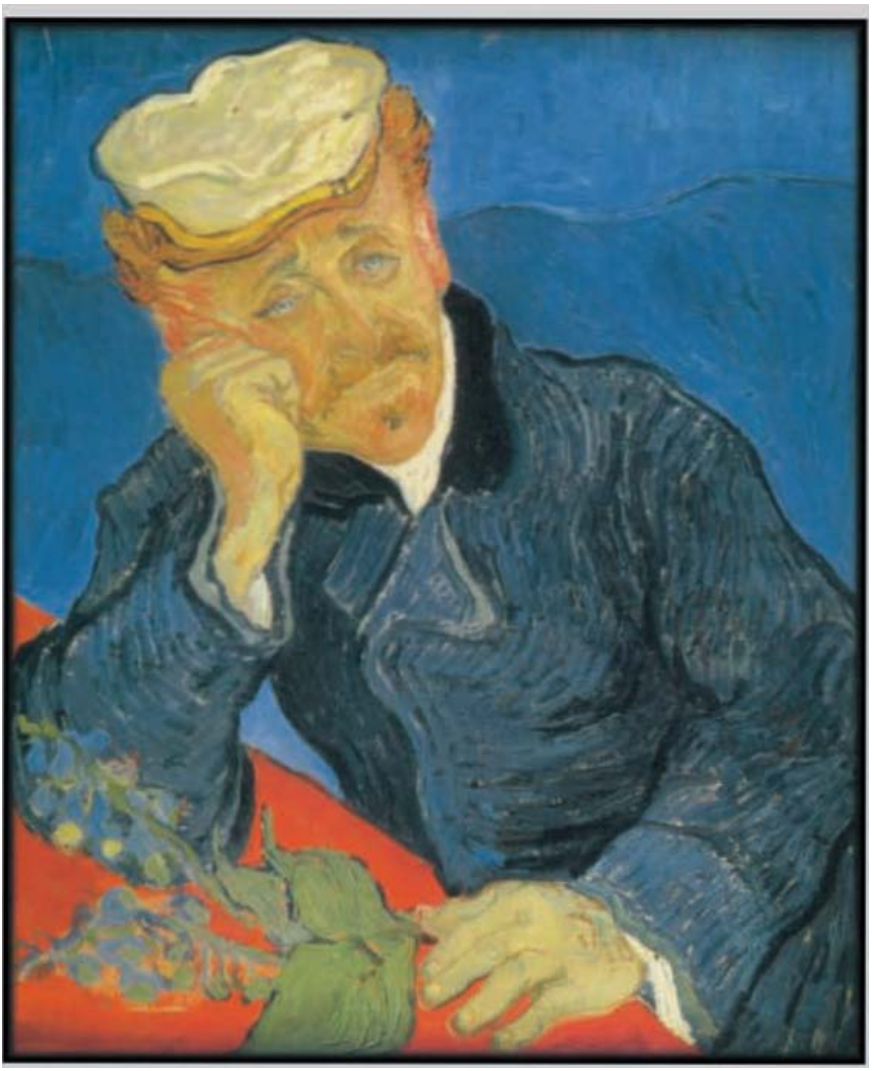
The Value of Culture

On the relationship between economics and arts

edited by Arja Klamer



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Introduction to the Conversation

CULTURE does not appear to square with the economy. In particular, art does not mix well with money. When asked the question whether it matters what people are willing to *pay* for her art, the artist responds "To me? No, nothing. All that counts is that I can work." And what if a work of hers would fetch 10 million dollars? "It never will" she insists, "but no, it would not make a difference."" The artist prefers to keep the economy and whatever reminds her of it at bay and concentrate on her art. Many in the artistic community appear to distrust the operation of money, markets, and the commercial in their world. When critics note that art work is "commercial" it is a put-down. A blockbuster of any sort is artistically suspect because money is believed to co-Opt art. The value of art is to be found in its aesthetics, in the meanings that it generates. At least those appear to be the dominant beliefs in the world of the arts.

Then again, money plays a big role in that very same world. Singers will insist on being paid well, visual artists haggle with their dealers about the prices to ask, and artdealers can he as commercial as any other hard-nosed businessperson. The suspicions of many of its inhabitants notwithstanding, markets operate in the world of the arts, too, and that means that the arts get priced. Sometimes the price is set very high: in 1989 the Van Gogh painting on the cover fetched 82.5 million dollars. Who says money does not count in the world of the arts?

The problematic relations between the world of the economy and that of the arts motivate this book. The immediate occasion was the inauguration of a new chair in the economics of art and culture at the Department of the Sciences of Art and Culture of the Erasmus University. As the first occupant of the chair, I had the opportunity to start the conversation, in an inaugural speech reprinted in Chapter 1. I saw it as my challenge to connect the world of the arts with economics, yet to respect the obvious tensions between the two. To that end I found myself introducing "culture" in its general anthropological sense and recovering the old norion of "value" in economic discourse. To explore these notions I invited scholars and artists for a series of conversations. This book is the product.

Before you, the reader, join the conversation, a few preliminary remarks. Knowmg some of the main themes might facilitate reading. The dominant theme is with-

out doubt this tension between the world of the economy and that of the arts. That it preoccupies us, should not come as a great surprise. After all, it is a fact of everyday life, though in the arts the contrast shows better than in other realms.

In the world of art moments abound where issues of costs and price are suppressed and avoided. The suspicion shows in the lack of interest in, or outright hostility to, my own discipline, that of economics, in the circle of artists, as I have found. It often seems as if a taboo rests on the subject of money and money making. The term is not meant to sneer: I call those who hold out for a separate sacred place for the arts, where money does not interfere, the *romantics*. Just as Jesus chased the motley changers from the Temple the romantics close out anyone who carries the smell of money. They passionately Ignore the *realists* - again, I do not use the word to either praise or blame - who stress that money plays an important role in the arts anyway, and that the economic realm is an integral part of the world of the arts.

The question is now what we do with these tensions between the worlds of art and economics, the romantics and realists. One possibility would be to adopt the realist sneer, and dismiss the romantic stance with its claims to the sacredness of the arts as a selfserving cover-up. This is the strategy that Tom Wolfe exemplifies in *The Painted Word*.2. Ruthlessly he exposes the commercial hypocrisy of American artists in the fifties and sixties.

> The ambitious artist, the artist who wanted Success, now had to do a bit of psychological doubletracking. Consciously he had to dedicate himself to the antibourgeois values of the *cenacles* of whatever sort, to bohemia, to the Bloomsbury life, the Left Bank life, the lower Broadway Loft life, to the sacred squalor of it all. (. .) What is more, he had to be *sincere* about it. At the same time he had to keep his other eye cocked to see if anyone in *le monde* was watching. (..) Success was *real* only when it was success III *le monde*. (Ibid, pp 16-17)

In their art the artists loathe everything bourgeois, including its money, yet for the sake of success they have to court *le monde* and that includes the bourgeoisie and its money. It makes for what Wolfe coined an "Apache dance" in which the artists try to stick to their artistic values while dancing around their enemy to get attention and sell their paintings.

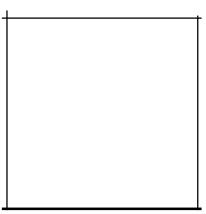
The inclination of economists is to follow Wolfe and dismiss the romantic sentiment in the world of the arts as just that, mere sentiment. Their strategy is, as in all the other subjects they tackle, to see III the world of the arts the operation of self-interested behavior in market settings. In their eyes art is like any other commodity and pnce is the best indicator of its value. I have found this strategy unsatisfactory, because it does injustice to Important characteristics of the world of art, including indeed its romantic sentiment. I propose to take seriously the awkwardness with which money figures, and the distinctive qualities attributed to the arts. (Implied is the proposal to do the same for the realms of religion, science, and personallife; hut art is the main subject here.)

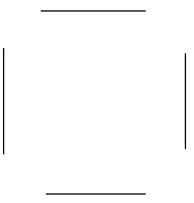
Several economists join in the conversation. Not all agree with my suggestion that the study of art calls for a change in strategy. Robert Goldfarb and joseph Cordes stick to the economic strategy in their investigation of the value of public sculpture. Ruth Towse is most vehement in her opposition. She wants economists to stick to their conventional, well-tested tools when they venture out. I don't, at least not when the tools don't help me understand phenomena such as the tensions between the realms of economics and the arts. That does not render their economic analysis useless or uninteresting. As always, economists excel in sorting out motives and pointing out constraints in the choices people face, in this case those that artists face.

Hans Abbing is another economist who prefers to think of art as just any other commodity. Yet he is an artist as well. Here he exploits his intimate knowledge of the world of art and tells us about how artists sustain the magic of art. According to him the crux is the construction of an artistic conscience, which implants the distrust of the commercial in the arts and generates the values that are necessary to play the game of art and dance the Apache dance. His interpretation supports the claim that the world of art has distinctive processes by which artists and their entourage interact, deliberate, negotiate, and exchange. Although he claims to remain faithful to the dominant economic dogma by reading in all this behavior the pursuit of self-reward, he acknowledges that the artistic conscience is strongly driven by group interest. Many young artists disregard their own interests for the sake of the magic of art, and thus serve the interests of the art world as a whole - which partly can exist because of that very magic. Implicitly, Abbing comes around to recognising the need to identify and characterise the culture, that is, the shared values that distinguish the world of art.

Abbing's interpretation supports Michael Hutter's suggestion to look for the workings of a play in the world of art. Hutrer, who is also an economist, develops a framework that goes beyond conventional economic analysis and enables us to figure out what is going on when different games get tangled up, as when the economic game interferes with the artistic game. The tensions the arts generate among us economists are creative.

The disagreement among economists about the economics in the world of art, strikes the core of our discipline, and calls the modernism of the core into question. At least that is my perception. The modernist core consists of a series of dualities. A square may represent one side of these dualities and a circle the other.':





The square contains the objective, the circle the subjective. The square stands for science and rationality, the circle for passion, emotion, and morality. The square IS the domain of the scientist, the circle of the therapist. The square might be said to accord with masculine values, the circle evokes feminine ones. This modernist mold has influenced sciences everywhere, and the arts, architecture, management too. In economic science the objective is to capture the phenomena to be explained in "square" terms, that is, in terms that can be formalised and quantified. The strategy is to rely as little as possible on the circle. In a truly scientific analysis in economics the only circle concept left is "utility", and that is presumed given. The constraints under which individuals maximize their utility are made out to be square.

The modernist mold dictates a strategy for the study of the art world. Aesthetic values and romantic sentiments pertain to the circle, do not fit the square, and so have to be Ignored. All behavior is to be reduced to moments of "choice", where preferences are given and all the relevant variation is in the constraints (income, prices, technology). Culture, in the sense of shared values, has no place in such an analysis because it does not fit the square. Economists have been proficient in this strategy and continue to be so, as the contributions in the volume show. But it is the source of much of the disagreement among the economists in these pages.

Along with colleagues across the spectrum of the arts and the sciences McCloskey, Huuer, Amanglio, Ruccio, Graham, I and many others in econorrucs want to break with this modernist mold because it is confining and threatens to render economic analysis sterile (see McCloskey's remarks in chapter 12). That is not to say that we would disregard conventional economic reasoning altogether – although Amariglio, Ruccio and Graham would celebrate such a move, fed up as they ate with the dominance of traditional economics – but we would want to make economics more interesting by bnnging the circle into the square and the square into the circle. One *way* of doing so is to make utility, the only element of the Circle in square analysis, explicitly the subject of our inquiry. Certainly when it comes to art, taste can hardly be called "given" and assumed to be beyond reason. After all, much of what happens in the arts is geared to the formation of tastes. Artists persuade each other and critics to appreciate their newly invented forms. People learn to appreciate a Mondriaan by frequenting musea and discussiog art. The negotiation about what art to value, about what constitutes good art and what bad is what the world of art is all about. To identify, characterise and comprehend it requires us to go beyond the square and circle and apply concepts like value and culture which are neither square nor circle, neither objective nor subjective. McCloskey proposes to call such terms "conjective" because they acqUlre meaning only in conversation.

If the modernist mold had informed our conversation, only economists would have been at the table for the conversation. The urgc to incorporate non-modernist concepts like value and culture involves colleagues from other disciplines. The philosophers Antoon *Van* de Braembussche and Barend van Hcusden, for example, helped out with philosophical explorations of the concepts of value and culture. In part *IV* the conversation broadens to incorporate culture in the general sense of

shared values. Here we exploit the dual meanings of the concept of "culture." The question that drives the discussion of Prances Gouda, jos de Beus and Deirdre McCloskey is what the value of culture is for the economy as a whole. The connection with the earlier question abour rhe value of art is veiled, yet is unmistakably there. As the philosophers pointed out, other values operate in the world of art apart from econonuc values. These other values, such as aesthetic values or moral values, inform the valuation of art work and therefore need to be accounted for in our investigarion.e The values come from specific cultural contexts. For example, the culture that makes up the realm of art generates different values from those that constitute the realm of the economy. Culture and value come linked.

Part V concludes the conversation with a reading of Andy Warhol by the artist and minister Peter Kattenberg and an exchange with the artists Liesbeth Bik, Ronald Glasbergen and Joep van Lieshout. Kattenberg advances the life and work of Warhol as an example of art that straddles the worlds of art and economics. Here the value of the art work is partly its ability to generate economic value. Warhol's act is about economics. With his shameless courtship of the rich and famous he seems to be out of step with the romantics among his colleagues who dance the Apache dance to cover up their need for attention and money. Yet the value of Warhol's work is more, as Kattenberg argues, and consists of the priestly quality of his presentations. The three artists subsequently cope with the tensions between the realm of money and their life in the world of art. Romantics at heart, they cope with the realist dimension, too. Money matters. But meaningful appreciation matters more. It is not, I would say, any different 111 the world of science.

The conversation with Bik, Glasbergen, and van Lieshout demonstrates concretely what many have been alluding to in the abstract tensions, confusions, and ambiguities that the inevitable intermingling of art and economics generate.

Several of the participants in this conversation have been talking with each other on and off over a long time, others are Joining for this particular purpose. Virtually all of them I already knew in one capacity or another. The art was to compose the group on the same themes while being sufficiently diverse to keep the conversation interesting. In the representation of any discussion the monologue usually prevails, even if the actual discussion involved dialogues, interruptions, and other forms of interchange. Monologues make up the bulk of the book too, but In an attempt to recover some of the discursive qualities of our conversation I conduct brief conversations with each author after rhe monologue. They will convey to you, the reader, a sense of the conversation.

Acknowledgments

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I

The Value of Culture

ARJO KLAMER

After 17 years at American universities, many conversations with economists and research into the rhetoric of economics, I moved to the Erasmus University in the Netherlands to occupy the new chair in the Economy of Art and Culture, the only such chair in the world. Apart from the challenge of entering a new field of inquiry I had to cope with a culture from which I had become somewhat estranged. That got me to the subject of the value of culture. But how to make the connection between culture in the sense of the arts and culture in the anthropological sense? In the following text, which I delivered as the inaugural (or the chair, I try to deal with this and a few other related problems."

THE TOPIC of the value of culture is a strange one for an economist, since culture as a concept has been virtually banned from academic econorrucs. I have always been uncomfortable about that verdict. The culture of a group of people, as it IS usually understood, stands for the values and beliefs the people share. So by banning culture from our conversations we economists deprive ourselves from any insight into the role that values play in the economy. That cannot be right.

When we want to understand the strength of the Dutch economy, for example, we need to take into account the values that inform so much of what the Dutch do, such as the value of solidarity and the value that gets expressed in the typically Dutch expression "Act normal, then you're already crazy enough." Such values make for a society that is quite different from the American one with its veneration of ambition and self-actualization expressed in slogans like "Be all you can be" - which the American anny uses effectively - and the "Go!, go!, go!" with which coaches and managers inspire their troops. Such a contrast in values must have important economic consequences, as I found out for myself. If you want a favor from the Dutch, such as a job or their money, get their sympathy, make them feel bad by exaggerating your hardships and they will want to solve your problem just to get rid of their bad feelings. But don't do that in the United States. There you earn your money by making yourself seem better, more impressive, more desirable than you really are.

An mquu-y Into the economic role of values calls for the restoration of a rich tradition within cononucs starting from Aristotle, including Adam Smith, in particular his *Theory of Moral Sentiments,* with a modern continuation in the work of Max Weber, Karl Polanyi, E.P. Thompson, and most recently Deirdre McCloskcy and her treatises on bourgeois virtues. Tills is the tradition that defines economics as a moral science and ultimately concerns the conditions for and characteristics of a good and meaningfullife. This concern is all my mind in the subsequent discussion of culture in the more narrow meaning of the arts.

The Economics of Art

Take a good look at a famous picture from an economists' perspective. The *Portrait of Dr Cachet* by Van Gogh, reproduced on the cover of this book, is the highest priced painting ever. In May 1990 it was hammered at the pncc of 75 million dollars by Christie's in New York to Rioei Saro (a Japanese paper manufacturer, who had to pay an additional 7.5 million dollar for the buyer's premium). Van Gogh was unable tu sell the painting himself. Should we conclude either that the conremporancs of Van Gogh were blind to the value of this painting ur that Mr Sato was out of his mind?

Not so, the economist in me responds. There is a reason for everything, including the paying of ridiculous sums for a painting. One reason is that Van Gogh paintings are currently hot and very much in demand while their supply IS fixed. When the quantity demanded exceeds the quantity supplied, the price goes up; when the difference is ridiculously large, the pnce will skyrocket. Many would have wanted this painting - the directors of the Van Gogh Museum and the Krollcr-Muller Museum might have committed murder for it - but they could not afford it. A painting like this is an investment. Mr Saro may even have liked it, but the only justification for laying out such a large sum fur paint on canvas is that it is an asset that will maintain its value, more or less, so that he can sell it again. It is elementary - elementary economics, that is. (As it turns out, Sato really wanted to be cremated with the Van Gogh. Fortunately, although he has died, the painting is still alive.}

Elementary economics tells us to see things like paintings as commodities that are costly to produce and have their value determined in the interplay between demand and supply in the marketplace. Economists presume that people are reasonable enough, that they never pay more for a work of art than they consider it worth. People pay nothing for art that they do not value and they do not pay infinite amounts for priceless art. William Gramp, an economist, concludes from this that price is the best indicator of the aesthetic value.I It is a shocking perspective if you can: about the value of art. But try to prove him wrong.

Another Issue that an economist of art and culture has to confront IS the economic significance of the cultural sector. It is a popular issue nowadays. Economic arguments are fashionable, so advocates of subsidies for the arts would like to be able to argue that their arts make sizeable economic contributions. If a subsidy to a

museum or a festival translates into jobs and income for the local economy they would have a good additional reason for awarding it. Economists are the Immediate beneficianes of this development because they are asked to make the calculations.

Famous is the one billion guilder study of the Foundation for Economic Research of the University of Amsterdam, which calculated that the cultural sector in Amsterdam contributes more than one billion guilders to the Amsterdam economy.s It sounds like a lot; the number is used left and right in the art world. Unfortunately, the econorruc perspective seriously pursued is sobering. In this study the problem is that total sales have been added up and not added value so that there is some serious double counting. In other studies researchers have been able to produce even larger numbers by using the so-called multiplier method. Made famous in Keynesian macro-economic models it boils down to the idea that a guilder spent on an artist will not only generate an extra guilder of spending by that artist but also additional spending by those receiving (hat guilder and so on. Sounds like a great idea, doesn't it?

Let us agree that all readers hand me one hundred guilders. I will promise you that I will spend the money well so that it will generate plenty of additional spending with a large multiplier effect. I might even promise you to subsidize the arts. Great, you will say, the Dutch economy will get a big injection. There is only one little problem: you will all have one hundred guilders less to spend. It is the same with every guilder that gets injected into the arts sector; it has to be withdrawn first, by means of a voluntary transfer as in our case or by means of obligatory tax payments. The withdrawal is responsible for a negative multiplier process, leaving the total effect undetermined. A positive net effect on the Dutch economy is assured only when the guilders come from foreigners who would not have spent their money in the Dutch economy otherwise. Even in that case we would probably do better in terms of jobs luring foreign spending by exporting more tulips and pork.

Spending on the Arts

The reason that we should not expect great economic feats from the cultural sector is that the sector is small, very small. The next figure shows how small. Arts and culture here include the visual and performing arts, but not pop and rock concerts; it also includes museums, but excludes the media, libraries, the book, movie, cd and other cultural industries. Total spending on arts and culture thus defined amounts to one third of one percent of total economic activity (as measured by GDP) in the Netherlands and less in the US) The Dutch and Americans spend quite a bit more on shoes and the Dutch obviously prefer to spend more time and money in cafes than in rhearers and museums. In short, the arts are not big, economically speaking.

Spending on the arts versus shoes and cafes in the US and the Netherlands (1988)

SPENDING ON:	US	NETHERLANDS
Arts		
bn $		$0.7
% of GDP		0.31%
Shoes		
bn $	$18.T	
% of GDP	0.33%	
Cafe		
bll $		$2.0
% of GDP		T.00%

Sources: CBS, the Netherlands; *Statistical abstract for the United States* (1993); Hc;lbrun and Gray (J993J, p. 8.

Another story is how people pay for their arts. Take the theater. Good tbeater is costly to produce anywhere but in a country like the Netherlands those who enJOY it pay only a small portion of the costs. According to the CBS, the Dutch statistical bureau, each visitor to a subsidized play pays on average eleven guilders, with the government contributing ten times that amount, that is, 110 guilders.' Local governments add to that amount about another 65 guilders for the upkeep and operation of the thearers. Accordingly, those who like plays of Euripides and Kushner get generous treatment, in contrast to enthusiasts for commercial musicals, who pay virtually the full costs of what they see, with maybe a small government subsidy for the building in which they see it. (Those who like to go to the opera in the Netherlands do even better with a subsidy of about 500 guilders per visit))·

As you may expect the Dutch government is quite generous, certainly if compared to the direct support that the American government gives to the arts. The American government awards for each American only $ 3 to the arts whereas the Dutch government puts in $ 27 per Dutchman. The Swedish government does best with S 33 per Swede." The American government, however, contributes indirectly by giving a tax break to those who donate their money to cultural activities and institutions. It forsakes a revenue, as it were, to benefit the arts. Still, even with this correction the official commitment of the US to the arts lags far behind the public commitments in Europe.

Public Support of the Arts

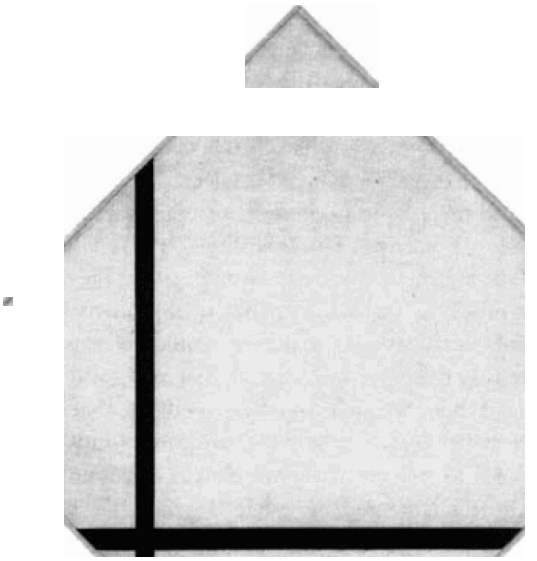
The government subsidies are not only small, they also become suspect when subjected to the economists' perspective. As a matter of fact, conventional economics does not produce a convincing economic rationale for the public support of the

arts. Some economists are therefore unequivocally opposed. Their position has gained political force in the US where the Republicans under the leadership of Newt Gingrich passionately rally against the National Endowment for the Arts, the main public funding agency for the arts, and in particular against its subsidies to public television. Those subsidies are unfair, Newt Gingrich argues, because they force everybody to pay for the enjoyment of a selected and usually well-endowed few. He has a point. And there is no good defense against it, at least not from the conventional economic perspective. The literature on this issue is, as you may expect, extensive and the arguments varied."I summanze at the expense of nuance.

Economists prefer efficiency arguments, that is, arguments that demonstrate that with public support of the arts some people would be better and none worse off. That would be the case if art is a public good, that is, a good which can only be collectively enjoyed, or if there are positive external effects, that is, spillover effects of cultural production that are enjoyed by the entire community. The arguments in the present case are hard to sustain.f It IS not dear, for example, how my enjoyment of subsidized theater is shared by other Dutchmen. There may be some spillover effects on my environment - although I would not know which ones - and, who knows, on future generations, but they remain undetermined.

Politicians and the inhabitants of the art worlds tend to favor equity arguments. They want us to believe that a policy of low prices for cultural events and products lowers the threshold for low income groups. The intention IS noble but like many noble intentions this one produces unintended consequences. In reality low prices for cultural products mainly benefit those who already enjoy them and seduce only a few of the target group. Watch the crowd that attends the heavily subsidized Concertgebouw concerts and you will look in vain for people in need of public support of their pleasure. Australian research has indicated that if you balance taxes paid versus subsidies received, public funds for the arts benefits the well-to-do at the expense of low income people.? So the realized result is the opposite of the intended one.'?

The trickiest argument refers to the merit of cultural goods. Culture is important, the advocates say, and even though not everybody recognizes it, we should all make sacrifices to guarantee high-quality cultural products and their distribution throughout the nation. It is a culture-is-good-for-you-whether-you-want-to-know-it-or-not argument. An economist like Jan Pen has no trouble with this argument but it IS incongruent with the dominant economic perspective. JI It implies that some people have better taste than others - in accordance with the old aristocratic idea - and violates the modern principles of individual sovereignty and equality. According to good anti-aristocratic and democratic values no one, not even a government, can tell an individual what to like. If my neighbors prefer musicals over serious theater and do not care for art programs on television, I cannot tell them they should, and still expect them to contribute, without any contribution to their musicals and soaps in return. Such a position is justifiable only if I recognize it for what it IS: anstocracy III a modern disguise. Yet, it might be the only convincing argument.



Piet M(mdrian: Composition with two black: lines, 1931

Finally, an interesting argument for public support of the arts evokes the significance of the cultural inheritance. The French seem to have a patent on this argument. They nearly prevented the GATT agreement by insisting on an exclusionary clause for cultural products. They wanted to be able to protect their film industry because of its importance for the sustenance of French culture. Even the self-effacing Dutch can get excited about their cultural possessions, as the city hall of Hilvcrsum experienced recently.

In 1932 the city received a Mondrian, *Composition with two black lines,* as a present from a now defunct institution for its monumental city hall. The city officials never knew what to do with the painting and allegedly used it even as a partition for some time before it was stashed away in the attic, In 1951 it was given on loan to the Stedeliik Museum of Amsterdam.

During the eighties the city experienced serious financial difficulties and so its officials re-discovered their prized possession. After some wavering the city council decided in 1987 to sell the painting to the highest bidder. Thus the market was given its chance. To ward off the anticipated criticism, it was stipulated that the seller guaranteed public access to the painting and that the estimated 30 million

guilders in revenues would be allocated to the renovation of the former Hotel Gooiland, an architectural monument, to serve as a cultural cenrer.P Accordingly the intended deal would be entirely cultural.

A public uproar followed, questions were asked in parliament and the Minister of Culture ended up blocking the sale on the ground that the Mondrian was part of the Dutch cultural heritance. The Mondrian was not to be lost to the Dutch community. In a compromise arrangement the city of Hilversum received a payment of 2.5 million guilders after transfer of ownership to the Stcdelijk Museum. The amount was far below what it would have received on the market and proved to be insufficient for the renovation of Gooiland, which was subsequently sold for one guilder to a businessman who made it into a grand cafe and a Japanese restaurant. The Mondrian was saved for Holland at the price of a new cultural center for Hilversum and the lost opportunity to experience Dutch pride while viewing the *Composition with two black lines* in the Paul Getty Museum or some other well-endowed foreign museum.u It is the price of cultural heritage. The irony can't escape anyone even a little economically minded.

Need for Correction

As you have noticed by now, the economists' perspective is not very inspiring when applied to the world of arts. Viewed through economists' glasses the cultural sector looks small and otherwise similar to any other sector. Paintings and performances are reduced to commodities, their values to prices. Reasons for public support dissolve before your eyes. Before you know it you have turned into Oscar Wilde's cynic who knows the price of everything and the value of nothing.

I will show you how we can alter the economic glasses to get a more interesting but also more truthful picture of reality. But before you conclude that I'm about to debunk the economists' perspective wholesale, I will affirm here that it gets some things right. When politicians demand that if the government cannot pay the full costs of health care or the arts, businesses should (by means of mandatory contributions or sponsorship), you need economists to point out that businesses never pay, their customers do. When a bank spends generously on the arts, its customers should wonder why they are not the beneficiaries.

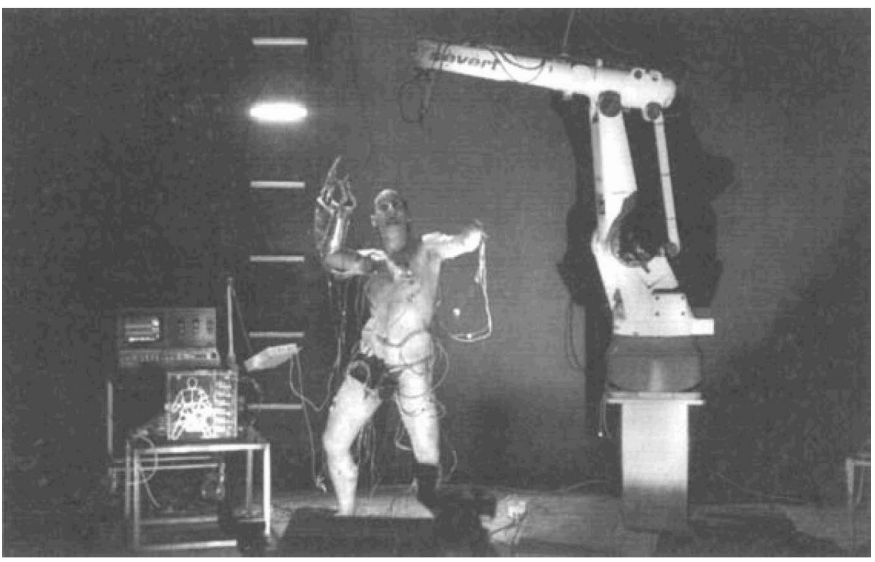
However, the sobering effects of the economists' perspective to the world of arts shows that something has to be amiss with that perspective. The insighrs gained are limited and do not seem ro do justice to the phenomena studied. The pernicious effects of the economic way of thinking become especially dear when it takes over everyday life. When everywhere people turn to econormc calculations as their guide to action and believe that "management' and "marketing" will solve all their problems, we economists must have done something wrong. Calculation, management, and marketing cannot pave the way to a good life. It is not the way to deal with friends, children, spirituality, and yes, the arts. Even our former Prime Minister Ruud Lubbers, who is identified with this economising trend, admitted as much

recently and feared moral decay because of it. It may seem that by saying this I am cutting the legs from under my chair. The opposite is rather the case. For the encounter with the world of art and culture reaffirms the need to correct the cconomists's perspective.

Two Worlds

The argument begins with the observation of differences between the worlds of economics and the arts. Differences tend to reveal themselves in discursive situations. Try to raise problems, as we academics are used to do, and the non-academic will just want to know your solution. The difference is that we want to keep the conversation gOllg, and for that you need problems and issues, whereas they want closure, I will try to meet that demand in the condusion but that does not put an end to what I am doing.

Radical differences also occur in the interaction with artists, as I had to discover. In every audience of artists that I have addressed there will inevitably be someone whu stands up to say something like "hullshir". Each time I am at a loss for words. The person may be quite right, at least from her point of view. The lifeworlds of artists and academics are simply too far apart. Both are quire abstract, incidentally, but we do it with words which happen to be suspect in their lifeworld. This difference that I experience, points at a really significant difference, that is, the contrast between the world of money and that of the arts.



Body artist Stelarc perfonning at V2 *in Rotterdam*

Art is different. The illustration on the previous page is a still taken from a video and shows a performance of an Australian body artist named Stelarc at the opening of the V2 building in Rotterdam in September 1994.[14] The artist is connected to medical equipment which transforms the various stimuli of his body into movements of the robot and various sounds. If you are wondering what this means, why this must be called art, or if you simply were fascinated with the technical wizardry and the effects displayed here, you got it. If you are worried about the costs of this performance, on the other hand, you did not get it.

[At this point the speech was interrupted by a performance piece by the artist Peter Zegveld.]

This was commissioned work and the artist was at liberty to do what his artistic spirit inspired him to do. I did not quite get it, just as I did not quite get the video ot Va, and that is just the point. For if you and I understood perfectly what just happened it would not be art. Art has to be experienced as such; the experience might be an aesthetic one but is not necessarily that. Art also happens in the sensation of a problem, that is, a problem of meanmg. In either case art exists not m the physical form of a painting or performance but in the moment of wonderment, of the question mark that the physical form evokes in our mind.

Admittedly I have no authority to speak about art. Everything I am saying here is based on what students of the arts have said, and is tested in conversations with them. You can decide whom to hold responsible. After an Incisive survey of theories of art, Antoon Van den Braembussche dares to conclude that mimesis is what art IS about; only the subject of the mimesis is left wide open.'! A Mondrian paintmg represents, but what it represents is subject for interpretation. And who knows what the V2 video represents. It might be about human technology - a human steering inhuman machines -, about technological innovation, human loss and technical gain, or whatever else you want to suggest. The producers appear not to care as long as their work is talked about. Art critics are allowed ro make suggestions and explore the variety of meamngs that the art piece allows, without solving the problem, because that would destroy the art.

Barend van Heusden, a semiotician, argues that a text constitutes art insofar as it succeeds in representing problems of meaning without solving them. His argument is complicated and requires a semiotic background.t" This is how I understand it. You, the reader, are experiencing a problem of representation; you arc reading something you have not read before. Some of you will quickly solve your problem by subsuming my text in what you already know, after a few adjustments. When it does not fit into what you already know you have basically two options. Either you ignore what you do not comprehend, or you have the artistic response and represent in some fashion or another the problem that you are experiencing *without solving it.* Art requires ambiguity to allow the experience of wonderment.

Measuring in Money

Money is not art; it is in its modern use even antithetical to it. To many people money has a magical force that needs to be venerated and worshipped. Most of my students are mystified by its creation. Kids arc less so. Ask them how to make money and they say: "Oh easy, you get it out of the wall." How sobering economics has to be once agam, with its story of fractional reserve banking and its 111s1s-rence that money does little more than pay, measure, and hold value. Our sobering wisdom dates back at least to Aristotle. After noting 111 the *Nicomachean ethics* that to allow for exchange the things exchanged must be comparable, he characterizes money as a mere convention.[17] It is by agreement that certain assets are designated as means of exchange; it is by agreement, or convention, that here in Holland we measure things in guilders and that the Americans measure in dollars.

A measurement is an intervention. In modern times we have grown accustomed to measure with great precision. We now measure time to the second with our watches and distances to the millimeter. Not so long ago, however, people were still content to keep track of time by measuring the length of shadows; distances they measured with their feet and stone's throws. As Witold Kula in his study *Measures and men* observes: "The attitude of today's civilized man towards measures reveals a highly developed capacity for abstract quantitative thinking. Of the many features exhibited by every object in a variety of contexts, we abstract one, and consequently, objects as qualitatively diverse as, say, a man's pace, a suit of clothing, a stretch of road, or the height of a tree, acquire a commensurability in our eyes, for we view them from but a single perspective, that of their length."[18] Or pnce, when the measurement of the thing is in terms of money.

The pomt is that any measurement, whether in time, length, or value units, intervenes in the nature of rhe thing. What would happen if a friend were to measure a conversation with you with a stopwatch? First you would wonder why he did it and when he tells you he just wanted to know, see whether you arc as comfortable talking as you were before the introduction of the stopwatch.

Karl Marx, the most cited economist ever and still relevant, made a big issue of the mystifying effect that a measurement in money terms has on the thing measured. Use value, so he argues in *Das Kapital,* is particular to the thing valued and depends on rhe need it meets. The imposition of an exchange value forces the thing 111to the straighrjacket of the monetary form; the thing becomes a commodity to be compared with other commodities in order to make exchange possible. By commodity fetishism Marx means the preoccupation with the commodity form of a thing so that you turn a blind eye to its distinctive characteristics as well as the social relations that underlie is production. It may happen when you look at van Cogh's *Portrait of Dr Gachet* now you know that it carnes a pnce of 75 million dollars. That fact, which highlights its characteristic as a commodity and makes it comparable with, say, a large office building, distracts from the experience of its art. The money measurement usually intervenes in the art form and devalues the experience.'?

Measurement versus Reciprocity

Money measurements also intervene in human relationships. Their intervention resembles the intervention of the stopwatch In a friendly conversation. Just imagine we would start to price friendly exchanges: "Let's see, I listened to your sob story for ten minutes, that makes ten guilders, I still owe you five for the compliment you paid me so five will do." The monetary Intervention would alter the relationship. There may be friends who would appreciate the elimination of ambiguity, but most friends will be turned off by the intervention. Sense the violence of the reduction of the value of transactions to prices and you may understand why Aristotle considered commercial transactions unnatural and therefore immoral, and could exonerate them only if they served the sustenance of households. His verdict was common in pre-modern times and caused merchants great trouble everywhere. The trade in goods such as land, labor and money was a taboo. With the development of commercial society this taboo became untenable. The moral philosopher Adam Smith wrote the *Wealth of Nations* partly to address the outdated moral sentiments of his time: "In civilised society [man] stands at all times In need of cooperation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons." In such circumstances, it "is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interese.">'

The commercial transaction implies a contract. The deal is that both parties exchange equivalents, thar is, two goods of the same value. The deal is possible only when the two goods can be measured. That's where money enters. It serves as a unit of account and facilitates the exchange. Chnsue's and Mr Saw agreed that *Dr Cachet* would go for 75 million dollars. It was understood to be a *quid pro quo.* As soon as the two measured equivalents changed hands, the deal was done, the story was over, and each could go on with their business without any remainmg obligations.

However, most transactions are not like that. When we exchange favors with friends, make deals with our spouses, and trade niceties with business relations we do so on the basis of reciprocity. The difference with commercial transactions is that these are not measured and are not well defined. When I help out a friend in a big way, I do not expect an equivalent favor in return. More poignantly even, if my friend would make the offer, he would devalue my gesture of friendship. Even a mere "thank you" might be too much. This does not mean that my assistance was a pure gift. There is always the expecration that something will come in return. Even the selfless work of Mother Theresa has rewards in the form of admiration and ultimately God's blessings of course. Fnendships, like all relationships, are based on reciprocity.

We do favors, hand over gifts, pay compliments, and extend our love with the expectation that something will come in return. Only the what, how, and when of the reciprocal deal are undetermined. A relationship demands a give and take but their equivalence is a matter of interpretation and hence the cause of a great deal of

trouble. Because of their built-m time element and the complicated mutual obligations, these exchanges make it difficult to walk away from the relationship, finish the deal and end the story. Reciprocity is the basis of each relationship as long as the values to he exchanged are left open for interpretation. Measurement is enforced only when relations break up. Just think of divorce proceedings.

Accordingly, measurement can not only devalue the good measured, but also a relationship. You may think this is obvious but conventional economics glasses, with their focus on individuals and prices, prevented me from seeing this. Economic theory does not account for relationships and does not recognize a value that is beyond measure. It was through my engrossment with the subject of the value of culture that I hit upon this oversight in my discipline. I subsequently had to discover that sociologists and anthropologists have been preoccupied with relations all along.

Direct and Indirect Payments

Incorporation of relationships and values beyond measure will require a shift in focus and most likely in method. We will for example, have to do mote interpretative work and rely less on our analytical models.>' I would like to open the chase with the following theses: 1. A commercial transaction devalues a good whose value is beyond measure; 2. When direct payments devalue the good traded, the parties have an incentive to establish roundabout ways of financing the costs of producing the good.

The evidence is already pouring in. Consider the good called a child. Not so long ago, parents considered a child a commodity whose value was to be measured in terms of the income and the old-age pension it could provide. In our world, we do not allow each other to think about children that way anymore. Even though children cost their parents a great deal, don't generate economic benefits, and have emotional benefits that are dubious, their value is beyond measure.w The mere suggestion that a child has a price, would devalue the parent-child relationship.

In the US patents customarily place congratulatory advertisements in the graduation newspaper of their child's University. An advertisement in the George Washington University newspaper of a few years ago read: "Congrats Pete, Love your parents. By the way, you owe us $213,OOO." The joke -I presume it is one - brings out the anomaly of parents presenting their children with the bill of their upbnnging. That is what the transaction is in a strictly economic reading. The better the upbringing, the greater the rate of return. We, who all have been children, owe our parents - some more than others - yet it is a modern value to disallow the explicit specification of that debt. And so the burden to provide for the parents when they grow dependent is shifted to the community as a whole.

The practice of indirect payments is pronounced when it comes to religious transactions. Last year the Rode Hoed, a church in Amsterdam, expected an overflowing crowd for its Christmas Eve services. The economists' solution would be to

charge an entry fee and have discounts and free tickets for people of low means. But a church service cannot be priced. Even though the production of church services is very expensive, pricing them would devalue the expenence. Therefore, de Rode Hoed requested [hat people make reservations and, as usual, asked for voluntary contributions during the church service. Thus the appearance of a commercial transaction was avoided.w

The problem in regard to my first thesis is the ubiquity of commercial transactions in the world of the arts. Artists sell their products outright and some do so at very high prices; we pay for art performances, the Americans more than the Dutch. It is all quite commercial, you would say. Some artists, like Jeff Koons and Marko Kostabi, are blatantly commercial and like to speak about their art as if it were a business. Servaas, a Dutch artist, sells hernngs and by calling it art has been able to get the special tariff of the value added tax for art transactions, to the great annoyance of commercial herring salesmen. It is business, he says, yet art. All this does not square with the thesis.

However, indirect payments are ubiquitous as well ill the world of the arts. They certainly are in the government-oriented Dutch arts world. They are paramount even in the market-oriented US. Take the Metropolitan Opera with its budget of over one hundred million dollars. Less than 50 percent of its income is in the fonn of direct payments for servrces rendered, that is, tickets and sponsorships. The remainder gets financed indirectly. Government subsidies make up about 7 percent of the total amount, the rest is collected by means of individual and corporate donations.

Activity and Experience or Product

The reason for the mixture of direct and indirect payments for the arts lies in its nature. In accordance with the views of philosophers of art like John Dewey and economists like Michael Hutter, my first step is to distinguish the *product of art* from *art as activity* and *art as experience.* Art as activity and as experience has a value that is beyond measure and therefore clashes with the form of money. In this respect the romantics are fight with statements such as "Where any view of money exists, art cannot be carried on" (William Blake) and "High Heaven rejects the lore // Of nicely calculated less and more" (William Wordsworth). That some artists exploit this conflict only attests to the possibilities for artistic activities, but does not resolve it.

The story for art as a product is different. As the economist Lancaster has theorized, products have a variety of characteristics and hence can have several (use) values.t-t One characteristic of a painting as a product is its potential to give an artistic experience. But it also can serve as an investment, as decoration, or as a prestige object. In the seventeenth century painting did well as wallpaper. Each of these characteristics does not have the tenderness of art as experience and therefore lends itself to measurement. That's why they usually will be paid for directly.

The same tension occurs in the case of theater. On one hand a performance is a product with qualities for which people will be willing to pay directly. Think of its entertainment value but also of the additions to one's social value and "cultural capital" (Bourdieu's term for one's cultural knowledge and experience). On the other side of the scale are the uncertainties about the values that watching the play generates - there is no guarantee that you will be inspired and stimulated so why pay a hundred guilders. Moreover, commercialization of the play as expressed in high prices and slick marketing techniques, will devalue the art in the play. For the latter two reasons rhearer producers who want to keep up the claim to art, are constrained in their attempts to join the market for entertainment and will have to be inventive in the financing of their work.

And so the exploration of the value of art has lead me into the realm of values. To sustain the values that are communicated by means of art products, people have through all ages been inventive to circumvent the *quid pro quo* of commercial rransactions for the very good reasons that their requirement of measurement devalues the art experience but also that a strictly commercial transaction ends the relationship. For the *very* same reason that we avoid commercial deals with friends and children, we avoid the intrusion of the commercial world on the world of arts. The values that are communicated in that world are tender and defenceless-a against calculation, and can be sustained only in the relationships that people form with each other and in the ongoing conversations among them. The same applies to scientific values. To sustain the values of critical thinking, questioning, abstract argument, and intellectual engagement, we scientists have to fight the encroachment of commercial and political values *(Please, hand me your solution)* to sustain the conversation among each other and keep those values alive.

I am not worried that this Insight will get lost, all the observations of moral decay and the penetration of the commercial spirit notwithstanding. The trend has already been reversed in the business world where a recvaiuanon of business relations and the significance of values and culture is underway. The same trend towards a reevaluation of values is occurring in political discussions. A study of the ways in which values are changed and affirmed in the world of the arts, indicates the importance of relationships that are not purely commercial and rely on reciprocity.

Government Subsidies

There is enough to the subject of [he economics of art and culture to sustain the conversation with students, colleagues, and anyone interested in economics and arts. We can have a conversation, but scientific inquiry cannot tell politicians what to do. The task of critical inquiry is to highlight problems, not to solve them. Politicians are for the solutions. Accordingly, with respect to the much-discussed system of government subsidies in the Netherlands, my inquiry points at a series of problems. Let me name a few:

"Every system contains the seeds of its own destruction," warned Marx. Well, government subsidies which are meant to stimulate the arts and enhance their value, are currently in danger of stifling new initiatives and Impoverish the world of arts, that is, they are about to realize the opposite of the intended objectives. Gradually, the system starts to resemble the commercial circuit with its emphasis on calculations as the basis for the allocation of scarce means. As many have pointed out, the other danger is that interests are getting entrenched, and more and more time, energy and money is expended to increase one's stake in the subsidy pot at the expense of investments in the artistic process itself.

Connected to the above is the problem that the system frees the art producers from the responsibility to commurucate with those who seek art as an experience. Interactions are basically non-committal. All these factors impede the valuation of the arts. Appreciation of the arts, especially of the art that is ambiguous and difficult, relies on ongoing relationships between the producers and seekers of the art experience. One way to intensify such relationships is to make them reciprocal. If we want people to be committed to the value of art, we want to get them to contribute and invest in it. When the government does it all for them, one good reason for that committal is absent.

Commercialization is only an alternative insofar art products produce values that can be measured and paid for directly. Sponsorships are not the alternative either, because they are just another form of a commercial transaction. The only conceivable alternative is that the art producers recover their inventiveness and explore arrangements that bring them in closer relationship with art seekers. Expansion of the still modest friendship organizations is one possibility. The build-IIlgup of capital funds for the support of the arts is another, but then the financing should not occur by means of national lotteries, but by national campaigns with the express purpose to support the arts. When the government decreases its support, the Dutch are put in the position to demonstrate what the arts are worth to them. The likely result would be a more active participation and a reevaluation of the arts,

Epilogue

The last remarks I added to cater to practical concerns of those listening. They triggered mostly responses from the world outside. Cultural pulicy is all but sacred among the art establishment in the Netherlands. To suggest that the government retreat is a blasphemy, even if such action would be goud for the arts in the Netherlands, as is my claim. What people hear me arguing is that markets should value the arts because they are thinking either in terms of government or market. But I am pointing at the possibility of a third way where parties form partnerships for the production and enjoyment of art with indirect ways of financing by means of donations, for example. The intent is to avoid the impersonal and objectifying relationships that characterise transactions with the government and in markets. The key is

to generate relationships that stimulate ongoing interactions that are needed to sustain and develop the values of art.

In the meantime, I had a chance to practice what I preach through involvement m a thearer project that starts from the principle of partnership. The objective of Het Toned Speelt (The Theatre Plays) is to produce quality Dutch plays with a minimum of subsidies and sponsorship and a maximum participation of so-called share holders. The idea is to persuade people to buy shares in the company which give them a say. The hope is that this will give the company a sound financial basis independent of the government (in itself a startling feat given that all major rhearer companies relie on subsidies to cover more than 80 percent of their expenses) and at the same time makes for intense and productive interactions among directors, actors and the partners. Such inrcracrions might very well add to the value of producing and experiencing the plays.

Much criticism has also come from fellow academics.[26] Several criticized my characterisation of the artistic experience for being romantic. Another criticism is that In my eagerness to call attention to the non-economic dimension of the realm of the arts, I overlook the economics. Bruno Frey, for example, pointed to the possibility that measument In money terms increases the value of an art work - the crowding-in effect he calls this. He furthermore suggested that I do injustice to work that has been done in cultural economics. Ruth Towse, editor of the *Journal of Cultural Economics,* will amplify this criticism in her contribution to the ensuing conversation. What separates me from these critics is that whereas they are intent to determine the commonalities between art and other economic activities and thus to demystify art as something special, I want to find out what distinguishes art. To that end I position myself as an anthropologist would and take seriously what the "natives" think and say. When they tell me that art is different - and they do in many ways - I wonder why. In a sense this entire book might be considered In the light of this wonderment.

PART ONE

On Value

2

The Value of Art

A Philosophical Perspective

ANTOON VAN DEN BRAEMBUSSCHE

The re-introduction of value into the discussion runs into conceptual problems right away_ For what is value? And what does culture stand for in the "value of culture." This part combines three, mainly philosophical, explorations of these conceptual issues. Antoon Van den Braembussche starts off probing the concept of value. The influence of deconstructionist thinking will show in his tendency to turn the concept inside out and bring out its multiple meanings. In the end he calls attention to manifestations of the sublime which would not only make measurement impossible but would render the application of the notion of value pointless.

Antoon Van den Braembussche is a philosopher of history and art. He teaches at the Erasmus University. His latest book is Denken over Kunst *(Bussum: Dick Coutinho,* 1994, *English translation forthcoming) which is an introduction to the philosophy afart.*

IN HIS inaugural speech *"The value of culture"* (see chapter I) Ario Klamer set the tone for the discussion during the conference that led to this volume. After exploring the economic way of thinking, in which art and culture are valued exclusively in terms of commodity and measurement, Arjo Klamer expressed the need to correct the economists' perspective. The conventional economists' perspective is too single-minded and tends to devalue important distinctive features of art and culture. One important feature of art is its *ambiguity:* it represents problems of meaning without solving them. This essential ambiguity explains why aesthetic experience is an experience of wonderment. Another important feature of culture is the intrinsic role of *reciprocity* in human relationships, which IS embedded III values that are "beyond measure". Both features are wholly neglected by conventional economics, which reduces cultural goods, paintings and performances to commodities and their values to prices. This commodification of culture and art misses the point completely: "Art as activity and as experience has a *value* that is beyond measure and therefore clashes with the form of money" (p. 25 in this volume [Klamer, 1995, 308}}.

This straightforward criticism of commodity fetishism, which is ascribed to conventional economics, may seem outrageous, especially because it is expressed by an economist. Economic thinking, however, has not always been so alien towards moral values, as is the case in its conventional and present day practice. In that respect Klamer's plea for a morally oriented economics of art can be seen as a revival of a rich tradition within economics, which sees it primarily as a systematic study of moral sentiments and virtues (Klamer, ibid, p xx {J995, 298); the contribution of McCloskey in chapter 12). The revival of moral perspectives liberates economics from its otherwise crude and positivist assumption that art can only be valued as a commercial enterprise. This assumption, which is both morally and ideologically suspect, is even antithetical to our basic, everyday intuition about the value of art: "For the very reason that we avoid commercial deals with friends and children, we avoid the intrusion of the commerciallifeworld in the world of arts" (Khmer p. 26 {, 1995, 308)).

The Essential Tension

Time and again the tension between the conventional economists' perspective and the moral *or* aesthetic point of view re-emerged dunng our discussions. Let us call it "the essential tension". It remains indeed a matter of debate whether we should see art as a commodity or something which has a value of its own, be it a moral or aesthetic one or both. In his comments on Klamer's speech Hans Abbing questioned the relevance of arguing that something is "beyond measure". Don't we introduce some mystical or metaphysical element into economic discourse, which is maybe no longer a characteristic of actual practice in the world of art? Artists transact everyday. The world of art is part and parcel of capitalist society. Commercial standards have been fully internalized by different actors, artists included. The ranking of artistic quality is a matter of measurement in terms of economic value and prices. The so-called "purity" of artistic experience has not prevented this generalized commercialisation and commodification of art.

More particularly, he criticized Klamer's distinction between *product of art* and *art as activity* or *experience.* Everything can be "experienced". There are no inherent characteristics of the arts, which warrant a borderline between art and other products or activities in the economic sphere. Even the emphasis on non-monetary exchange cannot serve as a line of demarcation, because many economic activities, such as gifts and services, do belong to the same category. This does not prevent all these non-monetary activities from heing subjected to exchange-rates, which should only be elaborated to show their genuine economic character.

At one moment, however, Hans Abbing asked himself "why do we value art so highly?". Another participant wondered: "Why do we still feel uncomfortable about commercialisation of art?". Another one asked "why should we stop the commercialisarion of art?". According to some participants our uneasiness about the commercialisation of art is a modern phenomenon. In the Golden Age com-

modification of art was accepted as something natural and unproblematical. Only with the advent of capitalism did the tension between the "economic" and "irurinsic" value of art emerge as a hot issue on the cultural agenda. As I will point out later, the tension lies quite deeper and was already problematicized in more general terms in the eighteenth century by Kanr.

Is the "essential tension", which is at stake, still a hot issue? In view of the ever increasing incorporation of art within an expanding cultural industry, it looks like a problem which is outdated and obsolete. Art projects and manifestations have become so dependent on private sponsoring and government subsidies that all talk about the "intrinsic" value of art seems inadequate and meaningless. Given the oversupply of art the role of cultural intermediaries, entrepreneurs and managers has become so Important and decisive that every claim to artistic autonomy seems to vanish into the requirements and determinants of an all-embracing economics and politics of art.

Why should we indeed stop the commercialisation of art in view of this massive and seemingly inescapable commodification and politicization of art? Why should we bother about the "intrinsic" value of art if even some artists, like Jeff Koons, Marko Kostabi and many others, have no scruples whatsoever to operate as if there is "no business like art business"? Arenc't we incurably romantic to believe that art still represents a value of its own, which transcends the economics and politics of art? Or, as Ruth Towse phrased the problem, have artists become "rational economic beings" or do they still make "rational choices" which are to a large extent normative and oriented towards "intrinsic rewards"? In that case the concept of rationality of classical economics is totally inadequate. This would not only explain why most artists' earnings are typically low, but also why many artists freely choose self-creativity above career chances. To speak in Weberian terms, artists seem to be oriented more towards "value rationality", in which artistic demands and principles supersede economic rationality and economic prerogatives.

If the diagnoses of both Klamer and Ruth Towse are right, then art remains a challenge to both classical economic rationality and its alleged "disenchantment of the world" (Weber). Then art still confronts us with an experience of wonderment, indeterminacy, and ambiguity, which resists any reduction to econormc calculation and rationality. The value of art still transcends its purely commercial value and so the "essential tension" remains, even within the neo-capiralisr tendency to dissolve it entirely into the interplay of demand and supply.

Our Basic Intuition

Our basic intuition is that we can value a work of art without being in a position to buy it. We can even value it *in spite of* the fact that we own it. We know that to Invest ш a piece of art is an experience which is quite different from its aesthetic experience. Someone may buy a piece of art because he regards it as a good investment. He might be utterly indifferent towards its aesthetic qualities: from his eco-

nomic point of view it doesn't really matter at all. But this plain fact does not exclude, as our basic intuition tells us, that aesthetic experiences transcend the sphere of economic transactions. This may be pointed out in many other ways. So we may have aesthetic experiences of objects, which are simply not for sale. Wc may be touched by the beauty of a sunrise and only dream of buying it. We will never be able to invest in it, except in a very indirect and collective way, by taking ecological measures in order to preserve the beauty and purity of nature. And even that sort of investment will never allow us to own the sunrise in an economic way.

Confronted with works of an, with concerts or performances, we constantly Judge them in terms of aesthetical qualities. After attending an expensive concert we may feel disappointed and even betrayed, because it did nor fulfil! our aesthetic standards. Our discourse on art and beauty is Imbued with aesthencal judgments. Critics of art even criticize heavily subsidized or sponsored artistic manifestations because they do not live up to our aesthetical norms or standards.

Kant's aesthetics, which is still widely discussed, is wholly in line with our basic intuition. Kanr tried to justify in a transcendental way the *autonomy* of our aesthetic experience. Indeed, in his analysis of the aesthetic judgment he emphasized time and again the *disinterestedness* of the aesthetic experience. The same idea is embodied in his well-known definition of beauty as "purposiveness without purpose", which presupposes that not the matter or the function but only the *pure form* is at stake when we are experiencing beauty (See Kant, 1951).

Consider a *nouvelle cuisine plate.* If we want to consume it, then we have, according to Knnr, a genuine interest Jtl the "existence" of the object. Our pleasure is determined by the very availability of the plate. On the other hand, as soon as the plate becomes an object of aesthetic experience, our interest in the "existence" of the object disappears altogether. Only the subjective experience of its pure form matters. In order to experience the plate as a harmonious whole of colors and forms we need not be in a position to consume it. We even do not need to *know* that we are actually seeing a nouvelle cuisine plate. And we certainly do not bother about the *moral* qualities of the beautiful plate. The aesthetic dimension *as such* has nothing to do with conceptual or moral reasoning.

The Double Discourse o("Value"

Our basic intuition tells us that we must distinguish between art as a commodity and as an object of aesthetic experience, between mere price and intrinsic value, between mere consumers and discriminating taste, between extra artistic criteria and truly artistic demands, between objects of pleasure and objects of beauty, and so forth. This omnipresent axiological duality has inspired Barbara Hernnstein Smith to speak of the "double discourse of value": "On the one hand there is the discourse of economic theory: money, commerce, technology, industry, production and comsumprion, workers and consumers; on the other hand, there is the discourse of aesthetic axiology: culture, art, genius, creation and appreciation, artists

and connoisseurs. In rhe first discourse, events are explained in terms of calculation, preferences, benefits, profits, prices, and utility. In the second, events are explained - or, rather (and this distinction/opposition is as crucial as any of the others), 'justified' - in terms of inspiration, discrimination, taste (good taste, bad taste, no taste), the test of time, intrinsic value, and transcendent value" (Smith, 1988, 127).

Seen from this perpective the essential tension is embodied by two opposing discourses. The one discourse is speaking in terms of "utilitarianism" or "utility theory" and presupposes "instrumental rationality" as the only legitimate and defendable concept of "value". Its idealtype IS embodied by the traditional utility-maxlmlzmg or "rational-choice" model of neo-classical economics. The other discourse speaks m the name of "humanism" and "anti-utilitarianism" and presupposes "value rationality" or "substantive rationality" as the only legitimate concept of "value". With respect to the value of art its idealtype IS embodied by the traditional viewpoint that art and the aesthetical experience have a value of their own, which transcend any "utility" and should be protected against any sort of reductiomsm. Klamer's speech is a good example of this anti-utilitarian and humanist discourse, which echoes predominant discursive practices within the philosophy of art.

On Binary Logic and Deconstruaion

Within the philosophy of art the anti-utilitarian discourse rests on a binary logic, which exemplifies two different and opposing meanings of the word "value". First of all it is understood as "that quality of a thmg according to which it is thought as being more or less desirable, useful and important". This is the broadly UTILITARIAN at INSTRUMENTAL mealllng of the term. Here the value of art is always related to specific purposes or uses, which lie outside the realm of art or aesthetic expenence. Secondly, "value" is understood as "that which is desirable or worthy of esteem for its own sake; thing or quality having INTRINSIC worth". This is the purely AESTHETIC or INTRINSIC meaning of the term. Here the value of art is always related to intrinsic criteria, which lie within the realm of aesthetic values, conceived as a separate category of values Irreducible to other values. Either we are valuing works of art "instrumentally" or "as a means to some end" or we are valuing them "for their own sake" or "as an ends ш themselves".

