



# From culture to creativity and the creative economy: A new agenda for cultural economics



Xavier Greffe

University Paris I Sorbonne, France

## ARTICLE INFO

### Article history:

Received 20 November 2014

Received in revised form

23 December 2015

Accepted 28 December 2015

Available online 14 January 2016

### Keywords:

Artistic markets

Artistic skills

Creativity

Welfare economics

## ABSTRACT

Cultural Economy – which analyses the production, distribution and reception of symbolic contents – is dominated by the economics of welfare. This way of thinking marginalized the role of creativity and closed the corresponding analysis in a very static framework. Face to the need of an economic thought adapted to the creative economy, we should took this opportunity to distillate a more dynamic approach in cultural economics. Three examples are given (artistic markets, artistic skills, and macro-cultural policy) that demonstrate how cultural economics and creative economics should merge for their mutual benefit.

© 2016 Published by Elsevier Ltd.

During the last 40 years cultural economics has attracted researchers from a wide variety of backgrounds such as public economics, employment economics and industrial economics. They subscribe to the idea that markets for cultural goods cannot function optimally as they are subject to a number of problems. As a matter of fact, the levels of both demand and supply are very low. Demand levels are low because potential consumers do not have a clear idea about the value of cultural goods and also because their purchasing power could be very low. Supply levels are low because the production of cultural goods is affected by the “cost disease” due to the absence of productivity gains which may oblige the performing arts’ producer to either shut down his business or downsize it (Baumol & Bowen, 1966). This traditional approach to market failure is based *a priori* on the idea that it is advisable to maintain some kind of normal level or make an effort to return to it. The individual is treated as an orderly sum total of preferences trying to optimize her/his satisfactions once and for all within a fixed framework (Greffe, 2004a). From the viewpoint of welfare economics, the weaknesses of the cultural goods market call for public subsidies or private sponsorship (Heilbron & Gray, 2001). Adopting a more nuanced approach, others have come to the conclusion that the field of culture is more suited to not-for-profit production structures, an idea confirmed by empirical data (Greffe & Pflieger, 2014). Without doubt, these theories change

with the nature of the cultural good concerned. While they are more suited to the area of performing arts, around which most of these writings revolve, they are less relevant when applied to the working of cultural industries where the notion of productivity does not essentially have the same significance (Hesmondhalgh, 2002). There is no doubt that some of these underlying hypotheses have not yet been properly verified, particularly those related to the cost disease. Also, cultural economics could turn into an ideology when it becomes an outright plea for government intervention to guarantee the survival of the world of arts.

It is not our intention here to assess the cultural economy on the basis of Welfare Economics (Ginsburgh & Throsby, 2006) and determine *a fortiori* to what extent the underlying hypotheses have been verified. By Welfare Economics we consider here the main trend of the Economics that has been developed to explain how competitive markets can maximise the welfare of economic agents. In that sense we join the more heterodox path considering a more specific approach of both market and market value (Hutter & Frey, 2010; Klammer, 1996, 2003). Neither is it our intention to find out if public subsidies are as effective as they are claimed to be, which has been done elsewhere (Greffe & Pflieger, 2014). But, on the other hand, it is important to verify whether this theoretical corpus gives ground to other corpora such as the economies of creativity and evolution and whether cultural economics will then have a more robust foundation than the one provided by welfare economics.

E-mail address: [xgreffe@gmail.com](mailto:xgreffe@gmail.com).

## 1. From welfare economics to creativity

Before adopting the moral view that cultural goods are desirable or that culture is good for everybody, which is a highly respectable position, we must first point out that they are goods that are “necessarily new”. This characteristic has not yet been adequately exploited, except perhaps in the remarkable book by Caves who has concluded forthwith that the cultural economy cannot develop in an environment characterised by uncertainty and risks both for the product and the producer (Caves, 2000). By itself, this perspective could have changed the very foundations of cultural economics and put into perspective the role-played by the hypothesis of the cost disease. But though this view has been accepted by and large, it has not really become predominant for two reasons.

The first reason is that this hypothesis gained acceptance too fast with the result that it soon ceased to carry weight. Many remarked that all goods seem original when they first appear in the market and that there is no qualitative difference between cultural and other goods. There may only be a difference of degree, though not of nature, which enables consumers to recognize their utility more easily. On the one hand, consumers may have sufficient access from the beginning to information about the utility of certain goods. On the other hand, there are goods whose exact usefulness can be determined by consumers only on the basis of their experience. Cultural goods are closer to the second type of goods: criticism and discussions as well as the publicity accompanying their appearance in the market can make the public aware of their existence, but without providing adequate knowledge about their quality. The element of risk then gains the upper hand over the element of uncertainty so that cultural goods differ from other goods because of the degree of risk faced by their producers.

