

# Index

- addictive goods 48, 90–92
- advertising
  - changes in tastes due to 30, 75
  - effect of single releases 73
  - effect on culture 66, 71–2, 74–5
  - funding 71–2, 80–81
  - reduction in costs 64–6, 68, 74
- age
  - of artist at death 96
  - impact on cultural participation 49, 53–6, 59, 132, 159–60
- AI (artificial intelligence) systems 77–81
- algorithmic licensing 70
- algorithmic recommendation of existing products 76
- ‘anchoring effect’ 93
- appreciation capital 15–16, 48, 56, 167
- ‘as if’ postulate 34
- Association of Cultural Economics International (ACEI) 12–13, 21, 65, 167
- attendance
  - and engagement 126, 134
  - live performance 54–5
  - and pricing 31–2, 102–4
  - rational addiction in cinema 91
  - repeat 49
  - status and class 133
  - streaming positively correlated to concert 71
  - terminology 41–2
  - and tourism 142, 156–7
- auctions 7, 16, 87–9, 93–4, 105, 110
- Austrian economics 3, 9, 25
- auteur* 50
- autonomous machine creation 78–9
  
- badging 32
- Bakhshi, H. 29–30, 68, 124–5
- bandwagon effect 31, 51–3, 91–2, 103
- barriers to entry 26, 29
- Baumol, W.J. 12, 14, 25, 65, 92, 166
- Becker, G. 6, 15–16, 25, 30, 41, 43, 46, 48–9, 51–2, 71, 90–92, 103, 166
  
- Bentham, J. 5
- bingeing 49
- Blaug, M. 12, 166–7, 170–71
- blockchain technology 70, 74, 98, 106
- book publishing 67, 77
- boundaries around cultural economics 170–72
- Bourdieu, P. 5–6, 42, 45, 133, 167
- bundle pricing 107
- Burning Man festival 58–9
- business models
  - AI systems 79–80
  - changing 70–75
  - for creation of cultural content 80
  - new 28–30
  
- Cameron, S. 4–5, 14–16, 26, 45, 48–9, 51, 53–4, 56–8, 76, 80, 91, 96, 110
- Cantor, P. 9
- case study approach 170
- case study on cultural policy and values 127–32
- CDs 1, 27, 54, 56, 96
- Chengdu policy 172–3
- Chinese cultural policy 172–3
- choice behaviour *see* individual choice behaviour
- cities and capitals of culture 4, 32–3
- collectible goods 93–7
- comedy 44–5
- community of scholars 13–14, 23, 32
- consultancy reports 23
- consumer surplus 8, 11, 16, 66, 68, 76
- ‘consumption capital’ 90–91, 101
- consumption (term) 41
- contestable market theory (CMT) 25
- contingent valuation studies (CVM) 170
- copyright 3, 26–8, 67–70
- corporate social responsibility (CSR) 121–2
- cost disease (Baumol) 12, 65, 166
- creating products 75–6
- creative class 4
- creative industries *see* cultural and creative industries (CCIs)

