Social, cultural and economic values of cultural goods

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It may be a bridge, a piece of wood. Or a temple, a windmill, a painting, a piece of furniture, a mask, a jewel, or a bead. Whatever it is, it is a good that is different from other goods. It is different because people treat it differently. They may consider it a symbol of something—a nation, a community, a tradition, a religion, a cultural episode—and endow it with all kinds of meanings over and beyond its usefulness. They may attribute to it artistic, aesthetic, sacred or other special qualities. They may draw inspiration from it, and may find that it irritates or abhors others. In other words, the good has cultural values. That is why we call it a cultural good.¹

Skim your local newspaper and you will have to notice the intense attention to anything cultural. I do not only refer to the coverage of cultural events, like performances and exhibitions but also to disputes and conflicts over cultural goods. Even if people hardly know anything about the plight of refugees in Afghanistan, they will probably know about the demolition by the Taliban of two giant Buddha’s in June of 2001. For weeks western newspapers held their readers in suspense with stories about the intentions of the Taliban; so when the news came out that the Buddha’s had been blown up, it appeared to be a disaster for humanity. The destruction of the ancient Mostar bridge² in 1993, during the war in Bosnia, seemed to be more upsetting than the human lives lost that day. The travel pages lure their readers to cultural artefacts all over the world, whether it is the Great Wall in China or a burial place on Bali. On again other pages you can read about programs to save national cultural heritage or about conflicts over the possession of cultural heritage. Governments seem to be more eager then ever before to reclaim cultural goods that were lost during wars long over. The Greeks want the so-called Elgin Marbles back from the British Museum. This sculptured front was once part of the Parthenon, but it has been in British possession ever since the middle of the nineteenth century. The British authorities maintain that Mr.

¹ Culture is, of course, a contested concept. As I try to make explicit here, the “cultural” in cultural goods has the connotation of the artistic, aesthetic and sacred and refers to culture in the sense of high culture. Later I also will use the concept in its anthropological sense as the set of values, stories, memories, traditions with which a group of people (a community, a nation, an organisation) distinguishes itself from other people. See for example Eagleton (2000)

² The bridge dates from 1566. Built by the Turkish, it was all those years a symbol of Muslim culture. The bridge is now being rebuilt in its original state.
Elgin, a British officer, had acquired the Marbles in a legitimate manner. The Greeks insist that the sculptures are their cultural heritage and for that very reason should be in Greek possession.

As an economist, I may be expected to elaborate on the economic values that are at stake in all these cases. Of course, everything has its costs. There are no free lunches and the acquisition and preservation of cultural goods can be a costly affair. And they have benefits. People are willing to pay for cultural goods because of the pleasure that they give. Or because of the income they may generate. The Greeks may think of additional tourist income if the Marbles were to be admired in a Greek museum. The Mostar bridge in its restored state will be good for local businesses. Even so, the economic dimension of cultural goods is of limited significance. The economic value is hardly ever decisive in cultural disputes. As a matter of fact, measurements of the economic impact of the cultural sector—think of income generated and jobs created—are far from overwhelming. In a western economy people spend more on shoes, or visits to cafes than on the arts (visual and performance arts, cultural heritage) (cf Klamer, 1996, p 16). The employment in the cultural sector causes hardly a blip on the radar screen. In that light, the attention given to matters cultural is disproportionate compared to the attention given to goods like shoes and events like the chatter in cafes.

So what accounts for the special role that cultural goods appear to have? What makes them exceptional? Or is their exceptional character illusionary, and are they goods like any other?

Towards a cultural-economic perspective.

Let me state my answer to the last two questions up front: yes, cultural goods are exceptional and we do well distinguishing them from other goods. People treat cultural goods in special ways. Their positioning in a situation of economic exchange is often problematic and at times inconceivable (like the selling of Rembrandt’s Nightwatch by the Dutch). The task is to articulate the reasons of the exceptional status of cultural goods, and thus, to make sense of their role is in our lives, in organisations, communities, nations and in the world. Who knows, such an understanding may give people and organisations of all kinds the impetus to redress the balance between thinking economically and thinking more broadly, with a sensitivity to things cultural.

An important signal is the complex and often contentious character of the discussions that cultural goods evoke and provoke. Participation in such discussions require special skills and all kinds of knowledge. Various dimensions are involved, different values are at stake (see the case discussed in box 1).

Expect art-historians, theologians, humanists, literary scholars, curators, conservationists, artists, critics, anthropologists, and cultural scholars to highlight the cultural values of the Marbles, the Buddha statues, the ancient temple or whatever other cultural good. I shall call them culturalists, and group their ways of viewing (cultural) goods under the culturalist perspective. Enter their discourse and you will need to know about artistic and religious traditions, cultural context, and histories.

Economists highlight the dimensions that are easily overlooked in discussions among culturalists. They are talking about typical economic issues such as prices of cultural goods, the costs of procuring them, the economic impact of investment in cultural heritage, jobs, tourism, efficiency, demand, government subsidies and so on. The economic way of talking is persuasive and hence pervasive in public discourse. Especially after the fall of the Iron

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3 Another possible label might be humanist. Hamnerz (1997) considers culturalists those who view culture in the anthropological sense as the explanatory factor. I use the term to include those who stress the aesthetic, artistic, and emotional dimensions of goods.
Curtain, politicians left and right have fallen for the rhetoric of the market, with its instrumental language of incentives, free trade, products, prices, consumer sovereignty and marketing. In the case of universities we, professors, are being “hired” to deliver a “product” to our “customers” (the students) against “a competitive price”. The same rhetoric has also affected discussions about the arts and cultural heritage. Spending on culture is viewed in light of its “contribution to employment and income”. “Economic impact studies” have been quite popular since they are meant to show that each euro spent on a cultural project has a multiple effect on the local economy. That the logic of the argument is flawed, cannot spoil the fun (cf. van Puffelen 1992, Klamer, 1996). Investment in cultural heritage is commonly justified with an expected increase in tourist revenues. In general, the economic argument calls for the weighing of costs and benefits of a cultural project.¹

The economic perspective favours an instrumental way of looking at anything cultural, like the arts but also culture in its more general, anthropological sense. Investment in culture is viewed as an instrument towards economic growth and development. This perspective comes out clearly in the collection of essays collected by Harrison and Huntington, entitled *Culture Matters* (2000). The editors define culture in its anthropological sense, “as the values, attitudes, beliefs, orientations, and underlying assumptions prevalent among people in a society” (ibid, p xv). In the subsequent analyses culture is viewed as an independent variable to account for “economic development and political democratisation” (ibid).⁶ The implication is that if politicians were able to change cultures, they would have an instrument to affect economic development.

To most economists the market is a superior instrument for the allocation of scarce resources. Assume the economic perspective and you will look at the world with a demand-supply diagram engraved on your glasses, or lenses. You then will view everything you see in terms of that diagram, that is, in terms of demand, supply, product, and price. You will like markets as they do a superior job pricing goods (cf Grampp, 1989, Cowen, 1998). You will think that the pricing equals valuing the good: subjective (like artistic, cultural and historical) values may diverge, but the moment of exchange enforces one single value, the exchange value. The great attraction of the market is that in a market exchange the party that pays is also the party that benefits. Look through these glasses, and you will regret the need for governmental intervention in case of market failures because in that case those who pay, the taxpayers, are usually not the same people as those who benefit.

