

# **Does it cost anything?**

## **In search of pricing policies in Swedish culture**

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### ABSTRACT

This paper discusses pricing policies in cultural institutions in Sweden, their underlying arguments and the consequences of them in libraries, museums and the performing arts. I hesitate to identify pricing as the result of art-form logic. Instead, I conclude that what has influenced pricing the most seems to be the specific traditions of each art form rather than anything else – in effect, a kind of ‘institutional’ pricing policy. Interviews of 38 institutional leaders in 2002 and 2017 show that there are differences in the perception of culture and why institutions exist between the various art forms – ‘intensive’ culture as opposed to ‘extensive’. But they are not so large that they alone can justify the rather large differences in pricing policies.

## 1. Introduction

First, he praised the beautiful view from the hill. And Algot agreed  
with a nod, surprised that he had not before seen this beauty  
which was priceless and, therefore, without cost.  
Fritiof Nilsson 'The Pirate' (1936), in *A Smålandian Tragedy*<sup>1</sup>

In 2002, I wrote a report on pricing policies in Swedish cultural institutions. It was funded by a Swedish foundation focused on cultural development and innovation. This is a condensed, updated and, hopefully, improved version in English.

In the original paper, I interviewed 27 managers of Swedish libraries, museums, theatres and concert halls or symphony orchestras on their pricing policies. This was a few years after Tony Blair had launched a comprehensive fight against social exclusion in the United Kingdom. Culture was to be part of that struggle. New Labour's cultural policy resounded in Sweden where politicians, like their colleagues in other countries, looked at Britain and found that:

Here was a government, with formidable power and resources, which placed great emphasis on the importance of culture. It abolished charges for entry to national museums and galleries, and visits to these institutions increased considerably ... Labour's use of the 'creative industries' idea was widely seen as innovative and influential (Hesmondhalgh et al. 2015).

We heard from Britain that people working in culture were not necessarily positive about New Labour's cultural policy ideas. It was said that many museum managers questioned the free admission edict. This instrumental view of culture as a tool for ends other than purely cultural was not cherished by everybody. This was corroborated by the additional three interviews I conducted in London, as part of my earlier study. Among many Swedish respondents there was an adverse reaction towards the Swedish government copying the idea of free admission to national museums. This clash between policy makers and professionals sparked my interest. Furthermore, I was intrigued by the fact that pricing in the performing arts was seen very differently from that in museums and libraries. It also seemed that managers in cultural policy-driven theatres and concert halls applied (modified versions of) market pricing.

This paper therefore discusses pricing policies, their underlying arguments and the consequences of them in libraries, museums and the performing arts. I hesitate to identify pricing as

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<sup>1</sup> Translations from Swedish to English have been made by the author.

the result of art-form logic. Instead, I conclude that what has influenced pricing the most seems to be the specific traditions of each art form rather than anything else – in effect, a kind of ‘institutional’ pricing policy.

The free admission line was abandoned by the liberal-conservative Swedish ‘Alliance’ government elected in 2006. When the present Swedish ‘red-green’ government re-introduced free admission to 18 national museums on 1 February 2016 (Government of Sweden 2015 and 2016), it was time to revisit the study I carried out 15 years earlier and update it.

I have recycled the qualitative research method used in 2002. Late in 2016, and early in 2017, eight new semi-structured interviews were conducted with managers of Swedish libraries, museums, theatres and concert halls regarding their pricing policies<sup>2</sup>. I had plans for more interviews but stopped at eight, as by then I had noticed that the answers I got were almost identical to those from 2002. If anything, the recent respondents’ thoughts on the pricing of their services were considerably further to the back of their minds than the previously interviewed managers. As in 2002, the new respondents maintained that it was they who suggested pricing policies to their boards of directors. The policies originated in the professional staff although they were decided on by the board. Hence, I have not interviewed those who *formally* decide on the policies, but those who *actually* decide on them.

## 2. Swedish cultural policy acts 1974, 1996 and 2009

During the 1950s and 1960s, Swedes were taught to ‘do as the Svenssons do’. It was natural to take on the cultural patterns of older generations. The 1970s saw the emergence of new ideas. Maybe it was the youth culture of post-war generations that had burst into full bloom. The leftist youth of the late 1960s were also focused on the collective, but in a different way from the ‘keeping up with the Svenssons’ approach. They searched for lifestyles unlike what they were expected to inherit. Liberals, too, had different orientations from their parents. For them, it was more a question of being *different* from the Svenssons. Policies catering for some kind of formative and hegemonic collective cultural needs were seen as elitist, reactionary and simply unwarranted. What the individual chose to consume in order to create a distinct ‘self’ was manifested as the engine not only for commodity markets, but also for such things as personal freedom, economic development, social dynamics and political democracy.

