

NON-MONETARY ASPECTS OF VALUES IN LAND:

Some observations on the relevance of cultural processes for the price of land

by

Erling Berge

INSTITUTT FOR SOSIALFORSKNING (INAS)

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Abstract:

The paper takes a special interest in the theoretical status of non-monetary factors in the determination of the price of land. The paper presents some speculation as to the nature of "real property" and the types of values people see in it. Three other studies, one Norwegian and one from Sweden, concerning the pricing of agricultural land and woodland, and one English study concerning the values of farmers, are commented on with a view to the theoretical speculations. Then some evidence concerning the relative importance of various types of values and justifications for wanting these values are presented. The quality of the land for farming (farming as a way of life) and the historical relation between family and land (land as symbol of community membership) were the two most important factors for judging a price offer.

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INTRODUCTION

There are values and then there is value. Like all important concepts value has several dimensions to it. This is no attempt to discuss or unravel these dimensions. But let us as a point of departure note that talk of "values" often refers to the ideals or guiding principles people tries to live up to in their daily activities while "value" often is used to denote the quality of an object which makes it desirable to any particular actor.

Both "values" and "value" has something to do with goals and motives of people. It is about their desires and what they desire. A theory of action needs a better understanding of the interplay between desires and the desired. How are desired objects produced and distributed? And how are desires acquired and transformed in everyday life? Desires and the desired do not exist independent of each other or develop unaffected by each other. Thus values and value has to be simultaneously determined if one wants to understand the actions of people.

The present paper will not directly address the big questions in this subject, but hopes, by investigating the relationships between values in and value of land, to contribute to an understanding of the intricate interplay between values and value.

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THE VALUE OF LAND

Availability of land for development is usually thought to be a question of price. If you are willing to pay the price, you can get what you want - most of the time. The "only" problem is to determine a just and equitable price. Negotiations between free and equal citizens are supposed to lead to that². If the negotiating partners are unable to agree on a price satisfying their utility preferences, there will be no deal.

Acquisition of land for public purposes (including land for large scale development) is more difficult. There is no single decision-maker incorporating a complete public utility function. Hence, in judging the fairness of any particular price demanded or offered, one cannot get a reliable "gut reaction" on the total utility like the one an individual can rely on.

But even more important, in such negotiations there is always the threat of using force. If the public purpose has to have the land, there is the possibility of compulsory purchase. This automatically throws a suspicion on any price offered by the public body that it is unjust. Hence the problem of finding the right price probably is the most important issue for a just and equitable outcome. The problem has been devoted much attention in several acts, but would seem, at least theoretically and ideologically if not practically, to be largely unsolved. The present paper will try to argue that one important factor, presently largely ignored, is the sentimental tie between owner and property.

² This is more or less the Hobbesian definition of a just price (Hobbes 1651, ch. 15, p.208) and is close to present conceptions of commutative economic justice (Macpherson 1985, ch. 1). But while most will focus on the exchange of equal value there also have been a growing stress on the role of bargaining power. Because of the difficulties of ascertaining equal value I think the stress should be on the "free and equal" relations between the negotiating partners. Equality of value exchanged is difficult because the total context of the negotiations is relevant for the actual level of the price. Usually one will think of negotiations between free and equal strangers as the point of departure for determining a market price. But if one finds a lower price among siblings, this price may be as "just and equitable" as the market price. In this case the price reflects the multi-stranded historicity of the relations between the partners in the transaction. What is a just price in one case may not be just in another. Hence, accepting such a definition of a just price does not say anything about distributive economic justice and will certainly not lead to an acceptance of the market as a just distribution procedure by definition. Whether a market can be regulated to yield a just distribution in any widely agreed conception of "just distribution" remains to be seen.

WHAT IS A JUST AND EQUITABLE PRICE ACCORDING TO LAW?

The Norwegian Constitution (§ 105) stipulates that compensation shall be paid if private property has to be taken by force. But the law does not indicate how to determine a fair compensation. Other acts, which try to say something of how to do it, court decisions and the bureaucratic procedures adopted are all open to contest on legal technicalities, considerations of justice and long term societal consequences. A summary of the legal situation will not be attempted here (see among others Ballangrud 1988, Stordrange 1984, Fleischer 1978). But two concepts which are used by the compulsory purchase act has to be mentioned. The compulsory purchase act stipulates that a fair price ought to be equal to either the market price (meaning obviously the price other farmers would be willing to pay for the estate) or the capitalized use value (thinking of a possible income from alternative uses of the land outside agriculture: land for development purposes like housing or industry) if that is higher (with some reservations for the case where land of equivalent value can be made available). But neither of these prices are well defined.

WHAT IS MARKET PRICE AND WHAT IS ECONOMIC USE VALUE?

When public bodies shall evaluate results of negotiations, and when courts shall determine full compensation, one has to rely on rational procedures to determine what a just and equitable price ought to be. These procedures are founded on theories of what makes land valuable. For agricultural land the main factor, and often the only factor taken into consideration, is the economic use value³ of the land for the current owner or user. A justification⁴ for doing this might be found in e.g. John Lock's "labour theory of property entitlement" (see Reeve 1986, ch.5).

One obvious problem with the market price is the absence of a true market in land. That a true market in land does not exist as classical

³ Use value is in various circumstances used to designate different aspects of an object: 1) in political economy use value is taken to be the quality of an object on which the exchange value is based. The use refers the value back to the social context of the object. 2) In Norwegian Law of Property there are by-laws defining "the use value" of land (see Ballangrud 1988). This is a kind of capitalization procedure. If nothing else is indicated, the present paper applies use value to a loose intersection of the two former concepts: use value designates those aspects of an object which may be instrumental in the creation of a monetary income. For emphasis it is called economic use value suggesting the possibility of a non-economic use value.

⁴ Ponder the use of words here. In dealing with values, however one conceptualizes value; one will encounter "justifications" explicit or implicit. We shall return to the question of justifications later.

economic theory specifies it, is obvious. Such a market is an ideal type and has never existed in the real world. But neither does a market exist in the more everyday meaning of the word. Acts like the concession act and the laws of primogeniture and odal⁵ rights ("åsetesretten og odelslova") ensure that (Bachke 1979). Thus the market price refers not to a price in a general land market, but to what a qualified buyer (i.e. one who can get concession) is willing to pay, stipulating that no one will exercise odal rights. The result ought to be that the market price is close to the economic use value as assessed by the surrounding farmers, if it is not, concession is denied.