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¹ For surveys see for example Hutter and Rizzo (1992), Klamer and Zuidhof (1997), Klamer and Throsby (2000)

⁵ To speak of the economic perspective does not do justice to the wide variety of perspectives that go under the banner of the economic discipline. Institutional, socio-economic, evolutionary, and feminist economic perspective deviate from the standard perspective of the economic textbooks. The standard economic perspective also prevails in the economics of culture. See Heffernan and Gray (2000)

⁶ Strangely enough, they did not consider the relationship between cultural goods, like cultural heritage and artistic artefacts, and culture in the anthropological sense. Pursuing the instrumental line of argument, we might surmise that investment in cultural heritage could strengthen subjective culture and that would, in turn, be good for the economy. If such a mechanism were to exist, culture could be partly endogenized.
The discussions of economists and culturalists tend to be quite distinct, so much so that we are inclined to speak of two distinct discursive practices and hence cultures. Economists and culturalists operate in two different worlds with very little interaction between them. Frictions and frustrations are noticeable whenever the representatives of the two cultures try to talk with each other. Culturalists have dominated the academic discourse on cultural goods. Attempts of economists to highlight the economic dimensions appear to have made little impact (cf Peacock, 1994, Frey 1989, Throsby 1994 among many others). One reason for this may be a lack of familiarity with economics on the part of most culturalists. Another reason may be their resistance, or suspicion, towards the imperialistic inclinations of economics as a discipline and the particular, if not peculiar, vocabulary with which economists analyse everything human. The ultimate concern of culturalists is that economists insufficiently appreciate the special values of cultural heritage, and may be less then helpful to preserve and fortify the cultural sector.

Economists, on the other hand, complain about the failure of culturalists to acknowledge the economics of cultural heritage. They appear to win the argument in the public arena, as bureaucrats and politicians are increasingly relying on economic valuations in order to justify public expenditures on the arts.

My project is quite ambitious as I am trying to incorporate the concepts of value and culture in the analysis. In that respect I defer to the culturalist discourse and take issue with the standard economic approach that prescribes the avoidance of such “nebulous” concepts. Economies are not just embedded in culture, so I would argue, they are cultural in and of themselves. We may think of markets as a distinct sphere of values and hence as a culture. Cultural goods function best, at least partly, outside the market sphere in spheres where the valuation is primarily social and cultural. At the same time I would like to impress on the culturalists that scarcity matters, as economists stress, that choices have to be made, and that arrangements where those who pay are also those who benefit are to be preferred on the grounds of efficiency and justice. I also would like both economists and culturalists to acknowledge that the mode of valuation (like in the pricing versus subsidization) of cultural goods matters. To that end I will need to distinguish various sets of values, indicate how cultural factors both affect economic arrangements as are affected by them—there is no one way traffic going from culture to economics, as Harrington, Huntington et al suggest in *Culture Matters* (2000). It is a cultural economic perspective that I want to propose and develop.

This project is not original. I see myself following in the footsteps of Adam Smith and other classical economists, Thorstein Veblen, Max Weber, Karl Polanyi, and to some extent the institutionalists. In the contemporary field I recognize a similar perspective in the works of Deirdre McCloskey, Amartya Sen, David Throsby, Michel Hutter, Bruno Frey, as well as socio-economists such as Marc Granovetter, Amitai Etzioni, Viviane Zelizer, and Paul DiMaggio. The research trespasses in adjacent fields of philosophy (Michael Waltzer, Elizabeth Anderson, Martha Nussbaum), anthropology (Mary Douglas), sociology (Pierre

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7 To be more precise, policymakers actually constitute a third type of players. It suffices to see them as specific combinations of the economist or culturalist characters. Although their role is significant, for analytical purposes we confine our account to discussing only the former two.

8 C.P. Snow observes a similar cultural divide between the sciences and the humanities in his well-known little book *The Two Cultures* (1959).
Bourdieu, Jean Baudrillard) and cultural studies, among others. And even though my
discursive strategy deviates from the standard economic approach, it also benefits from that
approach, in particular its accounting metaphor and the structure that that metaphor imposes
(cf McCloskey and Klamer, 19*).

Box 1: An issue of moral ownership
I am currently in the midst of a controversy about a drawing by an early twentieth century
Dutch artist, named Charles van Toorop. I am member of the board of a foundation,
connected with the museum Boymans van Beuningen (in Rotterdam, the Netherlands), that
happened to own the drawing. Early 1999 a Jewish retired banker, mr Eberstadt, submitted a
request to the board for the return of the drawing to him. He claimed that the drawing
belonged to his grandparents, mr and mrs Flersheim, and had come to the Foundation in an
illegitimate manner. At first the Foundation rejected the claim, but later, after a long
controversy involving among others the American ambassador, the Dutch secretary of
culture, the city council of Rotterdam, the press, sponsors of the museum, and laywers, it
offered the drawing to mr Eberstadt in exchange for a symbolic payment of 800 euros, the
sum that was paid for it in 1942 when it came into the collection of the foundation. Mr
Eberstadt only had to agree not to sell the drawing.

The economic value of the drawing had played no role in the dispute, at least not
directly. A curator noted once during the deliberations that the drawing was estimated to be
worth about 35,000 euros, but that was that. The costs of the dispute must have been a
multiple of that amount for both parties, so the value of the drawing must have exceeded its
economic value. (Economists may identify here the endowment effect: people may treasure
things in their possession over and beyond the value they would pay for it when it is not in
their possession.) Its artistic value did not figure much either in the controversy. The
drawing shows a devout protestant man with slightly scary blue eyes; in the background
looms the church tower that also shows in the early work of Mondrian. The conservator
explained to the members of the board that this is an important drawing, quite characteristic
for the work of van Toorop. And that was that. When the conflict started the drawing was in
storage.

A range of values operated during the controversy. Mr Eberstadt clearly attached
great emotional value to being in the possession of the drawing. He was not to be rebuffed
by the initial refusal by the foundation. He had a law firm act on his behalf, and contacted
government authorities in the US, the Dutch authorities, and various private parties in order
to gain support for his claim. In a report on Dutch national television he was visibly moved.
At one point he offered to pay for the drawing whatever it is worth. Later he withdrew the
offer because of dismay about the reactions of the chairman of the Foundation. He and his
supporters, including the American ambassador to the Netherlands, became morally outraged
about what they perceived were the insensitivities of the Foundation concerning the victims
of the Holocaust. To them Eberstadt had a moral claim to the drawing.

The emotions on the part of members of the board had more to do with social and
cultural values. In their often heated and emotional deliberations (various board meetings
were dedicated to the issue) the importance of protecting the collection and the responsibility
towards those who had donated the drawing to the foundation were major themes. Some
members of the board felt strongly about that. After all, so they insisted, the very reason of
having an autonomous Foundation was being able to resist political pressure to sell, or, as in

9 The following information is limited to what has come out in public, mostly in newspaper articles. I myself
have been reported to be in favour of the return of the drawing to Eberstadt on moral grounds.
this case, to give up a piece. It was furthermore mentioned that the drawing had larger significance as being important for the “Dutch collection”. The latter claim would be an argument to do everything possible to prevent the drawing to leave the country. It would be the patriotic thing to do. Dissenters on the board argued that the Dutch society is morally indebted to the victims of the Holocaust. To them the stance of the Foundation was emblematic for the bad way in which the Dutch had dealt with the properties of Jews who had been murdered during WW II; they argued that the Foundation had the moral obligation to return the painting to Mr. Eberstadt when there is even the slightest doubt about the legitimacy of its being in the collection. The latter position would also become public opinion.

