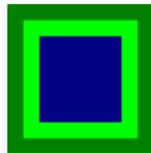


Association for Cultural Economics International

ACEI

Newsletter

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1. Matters of ACEI

□ The President's Report

From Rotterdam to Chicago, Vienna and beyond

I thought that it would just be impossible to beat Barcelona, with its 56 sessions and 168 papers. Well, Rotterdam did it, with 182 papers given in 60 sessions. I do not know whether Cultural Economics is growing in quality or in quantity. I hope it is in both dimensions, and from the comments I had here and there, during and after the conference, it looks as if quality is seriously increasing.

Bruce Seaman's prediction that "the optimal size of our biennial conferences is somewhere between Minneapolis (over 70 papers) and Barcelona (168 papers)" was wrong, as is any prediction made by economists. Do not expect any from me for Chicago in 2004, Vienna in 2006 and possibly Mexico in 2008 or earlier, as was kindly suggested to me by Andres Roemer from the Mexican Department of Culture, who gave a paper in Rotterdam.

But big dimensions have obviously also drawbacks--think of Enron, WorldCom and Vivendi-Universal--, and these were raised at the members meeting at the end of the conference. Too many parallel sessions, like we had in Rotterdam, may generate some that are thinly attended. Questions were also raised about whether sessions should be focused (three papers on the same, sometimes too narrow, issue) or not, about the way papers are presented, about the necessity of having discussants, etc. All this makes life a bit more difficult, but is a highly significant signal of a body that does not fall asleep. The next meeting of the Board of our Association will have to discuss whether we should go for smaller annual conferences, or whether we should keep our biennial format but spread the sessions over more than two and a half days, or any other convex combination.

The Pommerehne and the President's Prizes

The Werner Pommerehne Prize for the best paper published in the *Journal of Cultural Economics* during the years 2000 and 2001 was awarded to Herbert Glejser and Bruno Heyndels for their paper on "The Ranking of Finalists in the Queen Elisabeth International Music Competition, " *Journal of Cultural Economics*, May 2001, 25(2), pp. 109-129. The President's Prize which goes to

the best paper written by a Ph. D. student and delivered at the Conference was awarded to Véronique Chossat for a paper coauthored with Olivier Gergaud on "The Recipe for Success in French Gastronomy. Does Creativity Matter."

The two papers may seem to deal with issues that are at the borderline, and maybe even only very loosely related, to of our field. Let me tell you why they are not, and why I believe they are on the contrary very important. The Glejser and Heyndels paper deals with the fact that outcomes (measured by ranks) in a competition (here an international musical competition) are not so much related to the quality of the performers, but to the randomly assigned order in which they appear at the competition. This is something many of us have experienced when grading exams. So why is it important since one may think that intrinsic quality takes the lead once our students are on the market. Well this is unfortunately not true, since employers take with some seriousness the signals given by experts, and these signals have an influence on further earnings. This is exactly what happens with the musicians who compete in the Queen Elisabeth competition. Though they are not ranked for intrinsic quality reasons, those who are ranked first may fetch higher earnings afterwards, and this is obviously not a desirable outcome.

The paper by Chossat and Gergaud makes a similar point. The authors look at rates of (supposedly very good restaurants) by the GaultMillau guide-book (something like the Parker guide-book for wines), which claims that it only looks at culinary quality. It turns out that the rates are influenced both by cuisine and other elements such as the look of the venue or the choice of wines stored in the cellar. As a result, we end up paying (large amounts) for a wine cellar containing wines that we can anyway not afford, and not for what we are eating. Again, experts and critics are misleading us.

Therefore, both papers generate questions about the role of experts and critics, which is especially important in the domain of the arts, where there hardly exist criteria that are objective and can be described. Though there is a reasonably large theoretical literature on the role of so-called *gurus* (especially in finance, and we see where this leads us), here we have two of the more rare species of empirical pieces. The hope of the Committees which selected the two papers is that their choice will induce more research on this important issue, though those who awarded the two prizes may be experts who are as lousy as all the other ones.

