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Universidad de Oviedo

2021

UNIVERSIDAD DE OVIEDO

HOMENAJES

Luis César Herrero Prieto y Juan Prieto Rodríguez (eds.)

La economía de la cultura: una disciplina joven

ESTUDIOS EN HOMENAJE

AL PROFESOR

VÍCTOR FERNÁNDEZ BLANCO





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Servicio de Publicaciones de la Universidad de Oviedo Edificio de Servicios - Campus de Humanidades ISNI: 0000 0004 8513 7929 33011 Oviedo - Asturias 985 10 95 03 / 985 10 59 56 servipub@uniovi.es www.publicaciones.uniovi.es

> ISBN: 978-84-18482-19-9 DL AS 1183-2021



Víctor Fernández Blanco

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Behaviourally informed heritage policies: challenges and perspectives*

Ilde Rizzo

1. Introduction

The chapter aims at offering a preliminary look at public policies in the field of Cultural Heritage (CH) with a 'behavioural' perspective. Rather surprisingly, this is an almost unexplored area in cultural economics despite the continuous expansion of Behavioural Economics (BE) approach at academic as well as policy level (Metcalfe, 2018). The chapter tries to address such a gap, with a focus on the possible areas of intersection between BE approach and CH policies.

Indeed, policy issues are very relevant in the BE debate, as thoroughly stressed by Chetty (2015), outlining three contributions of BE to public policy: new policy tools, better predictions of effects of existing policies and new welfare implications. At the same time, policy design is a 'core' topic for the economic analysis of CH, the role of government, at various layers, being widespread in this field (Towse, 2019). On these grounds, the paper aims at investigating how BE and CH interface and whether suggestions can be derived for the design of related CH meaningful policies. Among the policy issues which appear good 'candidates' for behavioural hints, attention will be paid mainly to regulation and funding. At the same time, the behavioural implications for the functioning of the public decision-making process will be sketched, too.

The remainder of this chapter is organized as follows: Section 2 briefly describes decision-making issues in the CH field; Section 3 sketches the main features of BE approach in a policy perspective and Section 4 shows how BE theoretical intuitions and experimental methods might be relevant for 'core' policy issues in the CH field. Few concluding remarks are offered in Section 5.

^{*} The helpful comments of Massimo Finocchiaro-Castro are gratefully acknowledged. The usual disclaimer applies.

2. Public decision-making: actors and tools

Government has a prominent role in the CH field everywhere, with the objective of conserving and enhancing CH, because of its beneficial effects on society's well-being. Most of these benefits cannot be provided through the market, thus offering a normative rationale for public action to avoid their under-provision. ²

Size and characteristics of public intervention differ across countries depending on the prevailing economic and institutional setting.³ Monetary tools– direct and indirect expenditure - as well as non-monetary ones – regulation- are put in practice in different ways and can be variously combined (Rizzo, 2013). For instance, direct public spending can be implemented either producing CH conservation through public sector departments (at any level of government)⁴ or providing grants and subsidies to other (private or no profit) actors to conserve the CH in their ownership. At the same time, indirect expenditure can be implemented through a wide set of tax benefits and allowances.⁵ Financial means, whatever their form, coexist with regulation, which consists of different types of actions, usually implying enforceable prescriptions and penalties for noncompliance.⁶

These differences cannot be explained on normative grounds, but they are the 'endogenous' outcome of the public decision-making process. If such a process is analysed with a political economy approach, CH policies can be described as negotiations, taking place among several actors, leaving room for conflicting demands of conservation and wide scope for interest groups. As Holler & Mazza (2013) point out, CH policy decisions occur in a complex

¹ These benefits have efficiency and equity implications. For example, CH conservation positively impacts on local development, improves education, enhances the sense of community and identity, promotes national prestige and, at the same time, fosters social inclusion and reduces social and economic barriers.

² Market fails because of externalities, public goods, information problems as well as the role of CH in generating option, bequest and existence benefit and needs to be corrected. For an overview of the normative rationale for public intervention, see Benhamou (2013).

³ Compendium – Cultural policies and trends in Europe (http://www.culturalpolicies.net/web/index.php) provides an overview of how different EU countries address cultural policy issues and offers comparative statistical data.