The Cultural Policy Act of 1974 was preceded by a substantial cultural policy bill presented in 1961 by the Minister of Education (which included culture, media, sports and more) Ragnar Edenman. He had discussed the importance of state support for the cultural ‘free sector’ – i.e. the

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<sup>2</sup> Quotes from 2002 are marked \*; quotes from 2017 are marked ^.

part of culture considered the result of ‘artistic creation’. His interpretation was that societal changes at the time had resulted in a situation where previous financial support to artists from royalty, aristocracy and the upper bourgeoisie had ceased, and nothing else had replaced it. Artistic production of high quality was, furthermore, threatened by commercial forces such as ‘weekly magazines, kitschy paintings, pop music, films of dubious value, and all kinds of “entertainment”’ (Edenman 1959). Therefore, the state had to take on responsibility for the support of visual artists, authors, composers, musicians and other practitioners within the liberal arts. More tax funding was arranged by the government for specified areas of concern. The lack of overarching cultural policy objectives was, during the 1960s, increasingly regarded as insufficient and problematic.

The 1960s debate was, largely, based on two strands:

1. the idea that experts should identify artistic objects of high cultural value and distribute them to the masses so that they can attain a higher cultural level (I call this ‘the absolute paradigm’); and
2. the contrary idea that there is no such thing as an artistic object of higher inherent cultural value, and that citizens themselves should be allowed to identify which cultural needs they have (‘the relative paradigm’).

The absolute paradigm has a long history dating back at least to the Enlightenment. The relative paradigm was, basically, a child of the 1960s.

A much discussed objective of the Cultural Policy Act of 1974 was formulated: ‘to counteract the negative effects of commercialisation in the cultural domain’ (Governmental Bill 1974: 295). As a result of political debates in general, artistic trends in society and the 1974 act, the 1970s saw the coming of a strong ‘sociological’ view on culture to be used to ‘contribute to a better society with greater equality’, which was the overarching goal of the act. Decision-makers in tax-funded cultural institutions and their staff embraced such ideas. They identified the cultural objects and activities that were of sufficient artistic quality to be geographically and demographically diffused.

The Cultural Policy Act of 1974 was slightly revised in 1996. Sweden had already become a multicultural society, so a new objective targeting that issue was a must. Since 1974, the lack of an objective targeting ‘quality’ had been debated. In the 1996 Cultural Policy Act, a new objective was introduced, which combined these and two previous issues: ‘to promote cultural diversity, artistic innovation and quality and, thereby, counteract the negative effects of commercialisation in the cultural domain’ (Governmental Bill 1996: 27). What should be regarded as ‘quality’ was not clear, and the inclusion of that word was as equally debated as its exclusion had been previously. Some

claimed that anything which was not commercially viable could be identified as qualitative. Others had a more meritocratic notion. They still maintained that those who could identify cultural values should identify quality in objects and activities.

After the 2006 general election, the Social Democratic government was replaced by a liberal-conservative 'Alliance' government. In 2009, a bill (Governmental Bill 2009) was passed by the *Riksdag* concerning a new Cultural Policy Act. The bill was based on a government investigation. The current Cultural Policy Act of 2009 is not radically different from its predecessors but it bears witness to a postmodern mindset, which has increasingly come to question the former hegemonic conceptions of artistic quality. Furthermore, the Cultural Policy Act of 2009 is influenced by the fact that the nation-state is losing its position as the dominant player, as municipalities and regions are acting increasingly independently.

The Cultural Policy Act of 2009 (Governmental Bill 2009: 26), in a rather nagging way, uses the verb 'to further' (*främja* in Swedish). The preamble and the objectives are the following:

Culture shall be a dynamic, challenging and independent force with freedom of expression as its foundation. Everyone shall have the opportunity to participate in culture. Creativity, diversity and artistic quality shall characterise the development of society. To reach these objectives, cultural policy shall (Governmental Bill 2009):

- further the opportunities of all for cultural experiences, *bildning*<sup>3</sup> and development of their creative abilities;
- further quality and artistic renewal;
- further invigorate cultural heritage, which shall be preserved, used and developed;
- further international and intercultural exchange and collaboration; and
- pay special attention to the right to culture of children and young people

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<sup>3</sup> The Swedish *bildning* (*Bildung* in German) is, it seems, closely related to the English 'building'. *Bildning* is more than mere 'education'. It is the formative development of the personality and cultivation of spiritual abilities that are considered to be the result of a high degree of both formal and informal studies and the assimilation of certain cultural patterns. A person possessing *bildning* is not only educated but also cultured in the sense that her soul is elevated, and she is truly civilised. *Bildning* is the knowledge that becomes part of your personality. Author and suffragette Ellen Key (1845-1926) said that '*bildning* is what is left when you have forgotten everything you have learnt'.

