

## Why don't we do what we want? Non-consumers and the public dilemma in cultural promotion.

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### **English Summary:**

We deal with tastes and preferences, revising the linkages between both in order to analyse the special case where we express preferences to goods that do not appeal to us. We deduce the concept of a deconstructed demand and define two types of goods (embarrassing and reputable).

With the help of this structure we build a demand function for cultural promotion, where the non-market-expressed non-consumers' preferences are the basis of the "demand for cultural policies". Finally, in this framework the State faces a dilemma that could be solved in different ways.

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## **I. Introduction.**

Cultural policies are relatively recent phenomena in Spain. Over the last 25 years we have had the possibility of observing an evolution from nil cultural policies to the current level that is not too distant from normal practise in Europe. For other European countries, the relevant problem is not to understand the origins of cultural policies but to explain the present realities of cultural sectors and which role the State plays in this context. Even though this is not an empirical paper about cultural policies in Spain, it is acknowledged that Spanish historical circumstances and data could bias the theoretical approach of this paper. Nevertheless, we use this historical proximity, to establish certain microfoundations of cultural policies that could be more latent than in other consolidated and experienced realities. We consider that this goal could be useful in a more generalised context; otherwise the exercise will not be worth the effort.

We begin with some considerations about tastes and preferences, trying to revise the linkages between both in order to analyse the special case where we express preferences to goods that do not appeal to us. With the development of this approach we deduce the concept of deconstructed demand, where one part of our preferences reflect our tastes and the other our “mental models”. Then, we define two types of goods (embarrassing and reputable), depending on the effect of “mental models” in the expression of their preferences for these types of goods. At this point we can build a demand function for cultural goods as the addition of the demand of cultural consumers and the non-consumers. Moreover, we defend that the non-market-expressed non-consumers’ preferences are the basis of the “demand for cultural policies”. Finally, we consider that in this framework the State is faced with a dilemma that could be solved in different ways.

## **II. Tastes: The Boundary of Economics?**

A major contribution from cultural economics to economic science has certainly been a greater understanding of how preferences are shaped. The dangers of this process of improvement are that it could venture beyond the boundaries of economics itself. It is true that the first steps that contradicted the supposed stability of tastes come from the

analysis of cultural goods. In the realm of cultural goods and services (to enjoy a painting, to listen to a piece of music or to attend a theatre performance), training of tastes is a relevant topic and as Marshall already wrote: "It is [therefore] no exception to the law that the more good music a man hears, the stronger his taste for it is likely to become"<sup>1</sup>. But if we cannot find ontological differences between cultural goods and other kinds of goods, we must reintroduce cultural consumption into ordinary consumption<sup>2</sup>. And then, in the other way, try to explain "the usual anomalies" detected in cultural consumption, could be useful in explaining general consumption.

Perhaps the question about how preferences are determined is the most important challenge that Cultural Economics poses for general economics. And tastes play here, a very relevant role. The first trial about changing tastes in cultural consumption was partially solved with the contribution of Stigler and Becker (1977)'s "Gustibus non est Disputandum". Through their formulation it is possible to conclude that changes in the consumption of goods are not explained by taste variations but by the reduction of the shadow price of artistic consumption. This reduction is mainly caused by previous expositions, due to the increase in the marginal utility of the time employed in consuming cultural events, even though tastes remain stable. Anyway, at least as Throsby (1994) wrote "it is clear that the endogeneization of tastes in economic models is likely to be essential if any progress is to be made in explaining demand for the arts". In another perspective endogeneization of tastes is one of the most common claims sustained by the non-conventional streams in economics (Barceló (1998)).

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<sup>1</sup> Quoted in Villani (1992).

<sup>2</sup> In a more sociological approach; "The science of taste and of cultural consumption begins with a transgression that is in no way aesthetic: it has to abolish the sacred frontier which makes legitimate culture a separate universe, in order to discover the intelligible relations which unite apparently incommensurable 'choices', such as preferences in music and food, painting and sport, literature and hairstyle. This barbarous reintegration of aesthetic consumption into the world of ordinary consumption abolishes the opposition, which has been the basis of high aesthetics since Kant, between the 'taste of sense' and the 'taste of reflection', and between facile pleasure, pleasure reduced to a pleasure of the senses, and pure pleasure, pleasure purified of pleasure, which is predisposed to become a symbol of moral excellence and a measure of the capacity for sublimation which defines the truly human man. The culture which results from this magical division is sacred. (cultural consecration does indeed confer on the objects, persons and situations it touches, a sort of ontological promotion akin to a transubstantiation".