Those who leave and those who join

Before ending, I would again like to express my gratitude (and I am sure all of you will join with me)

to Bruce Seaman, our outgoing President, to Ruth Towse, coeditor of the *Journal of Cultural Economics* for so many years, and to Neil Alper who, given our desire to copy the Académie Française and its Secrétaire Perpétuel, has been asked by the Executive Board to remain Secretary of ACEI for another (hopefully long) couple of years. Last but not least, our many thanks to Arjo Klamer and to Ticia Herold for the excellent (but often unrewarding) job they did to make the Rotterdam Conference work so smoothly.

It is also a privilege to welcome Orley Ashenfelter, Professor of Economics at Princeton University and Bill Landes, Professor of Law and Economics at the Chicago Law School who will join the editorial board of our *Journal*, while Guenther Schulze will be replacing Ruth Towse as coeditor.

[Victor Ginsburgh , President of ACEI]

□ **Report of the ACEI's Secretary-Treasurer**

This report will supplement the ACEI's President, Victor Ginsburgh's report to you elsewhere in this Newsletter. I will focus on the Secretary-Treasurer's Report presented at the Board's meetings in Rotterdam, summarize the minutes of those meetings and bring you up to date on some important matters.

As of the beginning of July of this year membership in the ACEI was 147. Compared to 2001, membership was up slightly, which is typical of the years in which the ACEI holds its biennial conference. There are a few new countries represented by our new members including India, Philippines, Turkey and Venezuela. The Executive Board discussed the cyclical pattern of membership. It explored the idea of a marketing study and agreed to increase the registration differential between members and nonmembers at future ACEI conferences and possibly at co-sponsored conferences in an attempt to enhance membership.

As of the end of early June the ACEI's accounts had a combined balance of approximately \$50,000 (US). The balance at the end of 2001 was approximately \$45,000. Of those funds, almost \$3,400 is committed to pay for the 2003 subscriptions to the *Journal of Cultural Economics* for members who joined for both 2002 and 2003.

One of the items discussed by the Executive Board was the process for the implementation of the two awards established by the Board to recognize the best papers to appear

in the *Journal of Cultural Economics* in the past two years. The process by which to select the winner of the Horowitz Prize, for the best paper written by someone under 40 years old, is still being worked out. The process for selecting the winner of the Pommerehne Prize, for the best paper regardless of the author's age, has been implemented and the winner will be (was) announced at the General Meeting at the end of the conference (see the President's article above).

There was additional discussion on various issues including: the locations for the upcoming biennial conferences; the Newsletter; and editorial transition process for the *Journal of Cultural Economics*. The Executive Board confirmed Chicago as the location for the 2004 conference to be hosted by the Department of Economics at the University of Illinois at Chicago Circle with the assistance of the Cultural Policy Center at the University of Chicago. It also confirmed Vienna, Austria, as the site of the 2006 conference to be hosted by FOKUS. It reviewed the Newsletter and its new method of distribution. The Executive Board welcomed the appointment by Kluwer of Guenther Schulze as co-editor of the *JCE* and thanked Ruth Towse for her service to the *JCE* and the ACEI.

The editors of the *Journal of Cultural Economics* provided a report to the Executive Board. They discussed Vol. 26 (2002) and the upcoming Vol. 27 (2003). Cathelijne van Herwaarden, Publishing Editor from Kluwer, also gave a report on the *JCE*.

I would remind everyone to look for the ACEI ballot to be distributed early in October. It will include an election for three positions on the Executive Board and the position of President-Elect. The Nominating Committee has been busy making its recommendations, but it is important to remind members that nominations are also possible from any two members of the Association. The details of the process can be found in the Constitution on the ACEI's Web site (www.acei.neu.edu).

I hope everyone has a nice summer (winter for those in the other part of the world).

[Neil O. Alper, Executive Secretary-Treasurer]

2. Academic Interests

□ Conferences Attended : 2002 ACEI Conference in Rotterdam

(1) Three Days at the Boymans Museum

Three days at the Boymans? Isn't one morning enough to see both the Keith Haring exhibition and

Brueghel's Tower of Babylon? Yes of course, but the occasion of our visit was the Twelfth ACEI (Association for Cultural Economics International) Conference on June 13-15. Due to ongoing reconstruction of the museum, the organization had to be improvised and was at times a little bit chaotic. And when confronted with the sound of heavy drilling, one wasn't sure whether bona fide constructors were erecting a new wall or dodgy characters were carrying off the masterpieces of the Koenigs Collection. It was in this informal style that the conference took place, providing ample opportunities for meeting new people.

