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WHAT IS THE VALUE OF THE ARTS?

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ABSTRACT

In an age of globalisation, economic restructuring and rampant consumption, the "cultural industries" have come to be viewed as offering a source of social and economic salvation to declining towns, cities and regions. However, it is far from clear to what extent the arts, media and related tourism create employment, wealth, capital and community cohesion. What then is the value of the cultural industries and what concepts can be deployed to answer this question?

This paper will report on one effort to devise a theoretical framework to assess the value of the cultural industries in one small Australian city. Drawing on Marxism, Pierre Boudieu and post-modern theory, it will develop a particular concept of "cultural capital" for use in quantifying and qualifying the socio-economic contribution of the cultural industries in Geelong, Victoria.

It will argue that by linking Marx to Bourdieau around reformulated notions of "value" and "cultural capital", a theoretically rigorous framework can be distilled to assess and argue for the value of the arts. Such a concept has particular relevance and implications for arts managers.

Keywords: Cultural industries, value, place, arts industry

Introduction

What is the value of the arts? Looking beyond economic rationalism, political opportunism and the consequences of textual deconstruction, are there ways of assessing the arts which admits them as truly valuable in economic, social and cultural terms? Having done so how can such a formulation then become a useful tool for those interested in promoting and managing the arts? This paper will examine some of the ways in which "the arts" and "the cultural industries" are appraised, before moving beyond what are essentially economistic and nationalistic but ultimately limited formulations. This move will be assisted by a critical reformulation of Pierre Bourdieau's notion of cultural capital, one which draws usefully on Marxism and post-modern theorising to suggest a framework which I am now applying to an Australian regional centre – Geelong in Victoria. In assessing the cultural capital of this place my starting point is the relational construction of value which informs the definition,
meaning, production, circulation and consumption of cultural objects. From such a formulation which in turn is grounded within this place, particular events, activities and objects, I will discuss some ways in which this concept can usefully be deployed by arts managers.

Valuing of the arts - some current assessments
What are “the arts”? Finding answers to this question has assumed a particular form since the 1960s with creation of specific arts policies and the shift to state subsidisation of the arts in Australia. In its funding policy, the Australia Council supports the creative arts – performance, music and the visual arts (Throsby and Withers, 1984) – to thereby define what are the arts. Over the 1970s and 1980s this became “the arts industry”: suggesting a way of thinking about the arts which drew many parallels with other economic sectors (Anderson, 1991). In more recent discourse, utilising European conceptualisations (see Leadbeater 1999) and dating from the Creative Nation policy statement of the Keating Government (1994), there are the Cultural Industries. This term refers to that looming growth sector of the economy organised around the production and consumption of cultural goods and services. For those in Arts and Entertainment Management, with their focus on the organisations which comprise this sector, it includes cinemas, theatres, galleries, museums, bookshops, radio and television stations, libraries, theme parks, festivals and live music venues (Rentschler and Gordon-Clark, 1998, p. 3). The Australian Bureau of Statistics (ABS) defines The Cultural Industry in terms of: printing and publishing (including newspapers, books, periodicals); film, video, radio and television; libraries and museums (including zoos, parks and gardens); music and theatre production; and the retail and support services to these activities (such as recording studios, book and magazine wholesaling, recorded music retailing, video hire outlets and photographic studios). In Census tabulations the ABS identifies Artists and Related Professionals (ABS, 1996) – artists, designers, crafts people, photographers, film makers, dancers, directors, presenters and writers as well as those in museums, libraries and technical staff in film, video and television – as workers in the Cultural Industries.

Since the institutionalisation of arts funding, the definitional issue has become linked to returns and accountabilities. As a result, the further question of “What is the value of the arts (industry)?” becomes urgent and assumes a particular discursive form. Because we are now dealing with a subsidised industry, it is a question usually answered by economists, bureaucrats, arts managers and those defending the industry and its government and corporate funding in terms of employment, output, turnover, investment, export income and consumption. It is a discourse which has now assumed the status of a discipline - in the form of Cultural Economics - which in turn is both revealing and limited.