Anyway, the aim of this paper is not to deal with the problem of changing tastes, but with the gap between “true tastes” and expressed preferences.

### III. Why Don't We Do What We Want?

Though we cannot consider the following data as the empirical basis of our utterances, they can reinforce our intuitions about the issue. The following data from a Spanish survey shows the answers of the interviewees on how they spend their free time, compared to their ideal use option.

**Table 1.** Real and ideal leisure activities.

N = 2,985 Multiple choice answer % Of people that choice the answer	What tends to take up, as a rule, your free time?	If you had a free choice, how would you like to use your spare time?	Real/Ideal
Be with the family	76	41	1,9
Practice sport	32	34	0,9
Go to the cinema	27	29	0,9
Watching television	69	25	2,8
Read books, magazines	45	24	1,9
Listen to music	42	22	1,9
Go to the theatre	8	18	0,4
Go dancing	17	17	1,0
Watch sport	33	17	1,9
Nothing special	16	13	1,2
Date a girl/boy	18	12	1,5
Play a musical instrument	4	10	0,4

Source: Estudio CIS-Consejo Superior de Deportes 2.198, Noviembre 1995.

The question that arises from these data is; why do people not act according to their ideal preferences? These differences between real time and ideal time spent in leisure activity shows that some constraints must exist that do not allow people to behave accordingly to their ideal options. Of course in most of these activities there are important constraints that limit the ideal option considerably. For instance, we would like to spend our time playing a musical instrument but to do that we first need to learn

how to play the instrument. Obviously, it is an important constraint that could explain the differences between real and ideal preferences. Indeed, the conventional approach will bring us to the questions of costs and constraints. If we do not attend theatre performances as much as we would like to, it is due to the cost of doing so. Or if we spend more time with the family, it is because there are important constraints that compel us to do so (to share household duties, to bring up our children, to guide their educational or leisure activities). However, this approach could not explain why notable differences appear between ideal and actual use of leisure time in activities that imply very similar costs (going to the theatre and cinema) and impose practically the same constraints. On the other hand, neither would it explain how an activity such as watching TV, where there are no major constraints that oblige us to watch it, gives so many differences between the wished consumption and the actual consumption.

To observe the dimension of price effect we can look at Table 2, which shows data from an extensive survey on habits of cultural consumption in Spain; we can observe the difference between the expressed interest and the attendance could partially be explained by price. However, the magnitude of the differences between high culture and cinema indicates the influence of other factors. Moreover, considering that in all four cases (theatre, music, opera and cinema) the sociodemographic description shows that for consumers belonging to the middle and upper classes, the price variable is not the most determinant factor in explaining their behaviour.

**Table 2.** Percentage of attendances and price, by spectacle.

% Of population N= 12,072 Year 1998, Spain.	% Declared High Interest (a)	% Frequent Attendees	Price***
Theatre	32,40	3,00 *	1,054
Classical music	22,30	1,80 *	968
Opera	10,10	0,20 *	4,653
Cinema	34,60	36,80 **	612

Source: SGAE (1999) & SGAE (2000).

\* More than 4 times/year; \*\* More than 6 times/year; \* \* \* Collection (ESP) / spectators.

(a) High interest means, the subjective valuation of 5 or 6, in a scale between 1 and 6.

A solution for this paradox consists of defining different origins to explain our preferences. The economic theory of consumption postulates as one of its basic suppositions a type of total rationality on the part of the individual-consumer. A type of rationality in which the human being stops existing as such a human being to become a “representative agent” or *homo oeconomicus*. The traditional utility theory presupposes that the consumer possesses some very defined preferences, with very peculiar properties, i.e. continuity of preferences, non-saturation, completeness... and their stability over time and space for individuals is assumed; given this, they are considered as exogenous to the model.

However, the purely economic man is destined, indeed, to be a social imbecile in the words of Sen (1977), and common sense tells us that it is not intellectually reasonable to sustain that by means of a series of axiomatic premises we can begin to elaborate a “true decision” model of consumption (if we don’t want to fall in a excessive reductionism).