The Economics of the Arts have been canonized as a respectable branch of our science since David Throsby's 1994 survey article was published in the *Journal of Economic Literature*. In Groningen the subject also has its aficionados, as *Bedrijfskunde* staff members are not only participating in the Arts faculty's program 'Kunst en Kunstbeleid' but are also approaching the arts as an interesting case for academic research, which has been undertaken already in the areas of comics, cultural heritage, fashion, music and design.

Some 250 people took part in the conference, so the larger part of it was conducted in parallel sessions. Of course an interdisciplinary subject draws a wide variety of topics and approaches. The broad range of participants from the worlds of arts, of arts management and policy, and of economics and management, is one of the nice aspects of ACEI conferences. In what other conference would you find a paper on *The Future of Art* by the 'Critic in Residence' of an American college, discussing Stelarc's visual and kinesthetic theory of the cyborg body, Shirley Tse's visual theory of plastics, and Xu Bing's visual theory of language, together with one called 'Sexual Orientation and the Demand for the Arts: Does it Really Matter'? Don't be mistaken however about the latter: it was a serious quantitative approach to the research question.

In general it can be said that the lack of data, and the need for collecting them, was put high on the agenda by those participants who were involved in arts policy and management. This was also made clear in the plenary sessions by the association's president, Bruce Seaman (Georgia), who spoke about industrial organization and arts research, and Orley Ashenfelter (Princeton), who presented an empirical survey of art auctions.

A special session on Policy Making in the Arts was organized and chaired by Sir Alan Peacock, best known to most economists as a public finance scholar but also a former member of the British Arts Council, and still going strong at eighty. His own contribution went under the title *Giving Advice on Cultural Policies: A Study in Failure*. His advice to young scholars wishing to study the economics of the arts was to take up a second (and more marketable) subject as well. He concluded by quoting Macchiavelli on policy advice in general.

Local organizer Arjo Klamer had staged a session in the Rotterdam town hall where he interviewed two outgoing politicians responsible for culture: local alderman Hans Kombrink and national secretary Rick van der Ploeg. Question to Kombrink: Did you consult any cultural economists before taking decisions on the event Rotterdam Cultural Capital of Europe? Answer: No! Rick once more explained his anti-establishment and pro-youngsters and cultural diversity policy. This was an entertaining and for non-Dutch participants also a quite informative session on Dutch institutions and policy.

Joeri's paper:

The paper I presented was co-authored with Nachoem Wijnberg, providing an alternative theory for vertical integration and new entry exemplified by recent examples in the music publishing industry. As it was my first appearance at an academic conference, I was relieved to find out that my session was scheduled for starting at a quarter to nine on Friday morning, hinting that the audience would not be overwhelming in terms of numbers. This anticipation of mine was not altogether that illogical as the typical ACEI attendee takes to an hedonic lifestyle and is fond of wining and dining (which explains the disproportional crowd of French people at the ACEI conference and - noblesse oblige - one Frenchman presented a paper on French gastronomy). Either Rotterdam didn't live up to these standards or I overlooked the diligent nature of the ACEI-attendees, but I found 25 fresh and well-groomed people in front of me when delivering my presentation. The occasional laughter (I guess it was well-meant!) and the comments I received upon finishing contributed to my feeling of content. A criticism that one can level against the ACEI conference in general is that the composition of the attendees is so diverse that one cannot expect useful criticism for theory building. On the other hand, as the crowd is a mixture of academics and practitioners, it does serve the purpose of getting inside information on the industry that you're working on from other attendees. This was also the case with my presentation; I did not receive valuable comments on my theoretical section but did find out about an interesting example stemming from the (French!) industry.

Evert's paper:

My contribution discussed the influence of John Ruskin and William Morris on Dutch art and art education in the late nineteenth century. It is a (too) ambitious mixture of history of thought, economic history, early heritage policy, history of art and art academies, finally focusing upon artistic innovation and diffusion. My SOM research report referee did not quite know what to think of this mixture, so at any rate I will have to slim it down for publication. The period discussed embraces the

construction of Pierre Cuypers' Rijksmuseum and of Berlage's Beurs. This gave me the opportunity to illustrate the presentation with a number of photo sheets, which were well received by the audience. ACEI's president-elect Victor Ginsburgh even paid me the compliment of calling my paper original.