 $^{^4}$ On this type of direct public spending for CH conservation in Italy, see Guccio & Rizzo (2013)

⁵ For an overview of different forms of tax-expenditure and their pros and cons, see O'Hagan (2020)

⁶ Regulation aims at controlling the stock of CH and involves enforceable acts, such as listing, permissions, authorisations, demolition orders, restrictions on the way restoration and re-use are carried out and penalties for non-compliance. For the analysis of economic issues of CH regulation see Rizzo (2020). Behavioural implications are addressed below, see 4.1.

⁷ The relevance of the political economy perspective for the cultural sector has been recently outlined and thoroughly investigated by Mazza (2020).

⁸ On the supply side, political representatives, CH agencies and bureaucracies operate and interact at different levels of government; on the demand side, different interests pertain to the general public, who finances CH activities, organized groups such as professional associations and voluntary associations, private owners and developers.

system of overlapping principal–agent relationships,⁹ with the related information asymmetries, which appear more severe than in other policy fields. On the one hand, the small size of public expenditure for CH limits public awareness of CH conservation policies and weakens the control on political representatives; on the other hand, the specificity of the knowledge and expertise involved in CH conservation decisions weakens political control on experts and makes public scrutiny hardly feasible.

Because of their knowledge, experts (archaeologist, art historian, architect, etc.) hired by government are crucial in determining priorities on what to conserve and/or enhance (Peacock, 1994) and how as well as on the balance between the conservation of the past versus the promotion of contemporary heritage. ¹⁰ They usually aim at maximizing reputation among the peers, with the related tendency of adopting a conservationist stance, disregarding or at least undervaluing the economic sustainability of their choices so that trade-offs between conflicting objectives underlie a wide range of public decisions in the cultural field concerning, for instance, built heritage conservation as well as archaeological sites. ¹¹

Overall, the design of CH policy tools and their mix provide different set of incentives, impact on the role plaid by the private/no profit actors and affect their behaviour¹². Whether the claimed objective of public action are fulfilled and the desired effects are obtained is an open question, strongly dependent, among the other things, on the reaction of the interested actors. It is increasingly recognized that policy programmes may fail if the determinants of human behaviour are disregarded and that the effects of policies can be better predicted if behavioural features are taken into account. In the remaining of the paper, after a brief overview of main features of BE approach in a policy perspective, attention will be paid on how BE and CH interface and whether suggestions can be derived for the design of related CH policies.

3. Behavioural approach

BE has developed and evolved in the last fifty years, raising criticism as well as increasing attention¹³ in the theoretical and empirical literature and no attempt is made here to offer an exhaustive review. In very simple terms,

⁹ Political decision-makers are the agents of society and, at the same time, the principals of bureaucracy. Public agents are assumed to maximise self-utility and the fulfilment of public interest crucially depends on the incentives and constraints imposed on them.

¹⁰ This issue is further explored below, in Section 4

¹¹ The extension of the concept of CH experienced in most Western countries as well as the constraints imposed on the development of the areas surrounding archaeological sites offer clear evidence. More in general, on the sustainability of conservation policies, see Rizzo (forthcoming).

¹² See, below Section 4.

 $^{^{13}}$ Recently, Truc (2018) provides an overview of the evolution of BE and its relationship with the 'mainstream'.

for the purpose of this paper it is worth recalling that BE uses insights from psychology into standard economics for a more accurate understanding of human behaviour and to pursue such an aim, BE is often complemented by laboratory or field experiments.¹⁴

Following Della Vigna (2009), three types of deviations from the standard economic theory occur in each step of the decision-making process: individuals have non-standard preferences (such as preferences for fairness, time-inconsistent preferences and reference dependent preferences), non-standard beliefs (e.g., the over-projection of current tastes on future tastes) and engage in non-standard decision-making (for instance, in response to framing of choices, menu effects, ¹⁵ social pressure, limited attention or emotions).

Congdon *et al.* (2011) provide a different categorization of deviations from the standard economic model of decision-making, mainly aimed at addressing policy problems: imperfect optimization (individuals make errors because of limited attention, limited computational capacity and biased reasoning), bounded self-control (individuals choose and act in ways that are time-inconsistent and find difficult translating intention into action because of procrastination and temptation, channel factors, state and affect, and addiction) and nonstandard preferences (e.g., reference-dependent preferences –implying endowment effect, loss aversion, and status quo bias– as well as other-regarding preferences, such as altruism, fairness, social norms, and interpersonal preferences).