- 'creative industry' 22
- creative machines 77–81
- creativity, augmented 78–9
- credence goods 90–92
- crowdfunding 8, 26, 66, 109–10, 136–7
- 'cultivation of taste' 90
- cultural and creative industries (CCIs) 116, 123–7, 129–32, 135
- 'cultural capital' 55, 91, 121, 133, 160–61
- cultural consumption of tourists
  - demand factors of 156–60
  - supply factors affecting 160–62
- cultural economics
  - Blaug's nine topics 166–8
  - boundaries 170–72
  - challenges
    - future 17–18
    - luxury goods 36–8
    - policy relevance 22–4
    - problems for traditional empirical studies 33–6
    - regulation of global digital monopolists 24–6
    - technological change and digital economy 26–31
    - UK policy examples 31–3
  - and cultural value indicators 131
  - current daily agenda of 15–16
  - current state of research in 1–2
  - defining 14–17
  - digitization as main impact on 1
  - emergence and growth 12–13, 23
  - establishment as professional category and community of scholars 13–14
  - meta-analysis 168–9
  - place in history of ideas 2–14
  - qualitative methods 169–70
  - relation to happiness studies 172–3
  - research agenda for 166–73
  - scholarly participation in 21
  - seven 'sins' of research 33–4
  - subsidy issue 2
  - tools for measurement of non-market values 121
- cultural engagement 134–6
- cultural goods and services
  - ad (advertising) funding 71
  - characteristics 116, 142
  - critique of intellectual property rights for 67–9
  - effect of digital technologies 64–7
  - as experience goods 76
  - learning how to consume 75–6
  - machine-generated 78–80
  - 'mixed' good nature of 116
  - rational addiction approach for 15–16
  - relay consumption of 171–2
  - standard studies of demand for 16
  - tourism 144–6, 150, 155–9
  - value 3–4, 136–7
  - see also* pricing
- cultural participation
  - Australian study 121
  - British Colombian study 123
  - education and diversity 132–5
  - impact of age and gender 53–6, 59, 132–3, 159–60
  - impact of race 53, 56
  - importance of social networks in 66
  - meshing of market processes and status rankings undermining 57–8
  - new forms of 67, 69
  - paradigms 132
  - and quality of life 122–3, 126
  - scope and data 43–5
  - terminology 42–3, 121
- cultural policy
  - scope of 116–20
  - in South Africa and UK 127–32
- cultural political economy (term) 23
- cultural protest 58–9, 121
- 'cultural quarters' 31
- Cultural Satellite Accounts (CSAs) 117
- cultural sector
  - and access to higher education 11
  - argument for separation with creative industries 124, 136
  - comparison of production-side measures 118
  - crisis caused by digital revolution 28
  - difficulties in reducing average production costs 149
  - economic potential as focus 130
  - government support for 4, 130–31, 133
  - as information good 28
  - instrumental values as not unique to 119
  - intrinsic values as unique to 119
  - need for amateur engagement network 134
  - 'state-supported' 134
  - and tourism 150, 162
- cultural tourism
  - classification of 145–7
  - definitions and forms 143–6
  - demand factors of cultural consumption of tourists 156–60
  - distinctive feature 142
  - effect of income 152, 156–60

- efficiency of tourist destinations 160–62
- framework for relationship between tourist flows and culture 155
- impact and trends 151–4
- importance of 141–2
- as long-standing phenomenon 142–3
- pricing 156–9
- recommendations for 162
- review of studies on 151–62
- supply factors affecting cultural consumption of tourists 160–62
- trade costs and barriers 149–50
- trade gains from 146–9
- cultural values
  - dimensions of 121
  - intrinsic 121, 124
  - and scope of cultural policy 116–20
  - in South Africa and UK 127–32
- culture
  - corporate sponsorship 71
  - definition 116
  - domains 116–17
  - effect of advertising on 66, 71–2
  - importance of social networks for 66
  - looking for in history of ideas 2–3
  - and sport 126
  - supply of 63–7
  - virtual participation in 158
  - and well-being 122–3
- culture relay consumption 171–2
- data envelopment analysis (DEA) 161
- data, research 43–5
- 'death effect' 94, 96–7
- demand and supply decisions 66
- demand and supply studies 167
- demand factors of cultural consumption of tourists 156–60
- demand for cultural goods 16, 88, 90–91, 155–6
- demand (term) 41
- derivative works 65, 69–70
- digital distribution technologies 68, 73–5, 81
- digital economy 26–31
- Digital Economy Act 2017 105
- digital goods
  - and blockchain technology 74
  - pricing 87, 97–9
- digital supply behavior *see* flexible digital supply behavior
- digitization
  - altering traditional business structures 100
  - bringing new forms of cultural participation 64–5, 69
  - copyright infringement 3
  - digital goods 97–9
  - enabling direct elicitation of patronage 8
  - of everything 28
  - explosion of small firm and individual entry due to 80
  - long tail and welfare effects 66–7
  - lowering fixed costs of production, distribution and advertising 64–6, 74
  - as main impact on cultural economics 1
  - meaning of 26–7
  - relevant aspects of 26
  - standard approach to 17
  - as substitute or complement to industry revenues 68
  - versus virtualization 27–9
  - of written word and comedy 44–5
- Discogs 94–6
- distribution costs 64, 66, 68, 70, 74
- diversity 121, 131–2
- 'double public good' (DPG) 12
- durable goods 92–3
- DVDs 1, 27, 64
- dynamic pricing 89, 99, 105–6, 110
- 'eccentric' tastes 50
- econometrics
  - '+ style' 43
  - 'as if' assumption for 34
  - better methodology movement in 33–4
  - difficulty with social elements in consumption 51
  - and falsification 34
  - luxury goods study 36–8
  - many theatre, museums and cinema studies 44
  - nostalgia studies 52
  - in relation to cultural economics 2, 9, 33
- economic values 119, 123–6, 129
- economics
  - arrival of modern 8–10
  - cultural economics as new, distinct field of 2
  - post-war 11–12
  - roots in religion and Socratic dialogue 3
- economics of the family 16
- Economists Talk Art Blog 21
- education 11, 130–33, 143, 159–60
- efficiency of tourist destinations 160–62
- endogenous preferences 30, 75–7
- event status 58
- 'exotic' goods 50, 94