Looking for the moment at these various dimensions, the trends are positive and the industry assumes a real economic and social significance (1). This in 1996 there were 255 098 employed in the Cultural Industries (a figure which includes those employed directly in cultural occupations [156 739] and those in non-cultural occupations in culture-related industries [98 359]) (ABS, 1997). From 1991 the growth in employment was over 20% -
compared to 7.4% in all industries (Cultural Ministers Council, No 7). In 1993-94 the Cultural Industries produced $19.3 billion worth of goods and services and contributed 2.5% of Australia’s Gross Domestic Product. This means the output of culture-related industries had roughly the same value as the output of the road transport industry ($15.14 billion), the residential building construction industry ($24.8b) and the education industry ($23.6b) (ABS, 1997, p.33). In 1994-95 Australia earned $902 million in foreign exchange from culture – cultural good exported earned $750 million, cultural and entertainment services provided overseas earned $22 million while royalties totalled $130 million. However the National Cultural and Leisure Statistics Unit also reports that these export earnings were substantially less than the equivalent import payments which were four times greater at $4 032 million (Cultural Ministers Council, 1996, p. 2). Total government outlay on cultural facilities, cultural services, broadcasting and film production totalled $3.2 billion in 1995-6 (ABS 1997, p.22). Expenditure on cultural goods and services by households in 1993-94 was $8.8 billion or 4.3% of money spent on all goods and services. This was $10.20 per household, per week, an increase of 66% on 1984 (ABS, 1997, p. 20). So clearly the cultural industries are absorbing more workers while cultural commodities and activities are assuming greater importance in our lives.

In March 1995 the ABS surveyed households on their attendance at a number of cultural venues over the previous year. The results indicated a massive attendance at cinemas – 62% of the population - at libraries - 38.4% of the population - at art galleries and museums- 27% and 28% respectively - as well as at popular music concerts and theatre - 27% and 17% (ABS, 1997, p. 8). The Australia Council has since confirmed such rates, all of which significantly outstrip attendance at sporting events across the country – a combined total of 44% of the population in the same survey (ABS, 1997, p. 8), and indicate that Australians clearly value cultural activity and products.

The dimensions sketched above – of employment, turnover, output, investment, exports and participation – are but a few of the most frequently collected and invoked measures of the arts in Australia. Such numbers have been invaluable in affirming the value of the arts, though within a framework which has definite limitations. With an emphasis on the actions of individuals and quantifiable economic benefits, these appraisals and those of many cultural economists, rest on a set of neo-classical assumptions. These conceive of the arts in terms of supply, demand and scarcity and further assume that production and consumption is the result of individual rational behaviour. Thus the notion of the arts as an economic good locks discussion into a particular paradigm, one which assumes that society is comprised of self-interested individual consumers seeking to maximise their own utility and producers seeking to maximise their profits. This is fundamentally different from cultural activity which reflects collective goals and derives its nature from expressing the beliefs, aspirations and identities of the group (Throsby, 1997). As David Throsby astutely notes: “The economic impulse is individualistic, the cultural impulse is collective” (Throsby, 1997, p.30).

These economic assumptions which are now projected onto the arts are overseen by the Cultural Ministers Council which in turn sponsors the national cultural statistics.
programme (Brokensha, 1989) and a host of commissioned and required evaluations and acquittals. Thus the economic valuing of the arts leads to studies of the costs and financial benefits of art centres, spirited arguments on the return to public subsidies for the arts, endless acquittals and surveys of individual, organisational and corporate attitudes and behaviour in relation to arts funding (such as Buehler, and Trapp, 2001; Casey, Dunlop and Selwood, 1996; Cultural Ministers Council 1995, 1997; Frey and Pommerehne 1989; Koosra and Abdou-Diefenderfer, 1994; Throsby and O’Shea, 1980; Throsby and Whithers, 1984 Trowse 1997). Such an approach is useful in many ways - for generating huge amounts of statistical data, in placing the arts in mainstream politics and justifying public subsidisation. Clearly the approach has linked arts investment to employment and consumption; to the benefit of the individual producers, arts companies and their supporters. But is also has real limits. For the assumptions are patently flawed and the analyses seriously partial. Economic rationality is an assumption made by those within a particular neo-classical and modernist paradigm rather than the human condition; individualism is ideological rather than natural; and utility a cultural rather than an abstract and universal notion. Further, the conclusions possible from such assessments neglect what for many is the essence of the arts: their emotional, aesthetic, collective, critical and cultural value. The result is that arts managers spend their lives chasing dollars rather than art!