Gone is the idea of ‘negative effects of commercialisation in the cultural domain’. In the Cultural Policy bill of 2009, it was instead made clear that ‘there is no given contrast between commercial viability and artistic quality and freedom’ (Governmental Bill 2009: 28).

### 3. Four perspectives on the role of culture in society

What ‘quality’ meant before the 1996 revision of the 1974 Cultural Policy Act seems to have been taken for granted in a society with normative, hegemonic concepts of the kind of culture that the masses should be educated to appreciate. This meant the works of the great European classical masters, according to the absolute paradigm. What David T. Schwartz (2000) calls ‘the perfectionist argument’ was still predominant:

Perfectionists claim the superiority of certain ways of living which express objective facts about human flourishing, not merely subjective preferences. This objectivity is important because it is what justifies invoking the state’s coercive powers to foster these lifestyles. And this objectivity is especially important when citizens themselves disagree about the relative value of competing lifestyles. The argument implies that a citizen with perfect knowledge will in fact choose the superior way of living over the inferior. If a citizen claims to prefer the inferior, it is because she either lacks sufficient knowledge about her options or is irrational. Thus, perfectionists conclude that the state rightly aims to ‘bring citizens around’ to what is in fact a good and flourishing life (Schwartz 2000: 15–16).

Geir Vestheim claims that this, too, is an instrumental view of the value of culture (Vestheim 2009). He discusses four kinds of instrumental views of the value of culture:

1. *Aesthetic and educative/forming instrumentality*: support art and culture because of their intrinsic values.
2. *Economic instrumentality*: support art and culture in order to create economic prosperity.
3. *Social instrumentality*: support art and culture in order to create social development and integration.
4. *Political mobilisation instrumentality*: support art and culture to contribute to enlightenment and community involvement.

Schwartz uses the – at least seemingly – neutral adjective ‘perfectionist’ to describe the person who advocates the aesthetic and forming instrumentality. The word used by leftist intellectuals in

Scandinavia since the 1970s has usually been ‘elitist’ (see, for example, Skot-Hansen 1976). The implicit, sometimes even explicit, idea of ‘elitist’ is that it is undemocratic.

It seems that both cultural policy acts and the professionals who are hired to implement them are influenced by not only one, but possibly up to four perspectives on the role of cultural activities and objects. In table 1, I have constructed a matrix using Dorte Skot-Hansen’s (1999) three-fold division<sup>4</sup>, with the addition of the elitist ‘artistic perspective’ based on her 1976 paper (Skot-Hansen 1976).

When testing the matrix on colleagues, students, interviewees and conference participants, I can find no one who holds only one perspective. Most of us adhere to more than one. However, one perspective is usually dominant. The responses from the recent interviewees leaned somewhat towards the sociological and humanitarian perspectives for librarians and museum managers. Theatre and concert hall managers tended to discuss artistic objectives slightly more. The instrumental issues, so popular among policy makers, were rarely mentioned by the professional respondents.

**Table 1** Four cultural policy perspectives

	<b>Artistic</b>	<b>Humanitarian</b>	<b>Sociological</b>	<b>Instrumental</b>
What is the objective of society’s engagement in culture?	Art itself	To educate the citizens	To liberate individuals	To promote cultural activities as drivers of welfare
Where does culture have its point of departure?	In artists [themselves]	With the state	In civic society: families and voluntary associations	In the market
Where are cultural policies anchored?	In the ideas of artists and art critics	In the idea of cultural fellowship	In the activities of the local community	In the world community/global context
Which primary strategy should be used to implement cultural policies?	Art for art’s sake	Excellent art [available] to the people and for the people	Cultural democracy: educational work, social outreach, self-motivation	Culturalisation: profiling events, marketing
Who constitutes the audience?	Specialists	Everyone	Socioeconomic strata	Segments of taste and lifestyle
What are the most efficient frames/models of cultural policy?	Artists: individually and collectively	Institutions	Active participation and pluralistic frames	Huge events

4 The matrix, based on Skot-Hansen’s ideas, was constructed by Sven Nilsson.

What are the [various] functions of cultural activities?	Aesthetic, rhetorical and artisanal development	Enlightenment and knowledge	Affirmation and development	Entertainment and experience
What is the primary 'product'?	The work of art itself	Information, knowledge	The activity	Marketability
What are the desired results?	Continuous artistic innovation	Increased cultural welfare, personal satisfaction	Increased social welfare, self-motivated people with a high level of self-confidence	Increased economic welfare, attractive communities

