

The Arts in a Market Economy**

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Does a market economy encourage or discourage music, literature, and the visual arts? Do economic forces of supply and demand help or harm the pursuit of creativity? I see commercial enterprise as encouraging cultural production for the same reasons that non-pecuniary enjoyments tend to rise in wealthier and more productive societies. This book will present some social mechanisms that link markets, wealth, and creativity (chapter one), examine how these mechanisms have operated throughout cultural history (chapters two through five), and attempt to account for the widespread perception that modernity suffers from a cultural malaise (the concluding chapter five).

I seek to redress the current intellectual and popular balance and encourage a more favorable attitude towards the commercialization of culture that we associate with modernity. I portray the capitalist market economy as a vital but underappreciated institutional framework for supporting a plurality of coexisting artistic visions, providing a steady stream of new and satisfying creations, helping consumers and artists refine their tastes, and paying homage to the eclipsed past by capturing, reproducing, and disseminating it.

DEFINITIONS: CAPITALISM AND THE MARKET ECONOMY

I define capitalism as a legal framework based on private property and voluntary exchange; this framework supports an advanced system of commerce, industry, technology, and markets. I take it for granted that capitalism supports these institutions, and I focus on the more controversial question of how culture will fare in such a world.

The word capitalism refers to the private ownership of capital goods that is found under such a regime. I also use the term "market economy" to refer more generally to a nexus of voluntary exchanges. Beethoven and Michelangelo, who sold their artworks for a profit, were entrepreneurs and capitalists. Rembrandt, who ran a studio and employed other artists, fits the designation as well. I treat capitalism in terms of its underlying economic logic, rather than in terms of a particular historical epoch, as do many Marxists. Nonetheless I do not assume that capitalism has operated in the same fashion across historical eras. In reality, different kinds of markets (and states) have shaped the arts in radically different ways. The greater ability of modern performers to reach large audiences has given popular music a relative boost over classical music, for instance. The declining financial power of the church lead to a diminution of interest in religious art. Chapters two, three, and four will present numerous examples of how cross-sectional variations in forms of capitalism have influenced accompanying artistic productions.

I do not define capitalism in terms of a pure market model, as do many libertarians. Historically capitalism and powerful states have risen hand-in-hand; this connection will not be severed in foreseeable imaginable future. I am concerned more with particular features of the capitalist model than with the purity of market freedom. Specifically, I focus on the following features, which I identify with our modern, commercialized society: profit and fame incentives, decentralized financial support, the possibility of financial independence for some artists, the entrepreneurial discovery of new artistic technologies and media, and the ability to profit by preserving the cultural creations of the past.

I do distinguish capitalism from societies whose wealth is based on outright plunder, fortuitous discovery of a natural resource, tax haven status, or other accidental features. These societies may

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develop wealth, but they will not reap the full benefit of the mechanisms discussed below. Stealing wealth, or lucking into wealth, typically will stimulate the demand for culture, but unlike under capitalism, the supply capacity for cultural production will not be favored as well. Artistic masterpieces usually stem from favorable conditions on both the demand and supply sides of the market, as will be illustrated by numerous examples throughout the text.

I do not argue that capitalism is a monocausal or even a primary determinant of artistic success. If Beethoven's parents had not met, married, and slept together when they did, the market could not have produced another Beethoven some other way. Pure, dumb luck is one of many factors in cultural success. The greater cultural vitality of Renaissance Florence than modern Singapore does not serve as a counterexample to my thesis, even though Singapore is wealthier and arguably more capitalistic as well. Singapore and Florence differ in many important regards, including their cultural heritage, degree of government censorship, and intellectual climate. Culture is a problem of joint production involving both economic and non-economic forces; I am arguing that we should upgrade our estimate of the efficacy of the market, not that the market is all-important.

Counterexamples to my version of cultural optimism arise to the extent that cultural successes come about in spite of the market, and to the extent that cultural failures come about because of the market. The text presents a number of counterexamples, including the failure of the modern world to support contemporary classical composers, the declining quality of the bestseller lists, and the dubious quality of much of American television, among many others. I view these counterexamples as real rather than apparent, and I seek to explain them rather than to explain them away. An optimistic perspective should not blind us to failures or hinder the identification of the mechanisms that cause cultural markets to misfire.

It is obvious to most observers that new art faces significant obstacles in a market economy. Large numbers of consumers are ignorant, poorly educated, and sometimes even hostile to innovation. Many creators are confronted by large corporate conglomerates that demand a proven track record or prior contacts. Complex networks of retail distribution, advertising, and media make some products profitable and others unprofitable, often without regard for artistic quality. Art lovers, who revere aesthetic merit, often dislike or resent market exchange for these reasons. No social system, however, elevates "Goodness" to a deciding principle, whether the realm be art, politics, or economics. Rather than comparing the market for art to a Platonic alternative, I seek to uncover the social mechanisms that encourage and discourage creative artistic achievement and therefore shed light on the production of culture.

DEFINITIONS: CULTURE AND ART

I use the terms culture and art interchangeably to cover man-made artifacts or performances which move us and expand our awareness of the world and of ourselves. I have in mind painting, sculpture, music, film, architecture, photography, theater, literature, and dance. What counts as culture is a matter of degree; broadly, culture ought to broaden our horizons and help us see the world in a new way. Culture stands above the concept of entertainment, although good culture is often entertaining. I will devote special attention to the visual arts, literature, and music, arguably the three arts most central to the Western tradition. Each of these topics receives a chapter of its own. These arts come closest to providing a common knowledge base and they have provided the primary field of debate for the economics of the arts.

No single book can consider artistic production as a whole. Furthermore, the question "What is art?" has become increasingly less fruitful with the growing diversity of production. Numerous quasi-artistic activities hold a blurred, in-between status.

Fashion, decoration, cuisine, sports, product design, computer graphics, and commercial art - to name just a few examples - bring beauty and drama into our lives. Even if these genres do not fit a

narrow definition of art they nonetheless stimulate our aesthetic sense. Most of these genres have met with great success in the contemporary world, but I do not address those topics directly in this book. I hope to show some illustrative factors in the history of the major arts, rather than cover each and every cultural episode.

In addition, I focus on Western culture, although I am currently working on a more systematic treatment of non-Western, tribal, and indigenous cultures, which I will present in future writings. Some foreign cultures appear to provide counter-examples to the view that markets benefit the arts. Haiti, for instance, has produced much painting and music of note, despite being the poorest country in the Western hemisphere. My preliminary research indicates two conclusions, which I will only mention here. First, some of the mechanisms regulating artistic success may differ in countries with very small degrees of division of labor, both in consumption and production. To that extent the arguments of this book do not hold in all circumstances. Second, many non-Western arts have relied more heavily on markets and wealth than it may first appear. The market for Haitian Naive paintings, for instance, has been driven largely by tourists from wealthier, capitalist countries. Much of the growth in third world arts, musics, and literatures has been supported by modernization, growing wealth, and cultural exchange. A more complete approach to the matter must, however, await future research and writing.

What is good culture?

The case for cultural optimism relies partly on judgments about the quality of contemporary cultural creations. Skeptics who dislike all contemporary culture usually cannot be convinced to weaken their pessimism. Cultural assessments contain an irreducibly subjective component and for this reason it is not possible to present a knockdown argument for (or against) cultural optimism. Rather than tackling cultural pessimism head on, I attempt to chip away at its plausibility, while keeping debate over the quality of particular artworks from dominating the analysis. My approach to cultural pessimism runs as follows. First, this opening chapter presents a number of social mechanisms through which a healthy, growing economy tends to support cultural creativity. While these mechanisms do not prove the intrinsic aesthetic worth of any particular creations, they do weaken the expectation that commerce should corrupt culture. Second, the three subsequent empirical chapters will outline the successful operation of these mechanisms in the past, and will show that criticisms of contemporary culture resemble the criticisms leveled at past masterworks. Finally, the text will discuss some particular developments in our contemporary culture which I see as healthy and creative. The discussions of contemporary culture will entail both a value-neutral aspect and a value-laden aspect. The value-neutral aspect attempts to show that market wealth supports creative artworks of many different kinds, appealing to many different tastes. My favored variety of aesthetic pluralism admits the validity of contrasting perspectives on culture, values diversity, and recognizes the ultimate incommensurability of many artistic values. Orson Welles argued for the supremacy of consumer opinion in judging aesthetic value. He once said: "We must not forget the audience. The audience votes by buying tickets. An audience is more intelligent than the individuals who create their entertainment. I can think of *nothing* that an audience won't understand. The only problem is to interest them. Once they are interested, they understand anything in the world. That must be in the feeling of the moviemaker."