In addition to the economistic valuing of the arts there is the notion of art as a statement of collective consciousness; objects and events which variously represent, challenge and project national identity. Such a view was most prevalent in the Whitlam years (1972-75) when it was linked to economic as well as cultural nationalism and it was also present within the Keating government’s Creative Nation policy (1984). Thus its Preamble speaks of culture as “the expression of a society’s aesthetic, moral and spiritual values” and as “the value we attach to expressions of a recognisably Australian ‘spirit’” (quoted by Throsby 1997, p. 27, see also Flew 1997; Bennett and Carter 2001). It is arguable that such a valuing of the arts and an expectation of its products is still present within the Howard government’s conception of the arts as both an economic and national good. Thus in contemporary policy, the economic and the political role of the arts have become increasingly linked – as artistic production, creativity, national identity and content creation is seen as integral to the burgeoning cultural industries (Breen, 1993; Lewis, 1990; Leadbeater, 1999)

While admitting more of the human, value-laden dimension rather than just the monetary value of the arts, such a take connects artistic activity to fraught debates over national identity. This has allowed overdue recognition of particular groups -leading to the creation of Multicultural, Community and Aboriginal Arts Boards within the Australia Council - and political patronage. But such a view also invites a politicisation of the funding process, while simultaneously begging the question of whose version of “the nation” is to be defined, promoted, projected internationally and funded.

If the arts are therefore valuable because of their economic contribution and role in the definition of national identity, how can those things held dear by many engaged in
cultural production and consumption – originality, creativity, aesthetics, beauty, emotional engagement, a living wage, recognition, community expression and cohesion – be legitimately considered. In other words, how can the concept of value be broadened beyond its economistic and politically opportunist formulations and what are the implications of such a broadening for arts managers?

Creating Value - Valuing creativity

Questioning the assumption in neo-classical economics that value is essentially monetary and therefore objective, rational and beyond question, needs to be located within a broader philosophical debate on the nature of objectivity and value. For over twenty years there has been a re-examination of the separation of objective and subjectivist enquiry which, in the words of John Fekete has generated “the renewal of value discourse” (Fekete 1988, p. xi). For Fekete, such a discourse has arisen from the post-modern critique; as the post-empiricist analytic theory of science (best represented by Thomas Kuhn’s theory dependent view of scientific enquiry) joins a recognition that descriptive and evaluative languages have an analytical relation. The result is the further subversion of the fact-value distinction and an enquiry into the character and implication of the value-dependency of interpretation and the value-rationality of paradigm formation (Fekete 1988, pp.i-xix). The implication of such a view is not a simple infusion of objectivity with subjectivity, but a new way of unpacking key concepts and relationships which acknowledge the role of rationality but also emotion, aesthetics and values in the creation and consumption of concepts and things, including art.

The challenge then is to move beyond the economistic discourse which defines the value of art in terms of employment, turnover, participation and GDP towards a view which both recognises the cultural grounding of these categories and develops alternatives which admit and values other dimensions. Turning then to a value theory of value, I enter this terrain via the political economy of Karl Marx and the sociology of Pierre Bourdieu.

When deciphering the nature of 19th century capitalism, Karl Marx assumed a theory of human nature. In this, what was fundamental to the theoretical edifice then erected, especially the labour theory of value, was a notion of human beings having “powers” and “needs” (Ollman, 1976). It was human labour power that was available to act on nature to create useable goods which in turn satisfied needs; and it was these powers and needs that were corrupted and alienated by capitalist social relations. While conceptualised as necessary and outside of history, these powers and needs could only be described when they assumed unique forms in particular spaces, times and social contexts (Horvath and Gibson, 1984). In a similar way, the notion of value was embedded within Marxist theory. For in Capital, labour power is the ultimate source of value, but actual value could not be delimited until it had been applied to particular raw materials, within a specific set of social relations and production system to create commodities which in turn allowed its realisation in consumption (Marx 1954, 1956). So Marx’s notion of value was inextricably linked to the labour process and the creation of commodities in historically specific social situations.
In such a formulation, Marx's theory of value was built upon human appraisals of what was possible, necessary and important - a combination of what Fekete suggests are both meaningful appraisals and rational actions. In other words, what was reasonable and apparently necessary was socially determined rather than biological or outside of meaning and emotion. For defining need is always a cultural act while powers or the capacity to realise those needs in turn are relative but still quite rational. So too the idea of a commodity and its value or utility. While a commodity is a container of objective labour power, in Marx's schema such a product also has to be useful and meaningful to acquire use and exchange value - both socially grounded notions (Levin 1981). The process of definition - of powers, needs, commodity and value - is a relational one. In this exercise the separation of facts and values is an impossible quest and the alternative is to replace the fixed idea of values with an understanding of the processes of valuation (Harvey 1996, p.10-11). I would therefore suggest, following Fekete and drawing on the work of Bourdieu and John Frow, that a relational theory of value is necessary; one which privileges and systematically interrogates the historical process by which value is defined, created, quantified, qualified, circulated and consumed in particular places.