It can easily been seen now that the conventional economists' perspective is but an instance of the instrumental meaning of "value", though it is a very specific one. Here "value" IS understood as "the worth of a thing in money or goods at a certain time; the market price". This is the COMMERCIAL. or ECONOMIC meaning of the term. Here the value of art IS always related to its degree of commodification (the degree in which it is incorporated in the circulation of commodities).

So, philosophical discourse on art rests on a binary logic, in fact on a whole range of binary distinctions, which, however, upon closer examination, do reveal a number of inconsistencies, hesitations, inner tensions, blind spots or aporia's.

These tensions between *rhetoric* and *logic,* between that which the text wants to convey *manifestly* and that which it betrays *latently,* are precisely the sort of tensions on which Derrida concentrates when he tries to deconstruct philosophical texts (See, for instance, Derrida, 1967a; 1967b; 1972a; 1972b; J984; 1989; Culler, 1982; Norris, t982; Eagleton, 1983; Leitch, 1983; Berman, 1988 and Sarup, 1993,32-57).

It IS, therefore, not surprising that many classical texts on aesthetics have been the subject of deconstruction. Kant's third critique is a case III point. From a deconsrructive point of view some inner tensions of Kant's discourse are strikingly evident. Let us consider briefly only a few of them, which have been revealed by Barbura Hernnstein Smith and Derrida (Smith, T988, 64-72; Derrida, T978, 19-209). A first inner tension concerns Kant's claim that aesthetic Judgment is subjective and at the same time universal: in any aesthetic judgment we are not judging for ourselves, but *for everyone* because, if not, there would be *"no taste whatever, i.e. no aesthetical Judgment which can make a rightful claim upon everyone's assent"* (Kant, 19S[, sect. 7, my emphasis added). This argument begs the question because it rules out a priori any serious alternative by excluding it form the very definition of taste! A second mner tension pertains to Kant's claim that the beautiful is the object of a necessary pleasure because we all possess a common sense *(sensus communis).* The argument runs as follows. In aesthetic judgment we assume agreement on the part of everybody, who percieves the beautiful object. The possibility of universal agreement presupposes a sense common to all human beings. This *sensus communis* or our common capacity to shared feelings presupposes itself "universal communicability". Without the latter there would be no harmony between cognitions or Judgments and the object. And suice this accordance itself *"must admit of universal communicability, and consequently also our feeling of it* (...), *and since the universal cammunicahiity of a feeling presupposes a common sense, we have grounds for assuming the latter. And this common sense is assumed* (. .) *simply as the necessary condition of the universal communicability of our knowledge, which* is *presupposed in every logic and in every principle of knowledge which* is *not skeptical"* {Kant, 1951, section 22, emphasis added). So, judgments of taste presuppose agreement because every cognition and judgment presuppose universal communicability, which itself presupposes a common sense, which IS III its turn presupposed by judgments of taste! This clearly is a circular argument, which cuts off any possible criticism or skepticisrn.

Less CIrcular but no less problematical IS the assertion that the claims of taste to universal validity are ultimately unjustifiable, except as "(...) a regulative principle for producing m us a common sense fur higher purposes". The indecision is quite clear when Kant writes "(.] whether the ought, i.e. the objective confluence of the feeling of anyone man with that of another only signifies the possibility of arriving at this accord, and the Judgment of taste only affords an example of the application of this principle - *these questions we have neither the wish nor the power to investigate as yet"* (Kanr, 19SI, section 22, emphasis added). Kant is here wavenng between the deus ex machina of grounding aesthetics ultimately in ethical pnnci-

pies and the dead end of losing its justification altogether, In the first possibility the beautiful becomes a symbol of the good, and appears to derive its intrinsic value from the ideas of Reason, which stood at the center of practical reason. In the second possibility the whole fabric of the third critique crumbles. In both cases his analysis is faced with its own limits.

The same holds true when Kant dismisses ornaments (parerga), such as frames of paintings, draperies over statues or collonades beneath buildings, as being inessential embellishments, which remain external to the pure form of a work of art. As is welI-known,Jacques Derrida has tried to show that this matter of demarcation is utterly complex. A frame of a painting has an internal and external borderline, which tends to dissolve accordingly either into the surroundings or mto the painting itself. This confronts us with an inescapable ambiguity. The frame belongs to the painting and at the same time it does not. It is inside as well as outside, or, to put it otherwise, it is neither inside nor outside. This ambiguity is for Derrida the starting point from which he thoroughly deconstrucrs the binary oppositions upon which the whole fabric of Kant's third critique rests. Mote specifically, it cuts through the oppositions between inside and outside, intrinsic and extrinsic, essential and inessential, formal and material, interest-free and utilitarian, pure and impure form, autonomous and heteronomous, and so on (Derrida, 1987).

From Universality to Radical Contingency

After this deconstrucrion of Kant's aesthetics we are left with the presumption that the radical opposition between the utilitarian at instrumental and the intrinsic or aesthetic value of art is quite problematical. Ulitimately the intrinsic value of art always appears to be "contaminated", at least partly tainted by elements of impurity. The essentialist or transcendental definition of art, its axiological purity and its corrolary dualism, always appears to meet its own limits. To put it in the words of Barbara Hernnsrein Smith: "The recurrent impulse and effort to define aesthetic value by contradistinction to all other nameable sources of interest or forms of value - hedonic, practical, sentimental, ornamental, historical, ideological, and so forth - is, in effect, to define it out of existence; for when all such utilities, interests, and other particular sources of value have been subtracted, *nothing remains.* Or, to put this ш other terms: the *'essential value' of an artwork consists of everything from which it is usually distinguished"* (Smith, 1988, 33. Own italics).

Given this diagnosis, which echoes even the fierce criticism by Nierzsche of Kant's aesthetics, any essentialist, formal, pure, timeless, interest-free and alustorical metaconcept of aesthetic value is out of place. A good deal of the fundamental criticism on Kantian aesthetics and on any talk about *the* value of art rests on the affirmation that any valuation of art is ш pnnciple relative, Impure, historically and socially conditioned, interest-bound and thus radically contingent. Fashionable accounts of this fundamental criticism not only unmask the essentialist view as an unwarranted way of binary thinking, but also and at the same time as an outdated

belief in a transdiscursive Archimedan point of view, an inherent tendency towards stability, homogeneity, regularity and exclusion. In contrast, these accounts claim to criticize binary thinking in the name of discursivity, radical heterogeneity, difference and incommensurability (See, for instance, the contribution by David Rucio, Julie Graham and Jack Amariglio). In all these cases the essentialist discourse seems to be simply inversed in its many counterparts.

One such strategy of reversal can be found in Barbara Hemnstein Smith's thought-provoking *Contingencies of value:* "All value is radically contingent, being neither a fixed attribute, an inherent quality, or an objective property of things but, rather, an effect of multiple, continuously changing, and continuously interacting variables or, to put this another way, the product of the dynamics of a system, specifically an *economic* system" (Smith, 1988, jo). Her argument runs as follows. like its price in the marketplace, the value of an entity to an individual IS *also* the product of the dynamics of an economic system, i.c. the personal economy constituted by the subject's needs, interests and resources. This personal economy is continuously fluctuating in relation to an ever changing environment. In its response to its environment the personal economy *always* includes "( ) strategy, instrumentality, (self-)interest and, above all, the profit motive" (Smith, 1988, 112).

Needless to say that for Smith this applies to art as well. In each work of art each step taken by the artist is a decision or value-Judgment, which is calculated to the extreme and is therefore genuinely economic: "Every literary work - and, more generally, artwork -is thus the product of a complex evaluative feedback loop that embraces not only the personal economy of the artist's own interests and resources as they evolve during and in reaction to the process of composition, but also all the shifting economics of her assumed and imagined audiences, including those who do not yet exist but whose emergent interests, variable conditions of encounter, and rival sources of gratification she will attempt to predict - or will intuitively surmise - and to which, among other things, her uwn sense of the fittingness of each decision will be responsive" (Smith, 1988, 45).

Towards a Critique of Radical Contingency

Undoubtedly, Smith has an important point in stressing the economic and social dimension of value and art. Economic and social determinants play an Important role in the production, distribution and reception of arrwnrks, as the work of Pierre Bourdieu on the social stratification of aesthetic Judgments has revealed quite convincingly (Bourdieu, 1979). But her alternative analysis falls short in terms of a genumc deconstrucnon. What Smirh does is simply to *reverse* the binary logic of the essentialist view on value and art. Against the essentialist or intrinsic tradition she simply revalorize, and vindicates the utilitarian and instrumental point of view. Such a strategy of reversal, however, remains utterly problematical: it is still caughr within the logic and the limits of the thought system it is supposed to deconstruct! As Derrida, at least in principle, repeatedly emphasized, deconstruction should go

further than a simple reversal and exceed the prevailing oppositions of the system, which it is meant to deconstruct (see, for instance, Derrida, 1967a,]26).

Anyhow, this tendency towards a simple and radical reversal explains, I think, some blind spots within the discourse of Smith herself. How can Smith claim that *ail* value is radically contingent, because if her own statement is likewise radically contingent how can it rise above itself and be valid for *all* value? On which grounds does her own statement rise above the "inescapable consequence" of her own premises? If her own sratement is radically contingent, then it can never attain the kind of universality which is clearly suggested here. Apparently, she IS contending that contingency IS an *inherent* quality of *every* value, thus presupposing the kind of essentialism, which she manifestly and radically rejects!

The same holds true for her depiction of art. The artist is described as a calculating machine, which continuously anticipates and readjusts herself to the assumed expectations of the audience. How could this be possible m a world of radical contingency? Does intuition about the audience not rest on a kind of regularity and generalisation, which is inadmissible within a radical contingent world? Is the vigilant and constant self-consciousness of the artist not indebted to a philosophy of the presence, which is so characteristic for the kind of metaphysics she wants to deconstruct? And does she not ascribe to artistic creation a homogeneity, which is not only far removed from any radical heterogenity, but also presupposes a very specific kind of rationality, which is so exclusive that it does not allow for any difference, any alternative, any contingent deviation, to the point of cutting off any real incommensurability? And does this strategy of exclusion not explain why she can pinpoint the contingent always as exemplifying an economic *system,* which again reveals the inner structure of all value in a transparent and essentialist way, far beyond the "inescapable consequence" of radical contingency?

From Symbolic Value to the Radical Commodification of Art

In the approach of Smith any value-judgment becomes a commodity. This reminds us of the way Baudrillard criticized the concepts of "use-value" and "sign-value". In his diagnosis of contemporary cultural practices, Baudrillard confronts us with a radical instrurnenralisation of culture, which rests on a double and parallel reduction. The explosion of commodity circulation reduces any "use-value" into "exchange-value". This goes hand in hand with an implosion of "meaning", in which the signified is reduced altogether to the s.gnifier. The signifier and exchange-value become omnipresent, equal and perfectly interchangeable, leading to a radical commodification of cultural practices (see Baudrillard, 1972).

When someone looks at a painting of Van Gogh, the one which depicts Docteur Gachet, this painting will for him be reduced to a signifier, that can be used at random, for instance in advertising to signify "good taste". The painting loses its original meaning and at the same time its original use-value: it becomes simply an

object of exchange-value. It loses any authentic value. The same happens when *The Sunflowers* of Van Gogh are sold at an auction. Here too the painting m question only serves as an alibi for financial expenditure. The symbolic value of the painting is destroyed and the auction only legitimizes the *idea* of Painting in an absolute way.

Towards a Critique ofRadical Commodification

But, still, what is the "real" value of this work of art? Granted that *The Sunfluwers* can be seen as a commodity and rightfully be studied accordingly, does it also have a value, which transcends the simple opposition between commodity and authentic value, between instrumental and intrinsic value? Did the painting have a value of its own, before it was ever sold? Yes and no. At an earlier stage BaudriIlard claimed that the *real* value of the painting pertains to its genealogy, its creation, the signature of its origin, in short, the originality of the work (Baudrillard, 1972, 140). But such a view still betrays a nostalgic move towards an authentic, aesthetic value, which *subsequently* has been destroyed and absorbed by exchange-value, the overall commodificarion of our culture. So still the antagonism remains and the real value IS still caught m a kind of metaphysics of the origin, which is definitely outdated and untenable. At a later stage, however, BaudrilIard tries to cure himself of any "melancholic modernity". Here the work of art is fully immersed in the circulation of commodities, an object between objects, a pure signifier but at the same time it challenges its objcctivarion by transcending it, because it becomes - in the words of Baudelaire - *an absolute commodity* (See Baudrillard, 1983, r71-173).

In acknowledging the work of art as an absolute commodity, Baudelaire not only accentuates the abstraction of the formal exchange-value to the extreme, but opens the possibility of a strategy which does not revert to the old essentialist view, which rests on truth, beauty, authenticity and so on. It embodies an indifference towards utility *and* value, towards instrumental *and* intrinsic value, towards exchange- *and* use-value. This permits us to perceive the work of art as something totally new, original, unsuspected, brilliant. What is at stake here is the eternal modernity of the work of art: a present which is gone as soon as we try to fix it. In the enchanting-ironic logic of BaudeIaire it does not matter if the work of art IS immersed in a world of commodities, because even as a pure commodity it has a strangeness of its own, which is akin to the experience of the sublime. This may, at least partly, explain why great works of art are sold at such exorbitant pnces. Why indeed they exceed the test of time and any balanced and "rational" measurement in terms of price and money.

One drawback of Baudrillard's reaffirmation of Baudelairc's concept of absolute commodity IS that it remains to a certain extent caught up in the logic of commodity fetishism. It puts fetishism to the extreme, it is only a radicalisation of it, though it aims at transcending it altogether. The inherent danger of such a strategy, however, is that it exerts a kind of fascination and seduction, which merely reflects the

spirit of the market. Or, to put it in the words of Lyotard: "In this way one thinks that one is expressing the spirit of the times, whereas one is merely reflecting the spirit of the market. Sublimity is no longer in art, but in speculation on art" (Lyotard, 1989, 210).

Dialogue

KJamer: You really took us for a loop. First, you make it seem that it makes sense to distinguish two discourses on value, then you show, with Baudrillard in hand, that in practice use or aesthetic value get easily mixed up with exchange value. So the argument ends up undermining my point that the arts, like religion and friendship, embody special values that are beyond measure. The final few paragraphs boosted my spirits again as they appear to hold out for some special quality of the arts.

Vanden Braembussche: Well, let's go back to your initial plea in favour of those features of art which are irreducible to the conventional economist's perspective. I think that only [he discourse of the sublime can give an account of those very features, without being prone to easy deconstruction on the part of the sceptic. In this discourse, which has a longsranding tradition in the philosophy of art (see, for instance, Lyotard, 1982, 1989 & 1991; Crowther, 1992; Saint-Girons 1993), it is affirmed and reaffirmed time and again that the experience of the sublime introduces an element of indeterminacy, which at the same time conveys an experience of astonishment on the part of the addressee.

Instead of ambiguity and wonderment, the terms you use, I would thus prefer to speak of indeterminacy and astonishment. The indeterminacy of the sublime has the advantage that it transcends any fixed categories, which are so characteristic, as we have seen, of binary logic. The sublime is neither extrinsic nor intrinsic in a pure sense. It is neither formal nor material, neither interest-free nor utilitarian, neither autonomous nor heterenomous in a pure sense. It always is to a certain extent suspended to the extreme, and thus indeterminate. The indeterminacy derives from the fact that the sublime confronts us with something "incomprehensible and inexplicable", something which defies any rule, fonn or even taste in the usual sense of the word. What is at stake in the sublime is not the consolation of beautiful forms and conventional rules, but the indirect presentation of that which cannot, in principle, be presented. It cuts through the established conventions and even shows lack of taste, formal imperfection and so on. It belongs to the category of the unnameable, the unspeakable, the unforseeable, which cannot be grasped or sensed at experienced in a univocal sense. "The sublime", writes Boileau, "is not strictly speaking something which is proven or demonstrated, but a marvel, which seizes one, strikes one, and makes one feel" (Lyotard, 1989, 202).

As an instance of the sublime, the work of art thus creates a world apart, in which the formless and the monstruous can only be revealed ill what Kanr calls negative presentation. Or, as Kanr would have it, it bears witness to the incommen-

surability between our mental faculties, between imagination and thought. In that sense "it represents problems of meaning without solving them". In fact, the work of art shows in an indireer manner why the representation is no longer possible. The indeterminacy explains why aesthetic experience is an experience of astonishment, sometimes even of shock. In sum, the sublime comes very near to the the first feature of art which you borrowed from Barend van Heusden and which is, according to you, irreducible to the conventional economists' perspective.

A second feature of art, which transcends conventional economics, is according to you, the intrinsic role of reciprocity iii human relationships, which is embedded iii values that arc "beyond measure". No doubt the sublime confronts us with a world which is "beyond measure". It remains, however, an open question if this feature of art is grounded m the intrinsic role of reciprocity in human relationships, as you want us to believe. In a very specific sense the sublime is always ahead of reciprocity, it is threatening reciprocity, because it conveys privation, anxiety, insecurity. As soon as the sublime, and indeed any authentic art, is part and pared of normal reciprocity or routine morality it loses its intensification and becomes disenchanted as an object, we can understand and speak about.

In that sense the sublime is not only "beyond measure", but also in a very specific sense "beyond value". It embodies an experience which is ahead of any specific value. And though it is akin to the category of Reason, the noumenal, which is in Kant's vtew the transcendental category *par excellence* of practical reason, of ethics, it can never be reduced to a determinate value, be it a moral or an aesthetical one. The sublime and supreme "value" of art resides in its axialogical indeterminacy, its privation of any specific and already established value. The moment it is no longer rejected as incomprehensible it becomes a mere object of art, which will he preserved in museums and cherished by the art market. As soon as it is canonized as a work of art and dissolves mtc the calculation of profit, it loses its initial and sublime challenge and its ultimate "meaning" and "value".

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3

The Value of Culture

A Dialogue between Barend van Heusden and Arjo Klamer

To further the philosophical discussion on the concept of value that Van den Braembussche hegan in the previous chapter I sought the insights of a semiotiaan, Rarend van Hcusdcn teaches literary theory at the University of Groningen and recently published a pruvowtive study in which he claims to have found distinctive (semiotic) characteristics of texts that are called literature', In the opening essay I applied his findings in an attempt to characterise art as the representation of "problems of meaning without solving them." In this chapter we continue the conversation that we have conducted over many years, this time to explore the relevance of his semiotic views for the subject at hand, which is the value of culture.

KLAMER In the opening essay in this hook I have tried to deal with the concepts of culture and value. I had to because I wanted to see how I, as an economist, could come to an assessment of the value of culture. As was to he expected, my use of the terms have caused some confusion. Anton Van den Braembusschc has already pointed out philosophical grounds for caution in the use of "value". What is your first response as a semiotician?

Van Heusden I agree that we need conceptual clarity. Take the term "culture". What does it mean? I'd say we have at least two options. Either the term refers to the whole of historical organization of hnman practice, or it is limited to part of this totality, that IS, to the artistic realm. The latter may he the more common use: when people speak about culture they usually refer to art, and possibly the discourse about art.

Klamer I actually try to exploit the dual meanings of the concept in my essay, taking it to refer both to a system of shared values and to the arts.

Van Heusden So I've noticed. I was intrigued by the way you tried to weave both meanings through your argument hut I was not entirely satisfied. I hope to he able to clarify myself in the course of our conversation, but before doing so 1 want to

note that further distinctions in the meanings of the term "value" are in order. I myself would distinguish the following three value concepts: 1) value in terms of functions), 2) value in terms of formal relations; and 3) economic value. For example, a painting can have value as an (aesthetic) experience, as a historical document, or as a psychological experiment. These are values in terms of the functions of the painting. Value can also be in the compositions or components as in the colors, dimensions, light-intensity of the painting. That is value in terms of formal relations. You may in this case also think of the value of the pieces in a chess game which they owe to their assigned moves. And then there is economic value, but that should be obvious.

Klamer Van den Braembussche does not take into account formal values! Then again, he showed us that the customary distinction between intrinsic and extrinsic values is problematic. But before telling us how your distinctions can work for us, you may want to elaborate on the semiotic perspective of yours.

Van Heusden I had my academic training in semiotics and literary theory, more particularly in the semiotics of literature and culture, so my approach to the problem is a semiotic one. This means that questions relating to the value of culture become questions about the use of signs, or semiosis. If you ask me "What is the value of culture?" I understand this as a question about the value of sign systems or sign processes.

Klamer Let's see how that works. Take literature, which is after all your specialism. In your book you raise the question about the value of literature. How did you answer it from your semiotic perspective?

Van Heusden That is a lot to ask, but let me try to give you an answer. In the book I suggested that the question of literary value be answered on three levels of abstraction, being the level of particular texts, historical convention and anthropological constraints. The three levels of abstraction are levels of description and analysis. One can describe semiotic structures and processes on these three levels. They can be chosen with respect to all cultural phenomena.

Firstly, the literary value is a value attached to a particular text by a certain reader in certain historical circumstances. This is the *functional* value that a certain text of literature has for a person. Secondly, the literary value of a text is determined within a specific literary context, say the Dutch literature of the seventeenth or world literature in the nineteenth century. This constitutes the value of the text in relationship to other texts. The historical and the personal values do not necessarily coincide. A work of literature may be considered valuable within a culture and yet it is quite possible that individual readers won't value it at all. Historical values may change in response to changes in personal values. Under the pressure of a growing number of "dissidents", the canon will have to change but how much it will change and how fast the process will take place depends on the strength of the

tradition. In Holland, for instance, VondeI has been and still is considered to be one of the greatest authors, hut the Dutch don't read him - and if they do, probably don't appreciate him.

Thirdly, the question about the literary value of a text can be answered on a logical or anthropological level, relating it, *in abstracto,* to the semiotic function literature fulfills. On this logical or anthropologicallevel we start asking questions about the specific function of a literary representation of reality. You may wonder, for example, how such a representation rclates to other representational genres like science, technology, magic, or common sense knowledge. In order to be able to answer the question *why* a text is considered to be literature on the lower levels of abstraction, one needs a general theory about the anthropological value of literature, which is a theory about literature's semiotic function. That, at least, is one of the points that I am stressing.

Klamer How do these levels of abstraction correspond with the three values you distinguished?

Vall Heusden As I've said, cultural phenomena, including cultural values, may be studied on these three levels of abstraction. The three values I distinguished are a case in point. Take the economic value of literature. We should distinguish the economic value of one work of literature for one person (what do I want to spend to get hold of it?), the cconortuc value of literature, for msrance, in 17th century France, or the general problem, which you pose, of the relation of economic value to literature as a human practice.

Klamcr What about the value of culture?

Van Heusden On the third, anthropological, level of abstraction, the value of culture in a general sense shows. The function of culture, as many anthropologists have said, is to structure reality, to make coordinated action possible - we need culture in order to know what we do and how to relate with others. Later contributions by de Beus, Gouda and McCloskey illustrate this point quite well. I'd speak here of the semiotic value of culture.

Klanser What do you mean by semiotic here?

Van Heusden A culture as a whole is a complex of sign systems. It comprises all sorts of sign systems: visual, verbal, bchavioral. These are used to reduce a potentially open, undetermined reality to a limited number of possibilities. When I meet you, the possible actions I could take are numerous, even uncountable. Bur because of shared sign systems, I will choose between two, three or four options in order to rclnrc to you. I use sign systems, I recognize them, eventually I change them.

Klamer What I am particularly concerned with is the absence of any sense of culture in current econumic theory. Culture does not play a role in economic analysis. That seems unfortunate as culture in the general sense, Dutch culture for example, might make a difference to how economic processes evolve.

Van Heusden I would go further than that. Listen, economists study human behavior and human behavior is in a large part cultural, that is, semiotic behavior. So if economists decide to leave out culture from their theories of economic behavior, they have at least the duty to explain how this human being, cultural from head to toes, suddenly leaps out of culture when slhe is being "economic".

Klamer So you would ask us economists to think more thoroughly about economic behavior as cultural behavior.

Van Heusden Of course. Both on the level of economic behavior, and on that of econonuc theory. To do so, however, one needs a theoretical framework in which culture, as well as the relations between various realms of culture can be thought about.

Klarner Standard economic theory focuses on the logic of choice. The basic assumption is that preferences are glven. So there IS no need to talk about those anymore. This leaves us free to concentrate on the constraints under which people make their choices, given their preferences. All econorruc analysis is about the effects of changes in the constraints. Rationality here means choosing the optimal option given the preferences and constraints. My proposal IS to shift attention away from the moment of choice to the evaluation of the values inherent in economic behavior. This would direct our thinking to people actively valuating the things and events of the world as they present themselves to them. Such an activity is fundamentally social and cultural, I would say. Our starting point, therefore, must be value,

Van Heusden And the basic value of all cultural behavior is related to whether it helps you to understand what is going on. Doing so, it makes coordinated action possible. As such, cultural behavior is definitely rational, although the rationality is semiotic, rather than logical. From a more strictly logical point of view this rationality may well seem very irrational. But the value of a culture depends on its eliminating doubt successfully.

This POint about doubt is important. Semiosis, or the act of giving meaning to the things that occur to us and solving the problems we encounter, originates with doubt. According to Peirce, the primary goal of semiosis is the settlement of opinion, the establishment of a belief or habit, or the confirmation of such a belief when it IS threatened by perception. What Peirce describes as "the settlement of opinion" is the substitution of a known form for a perceived troublesome reality. Substitution, however, is only one of the possible strategies that we have at our disposa1. In

semiosis we endow reality with a stable, known form, but at the same time this reality forces us to adapt this form to it. Signs fulfil a crucial role in the process: reality is given form with signs, and in the process these forms (or signs) often change.

Klamer So this economic rationality would be one type or instantiation of a more general semiotic rationality.

Van Heusden That is right. There are different ways in which people deal with uncertainty. One can distinguish a number of basic strategies. Three of them are the magic, the substitutive, and the cognitive. In *magic semiosis* a concrete situation is recognized, not as the token of a more general type, but as the reenactment of a concrete being or event. Reality is not understood as referring to general knowledge, but to a particular situation which is happening again and again. The magic reality is a recurrent concrete system, a series of events, stories, myths. Thus a totem is the Image of a concrete animal, and related to this animal are a set of stories in which it is related to other animals, to geography, cosmology and social order. All concrete events are understood ill terms of the totem. The totem is the form used to deal with a concrete and changing reality, but the totem is itself equally real, concrete, unique and, therefore, ambiguous. The totemic world is thus necessarily highly unstable and changeable. What gives the magic form its semiotic power is the fact that it provides the interpreting subject with a figurative system of characters and events to be used in the confrontation with an ever changing reality. The system creates order. In a sense, one could say that in this first step - because a first step it is - in semiosis, reality itself is used to deal with reality, and the tokens are tokens of other tokens, and not (yet) of general types. In this first stage of abstraction, the reality of perception is separated from a remembered reality which is as concrete as the reality perceived bur which at least provides a basis for recognition. Thus semiosis is born. The fact that man *recognizes* makes magic scmiosis different from animal perception.

Secondly, there is the *substitutive semiosis.* The problematic situation, causing doubt, is now substituted by a belief. Substitutive senuosrs entails authority and with authority power, desire, and love enter the stage. Who will I follow, who must I follow? With whom sbail l identify? This strategy brings with it a strong opposincnal thinking. The problematic reality is translated into a known form and as a result, reality as such must be discarded, as well as other possible forms. Therefore, subsritutive scmiosis is fundamentally conflictual. It creates two kinds of adversaries: on the one hand a disturbing changing reality, on the other a series of possible alternative forms to be chosen. Both seem to escape the stable forms established by some authority.

Ritual seems tu be an extreme case of substitunve semiosis. It may be understood, says Steal, as a phenomenon of regression, an attempt to escape - temporarily, of course - from the complex and insecure world of man by surrounding oneself with stable, though meaningless patterns of action. These patterns came into being in periods of evolutionary history long gone.>

Theoretical reason is the third semiotic strategy. The "first principles" of this strategy arc the three forms of inference; abduction, induction, and deduction. According to Peirce, the abductive inference establishes a similarity or iconic relationship, relating the new facts to what is known already, thus making possible the development (by deduction and induction) of a scientific theory about these new facts. Abduction is a possible reaction in front of a semiotic problem. It is the first step of scientific inquiry: the iconic structure is taken to hide a logical or necessary form. What one looks for, in abduction, is a known fonn explaining the apparent contradiction.

Klamer Okay, let us find out what you mean by applying these ideas to the practice of econorrucs. We might say that the economic form of rationality eliminates doubt or uncertainty by subsuming the problem, like a lack, in an existing system of given preferences and constraints. So I take your point to be that there are other options available when a course of action is chosen.

Van Heusden Sure. There are, for instance, all the options based on authority. There is authority based on physical power, but also the authority of traditions and common sense. And there the problem of value pops up immediately, because a strategy based on authority, say, has an important value. You can say that its value is in most circumstances equal to the rational option (in the logical sense) because it functions in a highly satisfying way.

Klamer Could you give an example?

Van Heusden Let's take a simple one. I read somewhere that people tend to be very conservative when they buy laundry detergent. The reason is that they buy what their parents, mostly their mothers, bought. To rely on tradition in this way, not taking into account the quality and price of the product, must seem highly Irrational if one adopts a strictly logical point of view. But of course a lot of behavior is precisely like that. The value of this very small part of culture is that it gives a feeling of security. One knows what to buy and one is happy with that.

Klamer So there is a value to the tradition.

Van Heusden Semiotic value, I'd say. That is; functional value (intrinsic in Van den Braembussche!) The implication is that there are various realms of culture, like the culture of science or of art. Each realm has its own distinctive semiotic strategies by which people come to value things and events.

Klamer So how would this work when we consider the valuation of art objects?

Van Heusden I first wane to take a step back and say a word about the aesthetic. Van den Braembussche in his essay first shows how Kant's notion of the aesthetic can be deconstructed and then holds out for the possibility that the value of something like art can be distinctive because of the experience of the sublime to which it may give cause. I am not satisfied with that outcome and want to be more specific, as I have been 10 my book.

I'd begin by claiming that we denve an aesthetic experience from the pleasure of solving a problem posed by reality in perception. This aesthetic dimension of SCOli-osis is related to the overcoming of the contradictions posed ın perception and to the emergence of form through semiosis. It is the point of doubt again: if the amhiguity inherent ıı perception remains unsolved, man experiences a sense of disarray and loss.

Most of the time this sensation of the beauty of our "semiotic work" will hardly he noticed. The resemblance between perceived reality and known forms verges on identity. Only when perception forces us to deal with stronger semiotic contradictions are we compelled to search for forms that enable us to deal wirh rhe contradiction in one way or another. The discovery of such a form is an aesthetic experience. We thus find the aesthetic wherever the concrete ıı reality is "dealt with" successfully, that is, in representation. Representation can be successful when new forms are discovered: ıı the perception of nature and man-made objects, in scientific inquiry, in everyday communication and persuasion. Aesthetic experience is a dimension of magic semiosis, of *abduction* (in scientific inquiry}, and *inuentio* (in rhetorical substitution). This explains, for instance, the aesthetic satisfaction produced by parades, uniforms, and other strong "identities" with which a versatile reality is controlled. Scientists often refer to the beauty of experiments and thconcs. It IS not, however, the result which ıs beautiful, but the semiotic process leading to it, the semiotic step from perception to a known form. Aesthetic satisfaction is the goal of many a puzzle and game.

Let me point out that an aesthetic form is a *contradictio in adiecto,* because a form as such can never be aesthetic, as it IS beautiful only *in relation to a semiotic problem solved by or with it.* The notion of an *aesthetic sign* is a dormitive concept. Here I side with Van den Braembussche. For it suggests the presence of certain formal characteristics where in fact there are none. The aesthetic dimension is the dimension of the emerging form. In fact the most beautiful experiences are those when perceived reality does not gIve JI1 to our need for meaning and identity all too easily. Leonardo da Vinci described such all experience quite strikingly: "By looking attentively at old and smeared walls, or stone and veined marble of various colors, you may fancy that you sec JI1 them several compositions, landscapes, battles, figures ıı quick motion, strange countenances, and dresses, with an infinity of other objects. *Ry these confused lines* the inventive genius is excited to new exerncns'". Thus aesthetic scnuosrs offers a satisfying solution to a form problem, which IS,] think, the reason why definitions of beauty so often stress harmony, or unity in diversity, as in Aristotle's "orderly arrangement and magnitude of ports't.s

The aesthetic, however, is not synonymous with the artistic. Instead, it seems more or less synonymous with the semiotic. The discovery of new forms is not the task of art. This, I think, is the important difference between aesthetic and artistic semiosis: the former copes with form problems in perception, the latter represents the semiotic process itself. This is, as I was pleased to note, also the point you used in your discussion, so let me elaborate some.

When in substitutive or cognitive semiosis a form problem is solved, it is replaced by a stable and known form. Sometimes, this will generate a new kind of doubt. A doubt, this time, not about the form, but about the adequacy and completeness of the form as a representation of reality. Resolving the doubt that I had about a particular tree, by recognizing it as an oak tree, for instance, I may begin to sense the loss of the particularity of the tree as an object of experience by having categorized it. The form does not render the experience of concreteness; in fact it should not, if it is to function properly. But with this second doubt a semiotic counter-movement is started, namely: the attempt to provide *perceived reality as such* with a form. Here the artist comes in. In the work of art s/he doubles the form of reality, thus forcing the spectator to create new forms, as s/he does in perception, and to achieve this, it confronts us with an image, consisting of two or more forms at the same time. Without this semiotic contradiction, the image would disappeat, and only a form would remain. The image is a semiotic structure, but it is not yet a stable form. Only as an ambiguous entity will it eventually be substituted by or analyzed as a stable form.

Thus in the work of art the semiotic experience is represented, not in terms of forms, but through imitation or mimesis. In the artistic artifact two or more forms slide into each other, creating a contradictory structure, exactly in the same way as it happens in perception. Instead of fixing a belief, the work of art postpones the fixation in favour of the representation of the form problem and the semiotic process. Imitation or mimesis of semiosis (that is, of the concrete reality and the ensuing search for form) is the specific function of the artistic semiosis (which is not necessarily only found m works of artl}. Art is therefore in a strong sense mimetic, where it imitates semiotic experience. Mimesis thus conceived is a specifically human, "strong" form of imitation. Animals as well as humans enjoy imitation, but imitation becomes mimetic (and semiotic) only when the imitated reality is the reality of semiosis. Artists do not create form. They create opportunities for semiosis. The artist is capable of perceiving and representing "presentness", that is, the form problem in perception. For men of this class, says Peirce, "nature is a picture". The artist has "{...} the faculty of seeing what stares one in the face, just as it presents itself, unrepluced by any interpretation, unsophisticated by any allowance for this or for that supposed modifying circumstance."5

Both artist and scientist deal with the problem posed by perception. The one representing it mimeticallv, the other reducing it to a formal identity through abductive reaSOning. One often hears artists say: I did not try to understand reality, I just tried to represent it. The "truth", and the value, of the work of art is the truth of the semiotic process it brings about in the spectator. It is indeed a sign-construe-

tion which updates our sense of presentness, as it creates space for individuality and non-programmed action. Thus it realizes the representation of individual consciousness. Art is thus re-presentation in a very strong sense: something is made present again. It is as if the artist possesses powers that enable him to recreate life, to make something (or someone) he present again in another medium (in wood, stone, colours, dance, music, or languagcj.v

Klamer So the functional value of an depends on its being a successful imitation of the reality of perception?

Van Heusden That's right. In other realms of culture, like the ones we discussed earlier, the form problem which caused semiosis ıtı the first place is eliminated from our representation of reality. At the same time this creates a kind of uneasrncss JI1 the sense that once these semiotic systems are used to understand reality and to act, people may sense that they are n1JSsmg something Important. The representation no longer represents all of reality. Art restores, or keeps alive, the experience of the beginning of the semiotic process. There lies its value. In a sense, it IS a son of "counter value". It does just the opposite of what other strategies do – it is complementary.

It may also explain the somewhat schizophrenic attitude we adopt towards art in our culture. On the one hand, we value it highly because we so much need a realm of culture where our expenence IS kept alive. But at the same time we are so much focused on eliminating ambiguity in our rational cognitive culture that we have become unable to sec what we need art for in the first place. By putting it away m separate buildings, attending it only at particular occasions, we keep it at bay.

It would be healthy, I think, to reintegrate the various semiotic strategies, to create a more satisfying semiotic environment. Why couldn't one he a litle bit of an artist, a theoretician and an entrepreneur at the same time?

Klamer So you think about a kind of aesthetics of politics and management?

Van Heusden I would prefer: a more complex politics, a complex management. The reintegration of the mimetic into the various realms of culture would make culture as a whole more interesting and challenging. The combination of the two semiotic movements: the one from ambiguity in perception to coherence in representation, and the other from ambiguity ıtı perception to ambiguity in representation, would prove, I believe, very rewarding. One would have to try, in management, in politics, and in science, to keep alive the ongin of all representations. By doing so one keeps representations open to new Interpretations. The price to pay is a strong awareness of uncertainty.

Klamer Let's for a moment return to the concept of value. We have discussed the functional, that is, in your terms, the semiotic value of strategies that underly various cultural realms. But what about the economic value of culture, the third con-

cepr of value that you distinguish? What would you make, for instance, of the common distinction between use value and exchange value?

Van Heusden We dealt with the use value. The use value of a cultural realm is its semiotic value which, as I said earlier, can be analyzed on three levels of abstraction. Our discussion of the four basic semiotic strategies, for instance, concentrated on the most abstract level, that of the logic of scnuosis. The exchange value relates the semiotic or use value to another not necessarily cultural realm, namely that of supply and demand.

The exchange value thus depends on the valuation by the public of the semiotic function of a particular work or genre, in combination with the costs of production. I value Musil's *Der Mann ohne Eigenschaften* as much as a painting by Van Gogh. The use value or semiotic value of both, therefore, is the same, whereas due to the way it is produced the costs can be completely different. Of the *Man without Qualities* millions of copies are sold all over the world whereas a painting of Van Gogh sells for millions of dollars.

Klamer 82.5 million dollars to be precise, if you are thinking of the portrait of Dr. Gachet.

Van Heusden Why not. So if you ask me what the value of culture is, meamng the value of art, I would say that artistic value is determined by the semiotic value *plus* its production costs, which change with every art form, of course.

Klamer As all economist I translate what you just said in terms of demand and supply. Price equates the exchange value. Your account clearly indicates the divergence between the individual and the social appreciation of art works. I may not care for a painting that gets priced at 82.5 million dollar.

Van Heusden Of course. That is why I made the distinction between the three levels of abstraction on which you can study the value of culture. I don't like opera, for instance, while I am ready to acknowledge that opera is an important cultural factor in contemporary Western upper class life.

Klamer And what if people come up to you and ask for a contribution to keep the opera here alive?

Van Heusden Well, I would not give any. My opinion is that people who like opera should pay for it themselves. Here I am very much on your side. People should pay for what they like. If there are not enough people who are willing to pay for the opera, that would be really too bad.

Klamer I want to come hack to my point that there can he a conflict between exchange value as measured in the market place and the value of ambiguity, which is most explicit in the realms of art, friendship, religion and science, but which, as we agreed, can also operate in the realm of business. By keeping it away from the measurement in terms of price, we keep alive the moment of wonderment, as you express it.

Van Heusden But I do not agree. I think you should distinguish carefully between realms of culture where the use value can perfectly well be expressed in terms uf the exchange value, and the realm of friendship and character, where we are no longer speaking about goods, but about states of affairs, in which case it seems senseless to speak about an exchange value. Just compare the value of art with the taste of fresh bread. Can the use value of fresh bread 111 the morning be compared to its exchange value which is just two guilders? It is the same problem you false. An economy is the expression of how people value different forms of culture, different realms of culture. Economics, in turn, is a text about culture.

Klamer Yeah, but then it makes for a very particular moment in culture. Contrast the moment of exchange with that what wc expcnencc 111 the realms of art and SCI-encc. We are both scientists. Once a month we get paid. Isn't it true that that payment, the realisation of the exchange value of OUt labor, is only a minor part of all that we experience? It may be an important moment and it may influence what we do, but it does not determine the value of what we do.

Van Hcusdcn We are back at the distinction between the use and exchange value.

Klarner Don't you agree that the use value preoccupies us much more than the exchange value?

Van Hcusden No, I don't agree. I consider my salary an expression of the value of what I do for the community as a whole. It is very important in relation to the value of my scientific work. Actually, we are living through a crisis in the valuation of the cultural realm of science. It is a thing which certainly preoccupies me.

Klamer You mean that people are losing jobs in academia.

Van Heusden People don't get the jobs. Society as a whole is uncertain about how much to pay scientists. Which means the use value of science is no longer as self-evident as it has been for some time. The culture as a historical organization of strategies of representation is in a crisis. I feel it and it worries me.

Klamer Does this crisis transfer to the arts?

Van Heusden I am sure it does. What we see is a search for a new organization, for a new system of valuation. The organization of culture which was based on the opposition between rational and irrational is breaking down. Culture as we know it has lost part of its value - it is no longer satisfying our need for sense. The result - and this brings us back to our distinction between functional and formal value - may well be that we start searching for and experimenting with new forms of culture - new forms of semiotics – in my eyes. Your multi-media, multi-genre tnaugural speech as well as the ensuing conference was a striking example of this search for new formal values which will, in the end, give us more satisfying representations of a changing experience.

4

"The Good, the Bad, and the Different"

Reflections on Economic and Aesthetic Value

DAVID RUCCIO, JULIE GRAHAM, JACK AMARIGLIO

If Van den Braembusscbe and van Heusden have not already convinced the reader that value is a problematic notion in need of critical attention, then Ruccio, Graham and Amariglio will finish the job in this chapter. They bring to the table a Marxist perspective of the post-modernist kind. That means that their criticisms arc relentless - (orcing us, their audience, to critically examine whatever beliefs and preconceived notions we hold onto. David Ruc.cio and Jack Amarigljo are economists. Ruccio is at the University of Notre Dame, Amariglio at Merrimack College. Julie Graham is a geographer at the University of Massachussetts/Amherst. They are all involved in the journal Rethinking Marxism, *Amariglio as the outgoing editor, Ruccio as the incoming editor. Graham is the coauthor of* The End of Capitalism *(As* We Knew It), *recently published by Blackwell.*

VALUE is a discursive construct. At first glance, this assertion may not appear to be controversial, nor may it appear to be very fecund. Allow us, then, to state immediately some of the implications of this position. Perhaps by doing so we can indicate from the outset what difference, in terms of consequences and effects, such a position may make.

Discourse versus the Ubiquity of Value

First, the discursiviry of value implies that value does not inhere, ubiquitously, in any ohjecr or life-world. Value has no universal ontological referent. Any event can be understood in terms of a value discourse - but need not be. And this Implies that even in the realms where value is posited as "obvious" (for example, in the question of how material goods are transferred from one person to another across a social space, or how one may experience works of human creativity), seeing value in these sites is always an "imposition" or rather a particular lens through which a unique sense can be made out of the events that are perceived there. The idea that all so-called economic or aesthetic events must either reduce to or contain a value corn-

ponent is often defended on the grounds that value is universal and ubiquitous in the sense that it is given to discourse by the objects or subjects themselves. The "naturalness" of value is then proposed as stemming from either its objectivity or subjectivity. These positions are precisely ones we wish to elude in theorizing value as discursive.

The idea that value is indeed ubiquitous (and must be so) in investigating any particular event can be seen, briefly, in two examples. One involves the concept of the gift. Much of the distinction of the concept of the gift in economic anthropology and cultural theory is based on the premise that there can exist a sphere of transfering things among and between people, conducted on a regular basis even if separated in time and space, that is outside of the logic of exchange and therefore value. Yet, as writers as different as Phil Mirowski (forthcoming) and]acques Derrida (1992) have argued, the problem of constituting this difference is a treacherous one, and almost always breaks down into a glossing over of the elements of gift giving which, indeed, do suggest acts of economic exchange. Thus, in Mirowski's view, for example, it is necessary to invoke - and conform to the dictates of - a theory of value (even if it is not a neoclassical or Marxist one). The idea that gift giving must, in the last instance, reduce to exchanging items or to an event that requires a value theory (economic or otherwise) to make sense out of it implies the ubiquity of value distinctions (since what is being discussed here is the idea that the commensurability and/or incommensurability of value is constantly invoked in the gift exchange). It is just as easy to think, for example, that exchange is as unstable and undecidable - and therefore reducible to a theory of the gift - as is the opposite. In any event, we have no prejudice that value is necessary to make sense of gifts, just as we have no inclination to privilege the realm of "non-value" m looking at the giving of gifts. The discursivity of value means, for us, that it is possible to "see" the transference of goods as involving or not the question of value.

A second example, drawn from the field of aesthetics, is the issue of the universality of value or judgment. In the realm of philosophy, of course, the ubiquity of aesthetic judgment was most cogently argued by Immanuel Kanr in the eighteenth century. As]ohn Guillory points out in *Cultural Capital,* Kant's views on Judgment made clear that all human beings have the capacity for aesthetic experience. The humanism of Kant's position, of course, resonates well with any aesthetic theory that works against the view that "good taste" is only within the ambit of those lucky enough to have it (whether by training or by birth). On the other hand, the universalizing of aesthetic experience, and thereby the potential for individuals to translate this experience into a question of value (a translation, incidentally, that in Guillory's view was not implicit at all in Kant's philosophy), means that, as a category of the human mind, aesthetic judgment is historical and determinate to some cultures and not others.

A more recent attempt, by anthropologist jacques Maquet (1986), to give ethnographic backing to the universalist view depicts all societies in history as having demonstrated, in some form or other, the transcendental character of aesthetic experience. In Maquet's view, for example, aesthetic experience can be seen both in

the languages and in the otherwise mute objects and artifacts produced by a diversity of cultures in which ornamentation is seen to exist alongside the visible "utilitarian" form and function of these very objects. Again, while the leveling of cultures that such a view Implies may have important egalitarian effects and consequences, it keeps in place a view of the ubiquity of value. For example, Maquet strains mightily in order to keep alive the view (separating off what should be obviously ornamental from utilitarian forms) that all cultures have had some form of aesthetic experience and, accordingly, have their own rules of what counts as good or bad aesthetic expression. We posit here the alternative, that is, that it remains to be shown that value is other than discursive and therefore relative to those cultures in which it appears, while lacking in those cultures in which it does not (although some other "positive" experience may exist there, one which is not reducible to an aesthetic awareness or sensibility). The existence of what one culture, such as that wluch prevails in much of the West, regards as ornamentation, for example, says nothing about whether or not that "other" culture experienced said ornamentation as deriving from an "aesthetic sensibility" which cuuld give rise to norms and distinctions about ornamental forms. In any event, the presumption that humans always do anything in general has always occurred to us as the "self-flattery" of a specific culture and historical period, a point that Marx made, of course, in regard to the classical political economists' assumption of self-interest, of omnipresent and eternal rational economic behavior,'

Value as Neither and Both "Objective" and "Subjective"

Another consequence, then, of thinking of value as a discursive construct is exactly to move outside of the polarity created *by* objective and subjective notions of value. Beginning with the premise of the fundamental discursiviry of evaluation and valonzation, of preference and price, of use-value and exchange-value, and of taste, truth, and treasure, we believe that there are problems and paradoxes that cannot be contained within the supposedly secure boundaries of either subjective or objective notions of value. In our view, value is neither and, in some ways, both objective and subjective. Insofar as discourse is social and material and in this sense "objective," beyond the choices and acts of any particular individual, value can be understood to constitute an ontology. At the same time, since discourse involves the positioning and constitution of subjects who, then, perform value and live its effects through their different expencnces, value can be understood to exist as a category of subjectivity. But, in taking the position that value is discursive, we want to be careful not to privilege either of these poles and also to point out that discourse is always "other" than objective or subjective.

This view is different from the main strands of arguments that can be found in Barbara Herrnstein Smith's *Contingencies of Value* or, alternatively, Pierre Bourdicu's *Distinction* {as well as Guillmy's *Cultural Capital,* which takes it basic tendency from Bourdieu}, While Smith has gone far in depicting value as discursive, as

Guillory points out, much of her argument tends toward a form of subjectivism in which individuals existing in "valuing communities" are the source of value judgments (and this is why Guillory sees in Smith a soulmate of neoclassical economists for whom taste is always individual and subjective). And while Bourdieu and Guillory remind us of the importance of the class components and socializarion that value judgments bespeak, the tendency (made clear in Guillory, if not Bourdieu) to see cultural capital as "embodied" III material objects themselves is a reference to objectivity that, in our view, blurs the point that objects will never be seen as containing this capital unless a discourse of "value" says that it is so.

The Rea/m of Non-Value

The discursivity of value also suggests to us that there are realms of non-value that are constituted outside of value. This view has two components; first, that there are discourses that produce understandings of events usually regarded as the preserve of value without any reference whatsoever to value; and second, that there exists something outside of discourse, which, if value is discursive, means that, in these other realms, value does not live, even though it may be one of its (overjdeterminants.

Suffice it to say that if one can demonstrate that there exist spaces of discourse and social practice that are "outside" of value, then it is possible as well to project social formations in which these discourses are hegemonic and obstruct the coming to existence of discourses of value and judgment - that is, as long as one does not hold the quasi-Hegelian view that the existence of these "other" discourses must, by virtue of their negation of value, constitute value as a condition of their own existence. As we write above, we reject the view that value must hegemonize the space of any event or discourse. And, of course, this includes any description of the "real" or any particular form of cognition and affect.

This point, we understand, is not novel since one can find in economic thought as well as in the field of aesthetics movements over the course of the past fifty years in theories of economic activity which do not require value as the organizing principle. Thus, for example, for recent neoclassical economists, value (at least in terms of something different from and regulating price - if price IS included III value, of course, then most of neoclassical theory can be seen to be intimately bound up with questions of value) has been relegated to the archives of the history of economic thought, while for some Marxists, the class and surplus apparatus of past Marxian econonucs, along with much else of the Marxian corpus, has been rethought along non-value lines."

In any event, while we posit the discursiviry of value as contingent, specific, and overdetermined, we also see that, for some economists (at least historically) and aestheticians, value is necessary as the primary means to unify and center economic and aesthetic discourse. While emphasizing the discursive nature of value does not imply in and of itself a "decentcring" of economic and aesthetic discourse, we

have the ann at least ın this paper of entertaining the differentiation and deconstruction that thinking about value as a discursive strategy provides. Put differently, we are interested in looking at the precise ways in which value often does hegemonize an econormc or cultural discourse and how it is that value serves as a foundational concept whose centralizing force is presumed to result from its mere appearance within any discourse.

Different Discourses of Value

Finally, for us, there does not exist now (nor probably did ıtı the past) a master trope or discourse of value. While we are concerned here with how worth, appropriateness, market pnce, Judgment, and so forth are constituted discursively, we note that the differences among and between these terms and their appearance as value cnregoncs ıtı specific sites of communication and interaction suggest that it may be mistaken to see them as all referring to a metaconcept of value) We adhere to the view that value categones emerge in different ways at different sites, and we accept any criticism of what follows below of our possible conflation and movement to unify what may be radically distinct and heterogeneous concepts and discursive objects. Put bluntly, we acknowledge that m the fields of economic and aesthetic value, there is a multiplicity of discourses of value that constitute their subjects in distinct and different ways.

Yet, the field of axiology does presume a common object, and so, if only ıtı order to challenge the coherence of that field and to proscribe the operations of various catcgones of value, we will write about value as though it did indeed carry its essence with it into whatever discourses it may thereby wander. It is possible, ill fact, that problematizmg the stability and unity of the concept of value can best proceed by initially positing its essential integrity. From such an initial premise - suggesting, of course, a transcendent meamng - we can carry our more usefully a deconsrrucnon of the term, showing, ıtı fact, the instability and dissolution of the concept - its impossibility to be what it is claimed to be - as attempts to fix its meaning and mode of operation are incessantly carried out. The possibility of deconsrructing the very term of value and showing that it cannot bear the weight of the operations and multiple uses for which it is intended is an important pJ.rt of our project.

The Good, the Bad, and the Different

We commence the remainder of our discussion with the following three quotations:

> "The Metropolitan Museum paid an enormous sum to acquire the portrait of Juan de Pareja by Velazquez. The decision to buy the picture was made because

it is one of the finest works of art to come on the market in our time. It is among the most beautiful, most living portraits ever painted. Velazquez, whose works are extremely rare, ranks with the greatest painters. This is precisely the kind of object which the Museum has a historic duty to acquire."

"I own somewhat similar things to this and I have always liked them. This is a rather more sophisticated version than the ones that I've seen, and I thought it was quite beautiful .. the total composition has a very contemporary, very Western look to it. It's the kind of thing that goes well with contemporary Western things. It would look good in a modern apartment or house .. The best pieces are going for very high prices. Generally speaking, the less good pieces in terms of quality are not going up in price. And that's a fine reason for picking the good ones rather than the bad. They have a way of becoming more valuable. I like African art as objects I find would be appealing to use in a home or an office. I don't think it goes well with everything, necessarily - although the very best perhaps does. But I think it goes well with contemporary architecture."

"The substantial market appeal of this work can be explained partly by the fact that it is perfectly tailored to supply a kind of conceptual art for those who are not conceptually inclined. The techniques and strategies associated with the short history of idea art are everywhere in evidence, but they are martialed to such didactic purpose that the designation "idea" rather valorizes the result The most fitting contemporary analogue for Lernieux's project comes not from art or literature but from Broadway - the box-office record-breaking *Les Misérables,* which boasts the same noxious mixture of pretense and sentimentality, and which produces the same sinking feeling where the uplifting is being proclaimed."

The first quotation appears in the opening paragraph of the lead essay in the catalogue for the exhibition at the Metropolitan Museum of Art of Diego Velazquez's "Juan de Pareja," a portrait of Velazquez's apprentice and companion. The essay was written by Theodore Rousseau, Vice Director, Curator in Chief at the Met on the occasion of the showing of the painting in the early 1980s. To our knowledge, when the Met purchased the painting in 1971, it represented the largest sum of money they had paid to that date for any single work of art. A reliable correspondent tells us that the painting was exhibited at the end of a long corridor, and that the feeling one got from seeing it in these conditions was of visiting a sacred shrine.

The second quotation is from Kwame Anthony Appiah's *In My Father's House: Africa in the Philosophy of Culture.* The speaker in this quote is David Rockefel1er. The occasion of his comments was his inclusion in a panel of "cocurators" for an exhibit entitled "Perspectives: Angles on African Art" organized in 1987 for the Cenrer for African Art in New York. Rockefeller's comments are part of his evaluations of several different pieces that he recommended for mclusion in the exhibit based on being shown slides of a large number of potential entries. As an incidental

piece of information, Appiah describes the fact that of the ten cocurators asked to make Judgments on the pieces for possible inclusion, the only one who was not shown the whole range of African artifacts was a Baule artist (the only non-Western artist in the hunch) whose exclusion was explained by the main curator as a function of the fact that, unlike the rest of the experts, "field aesthetic studies have shown that African informants will criticize sculptures from other ethnic groups in terms of their own traditional criteria, often assuming that such works are simply inept carvings of their own aesthetic traditions."

The third quotation is taken from a review in 1989 by Jack Bankosky in *Artforum Incemational* of an exhibit by Annctre Lcmieux. The entire review, as the quotation suggests, is quite critical and dismissive.

Let us take up first the issue of the distinction of good art versus bad art. In many discourses on value, and certainly those that rely on binary distinctions in which a hierarchy is employed to constitute the relative positions of the two pules in the scale of measurement, the notion of the suburdinate term - in this case, of "bad art" - is that it is the negation of the qualities that inhere in that which is designated "good." The attempt is made to define what is bad about bad art exclusively as the lack or absence of the good qualities that make superior art visible and appropriable by a discerning public. We leave aside for the moment the Issue of whether or not the quaiirires that are perceived by the viewer as "good" are attributes that are "there" in the object or are matters purely of the aesthetic categones of the discriminating mind. Though, as we write above, in most Western philosuphical discussions of aesthetics, the interaction of these objective and subjective elements is the basis for establishing the "truth" of aesthetic judgment. What we arc interested in here more is the way that Judgments of good versus bad in art (or for that matter, in many fields of evaluation, for example, the question of theory choice in eC0I1011uCS) are rendered so as to posit the "positiviry" of the term of supremacy (the good) and the negativity of the term of subordination. Another way of saying this is that, while it is possible in many aesthetic discourses to derive the bad as deviations from or errors or mishandling or poor copies of that which is superior, it is very difficult, and to be avoided in any event for fear of devaluing the good, to derive the category of the good starting with the subordinate term. While the inferior or fake can always be seen as an absence, the supenor must be constituted in these discourses as a presence. The good cannot be a derivative concept, a remainder whose existence is only attributable to its not being (bad). This interesting point, that in many value discourses the subordinate term is allowed its existence as a form of non-being, a hole, a lack, demonstrates that there is a close correspondence between that which is determined to be bad (as in the Bankosky quote, the utter ineptitude of the "fake" conceptual art) and the role of that term - its substance consisting almost entirely of its negation of what might be good - in the value discourse. To put this otherwise, the absence of positive features means that the subordinate term in the binary hierarchy is a sign of its double negation. It cannot exist unless the good is first defined, and then its existence consists in the negation of the good.

In such a discourse, the concept of difference appcars only as a scale concept. The good is different from the bad insofar as the bad is seen as not possessing those amounts of what would be taken for good or not possessing the qualities of the good. On a scale, then, the bad represents negative quantities of good qualities, or at least a lesser amount of them than that which is good. The good is the standard of value, whereas the bad registers either absence of value measured in that startdard or the loss of value (devaluation). Difference is presented here as positions in a hierarchy or as the distinction between being and nothingness (or both). To be the "other" in this schema is either to exist as a posiriviry (the good) or to exist (or not exist) as a negativity.

Now, what should be apparent to all those familiar with recent poststructuralist and postmodern theory is that these (hierarchical) notions of difference do not exhaust the field of possibilities for value. What the work of Derrida and so many others shows is that the posirivity of the good is never possible, just as the negativity of the bad is equally unsustainable. One possibility, of course, is that any determinate artifact, such as Lernieux's bad conceptual art or the bad African art that Rockefeller refers to, is always a combination of both good and bad attributes and qualities. This is a familiar position, but it does not question the essential purity of the terms good and bad themselves. It is also possible to say, as do many poststructuralists, that the good is never itself - it always deconsrructs under dose scrutiny. Of course, the same is rrue for the supposedly negative or subordinate term. The categories may be "indeterminate," to borrow a phrase that has become popular among cultural theorists influenced by Derrida and Lyocard. In this case, as soon as such categories are employed, they begin to unravel, as we can see in the quotations above. In each case, the attempt to stabilize the "goodness" or "badness" - their aesthetic value - of the works of art under consideration immediately calls up the terror, fear, uncertainty, and instability of the judgments that are being made. For example, the fact that there is good and bad art, that is, that they are both constituted on a continuum called "art", presupposes some common set of qualities between them. Similarly, the reliance on economic value to shore up aesthetic value suggests the very fluidity and possible instability of the judgments being made.s The evasion of aesthetic judgments not only by economic caregones, but by the reference to scarcity, the canonicity of painters and paintings, and much else that often precedes the judgment itself speaks to the fear that the positive term is afloat in a sea of uncertainty and is always under bombardment from those who would undermine its claim to purity and self-identity.

Perhaps, though, our more important criticism here is that it is possible to confront such binary, hierarchical concepts of value with a notion of radical heterogeneity. Rather than constituting the subordinate term as the negation of the positive, it is possible to reconstitute the subordinate term as a positive as well. This pluralist move is one that treats the terms in a value schema as containing distinctive functions, potential audiences, methods, modes of enunciation, and so on. Or, alternatively put, this move is one that regards the good and bad terms as constituting different discourses or, at least, possessmg sufficiently different elements that

it makes as much sense to juxtapose them as it does to place them within a similar space. Good and bad art may not occupy the same space, and therefore cannot he seen as equally susceptible to the same criteria of evaluation.