- 'fan fiction' writing 45
- fanship 49
- farewell tours 100
- file-sharing 1, 98, 100
- fine art auctions 88–9
- flexible digital supply behavior
  - changing business models 70–75
  - creative machines 77–81
  - endogenous preferences 75–7
  - intellectual property rights 67–70
  - supply of culture 63–7
- Florida, R. 4, 14, 22, 25, 31, 33, 45, 58
- following 51, 53
- Fraser, L.M. 11
- free choice 43
- 'freemium' model 70, 99
- Friedman, H. 10
- full income 16, 46, 158
  
- 'gale of creative destruction' 25
- gender, impact on cultural participation 53–6, 59, 132–3, 160
- general equilibrium 8–10, 21
- George, L.M. 65–6, 74–5, 81
- Glastonbury 58–9
- global competition 74–5
- global digital monopoly 24–6
- global trade in cultural tourism
  - cultural tourists 143–6
  - definitions 141
  - distinctive feature 142
  - facing risk and uncertainty 162
  - impacts and trends 151–4
  - importance of 141–2
  - as long-standing phenomenon 142–3
  - review of studies on 151–62
  - trade costs and barriers 149–50
  - trade gains 146–9
  - trade liberalization 147–50, 162
- government policy
  - case study 127–32
  - cultural participation, education and diversity 132–6
  - cultural value and scope of cultural policy 116–20
  - culture and well-being 122–3
  - directions for further research 136–7
  - economic value and cultural and creative industries 123–6
  - intrinsic and social values 120–22
  - study limitations 136
- Gracie model 56
  
- Gray, C.M. 13–14
- Great Depression era 10–11
- Gresham's Law 30, 58
- Guggenheim museum 148
  
- happiness 22
- happiness studies 2, 11, 15, 29, 122, 172–3
- health economics 24, 48
- Heckscher–Ohlin model 148
- hegemony of content 25, 28
- Heilbrun, J. 13–14
- Hendon, W. 12–13
- herding effect 52, 54, 59
- heritage
  - danger of relegation to sidelines 125
  - as domain of culture 116–17
  - engagement 'vector' 134
  - government support of 117–18
  - multiple sources of benefits 12
  - producing positive externalities 120
  - protecting domestic 74
  - in South Africa 126–30
  - and tourism 143, 146, 150, 160–62
  - in UK 131
- 'high' culture 13, 15, 45–6, 50–51, 58, 78, 90, 116, 121, 132–4, 168, 170–71
- history of ideas
  - Adam Smith 4–5
  - arrival of modern economics 8–10
  - cultural economics, beginnings and establishment 12–14
  - Great Depression era 10–11
  - humanist critics 5–8
  - looking for culture in 2–3
  - physiocracy and labour theory of value 3–4
  - post-war economics 11–12
- Hollywood power 24–5
- household budget survey 36–7
- household production model 16, 47
- humanist critics 5–8
  