Harold Bloom advocates a different point of view. He considers the true masterpieces of the Western canon to be inaccessible to most readers. Culture, Bloom's substitute for religion, requires a Gnostic rather than Catholic view of the truth. Only those who read, reread, and study the classic works can hope to unlock their secrets. A work easily accessible on first reading is unlikely to be truly great. The best writers know far more than their audiences, who are wrongly tempted to dismiss *Finnegans Wake* as nonsense. The elitist venture of criticism can proceed without much regard for the preferences of the audience. Rather than attempting to adjudicate between these two provocative perspectives, the value-neutral aspect of my analysis considers the ability of capitalism to support each

kind of art. The market brings crowd-pleasing artists, such as Michael Jackson or Steven Spielberg, in touch with their audiences, while at the same time securing niches for more obscure visions, such as those of James Joyce or Charles Ives. The categories commonly labeled high and low art often are complements rather than alternatives that we must choose between. The value-neutral approach to cultural evaluation also stresses how the wealth, commercialization, and technology of the modern world provide the means and the incentives to preserve past culture. Cultural optimism does not suggest that any modern playwright is the superior or even the equal of William Shakespeare. It will never be the case that our favorite works, or the very best works, all were produced just yesterday (see chapter five for more on this point). Rather, cultural optimism receives some of its support from the unparalleled ability of the modern world to preserve, maintain, disseminate, and interpret past masterworks by the likes of Shakespeare, Mozart, Monet, and many others. Artistic preservation and dissemination are supported by market mechanisms, just as artistic creativity is.

Artistic production is not a once-and-for-all event, but rather is an ongoing process, often stretching over centuries, and requiring continued societal cooperation. William Hazlitt wrote a famous essay - "Why the Arts are not Progressive - A Fragment" - that has been cited against the idea of cultural progress. Hazlitt argued correctly that the arts do not experience progress in the same manner that the natural sciences do. In the arts, later inventions do not typically render earlier inventions obsolete. To give a modern example, we cannot establish that Garcia Marquez is objectively "better" or "worse" than Charles Dickens. I do not, however, accept Hazlitt's total rejection of the idea of cultural progress. Today's art consumers enjoy more choice and greater diversity than ever before. Regardless of how aesthetic philosophy judges Garcia Marquez vs. Dickens, modern readers can now enjoy both for a pittance.

Market exchange and capitalism produce diverse art, rather than art that appeals to one particular set of tastes. Mid-to- late twentieth century Western culture, although a favorite target of many critics, will go down in history as a fabulously creative and fertile epoch. The culture of our era has produced lasting achievements in cinema, rhythm and blues, rock and roll, Abstract Expressionism, Pop Art, architecture, dance, graphic and commercial design, fashion, jazz, the proliferation of classical, early music, and "original instrument" recordings, the short story, Latin American fiction, genre fiction, and the biography, to name but a few examples. These genres have offered a wide variety of styles, aesthetics, and moods. An individual need not have a very particular set of tastes to love contemporary creations. The second part of the book's aesthetic argument requires a greater role for subjective judgments about artistic value. Are Jasper Johns, Steven Spielberg, Karlheinz Stockhausen, and the Beatles frauds, mediocrities, or geniuses? Dare we go one step further and ask the same question about even more controversial (and lesser known) figures, such as Robert Gober, John Woo, Robert Ashley, and My Bloody Valentine? Although I am not providing a treatise on aesthetics, I do, throughout the chapters, raise the possibility that these artists and others are in fact notable masters who will last the ages. The three chapters on art, literature, and music suggest that the contemporary world has produced a very large number of excellent creators and works. I do not, and cannot, provide knockdown arguments for these aesthetic views, but I hope that the book as a whole will persuade the reader to take a closer look at these and other artists. Despite the subjective component behind these judgments, I try to persuade the reader to see widespread support for the cultural optimist vision, as I do.

The tastes and recommendations which comprise the value-laden part of the argument will appear odd or idiosyncratic to some readers. Nonetheless I have deliberately tried to restrict myself to figures and works which have already achieved recognition from the specialists in their fields. Most lovers of Mozart and Haydn react with skepticism or disagreement when Ashley, Feldman, Scelsi, and Glass are cited as notable composers of our age. Yet the highly respected *Fanfare*, a journal of music reviewing, promotes precisely these names and rejects the notion that music composition is dead, as do I. Observers tend to be cultural optimists in areas where they specialize, and cultural pessimists when

they serve as outsiders or general critics, for reasons to be discussed in chapter five. The cultural optimist position does not seek to make the achievements of modern creators commensurable with the achievements of the greats of the past, just as we cannot rank Dickens and Marquez, or ascertain whether five or ten Beatles songs might add up in value to one Haydn string quartet. It can be said, however, that modern creators have offered the world a large variety of deep and lasting creations, which are universal in their scope and significant in their import. These creations delight and enrich large numbers of intelligent listeners, and continue to influence subsequent artists. We can expect many modern and contemporary works to stand the test of time, and indeed many have already stood a test of time. Alfred Hitchcock, once considered a purely commercial filmmaker for the masses, now is revered as an artistic genius by audiences, film critics, and other movie directors. We can expect many more recent creators to pass the test of time in a similar manner.

CULTURAL PESSIMISM AND OPTIMISM

One significant class of critics, whom I call the cultural pessimists, take a strongly negative view of modernity and of market exchange. They typically believe that the market economy corrupts culture. The modern age is often compared unfavorably to some earlier time, such as the classical period, the Enlightenment, the nineteenth century, or even the early twentieth century. T. S. Eliot exemplified the pessimistic view when he wrote: "We can assert with some confidence that our own period is one of decline; that the standards of culture are lower than they were fifty years ago; and that the evidences of this decline are visible in every department of human activity." Cultural pessimism comes from various points along the political spectrum and transcend traditional left-wing/right-wing distinctions. Its roots, in intellectual history, include Plato, Augustine, Rousseau, Pope, Schopenhauer, Nietzsche, and Spengler.

Cultural pessimism received its most explicit statement in the seventeenth and eighteenth centuries, in the so-called "Battle of the Books." In these debates, William Temple, Jonathan Swift and others argued that modern writings and achievements were inferior to those of antiquity. The following chapters, and chapter five, cover the intellectual history of cultural pessimism in greater detail. In the contemporary scene, however, various forms of cultural pessimism exert wide intellectual influence. Neo-conservative intellectuals, such as Daniel Bell and Irving Kristol, have questioned whether a market economy supports healthy artistic tendencies. Bell, for instance, favors artistic modernism but views it as exhausted and superseded by less constructive movements. Allan Bloom, in his *Closing of the American Mind*, provides a Straussian slant on cultural pessimism. Bloom blames left-wing academics, youth culture, and the philosophy of moral relativism for our supposed cultural malaise. In the American political realm the new religious Right and Republican right have attacked the moral values exhibited by contemporary culture. Nationalist parties in Europe have criticized the loss of cultural unity brought by a market economy.

The pessimism of the neo-conservatives often extends beyond culture in the narrow sense. Many neo-conservatives believe that Western civilization is collapsing under a plague of permissiveness, crime, loss of community, and related ailments. Robert Bork, in his latest book *Slouching Towards Gomorrah*, provides an extreme statement of this view. The supposedly sorry state of the modern arts is both a cause and reflection of the deeper plight of modernity. As I consider cultural pessimism, however, I focus only on the charges about culture in the narrower sense of artistic production. Neo-Marxists and critics of mass culture, including the Frankfurt School, also adhere to largely pessimistic views. Max Horkheimer, Theodor Adorno, and Herbert Marcuse, among many others, believe that market exchange damages the quality of cultural production. The commodification of culture stifles our critical faculties, induces alienation, degrades artworks, and protects the capitalist system against internal challenges. Adorno advocates atonal music, and regards jazz and rock and roll as abominable corruptions. Frankfurt School writers tend to dislike popular culture, which they perceive as hostile to the project of a society built on modernist reason. Jorgen Habermas, also associated with the Frankfurt School, stakes out a

positive position on modernity but holds unsympathetic attitudes towards the culture of capitalism. On one hand, Habermas views modernity as explicitly progressive, as did Marx. Habermas believes in the utopian potential of modernity, based on objective reason and the Enlightenment project of a good society. On the other hand, Habermas is highly critical of modernity as we experience it in contemporary capitalist society. He sees Western reason, when combined with capitalism, technology, and the media, as a force of domination rather than a force of liberation or free expression. Critical social theory is needed to reform communicative discourse and bring about a more fully progressive modernity. Habermas sees the market as hindering rather than aiding critical communication.

Many neo-liberal writers echo the concerns of the Frankfurt School, although they do not accept Marxist solutions. Neil Postman emphasizes how modern technology and media corrupt our culture. The title of Herbert Schiller's book summarizes the views of many: *Culture, Inc.: The Corporate Takeover of Public Expression*. Pierre Bourdieu, one of the leading sociologists of culture, argues against the corporate control of culture that he associates with a market economy. Even the mainstream American case for liberal social democracy portrays capitalism as an uneasy ally of culture, at best. The political correctness movement often identifies market culture with the suppression of women and minorities. Puritan feminist Catherine McKinnon, in her book *Only Words*, argues that sexually explicit literature and art create harm and should be banned. Some branches of multiculturalist thought argue that free cultural exchange leads to cultural homogenization and a culture of the least common denominator. Marshall McLuhan raised the specter of a "global village," in which we all consume the same products. In the political realm we find cultural protectionism practiced around the world. Many left-wing "cultural studies" scholars stake out a mixed position. These individuals tend to look sympathetically on modern popular culture but they dislike capitalism and the forces of the market. Frederic Jameson exemplifies these attitudes. He describes himself as a "relatively enthusiastic consumer of postmodernism," but he also promises us that central planning someday will return in superior form. Only then will our culture become a "project" to be planned by free individuals. Writers from the British Birmingham school (e.g., Richard Hoggart, Raymond Williams, Stuart Hall) tend to reject the distinction between high and low culture and they propose a unified methodological approach to the two. Like much of the cultural studies movement, writers in that tradition have helped legitimize popular culture and have shown sympathy for cultural optimism. Unlike the Frankfurt School, Birmingham writers see popular culture as containing liberating influences against otherwise elitist capitalist structures. When it comes to the market, however, the Birmingham school uses neo-Marxist economic analysis and emphasizes mechanisms of hegemony, rather than innovation and freedom of expression. Finally, to conclude this discussion of sources, cultural pessimism is by no means an exclusively intellectual phenomenon. The final chapter of this book examines the criticisms of contemporary culture coming from parents, churches, artists themselves, and other sources.

