
59 Value of culture

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The value of culture stands for a research programme in cultural economics.¹ Because both 'value' and 'culture' have various meanings, the subject 'value of culture' has a variety of interpretations and invites at least four different lines of inquiry.

First, value may refer to 'economic value' and culture to 'high culture' or the arts. In that interpretation, the research programme comprises the investigation into the economics of the arts with topics like the return of investment in cultural goods, the economics of cultural heritage, the elasticity of the demand for cultural goods, the economic impact of government subsidies for the arts and so on. This is the line of inquiry economists are used to taking up when they approach the world of the arts.

Second, value can also refer to value in a social and cultural sense. Hold on to culture as 'the arts' and the investigation turns to the other values that the arts can have apart from the economic ones. Something like a monument may evoke the value of national pride and identity, a Mondrian stands for the value of Dutchness and the Elgin Marbles for that of ancient Greece. Social values play, for example, a role in arguments in support of the subsidization of the arts, as when it is argued that the arts improve the integration of minorities, have educational values and are good for personal development, community and the like. Apart from such social values, they can have aesthetic, sacred and spiritual values (see Throsby, 2001). This line of inquiry may lead to an exploration of the phenomenon of value and its many manifestations.² It may be anthropological, studying how values operate in particular settings, ethnographic, studying how artists, gallery owners, museum directors and actors understand their values and are guided by them in their actions, and conceptual, studying the various meanings of values, their mutual relations and so on.

Apart from asking themselves which values function in the arts and how, researchers may ask themselves how values come about, in which ways they are realized, affirmed, evaluated and valorized. The value of a particular item of cultural heritage, for example, is not immediately obvious to everyone. Why save this old building when a new building will be so much more useful and, economically speaking, more profitable? The important values of the old building may not be realized in a market setting, because then developers and other marketers prevail who may pursue interests other

than the preservation of cultural heritage. The realization of the values of an old building may therefore call for other contexts, such as a government bureaucracy in which experts in cultural heritage have a say, or that of non-profit organizations dedicated to the preservation of cultural heritage.

Third, 'culture' can also have its anthropological meaning and then refers to the shared values, stories and aspirations that distinguish one group of people from another (think of a community, an organization, an ethnic group, a nation or a continent). The economic value of culture would be the economic contribution that those shared values make. As the sociologist Max Weber famously argued, the culture of Calvinism may have contributed to the rise of capitalism and the economic growth that came with it. A particular culture may improve economic performance or hinder it. A culture of distrust can seriously hamper the market process. A culture of consensus, such as exists in Japan and the Netherlands, can stifle entrepreneurship but may also be responsible for stability in the event of crisis.³

A subsidiary question is how the arts affect a culture, or are related to it. The underlying assumption of many a cultural policy is that governmental support of the arts or the creative industries is needed in order to enhance the culture of a country. Accordingly, the French want to protect their film industry to safeguard French culture from an Americanization due to the dominance of American movies. The European Commission advocates a European cultural policy to enhance the European identity. We actually do not know how the connection works. Other practices may be as important, if not more so, in generating cultural identities. Sports, for example, may play that role, as may a monarchy, or the news that a group of people share. Even though the Belgians and the Dutch are living very close to each other, they cheer for different sports teams, have their own monarchies with their own narrative and drama, and have their own news, that is, their own newspapers and television channels. How the arts, with their penchant for crossing borders, help to differentiate the Dutch from the Belgians is not clear. The crossing over of actors and directors is quite easy and the Dutch and the Belgians enjoy each other's literature. Is Rubens Belgian? Who cares?

The economic importance of culture is an argument that can also be found in the literature on organization and management. Corporate culture is considered as a factor that can account for the performance of companies. Again, it may be argued that investments in the arts (think of paintings on the wall, an art collection, the sponsoring of cultural events) contribute to a productive culture.

Fourth, the most generous interpretation of 'value' and 'culture' would lead us to consider all the previous lines of inquiry, plus some more. 'Culture' may stand for both the arts and culture in the anthropological sense, and 'value' for 'economic value' as well as social and cultural values.

Research under this heading tends to deviate from conventional economic research. Rather than applying economic tools to phenomena of the arts world, the researcher will take cues from particularities of the arts world and develop a different perspective on other economic phenomena as a consequence. Let me give a few examples.