Cultural capital and value
The concept of cultural capital as developed by Pierre Bourdieu allows such a formulation by connecting values to artefacts within a specific array of class and institutional settings. When linked to postmodern theorising on the commodity by Appadurai (1986) and Baudrillard (1981) as well as the work of John Frow, the production of cultural commodities can be conceptualised and researched in a way which recognises both the place of creative labour and the socio-political dynamics of the art market in the creation of a broadened notion of value.

The French sociologist Pierre Bourdieu developed the concept of cultural capital to describe the possession of knowledge, accomplishments, formal and informal qualifications held by individuals and used by them to negotiate their social position. Though not necessarily matching the distribution of economic and social capital, in practice cultural capital tends to reinforce the existing unequal class order (Brooker 1999). Bourdieu subsequently used the concept to analyse and explain the high failure rate of working class children in the French school system as well as to socially situate the tastes of the French bourgeoisie, to argue that the notion of "culture" had the effect of reinforcing and legitimising middle class power (Bourdieu 1984; 1994).

If cultural capital is held by individuals as a consequence of their family background, education and negotiation of the class system, the cultural object intersects with such an order to attain its value through its position within a given field of cultural production, circulation and consumption. Within each field, there are objective qualities which govern success and these include price, awards, grants, media and public recognition. But such a field is also a place defined by forces and struggles between social groups, by power dynamics. As a result, changes in literary or artistic possibilities emerge from changes in the power relation which constitute positions and dispositions by those
involved in defining art and its value — bureaucrats, patrons, critics, producers, consumers. The process of creating value, therefore, involves not only the producers of any artistic object but the various agents and power relations in which it is inevitably located. It is they in turn which shape the ways in which the object is circulated and consumed and the value it is ascribed.

This analysis applies relational thinking not only to symbolic systems, including objects, but also to the social relations which constitute these systems. Such an analysis relativises taste, artistic production and valuing within specific social and spatial orders while also recognising that such systems obtain an objective force in their operation and reinforce particular class orders. For Bourdieu the framework allowed the delimitation of cultural matrices arranged on axes of autonomy (where art is produced for its own sake for a limited, highly specialised audience) and heteronomy (where art is highly commercial and favoured by those who dominate the field politically and economically) (Bourdieu 1983). The value of the artistic objects or events and the status of those who produce and consume them varies as a result to thereby link artistic objects and activity to class, power, politics and taste.

While criticised for being overly preoccupied with class issues at the expense of ones connected to gender, race and ethnic difference and for failing to engage with popular rather than high culture (Bennett, Emmison and Frow 1999), the concept of cultural capital has allowed some in Cultural Studies and Economics to quantify and qualify the cultural industries and products within it. One of these analyses uses the notions of cultural field and regimes of value (Frow 1995, 1998) while another has focused on the way in which Bourdieu broke down cultural capital into various components — embodied, objectified and institionalised (de Bruin 1996, 1998a and 1998b) — to assess the cultural productions of a particular group. Both offer useful directions for anyone interested in assessing the value of cultural capital.

The value of cultural capital

In trying to unpack the subjective dimension of artistic activity, John Frow has looked at the way cultural objects are created through “regimes of value” — sets of social relations where desire and demand, reciprocal sacrifice and power interact to create value in specific social situations. He concludes, following Bourdieu, that every act of ascribing value to a commodity is specific to the particular regime which organises it; such that value formation is always the effect of specific social relations and mechanisms of signification (Frow 1995, 1998; see also Baudrillard 1981). What such an analysis offers is a sensitivity to the ways in which social relations and social values are brought to bear on the creation of a valuable cultural object. It does so in a way which defies simple quantification and admits the localised complexity and subjectivity of value creation and reception. However, while directing attention to the value system in which a commodity circulates, the emphasis on the exchange component tends to neglect the production of the object in the first place. And it is here that a socially grounded notion of value creation can be useful.
To do this and to link creation to circulation and consumption, it is appropriate to draw on and extend Bourdieu's three dimensions of cultural capital:

(i) Embodied cultural capitals are the abilities, talents, styles, language, values, or images of people in a group; such as artists; or a particular ethnic group

(ii) Objectified cultural capital comprises cultural goods such as pictures, books, food, performances, films etc. They are objects which are produced by individuals or groups, they express cultural identity and can be commodified, circulated and consumed by others if they regard them as valuable

(iii) Institutionalised cultural capital is where embodied or objectified capital is directed into structures which can enhance a group's economic or social position, such as through educational qualifications or exhibiting in an art gallery (de Bruin 1998a)

