

**Assignment 1:**  
**GOVERNMENT INTERVENTION AND PUBLIC BENEFITS OF HISTORIC PRESERVATION**

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The cause and discipline of historic preservation, while known for its struggle to be a greater priority for society and public policy, has nevertheless acquired a general acceptance for its **benefits to society**. The notion of '**public good**', as in many other fields, has formed a **rationale for government intervention** in the cause of preservation. This notion is inherently linked to the relationship between '**public**' and '**private**' interests, and to the evolving **role of the state** in preservation in different countries and cultures.<sup>2</sup> In the case of the United States, this relationship is described as leaning more in favor of private freedoms and property rights, secured by covenants such as the fifth and fourteenth amendments of the Constitution. But even in such a country with a 'privatist' tradition, the public sector has been an active player in issues of planning and preservation.

***Traditional reasons of government intervention***

The historical development of the **planning profession** reveals motivations for government intervention that can mostly be applied to historic preservation as well:

- Firstly, the need for **economic and scientific efficiency**, arising out of the expansion of capitalist production, gave city governments centralized regulatory powers, for rational coordination of infrastructure, allocation of land to most profitable use, and providing public services for which the commercial mechanism was not enough and cooperative action was needed.<sup>3</sup> Sanitary regulations, mass transit, public housing and public utilities have been important matters of public intervention.<sup>4</sup> Thus, the need to use police and eminent domain power was legitimized for purposes of health and welfare of community.
- Secondly, theories of man as a product of social rather than natural forces created a new **social responsibility**<sup>5</sup>, as well as 'higher values' of **art and civic beauty**, and of **social equity and community**, evident in efforts of improvement in decaying urban quarters.
- Another important point was the need that arose for **comprehensive planning**, to connect different disciplines and to **reconcile contradictory forces** acting on the city through planning documents and discourse. The 'planning mentality' aimed to install a **utopian disciplinary order**.<sup>6</sup> However, the importance of public acceptance and **political effectiveness** always emerged as an inevitable factor, despite claims of public planners to be value-free in their decisions.

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<sup>2</sup> de Monchaux, John, and J. Mark Schuster. (1997). Five Things To Do. *Preserving the Built Heritage: Tools for Implementation*, Schuster, de Monchaux, and Riley, eds. Hanover: University press of New England. p. 3.

<sup>3</sup> Boyer, Christine. (1987). *Dreaming the Rational City*. Cambridge, MA: MIT Press. pp. 62-82.

<sup>4</sup> Krueckeberg, Donald. (1983). *The Culture of Planning*. In *Introduction to Planning History in the United States*, Krueckeberg ed. New Brunswick, NJ: Rutgers University. p. 4-9.

<sup>5</sup> Boyer. (1987). p. 62.

<sup>6</sup> Boyer. (1987). p.59.

To continue the rationale of government intervention more specifically for **historic preservation**, similar factors can be cited (as succinctly expressed by de Monchaux and Schuster<sup>7</sup>), as well as new points of emphasis:

- **Economic feasibility** is again a major force in public action, based on social benefits beyond private ones. It is argued that there are **few spillover effects** from preservation in the market, as owners of individual buildings face the burden to preserve features that are significant not just to themselves, but to the community at large. This makes a case for the redistribution of public funds for private preservation projects. On a more collective level, government encouragement in preserving properties in historic districts is based on the 'whole being more than the sum of its parts' in such urban ensembles, bringing an '**added value**' to the physical, social and economic environment.
- One of the major concerns of preservation, related to the concept of sustainability, is **intergenerational equity**, also manifested as the stewardship of heritage on behalf of future generations. The market has no mechanism for maintaining this '**option demand**', for preserving resources not currently demanded by the market, thus necessitating the government to take on the role.
- A similar kind of equity is **geographic** rather than temporal, where **equal access** to heritage resources and equal **representation** of the history and heritage of constituencies with differing levels of power in their hands needs to be ensured.
- Preservation for the purpose of **scientific information** and **public education** also hold important benefits, and again, the frequent inability of economic market forces to fulfill these needs gives government basic responsibility over them.
- Furthermore, the idea that selective preservation results in a distorted view of the past, and the idea of a '**public attic**'<sup>8</sup> to keep the option for new preferences and interpretations, is both a political and educational motivation related to the public concern for preservation.

