the Economic Value of Risk Changes, *Journal of Political Economy*, 95, 89-114.

Snowball, J. D. (2005) Art for the Masses? Justification for the Public Support of the Arts in Developing Countries: Two Arts: Festivals in South Africa, *Journal of Cultural Economics*, 29, 107-125.

Snowball, J. D. and Willis, K. G. (2006) Estimating the Marginal Utility of Different Sections of an Arts Festival: the Case of Visitors to the South African National Arts Festival, *Leisure Studies*, 25(1), 43–56.

Spilling, O. R. (1998) Beyond intermezzo? On the long-term industrial impacts of mega-events: The case of Lillehammer 1994. *Festival Management & Event Tourism*, 5, 101-122.

Spilling, O. R. and Andersen, T. (1990) *Per Gynt stemnet. A mapping of the event's economic and cultural significance*. Lillehammer: Eastern Norway Research Institute.

SQW and TNS Travel and Tourism (2005) *Edinburgh festivals 2004-2005 economic impact survey. Final report*. Edinburgh: SQW Limited.

Stemerding, M. P., Oppewal, H., Beckers, T. A. M. and Timmermans, H. J. P. (1996) Leisure market segmentation: an integrated preference/constraints based approach, *Journal of Travel and Tourism Marketing* 3, 161-185.

Suh, Y. K. and Gartner, W. C. (2004) Preferences and trip expenditures—a conjoint analysis of visitors to Seoul, Korea, *Tourism Management*, 25(1), 127-137.

Sussex Arts Marketing (2004) *Brighton Festival – Everyone benefits*, SAM, Brighton.

Swait, J. and Adamowicz, W. (2001) The Influence of Task Complexity on Consumer Choice: A Latent Class Model of Decision Strategy Switching, *Journal of Consumer Research*, 28, 135-148.

Swanborn, P. G. (1981) *Methoden van sociaal-wetenschappelijk onderzoek*. Boom Meppel, Amsterdam.

Swedish Association for Business and the Arts (2000) *A Comparative Study on the Right to Tax Deductions for Cultural Sponsorship in Sweden, Denmark, Great Britain, Germany and France*, http://www.kultur-naringsliv.se/docs/Study.pdf.

T

Taylor, M. (1995) *Unleashing the Potential – Bringing Residents to the Centre of Regeneration*. Joseph Rowntree Foundation, York.

Taylor, M. (2003) *Public Policy in the Community*. Palgrave, Basingstoke.

Throsby, D. (1997a) Making preservation happen: the pros and cons of regulation. In *Preserving the Built Heritage*, in J. M. Schuster, J. D. Monchaux, and C. A. E. Riley (eds.) Tools for Implementation, 32-48. Hanover, N.H.: University Press of New England.

Throsby, D. (1997a) Sustainability and culture: Some theoretical issues. *International Journal of Cultural Policy* 4, 7-20.

Throsby, D. (1999) Cultural capital. *Journal of Cultural Economics* 23, 3-12.

Throsby, D. (2003) Determining the Value of Cultural Goods: How Much (or How Little) Does Contingent Valuation Tell Us?, *Journal of Cultural Economics*, 27(3-4), 275-285.

Throsby, D. and Withers, G. (1986) Strategic bias and demand for public goods: theory and an application to the arts, *Journal of Public Economics* 31: 307-327;

Tohmo, T. (2004) Economic value of a local museum: factors of willingness to pay, *Journal of socio-economics* 33, 229–240.

Train, K. E. (2003) *Discrete Choice Models with Simulations*, Cambridge: Cambridge University Press.

Train, K. E. (1999), Mixed Logit Models for Recreation Demand, Chapter 4 in Joseph A. Herriges and C. L. Kling (eds.), *Valuing Recreation and the Environment. Revealed Preference Methods in Theory and Practice*, Cheltenham, Edward Elgar.

Tran, H. T. and Navrud, S. (2006) *Valuing Cultural Heritage in Developing Countries: Comparing and Pooling Contingent Valuation and Choice Modeling Estimates*, paper presented at the 3rd World Congress of Environmental and Resource Economists, Kyoto, Japan, 3-7 July 2006.

Travers, T. and Glaister, S. (2004) *Valuing museums: impact and innovation among national museums*, a report commissioned by the National Museum Directors' Conference, NMDC, London

Trompenaars, F. and Hampden-Turner, C. (1997) *Riding The Waves Of Culture.* Nicholas Brealey Publishing: London.

Tunbridge, J. E. and Ashworth, G. (1996) *Dissonant heritage: the management of the past as a resource in conflict.* Wiley: London.

Tversky, A. and Kahneman, D. (1982) The framing of decisions and the psychology of choice. In R. Hogarth (ed.) Question Framing and Response Consistency, San Francisco: Jossey-Bass.