Another problem lies in the economic use value concept outside agriculture. Economic theory will point to the fact that strategic location in relation to other land and other activities will induce agents to pay a higher price for the more strategically located land - other things being equal (Alonso 1964, Richardson 1969). To pay the owner full strategic value when this value is created by public expenditure on infrastructure can not be justified by the labour theory of property right entitlement. However, it does seem to be generally accepted by the population on par with finding a gold mine and making the big catch in fishery. The arguments (or justifications) for this seems to go along the lines concluding with finder's keeper's as a rational reward system. But the private appropriation of publicly created values, through the uniform application of some concept of market price, will not easily be accepted as equitable by informed observers. Some of the problems inherent in this situation are discussed elsewhere (Berge 1985 and 1988).

A strategic location is not only determined by public infrastructure. The value of a location is affected by all kinds of externalities both positive and negative whether they are generated by public or private activities. As a class they might be called windfalls and wipeouts (Hagman and Misczynski 1978).

According to Norwegian law price increases (as well as decreases) due to public investment and regulations during the last 10 years and directly connected to the compulsory purchase shall not affect the price. Thus windfall profits and wipeouts due to publicly induced changes in strategic value in the near past of the case are avoided. In a case with considerable windfall profits possible due to regulations, it would seem that the rational procedure for the owner of the land to be expropriated is

⁵ Odal or allodial means in general the opposite of feudal: that the land is free, not holden to any lord or superior (Black 's Law Dictionary). In Norwegian culture the odal (spelled "odel") right has come to mean a rank order of close kin of the owner with a particular strong right to become the next owner of the land at a time of transfer of the property (inheritance or sale). The right is effective only for a period of one year after any conveyance either by will or sale (also forced sale).

to delay the proceedings as long as possible. Since the strategic value also is affected by the changing pattern of land use by private actors, delays in the compulsory purchase procedure will start to confound the impact of public investments on best alternative use with the impact of changing patterns of private use of surrounding areas. It would seem probable that the assessment of the price would be increased by this development. Such delaying tactics do in fact seem to be the chosen course of action in some cases. But the possibility of delaying a compulsory purchase rests to some large extent on the extreme reluctance to propose compulsory purchase which many political bodies show. One may ask why this reluctance is so strong. In the absence of hard evidence, it might be suggested that one reason might be the problems of finding a just and equitable price.

But why should finding an equitable price be so difficult? Economic use value and strategic value exist in an interpersonal observable reality and should in principle be both easily acknowledged and rationally calculable. In practice, of course, the assessment of economic use value and strategic value may, in many cases, be difficult, but will usually be solved. The real problem may be to find equitable procedures for distributing the values. Who shall reap the windfalls and who shall suffer the wipeouts? The theoretical foundation for distributing windfalls and wipeouts is not well developed⁶. In Norway we also lack any practical experience with such distributions.

ON NON-MONETARY VALUE

There is reason to believe that the problem of determining the price as a function of the intrinsic qualities of the land and the externalities affecting the utility of these qualities is compounded by non-economic factors. Most people would agree that at least for some land, the value is not exclusively determined by the economic use of it. But values which do not fit into the framework of economic theory, non-monetary values, will at present also be excluded from the rational procedures public bodies has to rely on in determining a price (in so far as no market price approximating a just price is unavailable).

To ordinary people, on the other hand, the conception of what an equitable price ought to be, might be affected by non-monetary factors. As long as valuation procedures does not explicitly consider non-monetary factors, any experience of inequitable prices will feed back to the political system, creating hesitance in using compulsory purchase and thus making windfall profits by delaying tactics possible.

⁶ Windfalls and wipe-outs are just some of the problems making a conception of distributive economic justice very difficult to formulate.

Non-monetary values or sentimental values are not interpersonally observable in the same way as monetary values. But for the individual they are, nevertheless, an experienced reality and some effort should be made to incorporate them in the valuation procedures. The present paper will speculate some on the nature of sentimental values in land and present some observations on their importance. The findings reported are based on a study of attitudes towards property and land use controls. A small sample of politicians, property owners, and general public was chosen within a rural municipality bordering one of the fastest growing urban areas in Norway. The municipality was chosen so that land use conflicts should be as clear an issue as possible. Among the questions asked was one where respondents were asked to rank the importance of various factors for the price of their land, if they owned an agricultural estate and it was subject to compulsory purchase. The most important factor was the quality of the land for farming, next in rank came the quality of land for development and the location of land in relation to public and private services. But the historical relation between the family and the land was judged to be just as important as those mentioned. Of least importance they thought the status the land would confer upon the owner.

By themselves results like these do not seem remarkable. Most people will acknowledge that both they and others do develop emotional ties to their land and that a farmer will value the fact that his family has lived and used the land for generations. But there the discussion stops. Sentimental ties between individuals and land are, so to speak, dismissed as "mere sentiments". Since their existence is not acknowledged in the theoretical framework of the valuation models, they are also excluded from entering into negotiations between private and public agents in a systematic and rational way. And precisely in negotiations between public authorities and ordinary farmers this becomes a problem. If they were included in the negotiations, the farmer now seemingly asking an unexpectedly high price⁷ for his land, might be found to value the family ties to his land high rather than to lack contact with economic reality.

For the farmer the symbolic qualities of the land exist as reality. The land may be a symbol of membership in a local community or a family and the land may be a symbol of prestige and status. These symbolic qualities of the land are largely invisible to the public servant. Too easily the behaviour of the farmer will be labelled as irrational. Then negotiations for purchase most likely will end up by recommending compulsory purchase based on the rationally calculated and interpersonally visible economic values.

⁷ I mean higher than a prudent bargaining tactic would suggest.