Cultural optimism

The cultural optimists are a less prominent group in intellectual history than the pessimists. Cultural optimism nonetheless has attracted a number of prominent defenders in the history of ideas. Charles Perrault, a seventeenth-century French believer in cultural progress, wrote *Mother Goose* and other tales in a deliberate attempt to match Aesop's Fables. Baldesar Castiglione defended cultural progress in his *The Book of the Courtier*. He argued that the modern age (1478-1529 for him) compared favorably to the world of the ancients. Samuel Johnson, an eighteenth-century English writer defended the civilizing aspects of books, printing, and commercial bookselling. Jean Antoine Condorcet, a classical liberal Girondist and victim of the French Revolution, argued that human reason provides a strong impetus for cultural progress.

We find at least three versions of the cultural optimist position in the history of ideas. The first view suggests that the arts tend to flourish in a modern liberal order (today, democratic

capitalism, although not all the cultural optimists of the past were democrats). I promote that position in this book. This view does not predict that any single geographic area necessarily produces great culture in a particular genre. As discussed above, artistic creativity is highly contingent upon many factors, including luck. Nonetheless the world as a whole is highly diverse and we can expect a flourishing of creativity in the aggregate. Bad luck or intervening causes may influence a specific culture for the worse, but cultural optimism nonetheless suggests that a preponderance of factors favor positive outcomes for the free world as a whole.

The second version of cultural optimism goes further and makes the political prediction that a liberal order will remain prominent for many years to come. I have sympathies for this view as well, but it lies beyond the purview of this book (in its defense, see Francis Fukayama, *The End of History*.) The third version of cultural optimism argues that the arts will flourish precisely because capitalism is doomed and will be replaced by a superior system, such as socialism or communism. This is the classic Marxian statement of cultural optimism, which I reject.

My favored version of cultural optimism draws upon a wide variety of contemporary writers, many of whom work outside a purely academic context. Camille Paglia defends the Rolling Stones and Hollywood cinema as artistically vital forces in the modern world. She even writes favorably about how capitalist wealth has stimulated artistic production. Robert Pattison's *The Triumph of Vulgarly*, takes the supposed aesthetic defects of rock and roll and interprets them as virtues; his book *On Literacy* argues that literacy has been increasing over time, rather than decreasing. Herbert Gans, in his *Popular Culture and High Culture*, praises popular culture and argues that modernity has produced increasing diversity of culture. Cultural studies theorist Paul Willis, in his *Common Culture*, praises the "symbolic creativity" of capitalist consumerism. Nelson George, well-known author and critic for the *Village Voice*, defends rap music and argues the importance of "black capitalism" for contemporary music. Wendy Steiner, in her *The Scandal of Pleasure*, defends contemporary culture and the autonomy of art against moralizing critics, from both left and right. William Grampp, economist and author of *Pricing the Priceless*, argues that artistic production is not necessarily subject to market failure. Terence Kealey's *The Economic Laws of Scientific Research* deals with science rather than culture, but makes analogous arguments about the benefits of commerce. Alvin Toffler, in his early *The Culture Consumers*, chronicled the growth of art and culture in America; his later book *The Third Wave* writes of the tendency of mass media to decline in the face of decentralized competitive forces. The postmodern theorists, while they do not necessarily hold optimistic attitudes towards either culture or capitalism, have insightfully analyzed the forces behind the proliferation of cultures in a market economy and the breakdown of absolutist cultural standards.

I proceed by considering how markets influence artistic creation. Material wealth helps relax external constraints on internal artistic creativity, motivates artists to reach new heights, and enables a diversity of artistic forms and styles to flourish. I then turn to high and low culture. The same forces that encourage artistic production for the market also help explain why high and low culture have split. A brief overview of each subsequent chapter is offered at the very end of this introductory chapter.

Social Mechanisms for Culture: How Wealth Supports Higher Aesthetic Goals

Art markets consist of artists, consumers, and middlemen, or distributors. Artists work to achieve self-fulfillment, fame, and riches. The complex motivations behind artistic creation include love of the beautiful, love of money, love of fame, personal arrogance, and inner compulsions. Creators hold strong desires to be heard and witnessed. Sir Joshua Reynolds, in his *Discourses on Art*, pronounced that "The highest ambition of every Artist is to be thought a man of Genius." More generally, I treat artists as pursuing a complex mix of pecuniary and non-pecuniary returns.

Consumers and patrons stand as the artist's silent partners. We support creators with our money, our time, our emotions, and our approbation. We discover subtle nuances in their work which the

artists had not noticed or consciously intended. Inspired consumption is a creative act which further enriches the viewer and the work itself. Art works provoke us to reexamine or reaffirm what we think and feel, and consumer and patron demands for artworks finance the market. Distributors bring together producer and consumer, whether the product be beauty soap, bread, or Beethoven. The resultant meeting of supply and demand fuels the creative drive and disseminates its results. Neither producers nor consumers of art can flourish without the other side of the market. No distributor can profit without attracting both artists and consumers.

The interactions between producers, consumers, and distributors provide the basic setting for the analysis of this book. Creators respond to both internal and external forces. Internal forces include the artist's love of creating, demands for money and fame, and the desire to work out styles, aesthetics, and problems posed by previous works. External forces include the artistic materials and media available, the conditions of patronage, the distribution network, and opportunities for earning income. When translated into the terminology of economics or rational choice theory, the internal forces correspond to preferences and external forces represent opportunities and constraints. These internal and external forces interact to shape artistic production.

Psychological motivations, though a driving force behind many great artworks, do not operate in a vacuum, independent of external constraints. Economic circumstances influence the ability of artists to express their aesthetic aspirations. Specifically, artistic independence requires financial independence and a strong commercial market. Beethoven wrote: "I am not out to be a musical usurer as you think, who writes only to become rich, by no means! Yet, I love an independent life, and this I cannot have without a small income."

Capitalism generates the wealth that enables individuals to support themselves through art. The artistic professions, a relatively recent development in human history, flourish with economic growth. Increasing levels of wealth and comfort have freed creative individuals from tiresome physical labor and have supplied them with the means to pursue their flights of fancy. Wealthy societies usually consume the greatest quantities of non-pecuniary enjoyments. The ability of wealth to fulfill our basic physical needs elevates our goals and our interest in the aesthetic. In accord with this mechanism, the number of individuals who can support themselves as full-time creators has risen steadily for centuries. Perhaps ironically, the market economy increases the independence of the artist from the immediate demands of the culture-consuming public. Capitalism funds alternative sources of financial support, allowing artists to invest in skills, undertake long-term projects, pursue the internal logic of their chosen genre or niche, and develop their marketing abilities. A commercial society is a prosperous and comfortable society, and offers a rich variety of niches in which artists can find the means to satisfy their creative desires.

Many artists cannot make a living from their craft, and require external sources of financial support. Contrary to many other commentators, I do not interpret this as a sign of market failure. Art markets sometimes fail to recognize the merits of great creators, but a wealthy economy, taken as a whole, is more robust to that kind of failure in judgment than is a poor economy. A wealthy economy gives artists a greater number of other sources of potential financial support. Private foundations, universities, bequests from wealthy relatives, and ordinary jobs, that bane of the artistic impulse, all have supported budding creators. Jane Austen lived from the wealth of her family, T. S. Eliot worked in Lloyd's bank, James Joyce taught languages, Paul Gauguin accumulated a financial cushion through his work as a stock broker, Charles Ives was an insurance executive, Vincent van Gogh received support from his brother, William Faulkner worked in a power plant and later as a Hollywood screenwriter, Philip Glass drove a taxi in New York City. William Carlos Williams worked as a physician in Rutherford, New Jersey, and wrote poetry between the visits of his patients. Wallace Stevens, the American poet, pursued a full-time career in the insurance industry. "He was a very imaginative claims man," noted one former colleague. When offered an endowed chair to teach and write poetry at Harvard University, Stevens declined. He preferred insurance work to lecturing and did not wish to sacrifice his position in

the firm. At one point a co-worker accused Stevens of working on his poetry during company time. He replied: "I'm thinking about surety problems Saturdays and Sundays when I'm strolling through Elizabeth Park, so it all evens out."

Parents and elderly relations have financed many an anti-establishment cultural revolution. Most of the leading French artists of the nineteenth century lived off family funds - usually generated by mercantile activity - for at least part of their careers. The list includes Delacroix, Corot, Courbet, Seurat, Degas, Manet, Monet, Cezanne, Toulouse-Lautrec, and Moreau. French writers Charles Baudelaire, Paul Verlaine, Gustave Flaubert went even further in their anti-establishment attitudes, again at their parents' expense. Even the most seclusive artists sometimes rely furtively on capitalist wealth. Marcel Proust sequestered himself in a cork-lined room to write, covering himself in blankets and venturing outside no more than fifteen minutes a day. Yet he relied on his family's wealth, obtained through the Parisian stock exchange. Paul Gauguin, who left the French art world for the tropical island of Tahiti, did so knowing that his pictures would appreciate in value in his absence, allowing for a triumphal return. Gauguin never ceased his tireless self-promotion, and during his Pacific stays he constantly monitored the value of his pictures in France.