### ***Tools of government intervention***

The types of actions government takes to facilitate historic preservation are organized by de Monchaux and Schuster, who also point out the political, economic, social and institutional tool constraints acting on the choice of tools deployed.<sup>9</sup>

- The most interventionist of these are **ownership and operation** of heritage assets, mainly implemented through **eminent domain** and public agencies such as the **National Trust** for Historic Preservation.
- Also heavy in terms direct intervention, and perhaps the most prevalent, is the **regulation** of land uses and physical interventions on historic buildings or areas, the main forms being **zoning** and historic district **building codes**. The regulatory tool is **powerful** as long as it can be properly **enforced**, but carries the **stigma** of imposing restrictions on individual freedoms, thus dealing with the constant **pressure** to justify the intent of public good in a democratic, market-based society.
- The theme of restrictions evolves into the **less imposing**, and in a way more **indirect**, tool of government intervention, namely **incentives** (and **disincentives** as counterpart). The same forms of regulation can be transformed into zoning bonuses<sup>10</sup>; more popularly, **financial** incentives such as **tax credits** or abatements, **grants** for repair and rehabilitation have proved their worth in terms of investment return and public support. The United States is said to rely more on indirect (tax-based) incentives than other countries<sup>11</sup>, perhaps because of their ability to **survive in the free-market system**, exemplified by the

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<sup>7</sup> de Monchaux and Schuster. (1997). p. 9-10.

<sup>8</sup> Lynch, Kevin. (1972). *What Time is this Place?* Cambridge, MA: MIT Press. p. 43.

<sup>9</sup> de Monchaux and Schuster. (1997). p. 5.

<sup>10</sup> Lynch. (1972). p. 51.

<sup>11</sup> de Monchaux and Schuster. (1997). p. 9.

conservative Reagan administrations, which still kept tax rehabilitation incentives while removing constraints on capital such as regulatory designations.<sup>12</sup>

- Another government tool, the application of **property rights**, such as the transfer of development or air rights, is similar in its **indirect** nature to incentives. It may be considered to be more indirect than incentives, in its dealing with **land values**, which hold inherent **potential for profit**, rather than the direct financial benefits in incentives such as credits or grants.
- Last on this scale is cited the tool of **information**, where the actions prescribed by governments to citizens and private actors are expected to be taken more independently by these actors themselves, based solely on informing **options** available. This tool carries a significant element of **trust** in the 'proper intentions' and awareness on the part of non-state actors, and requires society to be prepared for this entrusted responsibility.

### ***New global culture and values-based preservation***

As **globalization**, advanced communication and mobility, and the spread of participatory democracies and market economies, are changing communities around the world, the policies of government intervention in fields like planning and preservation are also undergoing **shifts in paradigms**. One of these shifts is apparent in the new emphasis on **values-based preservation**, where **value assessment** acquires new challenges stemming from the subjectivity of values in the **postmodern era**. The questioning of values reveals the need for more **holistic conservation**, integrating decisions of '*what to conserve*' and '*why*' with '*how to conserve*', in turn integrating independent professional spheres with each other and with society at large. Thus it is hoped that cultural heritage can act as a **medium of evolving social values**, and its conservation can help **manage rapid social changes** and mitigate their negative effects.<sup>13</sup> For this, conservation (or preservation) is required to engage more actively in **cultural politics**, and integrate social and economic values, finding ways to assess **use and non-use values**, and to quantify the qualitative aspects of '**cultural capital**'.<sup>14</sup>

### ***Public sector role in the new era***

Putting the public sector's role in relation with the **values-based** approach to preservation renders it a more sophisticated one, more **obviously political** and more **interactive with the market dynamics**. The enhanced political nature involves deconstructing 'public interest' and 'community' in a multi-cultural and pluralist context<sup>15</sup>, assessing the **complex meanings** and values of cultural heritage to various constituencies, involving relevant stakeholders and **negotiating the decision-making**<sup>16</sup> that must be done at the end of the day. The more economically interactive nature involves engaging **private and market forces better** in the preservation process to **spread the burden** and responsibility of the 'public good' more evenly on different sectors.<sup>17</sup>

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<sup>12</sup> Wallace, Michael. (1986). "Reflections on the History of Historic Preservation". In *Presenting the Past: Essays on History and the Public*, Susan Porter Benson, Stephen Brier, Roy Rosenzweig, eds. Philadelphia: Temple University Press. p. 193.