The general mistrust of public valuations may be showing up in the reluctance of politicians to recommend compulsory purchase. But the mistrust does not show up in those actually having had to sell land to public bodies. On average they are more satisfied with the public land regulations than other people. An important reason for this will be found in a basic characteristic of sentimental values. They are non-divisible. The symbolic value of an estate does not change if you have to sell a bit of it. The importance of sentimental value enters the price equation only when the whole estate is being purchased. In addition one might note that compulsory purchase of large areas (and whole estates) usually takes place only for land whose strategic values has been changing markedly. This is bound up with the development of urban areas where part-time agriculture and urban occupations for some time may have contributed to a decline in the family attachment to the land. This means that if the economic use value outside agriculture (which of course is heavily affected by its increased strategic value) is taken as basis for the compensation, the actual compensation may exceed the price expected by the farmer. He feels he is getting compensation both for sentimental value and more. Such an outcome is, however, more based on the owner's lack of information on recent development of strategic value than on proper regard for sentimental value by the valuation procedure.

But in order to incorporate sentimental values in the valuation of land and negotiations for purchase by public agents, one needs a theoretical framework encompassing sentimental value in the same model as economic and strategic value.

ON PROPERTY AND LAND CONSIDERED AS PROPERTY

A "thing" becomes property when a relation between the thing and its owner is established. As judged by the owner there are two kinds of processes imbuing the thing with value: 1) One type of process is based on the internal characteristics of the thing and how useful they are to the owner. The thing has instrumental values.

2) The other type of process is based on the context of the property, its relative location both in geographical and social space. The thing has strategic values.

The interpersonally observable economic use values of a property, whether current use or best alternative use, is partly based on instrumental qualities and partly on strategic qualities. The analytical distinction between instrumental sources of value and strategic sources of value is important since the instrumental values are based on characteristics internal to the owner/property relation while the strategic

values are based on the relations of the owner/property unit to the rest of the world.

Anything considered as property will have certain basic features in common.

1. It will have gone through a process to come into reality as an identifiable entity. (The production process.)
2. It will have gone through a process to come within access and control of the owner. (The acquisition process.)
3. It will have gone through a process of use and association with the person acquiring it. (The consumption process.)

The first process vests some use value in the object. After the completion of the second process the object is recognized to be the property of a particular actor in a particular setting. Then it also acquires some strategic value. But only after the third process will the property have sentimental value as well as use value and strategic value. By personal association with the thing owned, experiences tied up to the object will begin to accumulate. The experiences may either be significant in relation to the status competition among the actors (conspicuous consumption). Then it is called prestige value. Or it will be significant in relation to the communities of others the owner is member of (shared experiences). Then it will be called community value. Through the accumulation of experiences and the classification of their significance, the value of the property will increase (or decrease as the case may be).

If one considers the various values from the point of view of the owner, two basic distinctions must be recognized:

1. The values are either alienable or inalienable, and
2. the values are either divisible or indivisible.

Alienable values are those indisputably located within the object which is property. The inalienable values are located, so to speak, in the eyes of the beholder. The inalienable values are immaterial in the sense that their existence is tied to the mind of the owner (compare the concept of human capital) and the particular associations the relation between owner and object creates. The value of such associations is not generally transferable.

Divisible values are those where fractions of the value can be alienated for instance through some kind of stock ownership. Indivisible are those values where ownership of fractions is impossible.

Applied to the ownership of land we see that the intrinsic qualities of a property are both alienable and divisible, the strategic value, on the other hand, is alienable, but indivisible. If the land is divided into two

properties the value of the intrinsic qualities is split in two. But both halves will, as long as some lower limit is not exceeded, have the same strategic value as the former undivided property. This basic difference between the intrinsic economic use value and the strategic value implies that they ought to be treated differently in the valuation and distribution procedures.

Likewise we see that the membership symbols of land (the community value) are indivisible while the status symbols (the prestige value) are divisible. The question of whether they are alienable or inalienable is, however, not clear. In general it depends on the degree to which the symbols are shared symbols. Within the circle sharing the symbols of status or membership in a community the value is alienable. Outside these circles it is inalienable. We may call it conditionally alienable.

Land as such is not produced. But land considered as a thing owned or ownable is produced by putting down boundaries and marking out an identifiable unit of land. Such a piece of land becomes property (the acquisition process) when title is granted to an actor recognized by the legal system. Having title to the land means on the one hand that the titleholder is granted the right to call upon the forces of society to enforce his or her rights to use the land against all other. On the other hand it means that the titleholder has the duty to comply with rules and decisions both concerning titleholders and land.

The consumption process for land consists in using the land for particular purposes. It ranges from enjoying its pure aesthetic qualities by way of housing and agricultural production to using its rocks and earth as input to a manufacturing enterprise. Only the last type of use is directly a non-renewable consumption process. A few others are asymptotically non-renewable by using the land in a way eroding its potential for similar use in the future. Non-renewable consumption of land is using and destroying the intrinsic physical qualities of the land and will not concern us for the moment. It is the renewable consumption resulting in a stock of experiences for the owner of the land we shall be interested in.

The value of the land for the owner is then determined by four types of processes (see also Berge 1981 and 1985):

1. The intrinsic economic use value is based on the profitability of the intrinsic qualities of the land used in any kind of economic activity.
2. The strategic value of the land is based on the position of the particular property in relation to the total distribution of activities on surrounding land.
3. The prestige value of the land is based on the owner's perception of the ability of the land to preserve or enhance the socio-economic status of the owner.

4. The community value of the land is based on the relationships among owner, community and land. In particular it is based on the ability of the land to serve as symbol of membership of the owner in one or more communities and as help in distinguishing members from non-members of the community.

The first two sources of land value are the ones taken into consideration by present valuation techniques. The last two are the sentimental values attached to land which often are noted, but difficult to take consideration of except in face to face negotiations between private owners. In negotiations between public agents wanting to buy land and private owners without the proper concepts to explain the sources of their utility judgments, it would seem likely that the existence of sentimental values might appear as difficulties in agreeing on a just price greater than a pure bargaining strategy should warrant. But if such values are real, it is also possible to ask people meaningful questions about them. The present study has tried to do that, Lindeborg (1986) has tried to do it in a sample of owners of woodland, and Gasson (1973) tried to ask such questions of a sample of farmers.

But before we report those findings here, it might be interesting to consider more closely one particular type of community: the family and the relation between the family and the land.