Wealth and financial security give artists the scope to reject societal values. The bohemian, the avant-garde, and the nihilist are all products of capitalism. They have pursued forms of liberty and inventiveness that are unique to the modern world.

Pecuniary incentives

Many artists reject the bohemian lifestyle and pursue profits. The artists of the Italian Renaissance were businessmen first and foremost. They produced for profit, wrote commercial contracts, and did not hesitate to walk away from a job if the remuneration was not sufficient. Renaissance sculptor Benvenuto Cellini, in his autobiography, remarked that "You poor idiots, I'm a poor goldsmith, and I work for anyone who pays me." Bach, Mozart, Haydn, and Beethoven were all obsessed with earning money through their art, as a reading of their letters reveals. Mozart even wrote: "Believe me, my sole purpose is to make as much money as possible; for after good health it is the best thing to have." When accepting an Academy Award in 1972, Charlie Chaplin remarked: "I went into the business for money and the art grew out of it. If people are disillusioned by that remark, I can't help it. It's the truth." The massive pecuniary rewards available to the most successful creators encourage many individuals to try their hand at entering the market. Profits signal where the artist finds the largest and most enthusiastic audience. British "punk violinist" Nigel Kennedy has written: "I think if you're playing music or doing art you can in some way measure the amount of communication you are achieving by how much money it is bringing in for you and for those around you." Creators desiring to communicate a message to others thus pay heed to market earnings, even if they have little intrinsic interest in material riches. The millions earned by Prince and Bruce Springsteen indicate how successfully they have spread their influence.

Beethoven cared about money as a means of helping others. When approached by a friend in need, he sometimes composed for money: "I have only to sit down at my desk and in a short time help for him is forthcoming." Money, as a general medium of exchange, serves many different ends, not just greedy or materialistic ones.

Funding artistic materials

Artists who chase profits are not always accumulating wealth for its own sake. An artist's income allows him or her to purchase the necessary materials for artistic creation. Budding sculptors must pay for bronze, aluminum, and stone. Writers wish to travel for ideas and background, and musicians need studio time. J.S. Bach used his outside income, obtained from playing at weddings and funerals, to buy himself out of his commitment to teach Latin, so that he would have more time to compose. Robert Townsend

produced the hit film "Hollywood Shuffle" by selling the use of his credit cards to his friends. Money is a means to the ends of creative expression and artistic communication. Capitalist wealth supports the accouterments of artistic production. Elizabethan theaters, the venue for Shakespeare's plays, were run for profit and funded from ticket receipts. For the first time in English history, the theater employed full-time professional actors, production companies, and playwrights. Buildings were designed specifically for dramatic productions. Shakespeare, who wrote for money, earned a good living as an actor and playwright. Pianos, violins, synthesizers, and mixers have all been falling in price, relative to general inflation, since their invention. With the advent of the home camcorder, even rudimentary movie-making is now widely available. Photography blossomed in the late nineteenth century with technological innovations. Equipment fell drastically in price and developing pictures became much easier. Photographers suddenly were able to work with hand cameras, and no longer needed to process pictures immediately after they were taken. Photographic equipment no longer weighed fifty to seventy pounds, and the expense of maintaining a traveling darkroom was removed.

Falling prices for materials paper have made the arts affordable to millions of enthusiasts and would-be professionals. In previous eras, even paper was costly, limiting the development of both writing and drawing skills to relatively well-off families. Vincent van Gogh, an ascetic loner who ignored public taste, could not have managed his very poor lifestyle at an earlier time in history. His nonconformism was possible because technological progress had lowered the costs of paints and canvas and enabled him to persist as an artist. Female artists, like Berthe Morisot and Mary Cassatt, also took advantage of falling materials costs to move into the market. In the late nineteenth century women suddenly could paint in their spare time without having to spend exorbitant sums on materials. Artistic willpower became more important than external financial support. This shift gave victims of discrimination greater access to the art world. The presence of women in the visual arts, literature, and music has risen steadily as capitalism has advanced.

Falling materials costs help explain why art has been able to move away from popular taste in the twentieth century. In the early history of art, paint and materials were very expensive; artists were constrained by the need to generate immediate commissions and sales. When these costs fell, artists aimed more at innovation and personal expression, and less at pleasing buyers and critics. Modern art became possible. The Impressionists did not require immediate acceptance from the French Salon, and the Abstract Expressionists could continue even when Peggy Guggenheim was their only buyer.

The artist's own health and well-being, a form of "human capital," provides an especially important asset. Modernity has improved the health and lengthened the lives of artists. John Keats would not have died at age 26 of tuberculosis with access to modern medicine. Paula Modersohn-Becker, one of the most talented painters Germany has produced, died from complications following childbirth, at the age of 31. Mozart, Schubert, Emily Bronte, and many others who never even made their start also count as medical tragedies who would have survived in the modern era. The ability of a wealthy society to support life for greater numbers of people, compared to pre-modern societies, has provided significant stimulus to both the supply and demand sides of art markets.

Most advances in health and life expectancy have come quite recently. In the United States of 1855, one of the wealthiest and healthiest countries in the world at that time, a newly born male child could expect no more than 39 years of life. Yet many of the greatest composers, writers, and painters will peak well after their fortieth year. Birth control technologies, generally available only for the last few decades, have given female creators greater control over their lives and domestic conditions. Most of the renowned female painters of the past, for various intentional or accidental reasons, had either few children or no children at all. Child bearing responsibilities kept most women out of the art world. Today, budding female artists can exercise far greater control over whether and when they wish to have children. The increasing prominence of women in music, literature, and the visual arts provides one of the most compelling arguments for cultural optimism. For much of human history, at least half of the

human race has been shut out from many prominent artistic forms, and women are only beginning to redress the balance.

Do the arts lag in productivity?

William Baumol and William Bowen, two economists who have analyzed the performing arts, believe that economic growth imposes a "cost disease" on artistic production. They claim that rising productivity causes the arts to increase in relative cost, as a share of national income. The arts supposedly do not enjoy the benefits of technical progress to equal degree. It took forty minutes to produce a Mozart string quartet in 1780, and still takes forty minutes today. As wages rise in the economy, the relative cost of supporting the arts will increase, according to this hypothesis.

Contrary to Baumol and Bowen, the evidence presented in this book suggests that the arts benefit greatly from technological progress. The printing press, innovations in paper production, and now the World Wide Web have increased the availability of the written word. The French Impressionists drew their new colors from innovations in the chemical industry. Recording and radio, both capital technologies, have improved the productivity of the symphony orchestra. Symphonic productions now reach millions of listeners more easily than ever before. These technological improvements are not once-and-for-all events that only postpone the onset of the cost disease. Rather, technological progress benefits the arts in an ongoing and cumulative fashion.

The cost disease argument neglects other beneficial aspects of economic growth. The arts benefit more from technological advances than it may at first appear. Production of a symphonic concert, for instance, involves more than sitting an orchestra in a room and having them play Shostakovich. The players must discover each other's existence, maintain their health and mental composure, arrange transportation for rehearsals and concerts, and receive quality feedback from critics and teachers. In each of these regards the modern world vastly surpasses the productivity of earlier times, largely because of technological advances. Other productivity advances arise from new ideas. A string quartet in 1800 could play Mozart, but a string quartet today can play Brahms, Bartok, Shostakovich, and Jimi Hendrix as well.

Creativity - a form of human capital - pervades cultural industries. Most productivity improvements, whether in the arts or not, come from human creativity, the "performing art" of the scientist, engineer, or inventor. Our entertainment and leisure industries have generated productivity increases that would put many computer companies or engineering firms to shame.

MECHANISMS IN SUPPORT OF ARTISTIC DIVERSITY

Well-developed markets support cultural diversity. A quick walk through any compact disc or book superstore belies the view that today's musical and literary tastes are becoming increasingly homogeneous. Retail outlets use product selection and diversity as primary strategies for bringing consumers through the door. Even items which do not turn a direct profit will help attract business and store visits, thereby supporting the ability of the business to offer a wide variety of products. The successive relaxation of external constraints on internal creativity tends to give rise to a wide gamut of emotions and styles. Contemporary culture has proved itself optimistic, celebratory, and life-affirming. Buddy Holly, the skyscraper, Howard Hodgkin, and Steven Spielberg's *Close Encounters of the Third Kind* show positive cultural forces with great vigor. Hank Williams, Isaac Bashevis Singer, and Ingmar Bergman's *Persona* depict a sadder, more shattering aesthetic, although not without the possibility of redemption. And for a dark and ecstatic experience we are drawn to the works of Mark Rothko. Depravity and excess, exquisitely executed, can be found in Robert Mapplethorpe, the Sex Pistols, and Bertolucci's *Last Tango in Paris*.

The available variety of artistic products should come as no surprise. Adam Smith emphasized that the division of labor, and thus the degree of specialization, is limited by the extent of the market.