As to the legitimacy issue, the Foundation was legally the proper owner. The claim of Mr. Eberstadt stood no chance in a Dutch court of law. Even if he could have established the improper alienation of the drawing from the possession of his grandparents, the time limit would have expired according to Dutch law (not according to U.S. law, however). A thorough investigation by the legal advisors of the Foundation brought out the lack of crucial facts in the case. It is a fact that in 1942 the drawing came into the possession of a trade dealer in the Hague. We know the (German) name of the seller. We also know that the Flersheims had the drawing in their possession—they most likely had gotten it from the artist as they were befriended to them. Anything else is mere speculation. The Flersheims may have felt compelled to sell the drawing before 1937 when they fled to Holland. They may have done freely so. The Gestapo may have stolen it. Who knows. We also know that in 1942 the Flersheims were abducted and imprisoned and that they were murdered in 1944 in Bergen Belsen.

Why not sell the drawing? The issue came up when Eberstadt offered to pay, but was never entertained seriously. One reason is that selling from the collection is a taboo in the world of museums. When the mission is to collect and conserve, you do not sell. An other important reason was that the drawing had been a gift to the Foundation. Two businessmen had financed the sum of the purchase (about 2000 guilders) and subsequently donated the drawing to the Foundation. The general rule is that a gift can not be sold. The issue was especially sensitive as descendants of these businessmen are still members of the board.

The dispute became public. It received extensive coverage in the national media and international arts magazines. The American ambassador stated publicly her dismay with the position of the Foundation. The Dutch secretary of culture mediated and so did an alderman of Rotterdam. There were fears about the reputation of the Museum—a major sponsor of an important exhibition already became nervous—, local politicians expressed concerns about negative publicity that could rub off on the city Rotterdam, and it was argued that the case only reinforced the bad reputation that the Dutch are getting because of the maltreatment of survivors of the holocaust in the Netherlands after the war. Added pressure came from a climate in which musea in the US and UK had become forthcoming in the restoration of possessions of Jewish victims as well as other illegally acquired pieces.

In August 2001 the case is still unresolved. Mr. Eberstadt has refused the offer of the Foundation to purchase the drawing for the symbolic price of 2000 guilders, the price paid for it by benefactors in 1942. He objected to the conditions that the Foundation had attached to the deal.  

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10 In practice museums do sell, especially American museums, but always limited quantities of pieces that have lost their value for the collection. A major obstacle for selling a piece is when it has been the gift to the museum.
11 Being a participant in the case, I am self-conscious of the simplifications and distortions in this brief account. Some of the distortions are inevitable as I am not at liberty to disclose all details—deliberations within the board are to be kept secret, for example. And then there is so much more in play, such as individual characters, local context, political factors, miscommunications, emotions (like when people felt hurt, insulted, ignored, bullied).
**Valuation, evaluation and valorization.**

The controversy about a drawing as described in box I revolves around values. At least that is one way to make sense of it. (In everyday life people usually do not use the term “value” much; most of the values are implicit, expressed in arguments, statements, emotional utterances, stories and the like and need to be pointed out.) For Mr Eberstadt the van Toorop is a tribute to his grandparents. It has emotional value to him. Implied is a valuation of kinship and the horror of the Holocaust. For the Foundation the main value is expressed in its mission and that is conservation and strengthening of its collection. Individual board members may struggle with their sense of obligation towards the Jewish victims of the holocaust but the first value overruled the latter, at least at first. Another value that the Foundation could call upon was that of the “Dutch cultural heritage”. If the van Toorop could be identified as part of that heritage then it had a more general argument to justify its rejection of the claim. With the focus on values, the deliberations are valuations: the various parties are negotiating the relevant values and in their dialogue are trying to weigh and rank them.

Uncertainties and questions abound in this process. I myself wondered why should people who were born after world war II feel responsible towards the Jewish victims whom they do not even know? I am one of those and I do feel responsible, yet why should others feel the same? Why and how should being Dutch matter? Even though I have lived almost half my life in the US, I feel Dutch and tend to become more emotionally involved when Dutch people are the victims or the culprits of an immoral act. Still, I was far from certain about my own values and could only speculate about the values of everyone else. Was profit the motive anyway? Were there hidden agendas? How genuine were the emotions displayed? So I made assumptions like everyone else; and we talked.

In the lived experience of this case the assumption of given preferences is rather absurd. People are in need of talk, deliberation, controversy to sort out what they themselves and others believe, think, feel, know, value. In the end the endless talking leads to the moments at which of the Foundation, the family Eberstadt, the American government, the law firm and other parties involved make up their mind and advance and articulate an opinion. After which the talking usually continues. The talking is needed since agents do not know what they prefer, or value. As the moral philosopher Stuart Hamshphere (1983) so nicely put it, in his own heads an agent is a committee that consists of different voices, conflicting values; moral reasoning is like a committee meeting in which the differences are worked out in order to reach a common opinion that represents the moral judgment of that agent. If we want to understand the why’s and how’s of that judgment we do well to know what went on in that committee meeting.

You could ignore the intricacies of the process by which people individually and in groups reach decisions and focus on what they do. Economists do so by focusing on the moment of exchange. The idea here is that everything that matters comes to a head at the very moment that two parties trade one thing for the other; all valuations and evaluations, all deliberating, negotiating and conversing, all those processes are at that moment congealed in a single value, the price. The short cut is interesting and keeps the community of economists busy. If we consider the case of the drawing, the short cut is not a great help, however. The process comes to a head when either party gives up by handing over the drawing or by deciding not to continue the procedure. Maybe a price is set at a few thousand guilders. Fine, but what does that tell us? So many other interactions took place before that deal was made, so many other values have been generated. The standard economic approach is quite hopeless when the objective is to understand what is going on in this case. Try to make use of it in the course of the discussions—you will probably meet resistance and most likely risk
indignation. A more helpful approach would be to focus on values, to sort out which ones are in play, with which intensity they are in play, and which values determine, and are expressed in, the outcome.

David Throsby, a cultural economist, has come to recognize the multiple values that are at play. Whereas his survey article in the Journal of Economic Literature (1994) still advances a standard economic perspective on the arts with given preferences and all that, in his most recent book Economics and Culture (2001) he argues that economists need to take the culturalists’ perspective seriously. To that end he draws attention to cultural values, such as aesthetic, spiritual, social, symbolic and historical values (Throsby, 2001, p.29). Yet, like an economist is wont to do, he subsequently treats those values as given, as inputs in an economic valuation process. Cultural values become like preferences that people hold—as if they would know those. In reality people have to find out how to sort through values, how to evaluate, revalue or devalue them. The process of valuation is a dynamic one as the case of the van Toorop illustrates.

“To value something is to have a complex of positive attitudes toward it, governed by distinct standards for perception, emotion, deliberation, desire, and conduct” (Anderson, 1993, p. 2). Elizabeth Anderson stresses the plurality of our values: we can value a good for all kinds of reasons. The plurality of values may account for internal conflicts as when we laugh at a sexist joke and are embarrassed at that. To evaluate is to make sense of a valuation. While valuing something is often an unconscious process—it is as if a musical piece surprises us and a painting strikes us—evaluating is the conscious reflection on the reasons for a valuation.

Values may change. People develop values and adopt new values. They may learn to develop a positive attitude. In the language of economists we would say that they acquire their taste (see for example Throsby 1994). I will call this process one of valorization, that is, the enhancement and affirmation of a value. Valorization appears to be particularly important when cultural goods are the objects of interest. Westerners usually dislike Arabic music when they hear it for the first time, but immersed in the Arabic world they may begin to appreciate the music, especially when they become knowledgeable about it and learn to distinguish different variants. People who walk into a modern art museum for the first time, tend to have some difficulties appreciating the abstract works by Mondrian, Newman, Twombly and the like; they, too, need to learn to value modern art. The context matters. When immersed in an academic setting, even the most practical students (“I’d like to make some money, you know”) may learn to appreciate the value of reading and even “studying” texts. The academic setting hopefully affirms and intensifies the values of reflection, critical inquiry and other such academic values (I would argue that my most important task as an academic teacher is to express and hopefully impress those values on the students, more so than to instruct them in the principles of cultural economics.)