FAMILY TIES TO LAND

The Norwegian law of primogeniture (åsetesretten) and the odal rights gives strong preference to close kin when an estate is transferred (sold or inherited). The law of primogeniture gives the vendors children a right to buy the estate at a particularly reasonable price. If the transfer has taken place to a person outside the rank order of those with odal rights or to a person with lower rank, the person with higher rank can take the property for his own at a particularly good price defined as the odal valuation of the property. The cultural principles behind the law of odal rights are supposed to be ancient and can in the concepts presented her be understood as a conscious attempt to protect the community value for the families established on some land. The same will hold for the law of primogeniture. In addition it will also encourage farmers to invest in the land with a view to the future. The non-renewable consumption of the land may more easily be avoided if the farmer knows his actions will be inherited by his children.

Traditionally the kin group and the extended family was the most important community of all. One result of the law of odal rights has been mentioned. It makes impossible a market in agricultural land in any ordinary sense of the word. A corollary is that most of the private

transfers of estates are within the family or the close kin group with highest rank order of odal rights. Bachke (1979) has investigated the price of estates transferred within family and kin groups. Transfers of land within the closest kin community (the family) preserve the symbolic values in relation to the family. One should therefore expect the price to be significantly lower for transfers within the kin community compared to transfers out of it. One also might expect that transfers to more distant kin would command a higher price than transfers to the immediate family (children or children's children). This is exactly what Bachke (1979, pp.195-196) finds. Sales of estates with no change of use should also give a lower price than sales where the use of the estate is changed. One reason for changing the use of an estate is that its strategic value has increased. By changing the use one can take advantage of this change to increase the income from the use of the property. It is then possible to pay a higher price than one could if the use was unchanged. This is also confirmed by Bachke (1979, pp.195-196). For sales within the family the only factor determining the price ought to be the intrinsic qualities of the land for agriculture. Bachke (1979, pp.225)) finds in his pooled data (where sales to kin or family constitutes 75%) that size of arable land and productive woodland explain 72% of the variation in price.

THE IMPACT OF NON-MONETARY FACTORS ON THE VALUE OF WOODLAND

Lindeborg (1986) in a study of owners of woodland has tried to demonstrate the existence of non-monetary factors of importance for holding a property:

Lindeborg (1986) in a study of owners of woodland has tried to demonstrate the existence of non-monetary factors in their utility functions and the impact of these factors on the price of the land.

In one question the 57 respondents were asked to "rank the following non-monetary factors of importance for you in holding the property:

Items ranked as	No 1	No 2	No 3
• hunting	14
• attachment to the village	20	21	24
• the right to decide on the land use	11	27	15
• emotional attachment (e.g. longtime family property)	54	18	...
• leisure activity	11
• the pure value of ownership	15
• recreation/ outdoor life	...		
• "other"	...		

Source: Lindeborg 1986 pp.140 My approximate translation from Swedish.

According to the discussion above, attachment to the village and emotional attachment would be examples of community value of the property. Attachment to the village would refer to the local community and the emotional attachment would refer to the family and kinship community of the owner. Hunting would refer to an activity enhancing the socio-economic status of the owner. The right to decide on land use and the value of ownership in itself might also be taken to contribute to or be used as indicators of contributions to the socio-economic status of the owner while leisure activity and recreation and outdoor life would contribute to the emotional attachment.

If such an interpretation is permitted one might derive the following propositions which Lindeborg actually reports:

1. Those living outside the village will give attachment to the village a higher rank than those living in the village. (For rank 1 there is 22% among those living outside the village against 15% among those living inside the village; Lindeborg 1986, pp.101.)
2. Those living inside the village will give family attachment a higher rank than those living outside the village. (For rank 1 the figures are 60% among those living inside the village against 50% among those living outside; Lindeborg 1986, pp.101.)

The theoretical argument for this lies in the comparative merits of the property as symbol for one community versus another. For those living within the village no particular symbol other than their address is needed. Since a symbol signifying belonging also tells of not belonging to something, a particular piece of land in the context of the village will be better suited to symbolize the family and kinship network which historically has had a connection with this land than membership in the village community. For someone living outside the village a piece of land will symbolize attachment to the village and may as well symbolize membership in a kinship community. On the other hand, those living outside the community will have less opportunity to accumulate experiences connected to the land and will be expected to develop less emotional attachment to the land than those who live within the village and have more opportunity to accumulate experiences.

3. Those living outside the village will be expected to have occupations with less degree of freedom of decision than those living within since living within the village and owning land implies most certainly a traditional status as self-employed. Within the village where most

families are landowners, owning land will give no particular competitive edge in the struggle for higher status. Only the size of the landholding will be important. For those living outside the village where most people will not be landowners, being a landowner will add appreciably to the status of an ordinary laborer. The size of the holding will have little to say since the distance to it will make size an unsuitable sign. It cannot symbolize status for the significant status groups of absentee owners. Hence one shall expect to find that those living outside the village will find the right to decide and the value of ownership more important than those living within the village. This right is bound up with owning land as such, not its size. (For the right to decide, 24% of those living outside the village gave it rank one, but only 5% of those living within the village, Lindeborg 1986, pp.101.)

To study the impact of non-monetary factors on the price Lindeborg asked his respondents the price they would want if they were to get full compensation for their property in a situation where they were forced to sell. This price he compared to the market value of the land assessed by the methods recommended by the woodland authorities. He finds that full compensation is about 2-2.7 times the market value (95% confidence interval).

From these data Lindeborg then finds that

- with increasing income the importance of non-monetary factors as reflected in the asking price will increase. (Among those earning more than 200.000 the mean full compensation value is 2.48 times the market value while it is 2.20 among those earning less than 100.000, Lindeborg 1986, pp. 112.)
- with increasing size of woodland the relative importance of non-monetary factors for the asking price will decrease. (Among those owning more than 100 ha land the mean full compensation value is 2.13 times the market value while it is 2.62 among those owning less than 20 ha, Lindeborg 1986, pp. 113.)