In the case of art, a large market lowers the costs of creative pursuits and makes market niches easier to find. In the contrary case of a single patron, the artist must meet the tastes of that patron or earn no income. Growing markets in music, literature, and the fine arts have moved creators away from dependence on patronage. A patron, as opposed to a customer, supports an artist with his or her own money, without necessarily purchasing the artistic output. Samuel Johnson, writing in the eighteenth century, referred to a patron as "a wretch who supports with insolence, and is paid with flattery." Even Johnson, however, did not believe that patrons were intrinsically bad; the problem arises only when artists are completely dependent upon a single patron. Patronage relationships, which today stand at an all-time high, have become more beneficial to artistic creativity over time. The size and diversity of modern funding sources gives artists bargaining power to create space for their creative freedom. Growth of the market has liberated artists, not only from the patron, but also from the potential tyranny of mainstream market taste. Unlike in the eighteenth century, today's books need not top the bestseller list to remunerate their authors handsomely. Artists who believe that they know better than the crowd can indulge their own tastes and lead fashion. Today it is easier than ever before to make a living by marketing to an artistic niche and rejecting mainstream taste. The wealth and diversity of capitalism have increased the latitude of artists to educate their critics and audiences.

Starting in the late nineteenth century, many painters deliberately refused to produce works that were easily accessible to viewers. At first Manet, Monet, and Cezanne shocked the art world with their paintings but eventually they converted it. The financial support they received from their families and customers was crucial to this struggle. The twentieth century American Pop artists, such as Andy Warhol, Roy Lichtenstein, Robert Rauschenberg, and Jasper Johns, also made initial sacrifices to elevate our tastes. Today we enjoy their brilliant pictures while taking the once-shocking approach for granted.

In the realm of culture, market mechanisms do more than simply give consumers what they want. Markets give the producer the greatest latitude to educate his or her audience. Art consists of a continual dialogue between producer and consumer; this dialogue helps both parties decide what they want. The market incentive to conclude a profitable sale simultaneously provides an incentive to engage consumers and producers in a process of want refinement. Economic growth increases our ability to develop sophisticated and specialized tastes.

Many commentators, such as Joergen Habermas, see the development of "critical theory" as vital to the reform of social and individual wants. Habermas's critical theorist stands outside the market order and attempts to deconstruct and dehegemonize the presuppositions upon which modern society is based. Rational communicative discourse, and want refinement, provides a key to his philosophy. I differ from Habermas in terms of how I conceive the cultural discovery process. Rather than seeing communicative reason as a project which stands outside and evaluates the market, I conceive of communicative reason within a concrete institutional framework with market incentives and property rights. Habermas wishes to step outside of that framework to direct culture from above by reason and clear communication. I see his "pure speech community" as a Platonic myth, and instead place greater emphasis on the competition of contrasting notions of cultural reason within regimes ruled by incentives.

Competition and complementarity are forces for innovation. Artists offer new products to increase their income, their fame, and their audience exposure. They seek to avoid duplicating older media and styles, which become played out and filled with previous achievements. Picasso had the talent to master many styles, but won greater accolades with his innovations than he would have achieved by copying the French Impressionists.

Rather than safely performing Haydn and Beethoven, four young talented performers decided to become the Kronos Quartet, and to perform music by Glass, Riley, and African music. As a leader in a new line of production, the quartet has earned especially high profits. The Arditti Quartet has not earned the profits of Kronos, but nonetheless has staked out its position as preeminent string quartet

for contemporary chamber music. Innovation enables artists to overcome their fear of being compared to previous giants. A century of German and Austrian musicians - Schumann, Schubert, Brahms, and Bruckner - dreaded comparison with Beethoven and pursued new directions. Brahms avoided composing symphonies for many years, instead writing songs and vocal ensembles. These works surpassed Beethoven's vocal music. Later Brahms turned to symphonies when his skills were up to the task. Brahms had once written: "You don't know what it is like always to hear that giant marching along behind me." Beethoven refused to hear the operas of Mozart for this reason, but even Beethoven could not escape being intimidated by his own achievements. Rather than finishing a tenth symphony, which might have paled in comparison to his ninth, he wrote his innovative late string quartets.

Walter Jackson Bate coined the phrase *The Burden of the Past*. Harold Bloom produced a theory of poetry based on *The Anxiety of Influence*. In another book, *A Map of Misreading*, Bloom suggests another response to the past - deliberate misunderstanding of previous contributions. These tactics allow artists to overcome the quantity and quality of accumulated past masterworks. Creators sometimes respond to past masterworks with emulation rather than with product differentiation. The Impressionist painters saw many of their innovations with sharp colors, flatness of field, and verticality of perspective in Japanese woodblock prints. They responded by collecting and promoting such prints; Mary Cassatt even copied the style literally. Similarly, the Rolling Stones were encouraged by the possibility of following in the footsteps of Muddy Waters, not scared off. Raphael favored the preservation of antiquities to "keep alive the examples of the ancients so as to equal and surpass them."

Many of the newest cultural permutations emulate the very old and the sometimes forgotten. Tribal or "primitive" modes of art have exercised a strong influence throughout our century. Picasso took much inspiration from African masks, Brancusi and Modigliani drew upon Cycladic art, the Surrealists looked to the South Pacific, and Art Deco was influenced by the Mayan Temple. Both rock-and-rollers and contemporary "classical" composers explore originally African rhythmic traditions.

Critics often write premature obituaries for changing styles and genres. The writing of epic poetry has not ceased but lives on in the works of Derek Walcott, who emulates Homer. *Body Heat* and Paul Verhoeven's *Basic Instinct* follow the film noir tradition of the 1940s or 1950s. Many of the most popular bands of the last several years - like Nirvana, Pearl Jam, and Smashing Pumpkins - have created a deliberately retrograde sound, hearkening back to the 1970s. In classical music, Arvo Pärt resurrects the medieval tradition and in jazz George Gruntz has revitalized the big band.

The pastiche orientation of today's so-called "postmodern" style responds to two market incentives. First, an increasing number of past styles accumulate over time. It becomes harder to create works that do not refer to past styles in some fashion. Second, both creators and audiences come to know more past styles over time, due to the success of markets in preserving and disseminating cultural creations. Performers find themselves increasingly able to establish rapport with their audiences by referring to past works. Warhol could reproduce Chairman Mao, Marilyn Monroe, or the Mona Lisa in silkscreen form, but Leonardo da Vinci had a smaller number of established icons - primarily religious - to draw upon.

Some new artistic developments turn their back on the futuristic and high-tech and embrace earlier, more naturalistic forms of art. Witness the recent trend of rock stars to go "unplugged" and produce acoustic albums and concerts. Andy Goldsworthy and Robert Smithson, two contemporary sculptors, work with objects taken from nature, such as stones, tree branches, and ice. Artist Cy Twombly uses crayon to great effect. Artists increase their income and fame by reaching audiences, and they will not hesitate to cast off electronic gadgetry and draw upon earlier styles to achieve that end.

Standing still is one tactic that artists cannot prosper by in a dynamic market economy. Artists stake out niche positions but they are not protected against competition for long. Picasso and Braque introduced cubism but eventually had to contend with competitors who built on their work. Declining eminence and profits, combined with threatening competition, often induce the original artist to

innovate again. Stravinsky, Picasso, and the Beatles outpaced their competitors, at least for a while, by undergoing several metamorphoses of style.

Eventually most artists lose the drive or depth to meet challenges and consequently, they give up their place as industry leaders. Andy Warhol set up The Factory and sold studio-made prints and silkscreens under his own name, Maria Callas did not take sufficient care with her voice, and Rossini ceased composing operas altogether. E.M. Forster published his last novels in the 1920s, even though he did not die until 1970. "I have nothing more to say," was his explanation. These artists ceded their places on the cutting edge of their respective fields.

New innovations do not always eclipse older, more established artistic forms, but they do inevitably change them. Outside competition shakes up older forms and spurs new ingenuity. Renaissance sculpture communicated the idea of depth perspective to painters, jazz crept into the rhythms of classical music, and movies have speeded up the pacing of the best-selling novel. Sometimes a new medium pushes other works in the opposite direction. The advent of television prompted film directors to develop the big-screen, spectacular movie with special effects. Photography created a cheap substitute for portraiture, which induced painters to direct their talents to more abstract and less realistic themes.

Artistic fertilizations and innovations also occur backwards in time, as later works improve the quality of earlier ones by changing their meaning. Verdi's opera *Otello* and Orson Welles's film *Othello* tell us more about Shakespeare's *Othello* than does any piece of literary criticism. These variations on the work, through different media and presentation, enable us to see Shakespeare's work anew. Verdi's music brings out the aspect of terror in the text and influences how we read the play. Subsequent contributions and adaptations thus make Shakespeare's work richer, just as Shakespeare's original *Othello* now contributes to the depth of the later versions. Art Tatum's piano improvisations, Lichtenstein's takeoffs on French and Abstract Expressionist paintings, and Beethoven's *Diabelli Variations* all shed light on previous artworks to an especially high degree. T. S. Eliot, who focused on this mechanism in his essay "Tradition and the Individual Talent," has been prominent on both sides of such exchanges.

Art creates an interdependent language whose whole exceeds the sum of the parts. Masterpieces therefore provide more satisfaction and insight as we accumulate artistic experience. Rossini's operas were once viewed as "too Germanic" and "too intellectual," because he used the orchestra to frame the melodic line. The eventual adoption of this practice by opera composers all over Europe illuminated the universality of Rossini's original conception. Arthur Danto observes that Andy Warhol's *Brillo Boxes* would not have qualified as a work of art, had they been created one hundred years ago. Not only would these works have passed unappreciated, but they would not provide compelling images outside of a modern commercial context.

