

ECONOMICS AND CULTURE. BY DAVID THROSBY.  
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In his earnest book *Economics and Culture*, David Throsby, professor of economics at Macquarie University in Sydney, Australia, attempts to provide a framework within which we can apply economic concepts while thinking about cultural issues. Throsby writes as one who has been in the thick of a relatively new economic field termed cultural economics. He has coauthored *The Economics of the Performing Arts*, a standard text on the subject, and is a past president of the Association for Cultural Economics International.

Much of *Economics and Culture* is a descriptive survey of some of the main currents in the cultural economics literature. Cultural economics is widely recognized as beginning with John Kenneth Galbraith's 1960 book *The Liberal Hour* and the seminal work *Performing Arts: The Economic Dilemma* by William Baumol and William Bowen published in 1966. The reader of *Economics and Culture* will obtain a good sense of how the profession has approached its analysis of cultural issues.

Throsby's goal, however, is much more than a literature review. Indeed, he does not seek to provide an exhaustive review of the state of cultural economics. Throsby's real purpose for the book is to bring the notion of cultural value to the front so that it can share the policy spotlight too often monopolized, in his view, by notions of economic value. He wants cultural value to be given an equal place at the analytical table instead of always being told to take an old cold tater and wait.

Throsby begins his task by distinguishing between economic and cultural value. He begins with the straightforward proposition that economic value is rooted in marginal utility, but mistakenly argues that it can be measured by the price a person is willing to pay for a good. In contrast, cultural value can be defined anthropologically as "a set of attitudes, beliefs, mores, customs, values, and practices which are common to or shared by any group," or more narrowly as "certain activities . . . and the products . . . which have to do with the intellectual, moral and artistic aspects of human life" (p. 4), such as works of the visual, performing, and literary arts. As Throsby outlines his definition of cultural value, he thinks in terms of both of the above definitions.

While the relationship between economic and cultural value is of great interest for those of us who care about our culture, *Economics and Culture* turns out to be a very frustrating book. Throsby makes a number of good general observations, but frequently the details of his arguments either are lacking in logical validity or just plain wrong. Too often he makes unsubstantiated assertions and chooses to press on with analysis even when he admits a lack of validity.

Throsby, for example, is surely correct in distinguishing between economic and cultural value. The two are not the same thing, and economists are unwise if they merely conflate economic and cultural value, especially if rightly including aesthetic value in our definition of cultural value. Throsby, however, does not adequately demonstrate how his definition of cultural value does indeed transcend economic value.

Our author tips his hat to post-modernism by deconstructing his definition of cultural value in identifying six “cultural characteristics” that are sources of cultural value for an activity or thing. These characteristics include aesthetic value, spiritual (or religious) value, social value (the extent that a thing provides people a sense of connection to others), historical value, symbolic value (the extent that cultural objects act as “repositories and conveyors of meaning”), and authenticity value (from the fact that a work is the “real, original, and unique artwork which it is represented to be”) (pp. 28-29).

Throsby suggests five methods for determining the level of cultural value present in an object, including contextual analysis; analysis of content; social survey methods; psychometric measurement; and expert appraisal (pp. 29-30). While Throsby often implies that cultural value characteristics are subject to comparison to absolute standards, ultimately he leaves all of the evaluation methods to subjective opinion. Who decides when the context of an object indicates that it definitely possesses cultural value? Whose analysis of content matters? Attitudinal surveys merely identify the perceptions of those being questioned. Which experts provide valid appraisals, and how do we decide? Throsby does not address these questions, but they must be addressed if one wants to keep a meaningful distinction between economic and cultural value.

Indeed, later in the book Throsby gives his game away by asserting that

the aggregation of individual valuations can be thought of as comprising the total cultural valuation of the idea within the sphere of its circulation. Again despite its limitations, this aggregate could be thought of as indicating the cultural value of the idea and hence of the work. (p. 103)

It turns out that, according to Throsby’s definition, cultural value could be purely subjective after all, which makes it a mere subset of economic value, at most a reason why someone might value a good economically, instead of a value set distinct from economic value.

Throsby further tries to distinguish between economic and cultural value by appealing to collective valuation. He argues that the cultural impulse, the motivation people have to produce and experience culture, is a collective impulse, a “desire for group experience or for collective production or consumption that cannot be fully factored out to the individuals comprising the group” (p. 13). Throsby provides no support for this assertion, other than merely claiming that much art is produced and consumed as a group activity “moved by a sense that the group experience transcends that of the sum of the individual consumer responses” (pp. 13-14). Throsby does not justify this claim. It may be true that both artists and connoisseurs do receive satisfaction from perceiving themselves as part of a larger community. This, however, does not demonstrate that there is some mystical, collective will that is driven by collective impulses that are autonomous and set apart from the wills and impulses of the people that make up the group.

