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April 12, 2018

CULTURAL ACTIVITIES: WHICH CHALLENGE FOR ECONOMICS?

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A Starting Point

Aesthetic (Baumgarten, 1750) and Economics (Smith, 1776)

- ◆ At the end of the 18th century, aesthetics lend to the arts a singular quality, a sensible impression irreducible to any other. At the same time, Economics intends to define and aggregate the value of varied productions in a normalized assessment even if feelings change from person to person?
- ◆ Where aesthetic dangles a particular within something of general, political economy intends to exceed this variety by applying a general rule to any particular situation.

Outline

- ◆ The evolution of the debate
- ◆ Two types of cultural flows
- ◆ The sustainability of the cultural ecosystem

1. The Evolution of the Debate

A sociological tradition
From crisis to recovery?
On behalf of creativity?

From Crisis to Recovery?

- ◆ Culture as a resource: Monuments, Festivals, Museums
- ◆ On behalf of jobs and added value
- ◆ An economic curse?
 - ◆ Cost disease on the supply side
 - ◆ Uncertainty on the demand side
- ◆ Subsidies and impacts
- ◆ Between 2 & 2.5% of GDP

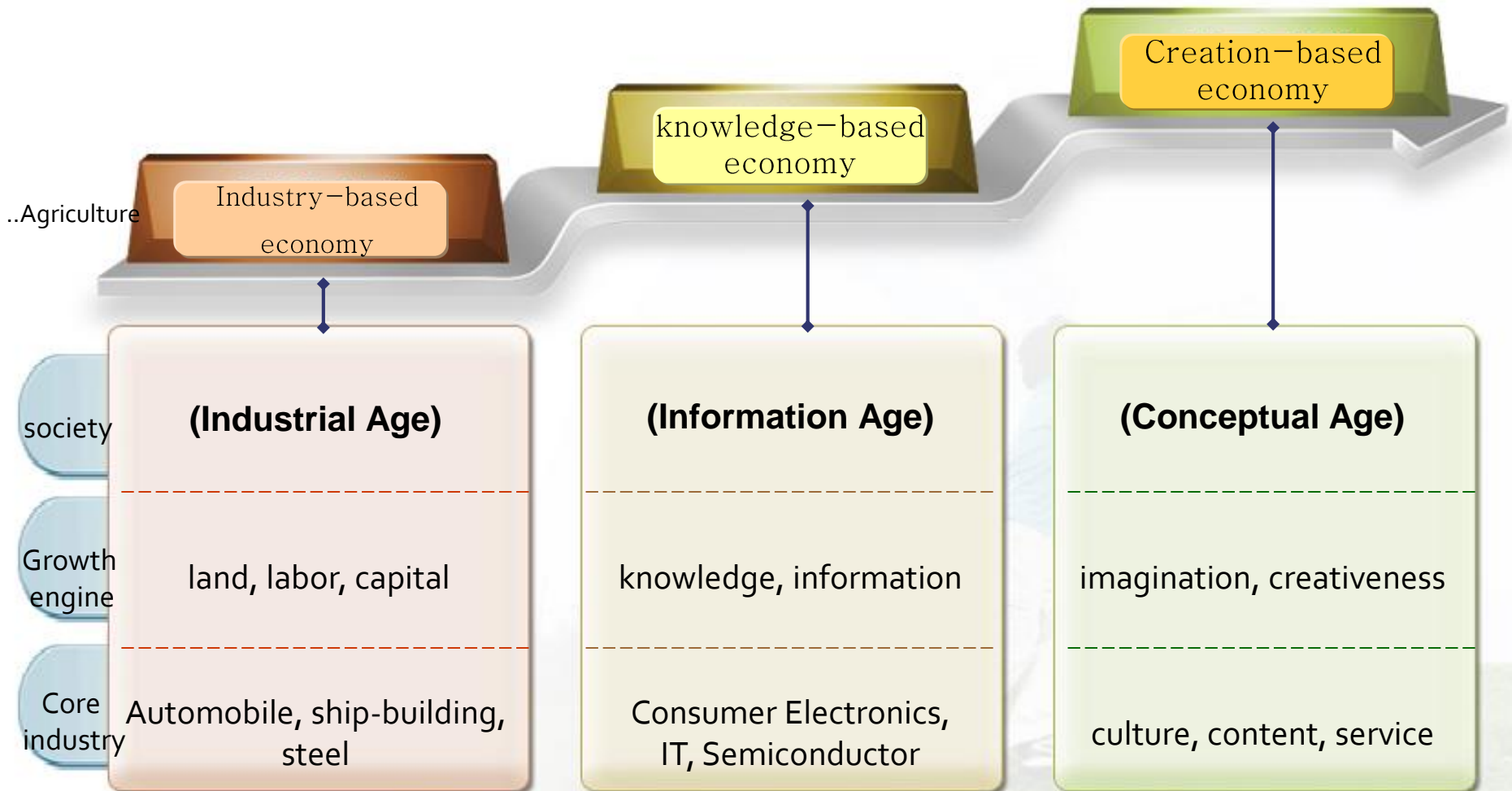
| | Cultural enterprises | | Persons employed per enterprise | | Turnover | | AAGR of turnover (2008-13) | |
|------------------|----------------------|-----------------------|---------------------------------|------------------------|--------------------------|-----------------------|----------------------------|------------------------|
| | | | in culture (*) | in total services (**) | (gross premiums written) | | in culture | in total services (**) |
| | (number) (*) | (% of total services) | (average number) | | (million EUR) | (% of total services) | (%) | |
| EU-28 | 676 488 | 6.4 | 3.2 | 5.2 | 300 476 | 5.3 | : | : |