#### 4. Fair price?

In *Ethics*, Aristotle wrote a 'book' (Book V) on just and unjust pricing. He believed that an exchange of goods or services is fair for both parties when they get the exact value that one is willing to give the other (Wilson 1975). This 'exchange value' is based on the needs and desires of both parties. In the Middle Ages, scholars maintained that production costs should be allowed to influence what was regarded as fair prices. In addition, it was considered appropriate to take into account the seller's social value. A higher social status demanded higher costs which, in turn, demanded higher revenues from higher prices. However, they would not accept that it is enough when a buyer is willing to pay more than the equilibrium price, i.e. the price at which the quantity of a product offered is equal to the quantity in demand. If the seller is willing to sell goods for a higher price, he sells something that does not belong to him (Sandelin et al. 2001: 17). This moral constraint was discussed by Martin Luther when he admonished contemporary German merchants (Langholm 1998: 80):

It shall not be so that 'I should be allowed to sell my goods as expensively as I can or wish' but thus: 'I can sell my goods as expensively as I ought to or according to what is right and fair'. For your sales should not be an activity based on your power and free will, without any law or rule as if you are a god without obligations to anyone.

More recent economists have also taken up such normative issues. Max Weber (Langholm 1998: 2) described the common case when one party in an exchange is at a disadvantage relative to the other. The price of that exchange will be affected by the degree of dependence or emergency. In Paris



during the *l'ancien regime*, the police were ordered to see to it that bakeries allowed haggling in order to benefit the poor (Phillips 2012: 37).

The question of whether prices are fair or not in our time does not necessarily relate to the producer's costs or his profit making. Most often, it is to do with whether we are used or not to the product and its price. If we are accustomed to consume the product or service, we will regard it as a 'necessity' and the price as 'normal'. If the libraries started to charge a fee, not only would those who are short of money object, but probably also those who without hesitation would spend much more on what Thorstein Veblen (1899) called 'conspicuous consumption'.

## 5. Fixed price modality

Although the discussion of what constitutes a fair price can be traced back many centuries, the pricing practices of mostly bargaining or haggling continued well into the nineteenth century. In a Western country like Sweden we still maintain a version of this in auction sales, bidding for real estate and stock market activities, for example. But trade in consumer goods and services is rather more strongly conducted according to a fixed pricing modality.

Emile Zola described the transition from general haggling in 'Les Halles' in *Le Ventre de Paris* (The Belly of Paris) (Zola 1873) to fixed prices in newly opened department stores in *Au Bonheur des Dames* (The Ladies' Paradise) (Zola 1883). With bargaining pricing, each sold item requires price negotiation and an individual price decision. With fixed prices, no negotiation is needed and the pricing decision is singular. The customer is left to accept and buy or reject. Robert Phillips (2012: 33–34) maintains that 'the increased efficiency of fixed pricing led to savings that could be passed along to the customers in the form of lower prices – thus further increasing the advantage of the larger stores'. Before department stores and fixed pricing, entering a shop in Paris implied an obligation to buy. The new *grand magasins* chose to have free entry, so a new favourite activity was invented: shopping. However, even today there are *boutiques* in Paris with '*entrée libre*' signs.

In the new millennium, buying is made even more impersonal. Human elements are eliminated through internet trading. A fixed price is not only the current standard but also what is generally considered the fair price.

## 6. Dynamic pricing

Fixed price modality does not exclude the possibility for price differentiation. But such differentiation must be subject to objective criteria, such as age, geography, timing and volume. Three-for-the-price-of-two and seasonal sales are, fundamentally, also parts of the fixed price modality. In the arts context, seats in theatres often have, at least in big venues, differentiated prices according to

location and, alleged, desirability. Museums may charge an entrance fee for temporary exhibitions while there is free admittance to the permanent installations. Volume purchases are encouraged for groups and subscribers. But such seemingly ‘dynamic’ prices are still non-negotiable.

In Britain, it is not uncommon for venues to advertise free admittance but simultaneously encourage their audiences to ‘pay what you decide’ when leaving after an event. Thus, the price decision is negotiable and experience-related. The Citizen’s Theatre in Glasgow was the first to try this. They called their concept ‘pay-what-you-can-afford’ and claimed<sup>5</sup> that it was a good cultural policy-driven measure and therefore viable despite a decreased box office revenue. Although it seems that the Citizen’s Theatre has now abandoned this concept, many other venues have adopted the negotiable exit pay.

The elected representatives of ancient Athens were active producers and financiers of drama – most often regarded as part of the state religion. According to William Baumol (Baumol 1971), it was so important that everyone took part that, for instance, shops and courts were closed, the imprisoned were released, and even women and girls were allowed to enter. The city state created a special fund that paid entry fees for the less favoured.

