THE ECONOMIC VALUE OF RURAL LANDSCAPE: AN APPLICATION TO THE AREA BETWEEN ISONZO AND TAGLIAMENTO RIVERS (FRIULI-VENEZIA GIULIA)*

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INTRODUCTION

In some respects the idea that the landscape can be priced may appear groundless. The landscape is often associated with cultural and emotional values derived from its aesthetic enjoyment, values which seem absolutely impossible to quantify. On the contrary, several studies both in Italy and abroad have suggested that people have well defined and measurable preferences on rural landscapes (Daniel and Booster 1976; Anderson 1981; Buhyoff et al., 1982; Brown and Daniel, 1986; Gobster and Chenoweth, 1989; Eleftriadis and Tsalikidis, 1990; Brown and Daniel, 1991; Angilieri and Toccolini, 1993; Gregory and Davis, 1993; Tempesta, 1993).

Landscapes in our society can be considered a scarce resource since they can satisfy two kinds of demand, namely the demand for conservation of cultural-historical heritage and that for recreational areas. From various studies carried out in Veneto and in Friuli-Venezia Giulia (Tempesta, 1993 and 1995) it emerged that rural areas located in plains, hills and mountains are used intensively for

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recreational purposes, mainly motivated by the need for enjoyment and relaxation. The link between recreational activity and landscape features is detectable by observing people in their outdoor recreational choices and in their tendency to favor areas with certain landscape features rather than others. The demand for areas for recreational purposes is mainly directed towards those areas of land considered the most pleasant from the aesthetic point of view. To sum up, the historical-cultural and recreational value of the land varies according to the features of the rural landscape and therefore the agricultural land use.

From an economic point of view rural landscape has two particular features. First of all, rural landscape is a pure public good, since the principles of rivalry and excludability from consumption do not apply in this case. Secondly, rural landscape is a farming externality (both positive and negative). It follows therefore that market cannot bring the lay-out of the landscape back to an optimal level from a social point of view. Only public intervention can modify the farmers’ decisions on how to exploit land use in order to produce an optimal landscape quality. Despite the pursuit of a Pareto optimum cannot be achieved by market alone, careful evaluation of demand characteristics will make it possible to search for compromise solutions between marketable goods production and landscape quality. This seems even more important in a sector such as the primary one where the price system is deeply influenced by public intervention. The consumer, therefore, not only pays higher food prices but also, thanks to the existing income support mechanism for farmers, sees a significant reduction in the quality of the rural landscape and the benefits he could obtain from recreational use of the countryside. Moreover, price support significantly raises the cost of any protection or improvement of the landscape itself.

Besides this obvious source of inefficient use of public funds a delay by research in addressing the problems connected to the formation of positive externalities by the primary sector exists. Although the growing interest by agrarian economists in the analysis of negative externalities (AA. Vv., 1988; Braden and Lovejoy, 1990; Hanely, 1991), in the last decade there have been very few scientific contributions on the subject of positive externalities and in particular of the agricultural landscape. Even the valuable contributions carried out in Italy in the field of economic valuation of environmental goods (Venzi and Rivetti, 1989; Romano, 1990; Marinelli et al., 1990; Signorello, 1990; Romano and Carbone, 1993; Signorello, 1994) have rarely linked this value to the characteristics of agricultural land use. Faced with this delay, it is however worth underlining the importance which landscape value estimates (both monetary and qualitative) could assume in better policy decisions in the landscape and agro-environmental field. In particular, with specific reference to policy measures implemented by the European Union since 1985, it would be possible to formulate a judgement on how consistent these measures are with the attributes of the observed demand for landscapes.

The aim of this study is to verify whether it is possible to measure the value of different rural landscapes. For this purpose, a preliminary investigation on