Although Caves takes note of the incertitude related to creation, he does not focus initially on the processes explaining the appearance of a novel product. From this point of view, his approach resembles Schumpeter's to the extent that creation is taken as a given and the analysis deals with the problems related to the transformation of this creation into innovation. This is not meant to be a criticism of Caves' significant work but only an appeal to go back and find out if the framework used is really that of welfare economics, including its neo-institutionalist version, or whether it would not be better to opt for another framework. It is a difficult problem that cannot be resolved by economists alone. It is interesting to note that Schumpeter has acknowledged that it is an important point and that it lies beyond the scope of economists. The latter, however, have spent the last twenty years and more (Amabile, 1983) finding out what “creates” creativity (Schumpeter, 1933).

Unlike the hackneyed hypotheses on chance, serendipity and the clash of references, Kandel's approach is very instructive (Kandel, 2011). According to Kandel, a person's creativity is the product of her/his ability to think in metaphorical terms, associate elements that have been separated from one another, seek new information and understand inner thoughts like the Viennese painter Kokoschka. So how can the mind get used to exploring the different paths possible? This can be done by associating two types of thoughts: firstly, a primary thought that is analogical, associative, free and digressive in which the concrete plays a major role, and then a secondary thought that is more structured and guided to some extent by a principle of reality. The primary thought, which is free and hyper-associative, facilitates the emergence of time for creativity by opening new horizons and providing new opportunities; the secondary thought is then necessary to allow this process to mould a more creative self. This general approach to creativity needs to be defined in terms of the domain in which this creativity takes place; it then becomes clear that a creation in

biological research cannot be seen in the same way as a creation in some of the artistic domain. Kandel's approach recognizes this difference between creativity in the artistic field and in other fields. Just as artistic practices are irrevocably associated with these two thoughts – whether it is music, drawing or self-expression through movement – cultural milieus help to make people more creative. It is not only the privileges enjoyed by a particular place that make it suitable for this search for creativity but it can also occur in more traditional spaces. Hence, what Kandel tells us is that this talent for creativity is nurtured by the hybridization of references possible in a cultural environment. Areas where there is an exchange between artistic and cultural references are conducive to cultural creativity and probably even the emergence of creative abilities, which can be put to use in areas other than culture. It could be said that this argument is partly tautological but at least it allows us to make it clear that the notions of adjustment and restoration of equilibrium should once and for all make way for notions of movement and evolution, recognition and appropriation of innovations, and treat culture not just as a sector considered dynamic but as a necessary dimension of the entire economic system. We give below three examples of the transformation that this explanation of culture based on creativity, and not on weaknesses in the economy, has brought about in the analysis of the economy of cultural goods and services.

## 2. Adjustments in cultural markets

As far as the functioning of markets is concerned, things will change substantially. The basic criterion required to understand the working of markets is no longer the criterion of a hypothetical equilibrium between the supply and demand of cultural goods through price flexibility. Since the value of these goods depends on the filtration and dissemination of new references and signs, it results in a transformation of both supply and demand.

As regards supply, every producer must necessarily aim at innovation, which means taking the lead over existing goods and producers. Competition between these innovative producers refers less and less to the price of their goods but also to their respective abilities to supply new business models (Lash & Urry, 1994; Potts, 2011). Consequently, the logic underlying supply can no longer be explained only in terms of the demand for a good but also of the behaviour of other suppliers in terms of creation: so what we have here is an independent supply dynamic.

As for demand, it could be said that when faced with the need to recognize or appropriate a new product, consumers' decisions will not be determined entirely by the price of a new product but they will also try to understand its possible advantages. This will lead to the development of dynamics that are peculiar to demand and cannot be explained exclusively in terms of the goods on offer and their price. This too leads to the emergence of independent dynamics.

It could be a result of observing the behaviour of others that Veblen and others explained long ago by drawing attention to the effects of current fads and trends (bandwagon effect) and the effects of selection (snob effect), two effects which completely distort the traditional demand curves based on price. This will elucidate the role of an often-neglected player – the art critic – even though other sciences have recognized for the last two hundred years that the art critic, without any effort on his part, has become a significant economic factor by creating a demand for a particular good. However, this role is increasingly recognized, and the works of Cameron and Velthuis demonstrate their importance (Cameron, 2003; Cameron, 2011; Velthuis, 2011).

In the Internet age this happens through social media communities who play a major role in the success or failure of a cultural

Download English Version:

<https://daneshyari.com/en/article/5048179>

Download Persian Version:

<https://daneshyari.com/article/5048179>

[Daneshyari.com](https://daneshyari.com)