In post-revolution Paris the *Théâtre de la republique et des arts* (i.e., the Paris opera) gave away free tickets to ordinary *citoyens*. During one week, 11-20 *frimaire* of year 8 (there were ten days in a week then; the dates correspond with Gregorian calendar 30 November – 10 December 1800), a sum of 1700 spectators were allowed free tickets to four performances (Archives nationales 1800). Based on documents for other performances in other weeks, this seems to have been roughly as many as those who paid for their tickets at the box office. After the Restoration at the fall of Napoléon I, the new kings could not entirely abolish the free-ticket system. During the reign of Charles X, a number of free-entrance performances were instead produced (Archives nationales 1826 – 1828).

New Labour cultural policy included free admittance to national museums. That policy has again been adopted in Sweden. In many other countries, museums demand entrance fees except for one day a week or a month. This includes well-established venues such as the Musée d’Art Moderne, the Pompidou Centre and the Musée d’Orsay in Paris. SoCal Museums, a group of communications professionals from museums in southern California, advertise free-for-all days in a large number of Californian museums.

Haws and Bearden (2006) studied whether consumers considered fluctuating prices over time as fair or unfair. They found that

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5 According to Toby Scott, then at the Department for Culture, Media and Sports, London, in conversation in 2002.

consumers view price changes within very short time periods as more unfair than changes over a more extended time period, especially when exposed to lower prices. After a month delay, pricing-level differences no longer affected fairness perceptions.

## 7. Pricing in culture

Cultural politicians perceive themselves as representing the public, the audience and the user. This normally results in a position where three main interests are focused. A cultural policy-supported activity or object ( $S$  for supply) should

- be of high quality – the quality criterion ( $Q$ )
- be offered at a low price – the financial criterion ( $P$  for price)
- be offered as close to the citizen as possible – the nearness criterion ( $N$ )

Model 1:

$$S = f(\alpha_1 * Q + \alpha_2 * P + \alpha_3 * N)$$

These ambitions stimulate demand. However, they are mutually counterproductive within a given budget, i.e. when the sum of  $\alpha_x$  is constant. Maximizing one criterion leads to negative consequences for the others. It is important that a workable level of all three factors is found. Many of society's efforts within culture are supposed to stimulate demand through establishing services at a price lower than the market price. The most striking example is the free lending of books from public libraries. Then, obviously, a high value is attributed to the  $\alpha_2$  of Model 1. It reduces, within a fixed budget, the possibilities for high quality or proximity of supply.

Cultural politicians may be genuinely interested in the establishment of a cultural service they think is missing. This could be a desired activity or object which the market economy has not created on its own – i.e. a market failure. Society's effort will, in some sense, be supply stimulating. Some of these initiatives, such as financial support for 'narrow genre' phonogrammes by the *Statens Kulturråd* (the Swedish National Arts Council), are designed so that a producer can offer a product at an established commercial market price. Here in model 2,  $Q$  is therefore the quality arguments which are accepted by the funder.  $P$  is, fundamentally, a constant given by the market.  $C$  is the sum of production costs.

Model 2:

$$S = f(Q, P, C, N)$$

The organisation which implements the policies wants to produce:

- as large quantities as possible within existing resources – maximize  $S$
- to as high a quality as possible – maximize  $Q$
- at a price to visitors that generates a sufficient audience statistics – maximize  $P$
- at a price that ensures the business doesn't make a loss – minimize  $C$
- in premises that are appropriate and as close to the visitors as possible – maximize  $N$

### 7.1 *Cost-related pricing*

To let the price of a cultural policy-driven service mirror the actual costs is, perhaps, reasonable if differences in production costs also reflect differences in some kind of market attractiveness, which in turn may mirror varying artistic fee levels. One of the interviewees from music described a short period when ticket prices for each separate concert production were directly related to costs:

\*Our former director based ticket prices on the fee levels for each concert production! Actually, there was a higher demand for the concerts that cost more than others. People assumed that they were also 'better'.

But what if the actual, objective cultural value is not mirrored in the price? Actual quality differences are often subtle or may not exist. Probably a normal audience will not be able to assess the level of artistic quality very precisely. In this case, the concert with a higher ticket price does not necessarily guarantee higher artistic quality – it probably only mirrors a higher level of performers' fame.

### 7.2 *Value-related pricing*

Cultural policy is based on our perceptions of the collective values in cultural phenomena that are not taken care of by traditional market forces. The cultural 'utility' is rarely the same as the exchange-value given by a market. Marina Bianchi (2008: 236) claims that '... how use-values are created and modified in consumption, and how they interact with exchange-values, cannot be lost sight of if actual choices are to be understood. This is especially true when cultural values are at

stake'. David Throsby (2001) defines economic value as measurable by methods of economic analysis and expressible in monetary terms. Cultural values, on the other hand, Throsby defines as multidimensional, deriving from a broad cultural discourse and having no standard unit of account. Such cultural values are, for instance:

- the aesthetic value
- the spiritual value
- the historic value
- the symbolic value
- the social value
- the intrinsic value

Mirowski (1990) discusses both collective and individual social values. Regarding the collective social value, he claims that:

The first assertion of a modern social theory of value is that the attributes of a commodity which are to be treated as relevant to market activity are themselves socially constructed, in the sense that the mathematical prerequisites of an abstract algebra are socially imposed upon some arbitrary subset of the entire constellation of phenomenological peculiarities found there, in order to endow that category with an 'identity' (in the multiple senses of that word) and to prepare the way for its formal subsumption under the structures of value.