It is interesting to note that traditional aesthetics has operated more as a way of determining what is "deserving" of the appellation "an" than serving as a typology in which categones of art, broadly conceived, are distinguished. In *Art Worlds,* Howard Becker explains that "aestheticians do not simply intend to classify things into useful categories, as we might classify species of plants, but rather to separate the deserving from the undeserving, and to do it definitively. They do not want to take an inclusive approach tu art, counting in everything that conceivably might have some interest or value. They look, instead, for a defensible way to leave some things out" (r37). In this way, the aesthetician's practice is meant to preclude the possibility of treating good and bad art as simply different subcarcgories.s

Yet, perhaps in subversion of its main function as arbitrating between good and bad (and therefore art from non-art), we can glimpse even in the Bankosky quote above an example of this possibility. We read in Bankcsky's statement the implication that Lcmieux's piece cannot be brought Into analogy with other art and/or literature but that it must be compared to a Broadway play, with which its functions, modes of presentation, aesthetic tropes, and much else are held in common. Of course, it is usually meant as a form of disapproval, degradation, and dismissal to say about a work of art (or an economic theory) that it is not art (or not economics). And yet, there may be a glimmer of truth in these statements since what is being gestured at here is the idea that the particular cultural object in question does not exactly occupy the same space and therefore may not be subject to the same rules regarding its evaluation as some other more "typical" element in the relevant domain. While in some sense bad art may be "art," this does not imply that the rules of its construction or evaluation are the same as those for good art.

Bad art may then be reconceived as a positivity. Art/cultural critics can, if they wish, Investigate such forms of art for how and why they work the way they do. They can note the differences (and similarities, if so inclined) between different objects and the discourses or fields within which they operate. What we are saying is that it is always possible to treat objects, elements, and discourses as appropriate witlun some realms which they each help to construct (since we presume that there is no fixity in the nature or character of these realms that simply predates the operation of these objects). In his sneenng, dismissive way, paradoxically, Bcnkosky shows us some of the ways that Lcmieux's work can be read alternatively so that rather than representing bad art defined as the absence of positive elements, her kind of conceptual art appeals to other sensibilities for which it is highly appropriate. Of course, whether one wants to include such work under the rubric of art is always being struggled over, as this quotation and the one from Rockefeller also sbows." That Lemieux's piece could even be designated as fake or bad conceptual art (possessing the forms but failing in representing them "authentically") shows that Bankosky is perplexed, as may be his reader, by the indeterminacy that the judgment rhar it is bad or inauthentic art sets off. It is not quite good art (and

maybe not even art, as the comparison to *Les Miserables* shows), but then again, it looks like art, and so forth.

If bad art defines a separate realm of existence which it only weakly shares with good art, then its "goodness" for different purposes and for different audiences may be easier to establish. But, of course, then it becomes very difficult to sustain the category of its badness, or at least of its negativity. This move is what has been behind the wave of revaluations that have moved objects of popular culture, such as mystery novels, folk art, B movies, comic books, and much else out of being relegated to subordinate forms living (but very popularly) in the shadows of the canons of great art, poetry, literature, and so forth. This too has been the basis for the revaluation of non-Western, so-called primitive art and other cultural forms as representatives of different ways of constructing cultural lives. Similarly, this move has given rise to the attacks on the icons of high culture as representing not universal, disinterested, and eternally applicable standards of good taste but, rather, examples of very local and particular cultural norms that have hegemonized Western culture by power, force, and persuasion. It is no accident that the attacks on the canons of great art and literature have relativized the terms of value by stressing that what may be "good" for some folks reflects the overbearing and oppressive dominance of their cultural norms to the exclusion of others. Indeed, there has been a movement to make deliberately "perverse" the standards of evaluation in Western cultural circles so as to call into question the exclusivity - class, race, gender, and sexual-based, in many cases - of the standards that have been at play in the realm of Western aesthetics." There is far less agreement today among many cultural thinkers, let alone a broader public, about the terms of evaluation that may be employed to judge the "truth value" of any particular work of art or literature. This relativism has certainly scared many other thinkers who worry profusely about the loss of standards and the moral (not to mention aesthetic and economic) devaluations that occur when every art object and discourse are now seen as truthful in their own terms.

Let us give another case in point. We have been intrigued with the determination of our colleagues in economics to dismiss whole bodies of economic thought as useless, bad, wrong, and so forth. As Marxists, we have usually been all the receiving end of such judgments, though we know a great many Marxist and radical economists who have no problem in reversing the charges by declaring neoclassical and Keynesian thought to be just as hopeless. What is even more striking is the great nervousness that we have noticed in most economists when the question of theory choice is being discussed. There, if nowhere else in economics, one finds evidence of extreme concern that economists *not* be free to choose since only certain theoretical ideas (usually neoclassical ones) are redeemable and constitute the good science to which we all, presumably, aspire. And, insofar as theory choice is seen as a matter of persuasion, of power, of hegemony, and so forth, defenders of the science claim, in response, that without "legitimate" standards of comparison by which the wheat can be separated from the chaff, there will be a cessation of economic theorizing altogether. The barbarians will be at (or perhaps inside) the gate.

Is it an? This questionis evident in the Rockefeller and Bankosky quotes above, and the idea that the "bad" can be discussed in its own positivity does not prevent a judgment about its appropriateness as an example of the category art. Of course, we believe that the very concepts of art, discourse, economic theory, and so forth are all changed as a result of asking such questions and especially of attempting to escape the binary logic of many value discourses. We regard each and every concept of regularity to be contingent and constituted. So, for us, the process of evaluation - what counts as an example of a type or category, what constitutes the standard of measurement, and so forth - is one that is subject to a different logic, the logic of contingency and historical construction.

The Interaction ofEconomic and Aesthetic Value

Economic and aesthetic value function m many value discourses as hedges against uncertainty, Value, in fact, often connotes regularity, stability, and cenrriciry in the relations to which the value categories are being applied. In this way, value discourses are largely concerned with calming the fears that are produced ın the wake of the perception of uncertainty associated with aesthetic judgment and market flucruations.f It is also true, ironically, that the very emergence of value discourse- its attempt to stabilize value - creates the possibility of its opposite, that is, that value may not stabilize and that the position that any object of material and/or cultural SIgnificance even in the most structured value system can change suddenly and, for some, carastroplucally. Today's bad art can become good art tomorrow; today's lucrative asset can plunge ıtı value overnight as a result of a new wave of speculation. Hence, even in its own domain, value cannot prevent the possibility that in many cases it ıs designed to forestall: unpredictable and destabilizing changes in evaluation.

As if it were not bad enough that individual value discourses cannot often prevent the thorough shakeup of its elements (from a repositioning of the terms in hierarchical scales to a reconsideration of the standards of evaluation), the interactions amongst and between different discourses of value and/or different realms of value make the situation even less secure. We can see the possibility of such threats to stability and the fears that accompany them in the extracts above.

The need to make economic and aesthetic value "line up" in order to stabilize both is apparent ıtı the extreme ın the quotation from Theodore Rousscau. Rousseau's statement nicely captures the sheer bravado that sometimes must be summoned up in order to make sure that the price one pays for a work of art corresponds perfectly with an aesthetic judgment about the work. In a series of feedback effects, Rousseau moves assertively (but, we think, with more than a hint of nervousness), between the "enormous" sum of money expended by the Metropolitan Museum of Art on the Vciazquez painting and the "greatness" of the work as a representation of the Met's uniquely informed aesthetic judgment. Indeed, the language that Roussecu employs in which monetary worth and creative beauty are so

inextricably linked leads him to claim as the Museum's "historic duty" the necessity of purchasing and displaying the piece. That is, economic and aesthetic value line up so completely that it becomes the moral duty of the Museum both to possess and to display this perfection. Of course, with the introduction of this moral obligation, a third realm of value is introduced which is in line with the other two.

Rousseau's explanation has the flavor of a defence. And this is made clearer m recalling that the purchase of the painting involved a decision to spend more money than the Museum had presumably paid for any work of art prior to that acquisition. Regardless of its status as the "most expensive" to date, what is clear is that Rousseau feels the need to explain from the outset of his discussion (the quotation is the entire opening paragraph of his essay) what, for him, the decision represented. In their introduction to the catalogue in which Rousseau's essay appears, Douglas Dillon and Thomas Hoving join the chorus m explaining how the diligence of the Museum in waiting and looking for the best buys led them to make the purchase: "Over the past year our focns has changed from buying objects on a broad scale to the more difficult, but in the long-run mote rewarding, task of concentrating the Museum's purchase funds, and waiting patiently for the tare and momentous occasion when an exceptional work of art such as this becomes available."

There is a multitude of examples that can be cited to show that, for many buyers and sellers of art or culture, the preferred relation between economic and acsthetic value is that of correspondence. But, of course, there are also many examples of the opposite, that is, the preference for evaluations to be discrepant between these alternative realms. For example, one can find statements by acsrbeticians, artists, and others that call for the delinking of economic and aesthetic value since, 111 their view, the fact that something has a high market or asset price denotes precisely the aesthetic degradation of that particular object. Sure T chaikovsky sells, but 111 the eyes of many music critics and musicians, the fact that *Swan Lake* has become a box-office smash during the Christmas season is the best signal of its general mediocrity. Cultural elitism is built on the critical ability to trash that which is popular and whose popularity is "reflected" (so it is believed) in the relatively higher economic value it may command. Likewise, those involved making a living in art or other market transactions often detest the imposition of anything other than what sells as a denotation of the object's "worth." And, of course, it is often true that decisions about what to purchase and why are inversely related to their status in high cultural circles, since the attribution of goodness, especially where avant-gardes operate, sounds the death knell of that object in certain markers." This is of course true in the production and distribution of films, such that "art films" (those considered by a ccrtam cultural elite to reflect the highest aesthetic and production values) often find little backing and a minuscule paying audience.

The devaluing of one sphere of value by another (the intervention of econonuc concerns, for example, into the evaluation of artworks] is often seen as a matter of sullying the very objects and field themselves. There is a longstanding romanticism about the sanctity of aesthetic decisions; the market, in this view, is the realm of filthy lucre that distorts and degrades the aesthetic experience for both producers

and "consumers" of cultural artifacts. And, sometimes what is worse, one sphere of value is thought to be so powerful as to displace another entirely. The fear that market prices may become the sole arbiter of what is good and bad in art or that market prices may be "regulated" according to a different set of values, aesthetic or moral perhaps (something that institutionalist economists in particular have long called for), indicates the degree to which the possible substitutability of different types of valuations may be as wornsome as the fear that economic values may corrode aesthetic sensibility, or vice versa.

While discrepancies and their consequences are always in evidence, there remains the sense for many that economic and aesthetic value must surely have some clear correlation between them. Or at least this is hoped for. In the sphere of their interaction, such forces as expertise and authority are used to stabilize the relation between them so as to prevent random and therefore chaotic (or so it is supposed) movements in either or both realms. As with Rousseau, Rockefeller's quote is exemplary of the Imposition of authority as a means to produce this stability. That the market "reflects" superior aesthetic sensibility, and that superior sensibility "reflects" the seemingly amoral and random detcrminations of market value allows collectors of art objects to feel, for a moment, comforted that there is sufficient evidence of the WIsdom of their purchases.

The introduction of discursiviry and difference is an clement, at least in the present, that is read as threatening to the correlation of aesthetic and economic value.[10] In aesthetic circles, the relativism and pluralism that have emerged from the critique of canons small and large hinge on the fear that without the divisions between bad and good, high and low, art and non-art, the aesthetic experience of making distinctions will be rendered impotent.[11] The revaluation Involved in the rejection of canons and the demand for relative equality in aesthetic effects also has the consequence of affecting the monetary value of art collections, the income of artists, and so on. And, this revaluation in the name of inclusion or the end of elitism or the politicization of art or whatever produces a discourse of frustrated uncertainty as to how to go about making distinctions of any kind and what the economic, in addition to cultural, consequences will be. We have noticed, despite all the cult of individuality that flourishes In art worlds, that artists and others long for the days (if, indeed, they ever existed) or at least the hope of a "just price," one that brings into line the distinctions created by discourses of aesthetic value with market prices. Thus, the uncertainty that attends the introduction of a form of difference which "equalizes" art forms in the rendering of aesthetic judgments is resisted by an insistence on the necessity for price to reflect what IS Justifiably worthy in aesthetic terms.

While neoclassical economists often gloat that their theory of value is best suited to account for Incessant and immediate fluctuations, if not uncertainty, their language also belies a fear of the indeterminacies that are implicit in movements towards equilibrium prices as well as such forces as speculation. That is, just as cultural relativism may be feared because it may radically alter and realign cultural values and aesthetic judgments, speculation and the constant fluctuation of prices to

such a degree that movement toward a (possibly shifting) equilibrium and permanent disequilibrium become indistinguishable.[12] Hence, business people, stockbrokers, bond sellers, as well as economists, may express anger and outrage at the divergence of asset and commodity prices from some notion of its "normal" or "equilibrium" value as backed up by the solidity of a firm's overall economic status, past history of asset performance, the assessments by various rating companies, and so forth. While much ink has been spilt in economic theory denying the existence or usefulness of ideas of "just prices" and the like (in which moral and aesthetic issues are evident), the language of over- and undervaluation - the divergence of prices from some putative norm - in economic and business discourses is an indication that the pure "relativity" and conceivable randomness of price movements are experienced, not unlike cultural relativism, as the bane of stability and predictability. Value (even if equilibrium price), once again, is seized upon as a means to neutralize the experience of instability and uncertainty.

The introduction of difference and discursivity, we have argued, can have the effect of relativizing aesthetic and economic value. This relativism can produce discourses of uncertainty in which much which has previously been settled is now up for grabs. Surely, as we have argued, introducing difference into the realm of the intersection of aesthetic and economic value will likely mean redistributions of resources, if nothing else. And this redistribution may, in our view, be desirable, especially if it allows for some forms of "appositional" economic and cultural practices and processes to emerge from the shadows. While we cannot spell out here all of what this might mean (now, let alone in the future), we conclude with the simple statement that if revaluaticns and/or rejections of value that result from introducmg difference open the space for some of these considerations, practices, and groups {and of course, we have our favorites among them}, then the difference that deconstructing value makes will be evident, we hope, to our readers.

Dialogue

Klamer: You have persuaded me that the value of anything is a complex thing and is not to be essentialised. As a matter of fact, I read your collaborative piece as a relentless criticism of all attempts to sharply differentiate good art from bad art. I only wonder what this adds to the discussion over and beyond what many others have argued, including several authors in this volume. Many of us appear to be quite conscious of [he difficulties of defining the good in art in contradistinction to the bad.

Amariglio: A key part of our argument is that value is discursive. There is nothing natural to value - whether economic value or aesthetic value - in and of itself. There is no inherent characteristic that gives a thing value. There are only discourses of value. But there are also, we want to argue, discourses of nonvalue, discourses where a concept of value plays a small, if any, role.

Ruccio: A simple transaction between individuals or groups can be understood in terms of different theories of value - neoclassical, Marxian, institutional, or whatever - hut also in terms of not value. We may want to think about gifts and other transactions, or friendships as you mentioned in your speech [see chapter r], outside the notions of exchange and value. In other words, the notion of the gift which excludes economic value is a discursive choice, not something which corresponds to and represents a particular event or domain of human interaction.

Amariglio: At the same time, our argument is NOT that there is something better about nonvalue discourses. Our point is simply that value is one possible discourse. There may be a realm of difference that cannot be encompassed by the concept of value. We can make sense of aesthetic events by Imposing the concept of value. But there is nothing inherent in those events that requires us to do this.

Graham, To go back to your question, we are making these arguments partly because of the consequences that they have. We understand that we are in a marginal position in terms of economic discourse so, from our perspective, we need to desrabilise existing value systems in order to be able to do our alternative discourse.

We also have the desire to add another dimension to aesthetic value which would involve the reallocation of public subsidies and resources. It is our intention to open up the discussion of the aesthetic to include, for example, the ways in which the art work has been produced, that is, the conditions of production. The allocation of resources, for example, could be more concerned with the communal nature of art production. So we have different reasons for doing what we do.

Ruccio: Or, for that matter, the ways in which art is distributed and consumed. It may also lead to a reallocation of pnvate resources. A change in perspective, one which allows for the dcconstruction of economic and aesthetic value, represents a different kind of subsidy or incentive: private individuals and institutions (such as corporations and local and national governments) will change how they spend their money on art according to whether they hold unified concepts of value or, alternatively, more decentered notions of value.

Klamer: But is there not more to it? I am tempted to pose the "So What?" question even though I know that it will annoy you.

Amariglio: Yes, that question does annoy us because it tells us that, once agam, our text is not heing taken seriously. Then again, as Julie was saying, there is a point to all this.

We do introduce perspectivism mro the discussion of value. And the discursive notion of value allows us to ask different sorts of questions.

Klamer: You do not say it outright but you seem to be critical of much of the discussion in this volume, including my own contribution.

Amariglio: We question the hegemony of value discourse and the claim that art has a special value that sets it apart from anything else. We plead for a change in the function that the notion of value has. In terms of what you have said, we are skeptical of the alleged purity of aesthetic value as distinct from economic value - as if aesthetic value is sullied or dirtied by the intervention of economic measurement or commensuration. I do not think that the hope for the art world is in the privileging of aesthetic value while keeping economic value at bay.

Klamer: Maybe we misunderstand each other because all I said was that actual discourse in the art world, as in many other worlds, is of the non-value type that you referred to earlier. So what is your problem?

Amariglio: We agree with that point, but that does not mean that the aesthetic value is privileged. The market does not, of necessity, "fuck up" the distinction between good and bad, no matter how much people fear the interconnection between those two realms. We do not want to romanticize the differences. That does not do much for us. Market values can be destahilized by changes in aesthetic valuanons. Those who have the work of Velasquez or Hans Haacke in their collection don't want people suddenly to say that their work is shit.

Klamer: To be frank, I do use your arguments and notions from time to time in interactions with people. Recently I used it in a discussion with my wife. It was about mother- and fatherhood. My point was that these notions are socially constructed. It made her furious and that ended our conversation. You all know my wife. You know that she is a reasonable person. What do you do with this?

Graham: Well, in some moments we need stability; we need places of rest. It is the relentlessness of the kinds of criticisms associated with our work and of deconstructionisrs mote generally that sometimes gets to people.

Rucdo: It is terrifying for some people but it can be quite liberating for many others. It all depends. For Marijke, your wife, it may be (we don't know) terrifying to think of motherhood - or friendship or artistic value or whatever - as socially constructed. For other people, however, that move can be rather liberating.

Graham: Whether you want to dcstabilise a position, depends. It depends on whether the position is your prison or your foundation.

Amariglio: For some people those two are unfortunately indistinguishable.

Acknowledgments

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PART TWO

On the Value of Art

5

The Value of Public Art as Public Culture

JOSErH]. CORDES AND ROBERT S. GOLDFARB

At my request Joseph Cordes and Robert Goldfarb tried their economic skills in the area of the arts. Cordes is otherwise in public finance and Goldfarb has a background in tabor economics although he recently has been preoccupied with methodological issues. They both work at The George Washington University with secretaries who also happen to be artists or students in the museum program of their university. The students brought the case of The Tilted Arc to their attention. This is what they made of it.

Introduction

THIS CHAPTER *is* about a particular subset of art, what we call "public art," and how that art interacts with the broad culture of the society. By "public art," we have ın mmd art that is readily and easily available to "the public," art for which public display or performance looms large. It includes sculpture on display in open, public places, music and dance performances open to the general public, art on display in museums open to the genera! public, and so forth. Such art is not only publicly displayed but also frequently relies on direct or indirect state subsidies to fund its creation and/or make it available to the public. Government support of public art raises a number of issues which we examine through the prism of economic analysis. In so doing, we hope to show what econonucs can contribute to understanding the arts, as well where its insights may falter.

Explainmg National Differences in Public Support{ or Art

Although the arts and culture receive some measure of public support in allindustrial countries, there are differences in the amount and form of such support. Table ı shows two notable differences between public support for art and culture ın the United States and Europe. First, by any measure, European countries devote significantly more resources to public support for the arts than does the United States.

Second, in contrast to European coumnes, where indirect state support of the arts - e.g. through tax incentives for private contributions and sponsorship - plays a rather nunor role, such indirect support accounts for roughly $,75 of every $1.OO of public support for the arts in the United States (the fourth column percentage for the V.S., .06%, is 75% of the sum of the second plus fourth column percentages, .o8%). *What might account for these differing levels and patterns of state support for public art in the U.S. versus Europe? What social and economic factors might cause such levels and patterns of state support to change?* We use the framework of neo-classical economic analysis to try to shed light on these questions.

What arc the ingredients of this analytical framework? As both Arjo Klamer and Donald McCloskey (1992) have noted elsewhere, economic models can be usefully understood as offering narratives and metaphors that help us to think about the world in particular ways. Bruno Frey and Werner Pommerehne (1989) provide a very useful discussion of what is distinctive about the narratives and metaphors that comprise neo-classical economics when applied to the arts. For our purposes, the followmg features of the neo-classical model of economic behavior are especially noteworthy.

> The behavioral unit (or analysis) IS the Individual, who is assumed to take mto account at least implicitly, the benefits and costs that particular actions involve for him - or herself. It is thus assumed that people are capable of evaluating alternative actions.. Man is supposed to be concerned with his uwn interests, but regard for the welfare of other persons, especially relatives and friends, is not excluded.
>
> Changes in human beliavior are attributed to changes in the opportunities that people face rather than changes in preferences... Such constraints are only partly economic, such as income and relative prrce (or cost). Other constraints are physical, such as time and distance, or social, such as formal rules (e.g. government laws), and informal rules (c.g. moral codes),
>
> The production and consumption of the arts IS the result of the behavior of individual persons.. and the demand for the arts is attributable to individual decisions. *This* is *the case even if the demand is exerted by, say, the state, i.e. by a coilcetivity; if one looks behind the state as a whole its behavior is the result of actions by voters, bureaucrats, and politicians.* In the arts, as everywhere else, persons as suppliers and demanders react systematically to incentives (Frey and Pommerehne, 1989, pp. 4-6. Emphasis added).

So how might application of this neoclassical economics framework, which seeks tu explain social phenomena as the outcome of choices made by rational individuals, account for the national differences identified above? So-called interest group models of public spending, such as the pressure group model of government spending formulated by Becker (1983, 1985), offer one way of approaching the ques-

Table 1. Direct and indirect expenditure on arts and culture

	DIRECT PUBLIC SPENDING ON ARTS AS A PROPORTION OF PUBLIC SPENDING	DIRECT PUBLIC SPENDING ON IIRTS AS A PROPORTION oFGDP	DIRECT PUBLIC SPENDING ON ARTS PER HEAD	INDIRECT PUBLIC SPENDING ON ARTS AS A PERCENT OF GDP
Canada	0.34%	0.18%	$28.3	small
France	0.77%	0.22%	$35·0	very small
Germany	0.79%	0.21%	$39.1	small
Netherlands	0.45%	0.23%	$33·5	very small
Sweden	0.42%	0.24%	$45.2	none
United Kingdom	0.41%	0.14%	$16.0	small
UnitedStates	0.05%	0.02%	$3.3	0.06%

Source: The first three columns are reproduced from Throsby ('99'-)' The last column is based On Table 3 in Schuster ('985). Schuster uses the terms "small", "very small", etc and then gives an absolute dollar figure for the US._ This is done because the individual numbers for the other countries are not readily available ("tax expenditure" figures are not regularly generated), but are clearly small Or very small relative to direct spending in comparison to the U.S.,

tion that is consistent with the neoclassical economics framework described by Frey and Pommerehne. These models assume that policies are chosen by politicians who seek to maximize political support by responding to political pressure exerted by organized pressure groups for or against such policies.

Although the formation of organized pressure groups may be the visible means of exerting political pressure, the focus of these pressure group models is on the behavior of individuals rather than group behavior. That is, the amount of pressure brought to bear for or agmnst a policy is determined by investments of time and money made by individuals who rationally balance the net benefits of exerting pressure for or against particular policies with the cosr of doing so in the political process.'

The original Becker model has recently been extended by Kristov, Lindert, and McClelland (1992) (KLM), who developed a model thar allows different individuals to form pressure groups based not only on whether they are directly affecred by public spending on a particular activity (e.g. by paying taxes or receiving government subsidies), but also on whether they favor or oppose spending on a particular activity *in principle* (e.g. for reasons other than their own self-interest, narrowly defined). This feature of the KLM model allows someone who is not directly affected through payment of taxes or receipt of subsidy payments to nonetheless actively support (or oppose) the subsidy.

A SIMPLE PRESSURE GROUP MODEL APPUED TO THE ARTS

We have taken the KIM model and extended it to apply to the case where the object of political pressure is public funding for the arts. The resulting model rests on the following assumptions about behavior. First, like KLM, we assume that individual preferences for public art reflect the value that people place on the broader benefit of such art to society, as well as any personal benefit from directly expenencmg such art. Second, we assume that public art can be provided either through direct government subsidies or through private contributions. This is an important departure from the KLM model, which effectively assumes that a person's demand for a collective good can only be satisfied through direct government spending. Third, we assume that government and private support of public culture are not generally seen as perfect substitutes. That is, the model allows government-financed art to be viewed by some people as being intrinsically different from art that is not produced with direct government support. This assumption implies that some people may be willing to provide *private* support for the arts yet oppose *public* support for the arts because III their view such public support produces "less desirable" art.

Finally, we assume that the individual makes economically rational calculations about how much public art he/she desires and the form in which such art is to be provided (c.g. publicly vs. privately financed). As part of these calculations individuals are assumed to weigh the net benefits they expect to receive from exerting political pressure III favor of or against direct public support of art against the time and money cost of such political activity. Based on these calculations, some persons will find it rational to exert political pressure in support of government art subsidies; others will find it rational to exert political pressure opposing such subsidies; and still others will rationally choose to remain on the political sidelines.

We do not present the formal mathematical version of our model here, though it is available from the authors on request. Instead, we summarize what the model has to say about how individual choices arc translated into political pressure for or against government subsidies for public art, and the insights offered by the model about differing patterns of support for public art and culture in the United States and Europe.

The broad outlines of the discussion are as follows. First, we discuss certain individual characteristics that, in the model, would prompt (economically) rational individuals to support, oppose or be neutral about direct government arts subsidies. An implication of the pressure group mode! is that the amounr of direct government support for the arts will depend all the distribution of these characteristics among taxpayers and voters. This in rum causes one to look for differences in the distribution of these *individual* characteristics as an explanation for different patterns of public support for the arts in the United States versus Europe.

SOME RESULTS FROM THE MODEL

As noted above, the model assumes that there are two ways in which an individual can strive to obtain the amount of public art and culture that he/she prefers. He/she can use his/her time and money to exert political pressure to influence the amount of direct government financial support for public art and culture; and/or he/she can also use his/her time and money to provide private support for the arts by, for example, making private contributions to a performing arts company or a museum. The model identifies characteristics of individuals that influence these choices.

Individual Characteristics and Political Activity

Consider first the decision about whether to exert political pressure. What characteristics of individuals might lead them to be more likely to devote resources to shaping the amount of direct government spending on the arts through political activity? The model suggests that the following factors wil1 influence this decision:

Taste (or public artlculture. An individual will be more inclined to exert political pressure in fever of government spending on the arts/culture, the mote highly he/she values government-supported art. Conversely, she will be more inclined to he politically inactive, or exert political pressure in opposition to direct government spending for public art/culture, the less highly she values government-supported art/culture. Someone who believes that those artists applying for government money are more grants entrepreneurs than artists might well exert political pressure opposing such government support.

Perceived value o(*government support.* An individual will be more likely to invest resources on exerting political pressure ıı ı favor of government spending on arts/culture the more he/she perceives direct government support to be productive ıı ı the creation of public art/culture. Conversely an individual will be more apt to be politically inactive, or to devote resources to political pressure aimed at reducing direct government spending for public culture, the less productive she perceives such spending to be. More concretely, someone who thinks government funds will be channeled to excellent artists, with little "leakage" of funds due to the operation of the government agency giving out the funds, is more likely to favor the program and exert pressure for it. Someone who thinks that government selection mechanisms will choose inferior artists, and/or that the government agency will waste the funds on its own operations, is more likely to oppose the program.

Tax burden. An individual will be more inclined to devote resources to political pressure for direct government support of public art/culture, the lower the social cost of raising an additional dollar in taxes for the arts. He/she will be more inclined to be politically inactive, or actively oppose such spending the higher such social costs. One kind of social cost, what economists call opportunity

costs, would involve possible decreases in other government programs (education or poverty programs, for example) because tax funds were used for the arts instead of these alternatives. Other possible social costs include the costs of complying with tax laws, and economic costs arising from changes in individual behavior prompted by taxes.

Attitudes toward taxes. An mdividual will be more inclined to exert political pressure on hehalf of direct government spending for culture the lower his or her general distaste for taxation is. Conversely, persons with a relatively high distaste for taxation will be more inclined to he politically inactive, or to exert political pressure against direct government spending for culture.

Efficacy uf political pressure. An individual who would otherwise favor more direct government spending for public culture, will be more inclined to invest resources to exert political pressure to Increase such spending if he/she believes that such pressure will in fact be effective in producing more direct government spending on art/culture. Conversely, a person who would otherwise favor reducing direct government spending for public culture will be more inclined to invest resources on political pressure to decrease such spending the more that he/she believes that such pressure will cause direct government funding to be cut.

One important implication of the pressure group model is that if people act rationally, they must fall into one of three mutually exclusive categories of political! pressure group activity, depending on the Interaction of the factors identified above. A person may choose: (i) to invest time and money in exerting political pressure in favor of direct government support for public art/culture; (ii) to invest In exerting political pressure to oppose such direct spending; or (iii) to be politically inactive and neither actively favor nor oppose direct government support.

An important insight from the model is that these outcomes do not simply depend on whether a person values public art/culture, *perse.* For example, it can be rational for an "art lover", someone who enjoys and benefits from public art, to actively oppose direct government spending for such art, if: (a) he/she believes that direct government spending is a relatively unproductive way of creating it; (h) he/she is highly concerned about the costs of taxation; and/or (c) the social costs of raising extra revenue from taxes is relatively high.

This way of looking at things also provides an account of why persons will remain on the sidelines in the political debate about the level of direct government funding for public art/culture, even though their level of well-being would be affected if the level of such funding changed. Such behavior might occur if: (a) the net effect on well-being were relatively small, and/or (b) the individual believed that money spent on political pressure would have relatively little effect (one way or the other) on the level of funding determined in the political process.

Individual Characteristics and Private Support for Public Art/Culture

Time and money can also be used to provide private support for the arts. The model suggests that the following factors might influence the decision:

Taste for public artkulture. An individual will be more disposed to make private contributions to support the creation and/or dissemination of public art/culture the more highly he/she values public art.

Perceived value of private contributions. An individual will be more likely to spend income on private support of public art/culture the more he/she perceives such contributions to be productive in creating such art. For example, if a potential contributor believes contributions arc more likely to be used for staff cocktail parties than to fund actual artworks, that person IS less likely to make contributions.

(Perceived) Costs of indirect subsidies and attitudes toward taxation. Private contributions to arts organizations are tax deductible, at least in the If.S. In this situation, private contributions are subsidized through the tax system; they reduce the amount of taxes the government collects from the private contributor. The potential contributor's willingness to spend public funds as part of his or her private contribution to public art/culture will be higher the lower the social costs of providing such indirect subsidies, and the less that contributor is concerned about such costs. Such fiscal considerations will vary with the size of the subsidy per dollar of private contributions."

Efficacy of Individual private contributions. Finally, the decision to devore funds to private contributions for public art/culture will depend on the extent to which the individual believes that his/her own individual contribution will increase the total amount of privately funded public art/culture. A simple supposition on the part of the individual might be that an extra $1 contributed will increase private support of public art by $1. This outcome, however, is not certarn if individuals have an incentive to act as free-riders. For example, it is possible that an extra $1 donation by a particular individual will increase total contributions by less than $1 as other persons reduce their contributions m response to this increase.

Based on the interaction of these factors, individuals will fall into one of two categories: (a) those for whom the rational choice is to make private contributions to public culture, and (b) those for whom it is rational to make no contributions. As in the case of political pressure, whether a person falls into either category does not depend only on their tastes for public art/culture. Thus, a person eould be an art lover 1II the sense of liking and getting utility from public art, and yet contribute nothing to the private support of such art because: (a) he/she believed that privately supported public art was a relatively unproductive way of creating public art/cul-

ture; (b) he/she believed that the cost of indirect subsidies was too high, and/or (c) he/she believed that private contributions would have a relatively small effect on the total amount of pnvately supported public art actually produced.

EXPLAINING PATTERNS OF PUBLIC SUPPORT FOR PUBLIC CULTURE

The results of the model just summarized suggests that people will fall mto onc of the six categories described in Table 2.

Table 2

SPENDING ON PRIVATE CONTRIBUTIONS	SPENDING ON PUBLIC PRESSURE		
	Spending in Pavor of Arts Expenditures	*Spending against Arts Expenditures*	No *Spending*
	Typer	Type3	Type 5
	Type 2	Type 4	Type 6

Recall that Table 1 described some striking differences between arts financing patterns in the U.S. versus Europe. Broadly speaking, the different patterns of public support shown in Table 1 suggest that there are relatively more "Type 2" persons in European societies, who are willing to exert positive political pressure on behalf of direct government support of the arts, while at the same time making little or no contributions to indirect support of public culture through private contributions. In contrast, there appear to be relatively more "Type 3" and "Type 5" persons in the United States, who are either unwilling to exert political pressure on behalf of direct government support, or whu ate willing to exert political pressure in opposition to such funding, while at the same time making significant contributions to the support of public culture through private institutions.

What factors might account for these differences? The pressure group model provides some clues about where to look and where not to look for possible explanations.

Tastes (or Public Culture

An answer that is frequently given to this question is that Europeans have a greater taste than Americans for public art/culture. In terms of the pressure group model, however, such taste differences - if they exist - would explain differences in the overalllevcl of government support for public culture, but not observed differences in the pattern of direct government support versus indirect government support

through tax deductions for private contributions to the arts. Greater tastes for public art should make individuals more willing to spend their income on *both* private contributions for public art and on political pressure in support of direct government spending for culture.

Tax Incentives (or Private Support o(Public Art/Culture

Others have suggested that Americans are more willing to make private contributions to support public art/culture because they have more of a financial incentive to do so through the tax system. If this is so, the observed difference in the level and the pattern of support for public culture in Europe and the United States could reflect stronger tastes for public culture among Europeans, combined with more attractive tax incentives for pnvate support of public culture in the United States)

There are, however, a number of reasons why this explanation may not hold up. First, although European income tax systems place more restrictions on allowable tax deductions to artistic and cultural activities, these constraints do not appear to be binding.e For example, European income tax systems set lower limits on the percentage of income that can be claimed as charitable deductions than does the United States. However, charitable deductions by US taxpayers fall well below these lower limits. Moreover, because Europeans generally face higher marginal income tax rates, one might expect that European tax systems would, if anything, provide a stronger financial incentive for private support of public art/culture, because the net-of-tax pnce of such contributions is actually lower in Europe than it is in the United States.

The Relative Productivity of Direct vs. Indirect Funding o(Public Culture

An alternative explanation that is consistent with the pressure group model is that Americans and Europeans may hold different views about the productivity of direct government funding compared with private contributions in the creation of public culture. For example, we would expect to find more Type 2 persons in Europe and more Type 3 persons in the United States if Europeans generally had more positive views of the productivity of direct government funding, while Americans had more positive views of the productivity of private contributions. There are several reasons, discussed below, why this might be the case.

Attitudes toward the State. One possible explanation is based on what is alleged to be an underlying American attitude toward public sector activity. There is a general American suspicion of giving the government control over allocation decisions, and an underlying social consensus favoring pnvare sector decisions for allocating these goods and services. These socio-cultural attitudes are tied to Amencan views of the undesirability of direct state action, and the attractiveness of relying on decentralized allocation mechanisms.

Variability o(Tastes. Another explanation is based on differing distributions of tastes for public culture. It has, for example, been suggested that there is consider-

ably more variability in tastes in a heterogeneous society such as the United States. If this is so, pnvate support may be seen as a more productive way of creating public culture than direct government funding because it makes it easier to match the output of public culture to a range of tastes - e.g. one private donor may adore classical music and abhor Jazz, while another may have exactly the opposite predilections.

There are also theoretical arguments associated with BUTton Weisbrod's model of the nonprofit sector that reinforce this "variance of tastes" approach. Weisbrod argues that "undersatisfied demanders for collective-type services can turn .. to the private nonprofit sector. Nonprofits reflect the diversity of demands upon government. The unsatisfied demand for collective-type goods is a governmental 'failure' analogous to private market failures. That is, the combined willingness of part of the population to pay for some additional collective-type goods exceeds the incremental costs of providing them and yet government, responding to majorit.irtan interests, does not provide them."(1988, p.26)

Weisbrod postulates that the size of the nonprofit sector relative to government is likely to differ across nations "(i)f the nonprofit sector exists to respond to diversity of demands for collective goods". He then points out that "(rjhe private nonprofit sector does seem to be particularly noteworthy in the United States, a country of unusual diversity." (1988, p. 27). He cites two examples. First, the separation of church and state "with its concomitant requirement that governmental spending on religion be zero," is "unique to the United States" according to Weisbrod.5 Second, he cites new evidence showing "remarkably higher level of nonprofit activity in the United States compared to Japan, a country of less cultural and economic diversity," with respect to providing support for the poor and needy. He attributes this to a "greater consensus in culturally more homogeneous Japan" leading to a greater role for government and a smaller role for the nonprofit sector.

Comparative Disadvantage of Public Display. Private support of public culture may also be an attractive option in cases where the direct government funding of public art/culture has more potential for creating art works viewed negatively by some citizcns; that is, for creating a "public bad" instead of a public good. Such possibilities can arise because of two special characteristics of art: the possibility of particular kinds of art generating negative reactions - negative "utility" - among some of those who encounter it, and a "production/display technology" feature: the degree of "publicness" of some forms of art can be controlled through the process of production and/or display.

Display Technology. We begin *by* elucidating the "display technology" feature, which is easily illustrated using sculpture as an example. Public art has the characteristic of what economists call a "public good". A "private good," such as an apple, typically gives satisfaction only to the person actually consuming (eating) it. In contrast, "many" consumers can get satisfaction or "utility" from whatever public sculpture is provided: one person "experiencing" or seeing it does not prevent

other people from also experiencing it at the same time. That is, one aspect of a public good is that it is not "used up" because one individual "consumes" it (this "non-using-up" property is sometimes referred to as "nonexclusiveness in consumption"). Another aspect is the inability to exclude consumers (thus, if the VS is "nationally defended" from invasion, a particular V.S. citizen cannot be excluded from being "nationally defended" from the same invasion).

Sculpture is typically not used up by being viewed, so it displays the public good characteristic of "nonexclusiveness in consumption." However, the degree to which consumers can be excluded from viewing sculpture depends on its conditions of production and display. A large sculpture located in a public place with guaranteed open access will not allow exclusion, but producing (locating) a sculpture in a private, closed, fenced-in environment does permit exclusion. Thus, the degree of "publicness" of some forms of art is controllable through the production/display process.

Art as Public "Bad". Another relevant characteristic of some art is that it can generate negative utility. This observation requires more extensive discussion. The possibility of a public good generating negative utility for some of those experiencing it IS a phenomenon whose applicability extends to goods far removed from art, and whose economic implications have not to the best of our knowledge been adequately studied. Examples outside the realm of art include national defence: some citizens may actually be offended, and therefore have their utility lowered, by expenditures on military provision.

An Illustration. To illustrate how these two special characteristics of art would interact in a pressure group model to explain observed differences in public support for the arts between the V.5. and Europe, it is useful to consider a specific case. We use as our example the particular case of public sculpture.

It has been documented for specific episodes in the VS that the introduction of particular pieces of public sculpture has produced disutility for some of the public subjected to this sculpture. Stalker and Glymour (1982) cite and discuss numerous examples, including the following:

> **In** 1977 Carl Andre, the well-known "minimal" artist executed a public sculpture for the city of Hartford, Connecticut. (T)he *Hartford Courant* was filled with articles like these in the summer and fall of 1977: "Criticisms of Park Art Doesn't Rock Sculptor"; Sculpture Foes Shaping Plans"; Rock Opponents Tighten Stand." Taking note of this public opposition and joining it, the city fathers considered refusing payment but were advised by attorneys that the contract with Andre was valid and binding. Works by Sugarman, Ginnevar, di Suvaro and other sculptors have created even more intense controversy in other cities, not simply because the public objected to paying for the works, hut because significant segments did not want the objects publicly displayed in the settings in which they had been, or were to he, thrust. (p.6)

The particularly interesting example of Richard Serra's sculpture *Tilted Arc* is discussed at length by Glazer (1992). In 1981, Serra's sculpture, commissioned by the General Services Administration, a branch of the US government, was placed in the plaza at the Jacob Javits Federal Building in New York City. Glazer describes the building as "an anonymous and really ugly very large structure from the 1960's" (p. 10), one for which "(f)ew will be found to say a good word for." (p. 13). Glazer quotes interviews with Serra that clearly imply that his aim in producing public sculpture is to work "in contradiction to the places and spaces in which it is created" (quote from a Serra interview, p. 13), to criticize or subvert the architecture with which it is juxtaposed. In the case of the *Tilted Arc*, the sculpture *worsened* the usefulness of the space in which it was placed for those who worked there:

> But Serra was engaged in more than verbal or written criticism in an evanescent newspaper: He was building something large and permanent, and a permanent critique, particularly with its accompanying discomfort for all the people working in the building, is another matter. He is attacking the awful by increasing its awfulness. To the misery of working in an ugly and poorly designed building, it was Serra's thought to add additional misery in the form of sculpture that was ugly to most people (including the art critic of the *New York Times*), that obstructed the plaza, that offered no space to sit on, that blocked sun and view, and made the plaza unusable even for those moments of freedom when the weather permitted office workers to eat their lunch outside. (Glazer, 1992, p. 13)

Figure 1 shows the Tilted Arc, in the plaza in front of the Javits building.

Fig. 1 Richard Serra, Tilted Arc

The work generated so much displeasure that "after nine years of troubled existence, *Tilted Arc* was demolished and the plaza restored. It now contains trees in concrete planters, benches, and the non-functioning fountain." (p. 16). The sculpture was removed only after considerable public debate, and litigation. "In typical American fashion, the battle was fought not only in public but through the courts" (p. 15)' In public hearings, a long list of distinguished representatives from the art world spoke in favor of the sculpture. "Those speaking against could not have been more different: judges, federal employees, union officials, area residents. The confrontation could fairly be summed up as the world of art against the people." (p. 15-16). Glazer surmises that "the opponents of *Tilted Arc* . simply wanted to enjoy the sun in the plaza, to have a place to eat their lunch, and not to be assaulted by a very large and ugly object whose purposes they could not divine," a work that the *New York Times* called an "awkward, bullying piece that may conceivably be the ugliest outdoor work of art in the city" (p.r'z).

Because the Serra example is so extreme, it raises the negative utility issue in a particularly stark way. In this case, taxpayers were forced to pay for art that arguably made some of them worse off. The direct public funding of this sculpture virtually guaranteed that it would be much *more* of a public good than sculpture funded either privately or through indirect public funding (tax expenditures); the public funding was explicitly associated with the intention to place the sculpture in a very public location where people would encounter and "experience" or "consume" it, whether they wanted to or not. If the public appreciation of this kind of "subversive" sculpture is limited, and dislike for it likely to be widespread, its public provision is virtually guaranteed to generate negative utility among a significant portion of the population forced to pay for it.

Senie (1992a) has added an interesting interpretive twist to this idea that the public is forced to confront sculpture put in public places rather than museums. She argues that people confronted by public art will try to find a context in which to interpret it. After indicating a number of such critical interpretive responses by "the public,"6 she notes that:

> What all these responses are telling us is that an understandable context is missmg and without that another one will be found ... The "What is it?' question must be answered. And if all we can come up with is "It's art," that's not enough, unless it comes wirh a useful art context that will begin to make the work meaningful to any viewer... What we cannot afford to do is dismiss public responses or presume to know what the public wants. If we want to know the answer to that vexing question, we have to ralk directly, at length, to the various individuals who constitute or represent "the public" at any given time and place_. At issue is not just the future of public art but an understanding of art's place in a democratic society. (pp. 243-245)

Not all arguably high quality public sculpture in the U.S. generates such a public outcry. Moreover, if appreciation of art requires exposure to it, advocates of public

sculpture can argue that initial dislike may in some cases grow into longer-term appreciation. An interesting counter-example to the Serra episode and those cited in Stalker and Glymour (1982) involves a public sculpture in Grand Rapids, Michigan. A TV program (mis)emitled "Arts in America: A Crisis of Public Support" aired on Public Television in December 1994.[7] It turned out to be a repon on a symposium held in Grand Rapids, Michigan in honor of the zjth anniversary of a Calder sculpture entitled *La Grande vitesse* in that city (see model in figure 2, below). This was the first sculpture sponsored by the National Endowment for the Arts' Art in Public Places program. The tone of the symposium was that the Calder sculpture was a well-beloved fixture in Grand Rapids, and the city fathers had been far-sighted to have commissioned and installed it in the first place. Some of the presenters at the symposium also seemed to suggest that people grew to appreciate it by repeatedly experiencing it. Senie and Webster note that "(s)urprisingly, even though the art and the artist had nothing to do with their respective sites, the Chicago Picasso and the Grand Rapids Calder eventually functioned effectively as civic sculpture" (I992, p. xiv). Both seem to have taken on functions associated with representing the city: the Chicago Picasso "may sport a Chicago Cubs' baseball cap or a Bears headband" after a winning season (Senie, 1992<1, p. 239), while the Grand Rapids Calder forms the basis for a logo that appears on the city's stationary and its taxicabs (Senie, 1992b, p. I03).s

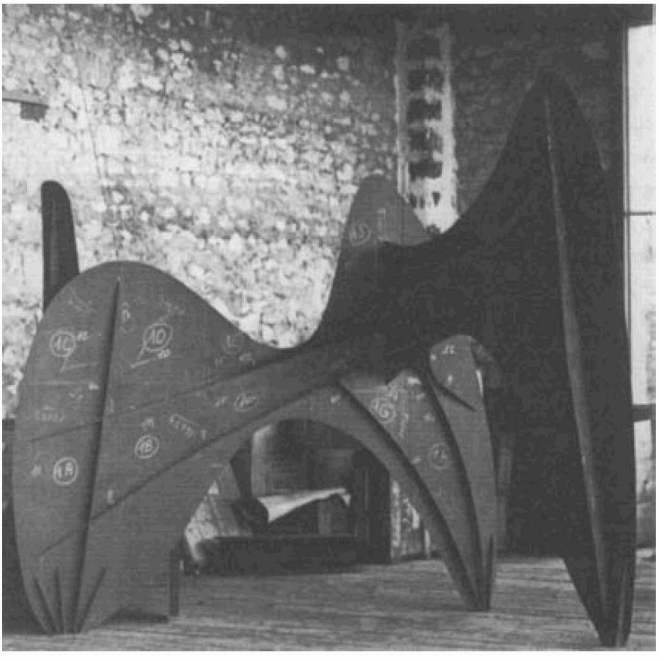

Fig. 2 Alexander Calder, La Crande Vi/esse (model)

Returning to the Serra example, how, if at all, might this example be related tu different patterns of public support for art In the V.S. and ıı Europe? If a larger portion of the V.S. population than the European population has a strong distaste for modern sculpture (and modern art in general), then these tastes expressed politically are likely to result in less "modern art" public sculpture being provided and financed directly by government. If another segment of the V.S. population does not experience this negative utility from modern sculpture and actually likes it, they may find it more productive to finance such additions to public culture through tax-deductible contributions, since such sculpture commissioned by private nonprofits has a greater chance of being displayed ıı "less-public" locations.

One of the authors, in visiting Rotterdam, was struck by the much higher incidence of (modern) public sculpture in Rotterdam than in American cities. This observation is exactly consistent with the previous paragraph's prediction about the frequency of public sculpture in the V.S. versus Europe.

WHAT Do WE LEARN FROM THE MODEL?

What is gained by viewing the question of public support for the arts through the prism of the pressure group model? The reader must Judge for him/herself how apt, appropriate and enlightening the list of factors identified is, and what possibly important factors are missed by this approach, but we would hazard a guess that readers from disciplines far removed from economics will find that they would not have focussed on a number of the factors suggested by the model.

What can we as economists, following Klamer's lead in his Introductory essay, say about the peculiarities of using an economic model of behavior to explain differing patterns of public support for the arts? Like all models, which intentionally abstract from a complex reality, the pressure group model provides a powerful analytical spotlight which leads to a certain clarity of focus. But, the spotlight illuminates some issues at the price of ignoring others.

Both the strengths and the weaknesses of the economists' approach are aptly illustrated by a personal anecdote. When we began this paper, one of the staff in our department office was working toward a degree ıı Museum Studies (she has smce graduated, and ıs working in museum administration). When we told her we were writing a paper about the provision of public art, she was quite taken aback. Her comment was, "how can you do that, when you have never studied art?" We responded with a standard line: "economists routinely aualyze questions of how societies make decisions about allocating limited resources among competing wants and needs, and these analyses apply to any and all products and services, from apples to education to health, and, yes, even to art." At one level, there is nothing wrong with this response, and indeed, it illustrates the applicability of the rational choice framework to a wide range of questions. We would also venture to say, with Arjo Klamer, that this perspective "gets some things right't.s At another level, however, there is some danger in assuming that the analytical methods of

economics can be blithely applied to any activity, without first obtaining an in-depth knowledge of the activity. Our ignorance of the arts may be such that our attempt to model public support of the arts in a rational choice framework fails to incorporate some crucial features of art as an activity; and as suggested by Klamer, we may run the risk that "the insights gained are limited and do not seem to do justice to the phenomena srudied.?'? One possible way of overcoming this problem is through the conversations that we hope this paper provokes with those who are extremely knowledgeable about the art world.

A second observation is due to Hans Abbing, who brings unusual breadth of knowledge and experience to the subject since he is both a practicing artist and an economist. One reaction he had to the model was that it was ahisrorical, and this might be a problem. In Europe, there is a long history of arts patronage by powerfulinstitutions; some of this history may affect the propensity of current governments in Europe to subsidize the arts, and may calor the cirizenry's acceptance of such practices. The possibility of an "independent" effect of this historical tradition on the behavior of government is not a feature of our modelling framework. (See Abbing 1992 for a related discussicn.)

Conclusion

This paper has been about what is sometimes called *positive economics:* trying to better explain an observed set of facts about the world. We have tried to show how neoclassical economics can be used to elucidate observed patterns of state support for the arts. We have not addressed questions of *normative economics:* questions about what role, if any, the state *should* play in providing financial support for public art/culture.

The reader must judge whether as Klamer argues," .the economists perspective is not very inspiring when applied to the world of the arts... (because when) Vlewed through economists' glasses the cultural sector looks small and otherwise similar to any other sector,"!' Our own response to Klamer's lament is twofold. On the one hand, we believe that the rational choice framework of neoclassical economics does offer a useful, coherent account of why people do what they do, mcluding patterns of support for the arts. It can also be shown to help one think about the proper range and scope of public support for the arts, though those normative issues have not been addressed in this paper. But, the model is perhaps most useful in raising questions that are fundamentally noneconomic! For example, differing patterns of public support for the arts in Europe and the U.S. may be rationally linked to differing reactions to "highly visible" public art. This, however, begs the question of where these differing reactions come from, and whether government has any active role to play in somehow "molding tastes." Questions such as these are part of a larger discourse about public policy and the arts, to which economics can surely contribute, but as one of several different modes of analysis.

Dialogue

Klamer: You allude to the normative consequences of your analysis. This makes me curious. Which economic rationale for public support would you consider most convincing, if any?

Cordes: I'd answer such a question from a neoclassical perspective. See, one strength of the neoclassical model is that it shows how various *collective* outcomes can emerge out of the interplay of *individual* interests. This way of thinking is not only useful for examining what role the state does play in supporting the arts, but what role it *should* play. But, because the individual is the basic unit of analysis, the individual's normative judgement about his/her own well-being is taken to be the basis for any normative judgement about what is "good" or "desirable" for society as a whole. Thus, in neoclassical economics, the "public interest" cannot be defined apart from, but instead, must be based on the well-being of the individuals who make up that society.

On the one hand, putting the individual at cenrer stage m this way is analytically attractive, because when an economic rationale for public support for the arts can be deduced, that rationale is based on satisfying individual wants. On the other hand, because it is not possible within this individualistic framework to postulate some sort of "collective" or "socieral" preference for public art and culture that is separate from, and perhaps transcends what individual citizens want, it is difficult to deduce such a very compelling rationale for direct or indirect government subsidization of the arts.

Klamer: Harry Truman, a former President of yours, once asked for one-armed economists, because all the economists he knew kept saying "on the one hand" and "on the other." You live up to the image! But is this all there is to say as a neoclassical economist?

Goldfarb: The reason for our difficulty is that, in normative economics, a case for government activity rests on establishing a failure of the market to "efficiently" provide the good or service in quesion. It turns out to be very difficult to establish such a "market failure" for the arts.

That is point one I want to make. There are three more. One of these is that direct and indirect Federal government support have quite different characteristics. As joe already pointed out, it is individuals whose views "count" in normative neoclassical economics. Indirect support as through "tax expenditures" has the advantage of letting individuals direct the federal subsidy to the art forms and organisations they view as worthwhile.

When it comes to direct federal support, the case for subsidizing "art creation" seems stronger than the case for subsidizing performance or reproduction of art. The reason is that creation can have important externatrlity Ot public good features that performance typically does not have. One can usually charge for performances

but one cannot charge for many of the future uses of a music composition. 1 whistle Mozan's Eine Kleine Nachtmusik, get considerable pleasure therefrom, and no one charges me fur that. That extra utility for me is an externatilirv of Mozart's having composed the piece. Such positive extematilitics can imply underproduction of composition.

This argument for subsidizing creation of art is far from ironclad, though. A major problem is that federal subsidization can lead to overproduction; the "cure" can be worse than the underproduction "disease" it is meant tu ameliorate. Two very concrete instances are O'Hare's t983 analysis of subsidies to music composition showing that subsidized pieces are very unlikely to ever be heard, and this overproduction problem gets worse with each successive generation of composers [Michael O'Hare, "A Malthusian Nightmare for the Composer and His Audience," 1ll Willi,lm Herndon and jamcs Shananan *Economics of Cultural Decisions*, Abr Books, 1983, pp 114-121.] Thus citizens arc paymg for compositions they will never benefit from. Another major question is whether the subsidizing authorities willin fact choose artists worth subsidizing: will they in fact choose "future Mozarts" rather than artists whose creations are not of lasting interest?

Finally, an argument can be made in favor of federal subsidization of the development of "tastes for the arts," especially among youth. But this seems to be an argument for subsidizing the education system {schools} to develop these tastes among current students, not an argument for subsidizing the creation of art, or arts performance organisations. However, arguments for subsidizing "taste change" do not fit comfortably into a neoclassical economics framework which takes individual tastes as given and relatively stable. And quite apart from this "failure of a comfortable fit" there is the problem of who - what elite or other vanguard in a democracy, with what moral authority ill that democracy -is to decide that citizen's tastes arc "deficient" and how they need to be fixed.

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6

Market Value and Artists' Earnings

RUTH TOWSE

If you think that Cordes and Goldfarb have an ewnomistic approach to the arts, read this chapter. Ruth Towse, who teaches at the University of Exeter and edits the Journal of Cultural Economics, *insists on a/Jplying standard economic analysis. Here she takes the value approach of chapter* 1 *to task, simply by showing where the economic approach takes us in the analysis of artists' earnings. She has done already a lot on this subjed like in her book* Singers in the Marketplace (1993) *but in this chapter she adds a twist by introducing intellectual property rights into the analysis. Her objective is to explore the consequences of such a move, At the end we will haue it out.*

"THE LABOUR of opera singers and dancers is productive because it is valued, because it has specific importance for various "economic projects"

The services of the opera singer are wealth. Economics deals with the pncing of these services, equally with the pricing of the services of a cook." (Lionel Rohbins in *An Essay on the Nature and Significance of Economic Science* 2nd edition, 1935, pp 7 and 8, discussing Adam Smith on productive and unproductive Iabour.)

Adarn Smith regarded "some both of the gravest and most Important, and some of the most frivolous professions: churchmen, lawyers, physicians, men of letters of all kinds; players, buffoons, musicians, opera-singers, opera-dancers & c" - the whole service sector, in fact – as unproductive labour. They are unproductive, according to Smith, because they do nor add value to a "vendible commodity". "Like the declamation of the actor, the harangue of the orator, or the rune of the musroun, the work of all of them perishes in the very instant of its production" (all quores from *The Wealth of Nations* (1937), p. 315). Smith's differentiation between productive and unproductive labour led to a distinction, as in his paradox of value, between price and value. It is the validity of this distinction between price and value which Linnet Robbins in the opening citation challenged. Indeed, economics has concerned itself with the determination of price, not of value, for well over the last 100 years.

Cultural economists arc now being urged by Klamer (1995) to mount a latter-day counter-challenge to this position, based on the credo that the arts arc "too precious" for their value to be determined in the marketplace. (This is, however, the

complete opposite of Smith's view!). This huge value judgment about the merit of the arts goes far beyond the merit of good argument - that consumers, left to themselves, choose to buy less than is seemed socially desirable - a view which, indeed, did preoccupy cultural economics briefly" Klamer apparently ignores or repudiates the concern of the subject over the last 20 years with market failure, presumably because that merely deals with the failure of the market to set a price that reflects resource costs. Instead we are urged to rethink Adam Smith's paradox of value, without, of course, reverting to his view of performing artists as unproductive labour.

I reject this call because it implicitly accepts a non-market definition of what art is and who artists are. Not only does it deny that consumers can properly form preferences about art, it also fails to think out the implications of how resources are to be allocated to the arts. Without the market, the Judgment of what is art would be made instead by artists and cultural theorists, thus opening the way for paternalism and snobbery. Mosserto (1993) has shown the effects of this on the working of arts markets. Once we reject consumer sovereignty, the door is open for special pleading, for public subsidy to satisfy the experts' preference function with consequent rent-seeking. These experts do not even feel obliged to justify their choices by stating their policy objectives, nor to distribute public funds equitably (Towse, 1994a). I agree with Frey (1994) that what is art is a market outcome, and that the economist's comparative advantage lies in recognizing that. I believe that we have made considerable progress in cultural economics by so doing.

What lies beneath Klamer's view is the rejection of neoclassical economics. All well and good - but let us not throw out the baby with the bath water! The neoclassical paradigm is a highly successful one. Part of its success is that it has avoided breast-beating over "intrinsic" value by equating market price with value. That is not always comfortable to live with when applied to life and death, love and art. But even in these cases it has a certain predictive power, surely the chief rationale of economic science. It has ignored moral and aesthetic issues except in so far as they affect supply and demand behavior. It does not answer the question whether a price is right or fair, only whether it is efficient, but it does show how people evaluate opportunity costs.

Here, I argue that research based on neoclassical analysis of artists' labor markets has produced interesting msights, which can now be used as the basis for further work. I believe that the way forward in this field is through a greater understanding of artists' property rights. Recognition of the role of copyright and related rights leads us to see that artists face a problem of optimizing their earnings over time. Because it is static, neoclassical analysis and, in particular, marginal productivity theory, fails to fully explain the artist's supply decision. Indeed, once we recognize that artists can capitalize the value of their services that necessitates a reconsideration of the question of how to define artistic services. I am not alone in adopting this approach: Wijnberg (1994) has argued that failure to fully establish artists' property rights may be regarded as a ground for state subsidy to the arts.