The importance of context and the possibility of ex-post "reinterpretations" make the best artworks truly inexhaustible. The more music we know, the more we can hear in the compositions of Bach and Beethoven. The very best creators manage to anticipate the future development of their genre and to produce works that will subsequently exhibit an ever greater richness. In these cases both the consumption and production of art are subject to increasing returns to scale. The more notable works that are produced, the greater the significance of the best works from the past. The present therefore deserves at least partial credit for our understanding of the past. Ironically, if modern culture were so poor, it would not be able to produce so many cultural pessimists with such a fine appreciation of past masterworks. Successive creations increase the potency of some works but devalue others. We now find Richardson's *Pamela* to be implausible and chauvinist; the heroine submits to a forced marriage to an unsavory character and eventually grows to enjoy it. Contemporary audiences might best enjoy James Dean's *Rebel Without a Cause* as unintended farce, rather than as a rousing story of an angry young

man. Markets have preserved the physical substance of these works but have devalued their original force and meaning.

Cultural critics and commentators contribute powerfully to the vitality of market art. Critics put artistic consumers in touch with artistic producers, and help us separate the wheat from the chaff. They support the process of taste refinement. Listeners who take a sudden interest in classical music do not have to sort through the entire eighteenth century repertoire, but can listen to Mozart and Haydn. Clement Rosenberg and Harold Greenberg helped the American Abstract Expressionist painters find a public audience and win their way into museums. Pauline Kael directs our attention to the best of recent film. I hope my own commentary - in the form of this book - boosts the interest in contemporary art and music. These forms of professional cultural criticism, all relatively new professions, owe their thanks to capitalist wealth. The modern world can support many thousands of intellectuals who specialize in arguing the merits of artistic products.

Outsiders as innovators

Outsiders and marginalized minorities often drive artistic innovation. Much of the dynamic element in American culture, for instance, has been due to blacks, Jews, and gays, as Camille Paglia has noted. Outsiders have less stake in the status quo and are more willing to take chances. They face disadvantages when competing on mainstream turf, but a differentiated product gives them some chance of obtaining a market foothold. Individuals who will not otherwise break into the market are more inclined to take risks, since they have less to lose. Were an all-black orchestra or black conductor to record the umpteenth version of Mozart's Jupiter symphony, the racially prejudiced would have no reason to promote or purchase the product. (Few individuals know the name or the works of the most critically renowned black conductor of our century, Dean Dixon.) The cost of indulging discriminatory taste is low when the market offers the virtuostic von Karajan and Boehm, both former Nazi supporters. But when black performers played "Take the A Train" or "Maybellene," even many racists were impelled to support the outsider with their dollars.

The most influential African-American contributions have not come in the most established cultural forms, such as letters, landscape paintings, and theater. Instead, America's black minority has dominated new cultural areas - jazz, rhythm and blues, breakdancing, and rap. Minority innovators bring novel insights to cultural productions. Their atypical background provides ideas and aesthetics that the mainstream does not have and, initially, cannot comprehend. Minorities also must rationalize their outsider status.

They deconstruct their detractors, reexamine fundamentals, and explore how things might otherwise be. They tend to bring the upstart, parvenu mentality necessary for innovation. Jazz musician Max Roach pointed out: "Innovation is in our blood. We [blacks] are not people who can sit back and say what happened a hundred years ago was great, because what was happening a hundred years ago was shit: slavery. Black people have to keep moving."

Capitalism has allowed minority groups to achieve market access, despite systematic discrimination and persecution. Black rhythm and blues musicians, when they were turned down by the major record companies, marketed their product through the independents, such as Chess, Sun, Stax and Motown. The radio stations that favored Tin Pan Alley over rhythm and blues found themselves circumvented by the jukebox and the phonograph. These decentralized means of product delivery allowed the consumer to choose what kind of music would be played. The French Impressionist painters, rejected by the government-sponsored academy, financed and ran their own exhibitions.

In the process modern art markets were born. Jews were kept out of many American businesses early in this century, but they developed the movie industry with their own capital, usually earned through commercial retail activity. Women cracked the fiction market in eighteenth century England

once a wide public readership replaced the system of patronage. Innovators with a potentially appealing message usually can find profit-seeking distributors who are willing to place money above prejudice or grudges.

Innovations in preserving past culture

The diversity of the contemporary world includes our unparalleled ability to preserve and market the cultural contributions of the past. Markets provide profits to those who successfully preserve and market the cultural contributions of previous artists. Today's consumers have much better access to the creations of Mozart than listeners of that time did, even if we restrict the comparison to Europe. More people saw Wagner's Ring cycle on public television in 1990 than had seen it live in all Ring productions since the premiere in 1876. Recorded boxed sets and complete editions of little-known composers are now common. Once-obscure operas and symphonies are available in profusion.

Compact disc reissues of classic performances have exceeded all expectations; record companies eagerly reissue obscure recordings that sell only a few thousand copies. Old movies, including many silents, can be rented on video cassette for a pittance. The video laser disc, likely to fall drastically in price, will provide new and better access to movies and musical performances. Many classic symphonic and instrumental performances have been reissued on compact disc. New and definitive editions of many literary works, or better translations, are being published for the first time. The classics are available in cheap paperback. Television, video stores, and bookstores give modern fans much better access to Shakespeare than the Elizabethans had.

Even lesser painters now have their own one-man shows with published catalogs full of beautiful color plates. Wealthy American art collectors have enabled New York's Museum of Modern Art and Metropolitan Museum of Art to become world leaders in preserving the art of our century and of centuries past. The Getty and Norton Simon museums in California have been assembled in recent times from two large private donations. Even the government-run National Gallery of Art assembled most of its holdings from private collections like those of the Mellon, Kress, Dale, and Widener families - paintings that were headed for museums in any case.

Live performance, as a means of preserving the past, also has flourished. Today's concertgoers can sample a range of musical periods, instruments, and styles with an ease that previous ages would have envied. While conductors are mastering twentieth century idioms, they are also refining "original performance" presentations of Renaissance, Baroque, and classical styles. American symphony orchestras in Cleveland, Boston, New York, Philadelphia, and other cities have outpaced many of their European competitors. From 1965 to 1990 America grew from having 58 symphony orchestras to having nearly 300, from 27 opera companies to more than 150, and from 22 non-profit regional theaters to 500.

Our increasing facility at preservation accelerates the rate of artistic innovation. As extant products are spread and assimilated with greater ease, newer innovations are demanded and thus spurred to arrive more quickly. Artists can satisfy these demands through their quicker access to a wide variety of ideas and inspirations. Beethoven's late string quartets remained inaccessible to most listeners for long periods of time, whereas Bartok's string quartets received quick fame because of the Juilliard Quartet recordings. That is one reason why Bartok's innovations were assimilated more rapidly than were Beethoven's. Musicians, critics, and listeners could hear Bartok's quartets whenever they chose, and they assimilated the new ideas speedily; Beethoven's contributions took more time to sort out. New methods of communication and preservation have been arising and spreading at an increasing pace. Print took at least two centuries to become a generally used means of storing and communicating information. Radio took thirty-five years. Cinema and television each took less than twenty years. The compact disc, the VCR, and now the Internet have caught on even more quickly. As new media spread with greater rapidity, so do new artistic products and genres.

Learning from the past requires preservation and reproduction. Many of the artistic creations of antiquity, which were not maintained in sufficiently durable form, have been lost to the world forever. The onset of the Dark Ages caused the market for cultural preservation to dry up; during early medieval times, for instance, many sculptures were worth more for their bronze, and therefore were melted down and destroyed. The market for cultural preservation was not fully revived until the spur of Renaissance wealth supported the markets for old artworks, manuscripts, and artifacts. Many of the Greek and Roman manuscripts that did survive came to the West through Islamic civilization, the wealthiest and most market-oriented region of its day.

Is modernity an age of mass culture?

Many commentators see the modern age as the age of mass culture, where large numbers of individuals unthinkingly consume the same products. But the mass culture model applies, at most, to the fields of television and sports. These areas are highly visible and therefore easy to focus on. I see television and sports are special cases where competitive pressures have been partially stifled. They do not represent the vanguard or the high points of modern culture.

Post-war American television, by and large, has not provided cultural riches. Television programs entertain us and present appealing characters, but a canonic list of the best television programs would not, in this author's opinion, stand up to a comparable list from music, painting, or literature. My personal and purely idiosyncratic nominations for the best television products ever - Britain's Monty Python troupe and Ingmar Bergman's *The Magic Flute* - both were produced for government-owned stations, rather than for the market-based American system. I concur with Robert Hughes, who notes that several hours of American television provide the best argument against market-supplied culture.

The influence of the television market also has had some consequences for other cultural media, such as motion pictures. Today a considerable percentage of the profits from a movie come from the sale of television rights. Moviemakers, to some degree, have shifted their attention away from more specialized moviegoers to the more general television audience. Television helps fund movies which would otherwise not be made, but it also exerts a negative influence on movie quality.

I do not intend the above remarks as an anti-television polemic. Television - even its lower brow forms - provides a useful medium for presenting social issues and showing audiences by example how people can deal with their personal problems. The rapid and healthy increase in social and sexual openness, which blossomed in the 1960s and 1970s, is due partly to television. Television also provides a variety of other non-artistic services, ranging from news to *Sesame Street* in Spanish to nature documentaries.