The economist Anne de Bruin has used this disaggregated notion of cultural capital to analyse and facilitate community employment initiatives in Auckland, New Zealand. Here she worked with Pacific Islanders to identify particular aspects of their culture - organisational networks, music and artistic motifs – which were then used to create new urban designs, a recording industry and an arts festival. In these ways: "Cultural capital...can be converted into economic capital through innovative community action" (1996, also 1998b). While de Bruin frames her analysis in terms of embodied cultural capital, her work can be reconceptualised to encompass embodied capital (the multifaceted values of the ethnic group); objectified cultural capital (their music, designs and motifs) and institutional cultural capital (with Enterprise Otara and the local council critical in facilitating the commodification of cultural capital and community development). For de Bruin invoking cultural capital does not merely translate artistic production into monetary terms but the concept allows a focus on the process by which value is established, negotiated and realised. Valuable outcomes include income but also artistic objects, institutions, community identity, street design and ambience, pride, confidence, creativity and sense of place.

It is possible then to move from the work of Marx, Bourdieu, Frow and de Bruin to a set of steps for assessing the value of the cultural industries. Using the ABS definition of the cultural industries and those who identify as "Artists and Related Professionals" (ABS 1996) – I intend to assess the value of their cultural capital by quantifying and qualifying the values, images, products and events in one place. These cultural values and objects are complex statements within discursive fields of the social relations of their production, valuation and consumption. They in turn are necessarily located within a range of institutional settings – of policies, organisations and power relations. This framework will provide the means to work out what is the value of the arts in Geelong and, perhaps, for other places as well. To summarise the three forms of cultural capital and how they can be researched:
1. The framework I have developed and presented directs research in a particular way. It invites and structures an approach for anyone interested in the notion of value in any one place, organisation or group to define, delimit, quantify and qualify the processes by which cultural value is created. Such an analysis has to engage with all three dimensions of embodied, objectified and institutional cultural capital;

2. Once the processes of creating value in a place, organisation or group has been established and described, then in the first instance it is about convincing others of its legitimacy. In particular, planners, funding agencies, tourist authorities, marketers, corporates, philanthropists and bureaucrats need to go beyond their narrow economistic appraisals of “success” to embrace this broader but rigorous and realistic notion of value;

3. Then for the arts manager, the challenge is two fold –

- How to manage the three forms of cultural capital? How to work with and develop embodied cultural capital, how to best manage the process of value creation so that artists and creators understand the process and to convince others. The arts entrepreneur has also engage with objective cultural capital – those objects, events and activities – which once created enter a complex circuit or market in which their value is relational, rational and emotional. All three dimensions need to be understood, affirmed and projected to enable the realisation of their value. Finally the arts manager must understand and actively participate in the institutional contexts in which their charges operate. Institutional cultural capital is as vital to the process of creating, circulating and realising value as any other stage and its politics must be negotiated and capitalised.
- Finally the arts manager has to engage with how best to grow and extend the process of creating value across these three dimensions to draw in more people, to enhance the pleasure, meaning and ultimately the value of what is going on, to raise its profile and the regard with which it is held and to ultimately generate more activity and value.

The value of the arts, therefore, does not derive from an economistic value chain in which labour is applied to raw materials which in turn enter market places where various price tags are attached as a consequence of individual choices, supply and demand. Rather the value of the arts and the places where the arts manager needs to work are within the circuits of embodied, objectified and institutional cultural capital. Understanding and positively acting within the processes which create value will ultimately broaden and enhance the value of the arts in Australia.
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<th>TYPES OF CAPITAL</th>
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| Embodied cultural capital (Values and images)        | • Key person interviews - planners, curators, business-people, councillors, editors  
• Focus groups with cultural industry workers  
• Documentary research | • Image of Geelong; values of and aspirations for the city 
• Images of Geelong's cultural industries held by artists etc within  
• Images of Geelong's cultural industries held by those outside the region |
| Objectified cultural capital (Cultural objects and events) | • Key person interviews and focus groups with festival organisers, artists, cultural industry workers  
• ABS data and descriptive statistics | • How does their work become an art object?  
• How are their cultural artefacts valued and consumed?  
• Employment patterns in the cultural industries; turnover, visitation rates |
| Institutional cultural capital (Organisations which facilitate the cultural industries) | • Key person interviews (City council, arts bureaucrats, gallery directors, chief librarians, publishers etc)  
• Festival organisers and sponsors | • Policy context  
• Official incentive structures  
• Networks  
• How do festival and venue gatekeepers define cultural capital and what are their returns? |

**Relevance for art managers**
How then does all of this relate to the day to day pragmatics of being an arts manager? I would suggest there are at least three vital outcomes from this thinking:
End Notes

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