

# Cultural Heritage in Times of Economic Crisis

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## State of Knowledge and Current Debates

Applied archaeological practice, as a means of investigating and protecting archaeological sites, landscapes and material, is a young profession that emerged across the world during the 20<sup>th</sup> century. As a practice that has become increasingly linked to land-use change and development expenditure, it has been impacted upon by all of the crises that the global economy has gone through in the 20<sup>th</sup> and 21<sup>st</sup> centuries.

The Great Depression of the 1930s led to the first examples of archaeological practice being affected by an economic crisis. In the United States, the recovery plans of President Roosevelt's *New Deal* involved federal investment in capital projects. This included the Tennessee Valley Authority's dam building programme where extensive archaeological excavations were funded ahead of dam construction and subsequent reservoir flooding (Jameson 2004).

Subsequently, since the early 1970s, there have been four international waves of financial crises and each of these has been followed by recession with impacts on cultural heritage each time. The fourth wave, which began in 2007 and was followed by recession from 2008, was the most severe and the most global since the Great Depression of the 1930s (Kindleberger & Aliber 2011, 1).

Patterson (1999) considers that the emergence of commercial archaeological practice in the United States (as part of cultural resource management) was a consequence of legislative changes that coincided with a transition from Keynesian to monetarist policies in response to the global economic crisis of the 1970s. This crisis followed the enormous costs to the US government of the Vietnam War and the rapid rise in oil prices following the Arab-Israeli War of 1973.

The pre-transformation situation is extensively detailed by Clew (1973), and from that point on the commercialisation of archaeology in the US became the norm. This model has been subsequently adopted or adapted in many states around the world, leading to a significant expansion in the scale of archaeological investigation. The political response to the economic situation of the early 1970s shaped how archaeology is undertaken and this has been the most significant effect of economic crisis upon archaeological practice.

In the United Kingdom, recession at the start of the 1980s led to a lengthy period of mass unemployment. The *Community Programme* of the Manpower Services Commission (MSC), a governmental agency established to introduce unemployment relief measures, funded a very significant number of archaeological projects. These initiatives – like those of the Tennessee Valley Authority fifty years before – aimed to provide work for unemployed individuals, and tended to be labour-intensive excavation projects. British archaeology became significantly reliant upon MSC funding, and by 1986-7, the majority of individuals working in UK applied archaeology were employed on MSC projects (Sheldon 1986).

The UK economy recovered in the late 1980s. The expanding economy led to increasing demand for urban redevelopment, particularly in the City of London. In order to rapidly expedite archaeological work ahead of

this construction work, some developers began to directly fund archaeological projects (Spence, 1993: 24). At the same time, unemployment was falling and the MSC programme was wound up, leaving a substantial publication backlog as that funding stream had focussed on highly visible, labour-intensive excavation. However, during another period of recession in 1990-91, approximately 300 staff were made redundant by the Museum of London (Young & O'Sullivan 1991).

There were also state programmes to reduce unemployment in Germany in the 1970s and 80s, the most significant of which for archaeology was the ABM (Arbeitsbeschaffungsmaßnahmen); this was continued post-1989 in the Länder of former East Germany. Across central and eastern Europe the years of transition from 1989-1996 (the year in which Poland's GDP surpassed its 1989 level) were marked by significant reductions in the education and culture budgets which had previously funded archaeology (Lozny 2011, 27). Following the transition period the polluter-pays principle was widely adopted, removing archaeology's reliance on state funding, but in turn exposing archaeological practice to the risks of market engagement.

The Asian Financial Crisis affected east and south-east Asian countries from mid-1997, with the most significant impact on archaeological practice being in Japan, where a system of pre-development archaeological intervention had emerged in response to economic growth, rather than through legislative direction (Okamura & Matsuda 2010).

The Japanese economy had entered an extended period of stagnation five years before, leading to the Japanese economy stabilising into a 'lost decade' – subsequently updated to be described as the 'lost two decades'. The annual number of pre-construction excavations in Japan peaked in 1996, with a decline following the onset of the crisis, but then stabilising at around 75% of the 1996 level from 2000 onwards (Ikawa-Smith 2011, 696; Okamura 2011, 78). There was a decline in the number of individual archaeologists working in Japanese archaeology but this was not dramatic – between 2000 and 2013, the workforce shrank by 17% (less than 1.5% per annum [Zorzini 2013, 9]). Economic stagnation reduced worker mobility (90% of Japanese archaeologists work for local government or semi-public foundations [Okamura 2011, 77]) and to reduce opportunities for new entrants – only 3% of 'field' archaeologists were aged in their 20s in 2008 (*ibid*, 85). As stagnation continued after 2008, while governmental archaeological services appeared to remain secure, some private companies began to enter the market and a trend towards this model was being recognised by practitioners (Zorzini 2013, 16).

Before 1991, archaeology in the USSR featured “the world's largest network of archaeological research (Dolukhanov 1993, 150), with wide-ranging organisations and state funding - but following the end of the Soviet Union in 1991, “... the deep economic crisis combined with the painful transition to the market economy has resulted in considerable reduction in the funding of fundamental sciences and particularly of the humanities” (*ibid*). In a situation where the collapsed system was left in a chaotic financial state, archaeology had to rapidly adapt to the realities of the market economy, with the first private sponsorship of excavation in Russia taking place in 1992

A subsequent economic crisis in Russia in 1998 had little immediate impact upon archaeology, but two years later the effects of recession on the building industry then led to a significant reduction in the amount of archaeological work being undertaken (Engovatova 2010, 100). Recovery was again threatened by the effects of the global crisis from 2008, but investment in infrastructure projects protected the sector from immediate effects (Kradin 2011, 248; Engovatova 2010, 101-2).