| Belgium | 25 010 | 8.4 | 1.9 | 4.1 | 8 143 | 4.4 | -3.1 | 3.3 |
| Bulgaria | 4 834 | 4.0 | 3.7 | 4.9 | 614 | 3.8 | -3.3 | 1.6 |
| Czech Republic | 20 198 | 5.3 | 1.7 | 2.8 | 2 712 | 3.8 | -5.2 | -1.0 |
| Denmark | 8 459 | 7.2 | 4.4 | 5.4 | 5 847 | 4.5 | -2.9 | 1.2 |
| Germany | 72 873 | 6.3 | 6.0 | 9.4 | 62 648 | 5.8 | 2.4 | 3.1 |
| Estonia | 1 672 | 5.3 | : | 4.8 | : | : | : | 4.4 |
| Ireland | : | : | : | : | : | : | : | 4.9 |
| Greece | 23 322 | 7.8 | 2.2 | 2.8 | 2 352 | 5.4 | : | -8.0 |
| Spain | 67 971 | 6.2 | 2.5 | 4.3 | 16 698 | 4.5 | -9.3 | -2.8 |
| France | 101 241 | 7.1 | 2.6 | 4.7 | 49 923 | 5.5 | : | 1.5 |
| Croatia | 3 479 | 5.3 | 4.5 | 5.3 | 858 | 5.5 | : | -2.8 |
| Italy | 102 636 | 6.4 | 2.0 | 3.4 | 27 865 | 5.1 | -4.6 | -0.9 |
| Cyprus (*) | 999 | 5.7 | 3.3 | 5.3 | 167 | 2.2 | -8.4 | 3.3 |
| Latvia (*) | 1 918 | 3.9 | 3.8 | 4.6 | 255 | 2.2 | : | 1.8 |
| Lithuania | 1 705 | 3.2 | 5.6 | 5.6 | 325 | 2.3 | -10.3 | 3.2 |
| Luxembourg | 1 053 | 5.7 | : | 6.3 | : | : | : | 5.1 |
| Hungary | 12 633 | 5.0 | 2.2 | 3.6 | 2 519 | 5.1 | -1.1 | -2.3 |
| Malta | : | : | : | 5.6 | : | : | : | : |
| Netherlands | 39 867 | 7.1 | : | 4.7 | 11 767 | 3.8 | -3.7 | 1.1 |
| Austria | 11 005 | 6.2 | 3.9 | 6.2 | 6 534 | 4.5 | 1.5 | 2.4 |
| Poland | 35 071 | 6.2 | 3.0 | 4.2 | 7 893 | 6.2 | -4.0 | 0.8 |
| Portugal | 15 134 | 3.8 | 2.1 | 2.9 | 2 305 | 3.8 | -6.7 | -3.2 |
| Romania | 8 621 | 5.3 | 4.6 | 7.1 | 1 360 | 3.6 | -8.1 | -1.0 |
| Slovenia | 4 531 | 7.3 | 2.0 | 3.1 | 649 | 4.3 | : | -0.6 |
| Slovakia (*) | 4 346 | 3.4 | 2.4 | 3.3 | 709 | 2.7 | : | 9.0 |
| Finland (*) | 6 092 | 5.2 | 4.4 | 5.0 | 3 287 | 4.3 | : | 1.4 |
| Sweden | 31 920 | 8.4 | 2.0 | 3.5 | 12 050 | 5.4 | 3.6 | 5.2 |
| United Kingdom | 62 357 | 6.2 | : | 9.1 | 68 082 | 6.4 | 1.1 | 1.7 |
| Norway | 10 435 | 6.7 | 3.2 | 4.0 | 7 233 | 4.7 | : | : |
| Switzerland | : | : | : | 17.1 | : | : | : | : |
| FYR of Macedonia | 759 | 4.1 | : | : | : | : | : | : |