Both of these results are readily interpretable in terms of declining marginal utility. Of more interest according to the theoretical categories utilized above is the fact that the data also reveal a tendency for the compensation value to increase as the number of days visiting the property increases and as the age of the owner increases. (Among those visiting their property more than 100 days, the mean full compensation value is 2.41 times the market value while it is 2.15 among those visiting their property less than 10 days. Among those older than 65 years the mean full compensation value is 2.50 times the market value while it is 2.20 for those under 40 years of age. Lindeborg 1986, pp.114-115.)

Both of these results supports an assumption of a monotonic increasing functional relationship between time available for accumulating experiences and the assessed sentimental value of the object associated with the experiences. In short: the more time spent on renewable consumption, the more sentimental value will be associated with the object consumed. But duration of experiences is just a necessary precondition. To establish the value of experiences they have to be discussed and evaluated. Only by sharing the experiences can they contribute to shared values and appear as community value.

It has been noted (Steinsholt 1987) that newly established farming families are more concerned about the family attachment to the land than those with established traditions - or at least so it seems. Theoretically this observation might be genuine. The community value may be increasing as more time is spent on the property. But as time goes, one must expect processes of wear and tear also for community value. There is no reason to believe it will increase without bounds. One might suggest that after 2-3 generations the process of vesting community value in the land is about balanced by processes reducing it. At that point the value will exist secure neither increasing nor decreasing. It is reasonable to expect that it will recede into the background of the awareness of those living on the farm in favour of processes increasing their portfolio of value. Only when some threat endangers their stock of community value, will it become significant. The newly established farming families, on the other hand, are still in a situation where the community value vested with their estate is increasing rapidly. Hence one ought to find them more preoccupied with it. To this is added the other side of the process, namely that the significance of community value depends on it being shared by other members of the community. And the degree to which it is alienable depends on the degree to which the larger society agrees on its significance. The newly established farming families do right to be noticeably concerned with the importance of the family ties to the land.

ON THE VALUE OF PROPERTY AND CULTURAL VALUES

So far we have been talking of the subjectively assessed value of a property thought to be a function of 1) intrinsic economic use value, 2) strategic value, 3) prestige value, and 4) community value. Both the way we talk of it and the way we think of it suggests that value in this context in principle is measurable in money terms. Lindeborg got his respondents to assess the full compensation value in terms of money.

The other side of the term value: the personal orientations who "serve as standards influencing the selection from among modes, means and ends

of action" (Cluckhon, C. K. 1951 cited by Gasson 1973, p525) are definitely not measurable in terms of money. Yet, I will maintain that there is an intimate link between the value of property in terms of money and cultural values in terms of personal orientations. This link goes through the motivation of actors, how they learn what is desirable and what is not.

Discussions of motivation take the existence of external goals as given. The problem of motivation is seen as either a question of which "needs" or "drives" correspond to the particular goals (the psychological approach) or as a question of which justification the actor can give for seeking out a particular goal (the normative approach). Leaving aside the obvious correspondence between goals and the physiological and psycho-physiological needs, the somewhat surprising fact is that goals as such seem to have been taken as rather unproblematic.

The reasons for this are obviously many and complex ranging from the pervasive impact of the assumptions embodied in the model of economic man (profit maximizing behaviour) to the epistemological questions involved in discussions of the nature of man (Is man rational? Which experiences are real? How is it possible to know anything at all?). In relation to land the predispositions of our culture very easy may lead to a simplistic view of real property and ultimately all property as capital. That actors want capital is not surprising. If one thinks of property simply as capital, the interesting aspects of the motivation would be the justifications for the various means one is willing to use to obtain this or that goal. This leads to a situation where interest in motivation will focus exclusively on justifications. But this view of motivation fails to recognize that goals, means and justifications are interrelated in rather complex ways. The distinction between means and ends can only be determined circumstantial and will in many cases change during a process. Neither is the justification for some project independent of what the goal will turn out to be (Marshall 1981).

A simple rule of rational choice is to take the more valuable goal of two if both cannot be achieved. But for many types of goals, in particular goals which are not available in some kind of market, there are no obvious and unambiguous measures of value. Then the "justification" for wanting to achieve this goal will be a part in the bargaining process continuously going on to establish the value of the goal.

Justifications belong to the class of processes concerned with the evaluation of goals, of determining the rank order of goals. Obviously the rank order of goals is important in predicting which goal will be pursued. But apart from that, there also are effects from structural and process characteristics of the society. Land seen as a goal is for instance

constrained by the social institution of property ownership. The goal may be said to be to own land, to make land into property. But the reasons why actors want to make land property, the justifications for their property, are tied up on the one hand with those processes which imbues property with value and on the other hand with the functional requirements and internal consistency of a social system (see e.g. Dahlman 1980). These requirements are approximated by the rules of the property system and will circumscribe the actual choices of goals by actors. The property system and the justifications supporting it are therefore not only arguments about the functioning of society, but also about the value of property as such and hence part and parcel of the system of justifications from which one can choose arguments for owning land. The relation between this system of justifications and the value of a property is indirect through the impact on the legal definition of the rights and duties of the owner. These affect the income generating potential of the land, but more important is the relationship to those who do not own land and the impact on the status of landowners compared to non-owners. The discourse of justifications for land ownership is very much a struggle about the status system of the society and how this is related to landed property.

Thus the values which people use to guide their lives are intimately linked to value as they see it embodied in for example land. The classification of value proposed here is largely developed deductively. It may be interesting to compare it to the inductively derived classification of the values of farmers presented by Gasson(1973) in her study of "Goals and Values of Farmers".

THE VALUES OF ENGLISH FARMERS

In a study exploring the motivation of farmers, "what farmers really want from their occupation" (Gasson 1973, p.521), the following list of dominant values likely to be associated with the farming occupation is presented (p.527):

Instrumental values

- making maximum income
- making a satisfactory income
- safeguarding income for the future
- expanding business
- providing congenial working conditions
- hours, security, surroundings

Social values

- gaining recognition, prestige as farmer
- belonging to the farming community
- continuing the family tradition
- working with other members of the family
- maintaining good relations with workers

Expressive values

- feeling pride of ownership
- gaining self-respect for doing a worthwhile job
- exercising special abilities and aptitudes
- chance to be creative and original
- meeting a challenge, achieving an objective,
- personal growth

Intrinsic values

- enjoyment of work tasks
- preference for a healthy, outdoor, farming life
- purposeful activity, value in hard work
- independence - freedom from supervision and to organise time
- control in a variety of situations.