In each deliberation some valorization is going on. Confronted with an elder man who is intent to reclaim a drawing of his grandparents who were victims of the holocaust half a century ago, I may reconsider my attitudes towards that period. When my wife calls me immoral for wavering, I will be inspired to develop a firm stance. When foreigners point out to indigenous people that the piles of old stones are actually cultural treasures, and that they are willing to pay to conserve them, the indigenous people may change their perception of those stones, and may even begin to value them. Get a cultural good listed on the Unesco world heritage list, and people will value that good more. The same may happen when a painting ends up in a museum, or when it gets sold for millions of dollars at auction.12

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12 Bruno Frey speaks in such a case of “crowding in”: the taste for a good increases because of an increase in its price. Crowding out happens when the taste for a good decreases because of an increased price. See Frey (1997).
Noting the role of values in cultural disputes helps us to see the complexity of the various positions as well as the dynamics as values are negotiated, weighed, and evaluated. How important is the value of the van Toorop as part of the Dutch collection? And what is the value of that collection? How about integrity (another value) and how to weigh the debt towards the victims of the holocaust? In the process of deliberation values will change. The drawing of Van Toorop has become more valuable because of all the turmoil. It has gained a history.

However, the mere noting of the role of values does not suffice. A grouping of values in various categories may help.

Case 2. The Taliban and the Buddha

For many centuries Islam has been the dominant religion in Afghanistan. The giant Buddha statues of Bamiyan dated back to the pre-Islamic culture and were considered idols of a pagan king and queen by the local population ever since it had been converted to the Islam. It was probably during the ruling of the Mughal emperor Aurangzeb (1658-1707) that the faces of the statues were sliced off, their hands hacked off, and their feet destroyed by cannon fire.

In the nineteenth century, British travellers glimpsed and described the relics of the pre-Islam era. Thus western involvement in the exploration and preservation of Afghanistan’s cultural heritage began. Since 1975, the UNESCO has become increasingly involved in the archeological preservation of Afghanistan’s cultural heritage. It listed the statues on its world heritage list (*?).

When the Taliban made it known to be intent to destroy the statues, the Unesco reacted strongly. It tried to send observers. The UN commissar of refugees, mr Lubbers, went to Afghanistan not only to attend to the plight of refugees in that country but also to plea for the conservation of the statues. Buddhist countries such as Japan and Sri Lanka sent personal envoys. Even Islamic countries such as Egypt condemned the Taliban for their plans. Yet, the values clashed. Western appreciation concerned primarily their historical and cultural values of the Buddha statues. In its condemnation, Egypt showed its support for the valuation of cultural heritage as recognized by the Unesco. To the Taliban, the (negative) religious meanings of the statues prevailed in the end.

The effect of the turmoil was, among others, that people who had not known of the existence of the statues, learned to appreciate them and were shocked to learn of their demolition. Some may have been inspired to study Buddhist cultural heritage and visit the temples in Laos and other Buddhist countries. People change their valuation in changing circumstances and may develop new values.

The case may also give cause for a reconsideration of the valuation of preserving cultural heritage that has strongly negative connotations. After all, the iconoclasm of a few centuries consisted of massive demolition of precious paintings, murals, and statues in roman-catholic churches by the protestants. And what to do with monuments that remind of a despised tyrant?

Economic, social and cultural values

A prominent group of values goes under the label of economic values. Usually, these values refer to the prices of things, or their exchange value. When economists speak of valuing a good, they mean the pricing of the good. It is a special kind of valuation as it focuses on the moment of exchange. (When the exchange does not actually take place, the economist will assume as if it did and then figure out the price that would haven been paid.)

Economic values can take all kinds of forms and expressions. The GDP (gross domestic product) is a measure of the flow of economic values that a national economy generates. The economic value of a cultural good is what people are willing to pay for it. The economic value of knowledge is the income that can be earned by applying it. Economists speak of human capital to indicate that knowledge is a stock of value that

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13 See for more information www.unesco.org/opi
generates a flow of value. In general, economic capital is a stock that will generate a flow of economic values.

At certain moments and during certain periods economic value will be the center of attention. Then everything appears to revolve around “profit”, “wealth”, “income”, “economic growth”, and so on. When someone exclaims “It’s all for the money,” people acquiesce. In such a climate profits are it, people are valued by their income, or wealth; and the purpose of getting an education is to be worth more in the labor market. When cultural producers have to justify a new theatre, the expansion of a museum, or the conservation of an archeological site in this climate, their best argument is to point at the income that the investment will generate, by way of jobs created and additional tourist spending in the local economy. Such a justification requires an economic argumentation. Economists have complied and developed “economic impact” analyses, contingent valuation methods and willingness to pay studies (cf. Throsby, 1994, Klaer and Throsby, 2000). They are all intended to determine the economic value of a good.

In the conventional economic frame there is no reason to look further. The presumption is that all kinds of values are embodied in the price of a good. A demand-supply analysis brings together values in the production process, such as technology, the price of labor, real assets and financial capital, the values on the demand side which are expressed in the form of preferences. Grampp (1989) and Cowen (1998) are therefore consistent when they argue that the price of a good is its value. That is the end of the story for them.

Yet it is not. Even if we were to remain in the sphere of economic values, a wide range of other values pop up. Positive values like “commercial”, “business like”, “result oriented”, “ambitious”, “entrepreneurial”, “markets”, “freedom”, and negative values like “cold”, “ruthless”, “unjust”, “immoral”, and “constraining”. “Freedom” pops up when people associate the economic with “markets” and that makes us think of “freedom of choice” (thanks to Adam Smith, Friedrich Hayek and Milton Friedman). However, all these values are not economic values per se, they are not prices that can be attached to things. You might say that they are spillovers of the engagement in exchange relations (cf. van Staveren 2000); economists may call them externalities. Interacting in such relations imply the valorisation of the values that are common to all such relations, that is, to the culture of the market. Anyhow, values like freedom and entrepreneurial are distinct from economic values and are better grouped in the separate category of social values.

Social values are the values that work in the context of interpersonal relationships, groups, communities and societies. People appeal to them in negotiating relationships with other people and with associations of people. Social values cover a wide range and comprise the values of belonging, being member of a group (cf. Waltzer, 1983, chapter 2), identity, social distinction, freedom, solidarity, trust, tolerance, responsibility, love, friendship and so on. In everyday conversations these values preoccupy people far more than economic values. People are constantly deliberating their relationships with others, weighing the values that are important to them, and assessing relationships in the light of those. “Should I care for my children, when I feel responsible to finish this article?” “Can I trust those people to be sympathetic and caring?” “Is she friendly out of friendship or because she expects to gain from knowing me?” “Shall we eat out or make our own dinner?” We are constantly working our social values. In comparison we spend little time determining and evaluating economic values.

It is not different in controversies like those over the van Toorop (case 1) and the Buddha statues of Bemiyan (case 2). Insofar economic values are at play, they are in the background. Most prominent are the negotiations about identity, heritage, justice, obligation

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14 see for example Lane (*) and Anderson (1994)
and so on. The Foundation wants to value its responsibility for the collection as well as its
debt to its benefactors whereas others want to emphasize the debt to victims of the Holocaust.
In the process other relations become important such as Dutch-American relations. In the
case of the Buddha statues, the Taliban want to assert their religious identity and national
identity. Snubbing international opposition is part of that. Their critics appealed, in vain, to
their sense of responsibility towards world heritage.