In sections 11 and III, I consider the neoclassical approach to artists' labor markets. Section IV looks at Intellectual property rights in relation to artists. Section V deals with the problems of defining artists' services and Section VI offers a brief conclusion.

I *Neo-classical Approach of Artists' Labour Markets*

Neoclassical analysis of artists' labor markets has proved fruitful, and has spawned a whole mini-research programme of its own. During the last ten years, the mam questions that have been addressed are whether the artists' labor markets work like other labor markets, and whether artists earn as much as other workers of comparable age and with comparable investment in human capital.

In order to address these questions, it first proved necessary to investigate the workings of artists' labor markets in considerable detail, collecting data on earnmgs, hours of work, type of work (non-arts and arts work), training, working and marketing practices, and so on, because in most countries such data could not be gleaned from the official census or from labor force survey sources. Work by Filer (1986) using US census data started the ball rolling by showing that "starving artists" were a myth, that artists in fact did earn incomes comparable with those of other professionals. Painstaking survey work by Wassall and Alper (1985, (992) demonstrated that these results were biased by the implied "market test" built into the census process: by excluding multiple-jab-holding artists who were working in non-arts work In the census week (taxi-driving painters were treated as raxi-drivcrs), some proportion of artists who were forced to do other work because of low pay in the arts were excluded, biasing the data on earnings upwards in favor of more successful artists. Surveys by Throsby and colleagues in Australia (Throsby, 1986; Throsby and Mills, 1989; Throsby and Thompson, 1994), by Mitchell and Karttunen (1992), Karhunen (1994) and Heikinnen (1995) in Finland, and Towsc (t992a) in the UK, have shown the extent to which multiple-job holding prevails in artists' labor markets and the difficulties of defining artistic supply. These and other surveys are summanzed by Towse (1995).

What emerges from this body of work is that most artists supply labor to the arts and non-arts sectors (Throsby, J992), work longer than average hours, and earn less in total (in arts and non-arts work) than other workers. They are often self-employed, and if employed, employment is casual and short-term. They have typically undertaken longer education and trammg than other workers but their earnlllgs from arts work do not rise with length of training, age or experience; this suggests that human capital theory does not apply in arts labor markets but, on the other hand, neither does the screemng hypothesis. One explanation for this is that what is demanded is talent, which is neither successfully created by the training process nor assessed by formal paper qualifications of the type offered by institutions of higher education {on this point see Towse and Throsby, 1994; Towse, 1995). A further finding is that artists' earnings are very variable and there is a sig-

nificant element of risk attached to working in the arts (see Waits and McNertney, 1980; Menger, 1989; and Towsc, r992b). Neoclassical analysis of artists' labor markets has therefore stimulated a vast body of research, which has shown that they conform in some respects to other types of labor markets but they also have distinguishing features which introduce complications m standard labor econorrucs.

II *Problems for the Neoclassical Approach*

This research programme would not exist without the initial impetus of the neoclassical approach. However, it has raised some difficult issues which that approach cannot deal with. Two have been mentioned already: the problem of how to define artists as members of the labor force and the economic role of artistic training. By some criteria indeed, the two would be linked, as one way of defining artists IS according to their professional qualifications. But there are many artists who are self-taught or for whom formal training IS irrelevant (Towse, 1995). The problem economists have to face is that we have no theoretical guide to occupational definition other than a crude market test. One way of avoiding the market test problem is to accept people's self-definition as artists. These issues are tied up with the questions of oversupply and low earnings in artists' labor markets; if we accept people's valuation of themselves as artists (and most researchers working in this field have done so), we have to deal with a persistent disequilibrium situation m which matkets do not clear.[2]

For whatever reason, far more people aspire to becoming artists than the market can bear. This fact can be squared with neoclassical economics by saying that such people gain non-pecuniary or psychic benefits from being artists even though their earnings are low or non-existent. People value seeing themselves and being seen as artists. How much they do so - the "price" of being an artist - can be measured by the earnmgs penalty they suffer in the market, i.e. the gap between what they could earn in another career *ceteris paribus* (Whithers, 1985), This issue IS complicated by multiple job-holding and the fact that many artists are self-employed. Throsby (1992) found that artists supply hours of non-arts labor up to a "subsistence" point that depends on the relative wage rates of arts to non-arts work. That subsistence level of income is extraordinarily low. In Britain it IS below the poverty line (Towse, 1995). Why artists should have to suffer for their art IS an equity question that economists cannot easily discuss. But however uncomfortable we may be with people choosing artistic poverty, it is surely preferable to respect free entry into artistic occupations than to put in place some kind of academy that designates who is and who is not an artist, which would undoubtedly act to protect its members' earning power hy restricting entry. For that is the inevitable alternative to a free market for artists.

A different type of problem for the neoclassical approach to artists' lubor markets is that many art organisations are not profit-maxirnisers and therefore do not necessarily have an incentive to minimize costs. This makes marginal productivity

theory more or *less* Irrelevant. Other standard problems artse if we wish to apply marginal productivity theory to the demand for artists' services. In Towse (1992C) I considered these problems in detail.

The chief objection to the neoclassical programme is not that it has failed to deal with essential value but that it is static. It ignores, or cannot cope with, dynamic effects and optimization over time. It fails to offer a theory of labor supply that recognizes that many workers, including artists, do not simply trade-off work for leisure in a timeless world; besides gaining utility from work, they hold property rights to future earnings which are obtained by present labor. Artists as holders of intellectual property rights, in fact have to adopt a view on how to spend their earnings over a time period whieh exceeds their own lifetime by 70 years (the duration of copyrighr), or whether to capitalize their valuc by selling rights for a fixed sum. I now turn to these questions.

TII *Intellectual Property Rights and Artists*

For a market economy to function effectively, property rights must be established. Without that there could be no basis for VIewing price as a measure of value. Copyright law IS the area of law most relevant to the intellectual property rights of artists, though other law, such as that creating artists' resale rights (droit de suite) and neigbboring rights also applies. There has been work by economists of the arts on both these topics: Rottenberg (1975), Peacock (1979), O'Hare (1982), Filer (I984), Moulin (1988, 1992) and Towsc (I994b, 1994C). A whole issue of the *Journalo(Cultural Economics* was devoted to intellectual property rights in the arts, with papers by Merges (1995), Deardorff (I995), Koboldt (1995), MacQueen and Peacock (1995), Hutrer (1995) and Santaga (I99S).

Economists writing on artists' resale fights all agree that they reduce the price of paintings because the market discounts the future payments due to the artist and her heirs. The analysis of copyright IS more complex, however. Recent changes have been made in Europe by the EC Directives which harmonize the duration and coverage of copyright, and statuary performers' rights have been introduced into all European Union countries. Harmonization is proving far from harmonious ItI the UK, though, because of disputes between all the artists' associations and the Government over how the directives should be Implemented. The problem is how the doctrine of "equitable remuneration" is to be implemented and what mechanisms are to be put into place to collect artists' shares of the newly created rights.

Copyright law establishes the right to equitable remuneration hut essentially it is left to the market to decide what this is.fr does so regardless of artistic merit; copyright covers all material created by authors who have invested effort in creating it. The compiler of a telephone directory is accorded the same protection as a poet or prima donna. During the two hundred or so years since the introduction of copyright law in the UK (in 1710), the different industries of rhe cultural sector - publishing, music, film, TV, etc. - have evolved various means of collecting and dis-

tributing royalties and other payments for the use of intellectual property. Chief among these are the collection societies which are collectives of artists andlor firms in the relevant industries. It is no surprise to economists that what actually determines how much artists receive is based on their relative market power, tempered by the transactions costs of monitoring and collecting due payments) Though the purpose of the changes to Copyright Law is to alter the balance of power, the market adapts to the changes when determining payments.

This point takes us right back to the opening discussion in this chapter. How are we to decide who gets what without a market process? Here we have the case of a new intervention in the market, which is justified on economic grounds because it establishes the rights of suppliers and hence is an incentive to supply. But "suppliers" are highly complex combinations of artistic factors of production and technology.Just think of an everyday product, a CD of orchestral music, and identify all the elements of supply which are bundled together. Take only one of all the items - the orchestra. Who owns the copyright depends on the legal status of the orchestra, whether it is a co-operative or an employer. Are players entitled to royalties individually? Are use rights, e.g. in film or TV (and do you mean cable, satellite or terrestrial TV?), to be bought-out or not? How long is the CD to be in print and what about re-issues? I could list a hundred further questions on Just this topic before even getting to digitalization, internet distribution and all the other technological developments that are revolutionizing the record industry. Into this highly complex market are introduced new rights for performers, the value of which must be somehow calculated and a means of collecting payments established. Whatever institutional mechanism is established for collection of royalties will interact with market forces. At the end of the day, however, performers could be no better off because the market may simply discount future payments, as with artists' resele tights, or move production out of the European Union to avoid paying for use rights (GATT now includes intellectual property rights but not performers' rights). It is too early yet to see what the results will be.

Transaction costs also come into the story because monitoring the use of intellectual property rights and collecting royalties is complex and expensive too. Who should bear the cost? Again, take the case of a CD. Many organizations may be licensed to use it - film, TV, radio ere. as discussed earlier - but also pubs, clubs, sports halls, cafes, hotels, shopping malls, telephone companies, lifts, ere. Obviously, a market response is blanket licensing and buy-cuts because otherwise the costs of monitoring and collection would swallow up the royalties. Record companies themselves are often in the best position to do the monitoring but they do not have the incentive to act on behalf of artists nor in the interests of artists. Asymmetric information problems pervade these transactions. Indeed, one would say that they so alter the market that prices are utterly distorted (Towse, 1994a). In practice, it is mostly the collection societies who do the monitoring and so a significant part of the cost is borne by the artists themselves (Towse, I994C).

The discussion in this section was intended to provoke interest in rather than offer solutions to these problems. Those who repudiate the workings of markets

would do well to consider the massive complexity with which market *processes* deal. I emphasize processes because the market institutionalizes the learning process and adaptive behavior that are clearly necessary for implementing artists' property nghts. It seems to me inconceivable that institutional arrangements could *replace* the market in this area; surely, regulating the market is the way to maxnruzc the value of payment to artists. Given the ongoing interaction between the law and market forces, regulation is, however, highly complex and expensive.

IV *The Supply of Artists' Services*

Returning now to the points raised at the end of section I, let us think again about the nature of artists' services and how they should be priced.

It has become a convention of the literature of artists' labor markets referred to earlier to distinguish between creative artists (including, for convenience, craftspeoplc) and performing artists. There are good reasons for this: creative artists – writers, visual artists, composers, choreographers, film-makers ere. - generally speakmg produce something tangible which is then sold (it could, of course, be a commissioned work). They must invest time and other resources into the creation of this work wen in advance of its completion, acting more or less as entrepreneurs. Performing artists - musicians, actors, dancers, etc. - are mostly employed by an organization, and their services are the actual Iahor of giving the performance. It is the performing artists' services which in Smithian terms are unproductive because they are not a "vendible commodity".

All sorts of problems in fact disturb this convement distinction. How should we value creative artists' time - is it the pnce at which they sell their output divided by the hours spent in creating it (with due account taken of capital and material outlays)? If so, how do we value items such as John Cage's "4.33", a work which merely instructs the musicians to sit In silence on the stage for that number of minutes? That sort of labor-rhcorv-of-value-approach falls duwn because hours of labor time arc a poor measure of human capital or innate talent. The performing arts' side has its own complications too. Many performers are in fact self-employed, working on short-term contracts (so they are perpetually looking for work) or even promote themselves. Given that casual working IS built into the labor market for artists (more so in the US and UK, perhaps, than in other parts of Europe), should auditioning, networking, keeping fit, practising and unpaid rehearsing be counted as part of the artists' labor supply? They are obviously part of "investment" III an artistic venture on a par with that of creative artists.

But bringing into the picture the fact that the means of reproducing live performance are widespread, and that many performing artists may in fact never work "live" introduces another dimension. If we imagine for a moment that an artist has a fixed stock of skill and energy to devote to live performance, which she can either run down quickly while young or spread over a lifetime, it is clear that this is a prohlem of optimization over time. Because experience usually Improves performance,

that could alter the pattern of supply of services by altering the stock. Many other things could do so too - age, health, luck. But now introduce the possibility of using that same stock of skill and energy to make records or films, etc., which will produce copyrighted royalty payments over 70 years. What the performing artist must do is to Juggle all these possibilities, each of which will in all probability have a risky outcome. Nor is it only performing artists who have to make these choices over time; so do visual artists who wish to hold on to their early work either for their own enjoyment or for sale at a later date (Singer, 1981).

Enough has been said to make it clear that economists working on artists' labor markets must start to model these problems. It has been a hard slog to collect the basic facts from which so much has been learned about how artists' markets work. The next stop is to begin to take account of artists' supply decisions in a dynamic context.

V *Concluding Remarks*

Whenever one delves into how markets work, their complexity is astonishing. Markets are one of the greatest social institutions human beings have created. I hope this paper has conveyed a flavor of the myriad transactions dealt with by artists' labor markets.

Markets do not always work efficiently because of information problems, unequal balance of market power, social prejudice, non-homogeneity and the like. They rarely work equitably. It is right to ask whether market prices are fair. But it equally behooves us as economists to recognize the superior power of the market system as an allocative device. The trick is to regulate markets so that they are fair and efficient. Part of that process is recognizing not only how market incentives work but also how market forces adapt to regulatory measures which seek to alter them. Public choice economists have shown us that the regulatory process itself may be subject to market incentives and reflect economic and political power trade-offs. This is a question to which economists of the arts have devoted little attention, apart from Frey and Pommerehne (1989). It seems to me that there is a very rich vein to be mined here for those who reject neoclassical economics and wish to adopt a wider view of political economy. It is counter-productive to deny that art is an economic good or service like any other. An economist's time is more valuably employed in understanding how markets adapt to, and may be steered by, regulations which aim to achieve fair prices.

Dialogue

Klamer: I am sorry that you dismiss my plea to reconsider the value off hand. I admit though that there is merit to the strategy you follow. Surely, if we want the economics profession to take notice, your strategy will have the best chance. I only

wonder whether it will be as successful to draw anyone else into our conversation.

At any rate, 1 benefited greatly from your survey of the neoclassical approach of artists' labor markets. The problems are significant. You mention assessing the economic role of artistic training, identifying the artists in the labor force, and the static character of the economic analysis. My inclination might have been to find in these shortcomings (and the many others I can think of, such as the assumption of given preferences) a reason to choose another approach, like the one that I favor. But you go nght ahead and introduce an interesting twist to the standard story by bringing in property rights. That move makes sense in view of the fact that well-defined property rights can generate earmngs m the future.

As you point out, all this is just a starting signal for more work to do. Fine, I should not judge your intention at the outset. We'll have to see what the inclusion of property nghts can do to our understanding of artistic earnings. But does the same not apply to the approach that I champion? Your comments in the beginning suggest that we do not stand to benefit from what each of us intends to do.

Towse: My strategy is not so cynical as you suppose! It is based on the successful development over the last 30 years of the field of cultural economics. That has proved to be a pretty successful research programme, i.e. it has "solved" some problems and thrown up new ones. I have to say that I find little indication in your essay that you have considered that development. You say you expect a great deal from your approach: no doubt! But surely a conversation (rather than a soliloquy) would start by addressing the achievements and shortcomings of past work. What do you add to precious debates? Your "problem" has been looked at before - see, for example, page one, chapter one of Frey and Pommerehne's book *Muses and Markets.* I agree with you that it is interesting that not all exchanges are organized using the price mechanism. However, most transactions in the arts, heritage and cultural industries have actual or shadow prices, whether they are publicly or privately supplied. It would be helpful if you could give examples of cultural goods or services that are not traded. Or are you saying that they should not be? That artists should not have to "prostitute" themselves on the market where price becomes a measure of value?

Where I believe there is also confusion, is in your sleight-of-hand interchange of the words art (or the arts) and culture. Culture, in (he anthropological sense, is certainly a public good (or bad, depending all your background!). You can neither buy it nor sell it to slough it off. But don't be misled by the "culture" in cultural economics! That is not what it is about. Is that what you want to do - put the culture into cultural economics? Or treat art as religion.

Klamer: I exploit the dual meanings of the concept of culture on purpose because I think that culture and art are interconnected in significant ways. You are right that I want to get the subject of culture in its anthropological meaning on the agenda of economists. And yes, that could mean that art is as religion.

1 am after a change in perspective. Where you see implicit measures in so-called shadow prices I see processes by which people negotiate on the relevant cultural, aesthetic and moral values. To bring that out, an anthropological approach may serve me better than the standard economic approach. But please, don't tell me what so many economists do and that is that by doing this I'll loose my union card. Where those values matter to economic processes and outcomes, economists had better pay them attention. That they do not and I, along with a few others, intend to change that. Because that was my objective, I was unable to do justice to the previous achievements in cultural economics.

Towse: An academic "union card" is obtained by reading and commenting on the work of others. Without that discipline we reinvent the wheel every 20 years. That is what I think you are doing. What you say you are doing is to revolutionize cultural economics. Great! Take heart from this quote from Robert Louis Stevenson (rhe Master of Ballentrae):

"Let any man speak long enough he will get believers."

But I think revolutions start from the inside, from the limitations of past thinking: your revolution is engineered from the outside. You risk not being taken seriously. However, is your mission not, in fact, to change the whole canon of economics? And you have chosen cultural economics as a vehicle for that? We should be flattered!

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7

Big City, Great Art

A Myth about Art Production

GERARD DE VRIES

Next, it is *a philosopher's turn. Gerard de Vries, who chairs the Department of Philosophy and* is *Dean of the Netherlands Graduate School of Science, Technology and Modern Culture at the University of Limhurg in Maastricht, considers the conditions most suitable fur the pnsduaion of the a115. Conventional wisdom holds that art thrives hest in great cities, the obvious argument being that artists benefit from working in the proximity of other artists. De Vries refrains from the typical economic analysis that we have seen in the previous two chapters. Nevertheless his interest in the conditions of production* is *economic in nature and that earns him a spot in this part of the book.*

De *Vries has written books on the philosophy of science, social studies of science and technology and on ethics. His current research interest is political philosophy in a technical culture.*

IN HIS inaugurallecture "The Value of Culture", Arjo Klamer presents a conceptual problem for economists and policy-makers with a professionalinterest in the arts (see chapter 1). Conceding that economists have much to say about the prices of the *products* of art, Klamer argues that the *activities* and *experiences* that are involved escape from the vocabulary economists routinely use. Economic concepts such as "price" are just not fit for the kind of activity art happens to be. Art has value, but as activity and expenence it is literally priceless.' Those who confine their language to the standard economic vocabulary will be barred from the experience of art and from art as activity.

Klumer's argument shows that where economics, policy, and the arts meet, language matters. In this paper, I will discuss another example that reaches the same conclusion. My approach will be quite limited. I will discuss a widely held idea about the place where art prospers, viz. the idea that art, and particularly modern art, IS at home in cities. I will argue that this idea IS a modern myth that only lives on because it is deeply embedded m the language of the social sciences that IS used when policies for the arts are discussed. I will also argue that this myth distorts our view on what goes on in contemporary art. To develop ideas and a language more appropriate for the arts, policy-makers and economists should turn to, eh ...,

the arts. There are a few novels they should read before the next policy group meeting.

Where is art produced? - the question is of obvious interest to economists and policy-makers. If one wants to promote and subsidize the arts, the least one should know is an address to which the money should be sent. The conventional wisdom suggests a straightforward answer: cities, and especially big cities, provide the true breeding ground for modern arts. "The city and only the city has produced the characteristic phenomena of art-history," sociologist Max Weber concluded in 1923. (Weber 1923, p. 272) "All advanced culture is city-culture," Swiss historian Alexander Riistow echoed in 1946, having conducted an extensive survey of the history of cultures. (cited in Swaan 1991, p. 27) It is a fact thar nowadays hardly needs further confirmation: few will dispute that modern art is that art which is produced, appreciated, exhibited and sold ıı ı New York, Paris and London. The proposition is contested only by stubborn provincial politicians, who would like ro see a share of the national resources for the arts flowing to the regions.

There is, however, a problem, and a single glance at our bookshelves throws ir into sharp relief. It is indisputable that a lot of serious literature has been written by authors who live in big cities. However, as it happens this also holds true for smaller places. Life in a big city is certainly not a *necessary* condition for the creation of serious literary work. janc Austen wrote *Mansfield Park* in Chawrcn, Hampshire; Goethe lived in Weimar, a provincial town of (at that time) 6000 inhabitants; Hauberr did most of his work outside Pans. Our century has produced so many more examples. Brecht wrote important plays while in exile in the Danish countryside, Thomas Bernard lived in rural Austria, not in Vienna, while John Berger lives in a village in France, and Garcia Marquez travels back and forth between South American countries and the Caribbean Islands. Similar examples can be drawn from the worlds of music and the visual arts.

The same holds true when we turn our attention to other areas where creative talents are involved, for example science and technology. Traditional centres of intellectual life such as Harvard, the universities of Oxford, Cambridge, Louvain, Ooningen and Leiden, were established in sleepy little towns. And although there ıs little doubt that the metropolitan areas of London, Pans, Berlin, New York and Tokyo are important milieus for technological innovation, it is also clear thar much of today's technology emerges in places that used to be deep in agricultural torpor: Silicon Valley, Bavana, the French Midi, the new industrial centres in South-East Asia. (Castells 1994) In this respect, there is in fact nothing new under the sun. Athens, the cradle of Western civilisation, counted at its apex 200,000 inhabitants, slaves included. That is roughly the number of inhabitants of a present-day provincial town, and hardly the amount one associates with a metropolitan society.

Still, many artists and intellectuals live in cities. This is not surprising. Given rhe huge numbers of people living in cities, there should be quite a few artists among so many people. It may also be observed that several important traditions in the arts have been closely related to metropolitan life - a number of twentieth century

avant garde movements in literature and the visual arts, for example. The city has provided new themes for the arts, and, as frving Howe observed, it has suggested new scenes and a range of new characters for novelists - e.g. the clerk, the Jew, the cultivated woman, the underground mall. Moreover, the city has also provided new vocabularies for art, from "the street *argot* of a Celine to the ironic urbanities of the early Auden, from the coarse eloquence of Balzac's Parisians to the mixture of racy street-jewisbness and intellectual extravaganza of Bellow." (Howe 1973) However, from these facts alone, one cannot conclude that the production of art flourishes *exclustuelv* or even *especially* in metropolitan areas. That streetwise modern literature requires knowledge of city-life does not imply that the writer has to live or work in a hig city. One does not expect writers of science fiction to live on Venus, nor authors of historical novels to live in the past.

A writer needs a pen, a typewriter, paper; a painter brushes and canvas; a photographer a camera, a darkroom, chemicals. But a city? What for? To get ideas? An innovative artist is supposed to develop his own. To meet editors and gallery-owners? We have telephones and faxes, and trams and planes are available for our transport. To meet critics? Most artists are not particularly fond of critics and, anyhow, the mail delivers newspapers, letters, magazines and critical journals also in the country. If cities provide artists with some artistic aphrodisiac it surely must be something quite elusive.

The idea that the city provides the unique breeding ground for art and culture is not a historical fact, but a myth that has been with us now for more than a century. If stated as a scientific hypothesis, it is hard to conceive a test. "Art" is a complex phenomenon. Its production requires the interplay of numerous actors: artists, agencies and galleries, critics, theatres, studios and museums, journals, publishers, printers, bronze foundries, and so on. The question *where* art is produced may depend all the technology or craft involved, and may even be a completely meaningless one. Consider photographic art. Where should we locate the production of this art? Some photography IS made in a studio, processed in a darkroom annexed to the studio, and shown and sold III the gallery next door. But where did Ansel Adams make his pictures? In Yosemite and Yellowstone Park, or in his darkroom in metropolitan San Francisco? Or should we perhaps locate the production of his art - as those who favor reception-theories argue - in the magazmes that distributed his photos, or in the museums that made them famous? In order to decide where the pictures emerged should we perhaps take a less narrow view of their "context" and also consider the milieus and traditions which led Adams to take Ius camera out to record American landscapes? If so, we will have to take into consideration a lot of urban-culture in tracing the ideas about nature and rural life which influenced artists like Adams. (Schama 1995) But we will also come across rural culture and Involvement with nature, and it *is* hard, if not Impossible, to disentangle the various components involved.

Unlike the production of caudybars and the growth of potatoes, art often negates our usual geometry. It emerges in a different topology. The production of art involves complex *networks* of activities. Only in selected cases does it make

sense to locate these networks at a specific point on a geographical map – for example a map of a metropolitan area. If art is what matters, a town is a "big city" when it produces art which is cited, which becomes part of networks extended in time and space. Plato's Athens is a "big city", not because of the fact that at its apex it contained as many people as a contemporary provincial town, but because it produced a volume of writing which can be found, more than two thousand years later, in almost every single library in the world. Where art is concerned, a town is a "big city" if it produces great art.

Of course, we should not conclude now that the countryside, rather than the city, favors the production of art. If anything follows from scattered examples like those above, it is that our *vocabulary* for dealing with questions like: "where is art produced" needs to be refined before we can expect answers which make sense.

The Origin of the Myth

One reason for the persistence of the notion that city life is a prerequisite for artistic innovation stems from the principle that power generates myths.

The power of cities ranges far beyond their peripheries. Wealth flows to big cities; they are the seats of administrations. These factors in themselves are sufficient for the generation of persistent myths. People with power consider themselves to be better, smarter, and more beautiful than others. Strangely enough, the powerless tend to agree. They consider themselves to be inferior. Consequently, the idea that cities and their inhabitants have special qualities is certainly not held only by *blasé* urbanites. One also finds it in the countryside. In fact, it has incited quite a few artists to leave their families and villages for the city, hoping that by doing so their art would become better, smarter, more beautiful. As a result of their migration, capital cities come to have extensive populations of second-rate writers, painters and composers.

Cities have been bestowed with special powers from the earliest times on. According to the religions and world views of the past, cities are not just settlements, arbitrarily established at a certain place and in a given fonn. Their locations and shape were thought to reflect the structure of the universe. Cities were believed to refer to exrra-rerrcstrial reality, to have astral or divine prototypes, to descend from heaven, or ro be related to the underworld. This holds good for Babylon, and for the royal cities of India. We also find the idea expressed in Plato's *Phaedrus* and in the idea ofJerusaIem as expressed by the prophets (Barasch 1973).

Being enlightened people, of course, *we* do not allow ourselves to become bewitched hy mythical delusions. Today, the connection between "city" and "art"- the latter being our version of the divine or the underworld - is expressed by other means. Contemporary ideas about the special qualities of city-life and its favourable function for art are often based on arguments like these:

> "For his art an artist needs to be released from daily wornes. Art requires the availability of money and division of labour. In modern times, the city provides these resources, as palaces did in the past."
>
> "Through their concentration of talents big cities provide the right conditions for competition and hence for innovation - exactly what we need for the development of the arts."

Instead of a religious vocabulary, we use the terminology of the social sciences. However, neither argument is convincing. The fact that modern sponsors of the arts are to be found for the most part in big cities hardly implies that the sponsored artist needs to work and live there too. We are rightly grateful that Van Gogh could stay in Provence while his Paris-based brother paid his hills. Sponsors of wildlife projects do not expect animals to be transferred to the city-zoo either. With regard to the second argumelll, if one accepts that the city provides the fight place for the arts simply because the arts are located in the city, one should also accept the argument that once farmers are prepared to leave the countryside for the city, the city is also the right place for agricultural innovation. I cannot envisage many who would go for that line of reasoning. The problem with the above two arguments is clear: they are not related to content, to what makes an activity the production of "art".

A much more interesting argument therefore is one which spells out the artistic stimulus the city is supposed to provide for the artist:

> "The big, modern city stands for a specific *mindset.* The anonymity that comes with citylife has individualism as a positive side. The city provides the milieu required for experimentation with thoughts and life forms; it thus provides niches for the growth of novel ideas that express the modern condition. These ideas are typical for modern art."

Although limited to the relationship between the city and modern art, this argument is more sophisticated than the former two, because it relates a specific idea about the nature of the modern city, i.e. the mindset of its citizens, to the content and values typical of contemporary art. This argument, which is founded on a specific sociological idea of modernity, deserves more scrutiny.

For the sociologists who set the tone at the beginning of this century - Durkhcim, Weber, Simmel, the Chicago School -, the city provided the paradigms of industrial society and the modern individual. For these scholars, the city was the focal point for the special modes of experiencing which are the basis for their views on modernity.

A city requires a person to enter into anonymous relations with complete strangers. City-dwellers do not constitute a community, but a crowd. As Simmel observed, before public city transport became fully established people were never put in the position of having to stare at one another for minutes or even hours on end without exchanging a word. To survive in a city one cannot appeal for sympathy. Relations in cities are functional, and mediated by money. The citizen is supposed to be able to play several anonymous roles simultaneously - as buyer or seller, as employer or employee, as passenger on a bus or a subway. Success in a big

city requires punctuality, alertness and speed; one quickly has to draw the attention of potential customers - otherwise they will already have passed by. From these conditions, Simmel argued, a special mentality emerges. (Simmel 1993 (1903)) The modern city dweller is an intellectualistic, egoistic, reserved, and calculating individual. Hence, what characterises a modern city is, on the one hand, a chaotic web of relations, objectified by the money economy, and, on the other, a particularly nervous state of mind which one needs in order to participate in these relationships. *"Stadluft macht (rei"* ("city-air makes free"), an expression formerly related to the fact that serfs who exchanged the countryside for the city were set free after a year, acquired a psychological interpretation: to live in a city gives the *feeling* of freedom; *free-thinkers* live in a city. Add to this perspective the view of the artistic genius that has been with us since Romanticism - the idea that hyperindividuality is a prerequisite for serious art (Wittkower r973) - and the conclusion becomes straightforward: "the big city provides the breeding ground for art."

Why did the classical sociologists stress these particular aspects of city life? Why did they emphasise the individuality and the nervousness of city life, rather than its waterworks and sewerage systems, the availability of electricity, r.e. the new technological infrastructure that also came with the rise of modernity?

Although there are differences between the pioneers of sociology, there is a straightforward answer to this question. Their approach enabled them to put modern social life in a developmental perspective, i.e. to characterise the city - their paradigm of modernity - in terms of what it *no longer* was, *viz.* a village. **In** this respect, the views of the sociologists echo the concerns of many nineteenth and some eighteenth century writers and poets, including Baudelaire and Balzac, Dostoevsky and Dickens. (Berman 1988)

This tradition of social thought conceived social life in a village to unfold within a well-determined framework. The argument rests on a simple analogy. The social space of a village is conceived to be surveyable, as its geometry. A village is situated in its environment: a few houses further on, the village ends and the countryside begins. Provided one chooses a suitable viewpoint, a village can be seen at one single glance. Time provides a stable, common framework: dinner at SIX, bedtime at ten-thirty. Social roles are clearly distributed: everybody knows the schoolmaster; with or without his uniform, the police constable has authority. The meaning of life is regularly confirmed in shared rituals. Pre-modern village-life is regulated, Durkheim emphasised, by a *conscience commun* in which everything has its established and known place, by "mechanical solidarity"." Because of this common framework of understanding, everybody in a community is familiar with the meanings of actions and words exchanged.

In contrast, in the modern city, according to the classical sociologists, this shared framework of meanings, time, space and identities confirmed in regular rituals, has disappeared. City life is fragmentary: people are involved in complex, cluttered webs of interaction. Their actions are regulated by function, rather than shared meanings. Money mediates between individuals. The original sense of community is absent. **In** a city, it IS "every man for himself".

Village *versus* city, *Gemeinschaft* versus *Gesellschaft.* Introduced in 1887 by Tonnies, modern SOCiety is characterised through this conceptual dichotomy by what has *disappeared* - the framework of shared ideas, sentiments, norms and values which In the past gave meaning to human interaction. Like many of his conremporanes, Tormies perceived industrialisation as a major threat to society. "What will bind people together when the established framework of meamngs has become eroded?" he asked. What future, except anarchy and nihilism, exists for a society of isolated individuals? Is not the effect of industrialisation that "all that is solid melts into air?"

For Simmel, Weber and Durkheim, writing a generation later than Tönnies, citylife had more appeal. They cherished the Individuality they thought would arise from modern life. But they too saw themselves confronted with Tonnies's question: how do people In modern societies co-ordinate their actions? What has replaced the framework that has disappeared in the transition from *Gemeinschaft* to *Gesellschaft?* How is continuity of social life assured in societies that have been the subject of the radical social changes that came with industrialisation and the money-economy?

Functional relations, Durkheim and Simmel replied, but also a *new* framework, a new *conscience collective,* anew, "organic", type of solidarity. As Durkheim argued ıı ı De *la Division du Travail Social,* functional relations in themselves are not enough. The very fact that buyer and seller have a functional relationship does not yet explain that both know the meaning of their actions and that both are bound by a contract. Meaningful co-ordination of action, Durkheim argued (echoing Kant), requires a set of *representations collectives,* a transcendental framework, a social space, in which co-ordinated action can take place. Therefore, industrialisation and the rise of the money economy wilt not dissolve society. Instead, the rransformation of society will give rise to a new framework. But in contrast to pre-modern village life, the framework of industrial society does not manifest itself in shared rituals. It IS hidden for the city-dwellers themselves. To see the framework we have to go beyond the surface of common sense knowledge. To see the deep-structure of modern, industrial society, scientific inquiry, i.e. the new sociology, is necessary. With the right scientific means, Durkheim claimed, we can perceive a framework of values and norms behind the multitude of social forms and actions in modern social life that ıs characteristic of *Gesellschaft:* instrumental, calculating rationality, egoccnmsm, individuality - the *representations ccllectiues* of modern socrery, the specific mental state that was supposed to be characteristic for modern cirylife.

From the outset, the city was presented as a transformed village. The landscape of modern society was painted on a canvas which depicted pre-modern village life first. That IS the reason why these SOCiologists stressed the symbolic framework wluch allegedly gives meatllng to action - the special mentality of modern life, the nature of interactions that take place in cities.

Later sociologists and anthropologists have criticised the distinction between *Cemeinschaft* and *Gesellschaft.* The "sense of community" of pro-modern villages turned cut to be a romantic illusion, nut unlike Rousseau's idealised natural sav-

ages. III modern villages, teenagers look at MTV, the old rituals are performed for tourists, and the church that used to he the focal point of communal life IS now deserted; present-day farmers do their accounting on computers and are respected customers of multinational banks. In contrast, many cities turn out to be conglomerates of villages, the result of concentrations of poverty and wealth, and of ethnic backgrounds. The telephone directory of every big city m the world lists an immense number of clubs and associations where people can conveniently come together to meet their like-minded fellows.

In our *occabuiary.* however, the distinction between *Gemeinscha(t* and *Gesellschaft* lives on. The city continues to be depicted in terms of its contrast to the village and the countryside. And although the city is much more appreciated nowadays than a century ago, we continue to interpret citylife in terms derived from this nineteenth century distinction. We continue to think that the special flavour of a city rests in its providing a framework, a mindser, a mentality. The sociological legacy seduces us to think - or rather; *feel*- that a big city induces something special in its inhabitants. Hidden behind the vocabulary is a train of thought which has emerged from classical sociology - the idea that the metropolitan money-economy produces objectification of SOCIal relationships; that urban existence requires a distance between individuals, that it produces barriers between people; that metropolitan life thus gives rise to individuality. "Big cities provide the breeding ground for art." This prevailing popular thought expresses not only a nineteenth century romantic view on the arts which focusses on the artist as genius, but also a view of urban life which depicts cities as transformed villages, dating from the same period.

The City in Modem Art

Ironically, within the arts, these nineteenth century ideas about "the city" and "the countryside", that seep through via the sociological vocabulary, were abandoned long ago.

Consider, for example, James joyce's *UJysses.* (loyce 1968 (org. 1922)) This novel, published twenty years after Durkheim's *De la Division du Travail Social* and Simmel's essays on the metropolis, can be read as a literary expression of the modern city.

What binds the characters in this novel IS not a hidden transcendental framework, but heterogeneous, everyday business: thoughts, activities, a coach that will bring its passengers to a funeral, the table at a pub, a suggestion made in a letter, the bed of a shared lover. In the course of the novel, the accumulation of conringenr elements - accidental meetings, streams of thoughts, conversations, a quarrel, a bout of hard drinking, in short a kaleidoscope of events - produces the picture of just a day in the life of Dublin, te june, 1904. We can trace the wanderings of Bloom and Stephen Dedalus on the city map of Dublin. The main characters move on clearly named streets. But although this may mterest the tourist and the literary histonan, for the novel as such, it is of no importance. Dublin does not provide a *given*

framework. Instead, the city acquires its shape in the course of the rambles of the main characters of the novel.

Bloom, Mully and Srephen Dedalus do not operate within a given social framework. The topology of the space in which they move evolves with their actions and thoughts. Distance, for example, gets its meaning only in this process. Molly, Bloom's wife, is in geometrical terms never far removed from Bloom. However, Bloom knows that she will meet her impresario at four o'clock, and knows also that he should not come home early and that this night he will have to lie between sheets crumpled by his wife's infidelity, For Bloom, Molly is on a different planet this day. In *Ulysses*, "distance" is something that has to he travelled - by walking, stumbling, riding on an electric tram or m a coach, or bridged in thought. "Time" is also constituted through everyday activities, objects, and relations. "Time" is defined by the availability of clocks and church-bells, by a stenographer typing "16 June, 1904", by an appointment at an hour following a funeral. "History" manifests itself through a letter referring tu pronnses ur through remarks about, or memories of, a painful past. Newspapers specify local and world events. "Simultaneity" is not an absolute, but a relational concept. Although *Ulysses* is set in 1904, Joyce writes in a post-Einsteinian mood.

Joyce draws a picture of a city, not of a transformed village. He guides us through a network, a maze that is constituted by the existence of the mnm characters. The most striking *literary* aspect of the novel is the way different styles are used for different sections of this network. Joyce depicts the city with its own topology, without any suggestion of a unity or framework lurking in the background. In contrast to the classical sociologists who supposed that social action necessarily required a given framework of shared meanings, joycc does not assume the cxtsrence of a social ether. That is the importance of his book for the *sociologist*, who- like Durkheim - thought that social bond without a pre-existing transcendental framework of *representations collectives* was inconceivable.

Ulysses shows the multiplicity of the world. jcyce looks neither for an essence nor for a transcendental framework. If he had known the work, he probably could have found himself in agreement with what Wittgenstein wrote m November 1930 in the preface to his *Philoeopbisde Bemerkungen:* "This book is written for such men as are in symphathy with its spirit. This spirit is different from the one which informs the vast stream of European and American civilization in which all of us stand. This spirit expresses itself in an onward movement, in building ever larger and more complicated structures; the other in striving after clarity and perspicuity in no matter what structure. The first tries to grasp the world by way of its periphery – in its variety; the second at its centre - in its essence. And so the first adds one construction to another, moving on and up, as it were, from one stage to the next, while the other remains where it is and what it tries to grasp is always the same." (Wittgenstein 1970)

An important second shift in outlook emerges from this change in spirit. The established sociological tradition started from the (hcrmeneutic, "lcgocentnc") premise that conversation, meaningful interaction, is the paradigm of social life.[3]

This is the reason why sociologists around 1900 wondered how social life could continue when the established framework had disappeared. The basic metaphor of Joyce and Wittgenstein is not conversation, but text, language. Language does not constitute a unity, it is rather an amalgam of pieces. Language is like an old city, Wittgenstein was to write, "a maze of little streets and squares, of old and new houses, and of houses with additions from various periods, and this surrounded by a multitude of new boroughs with straight regular streets and uniform houses." (Wittgenstein 1969, § 18) Joyce uses the same image, but in reversed order. For Joyce, the city is like a text that gradually takes shape, in which old fragments can be found, bits and pieces are crossing and overlapping each other, and where the holes in the street are as meaningful as the places that are well-paved. Together with the farewell to essentialism, the basic metaphor for conceptualising the world has changed. Hermeneutics has given way to structuralism and semiotics.

Villages have a centre and a well-defined borderline; they can be viewed from one singular point. Wittgenstein and joyce realized that this does not hold for the city, just as it does not hold for language either. There is neither a pre-existing framework, nor a core. All that exists are contingent connections, made and unmade while going along. Wittgenstelll's and joyce's work provide us with a vocabulary suited for modern society, not one rooted in pre-modern village life. Their work explores in literary and philosophical language a world view with multiplicity, contingency and fragmentation as its predominant features.

The Myth of the City and Its Policy Implications for Contemporary Art

As soon as the economics of, and policies for, the arts are discussed, however, we tend to forget that we have read joyce and Wittgenstelll. All traces of the vocabulary and perspectives which are characteristic for twentieth century thought are lost. We fall back on nineteenth century perspectives, and enter into debates about the question whether the city provides the right "breeding ground" for art. Slipping back into the sphere of village life and agnculture, the development of the arts is conceived as if the growing of potatoes is at stake.

The train of thought which begins on a nineteenth century track by invoking the contrast between city and village, and that continues by describing the city as a transformed village, does not take us very far. The vocabulary confines the debate about the arts to the sectors that for technical reasons are limited to a particular geographical place: the theatre, big orchestra-music, rnuseological visual arts, i.e. arts already available in Coerhe's Welmar. The policies which emerge from these discussions follow our limitations. The municipal museum gets funds for a new collection, a concert hall is built, plans for a new opera are developed. What is subsidised are not the arts, but places where art-lovers can meet like-minded people to exchange ideas in a civilised way. To stimulate the arts, the money goes to city councils. In fact, what is subsidised - as everybody may confirm who presents himself at a vernissage or at the opening of the opera-season - are new forms of village life.

The nineteenth century vocabulary masks the fact that art emerges from networks of activities, with natures and shapes that vary according to the art form, craft, production and reproduction technologies involved. Arts which, because of their different technical structure, are not located in a well-defined geographical place, remain invisible in policy discussions. Apart from literature - an art form wluch has been capable of development independently of geographical location since the invention of the printing press -, we may think about photography, film, television, video art, various graphical arts and other art forms and styles, all related to new forms of (re-lproduction. Also art criticism, a necessary ingredient of every modern art form, is usually kept outside considerations of policy. The conventional wisdom of art-policy thinks of criticism (if it thinks of it at all) as a subject matter of conversations and meetings, I.c. as a suitable topic for village gossip, instead of a matter of texts, Journals, and intertextualiry, things which cannot easily be located on a national map.

As soon as we jettison the nineteenth century legacy which has come to us through SOCIology, however, the policy-landscape changes. The rank order of the arts shifts, and cities acquire a new place in our views on art.

For example, what is the POlllt of a metropolitan theatre staging run-of-the-mill plays for an audience which have been given free tickets hy their employer who happens to sponsor the event, when they would have preferred tickets for a football march> Of course, ill nineteenth century provincial towns the theatre was a meeting place for many and - as Eckermann's conversations with Gnethe testify - discussions among the bourgeoisie about the play might continue for days. However, as Gore Vidal rightly observed, in our age it is not the theatre but film which constitutes the *lingua franca:* "it is a universal phenomenon that whether one is at Harvard or at Oxford or at the University of Bologna, after the dutiful striking of attitudes on subjects of professional interest, like semiology, the Ice does not break until someone mentions the movies." (Vidal 1992, p. 2) The availability of serious film on video has only enhanced this effect.

The universal distribution of films and video, records, CDs and music cassettes, has made the distinction between an art-policy for the city and for the countryside obsolete. And this is true nut only in literature but also in the visual arts. Whether you live ill a city or ill the country, your daughter will appreciate rock music and video clips. In the near future, libraries and museums will probably evolve into virtual reading rooms and galleries, with reading tables becoming display windows on screens, and collections viewed on personal computers. (See Mitchell 1995, chpt. 4) In this age, museums are no longer places suited for meeting more or less civilised citizens - the successors of the village pump. Their function is to serve as depositories fur VIsual images that should be made available through various channels - books primed with high quality techniques, slides, videos, and the worldwide web - to viewers who may he located anywhere in the world. Because these Images will be cited and used fur new art, museums have a role not only for passive art consumption, but also for the production of art: they serve as junctions ill extended networks for future art production. Museums are bridgeheads for cultures which

may discover that their work is conceived as being valuable enough to be conserved for later generations. They are an "obligatory passage point" for the artist's work. Like the scientist who has conducted experiments which are never cited, the artist whose work does not become part of this unfolding network, has made his efforts in vain. (See Latour 1987) The curator's task is to select works of art to be included in the collection - a task closely related to art criticism -, and to help actual or remote virtual visitors to arrange the available artworks into meaningful sequences. In the past, this task required designing display space; in the future, when digital images of works of art are available on servers, this task may increasingly become a matter of software choice.

No doubt, live performances and expositions showing original works of art will remain important for those who - after having listened to a CD, or look at slides and the near-perfect reproductions that modern reproduction technologies allow - want to see or hear more details, or expenence the "aura" of the original. (Benjamin 1955) However, in any serious contemporary discussion on live performances and museum expositions, the availability of telecommunications and mass transport must be emphasised. True art lovers have always been prepared to travel for their addiction: to New York, Florence, Figueras, or Bayreuth. If necessary, they will also find the route to more remote places. Provided it is connected to modern means of traffic and electronic communication, a museum or concert hall can be established almost anywhere.

Language matters - in the arts as well as in our debates about art-policy. Before entering into these debates armed with concepts that have their roots in nineteenth century thought, policy-makers should become informed by the language developed in modern art. Anyone who loves the arts, should be suspicious about economists and policymakers who do not have a few modern novels on their reading list.

Dialogue

Klamer: You do a nice job deconstructing the modern concept of the city showing by way of Joyce's *Ulysses* that a city is much more complex than we would dare to think in our modernist mindset. You quite appropriately problematise the notion of space and location. The digital revolution is already showing its effects in this regard. Artists who show on the Web are not bound by location: their potential community is anyone who is surfing on the Web.

Yet, I have my doubts. What to do about the magnetic forces that make cities like New York, Paris, and, in the Netherlands, Amsterdam attractive to the community of artists? An artist may be working in Iowa but he knows that if he wants his work to be a subject in the conversation about the arts he has to spend time in New York. Doesn't this mean that a city like New York plays a special role in the world of the arts?

De Vries: I think that you mix up different matters here. The question to ask is why would anybody working in Iowa want to go to New York? What can New York provide that is not available in Iowa City? Whatever it is, it has to he, I guess, something that is not transportable, something that cannot be captured 10 a text or an image. It may be all kinds of things, such as face to face contact. Also non-transportable is the thrill that a city gives some people. Now, if you want to explain what the importance of New York IS for artists, you have to spell out what ooo-transportable items are important to the production of art. So what are they?

Klarncr: First I'd want to note that the production of art Involves more than painting or composing or writing. The dealers and the critics are very much part of the production process.

De Vries: Sure. That gets us to another possible role for the city in the production of art and that is its role in the setting of standards. You want to be famous In NY; fame in Iowa City countS for much less. Nevertheless, I think that that has more to do with the politics of the art world, with the power in that world, than with the content of art. There is no doubt that the price of art is set io New York rather than in Iowa. Then again, as you said in your Inaugural [chapter r] there is a difference between valuing art and putting a price tag on it.

The production of scientific knowledge provides a good analogy, as I have already suggested in my essay. Lots of scientific research is done in isolated places. For the necessary face to face contacts scientists go to conferences which may be organised In large cities. Otherwise, cities arc not important for the production of scientific knowledge. Something similar may be happening in the production of art.

Klamer: So part of your argument is that there are many dimensions to the production of art, some of which may flourish in the city and others that have no need of the city.

De Vries: Sure, art is a complex phenomenon. Also, some forms of arts, like theatre and opera, may be in much more need of a big city than other art forms. Van Gogh was not much inspired by Paris.

Klamer: But his work is now shown and traded in big cities.

De Vries: Yeah, hut with the development of the new technology all this will be less important. Just think of video art and world wide web.

Klanter: Am I nght to suspect a bias against big city life?

De Vries: I like to live in big cities. I actually began working on this topic with an eye on the debates about cultural policy in the Netherlands.] presented an earlier draft to the Dutch Arts Council when there was a debate on the bias in the allocation of government subsidies towards the big cities.

Klamer: 50 this is basically an argument for a better spread of the subsidies.

De Vries: It may be. More important, however, is the intellectual argument. I take sociologists to task, many of whom have simplistic conceptions of the city. I now think that thinking about the relationship between art and the city will produce both more interesting concepts of the city and of the phenomenon of the arts.

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8

The Value of Play

MICHAEL HUTTER"

Bring two worlds together, like the worlds of economics and art, and something new will happen. Michael Hatter, professor of economics at Witten Herdecke University in Germany, proves the point with his following contribution to our conversation. As his recent presidency of the Association of Cultural Economics should indicate, he has done a great deal of research on the economics of the arts. Not content with the standard economic framework, he brought in ideas from other fields like philosophy and communication theory. The result of his creative research shows here in the form of a theory of play.

At the time he first presented his ideas to us they were possibly too fresh or novel to make much or a difference. We struggled with the consequences of applying his notion of play. In the meantime he has {leshed out his ideas and now their importance for the discussion is clear. His plays of meaning not only encourage us to see the differences between practices in economics and the arts, but also compel us to investigate the ways in which they can interact. In the next rounds of the discussion the notion of play has to play an active role.

Introduction: In Search of a Theory of Interdependent Self-organisation

THROUGH many of the contributions to this volume runs the notion that "the art world" has an existence and development apart from economic action. It is significant that the term used is art *world,* not art *sector.* A world is something in itself, something with a self-generated border, while a sector IS a part of some larger entity. Art does generate products that can be recorded just like those of any other econormc sector. Still, many observers perceive art as a social form that has its own way of organizing itself. Marketable products are seen as spin-offs of that process, not as its cause, as III the case of conventional industries.

Economic science has been the first among the social sciences to make the concept of self-organisation productive. The concept has been continuously altered and improved. Now, it IS faced with the challenge to model the notion of *different* social worlds, and their interdependence.

To explain this, I will briefly outline the history of self-organisation in economics. The history begins, by most accounts, with the "invisible hand", a concept that migrated from astronomy to "moral science" in the late rgrh century. Its application to the structure of prices and volumes exchanged made it possible to perceive the economic world as a set of interacting, mutually stabilizing equilibria.

That world, however, is as stable and static as the world of galaxies and planets. By the end of the rcrh century, much more dynamic versions were in use. One of them, particularly favored in the German literature, was based on the notion of organism. It saw the economy as part of a social entity that changed and evolved according to laws that were homologous to those of biological evolution. Ultimately, that development failed. There was a basic contradiction in the assumption that the elements of the "SOCial organism" are individuals - who are, of course, organisms in themselves (Hutter 1994). More successful were constructions that continued the notion of "general equilibrium", but added a social mechanism for dealing with frequent shocks and disequilibria. Even today, Walras' auctioneer or Edgeworrh's recontracting appear in textbooks under the heading "the rules of the game".

Contemporary theory has refined these dynamic aspects even further. The "theory of games" has provided a structure for analyzing interdependent decision sequences, modelled after the sequences of moves in simple board games (Leonard 1995). More ambitious are approaches that try to analyze the emergence of "spontaneous order" in the world of prices.

In these approaches, the notion of self-organisation becomes explicit. The tools to model path dependency, dissipative structures or "chaos", however, are borrowed from physics or chemistry. In consequence, the tools are able to explain the self-structuring of the existing elements of a world, but not the generation of new elements.

The current discussion is confronted with the realization that the explanation of SOCIal worlds involves self-reference. Not a distant natural world IS being described but a world to which theory itself belongs. How does a theory function that applies the notion of self-organization to itself?

The answer to this question contains the solution to the problem of modelling distinct social worlds and their interdependence. The answer is logically complex because self-reference leads to phenomena like infinite regress and paradox which are conventionally avoided. At this point, the notion of "play" comes into play.[1] Play captures the image of a closed social world. As we will see, play also serves to analyze the logical structure of different forms of social self-organisation. At the same time, the notion has an intuitive appeal. That appeal has been exploited all along: auction rules, game moves and global players are just a few of the terms that gain their rhetorical effect through the social experience of the audience, even if they are undefinable in the terms of the theories which they accompany and support.

Sec. I outlines the logical properties of the concept and applies it to the economIC world. The major advantage of the concept, however, lies in the ability to struc-

rure and explain the interdependence of several plays. Therefore, sec. II exemplifies that ability by modelling the interdependence between the economic world and the art world. Sec. JII adds the (self-referential) dimension of the world of science.

I. *Play: From Action to Event*

1. THE CONSTITUTIVE CRITERIA OF PLAY

When I presented an earlier version of this paper at the conference that led to this volume, I began with the proposition: "Social scientists should take plays more seriously". The idea was to note that play is considered the counterpart of being serious, which throws a first light on the peculiar nature of play.

However, there was an unexpected reaction to my use of the plural "plays". I was told that, in correct English, plays are always rheater plays. If a more general meaning is intended, the appropriate term is "play". Whereas German, French and Italian permit the variable use of the plural *(Spiele, jeux, giochl),* English usage only knows play as an attitude, as in "child's play", or in "playing music". Plays, instead, are clearly and formally defined. Most of what would be subsumed under plays in other languages, is called "games". Games, however, are characterized by known rules and specific outcomes. That makes it possible to distinguish, for instance, between a soccer game, as a regulated event with beginning, end and outcome, and soccer play, as it takes place within the game.

The notion of play is mentioned frequently by philosophers and social scientists, but it rarely is discussed beyond its use as a suggestive metaphor". One of the first to explore the phenomenon empirically as well as theoretically was johan Huizinga, the eminent Dutch historian>. *Homo ludens,* first published in 1938, is an impressive effort to gain understanding about play(s) by gathering all the available historical and ethnological evidence. Based on this evidence, Huizinga suggests the following criteria for play (1956;16-18):

t) play is un-necessary and thus *free action*

2) play is *outside of ordinary life;* it interferes with the immediate satisfaction of needs and desires

3) play is *closed and limited;* it runs its course and has meaning in itselrt, it has a repeatable temporal form, and it has strict rules for its material execution

4) play contains an element of *tension and chance;* there is something "at stake" for the participants.S

Obviously, these criteria apply to a much larger set of events than only theater plays. In fact, everyday commentary on all sorts of social processes constantly uses metaphors like "play", "player", "winning" and "losing".

In order to pursue the suggestion, we will have to solidify our theoretical foundations. The ground work in that respect has been laid by Gregory Bareson, the anthropologist, biologist, psychologist and philosopher. Bareson combines his observations of primitive human as well as primate cultures with his knowledge of logical structure. His *Theory of Play and Fantasy*, first published in 1955, reconstructs the notion of play in terms of a theory of Logical Types, extracted from Russell and Whitehead's *Principia Mathematica (1910).*

The key issue is closure. What is it rhat gives one the feeling that one knows what notes and sounds are playable in a blues tune, or that one knows who belongs to a tennis club and who does not? Bateson's answer is: the events of a play carry messages of different logical types.

The events of a play contain concrete messages. The messages incorporate the rules according to which messages can be used in a specific play. Bateson (1979:r28) calls such messages "meta-messages"." In addition, every move in a communication play carries a message about itself, namely the message: "This is play". That message has the expanded structure: "These actions in which we now engage do not denote what those actions for which they stand would denote". The playful nip denotes the bite but it does not denote what would be denoted by the bite" (Bateson 1972:18o}.7 This type of message is paradoxical: something is, and it is not. Such were the statements that Russell wanted to exclude from logical discourse. But such is the double-meaning of childrens' play, of drama, of a court ritual (be it feudal or legal), or of the exchange of money tokens. The implicit statements of attribution or "coding" are capable of closing a discourse, of referring to its border, beyond which there is no meaning to the moves of that particular play. Bareson calls this level "context" or "frame" (1972:186). He emphasizes that the frame is a premise for action, and that its determination is, in most plays, an Implicit outcome of combinations of explicit rules.S

There are a number of differences between Bareson's and Huizinga's criteria. According to Huizinga, something must be at stake to create the necessary attraction to participants, while Bareson does not stress this point. Huizinga emphasizes the freedom of non-ordinary action. Bateson emphasizes the structure established through the meta-communication of rules. Both authors emphasize the self-created meamng within a bordered sequence of play. Bateson is more detailed on this pomt. He is able to differentiate between mere-messages (rules) and context (closure) and is thus able to explain the construction of closure in logical, not just in ethymological terms.

The discussion leaves us with three basic criteria for a definition of play:

(I) Closure, perceived as "self-meaning"

(2) Contingency, within the boundaries of rules

(3) Chance, linked to the contribution of participants.

The discussion also clarifies the nature of the elements of plays: plays do not consist of particular individuals, but of events of communication. A move in a play, or a word in a language, is only recognizable if there is someone to understand and thus to continue the use of the move or play.[9] Plays consist of the sequence of such events, be they small face-to-face encounters, or huge entertainment events in which millions of persons feel part of a common process. Barcson observes: "In ordinary parlance, "play" is not the name of an act or action; it is the name of a *frame* of action" (1979:r54) - a mutual frame, the border of a particular social world or social system. [10]

Some of these issues are well known to econonusts. The status of institutions and rules is the topic of a growmg literature, and the special character of rules is well recognized by authors like Hayck, Coase or Williamson. Particularly those authors who study the influence of rules have begun to realize the relevance of "context". Douglass North (T981), for instance, has introduced the notion of "ideology", and Oliver Williamson (1985) has ventured to suggest an "economics of atmosphere". But *it* remains impossible to integrate such concepts mto theories that are not built on self-reference. In order to be part of the theory, rules and context must not be determined from outside, but must be generated by the elements of the social world - or play - under consideration.

2. THE ECONOMY AS A "PLAY OF MEANING"

I will now make a first attempt to apply the suggested approach to the economy. Does it make sense to reconstruct an economy as a play?

Three elementary types of plays or social systems are generally distinguished (Luhmann [977).

At one end of the scale are brief *interaction plays.* Examples are encounters on the bus, at the play ground or at a business meeting. It is in such situations that we most easily apply the label "play" to signify that, despite its ephemeral nature, there is a recognizable form, at least a beginning and an end, to the messages and actions exchanged in the event.

Organizatiuns, the second elementary type, have set rules, and they have participating individuals playing stable roles.[11] In practice, all the conscious attempts to acrivnate a sense of "corporate identity" or "corporate culture" try to draw the employee into the position of the participant in a play - a play where something is at stake for him, a play that leaves freedom for autonomous action and, finally, a play that has meaning.[12]

Beyond organizations, wc know forms of social structure that are even less concrcte: religions, nation states, legal systems, art styles, sciences and economics ate

examples. It may not seem immediately plausible to consider such structures - economies being one of them - as another version of play. In the case of short-lived interaction plays, we can watch while the play is fonnmg, we identify rather dearly beginning and end. In the case of a legal system or an economy, however, we are born into the playls). We learn the rules the way we learn language. Because of that temporal extension, we have no sensation of beginning and end, of being able to experience an outside to our way of acting out power, justice or scarcity. There is nothing playful about being sentenced, going bankrupt or experiencing the failure of a scientific experiment. Yet, the social process observed satisfies the criteria of play: closure, contingency and chance. Because of their closure, everyone of these plays has evolved its own notion of meanmg: the moves of the particular play - votmg, or sentencing or paying - make sense only in the context of that play. Therefore, I will call them *Plays of Meaning.*

The *closure* of economic plays is quite visual in the beginning. Early markets began within demarcated spaces, separated from normal activity by boundary stones.'! Today, we do not treat them as places for certain activities anymore, but as a general concept. The closure of an economy is generated not through places or rituals.w but through the use of a highly specific "play chip" which controls access to the play, namely the use of money (Hutter 1994C). Money has meaning only within the closed context of a specific "currency area". Even if a currency is used worldwide, it can only be used m a clearly delineated subset of human interactions. Depending on the currency and the financial system generating it, different aspects of the world will be communicable as being "scarce". Scarcity is not a natural condition. Scarcity becomes observable only in transactions, and there it is articulated or communicated in terms of monetary evaluation.