The classification is explained:

"An instrumental orientation implies that farming is viewed as a means of obtaining income and security with pleasant working conditions. Farmers with a predominantly social orientation are farming for the sake of interpersonal relationships at work. Expressive values suggest that farming is a means of self-expression or personal fulfilment while an intrinsic orientation means that farming is valued as an activity in its own right."

While the description of categories seem clear enough, the assignment of the various values to the categories might be disputed (which Gasson

also acknowledges). In particular the empirical distinction between expressive and intrinsic values seems unclear.

Above the discussion of various sources of value in land gave rise to the following typology of value in land:

- Intrinsic economic use value
- Strategic value
- Prestige value
- Community value

Gasson's classification is not directly comparable, but some of the values labelled instrumental would seem to contribute to an appreciation of the intrinsic economic use value of a property. Some of the values labelled social would seem to contribute to what here is called community value of land while others together with some from the expressive category would seem to contribute to or be associated with its prestige value.

The values labelled intrinsic and some of the expressive ones on the one hand do not seem to involve processes vesting value in land per se, and strategic value in land on the other hand do not seem particularly affected by the occupation of the single farmer. But the aggregate, the total distribution of farmers and their valuation of and demand for agricultural land for various reasons, will contribute to the strategic value of the land.

The values of farmers and the value in land can be seen in yet another perspective. The values people hold to guide their lives are organized into value orientations. For farmers such clusters will form a view on farming as a way of life and to some large extent be visible in the way they conduct their business on the farm.

A CLASSIFICATION OF JUSTIFICATIONS

In a study of East Anglian farmers Newby et al.(1978) classified farmers according to how they described their use of the farm. It was distinguished between an individualistic and a collectivistic attitude to farming, and between a view of the farm as a means of production or a means of consumption. The cross-classification gave four types of farming as a way of life. Each way of life would represent a use context for the land. Not surprisingly Newby et al. (1978, also, see Rose et al. 1976) found that the justifications given for owning land varied accordingly (Newby et al. p339):

Use context of property	Justification
Individual means of production	Capitalistic justifications like 'Hard work' or 'Taking risks'
Individual means of consumption	Individualistic justifications like 'Land is just like other private property'
Collective means of production	Collectivistic justifications like 'It creates employment for workers' or 'Noblesse oblige'
Collective means of consumption	Altruistic justifications like 'Stewardship'

Rose et.al.(1976) argue that "the propertied feel it necessary to justify their rights by invoking principles associated with other forms of property rights than those which characterise their own property ownership, and that they do so for reasons of warding off threats to their position or more generally as a means of maintaining social stability."(pp. 708-709).

But their choice is strongly affected by their adopted way of life as farmers. Returning now briefly the concepts presented above it could be suggest that all property and in particular land may hold aspects of all four use contexts or equivalent be a vehicle for all approaches to farming.

Seen as individualistic means of production, land would show both its intrinsic economic use value and part of its strategic value. Considered as individualistic means of consumption, the land would partly reveal its prestige value and partly its community value. Land seen as collectivistic means of production would show another part of its strategic value. And land seen as collectivistic means of consumption would reveal other aspects of its community value.

This means that in so far as justifications are felt necessary, the choice of one type rather than another might be affected not only by the particular values the farmer brings to farming, but also by the statuses of the processes imbuing value in the land and in particular non-monetary value. On the structural side this means the status of family and kinship networks in relation to the land, the status of the local community in relation to the land and the ability of the land to symbolize and enhance the prestige of the owner. It is to such a social context the actor brings his (or her) personal history in terms of which types of values they think are important.

Hence the question of culture enters with full force. There is nothing self-evident about the relative merits of prestige value compared to community value. But by the nature of the time constraint on human activity, using more time on displaying the prestige of the owner will leave less time for developing the stock of experiences at the core of the community value. At some point an actor has to have learned or decided what is more important to use time on. Then one can talk about cultural values. If there is a consensus on the importance of prestige and not much interest in community value (in relation to land), actors will spend time accordingly and express suitable justifications.

Such questions have, however, not been addressed by either Newby et.al.(1978), or by the present study. The English study did nothing more than establish the importance of the categories of justifications. Here one step further will be taken by trying to assess the rank order of the justifications and compare them to a rank order of the types of values suggested by the theoretical arguments above.

DATA ON THE RELATIVE IMPORTANCE OF JUSTIFICATIONS

During 1986 a mail questionnaire was distributed to 741 people 18 years or older in a small rural municipality in south western Norway. The municipality has about 7000 inhabitants and is bordering a rapidly growing town which during the last 20 years has started to expand outside its own borders. The demand for land has increased rapidly, but the public commitment to preserving the rural character of the municipality has also been confirmed and strengthened. The issues of land values and conflicts related to incompatible uses are therefore as present in the minds of the people in this small municipality as one can find it anywhere in Norway today.

The sample consisted of 58 elected councillors (called politicians), 218 property owners and 465 of the people aged 18 or above.⁸ Of the politicians 17 % declined to answer, of the landowners 39%, and of the general public 54% would not answer while 6% more could not answer for various reasons. A total of 380 persons completed the questionnaire (see also Berge 1987).

⁸ This was 10% of the population aged 18 or more in 1985. If politicians or property owners were selected to the 10% sample, they were replaced.

THE RANK ORDER OF JUSTIFICATIONS

The classification of motives for owning land proposed by Rose et.al.(1976) is not readily translatable into meaningful questions. In the end it was decided to formulate them as use principles and people were asked:

"If you were owner of a large agricultural estate and had to decide on the use of it, how important would you say the following use principles would be for you?" The categories and scale is shown in table 1.

In terms of rated importance of the four types of justification for use of land, there is a basic agreement among groups. Only for social utility (the collectivist justification) is there substantial disagreement with politicians indicating this justification significantly more important than landowners and the general public in between.

TABLE 1 MEAN SCORE ON A SCALE RATING IMPORTANCE OF USE PRINCIPLE FOR LAND. FROM 1=NOT IMPORTANT TO 7=VERY IMPORTANT.

