

Teaching Cultural Economics: Why? How? What?

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When I was 16, a stroke of luck started me on what has now been 60 years of engagement with economics: Mrs Edwards rather unexpectedly turned up at my Girls' High School in Nottingham (in the middle of England and still home to the Sheriff of...of Robin Hood fame) and offered to teach Advanced Level economics to those newly entering the Sixth form¹, of which I was one. She had worked as an economist in World War II for the National Coal Board – the war called on women in England who might otherwise have not been employed in senior positions - and I believe that teaching was relatively new to her. In any case, she treated us like grown-ups and took us through a syllabus of 'Economic and public affairs' in which we learned a great deal of interesting economic history and some elements of economic theory. I loved it and accordingly decided to study economics at university. I did a degree in Political Economy (basically in those days a 'joint' degree of economics and politics) at the University of Reading then in 1966 went on to the London School of Economics to do the newly introduced and extremely rigorous MSc (Econ), the first taught master's degree in economics in the UK. I graduated from that age 22 and was immediately offered a full-time Lectureship at what was then Enfield College of Technology (ECT - later to become Middlesex University).

ECT had a special ethos of teaching, emphasising the need to apply any academic discipline to the potential workplace, so that rather than just regurgitating what we had learned so far to get us the job, we were required to rethink the role of higher education. This was not only difficult but it went against the grain: up to the 1960s in the UK, higher education had been essentially for the elite and the few others clever enough to gain access. That has changed radically over the last 50 years and with it the role of teaching and learning. One result has been a huge expansion of courses offered often

¹ In England until 1972, the school leaving age was 15. There were two sets of nation-wide examinations: 'Ordinary level' taken at age 16 and 'Advanced level' taken at or just before 18. When I was at school (I left in 1961) most children left aged 15-16, often without 'O' levels, but as the school I attended only admitted the highest achieving students (as revealed by the 11-plus test, supposedly a sort of IQ test), most of us took examinations in around 7 subjects at 'O' level and then went on to do two more years of full-time study for 'A' levels. Depending on what the school could offer, students had a fairly wide choice of 'A' level subjects, of which three passes at reasonably high grades were the standard entry requirement to a university.

targeted on specific areas of work, especially at the Master level; there are now far more degree courses available to students, often in applied areas. Another development was the requirement of a PhD and some training in teaching methods as a prerequisite for working in higher education. In the 1960s, however, teaching was more or less reproducing what one knew in very much the same manner in which one had learned it so it was a jolt to be told that was not good enough. Looking back, I greatly value that jolt and the experience has stayed with me throughout my teaching career.

I came relatively late to cultural economics. During my time at ECT/Middlesex University, I taught micro and macroeconomics, location theory and urban and regional economics. I also spent a year at Thammasat University in Bangkok, Thailand. That opportunity came about as my husband Mark Blaug, Professor of Economics of Education at University of London, was hired to advise the Thai government on educational planning and I tagged along as a wife. On arrival and I was hired by Dr Puey Ungaporn, Director of the Bank of Thailand and Dean of Economics, to teach the 'archarns' – young teachers and teaching assistants - as well as to teach mathematical economics to students on the Master degree in economics funded by the Rockefeller Foundation. Mark was essentially a historian of economic thought, whose work in that field was widely known and highly esteemed yet there were almost no teaching jobs in the UK at the time in which he could specialise in those fields. In the 1970s, he became one of a few pioneers in cultural economics, editing one of the first readers in what was then called economics of the arts. Even so, I was not involved in the subject academically at the time and it was only later that Alan Peacock hired me in the mid-1980s to work on his research project on inflation and the arts – empirically testing the cost disease hypothesis – that I became involved. Then in the late 1980s, having spent rather too long studying singing rather than pursuing my academic career, I obtained a grant to research the economics of the singing profession, resulting in the book *Singers in the Marketplace*, meanwhile teaching introductory economics and economics of social policy at the University of Exeter. I then went to my first Association for Cultural Economics International (ACEI) in 1990 and became active in the re-formed ACEI, later becoming editor of the *Journal of Cultural Economics* from 1993 to 2002. I was made Distinguished Fellow of the ACEI in 2016.

The opportunity to specialise in teaching cultural economics came later with an offer from Erasmus University Rotterdam (EUR) in the Netherlands, to which we moved in 1999. I was part of the team that set up the Master degree in Cultural Economics and Cultural Entrepreneurship, which is now a leading provider of post graduate training in cultural economics. As Professor of Economics of Creative Industries, I taught courses in cultural economics and economics of creative industries to both undergraduates and on the Master course until retirement age. *A Textbook of Cultural Economics*, published in 2010 and now in a second edition (2019), was based on my lectures and classes there.

By the turn of the 21st century, my research increasingly focussed on economics of copyright and I was involved in setting up the Society for Economic Research on Copyright Issues. Not ready or willing to retire at the then standard age of 65, I have held a part-time professorship at the Centre for Intellectual Property Policy and Management (CIPPM) at Bournemouth University since 2007 and in 2013 was made CREATE Fellow in Cultural Economics at the University of Glasgow, both in the UK. In 2018, I joined the MUSEC team at the University of Oslo as a part-time researcher on copyright and music for three years.