Mirowski turns to Veblen and other American institutionalists when describing the individual's relation to social values:

Veblen's point was that nothing was purchased merely for its ostensible efficacy in the use intended; each and every purchase was a statement about the individual engaging in the transaction, meant as a signification of that person's place in the culture's scheme of valuation.

### **7.3 Experience-related pricing**

Potential visitors make their own assessment on whether the ticket price or the entrance fee is well correlated to the expected value of the experience. This is what we usually call 'attractiveness' or 'desirability'. It does not necessarily have any connection to the producer's costs, policy makers' perceptions of what is good for us, or cultural experts' assessment of the artistic quality. 'Experience' is a multi-faceted concept.

Democritus of Abdera, around 400 BC, discussed the qualities in things given by nature on the one hand and those qualities given to them only through human perception on the other hand. Immanuel Kant elaborated on that by suggesting that *Das Ding an sich* (thing-in-itself) has given, intrinsic qualities. In contrast, Kant used the concept of *Das Ding für uns* (thing-as-we-know-it) where our own experience of the ‘thing’ is in focus. Beauty is no longer in the object itself but in the eye of the beholder.

## 8. Private or public goods?

Paul A. Samuelsson (1954) defined public goods, or ‘collective consumption goods’ as he called them initially, as follows:

[goods] which all enjoy in common in the sense that each individual’s consumption of such a good leads to no subtractions from any other individual’s consumption of that good ...

The public good is both non-rivalrous and non-excludable. This is the opposite of the true private good which is both rivalrous and excludable. When I buy a book, that copy cannot be simultaneously bought by someone else and I can prevent everybody else from reading it.

But what about the goods and services produced according to cultural policy acts? Museums are close to actual public goods as they are both non-rivalrous and non-excludable in most cases. You may have to stand in line at some famous touristic cultural heritage magnets. But once you get in, your consumption does not jeopardize the consumption of others (to a very large extent). The public good character is enhanced when admittance is free. If there is an entrance fee, it can exclude some from consumption. A fee will make the potential consumer prioritise. Does the visit to this museum seem to be a good investment not only of my time but also of my money?

The library is more or less a type of public good in itself, but the service it provides is the lending of private goods. These goods may be publicly owned. But the books bear all the characteristics of private goods. When I borrow a book and take it home, I exclude everyone else from reading that copy for the time I have the opportunity to possess it. For individual consumption of publicly owned private goods/services, a fee which compensates for the exclusion of others is normally charged. An extreme case is the 150 SEK (approximately €15) that the user of emergency ambulance transport has to pay in several Swedish regions. To take up the doctor’s time will add 300 SEK to your bill. But you may use the hospital library service free of charge.

In the performing arts, what is produced is, at least in case of the Swedish welfare state, publicly funded to a very high degree. State and city theatres, operas and concert halls are run under the Cultural Policy Act. Thus, the venues and the performances are collectively owned by both the audience and by those not attending. But in order to occupy a seat – the rivalrous and excludable private good – you need to buy a ticket to compensate the other tax-payers for your consumption.

Obviously, the public v. private good properties of museums, libraries, theatres and concert halls do not explain differences in pricing policies between the art forms.

### **9. Time v. money**

The performing arts are ‘intensive’. What is produced is normally well prepared through planning and rehearsals. But in the actual performance the production and the consumption takes place simultaneously. When the final applause has died out, the same experience cannot be consumed by someone else. Museums and libraries are much more ‘extensive’. What is consumed in them has been produced in advance and is available for visitors when the doors open. The concept of time differs between intensive and the extensive cultural services. A hideous painting can be passed swiftly. However, as listener in a concert with an unbearably boring piece of music, you are expected to let the composer and the performers take up your time from beginning to end.

When we go to work, we expect to get paid for the time we spend there. We try to maximize pay and minimize time. When we consume culture, we also invest our time and our money. My expectations and the experience of the time I spend in relation to the cost work in two directions:

- If the price is high, I pay only if I am fairly sure that the experience will be worth the money spent. When in hindsight this is found to be the case, I value this experience very highly.
- If the price is low, I can accept taking a risk; my expectations may be low and may, thus, be easily met. But it is not certain that I value the low-priced experience particularly highly even if it was positive. I value it not only in itself, but also based on my level of expectation and commitment and the amount of resources I have invested.

