

## **Utilizing stated-preference based valuation methods for cultural heritage management: conservation vs. adaptive re-use of immovable objects <sup>1</sup>**

This research project focuses on the exponentially growing number of immovable cultural heritage objects facing the threat of demolition or neglect. Given the financial constraints, passive protection (conservation or renovation) of some facilities might prove to be unjustifiable or impossible to ensure. Hence, adaptive re-use may be the only opportunity to preserve them. This controversial compromise between socially desirable option and conservation issues assuming minimal architectural interventions makes heritage management more complex in terms of decision making. The theory of economics has developed several methods that, under certain conditions, could become a helpful and adequate tool for those responsible for shaping cultural policies.

### **OBJECTIVES**

The general objective of this research is to learn consumers' preferences towards management of immovable heritage objects such as buildings of high architectural or historical importance. Social benefits from both passive conservation and the adaptive-re-use programs, together with potential changes in attributes related to these programs, will be estimated and demonstrated in quantitative terms. The analysis will concern stated preferences (SP) of visitors (direct users of heritage objects) and non-visitors (those who gain only passive-use benefits). Further research also aims to test the transferability of the estimated values between different regions and objects, leading to a more justifiable fund allocation. The project will propose a novel approach to non-market valuation of cultural heritage expected to fill the research gap identified through our thorough literature review. Results will provide an empirical and methodological contribution to cultural economics, which is fledgeling to elucidate valuation guidelines, and its role in shaping cultural policies has been diminished so far.

### **METHODOLOGY**

This research will be conducted using two SP-based non-market valuation methods: Discrete Choice Experiment (DCE) and Benefit Transfer (BT). The first one requires collecting new primary data on consumers' preferences. Heritage policies will be described by a set of attributes and their levels in hypothetical scenarios. They will be presented to respondents through a field DCE survey that will be carefully designed following the state-of-the-art recommendations for SP studies. In further steps, different econometric approaches to modelling the choice data will be tested to derive the most credible estimations of willingness to pay (WTP) for the non-monetary attributes of policies. Conducting BT will not require collecting new data as it will use these estimations. The performance of different approaches in interregional BT will be investigated by testing validity (statistically indistinguishable WTP values) and reliability (low transfer errors).

### **RESEARCH IMPACT**

This project addresses the issue of valuing cultural goods that is a part of a broader discussion in cultural economics concerning shaping and re-shaping public policies. Progressing towards a better understanding of cultural value will allow for reliable evaluations of these policies, including their

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<sup>1</sup> **Title in Polish:** Wykorzystanie metod wyceny opartych na preferencjach deklarowanych w zarządzaniu dziedzictwem kulturowym: konserwacja vs. adaptacja obiektów nieruchomości

scale and rules of subsidies' division. It will significantly strengthen the governance of heritage that suffers from consequences of inadequate and irresponsible decisions on a global, national and regional level. All research to date concerning the non-market valuation of heritage has delivered only yes-no answers to a new policy at a cost. This study will develop a method to evaluate potential changes in various attributes of the policy. Answering on how to protect heritage in a way capable of simultaneously ensuring conservation and valorization, it will contribute empirically. Although SP methods have been frequently applied in various areas, including health, environmental and resource economics, their use in cultural economics has been scarce. The study will significantly contribute on the methodological level, providing demonstration of a new method to value cultural items. Overall, the project will add new knowledge about monetary valuation of heritage objects. It will make cultural policies better matched to contemporary issues, public preferences, and the idea of sustainable development. The project fits perfectly into the current scientific, practical and political debates providing useful implications and leading to wiser use of the extremely important but fragile resource.