Whatever classification is chosen, the above mentioned nonstandard features are often related and markets and institutions responses to them have been investigated in several fields, such as consumption, saving and investment decisions, employment, crime, health, insurance, environment, just to quote some of them. In what follows, only some of the main BE issues arising in policy design will be sketched, having in mind their implications for CH policies.

BE can inform policy design in many ways, ranging from non-regulatory and non-fiscal measures to behavioural economic-informed regulatory interventions.

With respect to the former type, 'nudging' (Thaler & Sunstein, 2008) is the most popular and debated approach. On the grounds of insights from psychology, suggesting that people use suboptimal heuristics to simplify complex decisions, 'nudges' are meant to steer individuals in a specific direction, without forcing them to do anything (so-called libertarian

¹⁴ For a review of the debate on the scientific relevance of the experimental approach in economics, confronting laboratory and field experiments, see Serra (2012).

¹⁵ Examples of suboptimal heuristics to simplify choices out of a large menu are preference for the familiar (a familiar option is chosen to simplify complex decisions) preference for the salient (salient features of the environment command attention) or choice avoidance (the default action may be favoured to avoid choosing).

paternalism), thus diverging from traditional policy tools, which affect individual behaviour with economic incentives (e.g., subsidies or fines) or with mandates or bans.

'Nudges' affect the 'choice architecture', designing frameworks of choice that help people making feasible rational choices (Santos, 2011). 'Nudges' aim at influencing people's choices toward activities which are desirable for public goals, for instance, saving for retirement, eating health food, saving energy or paying taxes on time, without changing economic incentives, with policy-makers being considered the 'architects'. Indeed, at policy level, governments appear to be interested in 'nudging' for law and policy design so that Behavioural Insights Teams have been created and are very active in several countries. ¹⁶ The incorporation of BE insights into policy-making, however, shows a high degree of variability, their strength also depending on the country different cultural and social settings (Alemanno & Spina, 2014).

Indeed, 'nudging' is a label including different types of actions such as, for instance, reminders, warnings, recommendations, default rules, ordering of items, appeals to social norms, disclosure of relevant information, which affect individual choices in different ways, their influence depending on their interaction with the above-mentioned specific behavioural tendencies. In a policy perspective, Sunstein (2016) outlines the relevance of the distinction between 'noneducative nudges' (so-called System 1, e.g., graphic warnings and default rules), which benefit from automatic processing and 'educative nudges' (so-called System 2, e.g. statistical information and factual disclosures) which benefit from deliberative processing. 'Noneducative nudges' exploit individual cognitive biases and decisional inadequacies (for instance, the effectiveness of default rules relies on the power of inertia while the ordering of items influences choices because of the selective nature of attention). 'Educative nudges' specifically aim at increasing people knowledge, for instance by making clear the salience of relevant facts, to make individuals more aware of their choice.¹⁷

Hertwig (2017) outlines a distinction between 'educative nudges' and another kind of non-fiscal and non-regulatory intervention, that is 'boosts', arguing that the latter, rather than just offering relevant information,¹⁸

¹⁶ The first and most known is the UK Behavioural Insights Team, which since 2010 operates on many subjects, such as healthcare, tax, energy conservation, crime reduction or employment (Halpern, 2015). The USA Social and Behavioral Sciences Team was created in 2014 and many other countries – e.g. Australia, Germany, the Netherlands – established their own behavioural science units. On the rise of Behavioural Teams across the world, see OECD (2017).

¹⁷ A nationally representative survey in the United States finds evidence that, in important contexts, most people do prefer System 2 nudges (Sunstein, 2016). In more general terms, surveys run on six European countries (Denmark, France, Germany, Hungary, Italy and United Kingdom) show a majority support for nudges, though with differences across countries (Reisch & Sunstein, 2016).

¹⁸ The distinction is not unanimously agreed. Sunstein (2016) defines 'boosts' as a subset of 'educative nudges'.

explicitly aims at expanding decision-making competences¹⁹ and developing new ones so that individuals are able to make choices in line with their objectives and exercise personal agency. 'Boosts' rely on the assumption that bounded rationality does not prevent individuals from making good decisions, provided that they are able to adopt simple decision strategies in the appropriate contexts.