Two principal pricing strategies can be found in culture:

- adjusted prices – ticket prices and entrance fees are increased at more or less the same rate as production costs;

- constant prices – ticket prices and entrance fees are fixed and are not altered as a response to increased production costs.

When prices are adjusted, the value rate between consumers and funders can be kept constant. If prices are kept constant the value rates are automatically adjusted so that the funders must value the service provided more highly while a decreased consumer valuation is possible. The consumer surplus grows over time. Obviously, if prices are constant, someone else other than the consumer or user will have to pay for the increased costs.

While public museums in Gothenburg still struggle with entrance fees of 40 SEK (approximately €4) per person and year (including entrance to all city museums) and library loans are free of charge according to Swedish law, the Gothenburg City Theatre has increased its ticket prices by 47% since I interviewed them in 2002. The Gothenburg Symphony Orchestra now charges 110% more than in 2002. The Swedish Consumer Price Index is now 18% higher than in 2002. White-collar salaries have increased by approximately 40%.

Keeping prices on some cultural services/art forms constant while other services/art forms are asked to adjust their prices according to cost increases will automatically increase the value put by funders on the former. The consumer surplus enjoyed from the library service grows over time. Of course, this is a fair policy if it mirrors an actual increase of valuation from cultural policy funders.

## **10. The aim of the institution**

A crucial background question asked both in 2002 and in 2017 targeted the ideas behind the institution and its activity: ‘Why do you exist? What are the objectives?’ Of course, I expected to get responses very closely related to the cultural policy objectives described above (Section 2). Indeed, that is what I got. The answers were either focused on the individual citizen’s personal development or the collective, societal good. Many gave responses of both types. But it was interesting to note that respondents spontaneously began with either ‘spiritual’ or ‘functional’ answers and then – often after a prompt from me – also started formulating the second type of argument. Furthermore, there was a tendency among recent respondents to answer more ‘functionally’ using precise formulations from official purpose statements. My tentative analysis is that there is now more pressure from funders on results according to instrumental policy goals. ‘New Public Management’ buzz words such as ‘target-setting’, ‘accountability’, ‘efficiency’ and ‘indicators’ are used much more now than in 2002. The concept of ‘value for money’ is in focus, although what is considered the desired value is not always clear. If a precise definition of ‘value’ is



lacking, the desired level of that value cannot be determined or evaluated ex post. Several of the new interviewees touched upon this dilemma.

### 10.1 *Performing arts*

- \*‘We give our audience a large part of its life content!’
- \*‘We help our audience to penetrate this being human thing! It is important to nurture one’s soul. There’s now scientific evidence that people who take part in cultural life – in the audience or by own practice – live longer. Furthermore, it gives their longer life meaningful content. The theatre is the most humanistic art form.’
- \*‘We should enrich the lives of people with common experiences of both eternal questions and the more mundane. Great drama has portrayed all the great human issues.’
- \*‘We work for the growth of mental health. The soul can die of starvation. We are part of the spiritual infrastructure.’
- \*‘We act as an oasis in a noisy society. A mobile phone-free meditation point. We are a counterweight to the entire media and entertainment industry. For many, we are a fundamental need like food, sleep and the like.’
- \*‘We are a forum for the preservation of democracy! We should “reflect the present and create discussion” according to our mission statement.’
- ^‘We put on contemporary theatre which is very important for the region’s inhabitants.’
- ^‘To present the performing arts at as high a level as possible, given the conditions. We are the most modern performing arts institution in the country. We have made different choices because we are rural but this has affected concert halls in major cities, as well. Art is the important part. Entertainment gives us income and legitimacy in our unique environment.’
- ^‘Art music! At the highest possible level. To present music history. We are ambassadors for “art music” in Sweden. We thus contribute to the cultural education and training of our audience. Entertainment is also present but subordinate to art and education.’

### 10.2 *Museums*

- \*‘Our museum wants to be an identity creator interacting with the city’s inhabitants. We want to create a real sense of belonging.’
- \*‘We must learn from history – not constantly re-invent the wheel. It’s like when rowing – one looks backward to get forward.’

- \*‘We work in accordance with the Swedish tradition of popular education. But in our case it is about the experience first. The knowledge that the experience can provide is a desired side effect. Ultimately it is a question of democracy! Those who shall exercise democracy must have some idea of our cultural history.’
- \*‘There is no end in itself or intrinsic value in collecting things! My hope and aspiration is that we can bring to society something that is not expected! Contribute to building up society by what we can do with our expertise and our resources. To promote development of the whole society as such, 1 not only within the museum world.’
- ^‘Two given missions: 1. the region give us financial support for a focus on design; 2. the town support our local cultural history work targeted at schools. It is good to have a clear mission. Then I can say “it is not our mission” when confronted by local critics.’