<sup>13</sup> Avrami et al. (2000). pp. 3-4.

<sup>14</sup> Throsby, D. 2002. "Cultural Capital and Sustainability Concepts in the Economics of Cultural Heritage." In *Assessing the Values of Cultural Heritage*, ed. M. de la Torre, Los Angeles: J. Paul Getty Trust. p. 103.

<sup>15</sup> Sandercock, Leonie. (2005). *Cosmopolis II: Mongrel Cities of the 21st Century*. London: Continuum. p. 34.

<sup>16</sup> Avrami et al. (2000). p. 9.

<sup>17</sup> de Monchaux and Schuster. (1997). p. 6.

As the process becomes more complex, general formulae need to be replaced by more, **detailed analyses** and **customized solutions**. Illustratively, the conclusions of the case study of urban politics in **Austin**, Texas highlight the facts that preservation can help communities facing **gentrification** (by saving community institutions, stabilizing property values, protecting affordable working-class housing, and providing financial and technical support to low-income owners); that preservation should not be made a scapegoat for larger structural and localized urban issues effective in gentrification; and that organizations against gentrification and preservationists share the common desire to save their communities, although this fact becomes distorted in the conventional assumptions made without properly analyzing social and market dynamics<sup>18</sup>.

### ***Incentives***

The new trends described earlier make incentives all the **more crucial** a part of government tools in preservation. Incentives have a great capacity to be used, in letting the **market** take its **natural course** as much as possible within the framework of **sustainable and equitable** practice. Intelligently designed incentives can motivate, guide and maximize positive outcomes, in terms of **cultural and economic value return** from heritage assets.

A well-known opponent of the regulatory, imposing '**planning mentality**', Jane **Jacobs** has also expressed a preference for less interventionist incentives; for protecting mom and pop stores against rent rises and the predations of large chains, she has suggested government-guaranteed low-interest loans for store owners to buy their buildings, instead of commercial rent controls.<sup>19</sup>

It is broadly agreed that very often and in great degrees, the **benefits of historic preservation outweigh the costs**, within a spectrum ranging from building rehabilitation, tax credits, and heritage tourism to Main Street revitalization programs. Studies show these benefits in **economic** terms both for **individual investors** gaining returns for their investments in revenues and property values, and for the **public sector**, as an **economic development tool** with multiplier effects for whole regions, in terms of job creation, income, state and local tax revenues.<sup>20</sup> Much of these economic benefits are related to incentives. Further studies demonstrating the return gained in terms of **cultural values**, though less available and arguably not as needed as economic indicators, are sure to **strengthen the arguments** for preservation incentives where they are still struggling for public approval.

As the market is encouraged to develop new ways of making use of the cultural/ non-economic values of heritage assets, **public intervention** to ensure the survival of these values will become **less necessary** and relevant. As incentives are used more extensively to reach maximal benefit, the tool of **information** as the next level of government intervention can also be expected to rise in importance, as government **entrusts non-state actors** more of the **responsibility and capacity** to act wisely toward the goals of preservation and sustainable development.

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<sup>18</sup> Chusid, Jeffrey. (2006). Preservation in the Progressive City: Debating History and Gentrification in Austin. *The Next American City*, Issue 12 (October 2006). p. 27.

<sup>19</sup> Zukin, Sharon. (2006). Jane Jacobs: The Struggle Continues. *City and Community*, 5: 3 (September). pp. 225.

<sup>20</sup> Mason, R. (2005). Economics and Historic Preservation: A Guide and Review of the Literature. Discussion paper, The Brookings Institution Metropolitan Policy Program. pp. 5-10.