These “deficiencies” made, and that still make, economists skirt the limits of their science with sociology, psychology and philosophy: Harsanyi (1955) differentiated between “ethical preferences” (based on the social dimension) and “subjective preferences” (based on the personal dimension), Stigler and Becker (1977) with their analogy of consumption as a productive process, or Sen (1977) with those “rankings of preference rankings” (metapreferences, preferences of second order, ideally well educated preferences...), or more recently the current mainstream where psychology

takes over economics to add veracity and real sense to the human economic behaviour considering facts like emotions and pro-social preferences<sup>3</sup>. All these proposals that go into the dissociation of the rationality and multiplicity of preferential outlines, contributed to more verisimilitude and more “fine tuning” to the complexity of social processes in economic science.

For example, in this field, Brennan (in Brennan and Walsh (1990)) pointed out the possibility of seemingly irrational behaviour, explained by the divergence between preferences and action, and/or preferences and true interest. Given their perspective (political processes), they propose some readjustments in the basic paretian propositions about value judgements that end up in the premise that the political process can solve the deviation by eliminating irrational behaviours. Though this, can be seen as an attack on individual sovereignty, it is not completely so; in spite of not being the best judge of the individual’s well-being, it continues to be the appropriate referee of their own interests. Starting from here, they develop a voting theory in which the subject faces the consequences of their expressed preferences, hence differentiating between the true expressed preferences (through the polls, or in a market context by means of the purchase) and the expressed preferences (in questionnaires or surveys, as in the author's example).

The previous discussion is not, however, completely satisfactory for our purposes. Although our objective is to explain the demand of cultural policies, it doesn't include any voting theory. The work “Democracy and Decision” (Brennan and Lomasky (1993)) is of greater interest for our objective. They introduce us to the preferential outline in a self-paternalistic environment that supposes an extension of the ideas reflected by Brennan three years earlier. The preferences that are revealed in voting contexts are denominated “p-preferences” and, according to the authors, they are not guided toward the attainment of a result (“preferences revealed by voting will tend to be non-outcome-oriented”), while those that pursue a concrete result, receive the name of “m-preferences” (“since [these] preferences are pre-eminent in market contexts”). Again, this duality of preferences that simultaneously remain at the same level, yet provoke a

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<sup>3</sup> See the survey by Frey and Benz (2002) for a further explanation.

divergence, causing the appearance of inefficient results (finally the characterisation of “irrational” disappears).

Following this dissociated approach, we can consider that in cultural consumption, a part of the utility comes in the form of rewards for the excitement generated in our emotions and in our senses and on the other hand that people “act in part upon the basis of myths, dogmas, ideologies and ‘half baked ’ theories” (Denzau and North (1994)). And these half-baked theories could be more important in defining the decision of cultural consumption than is conventionally considered.

#### The Irene effect.

One aspect of the problem is the linkage between tastes and preferences. As an illustration we take the example given by Irene, a 4-year-old girl. The first time she tasted lentils, she liked it a lot, but among their ingredients there were a few beets. Without noticing their presence she took a spoonful. Irene immediately showed her most expressive displeasure as she spat out the whole content of the mouthful onto the carpet. Although her linguistic resources are quite limited it was clear that she didn't like beets. For quite some time after, her father tried to work out a strategy whereby little Irene would be convinced that eating beets would make her taller than her school companions. A couple of weeks after her father managed to get her to eat beets and she even sometimes asked for them herself though, judging from her expression, it was clear that she did not really like them.

The basic problem is that the conversion of tastes, understood exclusively as a process of reward of emotions or sensations (sight, ear, touch, smell and taste), into preferences, can only be carried out in a tautological way. That is to say that if we directly or indirectly express our preferences on some type of goods or services, it is because “we like them”. And there is no way of measuring our tastes in a way, which is independent of our expression of them. Hence, we can sometimes hide our “true taste”, not only towards others but also towards ourselves.