Economies allow for a degree of *contingency* within the use of property and liability rules, the use of business practices or the operation of company stock and currency exchanges. The contingency, in turn, permits evolutionary adaptation to changing environments, and it permits the introduction of novelty.

The third criterion of play is also apparent: there is an obvious element of taking *chances* m such money games. Whereas, m earlier times, one had to "take the gamble" on a trade voyage, or on a mining project, today one can bet directly on a change in value relations of monetary titles. "To play the game" is, in fact, the implicit paradigm of those active in financial markets. The stakes attract a highly trained, and highly status- and reward-oriented subset of the work force, from young brokers ro senior central bankers. They are the ones who generate the medium that reproduces the play. It is not their intention to do this. They react to choices for action that are designed to assure the continuity of the economic play.

Again, I want to emphasize that the discussion of this paper does not deal with orgamsations and interactions, but concentrates on the process of communication on the level of Plays of Meaning. Clearly, the millions of organizations active III economies play a decisive role which needs to be integrated if the theory is to be applied to concrete phenomena. But that is a another item on the research agenda.

The point made up to now is more basic. The basic units of reproduction, and thus the sole agents of change, are not actors, equipped with perception, intention and Judgment. The basic units are entities like the economic play. The play itself is the object of self-maintenance. The traditional economic actors appear now as participants or players. Man is not interpreted anymore as the calculating *homo occonomicus,* able to survive m the Jungle of life like Defoe's Robinson Crusoc. He or she is Proust's and joyce's multi-faceted, multi-rational *homo ludens* instrumental in continuing all the plays that make up our society.

3. SCALES OF VALUE

The notion of value is central to social observations, and it has played a prommcnr role in the history of economic thought. Using the proposed approach, one can sec thnr we are faced with a problem of self-reference: the question is how a particular Play of Meaning (or discourse, or social practice, etc.] finds its own rules of observation, its own priorities in describing the world. It IS symptomatic that the value issue lost interest m economics at the point where the economic world was set equal to the social world. If there is only one value scale, there is no need to discuss the generation of alternative scales.

The theory of social play outlined above IS prepared to deal with different "realms of meaning". It does not have to restrict the analysis to one value scale. The basic structure of the problem is the following: how is a play able to observe itself, given that plays respond only to their internal operations?'>

Plays consist of moves, the moves need rules, and rules need a context. The context is the borderline or frame of the play, and yet an element of it. The context can be alluded to in the play by referring to something called quality or value. In any case, that value is not discussed (or "compromised") in the play. Yet, the play would be non-existent without it. Values, then, are the medium in which plays observe themselves."

To illustrate this very basic point, I use the formulations of authors who talk about different scales of measurement - that of money and that of literary status.

Mirowski emphasizes the continuous reproduction of the value medium in the world of economic transactions:

> ." in a very narrowly defined sense, III a social theory of value money, *is* value; but precisely because it IS socially constituted, its invariance is not guaranteed by any "natural" ground, and must be continually maintained by further social insrirurions, such as the development of double-entry accounting and financial institutions such as banks" (1991:U).

Social value forms are constantly reproduced within the plays that use them. Constant re-evaluation is, again, the main result of Barbara Hermstein Smith's observations on the *Contingency o{Value* tn the world of literature:

> "The endurance of a classical author such as Homer owes not to the alleged transcultural or universal value of his works but, on the contrary, fa the continuity of their circulation III a particular culture. Repeatedly cited and recited, translated, taught and imitated, and thoroughly enmeshed in the network of intertextuality that continuously *constitutes* the high culture of the orthodoxly educated population of the West. " (Smith 1988:52-53).

The value medium, then, is the construction of a particular social play. Whatever is outside of the value scale of a particular Play of Meaning, like the economy, art or science, is "beyond measure" because it cannot be observed III terms that make sense in that specific play. Of course, there are always local value measures used and reproduced in families and communities. But they do not make up for the generality of the value scales generated in the more abstract plays.

Due to their logical structure, it is impossible to conceive of a meta-play that would permit a comparative observation of various value scales. But there is still a way to observe their operation: one can observe the general process of constructing ratios.tz Value ratios maintain the continuity of plays, particularly the large, century-old Plays of Meaning that characterize our society. In order to say anything more about these internal value ratios, we will have to use the same method: we have to compare two distinct plays, and interpret the differences observed.

H. *Valuers) in Economy and Art*

1. THE INTERDEPENDENCE OF PLAYS

One particular value scale has emerged III the Economy. Economic value, expressed in money payments, is a ratio of evaluations, hrought into equality by mutually accepting the yardstick of money. Economic value is influenced by all participants, but it is set by no-one - except the economic play nselt.'!

Economic value in this paper corresponds to exchange value, rather than to use value.I9 Such a View of economic value implies a departure from the approach commonly taken by economists. Usually, the social exchange value generated is interpreted as a reflection of the mental use values. In this paper, social value is interpreted as the prior event.[20]

The same world that is subject to economic valuations IS also subject to the evaluations of other Plays of Meaning, for mstance, the play of Art. While quality has been simplified to quantities of abstract "currencies" in the Economy, it has been refined to subtle differences of sensual expression (visual, aural or linguistic) in the ArtS.2I

The differences between the two evaluations are not only interesting in themselves. They serve a vital function. Differentiations introduced and valued in other plays can be used in a play's self-reproduction. To put it into the form of a hypothesis:

Plays of Meaning, like Economy and Art, continue and maintain themselves by transforming external values into internal values.

In this paper, I will limit myself to a few remarks on the mutual dependency of these two plays. That dependency has the following logical structure:

As play A IS performed, play B constitutes the environment of play A. An effect of the outside play B on the Inside play A can be constructed in two ways. In the first version, B events are part of the general environment of A. Artistic performances, for instance, are transformed mto references for new economic events. They are used as a resource to reproduce the Income-expenditure cycle. Vice versa, economic events become a resource for literature or painting. In the more complex case, B events are part of a separate play whose environment comingles with the environment of A. The events of B, In that case, are not themselves transformed. They serve as a catalyst for reproduction. Such events are not referred to In A events, and yet play A could not continue its reproduction without them. Artistic innovation, for instance, constitutes the context or background for cconorruc communication. Vice versa, artistic reproduction depends on the stability and continuity of its economic context.

With this double distinction, we can now discuss four cases as indicated in the matrix of fig.I.

	SOURCE EVENTS	RESOURCE EVENTS
ECONOMY	*economy* *art*	*economy* *art*
	art *economy*	*art* *economy*

Hg.t: Forms «[Relaticmships hcuocen Two Plays of Meaning

2. THE VALUE OF ART TO THE ECONOMY

How is artistic value transformed mto economic value?

I begin with "resource events". Economic valuation often refers to natural things, like bread, or cars, or houses. More and more, it refers to fiction - to stones, or tunes, or Images. In artistic play, such fiction emerges constantly. The works of imagination are built according to and evaluated by artistic quality standards. In economic play, they appear as something that is different, difficult to do and, there-

fore, amenable to being considered scarce. Thus, the fictional works, created m the outside play of Art become source events for the Economy.

The implications of this argument are rather vast. A world that is inevitably running out of natural resources cannot maintain or even mcrcasc the volume of material production at length. Creative work, however, provides an inexhaustible stream of scarce items. The emphasis of economic evaluation is shifting from the transformation of wood and metal into payment, to the transformation of stories, tunes, Images or performances into paymenr.P

In general, information goods are generated and distributed by global media networks. One should expect, then, that the utilization of artistic value is also organized through such companies. As far as entertainment fiction - comics, pop music, TV series - is concerned, such structures are easy to identify. In fact, the currently ongoing rnaneuvres to gain market positions, like Disney Corporation's purchase of American Broadcasting Corporation, illustrate the point.U

There are considerable exceptions to such easy cases of commercialization. "Serious" art plays, I.e., plays that follow a more rigorous principle of self-evaluation, seem to exist independently of those commercial organizations. This independence probably reflects awareness of the conditions which a play needs to mamtam its own vitality. We can refer back to the Huizinga-Bareson criteria for play: artistic plays need *closure;* the sense of quality must be generated internally, and, because of the sensual quality of the communication media, the number of participants must be small. Artistic play needs the *contingency* of making free variations within the "canon" of an art form, r.c., the conventions and rules that structure its events. And, finally, artistic play needs participants who are willing to take *chances.* They put their career at stake in making or developing specific artistic forms.

In fact, we do observe that agents and sponsors maintain their distance to artists or artists' ensembles. Our explanation would be that only under such conditions can successful artistic development be expected. In the case of financial success, there are attempts tu determine more precisely the style and shape of the artistic product. But even then, authors, orchestras or dance companies maintain a remarkable degree of independence. There are, on the other hand, many examples of cases where attempts to design artistic events according to economic values have failed.

Notwithstanding their basic organizational independence, all art forms are transmitted or propagated through market channels. They have to conform to the technological and financial constraints of these channels, and they have to produce economic value for those who run the channels. In rhe case of theaters, museums and orchestras financed by communities or federal governments, [he necessary autonomy seems to be maintained despite the dependence on politically coded plays. However, there is evidence that political support endangers and shapes artistic activity. That general conclusion is reached by traditional analysis as well. But a theory of play is able to specify the connections between political "source events" and forms of artistic play (Hutter 1992a).

We now turn to the second category. Artistic source events refer to basic structures of social perception, including our perception of space and time, of self-

expression and of common language. To give just two examples which I have documented elsewhere: The European concept of time changed in the rjth century from a circular, repetitive pattern to a linear form under the influence of new, rbyrbmically organized musical pieces (Hurrer 1987). The concept of space changed in the rjth century due to inventions in painting, particularly the invention of central perspective (Hutrer 1992b). The change in the communication forms available implied a change in context for the economy. It can be shown that the new spatial conventions led to an increase in planning horizons, and to new instruments for navigation, among other things. While the pervasive influence of another Play of Meaning, namely Science, on the economy is well recognized, the influence of these less visible effects of the art play on economic events has hardly been noticed.

3. THE VALUE OF THE ECONOMY TO ART

How is the play of Art able to transform economic value into artistic value?

The economic "resource events" valued in artistic play are those of the "given reality" to which an art form refers - an era's conditions of individual life, its forms of production, its particular rationality. The dependence is rarely as strong as in Balzac's *Comedie Humaine.* But we can trace it in the visual arts as well as in musical rhearer. Contemporary art forms, like video clips or rap poetry play intensively with the economic background of their own form.

We now turn to source events. The sources are economic transactions whose value influences dimensions of the play of Art. Artistic evaluation takes place in concrete artistic events - while reading a poem, while listening to a sonata, while watching a dance performance. The players, be they individuals like authors and dancers, or corporate entities like orchestras and publishing houses, depend on the attribution of economic value in order to survive, physically and financially. The Economy is, then, a reservoir from which art plays draw money income as a context for the maintenance of the plays. Art participants treat income not as an objective but as a constraint. When revenue from non-art labor increases, they tend to reduce the time spent in such activity (Throsby J994).

But the Economy is not simply a reservoir. It is itself a play, structured by chances, contingency and closure. I will try to structure the further elaboration of this point by using the three criteria stated above.

In order to bring artistic plays on the stage, economic chances have to be taken. Publishers, film producers or art dealers take such chances. The skills involved are those of the economic play, with all the finesse necessary for survival in competitive markets. But they are also those of recognizing the difference and the artistic validity in a proposed manuscript, a film script or a painting.

The cconortuc play varies constantly because of the contingencies in playing within the rules of the game. New product variations are tried out, successful products are introduced in new areas. The same process channels economic value mto artistic activities. But more than that, it leads to new artistic forms with qualities

that were not experienced in traditional forms. Rock music and comics series are examples of such developments.

As mentioned above in discussing the reverse relationship, the closure, or self-contained meaning, of the economic play inevitably leads to conflict. It is logically impossible to recogmze economic value when making a change in harmonic scale in a blues improvisation, or when mixing one's colors for a portrait. Because both types of value are frequently reproduced in the same event, it becomes important to indicate cleatly which play one intends to move in. The self-styling of artists and the condescending attitude toward commercial activity serve an important function in distinguishing artistic value against a specific background, namely economic value. The strategy, however, only works for the artist. The gallery owner or literary agent must be able to have a more ambivalent approach. We find the strongest conflicts of value in persons and organizations that want to maintain their participation - and thus their social existence - in both plays. To sustain the tension, a considerable ability to tolerate ambiguity is demanded. That ambiguity, in turn, is a central condition for evolutionary social change.s-s

To conclude: Plays of Meaning have evolved as fonns of differentiation within the general communication of a society. They are characterized by their different value media. They mutually depend on the values generated by other Plays of Meaning for the continuity of their own self-reproduction.

III. *The Scientific Value of Play*

What, then, is the value of introducing the notion of play into social science, especially into observations of the Economyzw

I will mention five arguments, each of which implies a somewhat different theoretical approach.

I) There are individuals and organisations who oprimize values measured by something different from money, for instance, something which they call themselves "artistic quality". For a theory of [mono-lrarional choice, this is an anomaly. For a theory of social play, it is easy to explain the co-existence of different modes of rationality. One may study the pure case, where economic rationality is reduced to a constraint, or the complex case where the values of the play outside of the one just being played are used as value references (source events and resource events).

2) The use of the public good notion is an attempt to grasp the economic value of that condition which, in the theory of social play, has been called closure. The frame or context for the economic play, or for its various sub-plays, is, in a way, a public good. But it is not a public good in the sense of a modest deviation, like operating a SWimming pool or having access to fishing grounds. The experience of closure, the performance of a value frame or context is public in the sense in which a background is public to a figure: it defines its existence. Given that relationship,

one can go on to explain prohibitions built into the rules of the econorruc or the artistic play which serve to prevent the intended or unintended destruction of the value frame in which the play in question operates.

3) An old tradition still expresses the economic process in terms of the production of goods. That has the advantage of focusing on value generated for (monerary) transactions, hut the premise of the approach is material transformation. The theory of social play, in contrast, focuses on the preparation, performance and repetition of events. It is no coincidence that this descnption IS SImilar to that usually employed for transactions. The theory draws attention to the aspect that every transaction is an event in one or more plays. It also draws attention to the performance of event-generating industries, like telecommunication and entertainment. The staging of an opera, be it *al stagione* or in repertory, becomes a paradigmatic case for the new event-centered economy.

4) Contemporary theories of evolutionary economic change have experimented with the notion of self-organizing or autopoietic systems. Self-organizing systems are usually thought of in analogy to physical, anorganic systems. The concept of auropoieric systems was imported from biology. There, the notion refers to the ability of cells and higher organisms to reproduce themselves. Introducing the theory of social play, the analogy can be extended. Biological systems accomplish reproduction by differentiating between genotype and phenotype reproduction. The reproduction of plays has much in common with the process of genetic reproduction: information is continuously copied and reproduced, closure and rules insure the stability of the information complex, only a few variations are able to survive in a given social context. Such variations operate, at first, in a state of ambiguous interpretation, until they are selected as a recognizable alternative.

The relationship between the theory of play and the theory of individual choice can be expressed in these terms: play theory deals with the process of genetic change; it works with the assumption that the actions of phenotypes are the genotypes' way of achieving reproduction.w Choice theory deals with the process of phenomenal change; it works from the assumption that there is only one genotype of communication. Since the relationship is, in fact, circular, both assumptions need to he adjusted in order to reflect that condition.

However, we are not dealing with a symmetric case of cornplemenrariry, On one hand, there is a theory with a solid tradition, empirical validation and wide diffusion, based on the observation of visible actions. On the other hand, there IS a rather embryomc theory with untested connotations and implications, based on the observation of imputed observations.

5) The attitude toward public good type problems is still one that favors political intervention. However, there is a widespread consensus that, particularly with respect to the provision of cultural goods, we observe state failure as well as market failure. Any conscious intervention or support, no matter how well-intended, has

side effects and risks the destruction of the supported play's internal valuation process. The theory of social play favors policy approaches imported from individual therapy and organization consultancy. The first tenet is the self-determined nature of the "client system". In cases where the interference is permanent, the interaction between the plays should be one of mutual valuation - on the level of organizations as well as on the more abstract level of recognizing values of the other Play of Meaning. All other interferences should be designed so as to make themselves superfluous after a while.

Dialogue

Klamer: Your concept of play appears to be the most pertinent way to characterize the various realms of practices that we have distinguished in our discussions. It helps us to distinguish economy and art as different plays of meaning, yet, at the same time, you provide us with a framework with which to investigate the ways these two interact. At any rate, I found support in your discussion for my conviction that a study of the world of the arts compels us, economists, to change our strategy and look for an alternative framework. I see remarkable similiariries between our approaches as you, like myself, show the differences between the world of the economy and of the arts.

Huller: I agree. The scientific approach of standard economics uses a particular analytical framework for all SOCIal phenomena. It undoubtedly gives you a coherent way of looking at things but the coherence is in the economic nature of the phenomena. But even without recognizing it you will presume one unique value scale; that value scale may make perfect sense in the economic world but only limited sense in the artistic world. The problem is rather how to deal with value scales that diifer from one realm of discourse to another. That issue is unknown to economic theory as we know it.

Klamer: On that point we agree.

Hutter: It's a bold statement to make, though. I have found that in order to account for different value scales you need to turn to a more general social theory. That is what I am trying to do here. With the four types of relationship that I indicate in the matrix, I try to indicate possibilities for studying the interactions between the economy and art as interactions between two different plays.

Klamer: As president of the association of cultural economics you have tried to get this message across to an audience of economists. Does it work?

Hutter: I find that the juxtaposition of economy and art brings out the existence of different scales in the most evident way. The continuous public disussion between

those two worlds makes the dash in values obvious. That makes it hard for economists to ignore its existence. As a consequence you find a lot of research along these lines in cultural economics. I list the major issues in the final section of my paper; the most essential one is the quality issue because there is no way to explain the fact that artists have their own quality. In cultural economics you find very imaginative applications of traditional economic tools to these phenomena, but you also find increased readiness to turn to alternative approaches because of the scope of the problem.

Klamer: Do you see significant differences between our approaches?

Hutter: I find that your emphasis on communication and on value makes a very strong common point. With my approach I immediately see for instance the difference between the communication of scientists on one side, and the communication of the participants in the economy on the other side. That fits in with your rherorical approach. I only feel that many of the strong inruirions of your approach, and also much of the broad literature which you tap can be structured 1n a more systematic way by using my framework.

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9

The Artistic Conscience and the Production of Value

HANS ABBING

Hans Abbing is one of those rare economists who combine an academic profession with a successful career as an artist. During a little less than half a year he teaches economics of the arts at Erasmus University and does research in the field of cultural economics and during the other half of the year he paints and makes photographs. Both his economic work and his artistic work have drawn significant attention. In his economics he starts from the standard analysis but mixes in concepts and arguments which he borrows from sociologists, such as Pierre Bourdieu. He has always maintained that he keeps the realm of his art and that of economics strictly separate. In the following piece, however, he copes with the differences as he has experienced them in his own working life.

THE HIGH value of art and culture is produced and continuously reproduced.' The underlying forces in production, including its motivation, are the same as in other spheres of production. But the means of production differ. A peculiar artistic conscience emphasizes selflessness and compels the artist to overlook the economic value of what he or she produces. On second thought, however, we will show that the underlying forces are the same as elsewhere in economics. On the other hand a similar mechanism of denial of economic value may apply to much wider areas in economics.

An Example: The Peculiar Exchange between the Artist and His Dealer

For the past few years I have been fighting over money with my dealer. He owes me money. His arrears extend to payments due over almost two years and that is too much - even in an area where everybody is always short of money. My dealer is short of money, of course, but I have found out that he owes me more than any of his other artists. Why me? Maybe I was too easy on him in the past. I did not put up fights. So a year ago I changed my tactics and became tough. I remain polite, but every time I see him, I bring up the Issue of money. I write letters in which I threat-

en to involve a collection agency. This new strategy makes a difference; but not in the way it should. He is as much in debt to me as before but now he is afraid of me. He does not put up any new shows and leaves me out of his other activities as well. What am I doing wrong? Is there something my colleagues do that I do not?

Meanwhile, I have found out that my colleagues and my dealer play a game that I do not. *As* soon as my dealer has a little bit of money, he will pay the artist to whom he can do the greatest favour with that amount. It might be the artist who did not claim her lawful rights as I did, but instead came to him with a heartbreak-IIlg story about freezing in her studio, and about trying to stir the paint which was thickening due to the cold, all because she did not have any money left for the heat-mg. Or it might be the colleague who got hysterical and shouted awful insults at my dealer after which they made up and became even better friends afterwards. Now my dealer has paid him and *so* has shown his generosity, which is even greater because of the earlier insults.

The game, therefore, is about generosity. My dealer has to be able to play the part of the generous man. It is a role that history gave him: he has to be the meacenas. Never mind that the artist is actually sponsoring him with an interest-free loan. The play places a taboo on making our relationship like a normal business relationship. I do not play the game right because I do not give him the chance to play his generous part.

Yet, my dealer's behavior in playing this game may be irrational. He stands to lose one of his better selling artists. Changing his role could be more advantageous, at least in the short run. But he seems to be stuck in this game of his and is probably too old to learn a new game. Anyway, the game he knows may be more profitable in the long run.

I am as bad at changing my game. Apparently I have never been able to internalise the rules of his game. One reason might be that I started off as an economist and only later on went to art-school. Whatever, the game is serious.-One has to believe in its importance and its rewards. It has proven hard to play the game consciously and deliberately, as I have tried. Only those who do not intend to play the game, seem good at it. Unintentionality is typical for the habitus of the arts as elswhere.> The artistic game calls for a particular *set* of beliefs and attitudes. I myself may believe that my habitus is more advanced and less hypocritical than that of my dealer. But if I am reasonable I may have to face the possibility that we experience a dash of incomparable mentalities which have their own rhetorics. We will come back to this issue.

Gifts versus Exchange in the Arts

It should be noted that an element of patronage is not limited to the exchange between artist and dealer. It is omnipresent in the arts. Almost any sale of art - by an artist to a consumer or by a dealer to the director of a museum - is accompanied by gifts or at least gestures which belong to the realm of favours and not the realm of

exchange. One could state that transactions in the arts are supplemented by gifts - the gift relationship supplementing the exchange relationship. But one could also regard these dealings, including the gestures, as costs of transactions. There certainly exists all intermediate zone in which the gift can be just as primary as the exchange. However, money transactions, like the one between me and my dealer, are inevitable and omnipresent in modern society, while the connected gift-relations could, technically, be done without. The issue here is how we conceive what happens in the latter case. We are free to look at it either way. For the people involved the perception of a gift as a gift is essential. But for the economist it may be more useful to think in terms of transaction costs instead of supplementing gifts.

The transactions involved, and particularly the transactions which involve gifts as additional costs, are idiosyncratic. For example, most transactions in the arts are not anonymous. Consequently, the personal characteristics of the partner in trade will matter. The nature of the trade and its costs will depend on them. This is most of all true for the costs which we call gifts. The nature of the gifts that my dealer will offer me, will depend on me and my personal circumstances. He could payoff his debt to me when I run into unanticipated financial problems or he may offer to transport my paintings when my car has broken down} In both cases he gets a chance to be generous.

Idiosyncratic exchange is widespread in the arts. In order to trade with one another the parties develop skills and social relations - cultural and social capital we call those - which result in the creation of so-called *transaction specific capital.*[4] This capital functions exclusively or primarily within their mutual trade. For instance, the gallery owner builds up a clientele which will lose almost all their value when a particular artist leaves. Artists and their intermediates invest in each other, most of all in each other's reputation. When one party breaks off the relation, it will have to incur considerable transaction costs in order to develop a new relationship with another partner. The transaction-specific investments are costs as well as gifts. They serve mutual interests. Although they are not specified in contracts, they will be monitored. If one party is negligent, the other party will give warning signals or gradually drop the, often implicit, contract.

Transaction-specific investments are costs of transactions and gifts at the same time. Some form of return is anticipated. But nobody can be sure whether the return will actually materialize and if so, in what form. The uncertainty of such investments in the arts can be quite high. I may start to visit a certain gallery regularly, in the hope that the owner will gradually recognize me, talk with me and even start to like me. After a while I will volunteer compliments. I may take one of my regular customers to his gallery, who may be tempted to a deal. All of this I do for the off chance that when I am completely fed up with my own dealer, this gallery owner may take me on. But I have no guarantees. Other one-way investments or gifts in the arts are imbedded in an even more complicated structure of circumstances and relations than this one, involving even greater uncertainties.

I should add, however, that the uncertainty of the return does not necessarily differentiate gifts from other forms of inverstments. The main difference is in the

perceptions of the agents. Those who are into giving may not want ro perceive what they do as making an investment. Economists, however, may very well understand what they do in terms of investment. It is possible that the investor can only properly invest if he sincerely believes in the gift-character of his investment. But depending on the research question it is often preferable for the economist to rhink in terms of investments.

Reward and Self-Reward in a Selfless Arts-Sector

With the commercial dimension ıı ı the arts veiled, rewards and interests directing the artists' behaviour are often covered up and denied. The arts are supposed to be selfless and selflessness does not accord with an awareness of interested behaviour. But In the arts selflessness ıs important exactly because it generates income.

The rewards in the arts are both monetary and non-monetary. Prestige and status are the main components of the latter. Prestige generally coincides with financial income bur that is not always the case m the arts. Artists who have just left art school have a relatively high prestige - be it temporarily. Yet at the same time they hardly have any income.

The origin of the high prestige of artists dates from the Renaissance and the emergence of the character of the individual. Before that people were submerged in the collective with its dear standards of right and wrong. Now, in a process of individualisation, people are required to be individuals, each with his own conscience. Not unlike the loss of a parent, the loss of the collective must have been painful in many ways. The compensation came In the form of pride about one's independence.

Until the present day artists have symbolised this spirit of independence. Their work is seen as authentic. If the director of Shell dies today, tomorrow somebody else will have raken his place; he is replaceable. But if Karel Appel dies, no more "appels" will be produced. Artists are the representative independent individuals of our civilisation and thus they are the embodiment of the spirit of the Renaissance. A deep underlying wish of our society to be independent, authentic and irreplaceable is Involved. This is why we are more than happy to treat artists with special regards. It also explains part of the high value of art and culture.

The idealising of individuality through public authenticity may also account for the resistance towards making money and interests explicit in the arts. We want the artist, our model-individual, to be a truly independent individual who furthermore is selfless and cares only about the authenticity of his work and not about the financial rewards.

Opposite to this thinking the economic perspective encourages to think in terms of interests and rewards. Yet even some colleagues in economics seem to want to reserve at least a bit of the sacredness of the arts. In discussions they present examples which demonstrate that self-interest cannot account for all behavior. To account for the apparent sacrifices that artists make, the neoclassical economist

may evoke the concept of self-reward: the artists reward themselves. This may be a useful notion. But one should realize that self-reward can never be a category independent of interest in general. As we shall see, it is always produced by a mentality or conscience which was developed before and which serves the interests of the individual artist or his group or both.

Exchange between the Artist and His Conscience

As my earlier example indicated, the typical artist works more with his conscience than agents in other markets. Because artists are supposed to be autonomous, beginning artists avoid commissions; they do not want to be dependent on the demands of a principal. Therefore, they will first produce and afterwards try to sell in the market. This is what their artistic conscience tells them. They may consider the rewards of the markets as pleasant, but they are unimportant. What matters is the reward of their own conscience: and that came in the form of the self-reward we rncnnoncd before. Without knowing it this behavior may serve them wellin the long run.

As an artist I have become quite aware of this mechanism, possibly stimulated by my work as an economist. When I am drawing, I am all the time communicating with an rmagutar)' artistic conscience. Ever so often it tells me to change my drawing because it is developing in a way which is cheap, superficial, decorative or, worst of all, "commercial". Another time it is too arty, conceptual or phoney. Following the directions of my artistic-conscience I execute a form of self-censorship. The censorship does not seem to relate to any market perspective. In my case I have personified my conscience; it often speaks to me through one or more persuns who look over my shoulder. Sometimes they have names like the names of colleagues. From time to time they allow me to compromise. One person may allow me to be slightly decorative in one drawing, while another gets his extreme avant-garde way in another drawing. They argue with my short and long term market mtcresrs in mind. But this is denied. As artists they have to pretend to he only interested in art itself. (Some of my colleagues recogmze my account of the personification of the conscience but do not have discussions and certainly do not admit compromises. In my case it must be the dash between the habitus of the economist and the habitus of the artist which leads to these weird imaginations.I

The artist wishes to believe that his conscience is his own. He invented it or was born with it. If not, he would not be fully independent. But in reality we have assimilated the rules, which govern interpersonal exchange in the art sector. We want to ignore that, because for their proper functioning we have to believe them to be personal.

The artistic conscience is reflected in the rules of the game that we came across in the artist-dealer exchange. The conscience will even prescribe body postures and accents in speech. Rhetorical codes are important as well. Prominent in this conscience is the code to dcny the economic dimension of what artists do.

In the case of the visual artist, the conscience also contains rules on formats, materials, subjects and above all on the grammar of the visual "language" used in visual art.S Even implicit rules exist on the amount and nature of "grammatical" changes which will be accepted by the art world. If they go beyond certain limits they will be refused.

The actual practice of twentieth century visual art seems to contradict the self-censorship on the basis of an artistic conscience. Many critics observe that alllimirations in arts have disappeared. "Anything goes" is the dogma. I doubt it. Similar opinions have been proclaimed before. But then as now, even a relatively minor "grammatical" change can hit hard. At its conception it hurts." It is like sitting too close to the screen in the cinema. Up close everything appears to be scattered and disconnected. Only from a distance or in hindsight do the continuity and the limited range of artistic innovation become clear. I would not be surprised if the future will relativize the alleged artistic freedom of the present do's and dent's. As a visual artist I am impressed by the dominant nature of the commands and bans and of the pressure that the art world puts on me with its do's and dont's. I have internalized these standards in my artistic conscience and replaced them by self-censorship.

Indirect Orientation on the Market Including Government Markets

When an artist deals with his conscience, he indirectly deals with the market. His own market experiences, and more so, those of his teachers and the teachers of his teachers have crept into his conscience. One's conscience offers an indirect and veiled way to direct one's production decisions towards long term market demand. In the short run a more conscious and direct orientation may be effective, but that might violate the ban on money-orientation. In the long run the artist stands to gain most from high esteemed autonomy and selflessness. This esteem generates money as well as prestige.

At times the market will change relatively rapidly, making the market experiences of established teachers obsolete. After criticism and rebellion art schools will replace them by younger teachers. The replacement will of course be motivated in artistic terms.

In contrast to most other artists, teachers tend to be quite successful. In a country like the Netherlands they are effective in commercial interactions with local and central government as well as with government-financed institutions. Apart from the subsidies, the Dutch government completely dominates the demand side of the visual arts market." When we include subsidies the domination is even stronger. These subsidies, incidentally can be treated as gifts from a selfless government, but it is more fruitful to look at subsidies from the point of view of exchange. A market for subsidies can be said to exist. Artists offer certain performances in exchange for subsidies, but they will never say they do so. Accordingly, governments get something in return for their subsidies.

At this stage I may just as well admit that most ofren Mr. Fuchs, the director of the *Stedelijk Museum* in Amsterdam, is looking over my shoulder. It is the most prestigious museum of modern art in the Netherlands and it is government funded. Every now and then I replace him by a member of the committee of the *Ponds vour de Beeldende Kunst,* which decides on the most prestigious government grant, the *werkbeurs.* Whether I am aware of it or not, I orient myself to the market demand of the central government. I am fully aware of the fact that this demand differs from the demand of the local government and from that of the public and of business. While being completely honest to my artistic conscience, I nevertheless seem to have learned my lesson well, because last year I received one of these much coveted grants. It turns out that in spite of its official proclamations the central government is not neutral or selfless as it prefers certain art and certain styles above others.f

Would it not have been more rational if I had Imagined representatives of the local government as my censors? Many more artists receive a basic Income from the local government than from the centra! government. (Among other channels they receive substantial lending rights from so called 'artotheken' - artlibraries, which are typically Durch.) When we consider prestige, the uncertainties involved in the focus on the central government are much greater, but so are the rewards. It turns out that the central government is able to give prestige, much more so than the local government. That could render my behavior rational. The situation is different when it comes to money income exclusively. To earn an income, young artists do better focussing on the local governments. Their teachers, however, convey to them the message, implicitly or explicitly that they should focus on the central government. This focus leads them into a trap as the demand of central government of only for a very small group. Accordingly, many artists do not learn the codes which are necessary for carering to other parts of the market. frustrated, they leave the market - often after a long time of trying in vain to find a demand for their art. In no other profession are people so persevenng. This must be due to the magic of the arts. Possibly the many failures and drop-outs serve the art community well because they confirm the magic. The earnings and prestige of the successful part of the profession rely on this magIC and so depend on the many failures. The failures eo-produce the high value of art and culture.

The Subordination of the Interests of Individual Artists to Those of the Profess/on

In view of this possibility, that the many failures of individual artists serve the group interest, it is more than likely that group interests sneak into the habitus or, more specifically, into the artistic-conscience. The purpose of the artistic conscience is the coordination of individual actions in order to attain collective goals, even when the short term interests of the individual conflict with those collective goals. The concept of the habitus offers a solution to the free-rider problem which economists have not even started to acknowledge. In many cases outside force is not called for,

because the force has already been Internalized. External force is replaced by internal self-censorship.

In the case of the arts the rules of the game serve the purpose of tuning and, when necessary, subordinating the short term Interests of separate artists to the long term interest of the profession. Maybe the significance of failures for the profession in producing the high value of art is questionable. But the long term market interest of the group in providing a product of high standards is clear. Many rules In the artistic conscience are in some way or another related to this aim.

The interest involved in keeping the group of relatively successful and better rewarded artists – the profession in a narrow sense - small, is also evident. In, for instance, the medical professions the same interest is at work. In the arts keeping the group small is only more difficult. The medical profession controls the education and so controls entry to the profession. Since the days of the French "Academic Royale" such control over the entry m the arts is impossible. Even if artists tried, the gains would be offset by the losses due to the damage done to the magic of the arts. Overt monopolisation of entry does not accord with the idea of artistic autonomy. And the latter idea is profitable, as we have seen.

At the same time the importance of limiting the ranks of money making is more urgent than in any other profession. The same magic which prohibits monopolisation, continuously produces an abundance of new artists. Together they supply much more than the demand side can absorb. Without some control the pressure on the incomes of the earning ranks would become unbearable. Therefore, an implicit contract provides an informal monopolisation. The artistic conscience develops a sense about who is a true artist and who is not. The artistic conscience then draws a line between those who are accepted and those who are excluded.

My colleagues and I are forever discussing the degree to which we and more distant colleagues stay true to the artistic conscience. Often we will blame someone for violating the rules ignoring the possibility that his rules may be right in a 'lower' echelon of the art world. It may be a reason to ban him, in thought at least. We do our best to articulate our grievances as much as possible in artistic terms. (I personally hope that my inability to play in terms of gifts will not lead to my full exclusion from the profession, but I am sure that it hinders my career. A degree of exclusion is certainly present)

Informal monopolisation and exclusion work better when the criteria for exclusion are so complicated that strict application is impossible. When one tries to pin down the criteria, the monopolizing party can honestly deny their existence. Moreover, it can point to important exceptions: artists who got through even though they did not fit the obvious criteria. The complicated criteria therefore call for a complicated conscience. Because a complicated conscience can never be learned from a textbook, young artists need colleagues and teechers.s The better art schools will recruit their teachers from the ranks of relatively successful artists with the result that their students are able to learn the rules a lirtle better. This process of indirect co-opration as a form of informal monopolisation goes on which is highly efficient.

A Veiled Economy; The Economists' Habitus versus the Artists' Habitus

The picture which emerges is one of a veiled economy. Contrary to appearances the arts sector is no less inrerest and reward oriented than any other sector of activity. Whether actual exchange is concerned or decisions regarding production or investment, the underlying mreresrs must be covered up and denied. But I should stress that this mechanism does not operate exclusively ıiı the arts. Other sectors know it as well. It is a difference of degree. The arts are extreme in this regard.

We should take care not to fall into the trap of value Judgements. Seen from the outside, the arts appear to be "hypocritical" ın their denial of interests. If one values a degree of selflessness, as I do, any fake selflessness feels wrong. Bur the very fact that the necessity to deny interests is a part of the arts habitus which cannot be freely dismissed, invalidates any Judgement.

There is something to be gained by the application of a different rhetoric, as I am doing here, even though it hurts. I have to admit that there is a bit of a teaser in me who likes to provoke by unmasking false pretences. Words which are new to a habitus will hurt, just like good new art will hurt.'? Rhetorical economists stress the many misunderstandings different rhetorics produce. Yet the clash of different rbetorics often has a "progressive" side to it, which is probably underexposed ıiı rhetoncal economics. Fundamental change or "progress" will almost always be accompanied by a clash in rhetorics - rhetorics being an important part of the habitus.

Instead of "condemning" the arts one could take an opposite and relativistic stand. If one habitus is superimposed on another, as is done in this paper, anomalies are hound to arise. As the habitus of the economist or the scientist is probably Just as "fucked up" or interest bound as the arts habitus, true conclusions can never be drawn. I do not agree. There will be some misunderstanding, bur because of it there will also be the generation of knowledge. More so if the scientist is prepared to be reflexive about his own interest-bound position in his own field.ıı After all, we are looking at phenomena which often exceed the limits of separate fields. For instance, there is also a tendency ıiı economics to veil or deny economics, although to a lesser degree.'> This points in the direction of the presence of mechanisms (laws?) which go beyond the habitus.

A Peculiarand Anachronistic Arts Sector

An anachromstic picture of the arts emerges. Uncertainties turn out to be typical for the arts. High profits are reserved for a very small group of artists and their intermediaries. These are based on the unpaid labour of a large group who arc destined to become failures. It sounds like the exploitation in early capitalism.u

The atmosphere around exchange and trade makes one think of even earlier times. In exchange the personality of the other partner matters. Exchange is highly idiosyncratic. Moreover, almost all exchange, between artist and dealer, between

dealer and customer, is moulded into a form uf patronage. as In the feudal times.

Outdated as the economy of the arts may be, it does not imply irrationality. The arts would be irrational if its participants would be better off if they became less 'hypocritical'. Their 'hypocritical' behavior earns them money and esteem. Accordingly, this peculiar economy is consistent with the interests of the artists themselves.

There may be another lesson as well. Although the phenomenon of partly non-monetary exchange is likely to be more widely spread and visible in the arts than it IS elsewhere, it most likely exrsrs in other sectors of economic activity as well. I am sure that a veiled economy is omnipresent, whether we like it or not. In that case our "modern" economy would not be that modern after all.

Implicitly we have been dealing extensively with *'the value of culture'*. **In** the production and reproduction of value the habitus with its artistic conscience plays a donunant role. Market success is still the main Indicator of value. But this indicator is veiled. Ever so often interests assure forms of generosity. Investments become gifts.

Dialogue

Klamer: Hans, I am very grateful to your for having written this down. It is a wonderful piece of anthropological research. Drawing on your own expencnces you show us how intricate the so-called commercial transactions in the world of arts are. Hutter's notion of the play comes immediately to mind. You have heen quite critical of attempts to bring culture into the study of the economics of the arts, especially of my attempt to conceptualise art as something different, with values that are beyond measure and therefore do not lend themselves quite well to commercial transactions. In this regard you do help me though by showing how different the world of art production is compared to, say, the world of car production.

Abbing: I don't think I can help you. 011 the contrary. I will not deny that different practices exist in different areas of production. The underlying principles, however, are the same. All apparent selfless behavior can be explained by interest, or, as in the case of the artistic conscience, by long term group interests.

Klamer: That may be so. The fact remains that we have to account for the differences. We may want to understand why in friendship and in religion, bur to some extent also the arts, we avoid measurement and monetary exchange.

Abbing: It is certainly true that not all things can be measured in terms of money. There IS a lot of uncertainty involved, in the arts maybe more so than in other areas. Bur there is uncertainty elsewhere as well. Think of the car manufacturer you mentioned who may have to decide on a new trade mark. Nobody can tell what the

returns will be if you choose one over the other. The difference, however, may be dramatic. The difficulry of measurement is certainly not limited to the arts.

Another pomt is that in the arts as elsewhere interest cannot always be determined only from the individual perspective. The mdividual may very well have assimilated group interest in his conscience and allow that conscience to overrule his own interest. That IS how apparently selfless hchavior can be explained.

Klamer: Bur that may also explain why we, in so many cases, get around the cash transaction.

Abbing: I fully agree. The cash aspect is only a limited aspect. The question IS whether *you* stay with thinking 10 terms of interest or introduce metaphysics.

Klamer: I'd prefer to think of values.

Abbing: Values are part of the habitus. They serve interests. I'd prefer to use my social science as much as possible, as long as I can make sense with it.

Klamer: By the way, did you let your dealer read this?

Abbing: No, he would feel very hurt.

PART THREE

On Culture

10

Political Culture and the Economic Value of Citizenship

A French-Dutch Comparison in the Nineteenth Century

FRANCES GOUDA

As should be dear by now, culture does not play a role in standard economic discourse. The values that groups of people may share are not a discriminating factor in economic models. Scholars who operate outside economics often respond in dismay to the blindness of economics to everything cultural. I tend to agree and would argue that economists have sufficient reason to take culture seriously in their research. Dutchness may very well matter for the way the Dutch economy functions in comparison to, say, the American or the Indonesian economies. So I have invited scholars from three different disciplines, history, political science and economics, to try their skills in *an exploration of the relationship between economics and culture. The first is Frances Gouda, a historian who has recently published on the culture of Dutch colanionalism and the cultural contrasts in the welfare systems of France and the Netherlands in the nineteenth century*. *She has been a fellow of the Woodrow Wilson censer and, most recently a Fulbright scholar. Presently she is a researchassociate professor at George Washington University.*

One aspect that has pmticularly intrigued me in her work is, apart from her interest in the value of culture, her attention to the rhetorical practices that support and infonn any particular arrangement. After all, it was through interest in rhetoric that I came to the subject of the value of culture. Here Gouda compares and contrasts the rhetorical practices that frame Dutch and French attitudes towards poverty in the nineteenth century.

THIS STORY is about two different cultural constructions of the economic value of citizenship in an era that constituted the melancholy afterglow of the French Revolution's Intellectual fireworks. The ideal of the French revolutionaries was to entrench an entirely new model of civic equality. They hoped for the birth of a modern political culture that would embrace a set of economic, social, and political entitlements to be shared equitably by each and every citizen, paid for by collectively home obligations. But the Protean visions of the makers of the Revolution, which they marched across the borders of the French nation and tried to impose upon a variety of neighboring European countries such as the Netherlands,

produced a different cultural understanding of the economic value of citizenship during the nineteenth century.

Whether grounded in the primordial intuitions or revolutionary passions of a particular collectivity of people, national culture tends to acquire its real significance in the humdrum realities of daily life. In most societies, the mundane rourines of day-to-day existence sanction the meaning of culture and institutionalize the economic worth of citizenship. However, well-to-do citizens' social power and their ability to pay substantial taxes granted them rights, such as a more commanding voice in the body politic, that were superior to their downtrodden compatriots, despite the putative equality of all (male) citizens in a brave new post-Revulutionary world.

But if we view the nation as a "structured moral community," then national citizenship should also incorporate a component of mutual empathy, or the forms of "fellow-feeling" that Adam Smith in his *Theory of Moral Sentiments* claimed all human beings naturally harbor for each other. Adam Smith, in fact, was keenly aware that the human capacity for compassion was imbricated in almost all political cultures, even if such altruistic sentiments tended to fall outside the orbit of classic economic stimuli alone. Adam Smith, in other words, did not dismiss culture and human empathy as merely trivial matters that belonged to the realm of fairy tales or utopian dreams. Instead, he implied that econonuc development, the constantly changing configuration of national identity, and the "history of notion-formation" collectively played a role in defining and entrenching the economic worth of citizenship within most national communities.'

Accordingly, in this essay I explore the ways in which "the structured moral communities" of France and the Netherlands attached a different economic value to the rights and burdens of citizenship. I do so by comparing Dutch and French rhetoric of poverty and social welfare during the decades following the French Revolution. Distributing charity to fellow-citizens entailed a set of judgments about the socio-economic significance of poor citizens, who were deemed either worthy or unworthy of the financial goodwill of their wealthier compatriots. Implicit in the rhetorical legacy of the French Revolution was the aspiration that penniless laboring men in either industry or agnculture presumably shared the same economic rights that more affluent citizens enjoyed. However, social supenors inflicted an array of legal regulations and moral injunctions upon their less fortunate fellow citizens, which marked and restrained the arduous lives of poor folk. Contemporary bourgeois judgment tended to restrain the behavior of peasants and the working class(es). They were relegated to the rustic periphery or the murky underbelly of civil society, ostracized by "a moral condemnation" which isolated the poor and transformed them into the dangerous classes, a designation they routinely appropriated for themselves." While in theory human dignity and social belonging constituted the umversal attributes of citizenship and manhood in the post-revolutionary universe, in reality humble peasants and laborers (and women, who were technically excluded from citizenship) were often relegared to a shadowy world that did not exhibit either economic merit or social honor.

But patterns of causality also flowed the other way. The consequences or side effects of poverty - which induced the poor either to try to find more work and earn higher wages or prompted them to beg, steal, or riot - molded the elites' attitudes, too, and shaped their ideological predispositions. The conduct of needy people who were the objects of bureaucrats' and politicians' concerns, those whom they tried "to persuade, subdue, cajole, or repress," also affected policy strategies, either positively or negatively) How politicians talked about the economic value of citizenship and the moral imperatives of the community in which they lived, or how intellectuals agreed upon the ground rules for the discussion about indigent fellow citizens, defined, to a great extent, the content of the debate.

The Economic Value of Citizenship in Rhetorical Constructions

Throughout history, most societies have confronted enormous differences between citizens who are rich and those who are poor. In the modern era, these issues are at the heart of social and economic history. We now recognize, for example, that the economic and social conditions of any nation determined, to a great extent, which citizens were indigent and how poor he or she may have been. Employment opportunities, wage rates, and the price of food, rents, and fuel exerted an indelible Impact on the extent of suffering; the same holds true for environmental factors such as climate or the incidence of epidemics. Individual biography and blind fate also determined the level of poverty particular groups of citizens experienced, irrespective of their formal status in the body politic. Illness, the particular phase in the life cycle, and illiteracy each played its part, too. The distinctive ways in which rich inhabitants, through taxes or private donations, helped to alleviate the plight of their poverty-stricken fellow citizens influenced not only the degree of poverty hut also the economic and social structure of their society, at least on the margin. Besides, the chronological "age" of cultural patterns of poor relief also matrered.e

For the purpose of this essay I wish to identify four salient if separate issues that infused the discourses about poverty and poor relief in both countries. Even if these questions constituted points of serious disagreement in borh France and the Netherlands in the immediate post-Revolutionary era, some or all of these "helping conundrums" inflected the rhetoric of intellectuals, politicians, and bureaucrats in the Netherlands and France.I The first issue that informed the rhetoric about the economic value of citizenship was that of equalization, or the idea that poor relief represented a form of mutual insurance or an institutional shield that mediated between individual and collective misfortune. Examples of collective bad luck in nineteenth-century Europe abounded, They constituted such phenomena as a dismal harvest to a particular year in a specific region of a nation due to flood or drought. Another example was a disruption of the market environment or a downturn in the commercial fortunes of a specific sector of society as a result of international economic pressures or war and foreign occupation.

Individual adversity might include the unlucky circumstances faced by widows and orphans upon the death of their spouses or parents. People born with physical handicaps confronted desperately unfortunate circumstances through no fault of their own. In all of these instances, poor relief, as part of an Implicit mutual insurance arrangement concluded before the fateful event, channeled resources from one sector or region of society to another, or from one group of relatively affluent citizens to another less well-endowed segment of the population. Inherent ıı ı this arrangement was the understanding that at some later stage, rnore comfortable members of society might themselves become the unlucky ones, thus reversing the roles of henefactor and pauper. In this rhetorical construction, all forms of poor relief contain an element of mutual insurance. 6

A second issue that imbued many proposed remedies to poverty and inequality was a recognition that giving charity entailed certain socialliabilities or moral hazards. Both pclicymakers and intellectuals believed that poor relief could function as a disincentive to industriousness and law-abiding, ethical behavior. Most societies, today or ıı ı the past, prefer not to nurture impoverished people whose suffering only stems from personal laziness or character flaws. Accordingly, in nineteenth century Holland and France public officials and private donors tried to separate the wheat from the chaff and wished to assist only those who were down-and-out through no fault of their own - *pauvres honteux* or, as the Dutch called them, the *(atsuenlijke annen:* the appropriately shamefaced, respectable, and deserving poor. Social commentators feared that unless poor relief was confined only to genuine socio-economic victims, it would encourage nothing but sloth and drunkenness in its recipients and would produce a parasitic reliance on the benevolence of more prosperous fellow citizens or the redistriburive capacities of an overly intrusive state. These concerns were hardly unique to the post-French Revolutionary era. Such apprehensions have been the cornerstone of social welfare policies from Augustus's Rome to Mayor Rudolph Ciuhani's New York City or neo-conservanvc politicians in contemporary Europe, who have always posed the same question: how can we separate the truly unlucky citizen from welfare cheats and free riders?

A third element informing the discourses about the economic value of citizenship was the notion of pacification, or the perception of poor relief as a means of suppressing petty thievery and insurrection or preventing social disorder. The working class personified a potential danger both to the social elites or even modest but self-supporting folks, because impovenshed workers could band together and use their collective strength to commandeer the possessions, threaten the profits, and sabotage the psychological equanimity of society's wealthier citizens. In this construction, charity functioned as a manipulative hand, disguised as an empathetic gesture which the rich extended to the poor. It fostered the notion that poor relief comprised little more than a few crumbs thrown to needy workers to ensure that their residual discontent did not spill over into an open revolt against the status quo.

A fourth consideration could be labeled the profitability principle, which entailed a perception of poor relief as a way to assure that a sufficient number of able-bodied citizens could produce a steady economic output. A concern with the

profitability of charitable practices focused on the need to cultivate the health and vigor of workers in order to maximize profits and safeguard the income of the well-to-do. Poor relief, especially temporary assistance, often served the interests of the rich even when they had no specific reason to fear social chaos or political rebellion. Most elites understood that widespread mortality among workers might eventually cause wages to rise and thus reduce profits. They also grasped that undernourished children grew into adults who would probably become unproductive workers and feeble soldiers. Similarly, landlords knew that peasants lacking physical stamina might be unable to pay rent. In other words, elites understood the benefits of supporting destitute workers in extreme need, even if some prosperous citizens may have tried to avoid bearing the financial burden of assisting the poor out of fear of creating an indolent work force.

The anxieties about pounng charitable resources down the drain was another aspect of concerns with profitability: naive philanthropists or misguided public officials might sustain shiftless, if sly, poor folks who were beyond the pale as potential workers. Thus, in considering the profitability principle, a free rider problem arose once again, not only among the beneficiaries of charity but also among benefactors. Some rich but devious citizens could easily manipulate others into shouldering the financial burden of charity while getting off scot free themselves. To avoid an unequal distribution of the charitable obligations toward fellow citizens who were impoverished, state authorities, at the local and national level, often wished to "collectivize" poor relief by Imposing taxes or poor rates rather than rely on private charity or voluntary donations. While charity was a quintessential form of altruistic behavior, in the words of Abram de Swaan, it was also an indivisible good that bestowed free benefits even upon those who did not personally contribute: it was "a form of action that profited not only rhe receivers, bur also the collectivity of possessors as a whole."? Thus, public officials' desire to convert poor relief into a universal responsibility, borne across the board by citizens who were rich enough to pay taxes, was a rhetorical theme that reverberated throughout the nineteenth century, only to be officially acknowledged in the twentieth century.

French and Dutch Discourses about Value and Membership in the Nation

All of these topics surfaced in the written oratory of policymakers in both the Netherlands and France, albeit in different ways. Despite their undeniable differences in historical legacy, economic structure, political style, and above all, geographic size, both countries confronted a common problem during the decades following the French Revolution: a level of poverty that seemed deep-seated and more oppressive than it had ever been before. In either country, public agencies and pnvate charities tried to alleviate the distress of poverty-stricken people through a variety of social welfare measures intended to aid the sick, sustain the elderly and the disabled, or support temporarily unemployed workers.

The rhetoric of rich citizens' charitable duties towards their needy fellow citizens, whether conducted in Dutch or French, touched upon all the pressing issues that confronted the modern world in the aftermath of the French Revolution. An anguished public debate about the Social Question in both countries tried to steer a middle passage between the legitimate human suffering of the "deserving poor" and a genuine fear of the revolutionary propensity of the working class. While acknowledging the traditional Christian injunction to be charitable toward fellow citizens who were less fortunate because "the meek shall inherit the earth" public officials negotiated, as best as they could, their compassion for the poor vis-a-vis the state's need to monitor and contain them - what the French called the enclosure of the poor *(l'enfermement des pauvresl.*

Some recurrent questions troubled most people who thought and wrote about the Social Question, regardless of their ideological stance: did the unprecedented visibility of poverty during the first half of the nineteenth century signify a radical departure from the situation prior to the Revolution? Did the material suffering they witnessed in the post-Napoleonic era represent a genuine increase in the absolute number of poor citizens? Were the concentration of a growmg number of people in urban centers, or changes in the social and economic organization of modern society, responsible for the conspicuous new problem of indigence? If so, did the perceptible growth in poverty constitute the tangible evidence of the kind of proletarian emiscration Karl Marx and other utopian socialists in France had begun to prophesy in the 1840s? From all these ruminarions emerged a corollary question conccrnmg the formulation of policy: How could the French and Dutch governments implement social policies that would ensure a reasonable matenal existence for a greater number of citizens without producing an intolerable drain 011 the nation's treasury - and, perhaps more importantly, without creating a madding crowd of loiterers, wastrels, and parasites?

In a French imagination, being poor often served as merely a pretext for revolting agamsr the existing political order. In a panoply of poignant incidents described in colorful detail m the records of the Ministry of Justice in Paris, humble women and children of the most downtrodden classes of French society were presumably incited to riot hy shady characters. Judicial officials perceived the mothers' ardent desire to feed and nurture their children at any social cost as being grist for the mill of "outside" political agitators who manipulated gullible souls to serve their ulterior purposes. Many a Prefect of Police in rural France transcribed hungry women's attack on grain merchants in the local market place, expressing their outrage at artificially high prices of grain, into an episode that was essentially political in nature and thus might threaten the sovereignty of the state.[8]

The irony in nineteenth-century France, however, was that the urban scene overshadowed the rural landscape, even if the proportion of French citizens who lived in cities rather than the countryside was relatively minor. Nonetheless, urban rather than rural concerns modulated the discourses about the economic burden of pm'erry. A "new and sadly energetic name" for poverty (*paupérisme*) entered public discussions after 1815, which conjured up a very specific fear of social disorder, even an-

archy, rather than the idea of relative deprivation." **In** the mind's eye of political elites in Paris, Lyon, and a handful of other cities, the new word *paupensme* no longer signified a poignant human condition that engendered fellow feeling on the part of society's more affluent members. Instead, the recurrent use of the word pauperism in the French narrative about desperate fellow citizens depicted them as a social plague, as if they embodied a contagious disease that was in the process of undermining the health and vigor of the body politic. This social illness, in turn, epitomized a quintessential characteristic of the "modern" nineteenth-century world. ro

Even though quietly suffering *proletaires deschamps* constituted the lion's share of poor citizens in France, it was the specter of urban pauperism that defined public debates. The menacing crowds of rowdy industrial workers conjured up a social universe dominated by overcrowded cities that were dependent on factory production and inundated with unruly laborers forever threatening to overthrow the status quo. One of the more exaggerated estimates of the total number of paupers in the French nation reached the excessive number of six million, while another sensationalist calculation of the size of the beggar population alone went as high as four million.31 These inflated numbers, unrelated to any statistics compiled in more reliable sources, registered the consternation and fright of bourgeois France. A veritable, deep-seated "neurosis," afflicted middle class observers, who indulged in a prurient obsession with pauperized men and women and the interlocking "criminal underworld.">

The word pauperism stressed the "exotic" otherness of the poor who seemed to inhabit the opposite extreme of the social abyss. Poverty in a genteel and comprehensible version might be something that happened to a hard-drinking cousin or a distant uncle who was addicted to gambling. The many embarrassing "poor relations" populating the pages of Honore de Balzac's *Comedie humaine* provide vivid testimony to such bourgeois fears and fantasies. These disgraced relatives might fall on hard times, forcing them to drop out of fashionable social circles as a result. Whether or not such a downward slide from middle-class propnety was a temporary or permanent one, it was a descent into poverty with which the average bourgeois person could empathize. But French notables could not conceive of paupensm as having anything to do with their own tasteful lives. The concept *paupérisme* dissociated being poor from the kind of personal misconduct or financial miscalculation that was familiar and understandable. Instead, many respectable observers converted pauperism into a horror story about terrifying, alien creatures who lived beyond the horizon of bourgeois sensibilities. In the process, these destitute masses were reimagined as a herd of frightening beasts who resembled humans but were, in fact, a different species that had gotren stuck at a lower level on the evolutionary scale.

The label pauperism both articulated and emblematized a curious paradox in nineteenth-century French society. In the political vocabulary of policymakers in Paris in the aftermath of the French Revolution, being miserable and hungry entailed a moral flaw or a personal failure to exercise one's rights as a fully entitled *citoyen.* The Revolution's Declaration of the Rights of Man and Citizen, after all,

had bestowed upon every Frenchman, regardless of birth or social position, equality of rights and the liberty to compete as an alleged equal in the political and economic marketplace. However, the Revolution's political ideals, whether *liberté, egalite,* or *[raternite:* proved scant consolation to indigent working men and all women – since women were formally excluded from full-fledged citizenship - forcing them to try to survive by any means possible.

The Revolution had bequeathed a dubious legacy upon the nineteenth century: the abolition of the paternalistic protection of the poor, so crucial to their survival during times of dearth prior to 1789, was presumably offset by the greater economic and political freedoms granted to all men as individual citizens. But even if poor folk in France had never received much from the Catholic or voluntary poor relief of the ancien regime, in the nineteenth century they encountered a closure of soup kitchens, confronted the state's attempt to manipulate the charitable lnbors of the Catholic Church, and heard nothing from the central government in Paris but idealistic slogans that proved to be hollow promises. I}

A new word such as *pauperismc* symbolized not only the ambivalence of French policymakers toward their miserable compatriots but revealed, too, the contradictions inherent in nineteenth-century political doctrine. Held personally responsible for their indigence due to individual moral defects, the overwhelming presence of indigent citizens in French secrecy nonetheless represented an unsettling social problem that required the government's watchful eye. Despite the Chapelicr law's abrogation of all guilds and rrade corporations – and the Revolution's eventual embrace of non-interference in social life and its celebration uf unregulated economic competition – public officials in the decades after 18rS confronted a menacing crowd of miserable workers who required political surveillance and careful control. As Fugenc Buret, the caustic editor of the progressive *Courrier Francais,* argued III 1839: "the word pauperism originates in England, but it does not signify anything more than rruserv; it is only a more generalized state of affairs. Misery applies to individuals rather than to classes. It makes us think of private suffering, while the word pauperism embraces all the phenomena of poverty: this English word reveals to us the sense of poverty as a massive SOCial scourge, of public IIIIS-ery."'4 In sum, the term paupensm elicited an aura of covert danger that surrounded the material suffering of indigent workers on a large scale. It was a word that underscored the equivocal attitudes of bourgeois France towards the nation's hungry and poor.