Legal restrictions on cable television are partly to blame for the cultural shortcomings of television. For many years the American government gave monopoly power to the three major networks and certain privileged local stations. The Federal Communications Commission also holds the power to revoke the licenses of stations that do not broadcast in the so-called "public interest." Television has not been able to develop the diversity necessary to support innovative and visionary cultural products.

The quality of television is especially vulnerable to restrictions on competition because TV programs have no other outlet. Music, in contrast, has been less affected by the limitations of radio. Live performance, phonographs, and juke boxes have provided alternate marketing outlets. There are also more radio stations than television channels. If mass taste had controlled other genres as it has controlled television, they too would fare little or no better. A society with three major outlets for books, distributing common products for all who wish to read, would not have produced Vladimir Nabokov's *Lolita* or Franz Kafka's *Metamorphosis*. The virtues of cultural markets lie not in the quality of mass taste but rather in the ability of artists to find minority support for their own conceptions.

Even Michael Jackson, an unparalleled cultural phenomenon whose Thriller album has sold fifty million copies worldwide, has never commanded the allegiance of most Americans.

With the widespread advent of cable and satellite television, the reign of mass taste in television programming has begun to decline. The competitive rivalry of market forces tends to "de-massify" the media, to borrow a phrase from Alvin Toffler. The television audience is fragmenting as special interest stations proliferate on cable. In the last fifteen years, the three major networks have lost thirty million viewers - a third of their audience. Diverse products appealing to market niches can exploit the vulnerability of bland products aimed at mass audiences. Cable subscriptions frequently give individuals access to 150 stations or more, and the number is growing steadily.

It nonetheless remains an open question how much cultural inspiration television will produce in the future. The American experience with cable television has disappointed many expectations. Many cable channels focus on repackaging traditional network programs; we now can view reruns of situation comedies at all times of the day. Much of cable's diversity has supported evangelists, Home Shopping Network, personal advertisements in search of romance, ongoing weather reports, airline schedules, and soap operas in various languages. These products are useful to consumers but they are unlikely to provide cultural products that will stand the test of time. Cable channels have produced fewer new programs that many observers had expected. Even when the number of available channels is large, creators still must cover their production and marketing costs by bringing in a sizable audience.

On the brighter side, cable now offers a smorgasbord of the world's greatest movies, the modern drama of sporting events, MTV, and a smattering of the high arts. The Discovery channel provides quasi-cultural services through photography and portraying the beauties of the natural world. The educational functions of cable bring indirect cultural benefits. Individuals can now take a class in Shakespeare without leaving their living rooms, or can use foreign language channels to improve their linguistic skills, thereby enlarging their access to the world's cultural treasures.

It remains to be seen whether the failures of cable TV will prove temporary or permanent. The advent of digital compression will bring the number of cable stations to at least 500 in the near future. The future may bring interactive cable systems that will allow each viewer to choose the program that he or she prefers from a large program menu. It is possible that cable television, like the printing press, radio, and the phonograph in their early days, is just beginning to realize its potential. The introduction of the video cassette and laser disc have expanded viewing diversity further. Viewers can now choose what will appear on their screen, drawing on a wide range of video stores and tape producers. In addition to movies, these outlets offer tapes of travel footage, music, dance, paintings, opera, and video art. Today's video stores are treasure chests of modern cultural achievement, following along the lines of the ancient Ptolemaic library in Alexandria, but far more successful in their preservation and distribution.

Sports remain the primary arena where mass culture will survive in the future. Sports mix entertainment with live drama and a smattering of performance art and dance. Rather than hiring actors and actresses to pretend that staged events matter, we fund events whose reality does matter to the participants. Consumers are wealthy enough to create real drama with fame, money, and ego on the line. Sports - although they do not qualify as art in the narrow sense - provide a commonly observed stage onto a world of many diverse and specialized performances.

Sporting leagues are a natural market monopoly rather than a monopoly created by government. Many sports fans prefer the drama of seeing a well-defined "best," such as the Super Bowl, or they prefer seeing the game that others are seeing. By following well-established sports, individuals have something they can discuss and share with others, even strangers. In both basketball and football we have seen upstart leagues (the ABA and the AFL) but the eventual result was consolidation and cooperation.

Minor leagues and college teams show that sporting natural monopolies are far from absolute, but the established major leagues nonetheless possess a strong incumbency advantage. Yet even the natural monopoly of incumbent sports leagues has not shut down diversity and innovation. Spectators can watch a greater number of sports than ever before, either in live performance or on cable television. We have round-the-clock coverage of the Olympics. Soccer and tennis can now be viewed on a regular basis, and followed on the Internet. Professional NBA basketball had been thought on the verge of extinction in the 1970s, but today acrobatic moves and slam dunks are capturing the imagination of youth around the world.

GOVERNMENT AS CUSTOMER: WHAT ROLE DOES THE STATE PLAY?

Music and the arts have been moving away from government funding since the Middle Ages. The Renaissance, the Enlightenment, the nineteenth century Romantic movement, and twentieth century modernism all brought art further into the market sphere. Today, most of the important work in film, music, literature, painting, and sculpture is sold as a commodity. Contemporary art is capitalist art, and the history of art has been a history of the struggle to establish markets. These trends will not be reversed in any foreseeable course for the current world, regardless of our opinion of government funding for the arts. Most countries in the world are not contemplating reversions to socialism. The arguments of this book, taken alone, cannot determine which side is correct in the American political debates over government funding of the arts. Rather, I wish to challenge the common premise of cultural pessimism behind both sides. Funding critics argue that the National Endowment for the Arts (NEA) is corrupting American culture, while funding advocates claim that eliminating the NEA would critically damage American culture. I see American culture, and the culture of the free world, as fundamentally healthy in any case.

The real choice today is between two alternate optimistic visions of our cultural future. In one vision, government funding plays a minor but supportive role by creating niches for artists who might otherwise fall between the cracks. Government serves as one of many entrepreneurs in the cultural marketplace.

In the second vision, even small amounts of government funding will more likely corrupt the arts than improve them. The costs of politicizing art might outweigh the benefits from additional government funding of art. Governments, even democratic ones, tend to favor the cultural status quo that put them in power, or to shape a new status quo that will cement their power.

Contrary to the claim of Alexis de Tocqueville, democracy need not prove an inferior system for the arts, compared to aristocracy. At most democratic government might be inferior for the arts, compared to aristocratic government. Democratic systems as a whole do extraordinarily well when they allow an accompanying capitalistic market to fund most of its artistic activity. The cultural rise of the American nation, which occurred after largely after de Tocqueville wrote, provides the strongest argument against his thesis. After the second World War, America has been a clear world leader in film, painting, and popular music, and has had a strong presence, arguably second to none, in literature, poetry, and music composition. Among other factors, de Tocqueville overlooked the rise of the steamship, which brought American in closer touch with Europe in the late nineteenth century, and facilitated beneficial cultural exchange.

The state does best in promoting the arts when it acts as simply another customer, patron, or employer, rather than as a bureaucracy with a public mandate. Direct government funding works best when it serves as private funding in disguise, such as when Philip IV hired Velazquez to serve as his court painter. In similar fashion, the royal court of Louis XIV supported Moliere and the German municipalities of Weimar, C_ then, and Leipzig hired Johann Sebastian Bach to serve as town musician. We can find many cases where monarchs, Popes, municipalities, guilds, and other governmental or quasi-governmental institutions commissioned or otherwise supported notable works.

We should not, however, overestimate the successes of government funding. For every Velazquez, governments have supported hundreds of unknown court painters. Autocracy will sometimes place substantial resources in the hands of an artistic superstar, but, more often than not, will promote mediocre hacks. The purse strings are in the hands of politicians who seek personal power for themselves, and flattery and obedience from others. For this reason aristocratic government does not guarantee artistic success, even though we can point to some inspired aristocratic buyers.

Whether government funding for the arts should be discontinued, maintained, or extended brings two sets of incommensurable values into conflict. On one hand, the case against funding makes two valid points. First, tax-supported funding forces consumers to forgo goods and services which they would prefer more than art. Second, many individuals believe it is unjust to force conservative Christians to support an exhibit of Robert Mapplethorpe, to draw an example from the U.S. context. On the other hand, funding supporters point out that more money will support more artists, more art, and, if done with reasonable care, will improve our artistic heritage. Neither side has succeeded in showing that its favored values are more important than the values favored by the other side.

Public choice theory suggests that government arts funding cannot be restructured to avoid this clash of artistic vs. non-artistic values. Artistic buyers must be liberated from account ability to the masses, if they are to have a chance of influencing the market in a positive direction. Art and democratic politics, although both beneficial activities, operate on conflicting principles. In the field of art new masterpieces usually bring aesthetic revolutions, which tend to offend majority opinion or go over its head. In the field of politics we seek stability, compromise, and consensus. This same conservatism, so valuable in politics, stifles beauty and innovation in art.

The current American political debate has confronted the NEA with an impossible task. The NEA is supposed to deliver the benefits of privileged spending while receiving its funding from a democratic system based on political accountability. The result is an agency whose best and most innovative actions - such as funding exhibits of Robert Mapplethorpe and Andres Serrano - are precisely those that offend its taxpaying supporters. Ironically, the massive publicity generated by NEA critics may have done more for the arts than the NEA itself. Jesse Helms, with his virulent, prejudiced attacks on Robert Mapplethorpe, did far more for that artist than the Washington arts establishment has. Mapplethorpe's name is now a household word.