Two main aspects can follow from this unsuitability. In the first place the question appears about whether or not is possible “to prefer” goods that we do not like. Or on the other side, if we do not prefer goods that we like. The second aspect has been more frequent in economic analysis through the concept of the weakness of willingness. Secondly, if manipulating our preferences is possible, that is, if we can consider the endogeneization of preferences. Both aspects, though well represented in other social sciences such as Sociology or Psychology, (they affect two basic pillars for the coherence of the economy; the consumer's sovereignty and rationality) have been treated in a very marginal way by conventional economy and have always been viewed as negligible anomalies. “The technical characteristics of some situations subvert the normal relationship between perceived preferences and action, so rational individuals may be expected to act in ways that do not directly reveal their preferences. This type of argument is common in economics and is widely accepted as providing limits to the normative scope of consumer sovereignty”. As we can observe, although this type of argument is commonly accepted in economics, such situations are always considered as anomalies that subvert the normal relationship. The contributions of Elster (1979)’s “Ulysses and the Sirens” have clearly demarcated the borders: The analysis of Endogeneity of Preferences, Inconstant Preferences, Undesirable Preferences, Multiple Preferences and Revelation, Weakness of Will and so on. Some specificities of cultural consumption allow us to take a walk on this borderline zone.

#### **IV. Deconstructed Demand. Reputable and Embarrassing Preferences.**

In theoretical terms, we can propose a utility function (see Equation 1) in which the consumption does not only depend on tastes, but also on the mental models. Let us also suppose (although it is not assigned a specific functional form), the function is additively separable in its terms.

$$U(C) = U(\text{tastes, mental models}) = U(\text{tastes}) + U(\text{mental models}) \quad [1]$$

We could deconstruct the demand function into two different components; on one hand, that part of the demand related to mental models (ideal demand) and on the other that

one we could designate as a “classic demand”, related to a given distribution of tastes, preferences and to the price in a classic way. Though this decomposition will be of very little empirical use, it can provide us with some higher resolution in conceptual terms, and perhaps it could avoid having to define all these hierarchies of levels of preference.

Thus, the total demand ( $D_t$ ) for every individual (consumer or non-consumer) could be formulated in the following way,

$$D_t = D_c + \alpha D_i \quad [2]$$

Being  $D_i$  the ideal demand, a dependent function of mental models, and  $\alpha$  the proportion in which the ideal demand is effectively expressed in consumption,

$$D_i = D_i(\text{Mental Models}) \quad [3]$$

While classic demand would depend only on price and tastes,

$$D_c = D_c(\text{Price, Tastes}) \quad [4]$$

Then, we will consider that in normal conditions and for most of the goods classic demand will be higher than the ideal one ( $D_c > D_i$ ), given that ideal demand only partially softens or modifies the trend shown by classic demand<sup>4</sup>. In this framework when  $D_i$  is negative we are speaking of an “embarrassing preference”, while when  $D_i$  is positive we are facing a “reputable preference”. Subsequently, the embarrassing preferences would make reference to those goods that individuals like and then they express this through the concretion of their market demands, but for ideal reasons they would wish not to like it. Classic demand is in the end modified by mental models. (i.e. “I should watch less TV than I do”). On the contrary the reputable preferences are those expressed on goods that do not correspond with our tastes but our mental models tell us that “we ought to” like more. Therefore, effective demand of these reputable goods is

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<sup>3</sup> Even though, it is relatively easy to find examples where ideal demand will be the principal component of total demand. i.e. journeys to Mecca for Muslims or Sunday mass for Catholics.

superior to the one that would reflect our classic preferences in the moment that we submit ourselves to our duty<sup>5</sup> and we demand these goods that we partially dislike.

If  $D_i < 0$  embarrassing preferences →  $D_c > D_t > \text{Ideal Demand}$

If  $D_i > 0$  reputable preferences →  $D_c < D_t < \text{Ideal Demand}$

This artificial de-construction of demand allows us to isolate, at least conceptually, the effects of the mental models and to categorize those types of consumption in which the mental models, either in a positive or negative way, explain the effective demand.

Though the data that appear in the previous point (see Table 1) are rather circumstantially related to the topic that concerns us, it allows us to classify some cultural or symbolic consumption within the defined (reputable and embarrassing preferences) categories. If we pay attention to the ratio between real (declared) and ideal demand, we could quickly deduce that watching TV is clearly an embarrassing preference and going to the theatre a reputable one<sup>6</sup>. Other cultural consumptions such as going to the cinema seems to adjust quite well to real and deal consumption, while listening to music, listening to radio and reading books and magazines show some more confusing results.

In general, we can say that “high culture” consumption (classical music, theatre, opera, modern art) is affected by the Irene effect.