All in all the conference was a success. The next ACEI conference will be held in Chicago in 2004. So you have two years to prepare your paper and your appetite!

[A conference report by Joeri Mol and Evert Schoorl]

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□ **Conferences Scheduled and Calls for Papers**

(1) 28TH ANNUAL CONFERENCE ON SOCIAL THEORY, POLITICS & THE ARTS (College of Charleston, Charleston, South Carolina, U.S.A., October 3-5, 2002) *Call for Papers*: Panel proposals and papers are welcome on themes related to: cultural diversity, historic preservation, and other areas including, but not limited to, creative enterprises, arts and cultural development policy, technology and the arts, artists and their environments, and arts patronage. Panel proposals and paper abstracts with a one page abstract should be submitted by March 15. They should be sent to: Lori Komegay, Visiting Assistant Professor, Arts Management Program, The College of Charleston, Charleston, South Carolina, USA; phone: +01 843-953-6301; fax: +01 843-953-7068; : <mailto:komegayl@cofc.edu>.

(2) VII Conference on EUROPEAN CULTURE (Pamplona, Spain, October 23-26, 2002) Abstracts accepted through September 15. Contact Professor Enrique Banus, University of Navarra, ebanus@unav.es See web site: www.unav.es/cee/ingles2.html

(3) CONFERENCE ON CONTEMPORARY CREATIVITY (Rome, November 8-9, 2002) ECCOM-European Centre for Cultural Organisation and Management and the Adriano Olivetti Foundation are organising a conference on the issue of "Contemporary Creativity, Society and Territory: Strategies and Forms of Support between the Public and the Private Sectors". The economists Walter Santagata, Pier Luigi Sacco and Michele Trimarchi are

participating among the others to this conference whose sections are respectively devoted to the economic environment, to the artists' view and to the presentation of the most advanced experiences in hybridating public and private action for promotion of creativity and realisation of projects related to contemporary art.

(4) INTERNATIONAL CONFERENCE ON LOTTERIES (Rome, Italy, November 14-15, 2002) The Italian Associazione per l'Economia della Cultura, the European network CIRCLE and the Third University of Rome are organising a conference on the issue of "Gambling on Culture: State Lotteries as a Source of Funding for Culture, the Arts and Heritage". An extensive questionnaire is being answered in all the Countries belonging to the Council of Europe, in order to carry on a comparative investigation about such an important means for supporting culture. John Mark Schuster, editor of the Journal for Cultural Economics, will give an invited lecture.

(5) JAPAN-KOREA JOINT INTERNATIONAL CONFERENCE is scheduled (Tachibana University, Kyoto, Japan, November, 2002) For more information contact <mailto:naktani@tachibana-u.ac.jp> This will be the first joint conference as a part of regular biennial joint conferences between Korea Association for Cultural Economics and Japan Association for Cultural Economics.

(6) The 7th INTERNATIONAL CONFERENCE ON ARTS AND CULTURAL MANAGEMENT (Bocconi University in Milan, Italy, June 29-July 2, 2003 The International Association of Arts and Cultural Management (AIMAC). Conference web site: www.hec.ca/artsmanagement/aimac/en/index.html Contact Professor Severino Salvemini, Bocconi University, Istituto di Economia Aziendale, Viale Isonzo 23, Milan 20135, Italy, severino.salvemini@uni-bocconi.it

□ **Personals and Other Interests**

(1) Ph. D. THESIS by José Escalera, Professor, Politechnic Institute of Viana do Castel – Portugal: "In the Stage, between the State and the Market. Reflections about Economics of Performing Arts in a digression through Industrial Organisation and Public Policies. Application to the Portuguese Case" October 2001. Conferred by the Faculty of Economics, Oporto University - Portugal

(2) EBLA International Center

The University of Turin is hosting the activities of the International Center for Research on the Economics of Culture, Institutions and Creativity EBLA. Named after the ancient syrian city of Ebla (one of the highest levels of urban development in ancient times), the Center promotes research on Cultural Economics, Economic Theory of Institutions and the Economics of Creativity; analyzes the public and private decision-making processes in evaluation, protection and management of culture; investigates upon the role of culture in the sustainable worldwide development. Members of EBLA are the Universities of Turin, Eastern Piedmont and Catanzaro (Italy), the Ecole Polytechnique at Paris and the University of Reims (France). EBLA is directed by Walter Santagata.

