

mind”(p.167) - “an excellent way, interesting, dismaying, useful, and amusing, to expend a life” (p.168).

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Cultural Economics and Cultural Policies edited by Alan Peacock and Ilde Rizzo, (Kluwer Academic Publishers, Dordrecht, Boston, London, 1994). pp. vii + 184, US\$87.00, ISBN 0-7923-2868-X

This collection of 12 papers presented at a conference in Taormina, Sicily (sponsors are not identified) covers a very wide range of subjects from problems of definition and measurement, analysis of selected demand and supply problems to legal and policy issues. The contributors are mainly European economists and public finance specialists. (There is only one paper by a non-European, that by David Throsby of Macquarie University).

The editors in their foreword state that their view “Cultural Economics is a subject that has come of age” in contrast with 30 years ago when “economic analysis was practically unknown and any suggestions to experts on artistic matters and to arts administrators that economists should penetrate the discussion of cultural policy could meet with a very frosty response” (p. vii). A substantial body of analytic, institutional and policy studies has been accumulated over the last 30 years. However, there is very limited evidence that such studies have actually influenced arts organizations and policy makers. Indeed, one of the contributors to this collection of essays (Ruth Towse, University of Exeter and Joint Editor of the *Journal of Cultural Economics*) offers a view sharply in contrast to that of the editors. She asserts that “the art world ... is not economically sophisticated — many in it resist being confronted with economic choices — even elementary economic analysis may be a complete revelation to arts policy makers” (p. 143). Discussion at the conference is not included in the volume so we do not know whether a consensus view on this theme emerged.

The editors have classified the papers as those concerned with: definitions and measurement (by Frey, Brosio and Trimarchi); those focused on analytical issues (Mazza, Pignataro, Throsby and Mosetto); and, those dealing with policy issues (Burros, Santagata, Giardino and Rizzo, Towse and Peacock).

Although Frey refers to the fact that “no consensus as to the definition of the arts exists among experts or the public” (p.3) the editors note that the papers dealing with definition and measurement avoid “an arid debate about what is culture” (p.14). It seems reasonable to ask whether this debate can be avoided when policy makers have to allocate scarce funds and when so little public consensus on this question exists. In the area of measurement building a data base for quantitative and comparative analysis is recommended as part of the agenda for future research. In this connection, Trimarchi recommends emphasis on empirical research instead of “the usual litany of theoretical justifications” (p. 29).

The theoretical papers cover relations between private-public funding interactions, imperfect information as it affects market equilibrium, artists' labor supply behavior and market and non-market solutions to heritage preservation. Significantly, all theoretical contributions emphasize the need to test what are inevitably simple models of complex reality. Thus, the need for an enriched data base and empirical studies connects the two groups of papers.

The empirical contribution will be difficult to develop because among other reasons as Brosio says, the “natural reserve of public officers and private cultural managers in giving data relating to their activities and revealing their objectives” (p.23) One might add that empirical research is costly in both time and money and funders willing to use their resources for research are extremely scarce.

The policy essays strike a bold note. Burrows argues for a review of the copyright laws because he questions whether their long duration has a positive effect on the production of creative works, and whether a shorter period would not offer considerable advantage to consumers. Burrows stresses need for empirical investigation on this question. Santagata also urges reconsideration of property rights as they affect artists, dealers and collectors. He is concerned with the unequal distribution of benefits among these three entities, the artist in his early career selling cheaply, while over time the gain in value accrues to others (p.111). He proposes modification of the present system in the market for visual arts which would include “the right to exhibit” (pp. 122–24). Giardina and Rizzo analyze regulation in the arts world as it applies to the circulation of art work. They question whether regulation which restricts circulation to the domestic market is an optimal policy. They conclude that “the normative case for regulation cannot be accepted on a-priori grounds but investigation is needed case by case”. (p.140) Towse reviews arguments for subsidizing the arts and their policy implications. Each reason — option demand, future generations, spillover benefits, taste formation, risk and uncertainty and equity — implies a different funding strategy. She states that “One contribution that economics can make is to show that different types of policies call for different types of subsidies” (p.157) and her discussion provides some examples of why this is so. She reports that “the British Arts Council was until very recently loath to do any kind of research to find out how effective its policies have been” (p.154). Towse refers to the absence of a “coherent set of objectives for arts policy and the evidence from the past patterns of funding showed that policy objectives of increasing access and policy implementation were at odds” (p.157). Her criticism of the British Arts Council which is quite severe is very likely true of other similar bodies.

Peacock also emphasized the lack of consistency between declared policy objectives (or vague mission statements) and the measures actually adopted. Peacock argues that the policy maker has an obligation “to show what the relationship is between any form of government expenditure, including expenditure on cultural activities and the “general welfare” (p. 168). Peacock analyzes the constraints which make this very difficult. He also analyzes the relative merits of consumers vs. producer subsidies, stresses the need to improve subsidy management and indicates some measures which would contribute to that end.

The essays are a creditable effort to acquire some further insight into the economics of the arts. Much remains to be done.

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