U

UNEP (2001) *Reference Manual for the Integrated Assessment of Trade-Related Policies*, United Nations Environment Program, Geneva.

UNEP (2005) *Handbook on Integrated Assessment of Trade-related Measures*, United Nations Environment Program, Geneva.

UNESCO (1996) *Our creative diversity: report of the World Commission on Culture and Development.* UNESCO: Paris.

UNESCO (2005) *Promoting Cultural tourism, UNESCO Culture in Asia and the Pacific*, http://www.unescobkk. org/culture/tourism_strategy. html. WCED (1988) Our Common Future, Report of the World Commission on Environment and Development. Oxford University Press, Oxford, England.

Urban, G. (2000) *A Discourse-Centered Approach to Culture: Native South American Myths and Rituals.* Hats Off Books.

V

Veal, A. J. (1997) *Research methods for leisure and tourism: a practical guide.* London: Pitman.

Viscusi, W. K. and Aldy, J. E. (2003) The Value of a Statistical Life: A Critical Review of Market Estimates throughout the World. *Journal of Risk and Uncertainty* 27, 15-76

Viscusi, W. K. and Joseph E. A. (2003) The Value of a Statistical Life: A Critical Review of Market Estimates Throughout the World, *Journal of Risk and Uncertainty*, 27, 5-76.

Vogt, W. P. (1993) *Dictionary of statistics and methodology.* Newbury Park: Sage.

Vrettos, A. (2009) About the economic impact studies of arts festivals, Economia della Cultura 3, 341-350.

W

Walsh, R. G., Loomis, J. B. and Gillman, R. A. (1984) Valuing Option, Existence and Bequest Demands for Wilderness. *Land Economics*, 60(1), 14-29.

Waterman, S. (1998) Carnivals for elites? The cultural politics of arts festivals. *Progress in Human Geography*, 22(1), 54-75.

Wavell, C., Baxter G., Johnson, I. M. and Williams, D. A. (2002) *Impact Evaluation of Museums, Archives and Libraries: Available Evidence Project.* The Council for Museums, Archives and Libraries. Aberdeen,The Robert Gordon University.

Webb, D. J., Green, C. L. and Brashear, T. G. (2000) Development and Validation of Scales to Measure Attitudes Influencing Monetary Donations to Charitable Organizations. *Journal of the Academy of Marketing Science*, 28(2), 299-309.

Weil, S. E. (1995) *A cabinet of curiosities: inquiries into museums and their prospects*, Smithsonian Institution Press, Washington.

Whitehead, J. C. and Finney, S. S. (2003) Willingness to Pay for Submerged Maritime Cultural Resources, *Journal of Cultural Economics*, 27(3-4), 231 - 240.

Whitehead, J. C., Haab, T. C. and Huang, J. (1998) Part-Whole Bias in Contingent Valuation: Will Scope Effects Be Detected with Inexpensive Survey Methods? *Southern Economic Journal*, 65, 160-168.

Whyte, W. H. (1980) *The Social Life of Small Urban Spaces.* Washington, D.C.: Conservation Foundation.

Williams, D. (1997) *How the arts measure up: Australian research into social impact*, Comedia, Stroud.

Willis, K. G. (1994) Paying for Heritage: What Price for Durham Cathedral? *Journal of Environmental Planning and Management*, 37(3), 267-277.

Willis, K. G. (2002) Iterative Bid Design in Contingent Valuation and the Estimation of the Revenue Maximizing Price for a Cultural Good, *Journal of Cultural Economics*, 26(4), 307-324.

Witcomb, A. (1999) Museums as cultural brokers: Producing rather than representing communities. In B. Henson (ed.) *Exploring culture and community for the 21st century: Global Arts Link: a new model for public art museums.* Ipswich, Queensland: Global Arts, 101-104.

World Bank (1994) *Incorporating Social Assessment and Participation into Biodiversity Conservation Projects.* Mimeo. Washington, D.C.

World Tourism Organization (2000) *Basic References on Tourism Statistics*, Madrid, WTO.

World Tourism Organization (2002) Tourism proves to be a resilient and stable economic sector (18 June), available at: http://www.worldtourism.org/newsroom/Releases/more_releases//june2002/ data.htm

World Travel and Tourism Council (WTTC), 2004/05. Progress and Priorities: http://www.wttc.org/bin/pdf/original_pdf_file/progresspriorities04-05.pdf

Y

Yavas U., Riecken, G. and Babakus, E. (1993) Efficacy of perceived risk as a correlate of reported donation behaviour: an empirical analysis, *Journal of the Academy of Marketing Science*, 21(1), 65-70.

Young, D. R. and Burlingame, D. F. (1996) Paradigm Lost: Research toward a New Understanding of Corporate Philanthropy, in Burlingame, D. F. and Young, D. R. (eds.) *Corporate philanthropy at the crossroads*. Bloomington and Indianapolis: Indiana University Press.