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<sup>4</sup> Its consumption responds in a given proportion to the pressure on our acts, an ideal conception of the goodness of cultural consumption. Similarly to what Keynes (1927) wrote about buying books; “[it] is a social duty that first of all gratifies those who observe it”.

<sup>5</sup> Specifically for the theatre, the empirical studies seem to show that the satisfaction degree is greater among occasional attenders than in frequent attenders (Lévy-Garboua and Montmarquette, 1996), it may indicate that the satisfaction of the occasional attenders does not come so much from sensorial rewards but from the sensation of having completed a duty.

Also the comments that Brennan makes (in Brennan and Walsh, 1990:102) about classical music concerts admissions being sold by season tickets can indicate that somehow the users are put under obligation to go, partly because they have paid in advance.

## V. The Demand for Cultural Policy.

Some of the consequences we can find from this approach, because the demand originated by our mental models but not expressed, could be the basis for the demand of cultural policies.

We can find antecedents of construction of demands of cultural policies in Frey and Pommerehne (1989). From the results of direct referendums that took place in Switzerland, a demand curve is built where the vertical axis represents the percentage of favourable votes to the subsidy (to a communal theatre, in this specific case), while the horizontal axis represents the subsidised quantity. As a result of two referendums, a decreasing curve is obtained, as predicted in economic theory.

We try another way. If we accept that the demand of this type of goods is dualized at aggregate level, we could also distinguish two types of collectives: The consumers (its demand function is in great measure formed by its “true tastes”, that is to say, the predominant effect in this type of consumers is a result of their tastes, and for simplicity, we can suppose that their utility function depends exclusively on the first factor: tastes). And for other side, the non-consumers (the mental models are those that have a greater influence on the construction of its aggregated demand; we can assume for this group that their utility function only depends on the mental models, and that they only materialize their demands as a proportion  $\alpha$ ).

$$U^{\text{CONSUMERS}} = U(\text{tastes}) \Rightarrow D^{\text{CONSUMERS}} = \sum D_c \equiv D^C \quad [5]$$

$$U^{\text{NON CONSUMERS}} = U(\text{mental models}) \Rightarrow D^{\text{NON-CONSUMERS}} = \alpha \sum D_i \equiv D^{\text{NC}}$$

The effective demand therefore will be the sum of the demand of the consumers and a proportion of the demand generated by the mental models,

$$D^T = D^C + D^{\text{NC}} = D^C + \alpha \sum D_i \equiv D^C + \alpha D^I \quad [6]$$

Classic demand ( $D^C$ ) has more or less standard behaviour, while we suppose that the ideological demand ( $D^I$ ) will show a very low sensibility with regard to the price. This supposition can be more or less based empirically with the answer given by the interviewees regarding those variables that could increase attendance to the theatre. Only 22,3% of those that never or hardly ever go to the theatre consider that the variable price has some effect on increasing audiences, while for those that go more than twice or three times a year, 41% consider that the price is a relevant factor. In this sense the elasticity of  $D^I$ , acts more as a pretext than as a factor of budget constraint.

**Table 3.** Price and Attendance.

Would a decrease in price influence you in going to the theatre more frequently? (Multiple answer)	%
Consumers*	41.00
Non Consumers**	22.30

Source: SGAE (2000).

\* They are theatregoers if they go more than 2-3 times/year

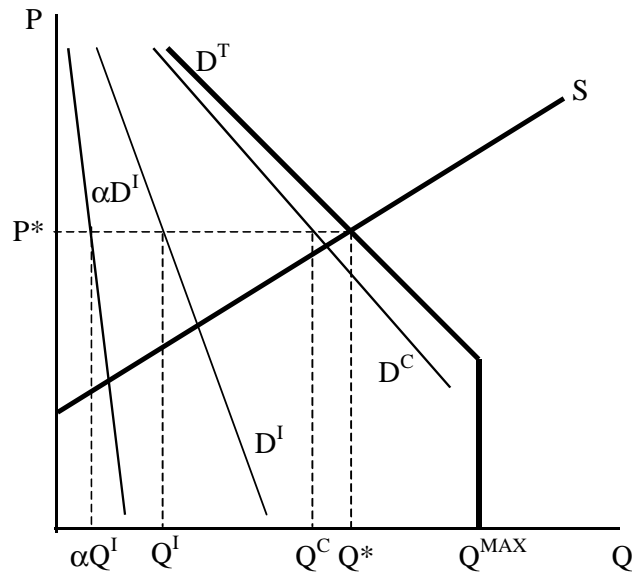
\*\*They go to the theatre occasionally or never

Another important supposition is the existence at aggregate level of a saturation point ( $Q^{MAX}$ ) in the combined demand since the distribution of the taste for “high culture” is a finite and limited value at aggregated level, given that this is an intensive-time consumption process. Therefore with a certain quantity, all those consumers that demand culture are quantitatively satisfied.