The capacity to deal with social values and adhere to social norms is nowadays called
social capital\textsuperscript{15}. The assumption here is that some people, organizations or societies have
more of it than others. At least that is how Robert Putnam (19\textsuperscript{9*}) applied the concept in his
study of the vitality of democracies: people with a stronger sense of belonging and
responsibility, and with a greater ability to trust do better in making a democracy then those
with less of such social capital.\textsuperscript{16} A poignant issue has proven to be the relationship between
social and economic capital. In a world in which economic values and economic capital
dominate the political domain, social capital is easily conceived to be subservient to
economic capital. Politicians and businesspeople will argue that investments in social capital
will be good for economic growth and profit. At school students presumably need to learn
social skills so that they will do better in their jobs later. After all, the goal of all things social
is economic gain. But is it? Would it not make more sense to think of economic values as
being instrumental towards social values? Why else would people seek more income and
more profit than to do better in their relationships with others? Even if people have a royal
income, the question is what they are going to do with it. Whether they go out for sumptuous
meals, buy a nice car, a yacht, a new house or go on trips far away, the question is always
with, and possibly for, whom and in what way. Sitting in your own luxury house with pool
and a couple of cars can be quite depressing without meaningful relations. The good life has
to be evaluated for a good part in terms of social values. Economic values are instrumental
at best.\textsuperscript{17}

In the case of cultural goods the satisfaction comes more from what they mean
socially than economically. Surely, local merchants will be pleased that a cultural attraction
draws their customers. Still, that value will not give the cultural good, like a bridge or a
museum, its special value. Its social values, that is, what it does for issues of identity,
heritage, culture, pride and so on, will be far more important. Yet, what permits us to call
cultural goods cultural are their cultural values, that is, their evocations of things cultural.

**Cultural values**, so I propose here, are the values that evoke a quality over and
beyond the economic and the social. Throsby (2000, p. 28) includes in this category
aesthetic, spiritual, social, historical, symbolic and authenticity values. I would go along
except for the social values which I prefer to categorize separately. (Confusion occurs as
“cultural” in its anthropological sense refers to social values, that is, values pertaining to the
relations between and among people. To repeat, I use “cultural” here to denote qualities that
transcend the social, the relational or, for that matter, the economic.) A temple has cultural
value insofar as it connects with a religious practice and provokes the religious and spiritual
values of that tradition. Because of its architectonic properties it can appeal to an aesthetic
sense; it may have historical value and symbolic value as well when it symbolizes something
of importance to a group of people (a community, an organization, a society). Aboriginal art
has apart from decorative and aesthetic qualities also spiritual meanings. The latter appear to

\textsuperscript{15} see James S. Coleman, 1988 who introduces the concept. “Unlike other forms of capital, social capital inheres in the
structure of relations between actors and among actors”[p. 898].

\textsuperscript{16} Other important sources are Coleman (19\textsuperscript{9*}), Putts (19\textsuperscript{9*})

\textsuperscript{17} When people argue that their goal in life is making money, the researcher may notice that they actually spend a great deal of
their time negotiating and maintaining relationships. Money seems a topos to indicate desire and ambition.
enchant many a western visitor and, recently, attract the attention of western museums as well. A cultural good may also have social values—the temple may be a meeting place and may function as a national heritage—or economic values—when it generates income. But such values are distinct from the cultural values that it represents.

A cultural valuation comprises the attribution of sacredness to an icon, statue, or temple. A good that a group of people calls sacred, will have special meanings in their midst and will receive special treatment as well. The special treatment may show up in the visceral reactions in case of an imminent sale or destruction. American Indians have gone to extremes in defending their sacred burial grounds and people could only be so dismayed about the destruction of the Buddha statues because of the cultural values that they attribute to those statues.

According to Kant and, more recently Lyotard (19*) the quintessential cultural value of a good is its ability to evoke an experience of the sublime. It is the quality that causes awe and “stirs the soul.” Kant purports that this quality is disinterested; it does not serve a social or economic goal.

When I follow this characterization of cultural values, I come to the characterization of cultural capital as the power to inspire or to be inspired. It is the inbred, acquired and developed ability to experience the sublime in a good, or its sacred character, to see its beauty, or to recognize its place in the history of the arts. Cultural capital, then, is the ability to realize a meaningful life over and beyond its economic and social dimensions. It is one thing to have good social relationships, yet another to be awed when walking through a museum, attending a religious ceremony, or walking across a ridge in the mountains.

In this sense, cultural capital is more than the symbolic knowledge that Bourdieu (19*) takes it to be. It is less then what Throsby (2000) defines it to be, as he includes all tangible and intangible cultural goods. Throsby furthermore advances the notion of cultural value to mean that it generates both cultural and economic values. In my definition cultural capital is the mere ability to deal with cultural values, regardless of the possible economic returns.

The metaphor “capital” has become somewhat confusing as it encourages an economic interpretation. Like human capital, social and cultural capital would represent economic value, in the form of additional income and profit and so we would drift once again to a sense of life that revolves around economic values. Yet if we take the metaphor to mean something like “power”, or “capability” (cf Sen, 1993, p. 30: “a person’s ability to do valuable acts or reach valuable states of being”) the focus is rather on that what enables people to strive for the good or valuable life, that is, a life in accordance with relevant economic, social, cultural and other values.

To be sure, the possession of certain social capital and cultural capital can contribute to the generation of economic value. Inspired people may work better. Then again, it also may impede the build up of economic capital as in the case of the Amish, a religious community, who are principally opposed to the application of modern techniques. The influence is mutual. The amount of economic capital that people have appears to be positively related to their cultural capital (cf Bourdieu, 19*). The reason is most likely that income is positively related to the level of education, and the latter is again an important condition for the level and natural of cultural capital that a person has.

Whether and how the relationship between cultural and economic capital can be exploited, remains a question. When people “invest” in their cultural capital for the purpose of economic gain, the efficacy of their investment will be less then if the investment had only a cultural purpose. It would be like becoming Christian in the expectation that God will bless you with greater richness for believing in Him. When economic motives surface, credibility
is lost. (A friend who turns out to have engaged in friendship in the hope to benefit from it economically, will not be my friend anymore.)

By claiming a separate category for cultural values and capital I imply to argue that they are separate and distinct from the economic values, require special skills, and operate in a distinct sphere as the culturalists are ready to demonstrate. Cultural capital may have nothing to do with economic capital, it may add to it, but it may also depreciate it (like in the case of the fanatically pious community).

The notion of capital has the advantage of reminding us of the need to invest in social and cultural capabilities. Like economic capital they require attention and a great deal of work. People usually “build up” cultural capital by participating in cultural activities; it may require discipline, study, and all kinds of sacrifice in order to achieve insight, wisdom, enlightenment, piety, or the ability to experience the sublime. People do not only build up their cultural capital, they may also lose cultural capital, for example, when they leave their country, shift religion, or neglect some cultural practice or another. Unlike economic capital, however, cultural capital (and also social capital) does not depreciate in usage, but rather tends to increase in value. When I visit a museum, I use my cultural capital in order to make sense of what I am seeing and experiencing, and by doing so I add to my cultural capital: because of this experience I may have a more intense experience the next time around.

This brief exposition of the role of values and different notions of capital may provoke more questions than that it gives answers. Let me briefly anticipate a few. Surely, there are other categories of values, such as physical values (influencing what we consider to be “good food”) and environmental values. To keep matters relatively simple, I stick to the three categories of economic, social and cultural values.

Another issue is the ephemeral character of notions like values, social, and cultural capital. As I noted earlier, values are virtually impossible to pin down. Aristotle already insisted that our actions are geared to negotiate adequacy, and to prevent us from doing too much or too little of a good thing. Courageous soldiers are neither reckless, nor cowardly, and nobody can tell in advance when they are just courageous. Every act calls for an evaluation before it can be called courageous, or not. Accordingly, we can write down our values, declare them (“oh, I would give my kingdom for that painting”, “surely, honesty is all that counts”), but we shall have to realize them every time again, in whatever we do. We do not own our values, we can only try to work with them.