### 10.3 *Libraries*

- \*‘We care for adult education traditions ... Really, the only thing that can save the world is *bildning*
- \*‘We are helping to create a more open, more humane and better society! We are a shared resource that is available to everyone. It is not for nothing that the growth of democracy and libraries went hand in hand.’
- ^‘In the past, the population was divided into rich and poor. Then the library had to pay special attention to those who were too poor to be able to access books. In modern society, it is important to counteract the new dichotomy: those with knowledge against those who lack knowledge. Also many academic homes lack reading nowadays.’

## 11. **The four cultural perspectives**

Concert halls (and especially their symphony orchestras), theatres, operas and art museums have a strong presence in the artistic cultural perspective, for example:

- \*‘We regard ourselves as a music industry “Research & Development department”! We create the music of the future.’
- \*‘We should not play only what people know that they want to hear, but also what they did not know that they wanted to hear. It is our duty to play new music by new composers. All generations have had the need to create music and we have a responsibility to new artists and an obligation to give something to future generations.’
- \*‘We see ourselves not as a cultural institution! We would rather engage in art – the un-established which happens in our time. Art which already passed an “approval” becomes culture.’

- ^‘Art music! At the highest possible level.’
- ^‘We put on contemporary theatre.’
- ^‘To present the performing arts at as high a level as possible, given the conditions.’

However, they also accommodate the humanistic cultural policy perspective’s focus on public education/training, for example:

- ^‘Call it “museum-like”, if you wish, but we also have an obligation to work with exactly the music we represent. If we do not, no one else would do it either.’

The cultural history museums are mainly geared toward adult education, but they are now also increasingly experience-oriented in a manner reminiscent of theatres. When asked what museum managers want to do if provided with a substantial increase in resources, I got the following responses:

- \*‘Invest in live programmes! A more vivid relationship with the audience, more music, more actors – it is no longer an experience enough just to look at strange old things. We need to create new experiences for our time.’
- \*‘However, we are of course also working with a kind of theatrical experience! It provides new knowledge opportunities and dimensions. It shall be a pleasure to learn! We need more professional set designers and lighting technicians.’
- \*‘Tear down the old permanent exhibitions and build new ones! Renew, deepen and expand the public relation activities!’
- ^‘Give me a new museum educator!’
- ^‘Give me more staff – I need new people for a new audience.’

Considering the citations above, libraries seem to be the most anchored in the sociologically oriented cultural vision.

Of the four cultural policy perspectives above, probably the instrumental is the least strong within the cultural institutions themselves, even if managements are not slow to connect to initiatives from others who have a more instrumental view of culture policy. In particular, if there are more resources in sight. There was a fundamental difference in language in the recent interviews where most respondents, unlike respondents 15 years earlier, referred to official instrumental policy

goals. Words used included: children and youth, democracy, gender equality, social inclusion, diversity and services for the disabled.

## 12. Conclusion

The interviews of 30 + 8 institutional leaders show that there are differences in the perception of culture and why institutions exist between the various art forms – ‘intensive’ culture as opposed to ‘extensive’. But they are not so large that they alone can justify the rather large differences in pricing policies. People who work in culture may have different vantage points based on their cultural policy perspectives, but they come together in a consensus on the individual and collective benefits and enjoyments of cultural activities.

The power of tradition is strong. Performing arts managers, museum directors and librarians were educated in separate traditions. The gap between 570 SEK per ticket for Mozart’s *The Magic Flute* at the Gothenburg Opera in the spring of 2017 and the free lending out of books thus probably depends not primarily on different cultural visions, but on how pricing is traditionally discussed. Potential users perceive the former as a bit upscale, while the latter is taken for granted. The free book lending is, therefore, not perceived as ‘cheap’, but as ‘natural’ and ‘self-evident’.

The idea of the (almost) free-of-charge museum and the free lending library may be traced back in their time as voluntary associations. The founders gave of their time and their money to present cultural gifts to the local population. As gifts they must be free or very cheap and that is considered a quality in itself. When growing expectations require inputs by professional people to improve quality, of course, ‘cost disease’ problems occur (Baumol and Bowen 1966). The problem has basically been the same in the performing arts. But theatres and concert arenas have never – or extremely rarely - applied a free admission policy and they have raised ticket prices gradually to meet cost increases which have come from both inflation and investments in quality. Raised ticket prices have also been motivated by the fact that performing arts audiences now are generally better off, and the proportion of expenditure for music and theatre in visitors’ personal budgets may have been fairly constant over time.

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