We observe a widespread suspicion towards market-like transactions in the world of the arts. There are artists who do not like to sell their work to the highest bidder, preferring to give it to someone they care about. Cultural institutions may keep commercial sponsors at bay. The pricing of works of art is usually an intricate affair that appears to express more than a search for the market equilibrium (see Velthuis, 2002). Even when cultural institutions do more in terms of marketing and management, artistic considerations have a tendency to crowd out economic ones. Art critics and art historians, but also policy makers and civil servants, tend to stress cultural and social values over economic ones. Economists, inclined by virtue of their education to pursue our first inquiry (the economics of the arts), will dismiss this resistance as irrelevant to the analysis and will show that economic factors prevail anyway. Pursue the second inquiry and you are led to wonder why this suspicion of the market is so pronounced in the world of the arts, why sponsors are turned away and why the pricing of art is such an intricate and delicate affair. Is it possible that the suspicion serves a purpose?

Hans Abbing (2002) stresses the divided character of the art world. While upholding the spirit of selfless dedication to the ideals of the arts, artists will eagerly cash the financial returns of their efforts. Gallery owners will assume an artistic stance in their gallery, avoiding references to a possible transaction – so no cash register and no credit card machine in sight – yet will turn businesslike in the office when a deal is to be closed. Cultural entrepreneurs are successful only when they master both the rhetoric of the arts, with the emphasis on cultural talk, and the rhetoric of the market, which calls for knowledge of relative prices, purchasing power, marketing, salesmanship, financing and the like.

The reason for this Janus face of the art world may be the process by which cultural values are realized. The market compels measurement in terms of prices. Such a measurement seems to devalue certain goods, such as love, friendship, organs, a political vote, religion, scientific work, ethical principles and, to some extent, the arts as well. The indication of this is the roundabout ways in which people finance such goods. As economists are prone to point out, no good comes free, that is, without costs. Falling in love can be a costly affair and ethos can come at great expense. Yet people go to great lengths to get around direct market transactions and use gifts instead, or grants by way of government and non-governmental organizations.

People donate their blood, volunteer their time to museums, and donate generously to churches and cultural institutions. The reason is that the gifts call for social settings that stimulate the generation of social and cultural values. By volunteering, people satisfy their need to do good; by donating, they express their appreciation for an activity that may not be realized in a market setting.

The avoidance of direct measurements also serves the sustenance of the intrinsic motivation (see Frey, 1997). The introduction of direct payment for an artistic achievement involves the risk that the producers of art will perform for the purpose of increasing that payment, just as one would expect in a market. The payment becomes the extrinsic motivation; it crowds out the intrinsic motivation of making art for art's sake, or because it is the right thing to do. Consequently, when the intrinsic motivation is critical, people will seek roundabout ways of financing the activities. (Just think how the motivation of teachers would change if they were to be paid for each class or for each student that finished their courses, instead of receiving a lump sum.)

Even so, not all art is financed in a roundabout manner. Art work is bought and sold at auctions, galleries list the prices of art work, and some artists have no compunction about selling their work at high prices. The golden age of the Netherlands witnessed a lively art market. Rembrandt ran an atelier and produced art to be sold. Pieter Breughel de Jonge had a small factory that turned out copies of his father's paintings. Apparently, some art is marketable. A possible explanation is that some art has marketable features as it serves as investment goods or status goods. As such the arts have values that are not so vulnerable and can be priced and marketed without the compromising of important cultural values.

Apart from pointing out the importance of the mode of financing the art, the third and fourth lines of inquiry, which apply the broad, anthropological meanings of value and culture, have consequences for the legitimization of cultural policy. Whereas the common justification of cultural policy evokes the economic value of culture (think of the income generated, the increase in tourism and the attraction for new businesses in town) or social values (educations, inclusion of minorities, low thresholds for people with a low income), culture can be said to have value in and of itself. It could even be argued that all economic activity serves the enhancement of cultural 'capital' of a community, such as a town, or a country. The cultural capital of a town is what makes it an inspiring place to live in and to visit. One town has more of it than another. Paris, Amsterdam and New York must have a great deal of it, considering the number of visitors.

'The value of culture' is work in progress. So far it has served to broaden the inquiry into the relationship between economy and culture.

Notes

1. See Klammer (1996).
2. See Amariglio *et al.*, van den Braembussche and van den Heusden, in Klammer (1996). For an interesting collection of papers on value see *Value* (1997).
3. This argument is pursued in the essays in Harrison and Huntington (2000).

See also:

Chapter 1: Anthropology of art; Chapter 19: Cultural capital; Chapter 22: Cultural sustainability; Chapter 30: Gift economy.

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