Deficient measurements stand in the way of making the roles of cultural and social capital more explicit. A possible reason for the fact that economic values and capital so much dominate contemporary public discourse, at least in the western world, is that they can be measured so much better. During the previous century or so, economists have worked hard on statistical measures of economic values, such as Gross National Product, profit, income and wealth. The accounting for economic value has become quite sophisticated, although it has not been without problems. It has generated an entire industry of statistical offices and accounting firms. Measurements of social capital are in the process of being developed but they are still in the pioneering stage. Measurements of cultural capital, if possible at all, are far off. The Unesco has been gathering a range of cultural indicators but its compilation of data on all kinds of cultural activities does not yet add up to a meaningful measurement of cultural capital (UNESCO, 2000). Additional subjective measures are called for that can account for the experiences and perceptions of various stakeholders such as local people, visitors, experts, politicians. Deficient and lacking measurements make it difficult...
to take these values into account when developing policy or considering action. It does not make them less relevant.

**Goods in general and cultural goods in particular**

Goods function to sustain and enhance social and cultural capital. Surely the good that is food functions to still hunger (to realize a physical value) but it does so much more than that. Food may represent an ethnic identity by the way it is prepared and by the way it is shared it may serve to affirm a sense of community. In the hands of a priest, food may become sacred. Goods can also function to increase economic capital, like a share, a machine or education, but those goods are instrumental to serve the ultimate objectives, i.e. the increase of social and cultural capital. Income can not be an objective in and of itself.

In the standard economic treatment goods become commodities and as a consequence their economic value stands out. Such a selective perspective begins already with Karl Marx who starts *Capital* as follows: “The wealth of societies in which the capitalist mode of production prevails appears as an ‘immense collection of commodities’; the individual commodity appears as its elementary form.” (Marx, 1867, 1977, p. 126, the quotation marks are his) He continues with a few remarks on the use value of a commodity (“use values are only realized in consumption) and then focuses on the exchange value by means of which a commodity becomes a quantity. The latter value subsequently gets his undivided attention as he tries to figure out its relationship with the value of embodied labour power.  

Not long after Marx standard economic analysis would dispense with the labor theory of value, but would keep the focus on goods as commodities, that is, goods to be exchanged. Goods are to be produced for exchange, exchanged, and consumed. Their value equals their price in exchange. When actual exchange is impossible, as in the case of public goods (think of national defence), a price is lacking and economists are compelled to derive a price by means of contingent valuation studies and the like. Anyhow, the analysis begins and ends with the moment of exchange--as the critical moment of valuation.

In defiance of the discipline of economics I propose to think of goods more broadly as they function in- and outside a market situation, in our fantasies, conversations, personal and social lives and so on. Goods represent values; they are good for something. Paintings are good for all kinds of things, like status (a social value), an investment (an economic value), or inspiration (a cultural value). Goods can be, and often are, intangible. Knowledge is a good and so is friendship, a view, a landscape. These are goods because they are all good for something, and we have to do something or another in order to “possess” them. The enjoyment of a view requires an effort and can be good for all kinds of things (like a romantic moment, pleasure, and inspiration) A house is a good in and of itself but it may stand for other goods like the good of “home”, “security”, “family history”, or even a cultural good when it is listed as cultural heritage. Goods function mostly outside a market situation. I live in and with my house, value it, positively and negatively, on a great variety of grounds without giving much thought to its market value (even if the mortgage interest is taken out of bank account each month). Honestly, while sitting in the yard and admiring the incredible beech outside the window, I am weighing values that have nothing to do with the monetary value of the house. Thinking of the latter might actually devalue the experience.

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20 With his notion of commodity fetishism he criticizes the focus on the commodity phase in no way does he call attention that the values of a good can be realized outside the situation of exchange.

21 “Economic goods are goods that are properly valued as commodities and properly produced and exchanged in accordance with market norms. [. .] I call the mode of valuation appropriate to pure commodities ‘use’. Use is a lower, impersonal, and exclusive mode of valuation.” Anderson, 1993, p. 143-144
Some goods are more special than others. The watch that a lover has given, is not like any other watch; its price is besides the point (would you even want to know it?); and selling it is inconceivable no matter how far the bidding is going (ah well, there may be a price that you will not be able to resist and accept the pang of guilt in the bargain). In a sense the watch has become the lover, and who is going to sell a lover? The Nightwatch by Rembrandt has become Dutch culture. As a consequence, pricing that piece of painted canvas would be ridiculous, at least in a Dutch setting (it is not even on the books of its owner, the Rijksmuseum). The idea of a sale is simply inconceivable. Blowing up centuries-old Buddha statues would have been inconceivable, too, until the Taliban did just that in Afghanistan. (Then again, setting the Nightwatch afire might be a liberating experience for people who experience Dutch culture as oppressive, like some immigrants may do.)

Goods have a great variety of meanings. They are their meanings. As Douglas and Isherwood observe: “In the protracted dialogue about value that is embedded in consumption, goods in their assemblage present a set of meanings, more or less coherent, more or less intentional. They are read by those who know the code and scan them for information” (Douglas and Iserwood, 1979, p.5). Consumption is about those meanings. “[C]onsumption is a system of meaning, like language, or like the kinship system in primitive societies” (Baudrillard, 1988, p 46). The watch that I just bought at the local market from a travelling salesman has meanings that are distinct from those I attribute to my lover’s watch. They give the time just the same, may even look alike, but they are totally different goods anyway. One I associate with my lover and the other is not much more than an instrument of measurement. Having either is different, and loosing either is even more different.

Cars function by virtue of the meanings they generate as must as watches or a screwdriver (“just think what we went through together, and how much the tool helped me out”). Baudrillard would say that goods communicate “Consumption is a system which assures the regulation of signs and the integration of the group: it is simultaneously a morality (a system of ideological values) and a system of communication, a structure of exchange” (Baudrillard, (1970) 1988, p 46). Goods will be topics of conversation or at least play a role in conversations (“That is the screwdriver that I once used to scare away that intruder”). In these conversations people negotiate about their meanings and their values.

Consequently goods convey, represent, or serve to realize economic, social and cultural values. A car is an asset and can be sold, to realize its economic value. It can be used to travel to a grandmother, or for an intimate conversation, and is then an instrument to realize social values (like love, responsibility, care and friendship). And to some a car, like the Mini or a Ferrari, may have special meanings over and beyond their social and economic values. In that case we might speak of the car as a cultural good.

**Cultural goods** represent, or serve to realize, cultural values. They comprise the things mentioned in the early goings: temples, a bridge, a painting, a mask but also intangible goods such as a ritual, a shared history, music, a tradition, or the concept of a flag. They all share the property that they can inspire awe, wonderment or convey a sense of the sublime. Their value is that they mean something over and beyond whatever economic and social values they have, like cows in the experience of Indians, an aboriginal painting in an aboriginal context, or an icon for a Rumanian Roman-Catholic.

“Cultural” here has the connotations of spiritual, sacred, symbolic, aesthetic, and artistic. The inclination is to bring in the social dimension and consider the value of cultural goods in terms of what they mean for a certain group of people. Flags stand for a nation and a ritual is what reminds participants of their common culture. Cultural goods often appear to have social functions. The Greeks view the Elgin Marbles to be Greek and want them back from the Brits in bolster Greek culture. The French are adamant on an exception for cultural
goods in the GATT arguing that countries should be able to protect their cultural heritage. In such an argument the social values are accentuated; the cultural values are implicit.

