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Cover Photo: Archaeologists defending higher
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ARCHAEOLOGY AND THE GLOBAL ECONOMIC CRISIS

**MULTIPLE IMPACTS,
POSSIBLE SOLUTIONS**

Edited by Nathan Schlanger
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4. United Kingdom archaeology in economic crisis

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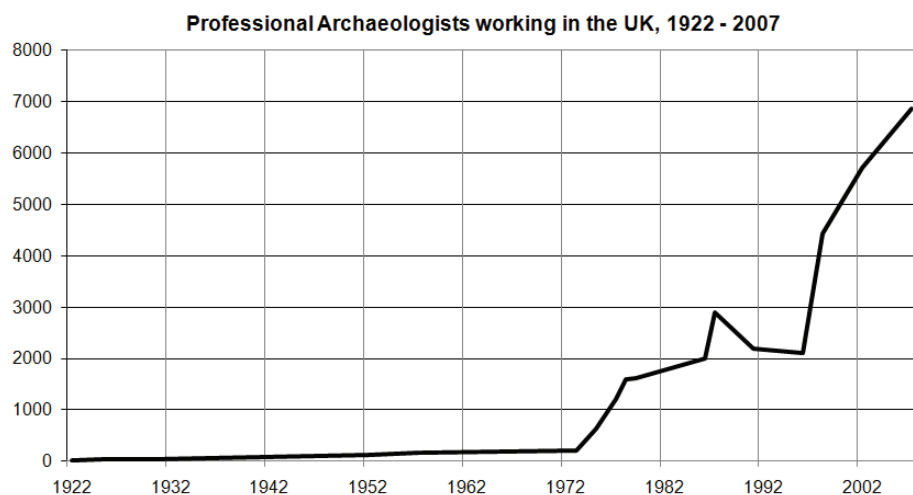
1 Introduction

Archaeological practice in the United Kingdom is essentially a private sector activity, undertaken by commercial companies on behalf of private and public developers. One direct consequence of the global economic situation has been a downturn in the UK construction industry, which began in the summer of 2007 and sharply accelerated in autumn 2008. This decline in construction work directly led to job losses in archaeology.

Following a change of UK government in May 2010, economic policy for dealing with the crisis has switched from the previously held Keynesian approach which sought to refloat the economy through public investment to a set of policies which aim to reduce the national budgetary deficit by cutting state spending. This change in strategy is now directly impacting upon research funding and employment and skills.

2 The boom years and the link to construction

Following the publication of governmental guidance on the treatment of archaeology within the spatial planning system in England in 1990 (PPG 16), archaeology became a material consideration within the planning system. Put simply, this means that the presence or potential presence of archaeological remains on a site where development was proposed would affect whether or not permission would be granted for that development.



It became very rapidly accepted that developers would fund investigations to assess or evaluate sites to identify the extent, degree of preservation and quality of archaeological sites to support their applications for planning permission, and that if needed they would subsequently fund excavation and recording as either

a condition of or an agreement upon their permission to develop being granted. Archaeology had become part of the sustainable development agenda – archaeological remains were recognised as an environmental resource, and if they were to be impacted upon, the polluter would have to pay to mitigate against the damage they were causing.

Within a few years, this system had been replicated in the other constituent parts of the United Kingdom, and the archaeological sector grew at a rapid rate, supported by a housing market that showed rising prices every year from 1992 to 2007. Over this time, housing represented approximately 65-75% of all new construction. In the ten years from 1997, economic growth was maintained not only through the housing boom (and a credit boom that serviced this) but also through large-scale investment in public services.

In 1997-98, approximately 4425 people were working in UK archaeology (in all archaeological roles, not just in development-led fieldwork). By 2007-08, this number had risen to 6865, an increase of 55% over ten years. At this time, two in every three archaeologists worked in field investigation and research roles, and 93% of all archaeological investigations were initiated through the spatial planning process.

3 The downturn hits contractors

In the summer of 2007, in the very week that the employment data for the UK in 2007-08 was being collected through the “Discovering the Archaeologists of Europe” project (see www.discovering-archaeologists.eu), the first signs of the oncoming economic crisis became apparent. The ‘credit crunch’ of 2007 meant that August 2007 marked the peak of the housing boom, and the amount of work being done by archaeology’s clients began to slowly decline.

In the autumn of 2008, the effects of the current global economic crisis suddenly and seriously impacted upon commercial archaeological practice in the United Kingdom. Small- and medium-scale development was effectively halted when the global economic crisis deepened severely to the accompaniment of numerous bank bailouts, rescues and nationalisations.

The effects of September and October 2008 immediately led to hundreds of archaeologists losing their jobs and several archaeological companies going out of business.

Since then, the Institute for Archaeologists has been gathering data on the effects of the crisis upon archaeological practice since the start of 2009, reviewing labour market indicators and business confidence every quarter.

By March 2009, 650 jobs had been lost – the equivalent of 1 in every 6 field-workers’ jobs. This represented about 10% of all the jobs in the entire archaeological sector.