Leaving aside terminological distinctions, however, it is worth noting that these different kinds of tools raise important questions about agency, autonomy and welfare. In a welfare perspective, the choice depends on the comparative assessment of related costs and benefits while, in another perspective, the issues related to agency and autonomy are crucial. Whether 'nudging', indeed, favours individuals' autonomy is highly debated, a widespread critique referring to the legitimacy of libertarian paternalistic interventions since it is difficult for the 'choice architect' to understand the individuals true preferences and, thus, effectively respect their autonomy (Rebonato, 2014). 'Nudging' essentially manipulates and exploits cognitive and motivational biases rather than overcoming them or promoting informed choices. The implications of this argument deserve special attention in a political economy framework in which 'choice architects' may not act benevolently and policy decisions may be affected by lobbies and conflicts of interest.²⁰ As Schubert (2017) outlines, policy makers are in favour of 'nudges' because they are not politically costly, 21 may want to exploit the possibility of creating preferences through 'nudging' and maintaining or even extending biases, to continue to influence individuals' behaviour. Nor there are reasons to believe that public officials are not subject to the same psychological biases and limitations as all individuals.²² In such a context, welfare and autonomy would call for citizens, which are informed and able to make competent choices.

'Nudges' in their various forms, however, cannot be considered the only way for pursuing policy objectives nor they crowd out traditional public tools. Benartzi *et al.* (2017), comparing 'nudges' and standard policies in four domains (retirement saving, college enrolment, energy conservation, influenza vaccination) outline that 'nudges' are more cost-effective than traditional tools but that the latter are likely to work better whenever private

¹⁹ Competences can be context-transcending, such as statistical literacy, or relatively context-specific, such as making fast and good decisions in a professional (e.g., medical) context (Grüne-Yanoff, & Hertwig, 2016).

²⁰ See above, Section 2.

²¹ With respect to traditional regulation, 'nudges' are easier (can be implemented administratively and do not require a complex legislative process) less visible (exploit cognitive biases of which individuals are unaware) and manipulative (shape preferences and reduce voters' resistance).

²² The behavioural political economy suggests that the actors of the political arena – voters, policy makers and government officials – are driven not only by self-interest but also by bounded rationality (Schnellenbach & Schubert, 2015). The implications for CH decision-making are analysed in 4.3.

interests diverge from public ones (for instance, in the case of externalities). Indeed, in contrast to the anti-regulatory stance of 'nudging', BE findings can contribute to decisions on where and how regulate to prevent socially undesirable private activities.²³ 'Nudges' are better considered as a complement to traditional regulation, rather than a substitute for it (Bhargava & Loewenstein, 2015).²⁴ In other words, BE is well beyond 'nudges'. It may offer not only new policy tools, but also a better understanding of the effects of existing policies - with the result of helping the implementation of individual stated preferences or of changing individual evaluation of costs and benefits of different choices or of improving people's competence to make their own choices – (Madrian, 2014).

So far almost no attention has been paid to the cultural field and this is not surprising being cultural policy a 'niche' area of government intervention. However, the expansion of experimental methods and BE is increasing and as Seaman (2009: 10) outlines, "the degree to which cultural economics has or has not embraced these new ideas is an important issue in evaluating its development."

4. Behavioural 'hints' for CH policy-making

BE may offer some hints to inform the design of CH policy-making. Some of the 'anomalies' investigated and/or assessed through experimental evidence might affect individual behaviour in the CH field and, hence, appear relevant for policy decisions (Rizzo, 2018).

A first area of interest is regulation, which plays a major role in CH conservation, with the objective of controlling the stock of CH and correcting the negative externalities produced by harmful private activities, which do not take into account the social and non-market values of CH. These benefits occur not only in the case of outstanding CH but also in the conservation of 'minor' CH artefacts. For instance, the conservation of 'minor' historic buildings, which usually are located in historic centres and are mostly in private ownership, generate public goods, since everyone can enjoy the view of their façades and benefits from the improvement in their state of repair. On the other hand, alterations of the buildings, the use of less costly but inadequate techniques and/or materials and improper re-use endanger the integrity of the buildings generating negative externalities, comparable to the environmental ones.

To address these market failures, the standard 'recipe' to correct negative externalities is based on command-and-control mechanisms, involving

²³ Behavioural economic-informed regulatory interventions are labelled as 'budges' (Oliver, 2013), an example being traffic light food labelling (green for healthy foods and red for energy rich food).