Some cultural goods are viewed as such the world over, like a Rembrandt, a Venetian palazzo, or an ancient Buddha statue. A number of them show up on the world heritage list of the UNESCO. Most cultural goods operate as such within a culture, defining, bolstering and representing that culture. These are the statues commemorating the local or national heroes, the churches, temples, icons, and so on. The evaluation of such goods is a social matter. Often it is the appreciation of the outsider that gives the impetus to such an evaluation. The Dutch valued “their” Rembrandt alright, but became seriously interested only after Americans and Russians had bought many of its paintings during the nineteenth century.

To enable such a cultural appreciation, cultural goods tend to have different lives compared to other goods. For one, they do not figure easily in the sphere of the market. Surely, plays, paintings, and music are now produced for the market, but that is because of their entertainment values. A Rembrandt is not for sale. A monument is the business of the government, and a great deal of new art production, especially the art for art’s sake, defies the market sphere.

One reason for this exceptional status of cultural goods is that their ownership is usually difficult to pin down. Even when a group of people were to claim the ownership of a temple, that temple most likely derives its cultural meanings by virtue of a religion shared with others. The Japanese businessman Sato could buy a van Gogh for a record price to discover that he did not fully own the painting. Van Gogh is common property valued and maintained by many the world around. Likewise the Foundation of the Dutch museum Boymans (see case 1) found out that it has no moral claim on a drawing even though it has legal ownership. The shared memory of the Holocaust, another cultural good, proved to be more valuable than the value of keeping the drawing as part of the Dutch collection.

The realization of values

When goods become candidates for exchange, they become commodities (Appadurai, 1986). It is a phase in their life, possibly an important one but a phase nonetheless. In that phase their economic value is being realized. You might not say so when you give the floor to economists, but goods have a life beyond that phase. Their being a commodity is just one moment in their biography (Appadurai, 1986 and Kopytoff, 1986). Things have a life and pass various stages in which their values are being realized, sustained, affirmed, questioned and so on in characteristic ways. During their gestation goods are the subject of conversations dealing with their production. A painting comes about in conversations about techniques, art in general and the world of artists. In those conversations the producer and others involved value its qualities and evaluate the values that are being applied (“I want to paint again as an antidote to all the technique” “But why in this way? This is really cliché.” “No it is not, I just take off on the work I have done earlier.” Etc.)

When the good enters the phase of exchange, in a store or wherever, it becomes subject of totally different conversations, like those of the marketeers, sales people, and consumers of course. Now its price will be a major subject as well as its use. (“It is a pretty large painting and given the track record of the artist, I’ll price it at 10000 euro.” “But don’t you run the risk to miss the buyer who looks for interesting art above the couch?” “Yeah, but why would my work be priced less than that of my friend. Maybe I should take it to another gallery that can appreciate it better.” “Listen, it has nothing to do with that. We just assess
where the market is. We can do no better than this. In the end the buyer determines whether the price is right.”

Some goods, however, will never be in such a phase as they are “blocked from exchange” (cf Walzer, 1983, p.100). A good like friendship is one example, freedom of speech another, divine grace, and, in the western world, marriage and political office. The valuations of such goods take place in conversations that are distinct from others (“You are not going to risk imprisonment/your life to defend your freedom of speech! I don’t want to loose you.” “Yes, I will” “So that freedom is worth more to you than our relationship?” Etc).

The consuming of the good constitutes another stage of the good. In the conventional economic account consumption is it; as soon as the good ends up in the hands of the consumer the story ends, and so does the analysis. For quite a few goods the consuming is a timely process that involves various people and comprises all kinds of experiences, valuations, evaluations and so on. When people pay a visit to a museum, they are said to consume the services of the museum, i.e. the exhibition. Yet, what actually happens? They may visit the museum with their family, so the outing may actually be important for the life of the family. They may have used the visit to have a nice lunch in the museum or to enjoy being in the building itself. They may have gone to the museum in the hope of meeting certain people. They may experience something in the museum that has a long time impact. They may have conversations about their experiences afterwards so that the museum visit may have a longer life than the mere visit. People may have learned something; and they may have to account for what they did. So, it is not immediate obvious what the consumption is all about. It is obvious, however, that the valuation of the museum visit, that is, its consumption, is an entirely different matter, and subject of again different conversations, than its economic valuation.

The cases below illustrate the stages that goods may pass. Case IV describes how goods become enchanted because of the purchase and need to be disenchanted. The case of the beads shows a nice reversal. Beads once symbolized dominant western culture to Africans and served as a means of payment. Now they become a desirable object for westerners as a sign of African culture (see case V). Having been part of African culture has added particular values to them; it made them special. We could speak of a valorisation in that case: the beads have been re-evaluated and increased in their value because of the life they had.

Case IV Enchantment and disenchchantment of commodities in Africa

In the course of her fieldwork among the Peki of Southeastern Ghana, the anthropologist Birgit Meyer (1999) encountered a fervent pentacostalist preacher who had a special experience with a pair of underpants. He had bought them at the local market. After the day he began wearing them, he was frequently disturbed by erotic dreams about having sex with beautiful ladies. It took him some time to realise that the underpants caused these dreams. The preacher did not only tell the story to Meyer, but to many members of the church. He warned his people about the possible demons in the goods they bought and offered to exorcise these demons by means of prayer. This the enchanted goods would become disenchanted. Meyer learned that such ideas of enchantment and practises of disenchantment were widely shared in Ghanaian pentecostalist circles. She found that “in order to retain control over Western goods, a person has to strip them of their fetishistic properties, thereby making use of religion in order to produce them as commodities in the sense of Western economists’ prose.”

22 See Velthuis, forthcoming.
Case V. An example of the valuation of art: beads

As early as the fifteenth century, European traders introduced coloured glass beads in the African markets. These beads functioned as a means of exchange through which Europeans could purchase African goods. The beads also played an important role in the realm of diplomatic relations. They were desired because they came from far away, could not locally be produced and were not available on the local markets. The beads were incorporated in local African cultures and came to symbolise status, rank, affluence and group membership. The end of this practice came with the introduction of monetary currency. (Steiner 1994, 124-125)

During the past few decades, Africa demand of beads has been replaced by European demand. ‘To the travelers who now buy old trade beads in the markets of West Africa, their appeal, at least in part, stems from the fact that their long presence in Africa has again made them exotic. Once more, they have been packed with a symbolic charge. This time, however, their symbolism communicates encounter with a romanticized vision of traditional, pristine Africa. Hence, at one time beads were popular because they were foreign and European, now they are again fashionable because they are considered “ethnic” - and, therefore, by definition, still foreign. (Steiner, 1994, p. 128.)

Accordingly, the notion of “the life of things” alert us to the valuations and valorisations outside the commodity phase. Indians realize the cultural value of a cow when they refuse to remove it from the road or slaughter it when they are in need of food. The cow has significant value yet no market has a role in determining that value. Daily religious practices bring out the cultural value of a temple or church; critical discursive practices as well institutions like museums account for the cultural value of Van Gogh. And the value of a flag may prove itself in the heat of the battle or at a funeral. Accordingly, we would not do justice to the life of any good, and its values, if we were to focus on its commodity phase only. Valuations and evaluations take place in different settings, and in distinct spheres.

The mode of financing matters; different valuations are possible

The exceptional character of cultural goods may be related to the nature of the conversation in which its cultural values come about. Their valuation, therefore, may call for conversations that are incongruent with those that constitute the market. Have it subjected to the discipline of the market, and its values may be affected, and possibly altered for the duration of its life. Price a sensitive value, as that of a friendship, love, courage, truth, or, who knows, art, and you alter that value the good has. Realize its value by means of a market exchange, and it will be a different good from the case in which its value has been realized in the form of a gift or as part of a collective program.