Given the “demand-oriented” character of this work, we won't consider the productive process of the cultural good that defines the supply curve. We suppose that it is a growing function in prices, as determined by conventional economic theory.

In this way, the market equilibrium is defined by  $Q^*$  and  $p^*$ , as shown in Figure 1.

**Figure 1.** Equilibrium without public sector.



In this situation  $Q^*$  would result from the addition of  $Q^C$  and  $\alpha Q^I$ . However the rest of the demand not effectively expressed  $(1-\alpha)Q^I$ , is translated into demand of cultural policies, and this fact could explain the paradox of why the non-users of cultural services agree in such a high proportion with public subsidies on culture. Many empirical researches show that cultural policies are among the less questioned. There is a wide consensus in Europe that legitimates cultural policies, although they tend to be highly regressive and benefit a small portion of the upper and middle classes. The continued intervention of the State in culture, and the social acceptance of the expenses generated by culture could be interpreted as the social institutionalisation of the ideal demand of culture, an aspect that would explain why the non-users of public cultural institutions will often show their willingness-to-pay. Much empirical evidence is provided in this sense in Throsby and Withers (1979), Morrison and West (1986), or Schneider and Pommerehne (1983). This deconstruction of cultural demand that we propose would give coherence to this apparent paradox, since the part of ideal demand not expressed in the market can remain expressed in terms of preference on public

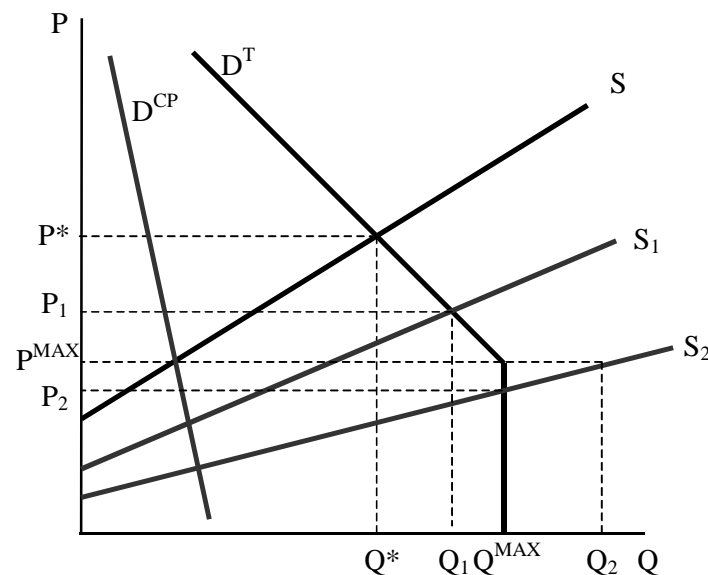
policies. In this sense the non-users of cultural services become the reverse of the free-rider problem. They don't want to ride but they want to pay for the ride<sup>7</sup>.

The demand of cultural policies is similar to a proportion of the total demand; and this proportion is  $(1-\alpha)$ , that is to say, the proportion of non-consumers whose demand is not expressed in the market. In such a way, the demand for cultural policies ( $D^{CP}$ ) will be,

$$D^{CP} = (1-\alpha) D^I \quad [7]$$

This demand is expressed in the public opinion arena, building a wide social consensus that exerts pressure on State action. If the State is sensitive to this demand for cultural policies, moreover when the costs in terms of budget are rather moderate, the effect will be an increase in the public supply (although they provide private goods) of cultural goods.

**Figure 2.** Equilibria considering Demand for Cultural Policies.



<sup>7</sup> This could be linked to the existence of “social norms” (see Frey and Benz (2002)), although we have to consider that the individual would be still behaving in a selfish way since he would be acting to accomplish his own aims; “I should consume more culture”.