Copyright law is, of course, increasingly important in the digital creative economy and the economics of copyright is now expanding as a topic but it was not when I first began to study it in the early 1990s. The boost to interest in copyright for both lawyers and economists came from the Napster case on the legality (or not) of downloading music. Many law and law and economics researchers have pursued the topic though only a handful of economists have done so. The difference between the approaches is this: law and economics considers the economic rationale for the law while as an economist, what I am interested in is the impact of copyright on markets in the creative economy. I regard it as an integral part of cultural economics; copyright is supposed, at least, to provide income to creators and performers in addition (or as a result of) the protection it offers. In that respect, it fitted with my interest in artists' labour markets. That interest, however, required empirical evidence and that was what I set out to find on the effect of copyright on creator's earnings. It demonstrated very clearly that the claims made for copyright as an incentive to create were exaggerated, since for most

individual rights holders, income from it provides only a small proportion of their total earnings. Of course, the superstars earn a lot from copyright royalties but they are effectively few in number compared to the bulk of those engaged in music, writing, film-making and so on.

Why teach *cultural economics*? Why not just ‘economics’?

It has been my privilege to specialise in cultural economics over the last 20 years and in doing so I have drawn on my earlier experience at the University of Exeter of teaching courses in elementary economics and economics of social policy. Economics of social policy covers a very wide range of topics from education and health to welfare policies and in many ways cultural economics is another aspect. Indeed welfare economics underlies all these areas so it was an easy transition from one to the other.

My long career in economics has persuaded me that even though many areas of economics are highly formal – and certainly have become increasingly so over that time – there is an important role for what one might call ‘common sense’ economics to be explained to students on a range of different disciplinary courses, such as arts or media management, cultural studies, even art history, who may well be required in their subsequent careers to face up to economic arguments or to make them themselves in the promotion or defence of their area of responsibility. In my experience, basic economic concepts – opportunity cost, supply and demand, public goods – can be of great use to arts and media administrators, policy-makers and the like if explained to them in the context of their area of interest. Further than that, however, the arts and culture operate within market economies in which on the one hand, resources are inevitably limited in relation to other calls upon them and, on the other hand, regulations relating to the whole economy, such as those relating to minimum wages and conditions of work, health and safety and so on, also impact on the creative side of the economy.

I therefore believe that teaching cultural economics should employ these basic economic concepts, applied to the many and varied areas of the creative economy and in doing so, one should not shy away from some of the conceptual difficulties that students may experience. That does not mean you should insist on them being able to write down an equation for a demand schedule but they should

grasp the difference between a shift and a movement of demand and that elasticity of demand changes at each point on the demand schedule. Simple arithmetic examples can demonstrate all these ideas. If developers of games learn that the revenue they earn from sales depends on how responsive consumers are to price changes, it is bound to help them even if they cannot express elasticity formally.

These basic economic concepts are employed in other branches of economics that share similar concerns to those of people specialising in the arts and culture. A clear example is environmental economics, which utilises very similar concepts to those of cultural economics but applies them to the use of natural resources and to the natural heritage. Economics of education uses the notion of human capital formation in a similar manner to that of cultural capital and by using welfare economics also justifies the free provision of primary and secondary education.

So – why should we teach *cultural* economics? First because cultural economics is a branch of applied economics and can be an interesting way of learning economics. Second because cultural economics has evolved its own specific applications of economics to fit the special features of cultural production and consumption. Third, because as a discipline, economics promotes empirical evidence as the basis for policy-making and management. Cultural economics has built up a huge body of evidence on the economic impact of cultural organisations, on finance, on demand and supply of cultural products, on artists' labour markets, on the impact of piracy on creative industries, and so on.

There is, however, danger in excessive specialisation: cultural economics (as any other applied field) should not become inward looking and self-referential. Our claim to expertise rests on the underlying economics, which is always evolving. Today digitisation presents a challenge to the creative economy and to established economic thinking and new theories can be harnessed to meet it.

How should cultural economics be taught?

A quick answer is that it should be taught as any other course! To me that means that as a teacher, you have a clear objective as to what can be achieved in a certain period of time on the one hand, and on the other hand a clear idea of the interests of the students and how you can tap into them. A one semester course consisting of 1 hour a week slot would probably have 10 hours of class time. Of course, what can be achieved would depend very much on the level of the students: whether they are undergraduates or graduates and what the rest of their courses consist of. I have taught courses in cultural economics for final year undergraduates and for graduates. In my case, the undergraduates did not have a background in economics and so any economic concepts being used had to be explained in detail: if the students have a basic understanding of economics, say from an introductory course, though, that would not be so necessary. My experience of teaching Master students was that most had a knowledge of economics, such as management or business economics, so my task was to apply their knowledge to issues in cultural economics. The situation often arises in which some students in a class have far more knowledge of economics than others. In those circumstances, I believe that it does no harm to go over some things again, even if those with an economics background resist! I remember that as a student I thought I knew it all but enlightenment only came when I revisited ideas many times over and especially when teaching a topic.