²⁴ Baldwin (2014) outlines that it might be difficult combining 'nudges' and traditional regulation: 'nudging', which is meant to be not visible, may reduce the effectiveness and the transparency of traditional regulation tools.

enforceable acts and penalties for non-compliance.²⁵ It implies detailed regulation on each step of the conservation process from the identification of the allowed uses to the prescriptions of restoration requirements (e.g., materials or techniques to be used) as well as the pervasive control on their fulfilment. There is no evidence on the cost-effectiveness of such an approach but it might be argued that its implementation requires the allocation of resources in monitoring activities throughout all the conservation process.

BE may help to inform more cost-effective mechanisms to change behaviour, making easier the functioning of the policies that are already in place. For instance, features of non-standard preferences – such as otherregarding preferences, which have been found to affect choices in the environmental field²⁶ because of the important role plaid by social norms in influencing pro-environmental behaviours (Congdon et al. 2011) potentially apply to the externalities related to CH conservation, too. BE hints would suggest framing individuals behaviour in terms of social norms or expectations to promote CH conscious behaviour. For instance, in this case managing restoration plans based on sharing CH awareness as well as social norms and habits about CH uses might turn up as effective means to foster pro-social behaviours. Improving owners' knowledge about their neighbours' behaviour in terms of the quality of the restoration implemented could also stimulate private good practices in CH restoration and use. This might be done sending periodical newsletter and/or also promoting meetings to allow communication among the interested parties or giving publicity about best practices, enhancing reputational motivation.

The effectiveness of these actions might be favoured by the fact that owners of old buildings located in historic districts, that is, a place rich of identity, might feel part of a group because of their belonging to the same historic district. There is some evidence that pro-social behaviour is affected by the institutional environment (Meier, 2007) suggesting that people tend to cooperate more with their in-group than with individuals not part of their in-group. Theoretical and experimental research has also outlined that endogenous affective relationships, e.g., social ties that people develop while interacting in networks, make them care about each other and can facilitate collective action (van Winden, 2015). As potential policy implications it is suggested that direct democracy²⁷ as well as education may be effective in

²⁵ In some countries, regulation is complemented by financial incentives to private owners, such as subsidies or tax-expenditures in the forms of tax reductions and tax allowances.

²⁶ Field experiments on residential energy consumption offer some evidence in this direction: individuals who receive Home Energy Reports, comparing their energy use to that of their neighbours and providing energy conservation suggestions, reduce their consumption (Allcott, 2011). There is a difference between effects on behaviour and effects on welfare: as Alcott & Kessler (2019) outline, the welfare gains are usually overstated because the costs incurred by 'nudge' recipients are ignored.

²⁷ Mazza (2020) suggests caution in the use of referendum, among the other things, because the lack of political filters between referendum results and their implementation might be risky, especially if voters deviate from rational expectations and hold irrational beliefs.

favouring the persistence of positive social ties. In the CH field this might imply promoting at local level forms of direct political participation²⁸ on issues related to CH conservation as well as educational activities for youngsters.

Another interesting area of investigation refers to the provision of a public good such as CH conservation and to the related funding issues. A common tenet in economics is that individuals tend to free ride since they cannot be excluded from using the public good, thus generating under-provision and providing a rationale for government intervention. Yet, because of the continuous enlargement of the boundaries of CH concept,²⁹ the sustainability of CH conservation policies, especially in presence of public budget stringencies, would call for reducing the pressure on public funding and increasing the strength of private support.

Indeed, free riding is less widespread in real life than the standard economic theory would predict because individuals in some cases behave pro-socially and not following just their self-interest. The theoretical and experimental literature on behavioural explanations for pro-social behaviour mainly in the domain of charitable giving, is very extensive, ³⁰ from pure altruism and warm glow motivations to conditional cooperation, depending on what others do in relation to social norms, peer effects or reciprocity (Gatcher, 2007). Positive seed money effects can be also considered a related phenomenon, though charitable giving might increase also because of the related positive signal of quality of the charity or of the right amount to give (List & Lucking-Reiley, 2002). Moreover, there is some evidence from field experiments on door-to-door charitable giving that social pressure – and not only social preferences- affect giving (Della Vigna *et al.* 2009).³¹

In a public good environment, Bault *et al.* (2017) find that interaction experiences, creating social ties, make people care about others and adapt their own contribution to counterpart's contribution, such an influence persisting in time and alimenting long lasting relationships. Laboratory experimental evidence also suggests that cultural differences affect voluntary contributions to public goods and, therefore, that these differences need to be taken into account in the design of charitable-enhancing policies (Finocchiaro Castro, 2008).