In this line of argument I deviate once again from standard economic analysis with its implicit assumption that the mode of valuation does not affect the values of a good. In the standard approach the value of a good is ideally realized in a market; an alternative is a realization by means of a grant from the government or a foundation. Whatever method is followed, the economic value of the good is presumed to remain the same. Yet, when we take into account the full range of values, this presumption becomes dubious. As Anderson argues: “To realize a good as a particular kind of good we place it in a particular matrix of social relations. . . [G]oods differ in kind if people properly enter into different sorts of social relations governed by distinct norms in relation to these goods.” The context in which a good is placed to realize its value(s), may matter.
When we submit a cultural good for sale in the market in order to realize its economic value, we subject it to conversations that are characteristic for the sphere of markets (which come in all kinds of sorts making for quite different conversations). It has to be priced and therefore will be compared with other goods, its economic value may be stressed, like its potential to generate tourist income, or its ability to attract customers. Anonymous buyers may enter the bidding. Having been measured, priced, placed in the sphere of commerce, talked about like any other commodity, may very well affect the subsequent evaluation of the good. If the price was exceptional high, the valuation may increase accordingly. We call this the **crowding in effect** (cf Frey, 1997b). Alternatively, the good may be branded “commercial” because of the sale, and loose some or all of its cultural value in the eyes of those who care. That is the **crowding out effect**. In both cases the fact that the economic value got realized has an effect on the value of the good. It is a case of (de-)**valorisation**: certain values get enhanced, or diminished.

The valorisation may also concern the social values that are associated with the market, like “freedom of choice”, “consumer sovereignty”, “efficiency”, “commercial”, “greed”, and “cold.” By transforming a good into commodity people affirm and possibly enhance such market values. Such are the external effects of any valuation. By subjecting a good to the regime of the market, people contribute to, or valorise, the values that those who operate in the sphere of the market have in common. This is a general feature of human action: even if it is thought of as individual or incidental any human action will affirm and enhance a sense of the common. By fathering my kids I contribute to the values and institutions of fatherhood, family and the like. Likewise, when artists try to realize their art by means of a market exchange. By doing so they willingly or unwillingly affirm and enhance the common values of the market sphere. Accordingly, their method of realizing the value of their art will not only affect the valuation of their art as a cultural good, it also will affect the common. The effects may be small, but when more artists do the same, they will increase. In the end the culture of the world in which they operate may change.

Because of what the commodity phase does to a good, or because the commodity phase does not work for a good (think of friendship, or public security), some goods are kept away from that phase. Michael Walzer (1983, pp 100-103) speaks of “blocked exchange”. One option is to realize the values of cultural goods by means of government subsidies. This prevents them from being a subject of conversations in markets. Instead they become an item in bureaucratic and political discussions. The consequence is that they are connected with other values, such as the value of political expediency, national interest, justice and fairness, and bureaucratic discipline. Cultural entrepreneurs who seek the support from the government will have to adjust their rhetoric and play to whatever values are dominant in the political realm. So when politicians are concerned about national identity, accessibility, sustainability, or the integration of minorities, cultural entrepreneurs will profess to cater towards such interests just to be persuasive in the subsidy game. The valorisation in such a case concerns the values of the collective, public accessibility, national identity, sustainability, integration over and beyond the cultural values that the director wants to realize. Accordingly, entering a good into a stage involving the government, implies supporting the common that constitutes the governmental sphere.

Ideally, a good that is financed in this sphere has the status of a public or collective good and is being appreciated as such. The subsidized temple becomes common property free from the regime imposed by the market. Not the consumers, the clients, determine its value, but government officials and their consultants do. In practice, certain valuations that governmental financing imposes are suspiciously similar to those of the market. As the government has to be objective in adjudicating between competing claims and is compelled to dole out in accordance with well specified rules, civil servants want measurements. And
so museum directors who are dependent on government money will count the number of visitors, point at the value of additional tourist spending and the number of jobs the museum creates. These measurements, all economic in kind, will help them to stake their claims in the next round of subsidies.

Goods may also function outside the sphere of the government and the market, in the social sphere (Klamer 1996, Klamer and Zuidhof 1999). This applies to goods like friendship, but also a great deal of artistic value is realized in personal and informal interactions, without contracts, explicit measurements, rules, and accounts. So many artists paint, draw, make music without any financial compensation. They often are supported by parents, partners, spouses, or friends. The value of what they do they realize in social settings, by sharing their art with others. Their art is then a form of a gift. It will make for a different conversation from the ones people conduct in the spheres of the government and the market, with appeals to different values. In the social sphere people may talk about “loyalty”, “responsibility”, “solidarity”, “care”, but also about “dependency”, “charity”, “sacrifice”. (These values may be interpreted as positive and as negative; how they are understood depends on the cultural context.)

By placing the good in a social setting, we ask for negotiations in social terms and prevent the association with market, political and bureaucratic values. By barring a good like friendship, or a religious ceremony, from the commodity phase, we lock out the values that are associated with that phase and thus make for a different life of that good compared to all those goods that have known a commodity phase. That makes friendship exceptional. One consequence may be the such a good can not be used as a commodity. Another is that such a good is incommensurable with commodities: there is no way in which we can establish an quantitative equivalent like a price (cf Anderson, 1993, Radin *)

**So what?**

The cultural economic perspective serves to break the hold that the economic perspective has on public discussions concerning the role of cultural goods. It embraces the culturalist perspective with its emphasis on the various values that constitute cultural goods. This is not to argue that an analysis of economic values is besides the point. Especially when the climate is biased towards economic argumentation, the determination of economic value will be persuasive. Apart from the rhetorical aspects, economic studies are helpful as they will sort out and define the costs and benefits to the parties involved. The Economic perspective can be a helpful framework (cf Cordes and Goldfarb, 1996, Frey, 2000, Throsby 2000), but it is a limiting one, at least when we want to make sense of the functioning of cultural goods.

The cultural economic perspective compels us to distinguish social and cultural values from economic values. It furthermore points us to considere the various spheres in which the values of a cultural goods are realized. Cultural goods are exceptional because they often resist the commodity phase and for good reason, so we found. For when cultural values are involved, actors are in need of a sphere in which they can realize the relevant values that does not suffer from the rigor and discipline of the spheres of the market and the government. We only need to point at religious institutions like churches, synagogues and temples. Only in rare cases are they realized by means of government programs or market exchange. People who found a church in the rule do not apply for a government grant, find sponsors (in exchange of advertisments) or place a cash register at the entrance. Such cultural institutions rely mainly on the informal sphere and its main instrument, the gift, or donation. Insofar as reciprocity involves this one is ill defined, not stipulated in a contract and requires an enduring relationship.
The cultural economic perspective has several consequences for cultural policy. As cultural goods come about and attain their value in conversations among people who know and care, their sustenance requires the support of such groups of people. The problem with the Buddha statues in Afghanistan was that they were an affront for the locals, yet were cherished by groups of people far removed from the scene. The latter people failed, for all kinds of good reasons, to engage the local people and persuade them of the cultural, and possibly economic significance of the statues. This is a reason why cultural policy needs to be, at least partially, focused on education and ongoing discussions in journals, newspapers and on internet. Controversies like about the van Toorop can give a great impetus to the (re)valuation of a cultural good.

Many cultural goods will be financed by means of markets and governments. Performance companies sell tickets and apply for government grants (especially in continental Europe), auction houses and galleries sell visual art. However, they need to thrive in other value spheres as well in order to realize their cultural values. Therefore, a cultural policy that is geared to the market on one hand, or the government on the other, fails to miss the point.

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