My experience of teaching cultural economics has been in the UK and in the Netherlands – countries with very similar economies and economic and cultural policies. In both it is widely accepted that the cultural and creative industries are significant contributors to the wider economy and are vital to an atmosphere of creativity, innovation and cultural wellbeing. It is also accepted that government has a role to play in promoting and sustaining these industries for both their cultural and economic benefits. Indeed, most developed countries share these views to a greater or lesser degree. Therefore a starting point for how to teach cultural economics can be found in controversies over policies or how to implement them. Let me give an example: the artists' resale right (*droit de suite*) has been debated in cultural economics as far back as I can remember when the state of California introduced the right in 1975. Based on economic principles, economists argued that it would disadvantage younger artists as buyers would be willing to pay less (a good way of explaining discounting); that has been tested

empirically and found not to be so, at least in the UK; however, it has also been found that the beneficiaries are not on the whole living artists, but their heirs. That gives students quite a bit to chew on! There is theory, statistical evidence and the implications for policy evaluation.

Though these countries are in some respects similar, however, the economic organisation of the cultural sector is different: by and large, arts organisations in the UK are non-profit-making organisations which receive funding from central and local government but are privately owned and managed, however, their equivalent in the Netherlands (at least at the time I was teaching there) were financed, owned and managed by the state as part of its social welfare programme. The model of state ownership and management (whether at local, regional or central government level) is widely dispersed in Europe and gives rise to a different view of the role of the arts and other creative industries. For example, the members of most orchestras in Europe are often state employees with regular employment contracts and pensions. In the UK, orchestras may be self-managed, sponsored by business and heavily reliant on income from ticket sales and other sources of revenue, such as outreach educational work and commercial work for film companies. These differences in institutional arrangements make for very different approaches to questions such as programming, audience profiles and so on and must be taken into account when applying cultural economics to them.

Turning to the role of the teacher in setting up the course programme: in the places I have taught, it has been customary to provide well in advance (usually for the Faculty brochure) the title of the course, what the objectives and aims of the course are, some explanation of how it is to be taught – lectures, classes, self-study – and the way the instructor perceives the subject. Then there follows a detailed schedule of lecture topics with reading, the proposed topics for class discussion and a timetable for evaluation - by written work, tests, examination and so forth. Mostly, the format of this will be laid down by the Faculty or university conventions. So, for a 10 week course, the time could be spent in a one hour formal presentation (lecture or organised talk) and a seminar or similarly organised discussion period with a programme of class discussion and presentations based on pre-set reading. The chapters in this book aim to provide the basis for such a session.

What to teach? I'd say that depends a great deal on the teacher's and the students' interests. Cultural economics has its own literature with textbooks providing a general overview; my *Textbook of Cultural Economics* has twenty chapters covering the established literature of cultural economics and economic of creative industries, with chapters devoted to specific areas of research. It could form the basis of a ten week graduate course or a twenty week undergraduate course consisting of, say, one lecture and one class per week. A shorter and more basic book is *Advanced Introduction to Cultural Economics*, which might be more suitable for a short course for students with little prior understanding of economics.

Any course should at least touch on the basics outlined above but there are different ways of doing it, for example, formal lectures or class discussions and exercises. After that, I would look at the previous courses taken by students and try to find out what they know and what their interests are. So, for example, say the course, is for undergraduate business students with a knowledge of basic economics, I would chose topics on the creative industries: incentives to creativity, something on economics of copyright and the economic organisation of various industries - film, music, publishing – perhaps letting the students chose. It can happen that someone in the class has worked in one or another industry and their practical knowledge can be harnessed to interest other students (who often learn well from each other) as well as enabling the teacher to use it to illustrate the points she wants to see discussed in the course.

Editing this book has been a new experience for me, coordinating teachers from different parts of the world and different teaching traditions. One of the more curious aspects of the exercise has been that economists regarded as having been the leaders of our profession have often not had the opportunity to teach courses in cultural economics. For them it has been a topic for research, publishing and presentations at conferences. Almost all the contributors to this book have taught or are actively teaching an array of topics in cultural economics, which is happily a growing subject. We can all learn from each other's experiences and I have learned a lot from the authors contributing to the book.

I no longer teach regular courses of the kind I described earlier; instead I offer short courses, mostly on the economics of copyright to PhD students and others studying law. I recently revised *A Textbook of Cultural Economics* as a second edition, however, adding in new material on digitisation in the creative economy and on games so have caught up with the more recent trends in cultural economics. Digitisation has had a huge impact on the production and consumption of the products of the creative industries and I have had to go back to text books on industrial organisation to catch up with new fields such as platform economics. Law students and teachers have similarly had to catch up with copyright law. The teaching and learning environment is also changing and we all need to rethink our role in order to offer the best we can to our students. For my part, that is what I have always enjoyed about academic work and still do: it presents an ongoing challenge and stimulation to one's thinking.