- impact 22
- incentive compatibility 73, 81
- income
  - and cultural tourism 152, 156–60
  - individual choice behaviour 46–7
- income elasticity 16, 36, 46, 90, 158
- individual choice behaviour
  - age, gender and race 53–6
  - extent of market as problem 57–9
  - price, income, time allocation and risk 46–7

- repeat use, rational addiction and variety-seeking 48–51
- scope and data 43–5
- social effects 51–3
- terminology 41–3
- industrial revolution 6–7
- information sector 25
- instrumental values 119, 123–4, 130–31
- intellectual property rights
  - for AI systems 79–80
  - critique of 67–9
  - licensing and derivative works 69–70
- intrinsic values 117, 120–22, 124–5, 131, 136
- invisible hand 4–5, 10
  
- Journal of Cultural Economics (JCE)* 1, 12–13, 21–2, 34, 43, 45, 57, 126, 167, 170
- journal ranking 22–3, 169
  
- Keynes, J.M. 10, 12, 21
  
- labor markets in cultural sector 63–5, 68
- labour theory of value 4–5
- 'law of one price' 93
- learning to create products 75–6
- Leibenstein, H. 43, 51–3, 92
- leisure
  - expenditure elasticities of demand 36–7
  - as 'free time' 57
  - general studies of 46
  - Marshall's treatment of 8
  - and sports and culture 64, 126
  - tourism as related activity 143–5, 158
- 'lemming' (consumer as) 52
- licensing
  - in AI systems 79
  - and derivative works 69–70
  - modeling in ideas market 77
- literal replication 34–5
- live music 29, 55, 77, 101–2, 108, 121
- live performances
  - auctions used to sell tickets 93
  - and automated creative machines 80
  - pricing 100–106
  - univorous tourists 144
- long tail 66–7, 80
- luxury goods 16, 36–8, 46, 88, 90–92, 110, 158
  
- Marcuse, H. 6
- market
  - for cultural goods 91–2, 94–5
  - cultural labor 63–4
  - extent of problem 52, 57–9
  - long tail and welfare effects 66–7
  - underpricing puzzle 101–4
  - and values 120–22
- 'market for ideas' 63, 77
- marketing of information flows 29–30
- Marshall, A. 7–9, 11
- Marx, K. 3, 5–6, 10
- media economics 44, 72, 170–71
- mercantilism 3, 29
- meta-analysis 35–6, 168–9
- Mill, J.S. 5–7
- model of demand 16
- MP3 music files 27
- multiple regression analysis 21
- museums
  - attendance and participation 42
  - bundle pricing 107
  - Chinese 172–3
  - and herding effect 52
  - as 'high' culture art form 132–3
  - many studies on attendance 44
  - as new cultural enterprises 31–2
  - 'nudge' in attendance 30
  - price elasticity of demand 15
  - rational addiction 48
  - studies of supply behaviour 17
  - and tourism 142–50, 156, 158–9, 161
  - virtual consumption 26, 68
  - voluntary payments 107
  
- neo-classical welfare economics
  - Chengdu policy 172
  - cultural economics toeing line of 10
  - 'death of music' anxiety 5
  - inhibition lowering attainable level of social welfare 6
  - view of ticket touting 3
- Netflix 75, 77
- new business models 28–30
- new cultural enterprises 31–2
- new trade theory 148
- nostalgia 52–3, 94
- 'nudging' 30, 108, 172
  