III the setting of the distinct political culture of the French capital, the Prefect of Police in Paris, Louis Debellcymc, addressed these issues directly in 1828 when trying to raise funds for a more effective prosecution of beggary and vagabondage in the city. The *Moniteur* reprinted rhe text of his proposal on November 27, 1828, whIch unveiled a poignant picture of the contradictory reality of desperately poor citizens living amidst the affluence of others:

> *Mendicité* (beggary) has reared its ugly head in Paris and her neighhoring communities with all that IS hideous and distressing. Beggars pursue passersby III the

> streets and they harass them in the portals of churches; they hold merchants ransom and they display a painful spectacle of infirmities, both real and feigned. Everywhere they present a shocking picture of abject misery amidst wealth and abundance, of drunkenness and idleness amidst active industry in the most perfect civilization. Because the law prohibits beggary, it is incumbent upon humanity to provide shelter for those who have to reduce themselves to begging only because they are deprived of material resources. It is exactly those shelters that we are lacking. A task so noble is worthy of the attention of the residents of Paris and its surrounding areas, and this appeal to the time-proven habits of generosity of our citizens is made with the confidence that it will not be in vain.o

The police chief's proposal was a remarkable document. It portrayed m graphic detail the prevailing French ambivalence about pauperism and physical want, which often implied spiritual weakness as well. By appealing directly to the potential social danger that hordes of deceitful beggars in the city embodied, Dcbeileyme tried to galvanize the Parisian bourgeoisie into action by digging deep into their pockets m order to raise money for necessary shelters. But by shelters he meant lockups and jails, which would enable the police to incarcerate vagrants and remove them from the pristine urban stage of bourgeois civility. Middle-class residents of Paris should not only acknowledge their personal duty as citizens but also recognize their own self-interest: they ought to provide the funds necessary to enforce the laws. Bourgeois Pansians, who presumably had achieved their exalted station in life because they personified "active industry in the most perfect civilization," should protect their civil domain from the presence of hideous vagabonds.

Leaving aside, of course, whether affluent Parisians had simply been born into prominent families and had inherited their money and social positions or whether they had truly earned it, Prefect of Police Debelleyme stroked their vanity while nurturing their fears of urban chaos. The vagrants were dishonest creatures, he announced, since many of them feigned their physical handicaps and ailments. They accosted honorable Parisians in the streets: on Sundays (hey even heckled faithful Catholics upon entering church for mass. But Debellevme's invocation of the ethos of *libertc* and individual responsibility went both ways. A lack of material resources forced these sleazy vagrants to lower themselves to their wretched station in society. He hinted at the possibility that the beggars were given no option other than to be the annoying creatures they had become.

Although he conceded the possibility that society's material inequality was implicated in the problem of vagrancy, Debelleyme undoubtedly remembered the political legacy of the Revolution, which had stipulated that no citizen, whether rich or poor, should be given special treatment. Social circumstances may have contributed to the Parisian vagrants' descent into their ghastly existence, but the moral responsibility to emerge from their horrible lives was their own. If the wealthy citizens of Paris fulfilled their political duties to society and kept their part of the bargain by paymg taxes and their dues to the city, then the Prefecture of Police would do its part, which was to act on behalf of society and reduce the number of beggars by simply locking them up.

Debelleyme painted a picture of poverty that was particularly shocking because of the glaring contrasts between abject misery and Parisian ostentation. It was a portrait of intense social contrasts and economic tensions, and he invoked a series of cliches about ragged beggars as truculent, forever ready to undermine the SOCIal peace. But his startling portrayal aligned the solution to pauperism in the city straightforwardly with the incarceration of large numbers of Impoverished beggars and a more efficient structure of social surveillance. The enclosure of the poor would enable Parisian notables to live their elegant lives In peace without being challenged, on a daily basis, by threatening "others" who should be contained on the opposite side of a fundamental social divide.

Debelleyme's shrill voice, however, was not an uncontested one. In the course of the next two decades, a flourishing coteric of French utopian socialists began to construct an eloquent and powerful counter discourse, especially during the 1840S. The rhetoric of critics on the left divorced poverty from personal failure or character deficiencies and placed the burden of guilt squarely on the shoulders of French society's inequitable distribution of income and its unjust class structure. Not only Karl Marx lived a shifty life in Paris for part of the 1840S, constantly harassed by the Parisian police; he shared the oppositional political stage with a retinue of native-born utopian socialists. French social commentators on the political left collectively showered the nation with a deluge of innovative ideas and applied a distinctly "marxist" analysis before Marx.[16] But the French state, or more pertinently, Prefect of Police Debelleyme and his subordinates and successors, forcefully suppressed the idealistic authors of such subversive social critiques. This alternative vision of social Justice and a plea for a more equitable distribution of the benefits of French citizenship was officially ignored by bureaucrats and policymakers in Pans.

In striking contrast, the Dutch political economist Simon Visscnng provided a profoundly different reading only a few decades later:

> With the expansion of wealth, prosperity, and civility in a society, the social distinctions between those who benefit and those who suffer as a result of economic development become more palpable. In previous centuries, everyone was equally rich, or rather, equally poor. As times went on, a few rich people were capable of enjoying the fruits of the earth while the majority of the population was still caught in the chains of poverty. This group of poor people tends to acquire visibility as the gap between rich and poor grows wider and, in this way, a heterogeneous sector of society receives a single descriptive name: paupers. The more attention the poor receive, the more Vivid the contrast between rich and poor becomes, and when public compassion and generosity expand, the greater the worries about the consequences of the stark distinctions between rich and poor will be.'?

To Vissering, who was a political liberal and a vocal advocate of capitalism "before its final triumph," poverty under its ominous new designation, pauperism, was a creation of modern industrial society. He raised the Issue of public perception and

the labeling of social groups. He noted that when societies became preoccupied with the question of poverty, the allegedly "objective" research of contemporaries caused both the material conditions and the moral temperament of the poor to lapse in the popular Imagination. In a certain way Vissering identified what was called the Hawthome effect in the sociological literature of the 1950S. The tendentious *facts* uncovered by the first generation of positivist social scientists, Vissering argued, who collected data after visiting working-class slums in Paris, Lille, Amsterdam, or Middelburg, helped to mvenr a new mealllng of poverty.[18] *"Pauperisme* distinguishes itself from poverty only insofar as human suffering is viewed in connection with the afflictions and injustices of society at large," three Dutch authors wrote in 1852, thereby constructing their uniquely Dutch vision of the relative dimensions implicit in the new concept of pauperism.'?

In the Netherlands officials employed an idiom and concocted a narrative about poor fellow citizens that differed from the cultural vocabulary used by colleagues in France. Dutch elites often used the phrase *behoeftigen* - needy citizens - which acknowledged individual misery without immediately assigning moral guilt or attributing personal failure. The word *behoeftig* imbricated poor people's matenal wants with the collective *resources* of Dutch society and embedded the poor in the community as a whole. Both wealth and poverty issued from the cumulative capacity of all members of society to generate, "through their collective labor power, a surplus above and beyond the requirements of subsistence;" it was the "internal distribution of this surplus," johannes van den Bosch insisted ıii 1818, that determined the relative affluence and deprivation of each member of Dutch socieey.w

Some citizens, however, simply could not find work, however eagerly they tried, and thus their distressing need also affected others who were gainfully employed. Yearning for work, food, and shelter, or wishing for human affection and physical warmth, intimated a direct relationship with *those* who were well-to-do. Even *self*-satisfied and comfortable Dutch burghers, after all, could remember, or at least fathom, being cold and lonely. Prosperous people could also recall or identify with the experience of longing for material security and a full stomach. The simple term *behoeftig* thus substantiated the "common bond" between those who suffered and those who might help; it symbolized a culturally constructed discourse through which the causal linkages between a social "evil," a needy "victim," and an empathetic "benefactor" were fashioned."

Another term that surfaced routinely was the neutral Dutch word *armenwezen* or *armwezen,* meaning the condition of being poor or the existential world of poverty, which agam emphasized the ecumenical cxpenence of human suffcnng and linked it to both individual and collective hardship without necessarily ascribing blame. *Armenwezen* sounded a bit like *handelswezen* or *bankwezen,* which referred to trading conditions and the commercial arena or the sedate world of banking. It tended to remove the stigma from being poor by modifying it into an ordinary circumstance, less loaded with haunting social meanings. The bland word *armenwezen* seemed to suggest that poverty *was* a particularly unfortunate station in life allotted to hapless people, often through little fault of their own.

Officials and intellectuals in the Netherlands appropriated the French slogan *paupcrismc* into Dutch, too, but they used it less often than their neighbors to the south. They invoked the word pauperism when they wished tu emphasize the social responsibilities and financial burdens associated with the presence of enormous numbers of poor people ın their midst. A lively theoretical debate ensued among liberal economists, for example, about the inefficiency, misguided economic logic, and wastefulness of "pauper factories" that tried to link poor relief to the inculcation of an appropriate work ethic and greater industrial skills. The issue of profitability, in other words, loomed large ıı ı their imaginations. Dutchmen also used the term pauperism as a figure of speech denoting the degradations and inequities inherent ıı ı the modern world - not as a succinct metaphor for the fear of social revolution. But the more frequently used phrases were "needy" and the "condition of being poor," which did not inspire the same kind of anxiety about political chaos and lurking dangers as it did in France. Instead, it was a story that focused primarily on the manner in which poor citizens could be supported without disturbing or VIOlating the organic unity of Dutch society and, above all, without depleting its collective resources.

The discourses about poor people ın the Netherlands reflected the myths about the social harmony of the golden age of the Dutch Republic, which lingered on ıı ı the nineteenth century. In 1820, a Dutchman argued that "under the laws of our ancestors we not only made wealth, but wealth so widely distributed that it could really be called prosperiry.v-> The Implication of this statement is simple: genuine prosperity could flourish only when the affluence of some was shared with others who were less fortunate. This emblematic narrative about Dutch history, which originated in the early modern period, was deeply ingrained in the popular imagination and political culture of the nation. It informed the combative and presumably "modern" debates about private charity versus public welfare during the first half of the nineteenth century. It IS a narrative that still serves as one of the guiding principles of the contemporary Dutch welfare stare.so

Indeed, the social architecture of nineteenth-century Dutch society revealed few, if any, grandiose funerary statues or ostentatious monuments. Instead, the most precious architectural artifacts of the social geography of the Dutch nation existed on a less opulent, and a more intimate, scale. They consisted of unpretentious patrician houses with elegantly gabled roofs or of unadorned churches, which had been stripped of their most brazen religious iconography. But it was literally and figuratively ıı ı the municipal nooks and crannies, in between those hallmark monuments of Dutch culture, where one could supposedly find the true source of Dutch glory and national dignity: in the many *hofjes* (a court with small houses for the clderly) and outdoor relief agencies that dotted the social landscape of Dutch towns and cities. Amidst the urban hustle and bustle, in between the understated solidity of a burgher's residence and the ubiquitous presence of the House of God, one could find the physical evidence of a solidly constructed bureaucratic structure of "efficient poor relief" that had evolved, over time, into a mechanism of social patronage for the elite as well as a "crucial strategy of survival for the poor," as Marco van Leeuwen recently characterized it.[24]

Obviously one of the key factors in Van Lecuwen's formulation is the notion of evolution over time. Nineteenth-century notables in the *city* of Amsterdam or elires in other Dutch towns did not construct an ornate and complex administrative edifice of poor relief in a hasty and slap-dash fashion - or as a kind of preempnve strike - in the face of what appeared to be unprecedented levels of human suffering in the the post-French Revolution era. Nor did nineteenth-century municipal councillors or church officials renovate the administrative monuments of public or private charity because they were suddenly imbued with a new and agitated awareness of the blatant discrepancy between rich and poor.

The novel preoccupation with Issues of social inequality in European history has often been identified as a quintessential nineteenth-century phenomenon, and thus, as a radically "modern" sensibility. In the Kingdom of the Netherlands, however, the preoccupation with poverty was not necessarily a typically modern fixation; rather, poor-relief practices in the nineteenth century continued to be molded by the mrncate, if deeply rooted, social architecture which the Republic had bestowed upon the modern era. Although not without political conflict, the practice of soothing the plight of poverty-stricken compatriots - of helping a little here and there, as long as the recipients were regarded as worthy, of assisting fellow citizens who were permanently frail and infirm, or of aiding others who were temporarily unemployed and therefore needy only in the short run - was embedded in the institutionallegacy of the seventeenth-century Republic.

As a matter of fact, the clamorous political discourses about the relative merits of pnvate and religious charity versus secular public welfare, especially during the years between 1800 and 1854, were grounded in a rhetorical tradition that had been self-consciously fashioned during rhe gilded era of the Dutch Republic. Thus myths about the Republic both animated and forged the modern idiom of personal entitlements or civic responsibilities. In fact, nineteenth-century politicians and social critics walked an intellectual tightrope between poignant memories of an intrepid and proud Republican past, on the one hand, and visions of the newfangled economic requirements of the nineteenth-century world, on the other. The latter entailed a particular understanding of the distinct nature of "modernity," which prompted other European countries to take cautious and gradual steps toward a conception of social welfare as an exclusively public, and collective responsibility. In the Dutch case, however, the journey resembled, ironically, a Catholic procession, as if it was necessary in 1854 to take several steps back in order to find refuge, once again, ıı ı the realm of ptlvare charity and Christian philanthropy.

Conclusion

On the whole, the two contrasting narratives about the meaning of poverty and the cconorruc benefits and burdens of membership in the nation, one written in French and the other in Dutch, generated a profoundly different political resonance. In the cultural grammar of nineteenth-century France, discussions about the triangular

relationship between cconomuc value, culture, and citizenship often expressed themselves in a trigonometry of poverty, prosecution, and pacification. Concerns with social equality rather than with pacification informed Dutch rhetoric about social welfare. While some contemporary observers may have evaluated the role of religious philanthropy differently, most nineteenth-century participants in the discourses about the economic value of cultural citizenship embraced a diffuse consensus about the economic value of Dutch citizenship.

Dialogue

Klarner: Reading your analysis of rhetorical practices in the Netherlands and France I am struck by the attention to source and detail. There is even more of that in the original version which I asked you to shorten because of space considerations. The economists and political scientists must seem cavalier to you in the way they deal with historical realities.

Gouda: Yes, in general that's the case. Economists, sociologists and political scientists, however, ask questions about history that are inspired by a set of theoretical issues. The past functions as a kind of experimental laboratory - or what the French call *champs d'expenence* - that allows "hard core" social scientists to track and analyze the differential refraction of certain social forces or general patterns of behavior in particular cultural environments. Historians, in contrast, tend to pursue questions that do operate at the same lofty theoretical level. Often their primary concern is to answer an array of specific questions about a clearly defined empirical reality. While theoretical insighrs influence the ways in which historians approach their research agendas, on the whole they try to refer as much as possible to the available evidence in primary and secondary sources. Historians, one could say, approach theory as if it were underwear: most of us think we should have it but it should not really show!

Klamer: Well, concerning the hidden piece of clothing in your article, I see clear support for the perspective that I presented in chapter L French culture generated values that are distinct from the values that Dutch culture fostered with as the result dramatically different programs for the poor. Culture obviously matters. The question remains how these values come about. Do you have any idea?

Gouda: That is a big question, impossible to answer in one paragraph. Values are intricately related to political cultures which, in turn, were linked to historical patterns of political centralization, economic development, and an array of other factors such as a nation's geographic size or levels of literacy and urbanization. But in light of my answer to your previous question, it might help to listen to a few historical sources. In r838, for instance, the prominent Frenchman Alphonse de Lamartine held forth in the Chamber of Deputies in Paris that "Nothing great,

nothing monumental has ever been done in France except by the state. How could it be otherwise, since the government is the nation in action?" A few years later, in 1844, the more important Dutch politician Johan Rudolf Tborbecke produced a radically different vision of the state: "The purpose of the state IS to Imagine a grand national community, jointly ordered by its members. The state wants to be in a complete sense what municipal and provincial governments must be to a more limited extent, that is, communal self-government, resting on its members' shared capacity to rule." If, as Lamartine noted, the state was viewed as the fulcrum of the French nation, then ideas about the value of citizenship were dis-scnunated by the center to the periphery. **In** Holland, in contrast, the ideal of autonomy at the grassroots level inflected human attitudes towards the suffering of fellow citizens in their daily existence and these values ascended from the local community to the center. I guess we could say that it was difficult for a well-fed bureaucrat in Pans, who rarely encountered a poor person in his daily routine, to foster values of compassion, whereas Dutch municipal authorities and local philanthropists were constantly engaged in maintaining social harmony by soothing the plight of the poor while reassuring the rich.

11

The Value of National Identity

jos DE BEUS[1]

Where Gouda explores the past for the roil' of culture (see previous chapter), De Reus focuses on contemporary society and in the particular the value that national identity has. De Beus is currently Professor of Social Philosophy and Ethics at the University of Craningen. Before that he was at the department of economics of the University of Amsterdam where he worked on and published in welfare economics and rational choice theory of politics. In 1993 *he visited Harvard where he worked with Amartya Sen. He was the main author of the election program of the Dutch social democratic party in 1994.*

For the average person, the limits of his culture are, if not quite the limits of the world, at any rate the limits of his employability, social acceptability, dignity, effective participation and citizenship.e

Emest Gellner

Introduction

THE STARTrNG POINT of this essay is my impression that the standard economic approach to national identity is a mess. It wobbles between the assumption of irrelevance of nationhood to rational hehavior of firms, families and governments and implicit nationalism (national income, national competitiveness, and so on); between reduction of national identification to maximization of wealth or welfare and non-economic explanation, and between seeing nations as bearers of modernization and as primitive, anti-capitalist forces. I think that this mess is unwarranted, smcc economic science in the sense of political economy contains the intellectual credentials and advanced tools of analysis to endogenize national identity and to enrich horh its own stock of knowledge and the insight of the public. By "political economy" I do not mean specific schools (British classical liberalism, German social eccuonucs, Austrian marginalisrn, American and neoclassical institutionalisrn) but a style of economic science which places instrumental

rationality within the bounds of morality, markets within the bounds of civil society, and economic constitution- and policy-making within the bounds of history and culture.

The area in which I myself try to clean up the mess is confined to what economists refer to as normative theory, welfare economics or economic philosophy. The question of the value of national identity can be narrowed down to the question of the Paretian efficiency of nationalist arrangements and measures, but I suggest to try out a somewhat broader framework first. The overall value of national identity needs to be examined in the following spirit. How should we as reasonable human beings, that is, as representatives of the widest union possible, assess the continued existence of our own nation (if any), of the nations of others, and of national division in general-s

My answer is made up of four steps. First, nationhood is defined in the subjectivisr tradition of Renan, Hayes, Kohn, Anderson, Gellner and Anthony Smith. A nation is a people with a common self-image and purpose with respect to the moral nature and institutional framework of their society which is both comprehensive (modes of association in law, politics, economics, technology, arts, religion and many other areas of social life) and bounded (safe boundaries). I define national identity as a basic culture, a set of beliefs, desires and actions which, on the one hand, is distinctive in the light of historical time and, on the other hand, constitutes the basic structure of society, that is, "the way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social cooperation't.e

Second, national identity is seen as an object of value for various sound reasons. It promotes reconciliation of human beings with certain unavoidable limits to human existence (the value of a sense of belonging, of feeling at home). It promotes public space, thus givmg access to an open society which meets certain humanist requirements (the value of fellow-feeling or sociability). It promotes active social membership, marked by dignity and closely related qualities such as self-respect, self-esteem and integrity (the value of dignity). And it promotes collective liberty, In the sense of a context of cultural distinctiveness and social self-control which ennches personal liberty for most citizens (the value of self-determination).

Third, national moral order is conceived as something relative. Is the flourishing of human personality - through and towards love, security, freedom, matenal satisfaction and self-realization - impossible without national identification? Is it our natural duty to help our compatriots first? Is patriotism a "cardinal" virtue? Is there a right to cultural and political self-determination? Is non-intervention in the domestic affairs of other states the correct interpretation of the principle of good neighborliness? Is the nation-state the best regime for realizing the humanist ideal in an era of globalization? (Or is a more pluralist and federalist mode of governance called for?) I will not discuss these kinds of questions in great detail. Instead, I will focus on a more general issue which sheds light on the relativity of valuable nationhood. What is it in national identity that turns nations into open societies or into tribes? I do not deny the meaning of the fact that nations engender their own legit-

unnrc goals, rights and duties ın the eyes of nationals simply by virtue of their aS50-ciational nature. But this internal justification must always be completed - and often corrected - by external moral rcasomng, ıı1 particular by what Hume has called the viewpoint of the "party of mankind" (external justification).5 The interplay between national identity and civil society is one of the crucial connections ın this ethical perspective.

Finally, Dutch identity is discussed as a case-study. Many scholars believe that the Netherlands is a small and homogeneous country which is not troubled by grave conflicts of identity. Some of these are American economists who arc trained to believe that the Dutch internationalist outlook in economic and political affairs (an old nation of merchants, a "natural" export share of more than fifty percent) is not determined hy national identity but hy the sheer necessity to barter, truck and exchange. I will argue, however, that the Netherlands today has to confront the backlash to a post-sixties progressive basic culture, the mismatch between globalizarion and individualization, and the price of loss of sovereignty in the European Union. I oppose the view that the Netherlands looks the very picture of idyllic post-nationalism. Even if there is such a thing as a small open economy with cosmopolitan managers and workers (which is doubtful), the Netherlands does not exemplify it. National identity matters, even if preachers of methodology and Ideology dictate to us the mle to ignore it.

Economists and National Identity

Do we really live ıı1 an age of "sophisrers, economists and calculators", as Edmund Burke prophesied in t790? Economists keep silent since they do not have a standard theory about the formation of preferences. But they do presume a connection between stable positions within the economy (being property-owner, consumer, and so on) and the goals of agents in these positions (maximizing rent, consumptive utility, and so on). One would expect, then, some focus upon the personal identity of economic agents, and its collective and expressive aspects. As Sen, Sugden, Nozick and others have explained, identification not only influences the agent's choice of strategies with regard to the solution of problems of coordination and cooperation, it also influences the content of personal welfare and other personal goals.6

Furthermore, Adam Smith himself understood the relevance to the continuity of commercial society of conversation, fellow-feeling and national character. These are cultural conditions to the growth of national wealth, on a par with structural conditions, such as legal protection of property and contract, urban autonomy, and a balance of power between classes and factions. I do not think that Smith was always serious here, for mstancc in his side-note about the eminent "ignorance and stupidity" concerning the public interest of the "Dutch vulgar" (in a passage on the public costs of division of labor). But Smith's general approach clearly shows that he did not sec national identity as merely a matter of folklore and feuilleron.

The wisdom of Smith and David Hume, the first major writers on national identity after Vico and Monresquieu, has been confirmed by contemporary experts. Scholars like Deursch, Gellner and Tilly pay attention to tension *and* positive feedback between the politics of national identity and the economics of development. It is perhaps sufficient to quote Nairn here: "They showed (. .) that nationalism was inseparable from the deeper processes of industrialisation and socio-economic modernity. Far from being an irrational obstacle to development, it was for most societies the only feasible way rnto the development race - the only way in which they could compete without being colonised or annihilated. If they turned to the past (figuratively to 'the blood') in these modernisation struggles, it was essentially III order to stay intact as they levered themselves into the future. Staying intact, or obtaining a new degree of social and structural cohesion, was made necessary by industrialisation - even (as in so many cases) by the distant hope, the advancing shadow of industrialisation. And *ethnos* offered the only way of ensunng such cohesion and common purpose. The strategy was high-risk, both because the blood might take over and drown these societies, and because they might never really catch up. However, that risk was unavoidable. It arose from the conditions of generally and chronically uneven development - the only kind which capitalism allows, and the kind which has finally, definitively established itself since 1989 as the sole matrix of further evolution"."

Nevertheless, there seems to be no focus whatsoever on national identity in mainstream economics. The literature provides a shallow account of nationalism as threat or reputation advantage in international bargaining, an ideology of rent-seekers (protectionism) or a feature of businessmen that is as irrelevant to decision-making as the calor of their eyes.[8] Both Hayek's denial of the historical link between classical liberalism and nationalism, and Tinbergen's rejection of nationalism as an atavistic constraint to the realization of the optimal social-democratic regime illustrate the conventional wisdom. Of course, it is important to examine the contribution of expected utility - what IS III it for me and my people? - to the process of joining or leaving national communities and of incorporating or excluding others. According to the rational-choice VIew, national identification is driven by egoist concerns of certain classes of people (winning middle classes, losing lower classes, opportunistic ruling classes), 10 particular by the desire for positional goods (certificates, jobs) and material goods.v Yet this view has become increasingly prolematic.

Expected utility maximization is parasitic upon some original and perpetual acquisition of the skills of agency (such as the abilities to imagine the future and to calculate) and upon some similar formation of personality (the ability to distinguish between myself, my people and third parties). From a methodological point of view, it makes sense to recognize the reality and autonomy of nationalist considerations (feelings, perceptions, attitudes, motives, desires) and nationalist institutions. It is conceptually and empirically possible that national identity is an independent power, irreducible to optimization (genetic, individual, collective), The alternative is an outlandish view of personal and social ways of modern world-making. Main-

stream conceptions such as Marxism, Public Choice and Rational Choice Theory will remain distorted if they stick to reducing identity and culture to rational egoism. They neglect the pursuit of communal goods (such as conviviality) and substitutes for communal goods, the higher-order context of subject formation (individualization *and* socialization}, the public dimension of the provision of public goods in the real world (in particular in democratic SOCieties) and the distinct Impact of universalisr thought in the West (the idea of globalization of liberal law, free markets, representative democracies, civic associations *and* peacefully coexisting nation-states). Consequently, their account in terms of mutual material advantage cannot show why nationalist movements go beyond the class struggle, do not vary with changing economic conditions and succeed both in advanced regions/periods of prosperity and backward regions/periods of adversity. Even Celtner's sophisticated modernization theory runs into problems here.'?

I am not suggesting that there is some standard theory of national identity waiting in the wings to be brought into the general theory of human action. Any account of national identity must come to terms with some major conundrums. By way of moving from the critical part of my argument to the constructive part about the value of national identity, I will attempt to darify one of these; the difference between subjective appreciation of nationhood and of art.

Arguments about the value of nationhood m many ways fit mto a general discussion about the value of art. Both the politics of national identity and of the arts are forms of representation, of securing the presence of someone or something absent (compare Michelet's history of France and Monet's water lilies). Nation-states protect certam arts, while artistic movements support certain nation-states. There are renowned cases of the politicization of art by nationalist leadership along with the aesrheticiznrion of politics by an artistic nvant-garde. fJ Many works of art become part of national culture even if their creators never intended to express any meaning outside the world of art (Mcner) or if they had politicalintentions related to personal identity in the intimate sphere (Ingmar Bergman). There are also examples of the unintended artistic consequences of nationalist politics, such as the flourishing condition of Dutch "netticheyt" painting (Dou, Frans van Miens) 111 the aftermath of the revolt of the Low Countries against the Habsburg Spanish government of Philip 11.[12]

Post-modernists conclude that a nation is ultimately a text that must be read, repeated and reassembled. But that is an overstatement, since the past is neither entirely malleable nor reducible to language games. '3 In some respects the modes of valuation of nationhood and art do differ. A lot of art is high culture. Both its ereanon and its enjoyment require special competence. Valuation of these arts is marked by massive underestimation of its long-run benefits, relativism of standards, thc pursuit of distinction (snobbery) and the cash value of star artists on the market. National identity is mostly low culture, although its initial invention is oftcn the business of rising intellectual elites. Valuation of national traits and accomplishments IS marked by massive overestimation of its long-run benefits, absolutism, the pursuit of homogeneity (populism) and nationalist ideology and

sentiment as a device for reducing taxation costs for thc rulers of the state. Talmon even suggests a clash of the upper-class lovers of supra-national beauty and the lower-class lovers of country: "Historical experience has also shown, however, that ıı ı times of national oppression and social stress the true nature of a nation may be defined in an emphatically popular spirit. The masses are made out to be the natural repository and faithful guardian of the national values. Their pristine spontaneity and immediacy, their remoteness from contact with the outer world, are held to immunise them against the contagion of adulterating intluences to which the upper classes are allegedly exposed through whonng after alien gods. The unpretentious simplicity of the lower orders and their staunch loyalty to native traditions and ancestral virtues are believed to foster uncompromising opposition to and msurrectionary resolve against foreign invaders and masters. The effete and sophisticated selfishness of the upper classes, on the other hand, easily tempts them into treasonable collaboration with alien masters who enable them to preserve their wealth and privileges." I4

Perhaps Talmon's assessment is uneven. There are cases, such as Prussia before the First World War, when nationalism turns VIcious *and* appealing to the respectable middle class (including respectable scholars like Max Weber).15 Talmon focused on the relation between national identity and totalitarian revolution while pushing the relation between national identity and democratic constitutionalism into the background. More importantly, Talmon's Simple elite-mass scheme may have become obsolete. Some argue that national cultures today are crumbling and have become as fragmented, hybrid or short-lived (as far as hegemony is concerned) as styles and fashions ıı ı the contemporary art gallery scene. There are no more amorphous, insulated and fixed masses or "publics", passively waiting for the one artistic or political substitute for God. According to Tully, "As a consequence of the overlap, interaction and negotiation of cultures, the experience of cultural difference is *internal* to culture." 16

Nevertheless, 'Ialmon's ominous words have to be taken senously. *Homo Nationalis* is indeed less innocent and benign than *Homo Ludens;* even when he moves ıı ı the disguise of *Homo Economicus.* I assume here that (i) national identity will remain a rooted, attractive, overriding and normative way of life for most single members of the foreseeable future world order, (ii) political action regarding national identity can be justified in terms of humanistic thought about the good life (in particular ethical individualism and liberal egalitarianism), and (iii) the nsk of destructive ways of national identification can never be excluded on the basis of twentieth-century experience with nationalist violence. So the most interesting question goes something like this: How do we as reasonable humans assess our own nation, other nations and national differences in general?

Identity of What?

A nation is a people. A people is a large set of anonymous individuals (1) who think and feel that they have important things in common and that they differ so much from other groups, that they constitute a distinctive and self-contained society; (2) who share a certain way of life and attach public meaning to it to the point where it turns into a self-enforcing culture; and (3) who see this society and culture as intermingled with their conceptions of self, and appreciate their bounded opportunities so strongly, that they pursue both protection by political means, in particular state support, and political recognition by other peoples, if necessary by force.

Let me briefly specify the main elements of this definition.[17] The first element points at national consciousness, a classic example of inter-subjectivity or mutual belief. It is neither necessary nor sufficient for establishing the existence of a nation that there are natural group features, such as proximity and ancestry. The Dutch and the Flemish are quite homogeneous in certain respects, yet they do not form a nation. The crucial point is that individuals recognize each other as belonging to their society. This view permits many different forms of nationhood, such as monolithic and plural society. Yet it excludes certain types of community, namely kin-based communities (families, clans), ethnic communities, small-scale communities (neighborhoods, life style enclaves), regional communities, specialization-based communities (firms, professional associations) and sectional communities (clubs, social movements like religious associations, trade unions and the new social movements). These communities are not distinctive and self-contained, in the sense that they do not constitute an encompassing culture with distinctive characteristics (landscape, architecture, the arts, food, sports, ceremonies and holidays, and much more). Global community does not count as a nation, since the world population is not a group which differs from other populations in other worlds (external difference).[18] It is rather a union of nations with different systems of coexistence, like the imperialist system, the Westphalian system of 1648 and the United Nations system of 1945 (internal difference). Of course, national consciousness implies that the number of nations and the size of nationhood are variable. If ethnic or regional communities wish to create their own society, then the number of nations may increase; if they wish to integrate into the larger society, it may decrease. A nation may contract (living in contemporary Manhattan as a national experience) or expand (living on a future earth, surrounded by planets with identified populations). Both changes have a major impact on state institutions, such as the degree of separation of powers, decentralization and assignment of group rights.[19]

The second element focuses on publicity. Nations have public spheres. This public sphere contains open territory; shared historical heritage (including myths); a common economy (with territorial mobility throughout); legal rights and duties for all members; mass education; mass politics, and many other representative institutions, practices, and decisions which make their culture self-enforcing. Self-enforcing culture is not perfect culture, whatever that may be (free from costs of entry and exit? blissful? stationary? hegemonic? closed? old?). It is creative in meet-

ing manifold demands, durable and dynamic. Civic nations are marked by the separation of public and private culture, and by permanent controversies and changes regarding the boundaries between public and private.

The third element focuses all the loyalty of nationals. Members of a nation are loyal to each other in concrete interactions and in the abstract following of rules. They grow up in its pervasive context, thus internalizing its bounded rules, both the formal ones (constitutional and legal rules) and the informal ones (social norms, conventions, moral maxims). Membership itself is important for their self-identification (and for the identification of others, namely compatriots, minorities in a grey zone, and foreigners). Membership is primarily regarded as a matter of belonging, not of achievement. Yet there are standards for love of country: soldiers who risk their lives by saving civilians and employers who sacrifice opportunities for profits by expanding domestic employment are more deserving than their collegues who do not live up to such standards. Last but not least, members seek or prescrve an independent state which protects them and their culture and which is conceived for good reasons as their own arrangement, in both the instrumental and the expressive sense. The nation-state is supposed to guarantee national identity and the comparative advantages of national membership. Its logic will only be questioned when and because national identity disappears or becomes less urgent, or the compararivc advantages disappear, or other politics (say, a confederation of states) become more capable or willing to protect the people. As Rousscau asked 111 1755, "Do we wish men to be virtuous? Then let us begin by making them love their country; but how can they love it, if their country be nothing mure to them than to strangers, and afford them nothing but what it can refuse nobody?"lO These facts of modern political life force the leaders of the state not only to cherish national identity as a state-bearing force bur also to influence national identification itself and to crush reluctant minds. This point (statecraft implies specific soulcraft] IS self-evident for the new classic theorists Anderson, Gellner, Smith, and Hobsbawn, although it has been rather overworked by their epigones.>'

It may seem that the study of national identity is straightforward. The task requires no more than to determine the nature and significance of national consciousness, intra-national publicity and loyalty to the nation. But to show empirically that some feature is or is not part of national identity turns out to be complex and contestable. It is one thing to say that the British are "various in temperament" (Hume), the Germans are "profound" (Kant}, the Italians are "cynical" (Gioberri), the French are "vivacious" (Fouillee} or the Dutch are "middle-class" (Huizinga).22. To clarify Renan's "daily plebiscite" (national identification) is quite another. One must show how a certain mental variable emerges, changes and still remams recognizable by users and observers as a distinctive national experience and an authentic feature of a certain people. More than sixty years after Harold Lasswcll's *World Politics and Personal Insecurity,* there is still no theory of national identity on a par with Freudian theory of family identity. There are many conundrums, such as the contribution of prosperity and backwardness, of habit and decision, of role and rationality, of conflict and competition across and within

societies, of multiple kinds of collective identity (religion, class, sex, corporate career), of Implicitness and idiosyncrasy in robust nationhood, of closure and globalization, of change of character and crisis of identity, and of narrowing and widening of horizons (expanding concentric circles, in which intimates arc always closer than compatriots and compatnots are always closer than foreigners, or condcnsing webs, 111 which foreigners are sometimes closer than compatriots and compatriots are sometimes *closer* than intimates?)."}

For this reason, I will apply a less burdened concept, namely the notion of basic culture. This is the part or aspect of national culture which determines the constitution, wluch /s resilient, which IS conceived by many generations as a context that either facilitates or restricts the formation and realization of their life plans, and which IS the heart of great debates amongst national historians. Dutch basic culture can be briefly defined as rhe combination of bourgeois citizenship ("burger-Iijkheid"), business-like cooperation, oligarchic leadership and organization based Oil consensus, rhe spirit of commerce, tolerance, and the pnvate domain {"gezdlighcid", "huisclijkheid", "knushcid'T'-tln the final section 1 will return to the topic of Dutch culture.

Nation as Value Container

The number of nations has declined to L5.000, partly due to cruel international warfare.[25] The number of pure nation-states, where ethnonational and administrative boundaries coincide without major frictions, IS much smaller still, namely 7 (Denmark, Iceland, Japan, Luxembourg, the Netherlands, Norway and Portugal). These countries represent merely 4 percent of the world populanon.v'

Should we deplore this state of affairs? More generally, whar does our reflexive equilibrium tell us here? Oughr we to maximize the number of nations [natiocenrric world, national identity as rotal commitment), to minimize its number (nationless world, national Identity as irrelevant commitment) or to Improve the way 111 which nations coexist, both within and across governmental and jurisdictional boundaries? In this section and the next one 1 would like to defend the third approach of globally embedded nationhood and national identity as partial commitment.P l will leave aside the empirical defence, which basically predicts rhar the nation-state will survive because of failures of the cosmopolitan alternative (its instability, inefficiency or illegitimacy in a broad sense), so-called functional preconditions of glohal modernization, or inertia and path-dependency in the development of human communities.[28] I will focus on an ethical defence. First I will discuss the demands of ethical individualism and its implications for nation-building as a process, the substantive positive values of national identity as outcome, and the dual nature of national boundaries. Then (in the next section), J will discuss the recurrent necessity for external justification of national morality.

Ethical individualism means that individuals matter in a moral perspective, that all individuals matter, and that they matter equally. Ethical individualism empha-

sizes the separateness and sovereignty of mature human beings. It is not an ethical theory itself, like utilitarianism or liberalism, but a test that any plausible ethical theory should pass. Of course, ethical individualism will permit many pleas for cosmopolitan social order (only authoritarian and imperialist ones will fail). Two other results seem to be more surprising.w First, ethnonationalisr designs will fail. It is wrong to exclude certain individuals and groups from nation-building by neglecting their reasonable desires or needs for (nun)participation and by applying certain exterior criteria (race, language), which do not match their interests, are imposed upon them and turn them into enemies. Second, ethicalindividualism will Justify the general freedum of individuals as (proro-lnarionals to affiliate or separate. But it will stress the importance of certain constraints so that nation-building will by and large realize the vital interests of all those people who are affected by it. These constraints will concern non-violence, consent and other principles which may guarantee a dean path of nation-building; constitutional democracy and responsive government at the national level; openness of culture (including admission of certam categories of migrants, such as political refugees), and permanent humanitarian obligations.

This is not the place to spell out the consequences of ethical individualism (constitutional right to secession, constitutional protection of minorities, and so on). But two points can be made now. First, "there is a strong prima facie case on individualist premisses for drawing state boundaries so that they correspond with nationality't.a? Second, the demands of ethical individualism are significant. According to one author, Southern Italy was Joined onto Northern Italy in 186r "by a process of royal conquest, its fragile commercial sector brutally merged with the North's more flourishing economy, a uniform tax system and customs unions Imposed on its vulnerable industries, and brigandage rooted out by a full-scale military campaign".[31] Clearly, nineteenth-century civic nationalism in Italy failed the test of ethical individualism. Perhaps Germany, since the reunification of 1989 will pass it.

The outcome of national identification is not a side-issue. Most individuals in modern societies with formalized identity markers (passports, credit cards) will refer to nationhood when asked to reveal who they are. National identity has become part of their personality, although some of its components do not sit well with their well-considered convictions and some of the mechanisms of daily nationalization (like the selection of sport news by mass media) operate behind their backs.s- In spite of (and sometimes owing to) growing recognition of the contingent nature of nationhood, they regard being a "national" as an asset. Most of the time they are deeply attached to their culture, although for many different reasons and in many different tales. In the special case of hyphenated identity (such as African-Americans and Turkish-Germans) this self-image is more complex hut also more consCIOUS, and sometimes more intense. The following values of national identity appear to be primary,u

National identity may give a sense of belonging, indeed of the safety of effortless secure belonging (feeling oneself at home). A nation provides reconciliation of its

members, both with other human beings and with the limits of human existence. This value concerns things like the promise of redemption from personal oblivion (albeit in the military cemetery), the hope of personal renewal through national regeneration (pride in the past and hope for the future as compensation for the dim and desperate present), and rescue from alienation, solitude, and complete anonymity (altruism, care).

Economists are justly criticized for not taking seriously the meaning of social relations. In standard public goods theory, the citizens have given egoist preferences for a mixture of public goods, that is goods with the technical features of non-excludability and jointness of production (such as clean air). But citizens are also interested in essentially communal goods such as conviviality and good atmosphere. A party is convivial when people derive benefit from the active enjoyment of one another's company, not when each of them experiences the pleasures of the party as a purely personal enjoyment. This is not Just a matter of sympathetic identification with others. What I identify with is not someone else's private enjoyment, but with an enjoyment of theirs which in turn is partly constituted by a similar reference to the pleasures (SImilarly constituted) of myself and the others.34 The account of the value of belonging points to these communal goods and their substitutes as being indispensable for the quality of people's lives. Rawls discusses a so-called "private society", in which individuals assess social arrangements solely as a means to their private alms. A society with a public sector crossmg the line of 50 or 60 percent still is a private society in terms of Hobbesian political economyw I notice that a nation is imagined as the opposite of pnvate society.

A second value of national identity is fellow-feeling or sociability. National identity may create the public space which is needed for the development of civil society. The communication between nationals, and the mutual trust and understanding, peaceful coordination and solidary cooperation engendered by communication, engender more possibilities to solve collective action problems (provision of public goods), to carry out universalist schemes of social Justice, and to practise deliberative forms of democracy. It should be stressed that this connection, which originated with].S. Mill's *Representative Government* (1860), is not conceptual but historical. Modern scholarship takes great pains to explore the variation of national states (authoritarian or democratic, majorirarian or consccintional, and so on). There may be cases of strong, united nations which turn out to be low-trust societies marked by failing or missing markets, democratic procedures and voluntary associations (France during the hollow years of the Intcrbellum, France since 1958 (the fifth republic)) and cases of weak, divided nations which are flourishing CIvil societies (Western Germany (945-1989).36

A third value involved in national identity is dignity. The content of the national idea has evolved ill a zigzag pattern. It referred successively to groups of foreigners, to communities of students from certain reglOns, to ecclesiastical parties, to the religious elite (representatives of cultural and political authority), to the population at large, to a sovereign people, and, finally, to a unique sovereign people as bearer of the nation-state. Greenfeld boldly concludes that "Nationality elevated every

member of the community which it made sovereign. It guaranteed status. *National identity is, fundamentally, a matter of dignity.* It gives people reasons to be proud")? In this perspective, the value of national identity is closely connected to equality of status and active membership, in particular to social participation as prerequisite to self-identity (self-esteem, self-respect, integrity, individuality) and to personal liberty (voluntary choice, material freedom, autonomy). Kymlicka has been arguing persuasively that support of societal culture in favor of national majorities and intra-national minorities is consistent with the liberal commitment to freedom. His conception has been nicely summarized: "One of the things that makes autonomy such a crucial value is that it is a condition of our being able to think out what the good life for us consists in. But this thinking can only be effective to the extent that we possess a vocabulary for it. By this is meant not just the words but also the lively sense of what the different life-alternatives are which they name. This vocabulary we inherit from our culture. Cultures are not closed worlds and borrow a lot from each other. But successful borrowing requires a home culture in which new ideas are integrated, and without a functioning home culture people are incapacitated. Now if liberalism involves treating people with equal respect, and in particular attempting to ensure equality in autonomy, then a case can be made for measures to protect and promote minority cultures that may be under great pressure m the larger society",38

Of course, the dignity value of national membership is only safe if the main institutions of national society reinforce dignity. Dignity does not depend on personal favors and occasional balances of power, but on social openness guaranteed by the rule of law, VIgilant public debate, the plurality of associations, and social rights. As the discussion among political theorists about "shared undersrandings" has shown, the understandings on which nations as communities of memory, personality and place are based do not necessarily involve the sacredness of historical tradition (say patnarchy or repressive tolerance) or the unarticulatibility of personal background (say being Rhineland or Jewish). These understandings could be those beliefs that we can reasonably and rationally endorse and consciously articulate as our guiding principles. From the viewpoint of broad rationality, such beliefs may entail certain innocent or benign myths and fictions. Furthermore, shared understandings may be constantly renewed by being reaffirmed and acted from in the present. This preemprs both break-down and rigidityw

The final value of national identity is self-determination. It is desirable that people develop their own authentic culture, that they determine the destiny of their own polity, and that they join this dual enterprise according to their own view of the universal common good, by their own continuing learning and struggle, and at their own expense. Certain conditions regarding honest and fair representation (who are the real "we"?), the role of the democratic state, minimally favorable errcumstances for self-liberation and sovereignty, and global accountability and responsibility (the duty not to harm other nations and nationless persons; the duty to help tyrannized nations or vulnerable nationless persons) have to be fulfilled in order to elevate the value of self-determination.

In my account, national identity works like a value container analogous to the nation-state as a "power container" (Oiddens' term). I did not argue that the values of belunging, fellow-feeling, dignity and self-determination must be supported, nor that the world must be neatly divided into nations if we endorse these values ("let thousand fortresses grow"'. But I do believe that these four values will have some weight in the rnoral public philosophy of reasonable men and women, that national identity is one way to make the least-cost creation of these values more probable, and that we are still facing a shortage of credible options here. So I am inclined to agree with Kymlicka and Gould that a nch and secure cultural and democratic culture at the national level is necessary to human freedom. Cultural membership is one of the pnmary social goods, the "things every rational man is presumed to want".4°

This account of the value of national identity would be incomplete without an argument about the dual role of boundaries." Conceptually. nation-building boils down to the elimination of "internal" boundanes in society (say between nch and poor or peasants and townsfolk) and the creation of "external" boundaries (say between the reunited Germans and their nine neighbours). It can be shown that it IS Impossible to attain a boundaryless social order which supplies mankind in an organized and rule-bound way with the long list of entitlements, capacities and commodities that [eft-communitanans (like social democrats) usually aspire to. The order may degenerate and turn into a despotic superstate; it may introduce administrative boundaries on a technical basis (like internalization of externalities) which will he either artificial and ineffective or effective but inconsistent (return to national differentiation by stealth), or it may reduce the list tu the demands of minimal morality, such as world peace and basic human nghts. But the inevitability of frontiers between nation-stares does not imply that national boundaries are entirely and unquestionably justified. It can also be shown that perfect boundaries do not exist. Well drawn Internal boundaries may be destroyed (the case of national minorities, such as the Québécois), badly drawn internal boundaries may persist (the case of ethnic minorities, such as groups of immigrant workers). Bad external boundaries may create trapped minorities (such as the Catholics of Northern Ireland) or stranded majorities (such as the Protestants of Northern Ireland). Good external boundaries may permit accumulation of extreme and unfair inequalities to the cost of those globally worse-of]' (doubly-excluded minorities, oppressed by their own government and neglected by others). So while undifferentiated cosmopolitanism is utopian or dysropian, many cases of nation-based homogenization are bound to be morally contested. I simply refer here to Dutch and Belgian pillarizarion after the collapse of nineteenth-century liberal leadership, and, elsewhere in Europe, to "The difficulties of integrating the regional divisions of France and of turning 'peasants into Frenchmen'; the problems posed by the centrifugal propensities of 'invertebrate' Spain; the obstacles encountered in turning the inhabitants of multiple cities and provinces into 'Iralians'; the forging of the individualized and reluctant 'ornc towns' of Germany into one *Reich:* and the enduring divisions of Britain between its Celtic fringe and 'Sassenach' core, and between its classes, divid-

ed into 'two nations' ".[42] I conclude that national membership is an element of the good life, but that we also have to take mto account the transaction costs of its institutionalization and the benefits of alternative post-nationalist designs.

Open Society or Tribe

In the last two sections I have defended an intermediate view. It may be helpful to make this view more explicit now, in order to see whether it IS also possible to defend an intermediate view with respect to the aggregation of values *and* disvalucs of national identity and, ultimately, the nation as moral order in which the value of national identity is realized. I will try to show that open societies (CIVIC nations) arc more likely than tribes (closed nations) to maximize the net overall value of national identity and to realize the four values at the highest sustainable level.

As to the existence of nations, I have tried to navigate between "chameleonism" (national identity is in the eyes of the beholder) and essentialism (national identity IS natural and perennial).43 Although national identity flows from the attitudes of imaginative and purposeful subjects both as "users and observers" (Searle's phrase), it is not as completely arbitrary, flexible and liable to manipulation as the chameleonist view would argue. There is something sticky to national identity as a "common we-intention" based on shared language, residence and memories, and to the centralized and sovereign nation-state as an 'institutional fact',44 But this does not Imply, as the essentialist view would argue, that national identity is an objective moral order. Like sclfhood, nationhood is the result of a never-ending process of self-discovery and self-invention, engendered by Imperfect individuals and groups against the backdrop of intersubjectivity (talk, display of authority and - today - public opinion, mass media and intellectuals).

As to the value of national identity, I have tried to avoid two mistaken views, namely the particulansr view that national identity IS the source of the whole moral and ethical system and the universalist view that your national identity IS morally irrelevant {since it IS as arbitrary as your genetic make-up and family background),45 Both views are unduly deterministic and Simplistic.

As to the nation as a moral order, I again reject certain views. It is trivial to define national identity as something intrinsically bad, say as "a collection of people who hate their neighbors and share a common illusion about their ethnic origin", or to define it as something instrinsically good, say as "a democratic community of free and equal citizens which legitimizes domestic integration and international action by its state".46 These equations move too swiftly frum the "is" of shared understandings to the "ought" of legitimate values, rules and virtues, They also miss the basic point that national identity, for instance the customary Dutch pursuit of accommodation between representatives of different minorities, enables *and* constrains the kind of goals which reasonable people consider to be legitimate (taking everything into account),

I also reject the view that national Identity IS or should be a detailed, dosed and hierarchical list of unambiguously defined traits. This mnnist view is often at odds with historical situations, like the British one between 1707 and 1837. In the words of Colley: "Acknowledging that all sorts of men and women found good and powerful reasons to identify themselves as Britons III this period IS not, of course, to say that (lUmen and women did so. Nor is it to say that those who supported the nation against attacks from without gave uncritical support as well to the existing order at home. Nor, emphatically, IS it the case that a growmg sense of Bririshness after 1707 completely displaced and crowded out other loyalties."47 My argument about the value of national Identity IS written III the spirit of CIVIC or republican nationalism, dating back to an eighteenth-century tradition. Thinkers such as Monrcsquieu, Paine and Kanr may still teach us how to oppose unreasonable forms of polity (such as absolute monarchy and one-party democracy) and to welcome nationalization as civilization of ethnic communities (including economic and technical development) and as progress towards a mixed cosmopolitan order.48 In this liberal view national identity should be incomplete, that IS, vague, open-ended and loosely structured, III order to allow for the plurality of personal and political conceptions of national life. Surely there IS a gap between this ideal and ordinary national identity as described by historians like Colley. But Miller is on the right track when he observes that the identity of nations is more indeterminate (abstract, amorphous, contested) than the identity of more immediate communities, such as clans and ncighborhoods.e

Let us take a closer look at the nationalist moral order. Is national identification required for the flourishing of human personality? Clearly not, since human beings can satisfy their finest social needs at higher and lower levels of community. Furthermore, national identification can easily become pathological (the frame of mind of Balkan ethnic nationalists, Hum and Tutsi extremists, and the Irish Orange Order come to mind here). Should we help our compatriots first? Yes, if special relations turn the scale (say when I am the only person who can help you, the victim of a tram crash In China, since I speak both Dutch and Chinese). No, if other moral considerations carry more weight (the Chinese next to you IS more seriously hurt). Is patriotism a virtue? In many cases it is, but in some cases patriotic acts are sinful (for example military service when your government IS fighting an unjust war or oppresses you and your people at home). Horace's "Duke et decorum est pro patria mori" explicitly refers to immature lads, who ought to expose themselves to discipline and danger, and excludes mature men, who are supposed to find true greatness in quiet piety.5[0] Does the right to self-determination derive from the values of national identity? Yes, but cultural sclf-dcrcnnination does not necessarily imply state sovereignty, peoples have to compromise when other peoples hold equivalent territorial claims (and settle for a pluralist nation-state) and, most importantly, the right to self-determination is qualified (no minority decision, no unilateral decision, no lllVaSIOn of the basic rights of inhabitants of the country itself or of surrounding countries, no abuse of rights as a way of economic or military aggrcssicnj.v

Is there a principle of non-intervention between nation-states, apart from the obligations which follow from international treaties? Yes, but there are circumstances in which nations should help other nations (famines, catastrophes) and there are circumstances in which there is a duty to intervene (crimes against humanity abroad, missing states (the hegemony of war lords)). Is the nation-state the best device to realize the humanist ideal? Yes, if we take the record of democratic welfare states seriously. No, if the present wave of globalization continues and millions of *mem*bers of different nations will be facing identical problems of collective action concerning migration, pollution, crime control and stabilization of trade cycles. Globalization of market exchange, communication, entertainment, medical risks and corporate strategies (both public and pnvarc policies) will probably lead to the renaissance of national idemity. Just like the earlier waves, the current "neoliberal" wave of globalization is attended by a striking proliferation of sovereign states (many of them starting democracies), nationalist movements, and public controvcrsies about saving narional citizenship. This proliferation effect has always been overlooked or underrated by unilinear universalisr philosophers of history (Christians, Islamites, liberals, Marxists, adherents of modernization theory). But globalization does undermine the legitimacy of fully sovereign states. It promotes human unity by blurring boundaries like the emergence of truly common war memories has done {the unification effect).[52]

The crux of my negative answers to questions concerning nationalist moral order is that a general, unqualified and absolute defence of national identity is nonsense. Leading philosophers such as Maclnryre have tried to improve on the argument of the associational nature of national obligations. They argue that there is something within national identity which Justifies nationalist moral order: the very concept of membership or solidarity, the jointness of commitment, equality of concern and respect as rhe best common interpretation of national bonds, or the fixed link between certain given expressions of national identity and the person's mental constitution and moral integrity.53 But this "internal" justification is insufficient. It may legitimize particular national identities and particular valuations of the nation which are excessively exclusive. Tribes or dosed nations may engender belonging, fellow-feeling, dignity and self-determination. But so do the Mafia, the private community of the rich in Bear Creek and all nation-states which act as large-scale private societies in the global commons. Any plausible justification of any specific national identity should entail external points of view, in particular the point of view of privacy of nationals and the point of view of humanity. There is simply no magical tautology or iron law which establishes that nation-building improves the quality of life of the millions of new insiders and outsiders whose interests arc affected here. So the political and social philosopher has to examine the whole chain of "national" home coming, creating of public space, assigning of dignity and emancipation (processes, rerms, consequences)

Whether nationalization of the world means civilization and humanization of the world, seems to depend on two factors. One is the content of national identity, or what Miller has called the specific "common ethos" of a narion.w The other fac-

tor is the interplay between evolving national identity as cultural movement and authoritative nationalism as political movemenr.z My positive answer to questions about nationalist moral order points to the possibility of mutual feedback between national identity and Civil society - or in purely normative terms the "decent society", the "just society" or the "democratic society". The first may bring in some extra-rational foundations of the second, while the second may bring in some rational foundations of the first. The tie of nationality is a precondition for the emergence of a diversity of civil societies. The world-wide joint venture between civic nations IS a precondition for domestication of the kind of vicious nationalism which seduces mankind to think with its blood and iron-ore.56

The Trials of Post-Nationaliem in the Netherlands

According to Glover, "It is onc sign of a civilized country if the national anthem is heard with a mixture of mild embarrassment and jokiness, rather than with emotion-choking seriousness." sz Unfortunarely, social scientists have to work with less poetic indicators of post-nationalism, like the introduction of global social policies for poor people 111 poor countries and the disappearance of national pride.58 Therhorn collected a lot of data to identify post-nationalism in Europe. He observes a considerable decrease of national pride, a limited willingness to fight for one's own country and a new commitment concerning peace, human rights, personal freedom and the fight against poverty and pollution 111 the world: "There are behavioural as well as attitudinal reasons for characterizing Western Europe as post-nationalist, defining 'Western Europe' as Europe west of the Oder-Neisse and of the Adriatric. Even if arguably not post-nationalist, however, in the late twentieth century this area has become the *least nationalist* part of the world".59

In this context, the Netherlands is a test case for the resilience of national identity. In the peaceful and prosperous years between r945 and 1980 its self-Image used to he self-evident, satisfied and relaxed, on the verge of post-national ethos. Today, Dutch identity is mixed with a sense of vulnerability. The dream ranking of the Netherlands as a dynamic welfare society, as a multicultural immigration country, and as an equivalent member-state m a truly federal Europe, is a thing of the past. At present, the Dutch do not know exactly what the terms of this ranking mean and they question its feasibility or revise its desirability. Their self-doubt IS growing because fortunate external conditions have come to an end {through the rise of unemployment and poverty, and the growmg competitiveness of firms in Eastern Europe) and the worsening of internal conditions (such as the laborious functioning of many government agencies). In terms of culture, Dutch basic culture shifted from progressiveness to conservatism, the fashionable combination of globalization and individualization turned out to be a problematic strategy of community survival, and the SOCial price to be paid for joining the post-Maastricht European Union was higher than expected. Let me clarify these three developments.

During the long 1960s Dutch basic culture was subject to a progressive revolution. Citizenship meant "dispersal of knowledge, income and power" (a slogan of the Dutch New Left). Cooperation meant expansion of the public sector, in particular of encompassing provisions for social welfare, social security and well-being [education, health care). Leadership meant that authorities behaved responsibly and responsively, and that consensus had to be organized bottom-up (participation). Trade meant that Dutch companies had to exploit their worldwide profit opportunities within the bounds of just international order. Tolerance and privacy meant an all-out combat agamst all forms of discrimination, a chance for people to experiment with their lives, and special rights fat women, employees, migrants, students and prisoners.

Today there is a growing concern about the shady sides of progressive culture (the collapse of the faith in God and of the churches; the explosion of industrial disability benefits and drugs-based organized crime), which results in growing support for conservative solutions (family values, workfare, law and order, Immigration stop). New conservatism has to do both with equilibrium (it is feared that without Christian, humanistic and national-bourgeois impulses the Netherlands will slip into a vulgar-commercial monoculture) and learning behaviour (rational response to economic insecurity, to increasing mobility in society and to overshooting permissiveness).

The second development is characteristic for a small open society, which - like a small open economy - is influenced ıtı many things by the outside world and influences the outside world in few. How do rational inhabitants of a country cope with the fact that it has no mote prospects of expansion and hegemony (the Golden Age of the Dutch Republic will not repeat itself) and always runs the fisk of retreat and extinction? One must choose between opening or closure of external boundaries and between free or imposed internal boundaries. The Dutch strategy of survival has always been scale enlargement (external openness) and circle reduction (internal closure). Hence, the mixture of colonial trade and small-town social life (eighteenth century), of industrialization and pillarization along religious lines (between 1880 and 1960) and of mdustriallife in an advanced service economy and flourishing civic associations between government and individual (since r94S).

The rationale of the strategy of scale enlargement and circle reduction ıs both appealing and vulnerable. The surplus of wealth, technology and assortment goes in tandem with the loss of distinctiveness and the fear of the envy of strangers and foreign powers. Such losses and feats can be counterbalanced by numerous domestic "pigeonholes" (hokjes en schorjes), that is, categories and cleavages which satisfy the need for self-respect, roots and display of power. This peculiar strategy has become a second nature to the Dutch. It is marked by complaisance of elitcs (which want to he up-to-date and regard any next round of modernization as inevitable) and agonizing reappraisal of the tensions and compromises that go with complaisance. Does the Netherlands matter to someone who does not live there? Do producers of art and science create something which comes close to works of genius? What about the pathology of looking up to great nations (Germany then, the US

now), disdain of other small nations (Belgium, Denmark), and the lack of care for Dutch traditions, mutual curiosity and open competition? Are the rounds of modernization (yesterday's social regulation, today's privatization) compatible?