To favour private giving, actions based on strong social signals, peer effects, 'anchoring', personalized messages or matched funding schemes have

²⁸ Frey (2013), using the data of 164 cultural expenditure referenda in Swiss cities in the period 1950-2001, provides evidence that a high percentage (84 percent) were approved by the electorate and that direct democracy may ensure the quality in cultural decisions such as, for instance, the public acquisition of art.

²⁹ See above, Section 2.

³⁰ For a survey, see Meier (2007).

³¹ Experimental evidence also shows that welfare effect of the door-to door campaigns is negative: donors would prefer not to be contacted by the fund-raiser either because they would like not to donate or to donate less.

been proposed (Team B.I., 2013).³² These are also relevant for the cultural sector and, in fact, most are already practiced in fundraising, especially for private or no-profit museums and cultural organizations that cannot heavily rely on public funds and, therefore, have strong incentives to get additional income and donations.³³

A closely related policy hint is that the effects of monetary incentives aimed at changing behaviour should not be taken for granted whenever pro-social behaviour, such as the contribution to a public good, is involved, and need to be examined carefully. In some cases, extrinsic incentives may undermine or even crowd-out³⁴ intrinsic motivations to behave pro-socially or may come into conflict with image motivations (Ariely, et al., 2009). For example, there is some experimental evidence, that the introduction of monetary incentives might reduce individuals' willingness to donate blood (Mellström, C. & Johannesson, M., 2008) or the work motivation of volunteers (Frey & Goette, 2000). Incentives are also investigated for their effects in fostering good habits. As Gneezy et al. (2011) report, for instance, experimental studies show that programs to incentive gym practice have positive effects which last even without the extrinsic reward, the effect being significant for those who had not practiced regularly before and being reinforced by the involvement of others belonging to the same social network. Overall, evidence is variegated because the effects of incentives depend on several factors such as their design, whether they are monetary or not, on their interaction with individuals' intrinsic and social motivations and on what happens after they are withdraw (Gneezy et al., 2011).

These BE hints are relevant in the CH field since cultural policy agenda in many countries has focused on tax incentives to foster private giving and would suggest that relying on tax concessions might have undesired effects. This is not to say that financial incentives never work, but they must be approached very carefully when the desired behaviour has a pro-social element. For instance, the timing of incentive payments can impact on their effectiveness and, as a consequence, the temporal delay related to tax incentives, may weaken financial motivation. Research on the effects of tax salience on behaviour (Congdon *et al.*, 2011) would suggest that immediate incentives might work better than delayed ones.³⁵

Moreover, the role of cultural differences in explaining different voluntary contribution suggest caution in 'importing' incentives schemes from other

 $^{^{32}}$ Other suggestions refer to the timing of donation, to default options to increase membership level or to make donations easier.

³³ On the impact of institutional factors on museums' behaviour, see Frey & Meier (2006).

³⁴ Negative effects on behaviour arise only if the standard relative price effect dominates the motivational crowding-out effect and this is likely to occur when incentives are small.

³⁵ Rees-jones, & Taubinsky (2016), with respect to USA, outline that shifting the deadline for charitable giving from the end of year to the tax day, when the attention to tax rules is very high, would increase the salience of the incentives administered through the income tax and, therefore, their influence on behaviour.

countries since the cultural and institutional context matters, affecting the salience of social norms motivating private giving. Indeed, the accountability³⁶ and transparency of the recipient institutions can be an important factor to create a favourable environment for private giving, because it increases the returns on donors who are intrinsically motivated (Bertacchini *et al.*, 2011).

Indeed, in such a perspective, it is also worth noting that in recent years, to face the constraints of persistent budget stringencies, increasing attention has been paid to strengthen the relationship between CH and the public and to enhance the role of society to support CH in its various forms. An interesting example of such a tendency is offered by the spread of the so-called 'community archaeology', aimed at integrating local communities into the archaeological process, to foster the knowledge and awareness of the past and generate educational and social values such as sense of place and community spirit (Simpson, 2008).

Further behavioural hints specifically refer to the CH field. Ch'ng *et al.*, (2014), using the conservation of heritage shophouses in Penang (Malaysia) as case study, experimentally test the positive effects on individuals' voluntary contribution of providing them with cultural and historical information (about their ancestral roots and the cultural importance of these houses in shaping their culture). Thus, information promoting individuals' understanding and a sense of belonging appears a useful tool for voluntary support to public good provision.