As we can observe in Figure 2, there is no new problem if the increase of public supply does not overcome the  $Q^{\text{MAX}}$  (i.e.  $S_1$ ). Price reduction and some crowding out effect will be the results of this action. However if the magnitude of that increment of the supply overcomes the value of  $Q^{\text{MAX}}$  (i.e.  $S_2$ ) the State is confronted with a non-negligible dilemma that could determine the style of cultural policies.

## **VI. Strategies for Cultural Policies Supply.**

The consequences of this analytic perspective already move us far away from the conventional approach. Public policies are not the answer to any market failure but rather they are the answer to the expression of a demand of the non-consumers that finally will not be beneficiaries of the public intervention. The concretion of the interventions becomes a difficult exercise since there is a big and generic demand of public support, and the citizens are willing to pay for it, but there is no instruction booklet on what to provide and how. In this framework we are speaking about private goods and we have represented the effects of each strategy in Figure 3.

### **1. Price reduction.**

The more efficient (and probably the most recommended by conventional economics) strategy is subsidising a price reduction (from  $P^{\text{MAX}}$  to  $P_2$ ) without moving quantity ( $Q^{\text{MAX}}$ ). There are two problems with this strategy; firstly, there is a clear regressive redistributive effect, and secondly and more important, the effective demanders of cultural policies (the non-consumers) do not perceive that they are being satisfied.

### **2. Quantity increases.**

Another more obvious answer from the public side is to increase the quantity of private cultural goods provided, maintaining the prices (at the level  $P^{\text{MAX}}$ ). This strategy implies an overprovision of cultural goods ( $Q_2 - Q^{\text{MAX}}$ ) that take us to the situation of empty halls and empty museums. In fact, this is a common strategy in Spain in relation to the growth of cultural policies. This type of adjustment could be detected intuitively if one visits the regional museums or those that are not the main city museums. The problems

of this strategy are that the empty spaces<sup>8</sup> are rather embarrassing for public managers, but the advantages are that the non-consumers (the really demanders of cultural policies) “can detect” the public action through the new buildings (new theatres, new museums, new auditoriums, etc...) and so they are more or less satisfied. In the case of Spain over the last two decades, this strategy could also explain the public investment executed in the form of cultural containers whereas less attention is paid to the contents. In Spain, the rise of the name of some architects (Santiago Calatrava, Moneo, Foster, among others) is commensurate with the quality of major cultural projects and constitutes an illustration of this process.

### 3.Excellence.

Another feasible possibility is to reinforce the quality of the supply by the searching of excellence. That means that the public intervention increases the prices of the factors in the production function (public and private), contracting the supply curve towards the left and so maintaining it around the point of saturation. This strategy implies that there are no significant variations in quantity but the modifications on quality made the cultural policies visible to the non-consumers. A performance by Pavarotti or Plácido Domingo has important media effects and so the non-consumers could notice that there is someone making cultural interventions.

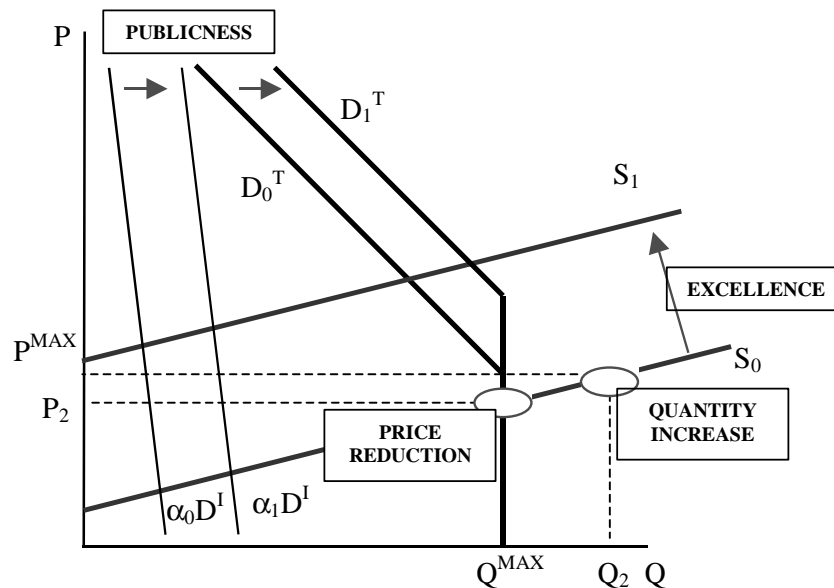
### 4.Publicness.