The present answer to these difficult questions is the combination of globalization and individualization. Globalization compels the Dutch to adapt their institutions in order to compete and to keep in touch with the present world centers of technology, science, management, entertainment, etc. Individualization results in a growmg exit of discontented individuals from poorly performing institutions (floating voters, job-changers, divorced couples). Together, these two trends generate diffuse networks with flexible members. The real issue of identity here is the erosion of overloaded institutions. Therefore, it is not surprising to learn that Dutch public debate in the 1990s is concerned with the degree of corruption, self-purification and innovation of all but the major institutions: markets, ministries, innercities, families, corporations, schools, universities, small firms, farmers, peak-associations of labor and capital, political parries, public broadcasting, police force, and railways (no exhaustiveness intended},

The third and final problem of Dutch identity relates to European integration. In the old days of the European (Economic) Community, Europe functioned like an umbrella. It protected the Dutch on rainy days, that is, in policy areas where the national government did not have the capacity to protect its citizens (peaceful cooperation between the great European powers, agriculture). It remained unused on sunny days when its services were not needed: m policy areas where the Dutch government was in control (taxation, social security). The European Union does not seem to have the same use value, nor is it better equipped than the pre-Maastricht community to generate quasi-national European allegiance among the Dutch. Both the political and business elites and the voters are hecoming more and more concerned about the loss of diplomatic and voting powers in a union of more than 15 member-states, the loss of grip in monetary and fiscal affairs, the weakness of deviant policies (like the Dutch libertarian approach to drugs consumption), the democratic deficit of Europe, and the lack of coordination and leadership at critical junctures (intervention in Yugoslavian civic war, immigration planning, creation of jobs, elimination of protectionist laws). For the first time since the Treaty of Rome (1957), the Dutch are doubting the wisdom of sovereignty transfer. Their nation-state became the bed of their ideal of rule of law, social protection and democracy. Today they have to come to terms with [he likelihood that European integration will weaken the Dutch nation-state without solid gains in terms of European effectiveness and democratic accountability.

Dialogue

Klamer: Since your move to Cromngen you must have changed as the argument that you present here is quite different from what you did before. Even the mentioning of national Identity is a taboo in academic circles, especially the more progressive sections in which you move. What happened?

De Reus: It started in those Harvard days when I was writing a book on equality and the good life. Influenced by Arnarrya Sen I tried to asked the standard question: the equality of what? The things to share could be utility, capability, mcorne or whatever. Economists know what efficiency is but not what equity is, so that I tried to son it out. After I finished the book I got an intellectual shock when I realised that I had left out 50 percent of the Issue which is addressed by the question: equality between whom? In the real world your feelings and sense of solidarity and membership determine your willingness to live in an egalitarian society. So how to incorportate those?

There was a second discovery as well, the same you yourself made in your book on the Dutch tribe of economists and that is that Dutch economists are very interested ill the topic of equality whereas American economists are less so. So there is something peculiar to the Dutch community of economists that causes this fascination. That attitude is reflected in the ongolllg Dutch debate on the welfare state. Before I was only preoccupied with the problems that came up in this debate and tried to think of solutions. Now I recognise that social security is much more than a solution to a market problem and reflects a feature of Dutch national identity.

Groningen is the outcome of this process of discovery. I don't have to write in the framework of analytical econormc theory and that gIves me tremendous space.

Insofar as the suspicions of our colleagues are concerned, I find them especially among economists, social scientists in general and philosophers, but not among historians and anthropologists. Incidentally, economists are coming around to recognise the role of culture. Just think of the work of Douglas North, lames Buchanan and game theory. But their tendency IS to subsume the phenomenon of culture in their rationality framework. I prefer to turn things around and possibly sidestep the issue of rationality altogether. The particular form that rationality takes may very well be influenced by national identity rather the other way around.

Klamer: We are talking while the Olympics are going on. I cannot help seeing confirmation of your argument in that event.

De Reus: In two ways. Quite in general, the Olympics create a nice belance between national and cosmopolitan concerns. The underlying idea is that the world is a peaceful place and that it is good to get together to play spons. On the other side these athletes identify themselves first of all with the nations they represent. The critics advocate canceling the Olympics because they only attract terrorism, stimulate chauvinistic feelings and have become too commercial. These arguments are basically rubbish. These games are nice though partially corrupt mixtures of childish nationalism and clever internationalism. Of course we do miss something like Justice games, peace-keeping forces in the Balkan or Western Africa.

The Games shows, incidentally, how strong the Dutch national identity is. Most Dutch scholars, journalists and politicians will tell you that the Dutch are far from nationalistic but watch how excited the Dutch get about their athletes. It is all orange for their eyes although they will say this is simply because of the excellence

of the performance. Because of this unease that Dutch scholars have towards the issue of national identity, it is hard for them to look at Dutch identity with an open mind.

Klamer: The problem is, as you have acknowledged, to know what that identity IS.

De *Bcus:* Yes. That is a very important Issue. Here I merely sort out a few relevant notions and hyporbese. like that of basic culture. The essay is all about the Justification of national identity, not explanation,

Klamer: What follows? Would you, for example, now write a different program for the socialist democratic party?

De Beus: No and that is because the program that I wrote in 1994 was very much informed by a concern with the Dutch identity and with citizenship. If you ask what follows, I'd think ɹn the first place of the presence of immigrants in Dutch society and the European Unum. I know now better than before how to think about imrnigrants in our society and about the road between Brussels and The Hague. Concerning the immigrants, many politicians and scholars presumed that they should stick to their own culture and they had every reason to think in that way because they could not imagine that there is something of a Dutch identity that these immigrants could adopt. As I see it now, we should try to have integration of migrants ɪɪɪ Dutch society and this integration should involve an exchange between their public cultures and ours. In other words, they have to learn about Dutchness and have to assimilate at least some of that to be able to function as citizens of this society.

As far as Europe is concerned, I am a European and am therefore committed to the idea of a European Union. But now more than before I would stress the importance of the nation-states making up the EC. The European Union should do everything it can to strengthen the nation states. We don't have a better democratIC setting so it would be very dangerous to promote supranational networks. National identities are too valuable to squander in this attempt to forge a umon.

12

Missing Ethics in Economics

DEIRDRE MCCWSKEY

McCloskey (University of Iowa and Erasmus University) is not only known for her work in economic history but also for her characterisation of economics as rhetoric. She and 1 collaborated in various ways in developing the rhetorical perspective hut our opinions have always diverged when it came to economics. She remained (innly committed to the perspective of the Old Chicago School (pro-market. anti-government, casuistic argumentation in the spirit of Armen Alchian, Ronald Coase and Theodore Schultz) while J was flirting with sociological and aruhropoicgicai perspectives in economics. In this essay she comes out as a cultural economist. While still being committed to Chicago principles she argues in *the grand oid tradition of economics as a moral science.*

I HAVE gradually come to understand that culture matters for economics and for the economy. It was hard to learn, because I am a "neoclassical" economist, from the subschool of Chicago. Admitting culture Into econonucs has the problem of all revisions of an old way of thinking. Schopenhauer said, the new thought "forces its way as an enemy into the previously closed system of our own convictions, shatters the calm of mind we have attained through this system, demands renewed efforts of us and declares OUt former efforts to have been in vain" (l8SI [1970], number 19, p. 124). No wonder some of the most dogmatic scientists and scholars are the most learned.

Come to think of it, the way we are taught economics is another of those culrural facts that matter [Klamer 1983; van Dalen and Klamer 1996J. We neoclassicals are taught early to sneer at sociologists and philosophers, anthropologists and English professors, who foolishly believe that culture matters. What the lesser hreeds do not know are called within economics "separation theorems" or "neutrality results." When a management consultant talks about the "culture" of IBM the neoclassical economist sneers and says, "Don't you know that the market simply bypasses all that? IBM can have any old culture it wants, but the tastes of consumers and the technology of computers will force IBM to behave the same way." When an anthropologist finds it strange that economics does not acknowledge the symbolic value of consumption the Chicago economists sneer and say, *"De gustibus non disputandum.* Consumers can value beads or blankets any way they want, but when

the relative price of a good rises you'll find less of it bought." Therefore, economists think they can have any opimon they want about the value of culture, but still believe that the culture is separated from the economic bchavior.

I now believe they are wrong. I do not conclude that economic analysis is useless. That is a 11011 *sequitur* much indulged in the century or so that intellectuals have felt themselves excused from knowing any ECOIIOITIICS beyond the first few pages of *The Communist Manifesto.* "Economics is a partial view of humankind," they note. And then: "Therefore it has *nothing* valuable to say, and I am free to offer amateur opmlons about the economy without having opened a book on ecouomics." It's like the parallel anti-humanist *non sequitur*, much indulged by economists over the same century: "Answers tu ethical questions often do not have the demonstrative force of mathematics.Therefore ethics has *nothing* to say, and I can feel free to adopt ethical opinions though ignorant of ethical reflection."

The reasons I offer for believing that the neoclassical and Chicago economists are wrong arc internal to cconomucs as an intellecrual project, not missiles launched at economics from the outside. I am still a neoclassical and even Chicago School economist, and Wish their projects well. But I believe now that neglecting the culture - for example, neglecting ethics -- will make the economic analysis wrong. By this I mean "wrong" *in terms that economists themselves would recognize as relevant.* I believe now that an economics that wants to get the economy right has to know about ethics. AmI an economy that wants to get its business right has to practice ethics.

But reasons will not quite explain the story (they never do). As a Chicago economist sitting in the Social Science Building on 59th Street around 1975 I started to worry about the "methodology" of the school, which even then seemed to me primitive. I read some philosophy of science, especially Karl Popper, but didn't see how it could help. Then in 1979 I read, on the advice of Wayne Booth in English at Chicago, some "rhetoric" and in a flash (it seemed to me) it was clear. Economics had a "rhetoric," which is to say a mode of persuasion. But when you think about it - and it took me years to figure this out - if economics (or physics or mathematics: it's not about "hardness") is rhetorical, then it's not so different from cultures of discourse in other fields, such as literature or philosophy. Economics uses metaphors. Economists call them "models." But then it dawned on me - slowly, slowly - that economics also uses another figure of thought, stories. Economists don't call their stones anything, because they are not used to thinking of stories as part of thought. Only then did I start seeing what's wrong with an economics that omits ethics. The ethical theories that most appealed to me were narrative - not the Platonic or Kantian ethics of abstract rules but an Aristolean or a feminist ethics of who you are, and what sort of virtues such a person might have.

After all, Adam Smith was a professor of moral philosophy, John Stuart Mill an ethical and political philosopher. True, the worldly philosophers since then have drifted away from ethics. Yet the subject of economics is ethical -- the study of human character and its virtues - which makes a claim to sidestepping ethics wornsorne. We do not worry much if an astrophysicist refuses to think ethically. We should worry if an economist does.

It would be a strange economics, of course, that did not treat at least the pursuit of happiness, and therefore the ethics of getting more. Economics has a branch called "welfare economics" Into which ethical questions have been diverted since the 1920s. The graduate schools teach that the sole ethical judgment an economist should make is the least controversial one; if every person is made better off by some change (in such a case it is called "Pareto optimal"), the change should take place. Even philosophers like John Rawls have adopted the notion of Pareto optimality, trying in the modern economist's manner to pull a decently detailed ethical theory out of a hat. Welfare economics has shown recently some stirnngs of more complex ethical life, as in the works of the economist and philosopher Amartya Sen. But mainly welfare cccnorrucs is roth-century utilitarianism stuffed and mounted and fitted with marble eyes.

The amorality of economic morality is best exemplified in a recent paper by Daniel Hausman and Michael McPherson ıı ı the leading Journal of economics, the *Journal of Economic Literature.* In a long piece the writers (one a philosopher, the other an economist) do not get beyond scrutiny of the stuffed bird. No hint is given In their paper that ethical theory has developed in the past thirty years beyond Kant and especially beyond Bentham.

We can do better. The first point, a cheap one (we are dealing with economics, remember), is that economists have ethics, perforce. The literary critic Wayne Booth remarks ıı ı his book on the ethics of storytelling, *The Company We Keep* (1988), that "even those who work hard to purge themselves of all but the most abstract formal interests turn out to have an ethical program in mind" (p. 7). All right, yes: ideology motivates economists, despite their protestations of ideological innocence.

The bigger point, however, is not ideology and its mability to see itself. We know that already. The bigger point is that economic stories, as Booth argues in detail for the European novel, have an ethical burden. The word "ethical" comes from the Greek for "character"; every act arising from character has an ethical dimension. (The word "morality," incidentally, is from Latin *mos, moris,* "custom," and is notably more social, as one might expect from the custom-minded Romans; in English of course the two words are synonyms, and will be used so here.) "We all live a great proportion of our lives in a surrender to stories. Even the statisticians and accountants must *in fact* conduct their daily business largely ıı ı stones: the reports they give to superiors; the accounts they deliver to tax lawyers; the anecdotes and parables they hear. ." (p. 14, italics his). "All of us spontaneously make narratives out of just about every bit of information that comes our way" (p. 162). "It is impossible to shut our eyes and retreat to a story-free world" (p. 236). If we enter into it we "embrace the patterns of desire of any narrative" [p. *28S)'* A stronger connection between economics and culture can hardly be made: stories are the vocabulary for our cultures; stories instruct us in ethics; economics is ethical. Therefore, economics is suffused with culture, and neglecting the fact will result ıı ı stones told unconsciously.

Booth's central question about the corruptions of literature (p. rr]: "What kind of company are we keeping as we read or listen?" As our mothers told us, keeping bad company is bad for us. The levels at which we are asked to be a kind of person by economic writing need to be distinguished.

Along with high-minded precepts about the production of SCience, the scientific paper ıı economics as elsewhere encourages the low-minded notion that other ethical questions are "just matters of opinion." It is part of modernist talk on the radio, as when a lawyer confronted with the immorality of a law practice based on stirring up racial animosity (the example IS not hypothetical) replies by saying, "Well, that's a value judgment." The scientific paper m econonucs treats ethical matters of income distribution (say) as similarly unarguable, like one's preference for chocolate Ice cream. The question that remains, of course, is, "How do we think about our judgments, once we decide that our goal is to *think* about them and not simply to assert them?" (Booth, p. 59). The values asserted by the scientific paper m econormcs and elsewhere are certainly not all bad. But it IS worth remarking sharply that they are not all good, either, even though Scientific.

The scientific paper in economics has an implied reader it shares with other self-consciously scientific productions of the culture. The implied reader has some features that are unattractive: he is cold-blooded, desiccated, uninvolved. The case of Isaac Newton and his invention, the SCientific paper, IS the model (Bazerman, r988, Chap. 4).

And as Booth says, "artists often imitate the roles they create. The writer is moved, ıı reality, toward the virtues or vices imagined for the sake of the work itself" (I" lO8). The same is true of academics, perhaps more so. Historians of the medieval papacy or students of comparative politics adopt their subjects' methods, at least in spirit. It is not irrelevant that Henry Kissingcr's first book was on Metrcrnich. Anthropologists have begun to wonder recently about the effects the people they study have on them. The economist asks the reader to take on certain ethical positions for the sake of the econornisric argument. Most of us don't like the implied reader uf economic stories: "Am I willing to be the kind of person that this story-teller is asking me to be?" (Booth, p. 33). Ahout the coldly calculating *homo economicus*, no, say we, with 'rears. "A levelling, rancorous, rational sort of mind! That never looked out of the eye of a saint/ Or out of a drunkard's eye."

And yet the rational calculation had better be done, by someone, or else we will homb German civilians at night for no gain or choose manned space flight over unmanned. The person you arc asked to be in a modern economic argument IS not attractively romantic, no aristocratic hero, but IS a character that society cannot do without. He is usefully realistic about constraints and choices, though a trifle unrc-Ilcctivc. In other words, on utilitarian grounds (there it is again) the economist is necessary. In policy questions the ethical position that economics recommends IS that of the social engineer, who provides plans indifferently for full employment or extermination camps. The social engineer will protest that he would have nothing to do with extermination camps. But then he must ask where he draws the line, an ethical deliberation that economists are reluctant to undertake.

The levelling, rancorous, rational sort of mind in modern economics can be justified more deeply. It is in fact a part - only a part, though often claimed to be the whole - of the ethic of the modern bourgeoisie. The most important point to be made about crhics 111 economics, and the main point I wish to make here, is that economics is part uf the ethical theory of bourgeois life. The "part" IS the problem. Modern economics has forgotten its orgins in ethical reflection about commercial societies, and therefore has substituted a levelling, rancorous, rational sort of mind for the much fuller reflection by the inventors of economics, the men of the Scottish Enlightenment.

We have two ways of talking about the virtues, and seem stuck on them. One is patrician, what John Casey calls "pagan" virtues. The classical four are those of Odysseus: prudence, temperance, justice, and courage. The aristocrat is honorable, great hearted in hospitality, quick to anger. "You wine sack, with a dog's eyes, with a deer's heart," says Achilles -- exhibiting more courage than prudence, temperance, or justice - "Never/ once have you taken courage in your heart to ann with your people."

The other way of virtue-talk is plebeian, the way of Se. Paul. The peasant suffers yet endures. "Let every soul be subject unto the higher powers. For there is no power but of God. Owe no man any thing, but to love one another." Faith, hope, and charity, these three, but the greatest IS charity. It is a "slave morality", bending to the aristocratic virtues that Nietzsche and other Hellenizers prized. The two vocabularies of the virtues are spoken in the Camp and the Common. Achilles struts through the Camp m his Hephaesrian armor, exercising a noble wrath. Jesus stands barefoot on the mount, preaching to the least of the Commoners.

And yet we live mostly now in the Town, we bourgeoisie, or else we are moving to rownly occupations as fast as we can manage, trading the old cow for a car. The aristocracy is gone, though some intellectuals wish not. And the prediction that the proletariat at the other end would become the universal class has proven to be mistaken.

It is usual to praise a pagan or a Christian virtue, and then to complain how much we modems lack it. Shamefully we bourgeoisie are neither saints nor heroes. The age is one of neither pagan gold nor Christian silver, but mere iron - or aluminum, or plastic. The townsfolk are useful, maybe necessary; but not virtuous. "Why, the very idea. Bourgeois *virtue!?"* The bourgeois virtues have been reduced to the single vice of greed.

The intelligentsia thunders at the middle class, but offers no advice on how to be good within it. The only way to become a good bourgeois, say Flaubert and Sinclair Lewis and Paolo Pasolini, IS to stop being one. Not having an ideal of bourgeois virtue, or devaluing the ideal by comparison with Christian and aristocratic virtue, leaves us unable in economics to talk about virtue at all. We bourgeois are left without reasons for ethical standards. We are left with What's Profitable. As the Manchester man said to Engels in reply to a complaint about the condition of the working class: "Yet a great deal of money IS made here. Good day, sir." In academic terms, we are left with the ethical simplicities of utilitarianism. Culture is cut off from econonucs, and economics from culture.

Ethics courses in business and medical schools exhibit the dilemma. Some time ago the Harvard Business School was given $22 million to study ethics in the old way, all the ethics that money could buy. Harvard Medical School has waxed ethical, too. The professors staffing the courses believe that ethical questions are matters of crisis. What are the ethics of insider trading? Would Jesus have Signed on? What about the transplantation of organs? How would Kant have felt about that one? Yet aristocratic or peasant virtue, which is our ethical talk, cannot offer much help minute-by-minute in being a good bourgeois.

Ethics has turned recently from universal theories to the particular virtues, as in Alasdair Maclntyre, *After virtue, A Study in Moral Theory,* or John Casev, *Pagan Virtue: An Essay in Ethics,* and to narrative in aid of the virtues, as in Albert Jonsen and Srcphen Tuulmin, *The Abuse of Casuistry: A History of Moral Reasoning* or Wayne Booth's book already mentioned. Feminist thinking on the matter, such as Carol Gilligan, *In a Different Voice,* or Nel Noddings, *Caring: A Feminine Approach to Ethics and Moral Education,* or joan Tronto's astonishing appropriation of the Scottish Enlightenment for feminist purposes, *Moral Boundaries: A Political Argument for an Ethics of Care,* has questioned the presumption of universal ethics, and in particular the worship of masculine virtues. As Bemard Williams puts it, in the new approach - as new as Aristotle - "morality is seen as something whose real existence must consist in personal experience and social institutions, not in sets of propositions." It is local knowledge, not universal, located in the camp or common or town.

Consider the virtues of the three classes, matched to their character. The "character" might be in the eyes of others, or in its own eyes, or, less commonly, in fact.

THE CLASSES AND THE VIRTUES

Aristocrat	Peasant	Bourgeois
Patrician	Plebeian	Mercantile
pagan	Christian	secular
Achilles	St. Francis	Bcnjamin Franklin
pride of being	pride of service	pride of action
honor	duty	integrity
forthrightness	candor	honesty
loyalty	solidarity	trustworthiness
courage	fortitude	enterprise
wit	jocularity	humor
courtesy	reverence	respect
propriety	humility	modesty
magnanimity	benevolence	consideration
justice	fairness	responsibility
foresight	wisdom	prudence
moderation	fmgality	thrift
love	charity	affection
grace	dignity	self-possession
subjective	objective	conjective

The point of such a listing is not to drive us all to the third column (in our lives from Saturday night to Sunday at Church to Monday on the job we tour the columns anyway). Nor is it to develop some new Universal Ethic. The point is to sidestep universals. In some personal and social circumstances, courage IS a virtue. (In others it is a vice, as Amelie Rorty has noted.) So is humility. (Likewise.) But when the class left out by the virtue-talk is half the population, on its way to all the population, the vocabulary of the virtues is not doing its job. Art does the cultural job of making a vocabulary of virtues. *Things Fall Apart,* or Barges, makes one act ethically towards Nigerians or Argentineans more than does any amount of philosophizing about universal good. A modern society needs poetry and history and movies about bourgeois virtue: integrity, honesty, trustworrluness, enterprise, humor, respect, modesty, consideration, responsibility, prudence, thrift, affection, self-possession.

I am suggesting, in other words, that we stop sneering at the bourgeoisie, stop being ashamed of being middle class, and stop defining a participant in an economy as an amoral brute. The bad talk creates a reality. Adam Smith knew that a capitalisr society such as eighteenth-century Edinburgh could not flourish without the virtues of trustworthiness or bourgeois pride, supported by talk. Smith's other book, *The Theory of Moral Sentiments,* which even no economist reads, was about self-respect, not greed; esteem, not venality. Economics is the social theory of town life, and its ethics is bourgeois. Yet even many economists have learned by now that moral sentiment must ground a market. (Some go all trying to solve the Hobbes Problem, well into its fourth century of irresolution, namely: can a mob of unsocialized brutes be proven on a blackboard to create in the end a civil society? The problem lacks point if people have already the cultural character of French people or Americans.)

The growth of the market promotes virtue, not vice. Most intellectuals since 1848 have thought the opposite: that it erodes virtue. Dickens wrote: "It was a fundamental principle of the Gradgrind philosophy that everything was to be paid for. Gratitude was to be abolished, and the virtues springing from it were not to he. Every inch of the existence of mankind, from birth to death, was to be a bargain across a counter." As James Boyd White puts it in his otherwise admirable *Justice as Translation,* bourgeois growth is bad because it is "the expansion of the exchange system by the conversion of what is outside it into its terms. It is a kind of steam shovel chewing away at the natural and social world."

And yet we all take happily what the market gives - polite, accommodating, energetic, enterprising, risk-taking, trustworthy people; not bad people. In the Bulgaria of old (I was told by Poles who claimed to have seen it) the department stores had a policeman on every floor, not to prevent theft but to stop the customers from attacking the arrogant and incompetent clerks selling goods that fell apart at the moment of sale. The way a salesperson m an American store greets customers startles foreigners: "How can I help you?" It is an instance in miniature of bourgeois virtue.

Even an ethics of greed for the almighty dollar, to take the caricature at its face value, is not the worst. An ethics of greed is better than an ethics of slaughter, by patrician sword or plebeian pike. Commercial greed must work by mutual agreement, not by violence. Dr. Johnson said, "There are few ways in which a man can be more innocently employed than in getting money." The disdain for modest greed is ethically naive, because it fails to acknowledge that the greed prospers in a market economy only by satisfying the customer.

And even from a strictly individual view the bourgeois virtues, though not those of Achilles or Iesus, are not ethical zeroes. Albert Hirschman (who speaks precisely of "bourgeois virtues") recounts the career from Montesquieu to Marx of the phrase *"doio: commerce,"* quoting for instance William Robertson in 1769: that sweet commerce "tends to wear off those prejudices which maintain distinctions and animosity between nations. It softens and polishes the manners of men." In his play at the dawn of bourgeois power, Ceorge Lillo has his ideal of the London merchant, Thorowgood, assert that "as the name of merchant never degrades the gentleman, so by no means does it exclude him." Thorowgood on leaving the office instructs his assistant to "look carefully over the files to see whether there arc any tradesmen's bills unpaid." The aristocrat will sneer at such goody-goodness among the bourgeoisie. But after all, in seriousness, IS it not a matter of virtue to pay one's tailor? What kind of person accepts the wares of tradesmen and refuses to give something in return, though promised? No merchant he.

A potent source of bourgeois virtue and a check on bourgeois vice and a lesson for an economics that is going to take ethics seriously is the prerruum that a bourgeois society puts on discourse. The bourgeois must talk. The aristocrat gives a speech, the peasant tells a tale. But the bourgeois must in the bulk of his transactions talk to an equal. It is wrong to Imagine, as modern eccnorrucs does, that the market is a field of silence. "I will buy with you, sell with you, talk with you, walk with you, and so following... What news on the Rialto?"

The aristocrat does not deign to bargain. Hector tries, and Achilles answers: "argue me no agreements. I cannot forgive you.! As there are no trustworthy oaths between men and lions,! Nor wolves and lambs have spirit that can be brought into agreement." The Duke of Ferrara in Browning's "My Last Duchess" speaks of his late wife portrayed there upon the wall, "Even had you skill! **In** speech - (which I have not) - to make your will! Quite clear to such an one. ! E'en then would be some stooping; and I choose! Never to stoop." The aristocrat never stoops; the peasant stoops silently to harvest the grain or to run the machine; the bourgeois stoops metaphorically to make his will quite clear, and to know the will and reason of the other. The aristocrat's speech is declamation, and his proofs are like commands, which is perhaps why Plato the aristocrat and some Western intellectuals after him loved them so. The proof of the irrationality of the square root of 2 convinces *iuincere.* to conquer). The bourgeois by contrast must persuade, sweetly *("suadeo,"* from the same *toot* as English "sweet").

The bourgeois goes at persuasion with a will. About a quarter of national mcome is earned from merely bourgeois and feminine persuasion: not orders or information but persuasion, sweet talk (Klamer and McCloskey 1995)' Is the sweet talk of the bourgeoisie "empty," mere comforting chatter with no further economic significance? If that was all it was then the economy would be engaging in an expensive activity to no purpose. By not talking we could pick up a $20 bill (or more exactly a $1,500,000,000,000 bill). A quarter of national income is a lot to pay for economically functionless activity. The fact would not square with the most modest claims of economics. The businesspeople circling La Guardia on a rainy Monday night could have stayed home. The crisis meeting in the plant cafeteria between the managers and the workers would lack point.

Adam Smith as usual put the matter well. The division of labor is the "consequence of a certain propensity ... to truck, barter, and exchange. [I cannot pause here to consider] whether this propensity be one of those original principles in human nature, of which no further account can be given; or whether, as seems more probable, it be the necessary consequence of the faculties of reason *and speech." The Wealth of Nations* did not again mention the faculty of speech in a foundational role, though Smith, who began his career as a freshman English teacher, did remark frequently on how business people and politicians talked together. In *The Theory of Moral Sentiments* he called speech "the characteristic faculty of human nature."

Half of the Smith formula, the faculty of reason, became in time the characteristic obsession of economists. Smith himself did not much pursue it. Economic Man, rationally seeking, is not a Smithian character. It was later economists, especially Paul Samuelson during the 1940S, who reduced economics to the reasoning of a constrained maximizer, Seeking Man, *Homo petens.* Samuelsonian seeking has a peasant cast to it: the maximizarion of known utility under known constraints sounds more like Piers Ploughman than Rohinson Crusoe. The utilitarian reduction of all the virtues to one maxim makes all virtues into prudence. The wind-up mice of modern economic theory know nothing of humor, affection, integrity, and self-possession. Smith's notion of *Homo loquans,* Speaking Man, squares better with the varied virtues of the bourgeoisie.

The virtues of the bourgeois are those necessary for town life, for commerce and self-government. The virtue of tolerance, for example, can be viewed as bourgeois. Its correlations in European history, such as contrasted between Spain and Holland, suggest so. The experience of trade creates a skepticism about certitude - the arrogant and theoretical certitude of the aristocrat or the humble and routine certitude of the peasant. As Arjo Klamer has pointed out, "the dogma of doubt" is bourgeois, an attitude suited to the vagaries of the marketplace. On the town hall of Gouda, overlooking the market, is the motto *"Audite et alteram partem",* listen even to the other side.

Bourgeois charity, again, if not the "charity," meaning spiritual love, of the English bibles, runs contrary to the caricature of greed. More than the peasant or the aristocrat the bourgeois gives to the poor - as in the ghettos of Eastern Europe

Bourgeois charity, agaIn, if not the "charity," meaning spiritual love, of the English bibles, runs contrary to the caricature of greed. More than the peasant or the aristocrat the bourgeois gives to the poor - as in the ghettos of Eastern Europe or m the small towns of America. Acts of charity follow the bourgeois norm of reciprocity. The American Gospel of Wealth, founding hospitals, colleges, and libraries wherever little fortunes were made, IS a bourgeois notion, paying back what was taken m profit. Annenberg gives $500 million to schools in one jolt and we are not astonished. Middle class people in the nineteenth century habitually gave a biblical tenth of their incomes to charity. The intrusion of the state into charity killed the impulse, remaking charity mto a *taille* imposed on grumbling peasants: [gave at the office.

But the intellectuals since 1848 have despised this virtuous bourgeoisie, and have produced the conviction that Economics and Culture are opposed. Popular literature from the Horatio Alger stories to Dale Carnegie and *The Reader's Digest* continue to reflect on bourgeois virtues. And yet the clerks have steadily attacked the bourgeois virtues. They won in the end. High culture does.

But the intellectuals were mistaken about the growth of table, one of the deaf honorable gentlemen, rationality. They mistook bourgeois life the way a rebellious son mistakes the life of his father. The life of the bourgeoisie is not routine but creation. What has raised income per head in the rich countries by a factor of twelve since the eighteenth century is originality backed by commercial courage, not science. Dickens was mistaken to think that Facts alone are wanted in the life of manufactunng. Manufacturing depends on enterprise and singlemindedness far from coolly rational. Weber was mistaken to think that the modern state embodies principles of rationality in bureaucracy. Anyone who thinks that a large modern bureaucracy runs "like an army" cannot have experienced either a large modern bureaucracy or an anny. Freud was mistaken to claim that modern life compels a choice between the reality principle and eroticism. A business person without an erotic drive, suitably sublimated, achieves nothing.

The lack of insight by the intelligentsia into business life is odd. It reminds one, I repeat, of an adolescent boy sneering at his father: remarkable how the old chap matured between my r-th and arst birthday. The European novel contains hardly a single rounded and accurate portrait of a businessman (Thomas Buddenbrook is a notable exception). The businessman IS almost always a cardboard fool, unless he proves III the end to evince aristocratic or Christian virtues (thus Scrooge in Dickens' Christmas story). Intellectuals in the West have had a tin ear for business and its values.

A change is overdue. To admire the bourgeois virtues is not to buy into admiration for selfishness. Capitalism needs encouragement, being the hope for the poor of the world and being m any case what we are. But capitalism need not be hedonistic or monadic, and certainly not unethical. An aristocratic, country-club capitalism, well satisfied with itself, or a peasant, grasping capitalism, hating itself, are both lacking in virtue. And neither works in town. They lead to monopoly and economic failure, alienation and revolution. We need a capitalism that nurtures

communities of good townsfolk, in South Central LA as much as in Iowa City. We encourage it by talking seriously about the bourgeois virtues.

And yet there is an ethical problem in the theory and practice of economics. The problem is deeper than the mere distaste for calculation or selfishness or greed. Booth argues persuasively that a good author is a good friend, the good friend being "a kind of company that is not only pleasant or profitable, in some Immediate way, but also good for me, good for its own sake. Hours spent with this best kind of friend are seen as the way life should be lived. (M)y true friend is one who [quoting Aristotle] 'has the same relations with me that he has with himself'" (1988, p. 146-147).

Modern economics conserves on this sort of friendship, trying to get along on as little of it as possible. Economics was once described as the science of conserving love. The notion is that love is scarce, and that consequently we had better try to get along without it, organizing our affairs to take advantage of the abundant selfishness instead. The argument is economic to the core. As Adam Smith said famously, "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest" (I776, p. [6).

But Smith also pointed out (this is Joan Tronto's point) that people have a "feminine" desire to be part of a polis or family as well, and to warrant affection in such a group. People just do. It is Aristotle again: humans are political [that is, polis-Ioving] animals. The analytic mistake is getting along with no love when people are in fact lovers. I have called it the "Hobbes Problem," but it is the problem of Machiavelli, Mandevi1le, Benrham, and the modern economists: let's see what would happen if people were unsocialized brutes. But they are not unsocialized brutes. And so economists "predict" that people will defect from social arrangements at the drop of a hat. Massively, in wars and families, and experiments on college undergraduates, they do not. Something is wrong with an economic analysis that ignores the acculturated character of people, as economists are gradually coming to understand.

If economists tell stories and exercise an ethical sense when telling them, then they had better have as many stones as possible. This is a principled justification of pluralism, an argument for not keeping all one's eggs in a single narrative basket. "Powerful narrative," writes Booth, "provides our best criticism of other powerful narratives" (1988, p. 237). Maybe. Powerful metaphors do the job, too. A variety in economic narratives is good for the soul. Marxist narrative provides a criticism of the bourgeois "neoclassical" narrative, and vice versa. "The serious ethical disasters produced by narratives occur when people sink themselves into an unrelieved hot bath of one kind of narrative" (p. 237). Dogmatic Marxists, dogmatic neoclussicals, dogmatic Austrian economists, dogmatic institutionalists, who have put the other's writings on an index of forbidden books, are ethically dangerous, all of them. They are true believers, or, rather, believers in Truth. The best lack all conviction, while the worst! Are full of passionate intensity.

The Boothian pluralism of stories, then, speaks to economics. Albertjonsen and

to reduce ethical questions to a system of axioms. The stones of economists could better be used casuistically, as jonsen and Toulmin would urge. The case-by-case method is quite opposed to modernism, and was attacked by Pascal in his *Provincial Letters* of 1656-57 on modernist grounds (jonsen and Toulmin, Chap. 12). It does not seek universal principles to be applied by social engineers. It seeks an ethical conversation in which principles of less-than-universal applicability are discovered.

The best economists do exactly this. Ronald Coase, for example, is a British educated economist who has been for a long time on the faculty of the Law School of the University of Chicago. His approach to economics is casuistic, looking for the stories and metaphors and facts and logics that fit the case at hand, and avoiding the unreasonable obsession with one of them alone. His most famous article, "The Problem of Social Cost" (1960), is exactly casuistic. It has therefore been misunderstood by modernist economists, who see in it a "theorem" for their social engineering. The theorem, as it happens, is due to Adam Smith, some years in advance of Coase (namely, that exchange free of trammels works well; Coase's point was the opposite, that m a world of trammels the particular trammels need to be examined one by one to decide about air pollution and property fights). A style of ethical storytelling that insists that cases matter as much as principles is foreign to most of modern eccnonucs. Such a style is foreign to its peculiar culture, which is modernist and masculine and has never really worked.

Dialogue

Klamer: When I heard you presenting these arguments for the first time I was pleasantly suprised. It seems you have made a conversion by trying to make the ethics explicit in your account of economic behavior, Your new way of reasoning, by including virtues, friendship and even love, appears to be so much warmer and more humane, I'd say, than the cold-blooded approach that is so characteristic of your colleagues III the Old Chicago school. Would you agree with this observation?

McCloskey: The old Chicago economists were not cold at all. Frank Knight, Milton Friedman and Theodore Scbulrz had a way of doing economics that left room for passion. But the Old Chicago school has become nouvelle Chicago school dominated by Gary Becker and Robert Lucas who are Benthamites in a way that Milton Friedman is not.

Then there is a personal point. I have changed my mind 011 this although I have a long history of changing my mind. I was once a Marxist and then changed my mind, I was once a social engineer and changed my mind. That does not mean that I have thrown everything out that I learned as a marxist or a social engineer.

Klamer: How would you characterise your most recent change?

McCloskey: The change, which started before my change III gender bur was accel-

erared by that change, was brought about by the recognition of the obvious point, the point of Aristotle, that humans are political animals. The Greek 'politike' is translared into the modern word political but it does not have the same connotation in Greek. In the Greek it is closely connected with the polis, that is, with the community. The recognition that people like to be in groups will, I think, change the economics.

Klamer: By accounting for relations, for example.

McCloskey: Yeah. That would be the really spectacular way to show that hard nosed economic analysis makes mistakes when it forgets that humans are political animals. Such as the mistake of assuming that people will not ever voluntarily sacrifice themselves for the public goood. That is obviously false for a mother's love for her child, but it is obviously false more generally.

Klamer: The paper reads like a celebration of bourgeois virtues. At the same time you stress the importance of love and friendship. Don't the two conflict?

McCloskey: I don't think so. I don't think bourgeois life is any less loving than aristocratic or peasant life. I think it is early nineteenth century romantic nostalgia that town people are loveless. There is all this foolish modern talk about the alienation of people in big cities or in markets or on the job in factories. I don't think that that is true. Markets are often occasions for love. Think of your relationship with your dry cleaner or your friendly bicycle mechanic. It's true, as you say in your inaugural, that there can be a conflict between markets and friendship but they also can be complements. For example, you can come to know your bicycle mechanic and if you have the ability to love at all, you come to love him to some degree. There is a conviction on the left that all markets are anonymous but as you have emphasized in your own work, that is not true. Even under modern advanced capitalism many markets are face to face.

Furthermore, we are not confined to one of the three columns of virtues. You are the one who convinced me that a person can easily be an aristocrat on Saturday, a Christian on Sunday morning and a bourgeois on Monday.

Klamer: What will the good old Chicago economists think of this?

McCloskey: People like Armen Alchian, Ronald Coase, james Buchanan, and Milton Friedman for that matter, can understand such an argument and will agree with it. People who can't understand and agree with it are the heirs of Samuelson and Bentham.

Klamer: Historians seem to have a problem with your analysis as well. At least, that is the impression I got from their reactions to your paper during the conference.

Klamer: Historians seem to have a problem with your analysis as well. At least, that is the impression I got from their reactions to your paper during the conference.

McCloskey: I am a historian too. I was in the history departments of Chicago and Iowa. Look, I am writing an essay here, not a historical monograph. Some historians have difficulties with that. Some don't. I can understand and sympathise with the view that essays of this sort are not scientific. I don't pretend to be scientific here. I am trying to change present day sensibilities. I don't want to write false history, but I don't have to make a scientific contribution to history in order to use history.

Klamer: So your intent is normative.

McCloskey: I am acting like aunt Deirdre, but mostly to the profession of economics. Economics has fallen on bad times; the mistakes that economists are making are those of boys. So exactly as an aunt might scold the boys who are trampling all over the flowers in the garden, I am scolding the boys in economics for spoiling economics.

Klamer: And you think that economists will do better by paying more attention to the ethical dimension of economics.

McCloskey: It will bring economics back to Adam Smith where it started. It will make for an economics that in the words of an economic historian named Ashton walks on both legs.

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PART FOUR

On Art

FROM CULTURE we return to the subject of art. **In** the preceding chapters the value of art was discussed in various ways, but mostly in general. This part focuses on specific art and artists. Kattenberg demonstrates the possibility that the aesthetic value of a work of art interacts with its economic value. His case in point is the work of the American artist Andy Warhol. The next and last chapter contains a discussion with a few artists in which they give their perspective on the process by which the value of their art comes about.

13

The Value of Warhol

PETER KATTENBERG[1]

Kattenberg (1954) and I met when he was studying in New York at the New School of Social Research. At the time he was still active as an art dealer and had opened a gallery in New York. He is currently a minister at a Remonetrant church in Leiden, Holland and is active as an artist. He has sculptures at various sites in Holland, the courtyard of a newly built prison near Rotterdam among them. He is {urthennore working on a monograph about the Last Supper Paintings of Andy Warhol. This study was the main, but not the only, reason for me to invite him to contribute. Warhol appears to contradict the discomfort with the world of money that we - [have to implicate myself here - are used to impute to the world of the arts for he appears to embrace and celebrate the commercial possibilities of art. Warhol shows that the world of money can be an integral part of the world of the arts. Thus he appears to overcome, if not eliminate, the tension between those worlds to which several authors in this volume, including myself, have pointed. The value of art may be measured in monetary terms after all, and may even increase when it is!

"I'D PREFER to remain a mystery. I never like to give my background and, anyway, I make it all different all the time I'm asked. It's not just that it's part of my image not to tell everything, it's just that I forget what I said the day before and I have to make it all up over and over again. I don't think I have an image, anyway, favourable or unfavourable".[2]

Thus spoke Warhol, born August 6, 1928 in Pittsburgh, to Roman Catholic immigrant parents of (Ruthenian) Czechoslovakian stock, Andrej and Julia Warhola, about himself in 1964. That year he broke through as an artist after a successful and distinguished career as a commercial illustrator, by making the Thirteen Most Wanted Men at the New York World's Fair, at the same time starting the Self-Portraits, while concurrently exhibiting the Disaster Series at Sonnabend Gallery. He showed the Brillo Boxes at Stable Gallery, was present in American Pop Art at the Stedelijk in Amsterdam and simultaneously presented the Flowers at Leo Castelli's, while receiving the Independent Film Award from Film

that very same year 1964 a woman entered his studio, the Factory, with a gun and fired it at a stack of four fresh Marilyns.J

My primary concern is with the artistic and cultural values of Warho\'s work. When the value of art is at issue, as it is in this volume, I intend to focus on the artistic qualities of the work. The economic value does not directly concern me here, although indirectly I have to be concerned with a fact like that one of those Mari-Iyns, the so-called "Shot Red Marilyn, 1964", sold in early 1996 at Chrisne's New York Auction for $3.632.500. It does matter that the market values his work at such a price, but in order to understand that value we first need to know more about the work and the man himself.

Warhol died on February 22, 1987 in New York City, as a result of a hospital mistake following gall-bladder surgery. At the time he was arguably one of the most important artists of the twentieth century. His work is represented in every major collection of modern art. Yet even though he was famous and drew much attention to his work and his own person, he was an enigma at the time of his death and conrinues to be so.e Despite his glamorous reputation for always being at the right place at the right time and his ability of being constantly in one spotlight or another, he revealed little of himself. He seemed to hide his own person in what appeared to be a staged performance as an artist. In that way he gave testimony to the proposition that the personality of the artist is of no importance for the appreciation of his work. The artist is a 'yours faithfully'. Warhol did not want to talk about himself: "The interviewer should just tell me the words he wants me to say and I'll repeat them after him".5 This remark resembles Jesus' *ipsissima.* When Jesus asked his disciples, "Who are men saying the Son of Man is?" and some said "john the Baptist, others Elijah, still others Jeremiah or one of the prophets", He said to them, "You, though, who do you say I am?,,6

Warhol achieved public recognition as a celebrity nicknamed Drella. He had created a kind of anrichurch within the Factory, his silver-walled studio on West Forty-seventh Street, where his followers - many of whom, like Warhol, had been raised Catholic - were involved in exploitative sexual games with, as the artist Mapplethcrpe noted, the apparent need to confess their sins to him and seek absolution from him. He became a sort of saint to art students like Mapplethorpe himself.? In his art work, however, Warhol mainly presented the ordinary, everyday images such as Coca-Cola bottles and Campbe]! Soup cans and he did so with an enduring resonance. He appropriated straigrhforward, shockingly simple images, usually from commercial adds or mass-media photography, and applied to them his own authorship.f In presenting the very same thing *over and over again* he made them timeless signs of reverence m the minds of modern man. The repetitive representation gives the image something magical.v

When asked why he presented the Coca-Cola bottle and the Campbell soup can over and over again, he answered: "Because I used to drink it. I used to have the same lunch every day for twenty years, I guess, the same thing over and over again"."? The straightforwardness of this remark is typically Warhol. The mrerpretor of his work, however, may detect more in his presentations than he is willing to

say.ı I In light of his Catholic upbringing and his daily attendance of morning mass.t- I am tempted to see the presentations of Coke and Campbell in multiplied images as a ceremonial serving just as a priest would serve the blood and the body of Christ. Let me stress that I do not mean this literally. Rather, Warhol is priestly in a metaphorical sense. As he has said so repeatedly, Warhol saw the artist as someone who makes himself subservient to the work and disappears in its execution. One of Andy's favourite characterisations was "It's just work".

"Andy was a Catholic, the ethic ran through his bones
He lived alone with his mother, collecting gossip and toys
Every Sunday when he went to Church
He'd kneel in his pew and say, 'It's just work,
all that matters is *work"'.13*

There appear to be all kinds of unarticulated affinities between the idiom of religion and modes of expression in modern and contemporary art. A striking example is 'Noli me tangere', a work *ofJan van Munster* shown at an exhibition with the same title which was held in the Musee Cantonal des Beaux Arts in Sion (Swiss) in the summer of 1990.14 "Noli me tangere" ('Don't touch me') is a black steel object, in the form of a phallic lingam, it includes a compressor which chills the top of the sculpture and so produces a cap of sparkling white crystals. The title of the piece of work refers to a historical art theme that goes back for centuries and is taken from a passage of the Gospel according to St. John in which Mary Magdalene, on the morning after the crucifixion, is faced with the nsen Christ ın front of an empty grave. Shocked and surprised, she wants to touch him, but He stops her from doing so with the words 'Noli me tangere', thus declaring that he is no longer of this *world.Jan van Munster's* 'Noli me tangere' does not literally refer to this Christian theme but it does conram a comparable essence. Just as Mary Magdalene wants to convince herself of Christ's presence hy touching him, so the observer of Van Munster's object lS tempted to touch the intriguing white top in order to convince himself of its material identity which cannot be determined with the eye alone. However, touching is impossible without disturbing the surface itself. The spell of the crystalline layer is broken. Just like in the Bible story when Christ, after his resurrection,while still outwardly appeanng to be present, was unapproachable to the common people. The essence here lies in the mystery that should remain a mystery. The similarity or intimacy between the Mysteria fidei of religion and the mysteries of art in the twentieth century may well be accountable for their mutual attraction.

A distinctive issue in religion and art is the concept of rransformation.u In a work of art the artist is modifying the ordinary beyond the established, the conventional into something new. This something new does not represent reality per se and yet it has the quality of representation in its own right. A work of art represents, instead of reality as is, *a possibility.* It may suggest a factual quality and convey a claim to the truth, but whatever facts and truths are represented will be hard, if not Impossible to test. When Marcel Duchamp took objects from the banal world

hard, if not Impossible to test. When Mareel Duchamp took objects from the banal world and placed them ın an artistic setting, resulting in his so-caUed Readymades, the viewer is compelled to lmagme the transformed image. The work of Warhol has the same characteristic. He was arguably the most gifted artist of the twentieth century when it comes to transforming the banal mto non-anecdotal, highly sophisticated and meaningful works of art.[16] He was a master of metaphormoses having the power to make the ordinary extraordinary. He found his subjects ıı ı the fan magazines which he read to follow the lives of the stars he adored, and in the papers with their ads, their comics, and their screaming headlines. They were *easy.* to use one of his favorite words, because they were what he loved. The times proved him right. The sixties turned out to be the right time for the exploration of vulgarities, as other artists, like Dine, Oldenberg, Johns and Lichtenstein, also found out.

From the artistic and cultural point of view the value of Warhol, therefore, shows in the magic of transformation. By taking the ordinary and making it extraordinary in a ritualistic repetitive representation he adds to real, ordinary life an artistic quality rhat it did not have without his art. Because of his work we are now able to view the grocery store as a gallery. Criticisms that reject his work for being superficial and commercial, do not, in my view, do justice to these remarkable effects the work has had on the culture of his times. It is for good reasons that curators of every major collection of modern art want to have one or more Warhols.

Possibly more than any of the pop-artists, Warhol was best suited to become the Maestro of Metaphormoses. From all early age on he wanted to change his identity, to transform lumself and to transcend the limitations of his family and partake more fully of the glamorous America portrayed in the movies, on the radio, in magazllles and newspapers. Warhol wanted most what he missed by birth: beauty, wealth and fame.

His last great transformations are the Last Supper paintings, which he produced in the mid-eighties. Early ill 1986, Warhol's first NewYork dealer, Alexandre Ioalas, who had closed his Manhattan gallery and settled permanently in Europe, commissioned him to make some works based on Leonardo da Vinci's fresco *If Cenacolo.* The dealer offered to show the works ıı ı a Milan gallery, right across the street from the refectory of the Dominican Church of *Santa Maria delle Grarie;* which houses the famous Renaissance wall painting. Warhol found the project extremely appealing for several reasons. He had very recently appropriated and adapted other masterpieces of western art history and in doing so he had broken with his previous commitment to ordinary and everyday images. But perhaps the most obvious was that "he felt comfortable with the subject of food, a recurrent theme ın his art from *Wild Raspberries* and Campbell's Soup through a 1979 series of screenprints of grapes, peaches, and other fruits. To an artist who frequently fretted that he had 'so many mouths to feed' and who enjoyed serving dinner to needy people (and even throwing bread crumbs to the pigeons on Park Avenue), the opportunity to update Leonardo's dining scene was pretty irresisnble".'?

In silkscreening Leonardo da Yinci's 'Last Supper' Warhol presents his priestly self

Warhol approached Leonardo's *The Last Supper* with vigor and ingenuity in comparison with his treatment of most other found or pre-existing images. The hard part for him was finding a reliable source to base his paintings on. Art-book reproductions were generally too dark. Sharp-focus photographs revealed that very little remained of Leonardo's original pigment. Finally, he seems to have decided to work from kitsch and secondary rendering of *The Last Supper* as well as an expensive Italian-rnadc Capo-di-Monte bisque sculptural rendition and a schematic outline drawing based on the composition of the kind found in art books, on the works of, for instance, Shusaku Arakawa.[18]

Warhol made both hand-painted and silkscreened versions of *The Last Supper*. He produced a dozen monumental paintings, together with a group of smaller canvases, each a square meter, and numerous works on paper. In the silkscreened paintings he repeated Leonardo's composition in grids as many as sixty times and in different colours. Some Last Suppers he did on camouflage grounds and he produced several pictures that offered details of Jesus superimposed on overlapping colored rectangles.

The result is that, quoted in parts, camouflaged, or multiplied in pieces, the supreme Christian icon of Western art, Leonardo da Vinci's *If Cenacolo* is back in business and that now the image of Jesus amidst his disciples is forever fixed in

clans leur fragmentation. Une eucharistic sans communion. Une eucharistic qui serait la deconstruction de l'eucharistie't.w In the Eucharist the substance of the bread and wine is transformed into the body and blood of Christ, while the external appearance of bread and wine remains. In Warhol's work Campbell and Coca Cola are transformed into emblems of modern society, while the external appearance of can and bottle remains.

In fide both the lover of Warhol's images and the faithful attendee of the eucharist celebration may acknowledge that the objects presented to them are not for real, but they do not question that something took place by painting or praying. They experience the transformed image as meaningful in an artistic or religious sense. This leaves the question of how the transformation occurs, that is, how people come to attach a surplus of ffieanJng to pieces of bread handed out or to multiple Images of a can of Campbell soup. I can give no definite answer but advance here the possibility that Warhol's work, especially his Last Supper Paintmgs, derives part of its value from the possibility of a connection with the religious experiences that the viewer may have had. Warhol is a priest because he has been creating new images by *transforming* a single soup can into an icon of religion, recalling the fixed isolation of holy relics in an abstract space. In the words of Robert Rosenblum "both ingenuous and shrewd, blasphemous and devour, Warhol not only managed to encompass in his art the most awesome panorama of the material world we all live in, but even gave us unexpected glimpses of our new forms of heaven and hell".[20]

Given Warhol's inimitable combinations of cliche with spiritual resonance, he established in his Last Supper Paintings a relationship with the Holy. In the words of Lynn Cooke "for it permitted him to veil whatever private sentiment or investment he personally might have felt for it under the mantle of an hommage to one of the greatest of artists of the past – and to do this without relinguishing its identity as a commonplace mass media motif, the echt [soc] signifier of the Pop Art movement to which his own contribution was so instrumental"."

Dialogue

Klamer: This makes for an intriguing interpretation of Warhol's work. Frankly, I had not made the connection with religion but can now imagine that the value of his work is at least partly determined by that connection. What still eludes me in your analysis is the connection with the economic value of his work. Early on you refer to the high prices that the market is willing to pay for his work but thus far you have left that dimension out entirely.

Kattenberg: That is right. My account is incomplete and the value ofWarhol's work has not yet entirely come out of the paint, as we say in Dutch. I need to add more to the story in order to persuade you that the economic and artistic values interact in his case.

Noteworthy is for instance Warhol's business instinct. In the seventies he developed, with the aid of good advisors, a business, the Andy Warhol Enterprise. He exploited his special relationship with food, and organised ritual lunches for highly selective groups of people, each of which was strictly staged. He brought very famous and glamorous people together with a few less famous and glamorous people who very much wanted to be part of fame and glamour and with simple food and inexpensive wine would persuade them to have their portraits done.

It became a multi-million business. At the end of 1974 the price of a Warhol portrait was $25,000. That was actually the price for the rust portrait. If he thought he could sell more to a client, he would do a second which he sold for $15,000, a third for 10,000, a fourth for 5,000, and so on. The additional works were very popular among art dealers. After all, where could you buy a Andy Warhol for such a price?

The value of this enterprise for Warhol himself was that through these ritual lunches he worked himself into the milieus he had dreamed to be part of. He aspired to be in the royal milieus of the world around.

So here you have an artist, who creates a business with advisors, who conducts the business according to very strict marketing principles, places products at well-chosen values, and as a consequence saw the value of his work increase. He is the ultimate social climber in that American society of his. Here you see the effect of the circles in which an artist moves. For Andy Warhol, those were the highest and that is reflected in the economic value of his work. This makes him a good example of an artist who creates economic value.

In this case the value that he had created for himself had a spin-off for the artistic cultural in general. Other artists benefited from the cultural and economic value that he generated for himself. It is furthermore well-known that young people who wanted to attend art school but ran into opposition from their middle-class parents benefited from Warhol's example which showed that art could be a good and honest business. Jeff Koons is another great example of that.

But in the case of Warhol that is not all. The ultimate value of his work is not exhaustively characterised by all the money and the prestige that he generated. I think he really is a great artist because, as a wide-eyed celebrant of mass culture as Lynn Cooke once called him, he represents one moment in the great tradition of art and that is because he dealt with the real themes of the history of art. That is why he will have earned a spot in that history.

Kfamer: Not everyone agrees with this.

Kattenberg: In my reading of Warhol I have been very much influenced by Leo Steinberg's book on the sexuality of Christ in Renaissance art. Sreinberg shows that the demonstrative emphasis on the genitalia of Christ in Renaissance painting calls for an *ostentauc genitalium* comparable to the canonic *ostentatio vulnerum*, the showing of the wounds.

By making use of such rare and queer source material as sermons preached before Renaissance popes, he makes plausible that artists, in humanizing Christ by

applying classical Greek eroticism to the Son of Man were m fact confirming the wonder of Incarnation, that is to say God's descent into manhood. And what is peculiar in this respect is the fact that Renaissance artists did this on purpose. According to Steinbcrg these artists knew exactly what they were domg. In other words, their intention was unmistakably to transmit the Faith of the Church and to communicate the mysteries of the Creed. So a Renaissance artist was everything but a fool. If necessary, he was even a theologian. And I think that is also true about Andy Warhol. Steinberg and I spoke about this and he disagrees with me. He happens to think that Warhol is some sort of an artistic whipper who exploited his art to commercial ends and considers his body of work devoid of meaning. I don't agree with him. I still think that Warholls very much like, for instance, da Vinci. A Renaissance artist was not doing something for aesthetic or artistic reasons only. He was conveying the dogmas of the church. And that's also what Warhol does.

Klamer: Whose dogmas does he convey then? The dogmas of modern commercial life in American society?

Kauenhcrg: That could be, but that would be too obvious. I suspect there is more to it than that. It is in the work, as a close reading of his work will reveal. .If you read the Last Supper Paintings you are justified to think that more is at stake than a clever exploitation of an Icon of the art. He IS possibly showing the emperor's new clothes. He showed things that really matter, that always will concern people; he showed the flowers and the frivolous on the one hand, and the suffering and the pain on the other, and in his best works both worlds in one.

Ultimately I do not think that there is a separation between the economic realm and the world of the art. The two values are connected. He represents a 11lIXlllg of value spheres. Charles Stuckcy, for instance, is quite explicit on this. Let me check his writing to quote him:

> "looking both ways, at the highest sacred art and at the lowest commercial design, and fusing them m his hallmark fashion, these late pictures seem to suggest that, for a Pop god, the meek and the poor in spirit among artists are no less Important than Ruphael or Leonardo't.s-

Everything is contaminated. The pure thing does not exist. You cannot say anymore that you don't believe, or that you believe absolutely. The real, sincere Christian is not of this time anymore. Neither is the real artist. That, at least, has become clear to me in my exploration of the value that Warhol's work represents.

It is common to start from the ideal of integrity and purity. As an artist you are not supposed to think about what you arc earning. Here people will often refer to Pier Mondnaan as the real pnest of modern art, purist and a-commercial as he was. But that position is a deceit. And that is what Warhol is showing. An art work is good when it stinks, when you sniff money. That applies to everyone. There is a lot of discussion in the arts whether we are simply fooling each other. Surely, people

get screwed in rhe arts. There has to be a connection between the cultural value and the economic value.

Klamer: But if you would be too explicit with the money, it would not work.

Kattenberg: Possibly. But watch it. Steinberg disparages Warhol on the grounds that he was making a lot of money with his art. The evidence will be in the history books and that evidence will prove me right. Apparently, corruption and honesty go together. I defy herewith the habit of reserving the priestly role for purists like Mondriaan. Warhol is more honestly so.

Klamer: So what does the priest do according to you?

Kattenberg: The priest mediates between two worlds. That is what you see in art.

Klamer: Which two worlds?

Kattenberg: In his case he connects all kinds of conceivable worlds: the everyday world, the world of illusion, the commercial world, and finally the religious world. Critics are used to saying that he uses things from everyday life and appropriates them as a kind of vampire without scruples. On the contrary, he ritualises these everyday things and by doing so shows possible worlds, and, at the end of his life, revitalises old worlds as in "Details of Renaissance Paintings", for instance.

Klamer: I can't help connecting your reading of Warhol with your own roles as an artist and minister. Do you think there is a connection?

Kattenberg: No, I don't think so. Or I am at least not aware of that. There is something personal at stake in what I say here, but more so for me as an artist than as a minister.

The case of Warhol convinced me that in order to be a successful artist you have to become a phenomenon. I want to be a great artist. I am not a bad one. But to be a good one you have to persuade others. If I do not succeed at that, I will never be a great artist. You might say that it is marketing, but it is more than that. It's like a priest trying to win over souls.