Lee *et al.* (2017) empirically test how the concept of loss aversion³⁷ –generating the endowment effect– affects the willingness-to-donate. They find a significant positive impact, though with differences depending on the type of visitor³⁸ (to the Royal Scottish Academy in Edinburgh) and offer some suggestions on how to formulate communication messages and appeals for financial support.

Bertacchini *et al.* (2011) empirically investigate the determinants of charitable giving to Italian cultural institutions, finding that the accountability of the recipient institutions has positive effects on intrinsically motivated donors.

As far as cultural participation is concerned,³⁹ field experimental evidence on the motivation of students to visit a museum in Florence shows that intrinsic motivations may be more salient than extrinsic rewards in the long

 $^{^{36}}$ CH organizations operating in arms' length systems (as in UK) are held more accountable toward their stakeholders than 'state-driven bureaucratic' systems (such as, for instance, the Italian one) (Van der Ploeg, 2006).

³⁷ Loss aversion relies on the asymmetry between losing something one already has and the prospect of gaining something new, leading individuals to value losses more than gains.

³⁸ Significant positive loss aversion effects on donations are found for frequent gallery—goers, while the gain-framed scenario appears to be more effective for non-frequent gallery—goers.

³⁹ For an overview of different forms of cultural participation and underlying motivations, see Ateca Amestoy (2020).

term, suggesting to not overestimate the benefits associated to the latter (Lattarulo *et al.*, 2017).⁴⁰

Behavioural anomalies also affect the public decision-making process, so that government policies often tend to incorporate rather than to overcome them.

Biases in decision-making are most likely to arise in policy areas which are emotionally charged, such as health or welfare programs, since the "affective focus on the goodness or badness of the proclaimed intentions is likely to trump the evidence of real effects" (Tasic, 2011: 8). This seems to be the case also as far as CH conservation is concerned. This is a policy area which is emotionally charged since decisions regarding preservation and reuse affect CH existence and, as a consequence, impinge on the sense of identity and belonging of a community. In such a situation, the evidence of possible adverse consequences, for instance the economic unsustainability of a conservationist stance, are unlikely to discredit a decision that is perceived to be well intentioned.

Looking at the role of expertise, which is crucial in all policy areas, it is also worth noting that some laboratory evidence with respect to economic policy decisions, shows that experts are susceptible to framing effects⁴¹, suggesting caution on their effective help to make better policy decisions under risk (Kuehnhanss *et al.*, 2015). Research on behavioural anomalies analyses experts' behaviour as far as regulation is concerned. For instance, Viscusi & Gayer (2015) notice that regulators tend to misuse behavioural findings, showing systematic bias in favour of information supporting the extension of regulation rather than reducing and softening it. Tasic (2011) suggests that cognitive biases based on overconfidence underlie the appeal for regulation.

Experimental evidence on behavioural anomalies in other domains may also provide further insights to explain the propensity for CH regulation and its direction. For instance, individuals have systematically incorrect beliefs in the projection of their current preferences into the future – e.g. a projection bias –expecting that their future preferences will be too close to present ones. (Della Vigna, 2009). In the CH field such a cognitive bias may contribute to explain the conservationist approach, ⁴² relying on the widely accepted assumption that future generations' preferences are similar to present ones. Biased CH policies in favour of the past versus the future lead to the enlargement of the boundaries of the CH concept, affect the choices regarding the preservation of CH as it is versus innovative forms of re-use and, in a

⁴⁰ The reward (extra-credit points toward school grade) is effective in the short term but it does not generate a change in behaviour in the long term, classroom visits and direct communication by museum staff being a more effective way to increase students' cultural consumption.

⁴¹ The framing effect refers to the fact that two decision problems, though equivalent, generate different responses if they are framed differently.

⁴² See, above, Section 2.

wider perspective, the balance in allocating resources between the conservation of the past versus the promotion of contemporary architecture. The implications are very important for the development of urban historic environment, an example being offered by the heated debate opposing conservationists against planners and developers about the appropriateness of inserting contemporary architecture in historic urban areas (Macdonald, 2011).⁴³ The issue is highly controversial, especially whenever it involves iconic buildings, the question at stake being whether they fit within the already iconic historic city or even whether these 'celebrity' buildings are deemed to replace the monuments (Jencks, 2006).