Three different samples				
	All	Politicians	Land owners	Population sample
Capitalistic justification				
Use the land so that production and income will be as high as possible	5.8	5.8	5.7	5.8
	n 371	48	128	195
Individualistic justification				
Use the land so that it gives the family the largest possible pleasure	6.3	6.1	6.3	6.3
	n 370	48	125	197
Collectivistic justification				
Use the land so that society gets the largest possible utility from it	4.0	4.4	3.7	4.1
	n 361	48	122	191
Altruistic justification				
Use the land so that its qualities are preserved and can serve new generations as well or better	6.4	6.3	6.5	6.3
	n 374	48	130	196

Also across occupational groups (see table 2) the basic agreement on importance of the various justifications holds with the exception of the stewardship justification (the altruistic justification). Here there is a clear

and significant difference between farmers and the intermediate occupations with workers in between.

TABLE 2 MEAN SCORE ON A SCALE RATING IMPORTANCE OF USE PRINCIPLE FOR LAND. FROM 1=NOT IMPORTANT TO 7=VERY IMPORTANT.

According to occupation				
	People without wage	Farming	Workers	Inter-mediate occ
Capitalistic justification				
Use the land so that production and income will be as high as possible	5.8	5.8	5.8	5.7
	n 61	95	95	103
Individualistic justification				
Use the land so that it gives the Family the largest possible pleasure	6.2	6.4	6.3	6.2
	n 62	93	95	103
Collectivistic justification				
Use the land so that society gets the largest possible utility from it	4.3	3.8	3.9	4.0
	n 58	93	93	100
Altruistic justification				
Use the land so that its qualities are preserved and can serve new generations as well or better	6.4	6.7	6.5	6.1
	n 62	97	95	103

This result conforms to what one would expect if the stewardship justification is tied in with the vesting of community value in land: the symbolic representation of shared experiences. The newcomers to the community, the intermediate service workers, do not share in these symbols, at least not to the same degree as farmers and workers who more likely are born within the municipality.

If the sentimental values vested in an area grows out of the everyday experiences of the people using the land and "consuming" its appearance, one will expect that during a period with in-migration to an area, there will be a growing disparity in valuations of land use. People recently settled will deviate from the older agricultural population.

This is what appears to be the case in table 4. People working in service occupations, which often will be recent in-migrants, think the history of

the relationship between the family and the land less important for the price than farmers and workers. They also think status qualities of the land less important for the price. On closer inspection, however, they are not so recent in-migrants after all. Only 43 out of 375 cases have stayed less than 10 years in the municipality. This points up that a shared culture does not automatically grow out of shared space. The important thing is shared experiences within the shared space and opportunities to discuss and evaluate these experiences. In other words: to assign values to and invest the land with symbols signifying these values. The farmers and workers will have more opportunity to participate in such a process than the service workers since the service workers to a larger extent will be commuters.

The rank order of the four use principles are also very much the same for the various populations and occupations. The two minor deviations, the tie between the individualistic and altruistic justification for the population sample and the switching of rank for the same two for the intermediate occupations, are obviously aspects of the same phenomenon since the intermediate workers for the most part will be found in the general population sample. Again the assumption that the stewardship justification is tied in with the vesting of community value in the land will give an explanation.

The overall rank order of justifications is then clearly

1. The altruistic justification of preserving the land for new generations,
2. The individualistic justification of getting a maximum of enjoyment for the family out of the property,
3. The capitalistic justification of getting a maximum of income out of the property, and
4. The collectivistic justification of using the property so that the social utility is maximised.

THE RANK ORDER OF TYPE OF VALUE

The link between justification and type of value is not one-to-one even under the best of circumstances. Particularly given the questions as posed here, I think the first three justifications at least for farmers and those being members of the kinship network of farmers, will tend to merge into arguments for farming as a way of life. Using the land for farming is also the way to preserve it for the sons and daughters of the farmer. And being a farmer also means working for a profit - else there will be no enjoyment of results and no future either for the present farmer or the coming generations.

Thus, when looking at the rated importance of the types of value in tables 3 and 4, we cannot expect the question about the quality of the land for farming to be interpreted strictly in economic utility terms by anybody. Those least connected to agriculture through kinship or occupation would be most likely to think in pure economic terms about quality of land for farming. Here that means the intermediate occupations and to some degree the general population sample.

TABLE 3 MEAN SCORE ON SCALES RATING IMPORTANCE FOR PRICE OF AGRICULTURAL LAND. FROM 1=NOT IMPORTANT TO 7=VERY IMPORTANT.

Three different samples	All	Politicians	Land owners	Population sample
Economic value for farming				
Quality of land for farming	6.1	6.3	6.2	6.0
	n 358	46	124	188
Economic value for other use				
Quality of land for development	5.3	5.2	5.2	5.3
	n 356	48	120	188
Strategic value				
Location of land in relation to public and private services	5.0	4.4	4.9	5.1
	n 355	47	116	192
Prestige value				
The status the land confers upon the owner	4.1	3.2	4.3	4.3
	n 348	46	116	186
Community value				
The historical relations between the family and the land	5.2	4.5	5.5	5.1
	n 359	46	123	190

From table 3 and 4 we see that the rank order of price factors for all groups except intermediate occupations and the general population sample is as follows:

1. The use value of the land in terms of its quality for farming,
2. The community value of the land in terms of symbolizing membership in a family,
3. The use value/strategic value in terms of development alternatives,
4. The strategic value in terms of location in relation to services, and
5. The prestige value in terms of the status conferred upon the owner.

TABLE 4 MEAN SCORE ON SCALES RATING IMPORTANCE FOR PRICE OF AGRICULTURAL LAND. FROM 1=NOT IMPORTANT TO 7=VERY IMPORTANT.