The strategy of the publicness consists of providing cultural goods with some characteristic of public good, forcing the marginal propensity to the effective demand of the non-consumers increase. This is, varying the  $\alpha$  (and therefore displacing the group of the Demand ( $D^T$ ) toward the right. An example of this type of strategy could be the supply of a sculpture exhibition in a public park. This way those non-consumers that will go for a walk in the park will be forced to consume cultural goods.

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<sup>6</sup> Of the 887 plays that have been presented in Madrid and Barcelona during the season 96-97 according to the *Anuario el País* (1998), more than 22% have had less than 30 spectators per performance. That implies about 2000 performances where the actors must compete hopelessly with their own echo.

**Figure 3.** Graphic representation of the public strategies



### 5.Externalities.

Finally another way of returning the positive effects to non-consumers is providing cultural goods for visitors through big events. Hence, the non-consumers detect the cultural policies and moreover enjoy the positive effects through the externalities generated by the cultural policy (tourism, prestige of the city, etc...).

Of course in real world there are not pure strategies as described in this paper, and also the conversion of ideal demand into demand of cultural policies, and, of course, the conversion of cultural demand into public cultural supply are not so direct and simple as we describe here. We have to consider too, that some of the public interventions cannot only be understood as “reaction” to the demand of public policies, and that the State has in some cases its own goals<sup>9</sup>. Anyway, this simplification could be useful to analyse some cultural policies and some of the characteristics of the real world about the public intervention could fit well in the theoretical model shown in this paper.

<sup>9</sup> This aspect is dealt with in Rausell (1999).

## **VI. Final Remarks.**

This paper emphasises the obvious fact that consumption is a complex act in which a multitude of factors intervene. Its own complexity is probably the cause that economics may have tried to avoid the problem of how preferences are conformed and tastes are fitted into a fictitious stability. The mental models have a decisive importance in most of the consumption and in fact we could qualify globally the consumption as an “ideological act”. In this sense consumer sovereignty is not more than the space bounded with the sum of the restrictions that it is imposed on us by our vision of the world and life. Departing from this obvious assertion we want to point out that in some symbolic consumption as watching TV or attending theatre these conceptions or mental models are especially relevant and meaningful in the moment of explaining the behaviour of demand. With a simplified deconstruction of demand, we have tried to categorise two types of preferences; the reputable and the embarrassing, depending on the mental models that legitimate or discredit them. From this simple microfoundation of behaviour we construct a demand function for cultural policies where the State, in a primary phase, merely reacts to the claim of the (basically) non-consumer.

From this conception, some strategic behaviour from cultural institutions and agents can be understood. The world of art and culture has formidable powers of negotiation power in relation to the public sphere that other professional or institutional collectives do not have. It is not rare in Spain that public declarations of individual actors, famous musicians, theatre directors, museum curators can easily affect cultural policies because the “non-consumers” society is quite aware of the divergence between effective and ideal demand. Cultural agents exploit this collective feeling of guilt and they also take advantage of the lack of goals defined by the Government. Furthermore, there is scant political and social control of cultural policies throughout the European Union. Everything that carries the artistic or cultural adjective quickly attracts a wide social and political consensus that avoids more detailed analysis on social economic profitability, opportunity costs of the projects, viable alternatives, etc. The information deficiencies of detailed and harmonised statistics at European level can be a good indicator of the inappropriate control that European societies have on cultural activities and on the policies that articulate them.

The analysis shows that if we are near of the point of saturation the possibilities of amplifying audiences are quite limited. Some intuitive and partial evidence support our utterances<sup>10</sup>. From this point of view, the amplification of the cultural audiences since the World War II may have been based not mainly on the reduction of the access costs (prices and offer increases) but on the consolidation and extension of that dominant mythical discourse (mental models) of cultural consumption, not only to educated groups but to wider social groups.

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<sup>8</sup> For instance, for theatre in Spain, SGAE (2000)'s report states about the possibilities of increasing audiences. "From the answers given, any measure is not deduced that could impel a growth in theatre attendance. All the answers to possible solutions come in very low percentages. [...] Linked with the above-mentioned, it is significant that at least for half of the interviewees, no measure would influence an increases in their willingness to go to the theatre".

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