In his lifetime, Mapplethorpe did not need government assistance; he became a millionaire by selling his photographs in the marketplace. Jesse Helms, however, did bring Mapplethorpe his current fame. The American government has done a good deal to support the arts, but most of the successes have come from outside of the NEA. The entire NEA budget, at its peak, fell well short of the amount of money required to produce Kevin Costner's *Waterworld* epic. NEA expenditures have never exceeded seventy cents per capita, and the NEA has never been vital to American artistic success. Before 1965, when the NEA was created, American culture - even the preservation of high culture - flourished. The best American symphony orchestras and museums were created well before 1965 and without NEA involvement.

The bulk of American governmental support for the arts has come in two other forms. First, the tax deduction for contributions to artistic non-profits has greatly benefited museums, opera companies, and other artistic activities that rely on private donations. Government also exempts not-for-profit institutions from income taxation. Tax deductibility allows government to support the arts without making judgments about the relative artistic merits of different projects. Just as tax deductibility has succeeded in supporting American religion or the American housing market, so has it improved the quantity and quality of American culture.

Second, federal and state governments provide massive indirect support to the arts through subsidies to higher education. Many of today's cutting-edge composers and writers rely on university positions for part- or full-time support while they pursue their craft. While the number of writers and

composers in university jobs may have overly academized American culture, professorships have been the only available source of support for many of these creators. Whether American higher educational policies have been a good thing, all things considered, falls outside the scope of this book. But seen as cultural policy, government subsidies for higher education are far more significant than the small sums spent by the NEA.

Governments often support creativity most effectively by providing a large number of jobs where individuals are not expected to work very hard. Many leading eighteenth century writers, for instance, worked for the government bureaucracy. These individuals pursued their creative interests either in their spare time or while "on the job." John Gay, Daniel Defoe, and Jonathan Swift, to name but a few examples, all received substantial income from government employment. Goethe spent much of his life working as a government administrator while writing in his spare time. The university has now stepped into the role once provided by the bureaucracy - teaching posts give talented individuals financial security with a relative minimum of daily responsibilities.

The funding model of Western Europe differs from that of the United States. Germany and France, for instance, deliberately sacrifice contemporary popular culture to both older, high culture and to the contemporary avant-garde. These governments restore old cathedrals and subsidize classic opera and theater, while simultaneously supporting the extreme avant-garde, such as Boulez, Stockhausen, and Beuys. Yet European popular culture, especially in cinema and music, is largely moribund and lacking in creativity. Germany and France have not escaped the bureaucratization of culture. The French Ministry of Culture, for instance, spends \$3 billion a year and employs 12,000 bureaucrats. Yet France has lost her position as a world cultural leader, and few other countries embrace American popular culture with such fervor.

Government involvement in cultural preservation involves costs beyond the immediate tax burden - state support makes the arts more bureaucratic and less dynamic. Government, when it acts as customer on a very large scale, often pushes out beneficial market influences. The American market has less government funding but receives much more funding from consumers and private donors. As in the American debate, European arts funding brings a clash of potentially incommensurable values and does not admit of resolution through positive analysis alone. One alternative (minority) vision suggests that government funding can create a useful target for radical artists. American painter John Sloan said "Sure, it would be fine to have a Ministry of the Fine Arts in this country. Then we'd know where the enemy is."

HIGH AND LOW CULTURE

Sometimes we distinguish between "high" culture, the items achieving greatest critical acclaim, and "low" culture, the most popular cultural items. Economic incentives support this split between high and low culture. Capitalism supports product diversity and gives many artists the means to work outside of the popular mainstream. The resulting split between high culture and low culture indicates the sophistication of modernity, not its corruption or disintegration. A world where high and low culture were strongly integrated would be a world that devoted little effort to satisfying minority tastes. Genres that rely heavily on equipment and materials, which I describe as capital-intensive, tend to produce popular art. Genres with low capital costs, which I describe as labor-intensive, tend to produce high art. The movie spectacular with expensive special effects is likely to have a happy ending. The low-budget art film, directed and financed by an iconoclastic auteur, may leave the viewer searching. Basic financial and economic reasons support these tendencies. Ongoing artistic endeavors must cover their costs - through sale, subsidy, or donation - if they are to persist. To the extent that costs are high, the influence of the funders increases and the artistic freedom of the creators decreases.

Painting and poetry, highly labor-intensive solo activities, offer especially large room for the avant-garde. Creators in these areas can eschew the mass public and pursue creative self-expression

without receiving complaints from shareholders. Capital-intensive movies, in contrast, reflect middle-class tastes more closely. Most movies must pull in large sums of money to cover their production and distribution costs. Movie makers are therefore impelled to appeal to a relatively broad audience.

Hollywood provides an ongoing battleground for opposing high and low culture forces, as the differing goals of the participants build artistic conflict into the system. Artists are motivated by creative self-expression, fame, and money, but owners of capital goods are usually motivated by profit alone. Consider the film *Blade Runner*. Actor Harrison Ford sought fame and stature, director Ridley Scott sought creative self-expression, but the shareholders of Warner sought profit alone. Warner forced Scott to add a happy ending to his masterpiece, even though the resolution was unconvincing and diminished the quality of the picture. Only later, when the movie was reissued (*Blade Runner: The Director's Cut*), was Scott able to restore the original, and far superior, ambiguous ending. Harrison Ford and Ridley Scott are renowned and worshipped for their talent but the shareholders of Warner are not. Finding no other reward, the shareholders pursue profit maximization and push for mass audience appeal.

High and low culture usually appear to be diverging. New genres tend to have initially high capital costs; otherwise they would have been previously feasible prior to innovation. The new art of film appealed to a broad public with popular themes. At the same time painting and literature, with falling capital costs, moved away from mass taste. Charlie Chaplin's *City Lights* and James Joyce's *Finnegans Wake*, two versions of the modernist aesthetic pitched at different audiences, reflect these varying economic constraints. Some parts of capitalist culture move in the direction of popular taste while, at the same time, others become more esoteric.

Falling costs and growing demand enabled the movies to grow more rapidly in the 1920s than did other cultural media. Popular culture appeared to be gaining at the expense of high culture. But in fact such growth eventually transforms popular culture into high culture. As popular culture genres lower their costs, they achieve the potential for greater diversity and exoticism.

Art films, documentaries, and avant-garde movies have expanded since the early days of the medium. Artistic genres or sub-genres sometimes will move back in the direction of popular taste and away from the esoteric. Even if the cost of artistic production is falling, the costs of distribution may be rising, making an apparently labor-intensive endeavor in fact highly capital-intensive. Publishers of best-selling novels, in their attempt to reach larger audiences, spend more on advertising than ever before. Publishers need to recoup these expenditures through high sales volume. The need to hit the bestseller lists helps explain why plot has achieved greater emphasis over subtlety and elegance of language. Literature as a whole has become more diverse, and provided greater room for the esoteric, but media expenditures have caused the bestseller list to emphasize mass appeal to increasing degree.

The decreasing economic importance of the family has reinforced the split between high and low culture. In previous eras individuals tended to learn job skills from older family members. Many of the most renowned creators of the past - including all of the best known classical composers and some of the leading painters - received extensive familial training at very young ages. These family mentors were often good artists and musicians, but they tended to lack creativity and hold tastes well within the mainstream. They taught their sons and daughters to produce accessible creations. Today increased wealth and division of labor have allowed expert trainers to replace family mentoring. Budding composers now seek to please genre specialists rather than a general audience.

Increasing ease of reproducibility, a fundamentally healthy market development, drives a further wedge between high and low culture. Reproducibility gives critics the option of embracing relatively unpopular creations from the past. Eighteenth century musical audiences, for the most part, knew only the music that they could hear in live performance. Recordings did not exist and the music of earlier composers was difficult to obtain in manuscript form. High and low musical culture had to be drawn from the same limited set of options, increasing the likelihood that they would coincide.

Today's critical listener can draw his or her high culture from the music of many centuries. We can applaud the merits of Palestrina and Mahler while Top 40 plays REM and Madonna. The increased number of past creations and our superior access to them support a greater diversity of taste. The most popular music is usually drawn from current styles, whereas the accumulation of passed time increases the likelihood that critics will favor works from the past.

High culture, however, has never been a static concept. Reproducibility and preservation allow today's low culture to evolve into tomorrow's high culture. Shakespeare, in his day, enjoyed great popularity with the masses, but he had not yet entered a cultural pantheon. Many critics had never seen the plays, considered him "low brow," or simply ignored his work.

The later growth of a mass market in books allowed readers and critics to study and debate Shakespeare at their leisure. By the eighteenth century some critics were suggesting that he was one of the greatest Western writers. Drawing upon accumulated centuries of textual study and exegesis, Harold Bloom now tells us that "The Western canon *is* Shakespeare..."

By the time a new high culture has evolved through critical debate, however, popular culture has left it far behind. Critical opinion changes slowly, only after much discussion, debate, and soul-searching. The masses, in contrast, often change their fickle tastes overnight. The turnover in Top 40 radio far outpaces the turnover in the Penguin Guide to classical music recordings. Many buyers deliberately seek out the new, but many critics seek to develop evaluations that will stand the test of time.