There was a certain level of recovery in the sector during the summer of 2009, but by March 2010 the numbers in employment had returned to the low levels of one year before and archaeological businesses remained uncertain about the future effects of the economic situation. The situation is volatile, and business confidence is low.

Using average salaries and employment levels as indicators, it can be estimated that approximately £148m (€179m) was being spent by developers in 2007-08. By 2009-10, this was likely to have dropped to around £130m (€157m).



4 Heritage management, policies and legislation

The short-lived recovery in the number of archaeological jobs in the summer of 2009 was fuelled by capital investment by the state. A number of planned major roads projects were brought forward as the government deliberately sought to spend on infrastructure to boost the economy, but this was a temporary measure which had ended even before the change of government in May 2010.

The government guidance on archaeology in the planning system in England, PPG 16, which was in many ways the trigger for the growth of archaeological practice during the 1990s and the first decade of the 21st century was replaced in March 2010 by *Planning Policy Statement 5: Planning for the Historic Environment* (PPS 5). This document was not produced in response to the economic situation – it had been in development for approximately eight years – and it will lead changes in archaeological practice. It allows for a greater degree of selectivity in which sites will be investigated, with emphasis being placed upon a site's significance and with a more proportionate level of information needing to be provided by the applicant for planning permission before an application is decided.

PPS5 should have been accompanied by a new law on the historic environment, but this was prevented by the economic crisis. The *Heritage Protection Bill* was dropped from the government's list of proposed legislation in December 2008 as the scale of the economic problems overshadowed all other matters, and then it did not find its way on to the legislative agenda for the final Parliament before the May 2010 general election.

The *Historic Environment (Amendment) Scotland Bill* was introduced to the Scottish Parliament on 5 May 2010, with the intention of harmonising and consolidating legislation in Scotland. This is not related to the economic crisis, but it has to ensure that it does not bring additional cost implications for national or local government.

The number of applications to study archaeology at universities in the UK (which had previously been rising) fell from a peak in academic year 2006-07 until 2008-09, but then (in common with the total number of applicants for all subjects) rose significantly in 2009-10 and again in 2010-11, in response to the eco-

conomic climate as more people sought to enter higher education as an alternative to the uncertain workplace. However, applications to study archaeology were much lower than the aggregate increase for all subjects (the Universities and Colleges Admissions Service identifies that overall applications to universities rose by 23% for the 2010-11 intake, but for archaeology by only 2%).

5 New government and cuts

The Conservative-led government that took office in the UK in May 2010 immediately sought to cut governmental spending in almost all areas. The first direct effect on archaeology and the historic environment has been in the annual budget of English Heritage, the national agency for the historic environment in England, which was cut by £4.8m (€5.8m) in June 2010, an immediate 3.6% reduction of the grant-in-aid received from the state. The Government has already warned that this may be cut further during this year, and future funding for this agency will be determined following the Comprehensive Spending Review in September 2010.

This cut has led English Heritage to reassess current spending on research and priorities, and this has meant that several training initiatives have been stopped.

The amount of money being granted by the state to universities has also been severely curtailed. These cuts, which were first announced late in 2009, can be aggregated up to a total of £900m (€1,080m) across all universities by 2013, and are expected to impact most heavily on staff numbers.

Similarly, the local government settlement through which local authorities are funded will be revised from April 2011, and this will undoubtedly be greatly reduced. This will have the effect of threatening archaeological advisers' posts within local government, which will then directly impact on the local authorities' abilities to manage development proposals which might affect archaeology.

The government is now also no longer in a position to fund as many infrastructure projects (and the associated archaeological work) as previously. The Department for Transport's budgets were cut by £683m (€822m) in May 2010, cancelling or deferring three major roads projects and reducing the railway network's budget.

6 Conservation and public outreach

The economic crisis has had relatively little visible effect upon conservation and public archaeological outreach in the UK so far, although there has been one very high profile casualty of the current Government's spending cuts – the funding for the new Stonehenge Visitor Centre was withdrawn in June 2010.

7 Conclusions

The United Kingdom's archaeological profession was the first in Europe to fully embrace the competitive, free-market model. This greater exposure to market allowed the sector to grow larger than in any other European state before the crisis and the crash, which then meant that more people were exposed to its effects than in any other state.

Because of the professional structure in the UK, it is in the area of professional employment and skills that the effects of the economic crisis have been felt most keenly, as this was a direct, primary consequence of archaeology's clients reducing spending.

The second wave of the crisis is now affecting archaeological practice outside the commercial sphere – in universities, national and local government, as research and development funding is cut. This has been compounded by political decisions that are aggravating the immediate impact of the crisis, although this is done in the hope that they will, over time, ameliorate the situation.

The archaeological profession in the UK is suffering in the present economic climate. It has grown with the market and now has to shrink with the market, but twenty years of experience of how to operate successful businesses means that entrepreneurial attitudes and real business skills have become embedded within the profession. These are the skills and attitudes that are being relied upon to maintain archaeology's position within the process of sustainable development.