(3) Quarterly Journal: "Economia della Cultura"

The Italian Journal, "Economia della Cultura" is at its twelfth year. Recent issues have been devoted to the relationship between urban design and cultural supply (David Throsby, Walter Santagata, Luigi Fusco Girard, Maria Cerreta, Annalisa Cicerchia, Paolo Russo, Jan van der Borg, Tupa Gomes Correa were among the authors), to culture in a multiethnic society (with articles by Dragan Klaic, Alfred Spellman, Naseem Khan, Jude Bloomfield, Jessica ter Wal, Anna Merlo, Giuseppe Ravera), to cultural professions and training (with articles by Franco Bianchini, Michele Trimarchi, Peter Bendixen, Emilio Cabasino, Lucio Argano, Antonio Taormina, Andrea Marcotulli).

(4) ACRONIM is the searchable on-line bibliographical database of cultural research from across the world. It can be accessed from: www.culture-research.info or www.arts-research.info or www.euclid.info ACRONIM initially contains around 3,000 items of cultural research and documentation. Anyone can directly submit his or her own cultural research projects and publications into this database. ACRONIM is free for submissions and searches.

3. Country Report

□ ***PERFORMING ARTS IN PORTUGAL: a report about what is going on in Portugal***

Using the part of cultural expenses in the Portuguese governmental budget, we can present the evolution of cultural development, assisted by the state in the last fifteen years, as a progression towards the never achieved 1% for the culture, which characterizes the traditional interventionist European philosophy for cultural issues. (*Table 1*).

Table 1 - Culture in the Portuguese Government Budget (%)

1985	1988	1990	1992	1994	1996	2000	2001
0,37 %	0,40%	0,35%	0,44%	0,50%	0,58 %	0,6%	0,6%

Source: *Culture, the Cultural Industries and Employment*, European Commission [1998]

About government assistance in the several cultural areas in Portugal, Museums and Heritage are largely supported by the State, through two governmental agencies – Portuguese Museums Institute and Heritage Institute - despite some influence of Catholic Church in some buildings. Book edition is mainly private, with some programs supported by another government agency – Portuguese Book Institute. Theatre movies production has also a great state intervention, through another agency – Audiovisuals and Cinema Portuguese Institute. Contemporary Arts Institute plays a supporting role in creativity, mainly in Visual Arts.

So, in Portugal we have several cultural public agencies what is been reconsidered by the social-democrat /liberal/conservative government elected last March. The revealed intention of the new government is to join some of these agencies to coordinate better cultural policy.

Performing Arts as a special case

Portuguese Performing Arts policy is designed by the Portuguese Institute for Performing Arts which is the governmental agency for this sector, including Theatre, Dance, Opera and Music. Every year, Performing Arts companies must present an annual or biannual project for public subsidization, competing between them. In Portugal, governme

ntal financing represents, at the moment, around 80% of total financial supporting of Performing Arts companies.

Portuguese Performing Arts Sector value (% in Portuguese GDP)

Years	1985	1986	1987	1988	1989	1990	1991
% in GDP	0,006	0,013	0,015	0,013	0,013	0,013	0,015
Years	1992	1993	1994	1995	1996	1997	1998
% in GDP	0,023	0,028	0,026	0,028	0,029	0,03	0,031