- omnivorousness 49–50, 52, 54, 59, 144, 166
- optimizing models 89
  
- parasitic sector of economy 4
- Pareto improvements 3, 11, 73, 104
- Pareto optimality 23–4
- Pareto, V. 8

- participation
  - active 126, 135
  - 'conglomerate' 41–3
  - five modes of 134
  - terminology 42–3, 130
  - of tourists 144–5, 148–9, 155–60
  - 'true' 45
  - see also* cultural participation
- pay what you want (PWYW) 15, 108–10
- Peacock, A.T. 12
- performing arts
  - price as factor in attendance 30
  - price elasticity 36
  - price-setting 100–101
  - and tourism 142, 156, 158
  - underpricing puzzle 101–2
  - voluntary payments 107
- perishable goods *see* live performances
- person-to-person (P2P) sharing 27, 44
- personalization 80
- Peukert, C. 65–7, 70, 74–7, 81
- physiocracy 3–4
- Pigou, A.C. 8–9, 11
- piracy 6, 54, 67–8, 70–71, 74, 98, 108
- policy examples in UK
  - cities and capitals of culture 32–3
  - opening new cultural enterprises 31–2
- policy relevance 22–4
- political economy
  - counteracting impact of excess monopoly 24–6
  - move towards economics 8, 21
  - pragmatic level of 24
  - risk of using culture as form of subsidy 172–3
  - terminology 6–7, 23
- Popper, K. 10, 34
- popular music
  - fans relating to musicians 78
  - and gender 55
  - and monopoly 26
  - museum 31–2
  - over-exaltation of providers 57
  - streaming 98–9
- preference change 30–31
- preferences, endogenous 30, 75–7
- price
  - defining 88
  - individual choice behaviour 46–7
- price discrimination 89, 93, 101–2, 108, 110
- price elasticity of demand 15, 46, 92, 151
- price-setting 16
- pricing
  - collectible goods and rarities 93–7
  - digital goods 87, 97–9
  - directions for further research 110
  - durable goods 92–3
  - effect on cultural tourism 156–9
  - factors influencing 87
  - further pricing strategies 107–10
  - general issues 88–90
  - live performances 100–106
  - luxury goods, addictive goods and credence goods 90–92
- production costs 27–8, 64–7, 147–9
- products
  - algorithmic recommendation of existing 76
  - learning to create 75–6
- 'psychic thermidor' 6
- qualitative methods 169–70
- quality of life 22, 122–3, 126
- race
  - arts, sports and social cohesion 126
  - impact on cultural participation 53, 56
  - inventive and interpretive engagement 135
- 'random long tail' 66
- rarities 93–7
- rational addiction 15–16, 30, 48–9, 59, 91, 166
- reach 6, 171
- regulation of global digital monopolists 24–6
- rent-seeking behaviour 89, 105–6
- repeat use 48–9
- replication 34–5
- reputation effect 31, 91–2, 96, 103
- research-embedded teaching 13
- resource misallocation 23
- retailing 50
- revenue-sharing 64–5, 69–70, 72–4, 98
- Ricardo, D. 3, 5–6, 146
- risk in individual choice behaviour 47
- Robbins, L. 11–12
- Ruskin, J. 6–9, 57, 167
- satisfaction 22, 122–3
- 'satisficing' 89
- scalping *see* ticket touting
- Schumpeter, J. 25
- scope of research 43–5
- second best, theory of 11–12, 23, 30, 32
- secondary markets
  - blockchain technology 74
  - resold artworks 93
  - ticket resales 104–6
- sharing with others 15