According to occupation				
	People without wage	Farming	Workers	Inter- mediate occ
Economic value for farming				
Quality of land for farming	6.2	6.5	6.0	5.9
	n 57	90	90	104
Economic value for other use				
Quality of land for development	5.3	5.1	5.2	5.5
	n 58	86	90	106
Strategic value				
Location of land in relation to public and private services	5.1	4.8	5.0	4.9
	n 59	85	89	105
Prestige value				
The status the land confers upon the owner	3.9	4.5	4.3	3.8
	n 56	84	90	102
Community value				
The historical relations between the family and the land	5.4	5.5	5.3	4.6
	n 58	90	92	103

The deviations for intermediate occupations are precisely those one would expect. For the farmer the quality of the land for farming and the historical connection between the land and the family come together as the two most important price factors. For the intermediate occupations the quality of the land for farming and the qualities for alternative

development come first. We see that both take quality of land for farming as the most important. But the next priority suggests that a probing of the reasoning behind the priority may show them to be different. The less the connection with farming as a way of life, the more purely economic will the reasoning be. Thus the intermediate occupations rank the three monetary price factors first and the two non-monetary last.

It should also be noted that all groups rank the status giving qualities of the land last. I think this attests to the strong egalitarian strain in Norwegian culture (see e.g. Gullestad 1986). But even so it seems that farmers are less egalitarian than those in intermediate occupations. That may be the case, but there also might be a question of difference of opinion about what status means. The conceivable extremes might be for those not connected to the farming community to take it as pure conspicuous consumption while the farmers take it as position within an egalitarian village community in terms of membership in the village with status as insider. But also within the village the prestige element of the landowner is noticeable. The landowner is or is rapidly becoming the head of the family connected with the land. One of the cultural myths he is living is then defined by the real or imagined rights and duties accruing to the old tribal chief.

Besides the ranking of the price factors, table 3 contains three distinctive features. First we note that all three populations seem to agree on the importance of the intrinsic physical qualities of the land: those determining its utility for farming and development. Second we note that politicians disagree with other people on the importance of the strategic qualities of the land, those dealing with location in relation to public and private service and those determining the status quality of the land. Politicians think these qualities less important for the price than other people. The third point to note is that politicians and farmers disagree strongly on the importance of the family relationship with the land.

The low priority given by politicians to the two strategic qualities of the land and the family attachment to the land is a bit surprising. One might speculate that awareness of the collective character of the strategic qualities would lead public minded people to downplay the importance of such factors for the exchange value of land. But the ideological profile of the group makes such an explanation unlikely. Since the difference between politicians and others is largest for the importance of the status factor, it could be suggested that important egalitarian attitudes would be expressed most clearly and forcefully by politicians. Only further probing could resolve such speculations.

COMPARING RANKINGS OF VALUES IN ENGLAND AND NORWAY

Table 3 and 4 above presented rank orderings of the types of values various people may see in land. According to the discussion presented above it ought to be a close correspondence between the ordering of values which farmers hold and the ordering of the values they see in land. Since data directly comparable to the ones presented here have not been found, the stipulation of a correspondence between the values of farmers and values in the farm will be assumed proven. Then the observations of Gasson (1973) can be used for a comparison.

The values Gasson(1973) finds associated with the farming occupation cannot all be expected to be relevant for processes vesting value in land, but some of them obviously are.

If we pick "making maximum income" and "expanding business" as indicators of intrinsic economic use value, "belonging to the farming community" and "continuing the family tradition" as indicators of community value, and "gaining recognition, prestige as farmer" and "maintaining good relations with workers/ earning respect of workers" (from table 3) as indicators of prestige value we may be able to get an inkling of how English farmers rank these three types of value. However, table 3 does not give any score for "gaining recognition, prestige as farmer". But if we for this item substitute "gaining self-respect for doing a worthwhile job", we get the following mean scores:

MEAN SCORE AMONG FARMERS ON A SCALE OF IMPORTANCE OF VALUES INDICATING:

	Mean score	
	G.B.	NORWAY
Intrinsic economic use value	93.0	6.5
Prestige value	82.5	4.5
Community value	65.5	5.5

Source: Gasson 1973, table 3 and table 4 above.

Strategic value obviously will not be included in this ranking. Gasson's list of values also makes it obvious that the intrinsic economic use value is what in table 4 is distinguished as economic use value for farming.

Comparing the ranking of values which Gasson finds among farmers in England with the ranking of value in land among Norwegian farmers, it is seen that they both regard intrinsic economic use value as most important. But on community value and prestige value they differ. While

Norwegian farmers put prestige value last, the English farmers put community values last.

The difference is interesting, but the conclusion that English farmers are more status conscious than Norwegian farmers may not come as a complete surprise. Above the egalitarian strain in Norwegian culture was commented on. The difference noted here may be taken as yet another confirmation of this.

CONCLUSION

The price of land is based on the total utility of the land to prospective owners. For each individual the total utility is a function of the various types of value the land can be said to have.

The intrinsic economic use value of land indicates its income generating potential to the prospective owner. The land is seen as a tool for achieving certain goals and the intrinsic qualities of land and buildings are evaluated with this in mind.

The strategic value of the land has nothing to do with the intrinsic qualities of the land. It is based on a valuation of the strategic location of the land physically in terms of distances to other localities and the windfalls and wipe-outs impinging on the present locality.

The prestige value of the land is evaluated in terms of how effective it communicates rank in one or more status hierarchies.

It is important to note that the evaluation of positional values (strategic and prestige) is based, not on a particular parcel of land, but on the aggregate of neighbouring parcels with ongoing and prospective activities and the types of hierarchies of significance to the person.

The community value of the land refers to yet another aspect of the land seen as a prospective property: the relationship between the land and the past history of the actor. A long history of living and "consuming" a parcel of land will have made the land into a vehicle for associations and experiences intimately linked to the personality of the actor. This relation, if it exists, is not something which can be bought and sold. But its existence may nevertheless affect decisions on what to do with the parcel of land and of course the price of the land. If an owner with much community value invested in the land is to sell and get full compensation, the only way a fair bargain can be struck, will be for the other buyer to attach different weights to the various factors so that compensation paid for community value is balanced by gains for instance in economic value.

The price or exchange value(E) of a goal may then be thought of as a function of intrinsic use value(U), strategic value(S), prestige value(P) and community value(C): $E=f(U,S,P,C)$ where the function f is determined by negotiations between buyer and seller. These negotiations are of course shaped by the cultural weights assigned to the various types of values of the buyer and seller as well as the available information on U,S,P and C.

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