On Behalf of Creativeness?

- The change of the economic theory:
 - From exogenous growth theory to endogenous growth theory
 - From exports perspectives to creativeness perspectives
 - From a sector approach of culture to a more transversal one
- New data: From 5 to 10% of GDP

Environmental Change of the Content Industry

- Increased economic value of culture



2. Two Types of Cultural Flows

The Global flows (more corporated)

The Local Flows (more participatory)

The Global Cultural Flows

- ◆ Global Players: *Netflix, Spotify, Amazon, Live Nation*
- ◆ The characteristics of the global cultural good:
 - ◆ *Scalability*
 - ◆ *Sunkeness*
 - ◆ *Sameness*
- ◆ The specificities of the value chain:
 - ◆ *Domination of new media distributors*
 - ◆ *From ownership to access: Copies, clouds and streams*
 - ◆ *The consumer is a data*

The Local Cultural Flows

- ◆ Experience and participation
 - ◆ The relevance of local dimension
 - ◆ From intrinsic to instrumental values
- ◆ The economic specificity of experience goods
- ◆ From experience to turbulence
 - ◆ *The issue of enterprises: constraints on growth more than structural fragility*
 - ◆ *The issue of artists:*
 - ◆ *Bohemian, romantic, curator, trendsetter*
 - ◆ *Underremuneration?*
 - ◆ *Social services and pensions*

The case of Museums: Global and/or Local

- ◆ Superstar and branding museums
- ◆ Events-making museums
- ◆ Local museums

3. For a sustainable Cultural Ecosystem

Connecting Resources of Global Flows with Talents of Local Flows

- *Making Creative Places*
- *Valorizing local flavors*
- *Clustering intrinsic and instrumental benefits*
- *Governments as brokers*

Making Creative Places (1)

- ◆ Not marketing places, but making places: *Connecting, resources, meaning and services both for living better and attracting*
- ◆ Networking and sharing
 - ◆ *From strong links to weak links: Engage everyone*
 - ◆ *Why is the recognition of cultural diversity so important?*
- ◆ Making the transitory more permanent
 - ◆ *The issue of festivals*
 - ◆ *Creative tourism*
- ◆ Connecting industries and services, connecting local and global
 - ◆ *The consumer is a prosumer*
 - ◆ *Access more than ownership*
- ◆ Outward oriented

Making Creative Places (2)

- ◆ Mixing hard and soft infrastructures
 - ◆ *The decline of traditional cultural places*
 - ◆ *New places for culture: What means outreaching?*
- ◆ Examples:
 - ◆ Youth orchestra
 - ◆ Locals for artists
 - ◆ Residential building programs
 - ◆ Pop-up gallery
 - ◆ Cultural entrepreneurial districts

Valorizing Local flavors: Only heritage will be in the future

- ◆ Understanding the particular value of the place (terroir)
- ◆ Mobilizing the vernacular heritage
 - ◆ *Landscape, Music, crafts, gastronomy*
- ◆ Intertwining with technology and innovation
 - ◆ *From crafts to design and visual arts*
- ◆ The issue of labels for landscapes, monuments and persons

Clustering Intrinsic and Instrumental Benefits

- ◆ Partnership more than hierarchy
 - ◆ (“The artist is not a social worker”)
- ◆ The permanence of the activities
- ◆ The mobilization of volunteers (crowdsourcing)
- ◆ The mobilization of soail budgets

Governments as Brokers

- ◆ From market failures to ecosystem management
- ◆ *Livability, diversity and creativity*
- ◆ Principles? *Mining, highlighting and branding local cultural assets; Partnerships; Countering community skepticism*
- ◆ Instruments: *Real estate and venues; Education and training; Financial incentives*
- ◆ Evaluation: *Assessment, benchmarking, self-evaluation.*