- simulcasting 171
- Smith, A. 4–5, 10, 146
- snob effect 37, 51–2, 54, 94
- Snowball, J.D. 79, 124
- social effects 51–3
- social values 117, 119–22, 129, 131, 136
- social welfare function 24, 32–3
- Sonnabend, H. 45, 101, 103
- South Africa
  - CSR spending 122
  - cultural policy and cultural value in 127–32
  - Department of Arts and Culture 126–7, 129–30
  - government funding provided at national level 120
  - lack of tax incentives 122
  - lottery funding 122
  - sports funding 126
- sport and culture 119, 126
- sports economics 45, 126, 170
- sports, live events 29
- Spotify 70–71, 73, 77, 80, 99
- Stiglitz, J.E. 22
- streaming models 98–9
- streaming services
  - facilitating cultural trade 75
  - impact of music consumption 76
  - impact of revenue model of record labels 73
  - impact on piracy 70–71
  - as largely ad-funded 71
  - monopolies 26
  - positive correlation to concert attendance 71
  - pricing 98–9
  - pseudo zero pricing 44
  - usage-based revenue sharing 73–4
- subjective well-being (SWB) 122–3, 131, 172–3
- subjectivism 8–10
- subsidy
  - badging and 32
  - Chinese 172–3
  - council 31–2
  - of creative sector 123–5, 134–5, 167–8
  - government 4, 9, 22, 120
  - issue in cultural economics 2
  - link to entrepreneurship 167
  - mechanisms for providing 136
  - relay consumption and 171–2
  - superstardom 44, 91, 100, 105
  - 'superstars' 94
  - supply behaviour *see* flexible digital supply behavior
  - supply behaviour studies 17, 167
- supply factors affecting cultural consumption of tourists 160–62
- supply of culture 63–7
- taste and taste formation 166–7
- taste peaking 59
- technical progress 12, 17, 24, 27, 44
- technological change 26–31, 80–81
- textbooks 13–14, 17
- Throsby, D. 1, 7, 13, 17, 22, 29–30, 33, 44, 63, 68, 90, 92, 116, 119–21, 132
- ticket price setters 100–101
- ticket resales 104–6
- ticket touting 3
- time allocation 16, 46–7, 53
- tourism *see* cultural tourism
- Towse, R. 1, 4, 13–14, 22, 28, 30, 69, 120
- trade *see* global trade in cultural tourism
- traditional empirical studies 33–6
- unbundling 73–4
- underpricing puzzle
  - and price discrimination 101–2
  - in relation to live performances 101
  - solving 102–4
- UNESCO
  - on creative economy 124
  - cultural tourism 150, 160
  - cultural values 116–20
  - Framework for Cultural Statistics 127
- uniform pricing puzzle 89–90
- United Kingdom (UK)
  - cultural policy and cultural value in 127–32
  - Cultural Value Project 121
  - 'participation studies' 42, 56, 133–4
  - policy examples 31–3
  - Taking Part survey 42, 131, 133–4
- univorousness 50, 55, 144
- usage-based pricing 73–4
- values
  - cultural 116–20, 127–32
  - economic 119, 123–6, 129
  - instrumental 119, 123–4, 130–31
  - intrinsic and social 119–22
- variety-seeking 49–51
- Veblen effect 37, 51–2, 90, 157
- video games
  - effort to increase coverage of demand for 45
  - explosion of sector 27
  - flat-rate subscription services 98–9
  - secondary market for 74

- virtual participation 158
- virtualization
  - and digital distribution technologies 68
  - versus digitization 27–9
- vlogging 29, 67
- voluntary payments 107–10
- ‘Voodoo economics’ 24
  
- welfare economics
  - ‘new’ 8, 11
  - solution to market failure 120
  - traditional textbook treatment 30
- welfare effects 66–7, 69–70, 76, 105
  
- well-being
  - and culture 122–3
  - as indicator 131
  - measures 119, 122
  - social 2
  - subjective 172
- willingness to pay (WTP) 8–9, 11, 90, 104–5, 121, 170
- ‘winner takes all’ 33, 91
  
- YouTube 29, 65, 69–70, 73–6, 80, 100
  
- Zieba, M. 41, 46, 90, 142, 148, 156–9