Not surprisingly Throsby's theory of cultural value informs his analysis of almost all the issues he addresses. Alas, the ambiguity he demonstrates when analyzing cultural value is present as he approaches other issues as well.

Throsby does not want to merely develop an academic definition of cultural value. He uses it to develop the concept of cultural capital, which he defines as "an asset which embodies, stores or provides cultural value in addition to whatever economic value it may possess" (p. 46). Accordingly, cultural capital can exist in tangible goods such as buildings, museums, and paintings, as well as in intangible things such as techniques, ideas, beliefs, and customs (p. 46).

Here Throsby correctly recognizes that culture is an intellectual heritage bequeathed by one generation to another. He also correctly reminds the reader of the importance of culture in the sense of beliefs and customs for economic development. However, it is not clear that beliefs, customs, and ideas are best thought of as capital. Capital goods are produced means of production that are separable from humans and their labor. Beliefs, customs, and ideas do not live outside of those holding them, in the sense that a hammer or a drill press exists outside of the worker who uses them.

Even if the concept of cultural capital is a viable one, our author runs into further analytical trouble when attempting to apply the theory of sustainable development as put forth by environmentalists to cultural value and cultural capital.

In doing so Throsby arbitrarily claims that cultural sustainability is a matter of both efficiency and equity, and identifies several principles as being important for the sustainability of cultural capital. It is to his credit that he includes material well-being in his outline of sustainability principles, in that it would be hard to sustain culture without the material resources to do so.

Some principles he lists, however, are less justifiable, and some are just baffling. For instance, Throsby argues that intragenerational equity is important for sustainability. This principle, "asserts the rights of the present generation to fairness in access to cultural resources and to the benefits flowing from cultural capital, viewed across social classes, income groups, locational categories, and so on" (p. 56). Throsby gives no explanation, however, of what equality has to do with sustainability. The history of Western Civilization itself violates this principle. At no time in the history of the West did everyone have an equal share of cultural objects, yet Western culture was not only sustained and transmitted from generation to generation, but also flourished to become the most glorious civilization in the history of man.

Throsby's main concern regarding cultural sustainability, is the principle of intergenerational equity and dynamic efficiency. Intergenerational equity "is used to refer to fairness in the distribution of welfare, utility or resources between generations." A clue to Throsby's attitude is his alternative term "intertemporal distributive justice" (p. 54).

Throsby's argument is essentially a claim that future generations have a right to culture. In order to ensure that their right is fulfilled, cultural development must be sustainable. The stock of cultural capital must not be consumed. Because of the collective nature of cultural value, there is a danger that the free market, supposedly focused only on the self, will fail to adequately provide for a sustainable level of cultural capital. Consequently, policy makers may be called upon to intervene in the market to ensure that cultural capital is maintained at a level that allows for intertemporal justice.

It is precisely on this issue that Throsby's failure to address the objective/subjective debate regarding cultural value is fatal to his argument. Throsby talks of "cultural

sustainability,” as if every part of every culture is deserving of being passed on to future generations. There is no guarantee, however, that expert opinion and societal surveys, to choose just two of Throsby’s measurement criteria, will agree regarding what is and is not cultural capital. It is very possible that experts will choose Beethoven, while public opinion chooses Britney Spears. Even if they do agree, how do we know that both will choose Beethoven over Britney? Moreover, if it is only a matter of subjective preferences, even historically informed, why all the fuss? Some culture will be sustained.

Even if all are agreed on some objective criteria, Throsby is in essence arbitrarily taking something that is widely considered a nice thing to have, and turning it into a principle of social ethics, a moral right. Instead of limiting himself to statements like, “If we want our children to enjoy live performances of Beethoven’s Ninth Symphony in the future, we need to support education in Western musical culture here and now,” Throsby makes future cultural experiences a matter of justice and advocates wealth redistribution to guarantee that right.

Throsby does at least recommend that we should consider the costs of intervention in our decision-making policy, which is more than most “culture advocates” do. He recognizes, for example, that rent seeking quite possibly is a motivation for state arts funding, however, he considers these costs merely in efficiency terms. It does not occur to him that the costs of intervention, including those pocketed by rent-seeking politicians and arts administrators, are also a matter of justice. He does not see that he is calling for robbing the productive Peter to pay the cultural Paul. In his search for supposed justice on behalf of future generations, he does not consider the right of people here and now to keep their own property. He advocates the violation of actual rights to ensure those that he has dreamed up.

In sum, *Economics and Culture* is a serious attempt to bring economic analysis to bear on cultural issues. It is a fine survey of the cultural economics literature and makes a number of good isolated insights regarding the survival of culture. However, these strengths are ultimately more than offset by ambiguous analysis and arbitrary assumptions. The reader still awaits a satisfying economic analysis of culture.

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