

The economics of cultural value: the case of orchestras

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Outline

- The orchestra as an economic enterprise
- Creation of public value
- Economic value components
- Measurement issues:
 - Economic value
 - Social value
 - Cultural value
- Cultural industries: where do orchestras fit?

The orchestra as a bundle of capital assets providing a flow of services, identifiable as:

- *Private goods*: the direct experiences of audiences and other users of the orchestra's services
- *Public goods*: diffused non-market benefits experienced by the community at large

The net value yielded over time by the provision of these services is the return on investment in establishing and maintaining the orchestra as a cultural institution

The *public value* created by the orchestra is a combination of:

- economic value
- social value
- cultural value

Economic value

Use value

Non use value

Direct benefits to users of the orchestra's services, e.g. audiences

Benefits to community through outreach programmes

Existence

Option

Bequest

Measurement (1)

Economic value: Use value

- revenue from sale of the orchestra's services
- possible estimates of consumers' surplus;
example: British Library study (2004)
- local economic impacts and spillovers

Measurement (2)

Economic value: Non-use value

- estimated as “willingness-to-pay” for existence, option and bequest values
- assessed by contingent valuation and choice modelling methods
- involves a survey of relevant population

Measurement (3)

Social value

- may be assessed in terms of various social indicators of social cohesion etc.
- may be measured via social impact analysis methods

Measurement (4)

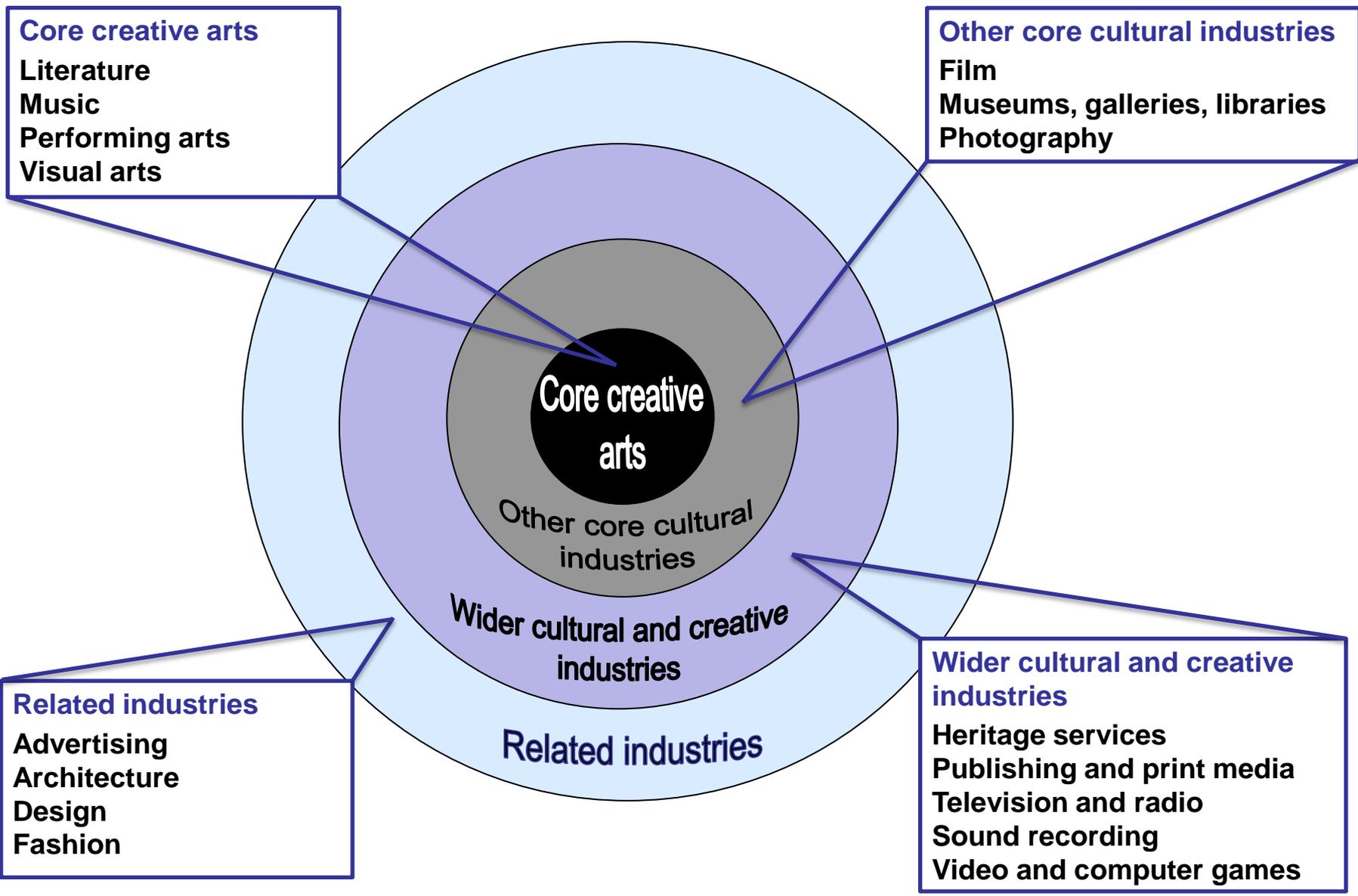
Cultural value

- may be assessed in terms of various cultural indicators
- may be measured more directly via visitor surveys

Measurement of cultural value via attitudinal analysis

- used to derive public preferences
- based on survey or small-group data
- uses Likert-scale approach
- can be used to derive numerical ratings for different elements of cultural value

The concentric circles model of the cultural and creative industries



Some references

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