The scale of the global financial crisis of 2008 and subsequent investment to stimulate recovery by national governments was vastly greater than any of the previous crises. John Lanchester suggests that it cost the US taxpayer \$7.76trn, more "than the cost of the Marshall Plan, the Louisiana Purchase, the 1980s savings and loans crisis, the Korean war, the New Deal, the invasion of Iraq, the Vietnam war and the total cost of NASA including the moon landings, all added together [and adjusted upwards for inflation]" (Lanchester 2010).

The impact on archaeological practice was considerable. Different approaches to market engagement were central to the visibility of the effects of the economic crisis on archaeological practice in different countries around the world, and the impact was most immediately visible where archaeology was most commercialised and relying primarily on private sources of funding (Aitchison 2009b).

Altschul and Patterson (2010) estimated that approximately 11,350 people worked as professional archaeologists in the United States in 2008, with spending on cultural resource management between US\$600m and \$1bn at that time, which was just as the crisis was beginning to break. While US federal expenditure on archaeology remained roughly constant in the short term through the indirect benefits of federal economic stimulus legislation (*The American Reinvestment and Recovery Act (ARRA)* was signed into law by President Obama in February 2009), private sector spending on cultural resource management dropped significantly in 2009 and ARRA funding was slow to come on stream (Altschul 2010, 104-5).

Archaeological work in the UK is largely commercialised and very closely linked to land use change and property development, with 93% of all archaeological projects in 2007 being initiated through the land-use planning system (Aitchison 2009a). The volume of housebuilding began to decline from 2007 and effectively halted in the autumn of 2008, with applied archaeology being seriously and rapidly affected (10% of all jobs in archaeology were lost in the six months to April 2009, and spending by developers on archaeology fell by 12% between 2007-08 and 2009-10 [Aitchison 2010, 26]).

State funding for national and local government archaeological agencies in the UK then fell considerably from 2010, with numerous individual archaeological advisers losing their jobs and the effective levels of protection for archaeological sites and landscapes being reduced (Aitchison 2011).

In Ireland, the effects of the economic crisis were even more extreme. Irish archaeology grew at a remarkable rate in the early 21<sup>st</sup> century, funded by infrastructure projects that were accessing European Union support and by a private housing boom. The numbers of individual archaeologists in employment increased by 263% between 2002 and 2007, from 650 to 1,709 (McDermott & La Piscopia 2008: 5). When the crisis led to the end of the building boom, “between July 2008 and January 2009 there was a 52% reduction in the total number of archaeological staff employed in Ireland . . . an 82% reduction in contract [commercial] archaeologists employed in the same period” (Eogan & Sullivan 2009). By early 2011 it was estimated that only 350 people were still working in the sector (Heritage Council 2011).

All across Europe, public debt before 2007-08 was often high, and one of the direct effects of the crisis was a steep deterioration in government finances and an increase in government debt. Countries that were particularly exposed to this were forced into cutting spending and implementing austerity budgets. The effects of this were most significant in Greece, where the recession lasted from 2009-2017 (Pagoulatos, 2017). Almost all archaeological work and site management in Greece was financially dependent upon the state and sweeping budget cuts impacted on both staff numbers and the public accessibility of archaeological sites and museums (Howery, 2013) – and there was also a significant rise in site looting and artefact trafficking (*ibid.*).

In the developing world, the threats to cultural heritage are a different order of magnitude entirely. The relative poverty of countries that are essentially in perpetual economic crises makes the consequences of underinvestment in the management of cultural heritage significant, in terms of how heritage – monumental, portable and intangible – is, or is not, protected.

Commercial archaeology has been described as an economic canary (Schlanger 2010), vulnerable to rapid changes and one of the first sectors to suffer the impacts of economic crisis. Because archaeology has received funding in times of crisis from capital expenditure programmes (and unemployment reduction initiatives), some mistakenly believe that crises have a positive effect on archaeology (such arguments are presented by Merrony & Eisenburg [2009] and are critiqued by Altschul [2010, 104]). The amounts spent on

archaeological practice through these measures in the years following 2008 were insignificant when compared with the sums that were being invested by developers and other funders pre-crisis.

All of the crises discussed here have had significant and long-lasting effects on the delivery of archaeological practice and upon the careers and livelihoods of individual archaeologists, and thus upon the protection of the material remains of the human past.

In the US in the 1970s and in the UK in the 1980s economic crises led to the structural reorganisation of archaeology following the models of “neoliberalism or late capitalism” (Zorzin 2013, 5). The global political changes that followed the economic crisis of 2007-08 have been a rise in populism and nativism. These have not yet led to structural changes in the global economic order, and as yet no transformations comparable to the anglophone experiences of the 1970s and 80s have changed the way that cultural heritage management is undertaken.

## Cross-References

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## Further Reading

none

## Figure Captions

none