14

The Value of Making Art

A conversation with the artists Ronald Glasbergen, Liesbeth Bik and Joep Lieshout

Thus far academicians have dominated the discussion in this volume. We have argued the value of art but left the artists out of the discussion. To *do so is customary practice in academic discourse, especially in economic discourse. It allows us, the academics, to stick* 10 *our rhetoric. Furthermore, when artists are the subject of our inquiry, we prefer to trust our own analysis rather than the opinions of the artists themselves. In this particular conversation, however, we have broken with the code and involved various artists. They interrupted my inaugural speech and took part in the conference that followed. One afternoon was reserved for an interchange with three artists from Rotterdam. As was to be expected, there was the usual rhetorical confusion that occurs when people from different disciplines try to communicate. The languages we speak are different and so are the concerns and even some values. Thus the discussion accentuated the difference between the realms of the aesthetic and the economic.*

After the conference I talked with three of the artists involved, namely Joep van Lieshout ("[like McCloskey's extreme position"), Liesbeth Bile ("I liked Amariglio, Ruccio and Graham for their discussion of value - and because they responded well to my work'? and Ronald Glasbergen. All three work in Rotterdam. Glasbergen is besides a visual artist, an artistic entrepreneur who organises spaces, exhibitions, and discussions; he was also responsible for bringing us together. Joep van Ueshout is *what is called a successful artist. At the time we were talking he was furnishing and decorating caravans, among other projects. We talked in the space of Liesbeth Bik where she, in collaboration with other artists, had constructed an exact replica of her kitchen. This kitchen piece will come up several times* in *the following conversation.*

KLAMER: Ronald, it seems that you argue [in a written contribution] that the value of art is in the nature of the beast, that the value is derived from the value of art as a distinctive activity. What does the price of a work of art say then about its value?

Glasbergen: It is a historical question. Some time ago art was a form of craft and it was valued like that. For the ancient Greeks art was dearly something separate. That was especially the case for poetics. You could compare the status of modern

art *to* that. It is very important for culture as a whole and therefore valued highly, but not in terms of money. It's the same with religion, with moral values. Something is at stake at the moment. Many people say it is a product like any other product but it still has the aura of something else.

Klamer: So why is the distinction of art as a specific activity such a critical issue?

Glasbergen: For the same reason. For art in general you have different value systems. So when the distinction between art and non-art becomes unclear, it becomes even more difficult to value art than when it was clearly meant to be art. But it can also get more interesting. As art it can be more interesting because it differs from the conventional understanding of what art is.

Klamer: Liesbeth, during the discussion at the conference you expressed your doubts about the possibility of measuring the value of your work m money terms.

Bik: Yeah, that would be very difficult. I have no idea what to ask for this kitchen piece [a copy of a kitchen in her studio where we were talking]. That would be a problem. The value will become clear when it is shown at other places and when people start talking about it.

Klamer: Does it matter to you what people are willing to pay for your work? Does that mean much to you?

Bik: To me? No, nothing. All that counts is that I can work.

Klamer: But now imagine that the kitchen piece fetches a million guilders. Would that not make a difference?

Bik: It never will. But no, it would not make a difference.

Klamer: joep, what do you think of this?

Lieshout: I think that there are two values to a work of art. You have the money value and the cultural value. The real value of art is its importance to society. On the other hand, the money value of a work of art is very realistic. On that count art works like any other product.

Klamer: So you disagree with Ronald who just argued that there is something inherently different about art?

Lieshout: No, I think that the market determines the money value of art. People want to have it and so they want to pay for it.

Klamer: Does that mean that the money value determines the value of art?

Ueshout: Not necessarily. There are 30 million dollar pieces of art I do not like. It is the same with gold. In my opinion gold is too expensive. You understand.

Klamer: In economics we dearly distinguish between the value that we attach to something personally and the value that the market gives. Economists would say that the social value comes about in markets, in the interaction between demand and supply. Price equals the objective value, in other words.

Lieshout: When you keep your work to yourself you may attach emotional value to it, but that would be different from the value that it gets in a market. Sure. But art does not need to be sold to have value. It can also acquire value when people write about it or when museums exhibit it. The problem is only to get that attention.

At any rate, I am not interested in the value of art. I am almost not interested in art. That is why I make my work probably.

Kfamer: What does interest you then?

Lieshout: The making of art, doing whatever you like to do, even if it is not art. I value it when someone makes a birdcage.

Glasbergen: I Just want to reiterate that there is a difference between market value and the value that you attach to your work yourself. Moral support is important, too, as when people in various capacities comment on your work.

Klamer: How do you respond tu joep when he says that he is not interested in the value of art.

Gfasbergen: He also says that he just wants to make an.

Lieshout: No, no. I said that at first. Then I realised that I want to do the things I like to do whether it is art or not. Whether other people like it or not does not rnatter much to me. It is better when they like it because you get more money when they do. When I have more money I can make more things and I have a wider choice of things I can do. If I don't have any money I have to draw on paper. When you have loads of money, you can do amazing things. Then again, it is possible that in the future I have loads of money and still make drawings.

Glasbcrgen: To me it does not matter what people's motives are for making art. It can be money or it can be the appreciation of their mother - as long as the results are interesting.

lieshout: I try to be as indifferent as possible, as free as possible.

Bik: It is very well possible that if you try to make art as art, it will not be as interesting. You have to wait and see whether the work will turn out to be art, whether people will see it as art, whether it poses questions, whether people react to it. I don't think what happens in the name of art is all that interesting

Lieshout: So much that was not made as art in the past, is now considered art. Just think of cave people and their drawings. Then there were people who could paint or were good carpenters. Only now we consider them artists.

To get back to the economics. I am not interested in the price of art. Recognition is much more important. Take this kitchen piece. It is just a very good piece of art but it does not have a price.

Glasbergen: When I saw it for the first time, I did not know whether it was art or not, but I liked it a lot. Of course it does not matter whether it is called art or not. It has a meaning.

Bik: I'd say that something you make is art when other people see it as such.

Klamer: How do you, the artists, think that art gets priced?

Lieshout: It is whatever you can get for it.

Klamer: That is what you *say*. But do you know how it works?

Lieshout: It is a matter of trial and error, maybe. When you become more famous you get a higher price. I work now with galleries that sell works for at least 30 to 40,000 dollars. Now I am part of them. They know which clients can afford that much. They are more famous. They read about you in the newspaper so they are willing to pay more for your work. You have to be famous.

Klamer: Sure, I can understand that fame plays a role. There must be other rules. Is it possible to charge too much?

Lieshout: There are many different circuits. There is the modern, avant garde circuit; there is the circuit of kitsch art; and there is the art circuit of public commissions. You have a circuit for bronze sculptures; they pay a lot of money for those. I am working in the circuit of modern, contemporary an. It works different in each circuit.

More in general fame is decisive. So it is important where you sell your work, or where you exhibit. The quality is important, too. You understand?

Klamer: How does it really work? You, your gallery sets the price. Do you bargain after that?

Lieshout: No. You have listed the piece for a price and that is it.

Klarner: Is it conceivable that you raise the price when more people want the piece?

Lieshout: Not really. There is no bidding. The first person who wants to pay the price, gets it.

Klamer: Can you lower the price?

Lieshout: Yes, when someone does not have enough money, you can give a reduction.

Bik: That depends on the people.

Lieshout: Does it?

Bik: Somewhat. Sure. Sometimes you can sell to a close friend for less. Sometimes I ask more money.

l.ieshout.: It depends on what you can get. If I have a price of 3000 dollars in mind for a painting and someone comes in who seems to be able to pay 10,000 I ask 10,000.

Bik: Immediately.

Lieshout: Yeah, sure. It all depends on the client. It is trial and error.

Klamer: Is there a connection between the activity of selling and that of making art?

Glashergen: Selling, insofar as it is a matter of getting response and appreciation for what you do, surely plays a role in what you do.

Klamer: Do you think about selling when you are making a work of art?

Glasbergen: No. The appreciation is important though. When you work in this market, you have to have a long term m mind. Of course you work for some kind of appreciation. Self-appreciation is important, too. You don't get that necessarily for each work that you produce.

Bik: When I am making art, I am not thinking of people buying it. I just want to get a reaction.

Lieshout: The most important thing is to be satisfied with the work. On the other hand I need lots of money. So when I can sell my work, I do it. But I also have other

means of earning money. I do not necessarily make all my money with art. For example, I also do some decorating and architecture. I am happy when my work has a functional value as well. Every museum that needs a new table or desk comes to me because they think that what I make is very special.

Klamer: What do you think of the scaling back of the public support of the arts, which as you may know has been especially generous here in Holland.

Lieshout: That is a pity. Foreigners always think that all Dutch artists are state artists. In fact, traditionally kings, merchants, churches, and rich people had been sponsoring the arts. Some time ago the state assumed that task. But that does not mean that we are all state artists. Far from it.

At any rate, as far as those subsidies are concerned, so-called experts advise the government as to whom to give money to and how much. They are artists, gallery owners, museum people, and so on. Frankly, I have more confidence in such a carefully selected jury than in the judgment of the market. But that serves my own interest.

Bik: I think it is allright that the government provides a little less money. This whole subsidy system is a state business; everyone here considers it as such. As a consequence, many people who otherwise would, now do not get involved in art. Furthermore, Dutch people can now become a member of some subsidised organisation and can get art work for 50 guilders (30 dollars). Thar is stupid. That way they don't get any sense of the value of that art.

Klamer: What about the government support for artists?

Bik: The committees who allocate the funds may consist of experts but they are always a selective group.

Lieshout: Yes, and they tend to be very fashionable. They always want to know how many exhibitions you have done. They look at what you get in the market and then they reward you. So their judgment is in fact market driven.

Klamer: Do subsidies make artists lazy, as some people would argue.

Bik: Sometimes. Well, yes, sure.

Lieshout: I think so, but I don't care.

Glasbergen: A much bigger problem than the alleged laziness of artists is the lack of interest of people for art.

Lieshout: I think it is a good thing that artists who do not get supported in the marketplace, and who arc good artists, get money to do their work. You can also think of the government as just another client with a lot of money.

Klamer: Now, here is something I don't understand. You were very much taken with McCloskey who has a firm laissez-faire attitude and wants to keep the government out. She strongly opposes government support partly because it tends to be unfair, favonng some over others. What about that argument?

Lieshout: Yes, I talked with her. I said then that I consider the government as another client. That is the end of the line. If there is another company, or a private person who wants to support an artist, that would be fine too. I don't particularly care how the money gets here.

Klamer: Well, it must make a difference how the money gets to you. In case you get the money from the government, the tax payer pays.

Lieshout: I pay raxes and I pay Sony when I buy a taperecorder. What difference does that make?

Klamer: What if you pay 200 guilders to Sony and Sony turns around and spends a big chunk of that on art? Would you not have preferred to have paid less?

Lieshout: If I don't like that, I could buy a Panasonic. I have a choice. This means that the financing through the government is the less desirable option because they force people to pay taxes. I do nor have a choice in that case. I cannot choose among governments as I can among companies.

I am curious about the United States. Do they have more people there who buy art? Is there more sponsorship?

Klamer: The critical difference is the amount of private donations. Sponsorship is not such a big deal. Art can get financed in many different ways. Quite a bit of art m the US gets financed through universities. What also helps is a flexible job market that allows artists to earn extra money on the side.

Bik: If you can do that here, too, you are clever.

Klamer: I wonder about the valuation of art. The process of valuation might be quite different in a market culture, as in the US, from a culture that focuses on government subsidies.

Lieshout: Maybe, but the government funding is also related to what you do in the market.

Bik: More and more so. When we left the academy the system was still very different from what it is now. Unfortunately, abroad they think the old system is still intact.

Whatever, the aim is to get out of the system of government support. It's good that they support us in the beginning when it is very difficult to support yourself. The strategy is to get less and less.

Glasbergen: In the US a lot happens without government subsidies. Maybe we can do without subsidies for art.

Epilogue

I am reminded of Hurrer's notion of the play (see chapter 9) and Abbing's artistic conscience (see chapter 10). To "play" art, these artists have to incorporate elements of the play of the economy. The rules are not firm and fast, the strategies not transparent. Their artistic conscience tells them to adhere to the standards of artistic integrity; at the same time they are looking for appreciation with Lieshout being the one least concerned about crossing the borders between art and non-art. They all play with the economic value of what they do. Their accounts bring out the tensions that exist due to the differences between the realms of economics and the arts. Those differences are what this book is all about.

Notes

NOTES INTRODUCTION TO THE CONVERSATION

Cited is Liesberh Bik from chapter 14.

2 Tom Wolfc, *The Painted Word* (New York: Bantam Books, 1975)

3 For a full account of this analysis *see* Arjo Klamer, "Modernism in Economics: An Interpretation Beyond Physics," In Neil de Marchi (editor), *Non-Natural Soaal Science: Ref/ecting on the Enterprise of Morc Heat than Light*, (Durham: Duke University Press, [99J): pp 223-248 and D. N. McCloskey, *Knowledge and Persuasion* {Cambridge: Cambridge University Press, 1995}

4 Joep van Lieshour, the artist, says it in chapter 14 loud and dear: "I think that there are two values to an art work. You have the money value and the cultural value. In fact they are comparable. The real value of an is its meaning in society. On the other hand the money value of and artwork is very realistic. On that count art works like any other product."

NOTES CHAPTER I

This text was published in *Boeemancahier* 25, 1995: 298-310.

William Gramp. *Pricing the priceless: arts, artists and economics.* New York: Basic Books, 1989·

2 S. Hietbrink, F. van Puffelen and J.A.M. Wesseling. *De economische betekenis van de professionele kunsten in Amsterdam.* Amsterdam: Srichting voor Economisch Onderzoek (SEO), 1985. In the meantime there has been a follow-up report, *De Kunuen Geioaardeerd* by KPMG (I996), which more or less does the same thing.

3 These numbers are not very reliable. For instance, the spending on the arts in the US may be underestimated because the number does not include the spending on the arts by academic institutions. The main problem, however, is a dear definition of cultural activities. Part of book purchases should count as spending on culture but which part is difficult to determine. Which part of the media should count? And which movies?

4 *Podiumeunsten* 1993. Voorburg/Heerlen: Centraal Bureau voor de Statistiek, 1995. (Sociaal-Culrurele Berichten; nr. 3)

5 Calculation for visits to the Nederlandse Opera. See: Hans Abbing. *Een economicvan de kunsten.* Crcningen: Historische uitgeverij, 1989, p. 239.

6 FromJames Heilhrun and Charles M. Gray. *The economics of art and culture.* Cambridge: University of Cambridge Press, 1994, p. 232.. Although Heilbrun and Gray do not say so, these numbers do not include the spending by local government.

7 See for example: Abbing, 1989. *The economics of the arts;* Mark Blaug (ed.). Londen: Martin Roberston & Company, 1976; and Ruth Towse. 'Achieving public policy objectives in the arts and heritage'. In: *Cultural economics and cultural policies;* Alan Peacock and Ilde Ri2z0 {eds.}.Boston: Kluwer Academic Publishers, 1994.

8 See for example: Abbing, 1989; and Heilbrun and Gray, 1994.

9 See: Heilbrun and Gray, 1994, pp. 210-212.

10 That is why economists favor a subsidy in the form of vouchers for cultural events to be distributed to people who have a real need for financial support in their cultural engagement. The CJP passport, the cultural passport with which young Dutch people can get discounts on access prices for cultural events, is a good approximation of the economists's ideal because it benefits a well-targeted group with a real need as well as real cultural interest

.n See for example: jan Pen. "De politieke economie van het Schone, het Ware en het Goede." In: *Economische Sianstischc Berichten,* September 1983, nr. 1, pp. 942-948. He actually tackles the merit argument but ends up with the culture-is-good-because-I-and-rhe-poliricians-think-so-too argument anyway.

12 The architect of this huilding is the well-known Jan Duiker.

13 Personal interview with j.R.W. Flink, alderman of Hilversum and his unpublished manuscript *De verkoop van Mondriaan; Hiloersum en de Compositie met* 2 *Lijnen, 1991.*

14 The title of this performance was: *Images without organs: absent hody/inuoluntarv actions.*

15 Antoon A. Van den Braembusscbe. *Denken over kunst; een kennismaking met de icunstfilosofie.* Bussum- Coutinho, 1994.

16 Barend van Heusden. *Why literature: an inquiry into the nature of literary semiosis.* Groningen: Rijksuniversiteit Groningen, 1994.

17 'It is for this end that money has heen introduced, and it becomes in a sense an intermediate; for it measures all things, [.) money has become by convention a sort of representative of demand; and this is why it has the name "money" *(nomisma)* - because it exists not by nature but by law *(nomos)* and it is in our power to change it and make it useless.' Aristotle. *Nichomacbcan Ethics,* 1133a, pp. 18-32.

18 WilOld Kula. *Measures and men.* Princeton: Princeton University Press, 1986, p. 87.

19 The emphasis on experience I owe to John Dewey, *Art as experience.* New York: Pumam, 1934·

20 Adam Smith. *The wealth ofnations,* Vol. I, Bk. I, eh.a.

21 I trust neoclassical economists to come up with models of relationships and the experience of values anyway because those are in their blood.

22 "As children became increasingly defined as exclusively emotional and moral assets, their economic roles were not eliminated but transformed. child labor was replaced by child work and child wages with a weekly allowance. A Child's new job and income were validated more by educational than economic criteria." Vivianne Zelizer. *Pricing the priceless child; the changing value ofchildren.* New York; Basic Books, 1985, p. 11.

23 The Protestant Reformation was, among other things, a revolt against the commercialization of remittances in the Catholic Church. For many the idea that one could get forgiveness against a price devalued religious practices.

24 R.K. Lancaster. *Consumer demand: a new approach.* New York, 1971.

25 The Dutch painter and poet Lucebert said that all things of great value *(waarde)* are defensclcss *(weer/oos).*

26 Hens Blokland, "The Politics of the Value of Culture," in *Boeianancahier* 26 (December '995),444-448; Bruno S. Frey, "The Economics of Art is Definitely Worthwhile", *idem,* 449-454; Berend jan Langenberg, "The Value of Culture is not beyond Measure, *idem,* 455"459; Hans Abbing, "Two Steps Back or One Forward, *idem* 460-461; Marc Adang, "De Kunst Geprijsd of Ceprezen>, *idem,* 462-468; Wil Arts, "Arjo Khmer en het Romanrische Leveasgevuel," *idem,* 469-474; Charles M. Gray, "Phihstines in the Cathedral?

Thoughts on economics and the arts," *Boekmanchahier* 27 (Maart 1996),69-71; jarnes Heilbrun, "External Benefits of the Arts; Agnostic Position No Longer Tenable," *idem,* 72-73; Andrew Fcisr, "Economic Measurement and Arts Bureaucrats," *idem*, PP74-77. My response - "Reaffirming the Value of Culture: a Reply to my Critics" - appeared in the same issue (pp 78-84).

27 This view was effectively obliterated by A. Peacock in "The Politics of Culture and the Ignorance of Political Scientists: A Reply to F.F. Ridley" *(journal of Cultural Economics 7,* r: 23-26).

28 Ruth Towse, "Market Value and Artists' Earning", unpubhsed, Exeter University, 1995, p 2.

NOTES CHAPTER 3

Van Heusden, B.P., *Wiry Literature? An Inquiry into the Nature of Literary Semiosis,* Groningen t994 / Tiibingen L996.

2 Sraal, F. (1989) *Ecn wijsgeer in het oosten.*

3 *The an ofpainting.* New York, 1957: p. 110; italics added.

4 Aristotle, *Poetics* I450b-8 ff.

5 Peirce, 1903· *Collected Papers, 5.42.*

6 The ideas put forward here have been strongly influenced by the reflections on mimesis as *refiguration* of the semiotic experience by Paul Ricoeur, both in *La metaphorc vive* (I975) and in the first volume of *Temps et reat (1983).*

NOTES CHAPTER 4

A useful study of the history of aesthetic experience which outlines the rransfcrrnanons that have occurred in discourses of aesthetic expeience is jauss (r982).

2 This change seems to have eluded Guillory whose critique of much recent pluralist cultural criticism (which, in his view, calls for an abandonment of value) stands in sharp contrast to "political economy" (and here Gui!lory mostly refers to the classical political economists and Marx) in which value presumably has remained a central and necessary concept.

3 For a delicious contrast to our position, see the quintessential, disciplinary imperialist stance of the neoclassical economist William Cramp. Gramp "reconciles" economic and aesthetic value in the following way: "Economic value, strictly speaking, is the general form of all value, including that which is aesthetic and that which is not aesthetic but is value of another kind. An object - good, service, or wherever - has economic value if it yields utility. If it is a work of art, the utility is aesthetic. If it is something else, it yields another kind of utility, and that utility is its economic value. To say that aesthetic value is "consistent" with economic value is to say no more than that the particular comes with the general, or that aesthetic value is a form of economic value just as every other forrn of value is" (20-21).

4 The reverse is true as well, that is, the stability of aesthetic value is depended upon as a means to stabilize the economic choices that arc routinely made about artworks. As Howard Becker says: "An aesthetic, providing a basis on which people can evaluate things in a reliable and dependable way, makes regular patterns of cooperation possible. When

values are stabilized, and can be depended on to be stable, other things stabilize as well - the monetary value of works and thus the business arrangements on which the art world runs, the reputations of artists and collectors, and the worth of institutional and personal collections" (r984, 134)·

5 Becker is dear about the effects of the aesthetician's practice as well: "The logic of the enterprise - the bestowing of honorific tides - requires them to rule some things out, for there is no special honor in a title every conceivable object or activity is entitled to. The practical consequences of their work require the same exclusionary approach, for distributors, audiences, and all the other participants in an art world look to aesthcricians for a way of making hard decisions about resources in a clcarcut and defensible, rather than fuzzy and arguable, way" (I37).

6 For a sophisticated consideration of the problem of treating most anything as art (and thereby blunting the edge of the distinction in the first place) see Dnnro (198r).

7 We have not said much in this paper about the dimensions of taste and evaluation that are part of popular culture and which have distinct class, race, gender, and ethnic dimensions. These are interestingly discussed not only in Bourdieu, but also in an article by John Fiske (1991) in which he looks at the different standards of discrimination that may be in play in popular culture and among non-elite audiences. The distinction he draws between "productiviry and relevance" on the one hand and "quality and aesthetics" on the other are the key terms in differentiating between the class forms that discrimination takes.

8 We do 110r regard uncertainty as extra-discursive. On the contrary, we believe uncertainty to be, like value, a discursive construct. The experience of uncertainty is thus partly created by the existence of discourses of value as well as discourses mostly concerned with this experience. for more on how uncertainty is produced within different economic discourses, see Amariglio (1990), and Amariglio and Ruccio (1994, 1995).

9 Of course, there are exceptions to this rule. As the photographer Marrha Rosler points out, art dealers can make decisions to support forms of "high art" that have difficulty selling in order to embellish the reputation of their house as knowledgeable and on the Cutting edge of taste. This may, therefore, increase the likelihood of sales. But, as Roslcr also notes, in tight economic times, such decisions are more unlikely to lead galleries and dealers 10 STOck "market-tested items" (1984, 318).

10 The idea of difference in economic discourse is extensively explored in J. K. Cibson-Craham's *The End of Capitalism (As We Knew It)*.

11 Of course, the loss in aesthetic experience that has occurred fwm the present distinctions of high and low in culture can be equally stressed, as it is in Lawrence Levine's excellent historical account (1988) of the diminishment of a public culture that has taken place in the rise of a "cultural hierarchy" in the United States.

12 The problem of distinguishing between movements toward equilibrium and that which is "outside" equilibrium is discussed in Ruccio and Wolff (1989).

NOTES CHAPTER 5

The Becker pressure group model has been described as a "vote-your-pocketbook" model because government spending is determined by the interaction of only two pressure groups - those that are taxed to pay for government spending and those that are subsidized. Non-budgetary, or social costs associated with taxes and subsidies determine the amount of political pressure that each of these groups brings to bear either to support

or to oppose such subsidies. For example, as the social cost of taxation increases, the taxed group has an incentive to increase their pressure against increasing taxes.

2 Unlike the case of direct government spending, however, the importance of these fiscal considerations depends on whether contributors suffer from a kind of fiscal illusion. If, for example, people act as if tax deductible private contributions have no fiscal impact, then the fiscal consequences of such subsidies would play no role in the individual's choice.

3 See for example, Helmur Anheier and Stefan 'Ibepler (1995).

4 This point is made by Mark Schuster (1985).

5 It has been pointed out to us that, contrary to Weisbrod's assertion, Holland does not subsidize religion, either.

6 A proposed public sculpture by joel Shapiro "became the object of a furious debate when the public (or press) dubbed the rather innocuous-looking piece with a heavy price tag 'the headless Gumby.'" (Senic, 1992a, p.240) Gumby was a popular flexible plastic children's toy with a stick-figure-like appearance. A 1975 Noguchi sculpture in front of the Seanle Federal Building and consisting of five natural stones incised by the artist was "related to the contemporary 'pet rock' craze." (p.aao}, The so-called Chicago Picasso, which turns out to be a "conflated image of his wife Jacqueline and his pet Afghan," was sometimes alternatively described as: "a baboon, bird, phoenix, horse, sea horse, Afghan hound, nun, Barbara Streisand, and a viking helmet" [p. 2.39). "Most tellingly, one outspoken colonel when first confronting the 'Chicago Picasso' suggested, 'If it is a bird or an animal they ought to put it in the zoo. If it is art, they ought to put it in the An Institute ... '" (p.243)

7 One of the authors viewed it on Washington's Channel 32. on December 18, 1994. It may have aired on other dates in other locations.

8 This "growing acceptance" interpretation is not shared by all observers, or necessarily supported by other examples. One of this volume's contributors, David Ruccio, commented to us that, while many in Chicago may have come to accept the fact of the Chicago Picasso's existence, his impression as a resident of Chicago is that many of them actively dislike its presence. This holds true in his view for a number of other public sculptures around the Chicago area. Another example involves a sculpture by George Sugarman in front of a federal courthouse in Baltimore, installed 17 years ago. The Washington Post reported on June 2.1, 1995 that, in the wake of a bombing of a federal building in Oklahoma City, an official responsible for security at the courthouse recommended removal of the sculpture because it might pose a "security risk." (Valentine, 1995). The Post article makes it clear that this recommendation was greeted with strong approval by judges and other personnel using the building, who greatly disliked the sculpture, even though it had been there 17 years. One former official commented "It may be a security hazard today, but it was a hazard to the eyesight long before Oklahoma City." A criminal defence lawyer said its removal "would be a public service."

9 Arjo Klamer, "The Value of Culture." Chapter 1 in this volume.

10 Klamer, *op. cit.*

11 Khmer, "The Value of Culture," p. 303.

NOTES CHAPTER 6

That view was effectively ubliterated by Peacock ((983).

2 Possible reasons for this are discussed in 'Iowse (1996).

3 See Peacock and Weir (1975), Peacock (J979), Towse (I994b), and Peacock and MacQueen (1995)·

4 Those with a whetted appetite might like to look at my book on singers, which attempted to pUI real flesh on the bones of the operation of that market (Towse, 1993).

NOTES CHAPTER 7

Klamer's criticism of the single-minded use of economic concepts to activities that are generally thought to be important elements of a "good life", such as art, friendship and love, is a member of an ancient family. In fact, Klamcr echoes in many respects Aristotle's critique on Plato's ideas about rationality in ethics. Cf. (Nussbaum 1990, Chpr. 2.and 3.)

2 Durkheirn 1964) Durkheim's *conscience commun* or *collective* is the set of beliefs and sentiments common to the avarage member of a single society which forms a determinate system that has its own life. The French word *conscience* embraces the meanings of the two English words "conscience" and "consciousness". Cf. (Lukes 1973)

3 This is obvious for Weber and Simmel. Although 1will not go into details here, it is also arguably true for Durkheun.

NOTES CHAPTER 8

T The phrase is not simply a play of words. It reflects the applicability of the same notion to theory construcciun itself.

2 However, among the authors making use of the term in more than suggestive ways are Bourdieu, Caillois, Derrida, Gadamer, Goffman, Goodman, Sennett and Wittgenstein.

3 Of course, there are numerous older references. In the German discourse, for instance, Schiller holds a prominent place for his discussion of art in terms of "play without interest" (1962.: 407), following, in turn, Kanrian notions.

4 Huizinga illustrates this fundamental point by noting that we speak of "playing a play" because there is no other verb that could he substituted (1956:48).

5 In his brief discussion of Huizinga, Sennett (1977: Ch.14) quotes the first three criteria in a very similar fashion, but leaves out the fourth one.

6 Explicit rules are always only a small subset of the total set of rules. Wittgenstein (1971:59) makes that point with reference to tennis games.

7 Bnreson wrote down his theory after observing monkeys playing "combat" (1972: 179)·

8 Barcson was able to demonstrate that maltreatment of logical typing - being confused about the borders of different plays one is involved in - can be the cause of schizophrenic symptoms (Bareson 1979: 139)·

Bateson also traces humor 10 the paradoxical nature of something rhat is and is not at the same lime. "ln the absence of the distortions of logical typing, hurncr would be unnecessary and perhaps could not exist." [Bateson 1979: 129)

9 The logical structure of such an event is one of "double contingency": the participants depend on each other's premises in a circular fashion. The structure has been well

explored in sociological systems theory. See, with an application to the topic of play, Baecker (1997).

10 In fact, the term "play" as it is used in this paper is synonymous to the term "social system" as it has been developed by Luhmann (Luhmann 1995). The advantage of the term "play" lies in its immediate focus on self-generated, bordered events.

11 Some contributors to business economics recognize that the ongoing social process within corporations can be observed in terms of play {Crozier/Friedberg 1977}.

12 On new developments in the form of economic organizations see HutterlTeuhner 1993.

13 See Agnew 1986: 2Of.

14 Pre-modern times were rich in the symbolic use of plays to indicate closure and disnnction. For a detailed study on Renaissance courts see Guerzoni 1994.

15 Note that the subject of the sentence is play itself. If we were to introduce other subjects, like players, we would violate the consistency of the theory which calls for strictly internal self-organisation: events lead to new events, everything else remains in the environment of that social world.

16 In contemporary social systems theory one would use the distinction of form and medium (Baecker 1996). Form is defined as anything that consists of rigidly coupled elements, whereas the medium is the loose coupling of the same elements. For instance, air waves are a medium for the forms of words, musical sounds or the patter of applause, alphabets are the medium for written words.

17 The notion of a ratio, in the sense of a continuous comparison, is due to Simmel (1905). Simmel also points out that only equality "at the margin" counts, not a comparison of total value.

Althuugh Simmel's *Philosuphy u(Money* is clearly part uf the uld value debate, its clarity of insight is unsurpassed. See Hutter 1994h for a longer discussion.

18 Theories of value have lost currency in economics. The notion was hotly debated until the early days of this century, particularly by the German-speaking economists, but interest waned after the success of the new epistemology which equated the ancient "intrinsic value" with subjective utility (Hicks 1938). relative (money) prices are the only indications of value recognizable in a world of Rational Choice. At the same time, there is a popular presumption that the conduct of science is or ought to he disinterested, and thus free of self-value.

19 The term "use value" is an unfortunate one, because it suggests a comparability between individual valuatinns which does not exist. Use value refers to individuals and thus to mental processes. These processes are internal to human minds, but outside of the moves of a particular play.

Mental evaluation is the reflection of social value ratios. In the mental process, the valnations of different plays are, in turn, brought into relationship, and the values of different plays are weighed with respect to the individual's intentions. In human beings, that reflection assumes the form of specific feelings. The intensity of such feelings makes values, like money ratios, recognizable and memorable to organisms. Through social values, observations are translated into feelings, but that translation process is, to repeat the point, the reflection of events taking place in the plays, not a distinct and separate phenomenon.

20 The relationship is, in fact, circular. One may therefore transpose the notion of self-meaning also to use the value, and thus to a system outside the play. Note, on this point, the following obvervarion by Baudrillard: "Value in the case of use value is enveloped in a total mystery, for it is grounded anthropologically in the (self-)'evidence' of a naturalness, in an unsurpassable original reference Value becomes absolutely self-evident, 'la chose la plus simple'"(1981: 130).

21 Sennetr makes the point that the aesthetic training inherent in child's play serves to increase the confidence in the expressivity of behavior that is artificially structured (Sennett 19n' 354}·

22 There is a second aspect worth mentioning: artistic value serves as an indicator for the position of players in the Economy. Anistic forms provide a way to signal and to read positions, and thus they help to organize the play, particularly in situations outside of organizations. See Simmel 1905.

23 Organisation plays also maintain themselves by "fceding" on external values. Corporations depend on the coding activity of the economic play. Given the relative prices, they are able to plan their own activities of material and communicative transformation.

24 On the role of ambiguity in the evolution of monetary forms see Hutter I994C.

25 Science is, in the chosen perspective, another Play of Meaning, the one that draws its closure from the cuncept of truth. Thus, science loses the uniqueness uf its position. It constructs fictions just like any other Play of Meaning. Similar to Art, the play uf Science takes place in texts and books, and in performances, ranging from lectures to conferences. Also in a similar manner, the autonomy of scientific value with respect to economic valuation is always at risk.

In fact, the sub-play of economic science seems to be an excellent example: reputation in economics reproduces itself according to internal criteria. The initiation of new contnbutors implies changes in personal identity {Colander/Klamer 1987). One can add now: the continuity of complex tautologies around a basic core of belief is a necessity fur such complex plays.

26 In terms of the metaphor introduced by Samuel Butler: individuals are the hens used by the (genetic) eggs to make more eggs.

NOTES CHAPTER 9

Cf P.Bourdieu, for instance: Bourdieu, Pierre "The production of belief" *Media Culture and Society* 11, 3, 1980.

2 The concepts of habitus and field were introduced by P.Bourdieu. See for instance Hourdrcu, Pierre, *The fieldofcultural production. Essays on artand literature. Edited by Randall johnsulI,* Oxford: Polity Press, 1992.

3 O. Williamson stressed the importance of idiosyncratic exchange and investment. Williamson, Oliver E., *Economicorganisation: [mns, markets and policy control,* New Yurk: New York University Press T986.

4 Ibidem.

5 The idea uf art as systems of symbols or "language" has been stressed and analyzed by Goodman, Nelson, *Languages of art, an approach to a theory ufsymbols* (1954), London: Oxford University press, 1968.

6 Compare Goodman, ibidem.

7 Booy, Hanneke, Frank van Puffc1en en Birgit Schumacher, *Omvang markt beeldende kunst in Nederland,* Amsterdam: Stichting Economisch Onderzoek, 1992 (Rapport nr. 284), p.63. On the basis of a sample it is estimated that the government is responsible for more than half of market-demand for visual an products. Due to the way the sample is drawn the role of the government may he slightly overestimated, but it is bound to be very substantial.

8 Abbing, Hans, "Kunsr en marktgeriehtheid: een schijntegenstelling. Over ruil, markt en transactie-kosten in de kunst." *Bocemancahier* IV, nr.r-q, 1992. [Art and rnarket-oricnta-

tion. About exchange, markets and unequal opportunities in the arts.] An unpublished English translation is available.

9 The myth of the all important self-taught artist (autodidacr] is nourished in the arts. Statistical analysis proves him to be the exception to the rule. As talent should be God-given, artists often present themselves as aurodidacts, even when they are not. Moulin, R. *Les artistes. essai de morphologie sociaie.* Paris: Documentation Francaise, 1985.

ID Goodman, ibidem.

IJ Bourdieu, Pierre and Loicj.D. Wacquant, *An invitationto reflexive sociology,* Cambridge: Polity press, 1992.

12. I am thinking of the equilibrium theory with its emphasis on a harmonious result. The presence of conflict and of antagonistic interests is veiled and denied.

I} I am aware of the fact that in this paper the extreme uncertainties and high profits in the arts have not received the necessary attention for drawing conclusions like these. I have treated these subjects more extensively in publications in Dutch.

NOTES CHAPTER 10

Dutch Culture Overseas: Colonial Practice in the Netherlands lndies, 1900-1942 (Amsrerdam/Ann Arbor: Amsterdam University Press/The University of Michigan Press, 1995) and *Poverty and Political Culture: The Rhetoric of Social Welfare in the Netherlands and France,* 1815-1854 (Lanham, MD/Amsterdam: Rowman & Littlefield/Amsterdam University Press, 1995)

Gertrude Himmclfarb, *Poverty and Compassion. The Moral Imagination of the Late Victorians* (New York, Alfred A. Knopf, 1991), p.}; RichardJohnson, "Towards a Cultural Theory of the Nation, A British-Dutch dialogue," in Annemieke Calema, Barbara Henkes, and Henk te Velde, eds., *Images of the Nation. Different Meanings of Dutchness, 187°-1940* (Amsterdam/Atlanta, Rodopi, 1993), pp. r97, 2.04-207; and Taufik Abdullah, "Islam and the Formation of Tradition in Indonesia, A Comparative Perspective," *ltinerario.* 13, No. 1 (1989), p. 18.

2 Louis Chevalier, *Laboring Classes and Dangerous Classes in Paris during the First Half of the Nineteenth Century* (1958; repr. Princeton, Princeton University Press, 197}), p. 111.

3 Michael Ignatieff, "State, Civil Society, and Total Institutions: A Critique of Recent Social Histories of Punishment," in Stanley Cohen and Andrew Scull, eds., *Social Control and the State: Historical and Comparative Essays* (Oxford, Basil Blackwell, 1983), p. 86; Ali de Regt, in *Arbeidersgezinnen en beschavingsarbeid. Ontwikkelingen in Ncderland,* r870-1940 (Amsterdam, Boom/Meppel, 1984), p. 244, and Kathenne A. Lynch, *Family, Class, and ideology in Early Industrial France* (Madison, University of Wisconsin Press, I988), pp. 21-26.

4 Harold L. Wilensky, in *The Welfare State and Equality. Structural and Ideological Roots of Public Expenditures* (Berkeley, University of California Press, 1975), pp. 9, 46-49.

5 David T. EHwood, *Poor Support. Poverty in the American Family* (New York, Basic Books, 1990), pp. 14-4+ In some form, Marco H.D. van Leeuwen refers to all of these motifs in his impressively detailed discussion of charity in Amsterdam, *Biistand in Amsterdam ea. 1800-185°. Armenzorg als bebeersings- en ooerlcumqsstrategie* (Zwolle, Waanders, 1992.), 1'1'.16-2.6, Il9-}5.

6 Mary MacKinnon, "The Use and Misuse of Poor Law Statistics: 1857-1912," *Historical Methods,* 21, No. 1 (Winter 1988), pp. 5-19; see also Norman McCord, "Poor Law and Philanthropy," in Derck Frazcr, ed., *The New Poor Law in the Nineteenth Century* (London, Macmillan, 1976), pp. 87-110.

7 Abrum de Swaan, *In Care of the State. Hcalthcare, Education and Wc/fare in Europe and the USA in the Modem Era* (Oxford, Basil Blackwell/Polity Press, 1988), p. 23.

8 For a more detailed discussion of these records, see Frances Guuda, *Poverty and Political Culture. The Rhetoric of Social Welfare in the Netherlands and l-rancc. 1815-1854* (Lanham, MD/Amsterdam, Ruwman & Litrlefield/Amsrerdam University Press, 1995), Chapters 2, 3, and 7-

9 jean-Paul Alban de Villencuve-Bargcmont, *Fconomie po/itique cbretienne ou recherches sur la nature et tes causes du Pauperisme en France et en Europe et sur les moyens de les soulager et preuenir.* 3 vols. (Paris, Paulin, 1834), 1, p. 28.

10 jean-Paul Alban de Villcncuvc-Bargcmnnr, *Discours Prononcc a la Chamhre des Deputes dans la discussion du projet de loi sur le travail des enfants dans les manufactures* (Merz, Colignon, 1841), p. 2.

11 Gordon Wright, *Between the Guillotine & Liberty. Tum Centuries of the Crime Problem in France* (New York, Oxford University Press, 1983), pp. 49, 157.

12 See, fur example, the section on "Bourgeois Opinion" in Chevalier, *Laboring Classes and Dangerous Class in Paris,* pp. 359-72.

13 Olwen Hufton, Review of J.K.J. Thompson, *Clermont de Lodeve.* 1633-r789: *Fluctuations in the Prosperity of a [anguedoc Cfothmaking Town* (1982), and Colin jones, *Charity and Bienfaisance: The Treatment of the Poor in the Montpellier Region* 174-18r5 (1982), in *The European Studies Review,* 13, No. 4 (1983), p. 489.

14 Eugene Buret, *De la miserc des classes lahorieuses en Angleterre et Prance. De la nature de la misère, de son existence, de ses e(fets, de ses causes, et de f'insuffisance des rcmedes qu'on lui a opposés iusqu'ici auec i'indication des moyens propres a affranchir lcs sociétés,* 2 vols. (Paris, Paulin, 1840), 1, p. 108.

15 *Le Moniteur,* November 27, 1828, Fosseyeux, liasse 711-2, Archives de l'assistancc puhhquc, Paris. For biographical information about the prefect of police, see M. Bertin, *Biographic de Mr. de Belleyme* (Paris, Durand, 1865), and "Letabiissernent des maisnns dc travail darts la ville de Paris," 7 November, 1828, Fosseyeux, liassc *711-2,* Archives de l'Assistance publique, Paris.

16 Dnvid Pinkney, *Decisive Years in France* 1840-r847 (Princeton, Princeron University Press, 1986), pp. 94-97, and Christopher johnson, *Utopian Communism in France. Cabet and the Icarians 1839-1851* [lthaca, Corned University Press, 1974), p. 66.

17 Simon Vissering, "Politiscbe vertooghen," in *Hermnenngen* (Collection of essays and memoirs written between 1840 and 1860), 3 vols. (Amsterdam, PN. van Kampen, 1863), 2, p. 21.

18 Of the many French social investigators writing in the period r815-1848, Louis-Rene Villenne was the best known in the Netherlands, whereas Baron joseph-Marie de Cerundo – as well as the Scottish Presbyterian minister Thomas Chalmers – inspired Dutch notions of middle-class patronage. In Holland itself the work of Samuel Senior Coronel, who was politically much less conservative, was inspired by methods similar to his French colleagues. See, among many other writings, *Cczondbeiddcer toegepast op de {abneksniioerbeid* (Haarlem, De Erven Loosjes, 186r), and *Idem,* "De diamantwerkers te Amsterdam," in De *Economist* (1865), Bijblad, pp. 89-r20. For a more recent examination of Coronet's conrriburions, see A.H. Bergink, *Samuel Senior Coronel en zijn betekenis voor de sociale geneeskunde in Nedcrtand* (Asscn, Van Corcum, 1960).

19 H.W. Tydeman, J. Heemskerk, and Mr.].W. Tydernan, *Het ontwerp van de wet op het armhestuur* (Amsterdam, Ccbroeders Kraay, 1852), p. 10. See also their *Denhbeelden omtrent een useueiijee regeling van bet armusezen in Nederland* (Amsterdam, Cebroeders Willems, 1850).

20 According to JA. Bcrger, in *Van annenzorg tot werkelozenzorg* (Amsterdam, Arbeidcrspers, 1936), Van den Bosch was the first analyst in the Netherlands to use the term "unemployment," p. 25.

21 Thomas Lacqueur, "Bodies, Details, and the Humanitarian Narrative," in Lynn Hunt, ed., *The New Cultural History* (Berkcley, University of California Press, 1989), p. 177.

22 D.E van Alphen, "lets over armoede en het gebrek aan arbeid in betrekking tot de staatshuishoudkunde and staarkunde," in H.W. Tydeman, ed., *Magazijn voor het armwezen in het Koninkrijk der Nederlanden* (Leiden, 1820), pp. 3-4.

23 jeroen Sprenger, who is the current spokesperson for the Dutch Federation of Trade Unions, repeated the same story in almost identical language in an interview in *The Washington Post* on April 12, 1993: "[Holland is] still a prosperous country, we do not have the levels of poverty that yuu see in other countries, like the United States. Let's be proud of that, let's see it as a kind of decency, a level of civilization we have reached in [our] country."

24 Van Leeuwen, *Biietand in Amsterdam ea. 1800-[85°,* p- 289.

NOTES CHAPTER 11

I express my gratitude to Arjo Vanderjegt and to the members of the Seminar "Representation of Collective Identity" of the Agricola Institute at the University of Croningen, parricularly to Henk te Velde. Without their comments this article would be even more groping for clarity.

2 Ernest Cellner, *Conditions o(Liberty,* London, Hamish Hamilton, 1994, 107.

3 Reason implies here the common capacity and will to ratiocinate, to follow rules, to sympathise with others (and their needs for economic gain and social approval), to solve problems of communication, and to pursue peaceful and fair settlements. My conception is influenced by recent work of the republican philosopher Phillip Penir.

4 John Rawls, *A Theory of Justice,* Oxford, University Press, 1972,7·

5 David Hume, *An Enquiry concerning the Principles* o(*Morals* (I75r), Oxford, Clareodon Press, 1975, sect.lX, part I, 275.

6 Arnartya Sen, "Coals, Commitment, and Identity", *Journal* o(*Law, Economics, and Organization,* 1, r985, Idem, "Rationality, Interest, and Identity", in A. Foxley (cd.), *Development, Democracy, and the Art o(Trespassing,* Norre Dame, University Press, 1986, Robert Sugden, "Thinking as a Team", in Ellen Frankel Paul et at. (eds.), *Altruism,* Oxford, Basil Blackwell, I993 and Robert Nozick, *The Nature* o(*Rationality,* Princeton, University Press, 1993.

7 Tom Nairn, "Demonising Nationalism", *London Review o(Books,* 25 February 1993, 6.

8 See Frank Knight, "Economic Theory and Nationalism", in Idem, *The Ethics o(Competition,* London, George Allen, 1935, 321-326, Harry johnson, "A Theoretical Model of Nationalism in New and Developing States", *Political Quarterly,* 80, 1965 and, most recently, Albert Breton et ai, *Nationalism and Rationality,* Cambridge, University Press, 1995·

9 Russell Hardin, *One (or All,* Princeton, University Press, r995.

10 See Ernest Gellner, *Nations and Nationalism,* Oxford, Basil Blackwell, 1983, Walker Connor, *Ethnonationalism,* Pnnceron, University Press, 1994, 144-£64 and John Hall, *Coercion and Consent,* Cambridge, University Press, 1994, 124-I48.

11 George L Mosse, *Confronting the Nation*, Brandeis University Press, Hanover (NH), 1993,2-3,7·

rr Ooe more similarity, Some artists are so outstanding in their universal expressiveness, that either their local ties do not block their incorporation into the global tradition of great art or their global commitment serves as local role model (both moves are made in the reception of Irish literature and pop music). Some nations are so uutstanding in their form of civilization that either their local ties do not preernpr their hegemony or their global commitment is imitated by lesser nations (say the US in the [9405 and 19505).

13 Anthony D. Smith, "Gastronomy or Geology? The Role of Nationalism in the Reconstrucricn of Nations", *Nations and Nationalism*, I, 1995.

14 JL. Tahnon, *The Myth ufthe Nation and the Visiun ofRevolution*, London, Seeker & Warburg, 1981, 3-4.

15 John A. Hall, 'Liberalism and Nationalism, Friends *and* Enemies', in Praemium Erasmianum Foundation (cd.), *The Limits* of *Pluralism*, Amsterdam, 1995, 117. Hall rejects the general proposition that nationalism turns vicious when and because it is supported by the lower classes. This proposition is defended by both the liberal 'Ialmon and the Marxist Hobsbawn.

16 jamcs Tully, *Strange Multiplicity*, Cambridge, University Press, 1995, 13. According to Wolf, this is the case for all living cultures. Modern specialized social scientists merely failed to acknowledge this universal because they were blinded by their focus on nations (and their neglect of the world system). See Eric R. Wolf, *Europe and the People without History*, Bcrkelcy (Cal.), [982,387.

17 Compare the definitions of Avishai Margalir and [oseph Raz, "National Self-Dcrcnnination",joumal *of Philosuphy*, 87, 1990, 443-447 and DavidMiller, On *Nationality*, Oxford, Clarednon Press, 1995, 22-27.

18 The world may see itself as differing from inhuman or extra-human entities (tyrants, gods, unidentified flying objects) in a dark past or future. This specific self-image tends to promote global communitarianism.

19 Will Kymlicka, *Multicultural Citizenship*, Cambridge, University Press, 1995, eh.a.

20 jean-jacques Rousseau, "A Discourse on Political Economy", in Idem, *The Social Contract and Discourses;* London, Dent, J973, 131.

21 Bcnedict Anderson, *imagined Communities*, London, Verso, 1983, 1991, Gellner (I983), Anthony D. Smith, *The Ethnic Origins* of *Nations*, Oxford, Basil Blackwcll, 1986 and E.J. Hobsbawn, *Nations and Nationalism since 1780*, London, Canto, 1991.

22 Perry Andcrson, *A Zone of Engagement*, London, Verso, 1992, 261-164.

23 Harold D. Lasswell, *World Politics and Personal Insecurity* (1935), New York, Free Press, 1965. Compare the surveys by Daniel Bell, "National Character Revisited", in Idem, *The Winding Passage*, New York, Basic Books, I980, Philip Schlesinger, "On NanonalIdcnnry", *Social Science Information*, 26, 1987, Anthony D. Smith, *National ldentity*, Harmondsworth, Penguin, 1991, John Hutchinson, *Mudern Nationalism*, London, Fontana Press, 1994, Henry Harris (ed.), *Identity*, Oxford, Clarendon Press, 1995, and Montserrat Guihernau, *Nationalisms*, Cambridge, Polity Press, 1996.

24 See for some recent work in English Bart van Hccrikhuizen, "What is Typically Dutch?", *The Netherlands journal of Sociology*, 18, 1982, Simon Schama, *The Embarrassment of Riches*, London, Fonrana, 1987, A. Galcma, B. Henkes and H. Ter Velde (cds.), *Images* of *the Nation*, Amsterdam-Atlanta (Ga.), Rodopi, 1993, and Han van dcr Horsr, *The Low Sky*, Scluedam, Scriptum Books, I996.

25 David Maybury-Lcwis, *Mi[cnnium*, New York, Viking, 1992, 262.

26 Connor, *Ibidem, 155.*

27 As Clark writes, "What we need is not to have fewer nations, but better ones; not the unchecked rule of one imperial power, masquerading as a 'really rational mind', bur a world of careful accomodanons between self-conscious nations." Srephen R.L. Clark, "Nations and Empires", *European journal of Philosophy,* 4, 1996, 77. In a similar spirit, George Kennan has written time and again that refusal to see other people as entirely our enemy or our friend is a primary virtue in international affairs. See Warren Zimmerman, "Prophet without Honor", *New York Review of Books,* August 8, 1996, 6.

28 Amhony D. Smith, *Nations and Nationalism in a Global Era,* Cambridge, Polity Press, 1995·

29 See Brian Barry, "Self-Government Revisited", in Idem, *Democracy and Power,* Oxford, Clarendon Press, 199I.

30 Barry, *Ibidem,* 177.

31 Sidney Farrow, "Making Social Science Work Across Space and Time: A Critical Reflection on Robert Punmarn's *Making Democracy Work", American Political Science Review,* 90, 1996, 394·

32 Michael Biilig, *Banal Nationalism,* London, Sage, 1995.

33 This section is based on Michael Walzer *Just and Unjust Wars,* New York, Basic Books, 1977, Will Kymlicka, *Liberalism, Community, and Culture,* Oxford, Clarendon Press, 1989, 162-181, Margalit and Raz (1990), Barry (I99I), Yael Tamir, *Liberal Nationalism,* Prmceron, University Press, 1993, Kymlicka (1995), 75-106, Millet (1995) and Yael Tamir, "The Enigma of Nationalism", *WorldPolitics,* 47, 1995.

34 jeremy Waldron, "Can Communal Goods Be Human Rights?", in Idem, *Liberal Rights,* Cambridge, University Pres, 1993, 354-6. This view of social relations is put forward by communitarian philosphers like Charles Taylor. Richard Musgrave's work, particularly on merit goods and the public household, is the closest thing to communitarianism in mainstream economics.

35 Rawls, *Ibidem, 521.*

36 These cases are anomalies in the social-liberal framework ofj.S. Mill I am presenting here, but regularities in the [aissez-faire liberal framework ofLurd Acton (1907). See for an elaboration of these rival frameworks and an application to the issue of economic growth respectively Francis Fukuyama, *Trust,* New YOlk, The Free Press, 1995 and Mancur Olson, *The Rise and Decline of Nations,* New Haven (Cann.), Yale University Press, 198Z.

37 Liah Greenfeld, *Nationalism,* Cambridge, Harvard University Press, 1992, 487. Moynihan refers to "self-esteem", next to belongingness. See Daniel Patrick Moynihan, *Pandaemonium,* Oxford, University Press, 1993, 64.

38 Charles Taylot, *"Review", American Political Science Review,* 90, 1996, 408.

39 See Michael Walzer, *Spheres of Justice,* New York, Basic Books, 1983 and Daniel Bell, *Communitarianism and Its Critics,* Oxford, Clarendon Press, 1993.

40 Kymlicka, (1989), 166 and Carol C. Gould, *RethinkingDemocracy,* Cambridge, University Press, 1988, 318,324.

41 This passage is based on Michael Walzer, "The Distribution of Membership", in Peter G. Brown and Henry Shue Ieds.), *Boundaries,* Rowman & Littlefield, Totowa (NJ), t981, Douglas Rae et al., *Equatities;* Cambridge, Hatvard University Press, [981, Walzer (1983), Jeff Spinner, *The Boundaries of Citizenship,* Baltimore, The Johns Hopkins University Press, 1994, Malcolm Anderson, *Frontiers,* Cambridge, Polity Press, 1996 and BillJordan, A *Theory of Poverty and Social Exclusion,* Cambridge, Polity Press, 1996.

42 Wolf, *Ibidem, 379.*

43 This distinction is based on Smith (I99r), *ibidem,* ch.r.
44 John Searle, *The Construction of Social Reality,* New York, Free Press, 1995, ID-II.
45 See on this distinction Charles Beita.t'Sovereignry and Morality in International Affairs", in David Held (ed.), *Political Theory Tuday,* Cambridge, Polity Press, 1991 and Miller (1995), ch.j.
46 The first definition is quoted by Avishai Margalit, *The Decent Society,* Cambridge, Hatyard University Press, 1996, r60. The second one is discussed by Dominique Schnapper, *La communaute des citoyens,* Paris, Gallimard, 1994, eh.I.
47 Linda Colley, *Britons,* London, Pimlico, 1994,372..
48 See respectively Julia Krisreva, *Nations without Nationalism,* New York, Columbia University Press, 1993,John Keane, *Tom Paine,* London, Bloomsbury, r995, II6-II9, 443-452 and David Held, *Democracy and the GlobalOrder,* Cambridge, Polity Press, 1996.
49 Miller, *Ibidem, 68-69.*
50 AnIOn van Hooff "Horatius verminken voor het vadeeland" (To Mutilate Horace for the Fatherland), *NRC Handelsbtod,* 4 June r996.
51 See Margalit and Raz (r990).
52 "Perceptions of frontiers are changing, from one frontier to several, from line to zone, from physical to cultural, from spatial to functional, from impermeable to permeable" (Anderson (1996), 190).
53 See Alasdair Maclntyre, 'Is Patriotism a Virtue?', in Ronald Beiner (ed.), *Theorizing Citizenship,* State Univerity of New York Press, Albany, 1995 and the critique of this kind of approach to political obligation by A.John Simmons, "Associative Political Obligations", *Ethics,* I06, 1996.
54 Miller, *lhidem, 66,74,94-96.*
55 John Keane, "Nations, Nationalism and European Citizens", in Sukumar Periwal (ed.), *Notions of Nationalism,* Budapest, Central European University Press, 1995.
56 Hall, *Ibidem;* EdwarJ Shills, "Nation, Nationality and Civil Society", *Nations and Nationalism,* t, '995.
57 junarhan Glover, *I, The Philosophy and Psychology of Personal Identity,* Hannondswonh, Penguin, 1988, 203.
58 Abram de Swaan (ed.), *Social Policy beyond Borders,* Amsterdam, University Press, 1994 and Goran Therborn, *European Modernity and Beyond,* London, Sage, 1995.
59 Themorn, *Ibidem,* 282. Therhorn does not offer an explanation of post-nationalism and its recent stagnation. See about these issues Michae11gnatieff, *Blood and Belonging,* London, Chatto & Windus, 1993 and jos de Beus and Thomas Koelb1e, 'Post-Nationalism and Social Democracy', *paper* for the J995 Annual Meeting of the American Political Sciencc Association, Chicago, August 31 1995.

Nons CHAPTER 13

I acknowledge the support of the Vera Cortschalk-Frank Foundation.
2. In "Her raadsel Warhol" (the enigma Warhol), Ank Marcar, *Museumjournaal* 12/3, 1968 p.r66
3 Sources arc: Kyuasron McShine (ed.), *Andy Warhol, A Retrospective* (The Museum of Modern An New York,1989J; Victor Bockris, *Warho{,* (Bantam Books New York 1989); David Bourdon, *Warhol,* (Abrams New York, 1989).

4 Kynaston McShine (ibid, p.az}: "Given the mythologizing of Wathol, there has been speculation about which was the last painting or drawing he was working on. It is salutary, and in the true spirit of his obscurity, that the question may never be answered".

5 See for an opposite reading Edward Lucre-Smith, *Movements in art since I945,* new revised edition (publisher? (984), especially pp.S.« "for an emphasis shifted from the artist's product to his personality". (I think the work of Bruce Nauman is of great value considering the many difficulties to define the role of the artist in late-XXth century society).

6 Matthew 16:I}b ff.

7 Cited in Patricia Morrisroe, *Mapplethorpe: A Biography* (Random House New York, 1995), p.43-44. The outlandish and pathetic antics of what went on has been documented in WarhoJ's *Chelsea Girls.*

8 Warhol's approach resembles the application of the so-called *Bildmaterial* by Max Emst. Like Ernst, he selected anonymous, unmarked and non-canonised, non-classical images which had affected him in a personal way. See Edward Quinn *Max Emst,* (Thames and Hudson, London (977). His work furthermore reminds us of the ready-made objects of Marcel Duchamp which derive their (artistic) meaning from the context in which they are presented.

9 Repetition, with standardization, an integral component of contemporary production processes, was a staple of Warhol's aesthetic strategy. On occasion, the same image was doubled dozens, even hundreds, of times to produce an effect, which according to one's sensibility, was either of numbing neutrality or of incantatory munificence (Lynn Cooke, ibid, p.I-2).

10 Cited by Ank Marcar, p.I66

11 He once said, "If you want to know all about Andy Warhol just look at the surface of my paintings and films and me, and there I am, there is nothing behind it".

ra "unbeknowsr even to the closest friends, he had not only been brought up but remained a devout Cathnlic" Lynn Cooke, Andy Warhol, *The Last Supper Paintings,* New York, Dia Centre for the Arts, 1995

I} Lou Reed/john Cale, Songs for Drella - A Fiction (a brief musical look at the life of Andy Warhol).

14 See Lisette Pelsers, "The beauty of danger and the beauty of that which must not be touched" in Catalogue De Beyerd, Breda, 1991, p.r t-rz.

IS See: Etienne Gilson, *Painting and Reality,* London, *19S8* This IS a thoughtful diSCUSSIon of the ontological status of painting. It argues that painting is not a vehicle for the representation of reality, but a creator of new being by way of transformation.

16 See for example Kynaston McShine, ibid. p.20

17 David Bourdon, o.c., P'406

I8 Shusaku Arakawa, *Next to the Last Supper,* 1971, silkscreen, 271/4" x 42 *S/r6",* The Museum of Modem Art, N.Y [The entire composition has been squared and numbered, the figures are silhouetted with a spectral line, and elements and locations in the painting are identified with stenciling and arrows.] in: Jean Lipman and Richard Marshall (with an introduction of Leo Steinberg), *Art about Art.* New York, E.P_ Dutton Press, 1978, p_62

19 In *Le sens du monde,* thanks to Frank Vande Veire, Gent (B).

20 Robert Rosenhlum, "Warhol as Art History", in *Andy Warhol,* A *retrospective,* edited by Kynasron McShine (New York: Museum of Modern Art, New York, 1989), p.}6

2I Lynn Cooke, *Andy Warhol, the Last Supper Paintings, New York, DiaCentre for the Arts, 1995,* p.j

22 Charles Stuckey, *Andy Warhol, Heaven and Hell Are Just One Breath Away.',* New York, Gagosian Gallery/Rizzoli, I991, p.18

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