Similar implications for biased policies in favour of the past, may derive by other 'anomalies'. For instance, the endowment effect, with the related asymmetry in willingness to pay and willingness to accept, has important implications for CH decisions because such inconsistencies in the elicitation of contingent valuations affect the evaluation of the welfare effects of conservation projects.⁴⁴

Moreover, a systematic bias in decision-making, such as the preference for the familiar, which implies choosing a familiar option to simplify complex decisions (Della Vigna, 2009), if coupled with the prevailing academic expertise of regulators (archaeologist, art historians, conservators) may also affect policies in favour of the past. Overall, to meet the challenges of the biased trade-off between the preservation of the past and the promotion of contemporary heritage there might be a need for enlarging the scope of professional training for CH regulators and at the same time, on the demand side, for promoting education policies oriented toward contemporary heritage.

The shortcomings related to the functioning of the decision-making process also strengthen the importance of reducing the asymmetrical information, endemic to cultural policies, to increase public officials' accountability and promote trust in public institutions. In principal, digital technology may have a potential beneficial impact in enhancing the transparency of the decision-making process. The effectiveness of web information, however, cannot be taken for granted. Behavioural insights about 'limited attention' (Della Vigna, 2009) suggest that the format is important to present information as well as its degree of complexity.

To what extent CH institutions engage in transparent communication, providing relevant and easy-to-process information to their stakeholders to be responsive and accountable is an open question, the answer depending on the incentives and constraints they face.⁴⁵ In a wider perspective, digital

⁴³ In the early 2000s, some World Heritage sites were placed on the List of World Heritage in Danger, due to the potential threat to their outstanding values resulting from the plan of contemporary architectural developments.

⁴⁴ For a discussion on the criticism toward Contingent valuation, see Haab *et al.* (2013).

⁴⁵ Funding systems, methods of appointments and performance assessment criteria are some factors which can be relevant in affecting CH institutions' behaviour.

technologies can be also a powerful tool for committed CH institutions to improve people understanding of CH and, thus, foster their motivation to support its conservation (Rizzo, 2016).

5. Concluding remarks

The paper offers a preliminary look at the relevance of behavioural insights for CH conservation policies, a topic which so far has received scarce attention, offering some tentative suggestions for policy implications and for future research

Behavioural insights about the relevance of social preferences and social ties might enhance the efficacy of traditional 'command and control' regulation in the correction of the externalities related to CH conservation, for instance, fostering CH consciousness and awareness about others' behaviour, strengthening networks and promoting at local level forms of direct political participation on issues related to CH conservation as well as educational activities for young people.

Moreover, behavioural findings about the drivers of pro-social behaviour and the effects of incentives schemes would suggest to enlarge the CH policy design beyond the provision of monetary incentives, enhancing intrinsic motivations through long-term policies aimed at promoting education, awareness of cultural and historical values and cultural participation habits. At the same time, the motivation of pro-social donors can be enhanced increasing the transparency and accountability of recipient institutions through governance systems aimed at fostering their commitment toward the public.

Behavioural anomalies such as projection bias or preference for the familiar would suggest a bias in the CH decision-making process toward conservationist approaches and unbalanced CH policies in favour of the past, calling for paying attention to experts' selection criteria and academic training as well as to education policies oriented toward contemporary heritage.

Overall, most behavioural studies also call for the improvement of individuals' decision-making competences. Policies in such a direction appear especially important in the CH field to reduce the consequences of endemic asymmetrical information, having in mind, however, that attention is a limited resource and, therefore, the complexity of information and the format of presentation are important for its effectiveness. Thus, again strategies to induce CH organizations to be accountable and transparent are called for.

More theoretical and empirical research would help to investigate in which institutional contexts in the CH domain behaviourally informed interventions perform well in connection with existing traditional tools. On the supply side, further research in a behavioural perspective might throw some light on the effectiveness of incentives schemes to enhance bureaucratic accountability and avoid possible motivational crowding effects of performance-related rewards, such an issue being especially relevant in the

CH field because of the specific features of the expertise involved. Looking at the demand side, a line for future research might refer to the long-term impact of behaviourally informed incentives schemes on the formation of cultural participation habits, a crucial factor to promote engagement and understanding, as conditions for the sustainability of CH conservation policies.

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