Source: INE, Culture, Sports and Recreation Statistics

Theatre

Theatre is the more important sub-sector, as in the budgetary level, as in the expansion all over the country. However, till 1974 had prevailed a market with a for profit philosophy, with the so-called “Artistic Commercial Firms”, besides the existence of a reduced group of the so-called “Independent Theatre Companies” (including the University Theater and the Theater of Amateurs) with a non-profit attitude. These companies had no public support and were dependent from ticket receipts or local donors. Public support was non-existent and even the public owned National Theatre was private managed. Theatre companies, till 1974 were located in Lisboa and Porto (few of them) and their performances were ready to go to other parts of the country in itinerancy programs. The existence of censorship to the movies and the barriers to foreign production in television, gave the opportunity to Portuguese actors and actresses for playing a role in broadcast shows, orienting in that way the taste improvement for theatre, mainly Teatro de Revista and other commercial theatre. After 1974, year of the change to democratic political system, censorship was vanished and uncensored movies took place on cinemas. Theatre companies became totally dependent on public governmental agencies while for profit firms became to decline. Since then, Portuguese public budget culture had increased during all these years, till today. One of the totally commercial theatre in the Portuguese society - the Teatro de Revista (a vaudeville type) entered in decline associated to several reasons, whose explanation still lacks of appropriate treatment. During the first years of democratic change, Portuguese government tried to implement theatre companies located out of Lisboa improving their itinerancy over the country. Nevertheless, these wish of benefit populations who have no possibilities to enjoy theatre performances at all falls down at the end of seventies. However some theatre

companies stayed out of Lisboa, fighting for the project of theatre for every population and every regions. Meanwhile, in the eighties, following neo-liberal principles, Portuguese government tried to improve other objective criteria of subsidy regulation which includes the co-supporting with other entities, namely municipal public agencies, sponsorship, private donors, quantity aspects of attendance, etc.

At the moment, the EU convergence criteria maintains public financial support within more strict conditions, despite the accusation of the absence of criteria or subjective and lobbyist decisions by the government in the subsidy process. During all these years it was no possible to choose and improve a very fine criterion for subsidizing theatre companies, which leads to several, different and subjective explanations for the yearly funds distribution by Portuguese government. A war of words was set up between government agencies and theatre companies artists and directors. Nevertheless theatre companies could never be totally independent from public financial support, and subsidies go on, with a not completely well explained criterion. Theatre companies are, now, in Portugal, mainly private owned and managed, with two National Companies with a public status, in each of the two bigger cities - Lisboa and Porto, with a substantial budget – around 5% of the sub-sector public expenses. Theatre represents, between 1985 and 1999, around 18% of total government cultural budget, being all those years among the four more financed activities.

Music

In the area of music, Portuguese government has a direct intervention by public provision, joining local and central government, with some firm sponsorship. There are 8 symphonic orchestras, with state support and one from a private foundation – Calouste Gulbenkian Foundation. For the area of music, Central government contribution is around 25%, being the rest supported mainly by local administration, with a restrict financing by private sponsors.

Opera

There are in Portugal one artistic structure designed for opera productions – Teatr o Nacional de São Carlos, in Lisbon. Only one private company, with no regular productions, exists in Oporto the second big Portuguese town. Public contribution for th

e national Opera Company is around 66%, being the rest supported by own revenues and sponsorship.

Dance

Public policy has a little intervention in the area of dance. Here are only one public company and the subsidies to private companies are decreasing since 1997. From an increase of 96% in 1997, in 1998 there was an increase of 6%, in 1999, 44%, in 2000, 20% and in 2000, 16%. Dance companies, are concentrated in the big cities and itinerancy is not an important feature of this sub-sector.

Subsidization criteria

From 1975, several criteria were been used to distribute the financial support to Performing Arts companies in Portugal, being the more important, the following:

- Strict quantitative/qualitative analysis, as so: number of artists of the company, kind of playwrights, composers, plays in itinerancy, attendance number, spatial company localization, artists formation, etc.; (1976)
- Making the central subsidy partially dependent on local public authorities financing; (eighties);
- Establishing a committee of renowned personalities to access the performance of companies and decides about financial support. (nineties)

Although the criteria of quality are always present, we may think, that despite the intention of giving reasons for subsidy alteration, there is always, a philosophy of lump sum subsidy in a general way. However, the different grade of financial support to different companies (in different regions, I say) must be explained by reasons related with quality and others variables. But the criteria of quality is rather contradictory with the necessity of decentralization of the 1976 laws, because ever and ever more, artists, directors and technical support are located in Lisbon. By that, spatial distribution of Performing Arts companies subsidies has been very discussed. The argument is that the criteria, if existent, more than contemplate companies that promote a true decentralization of culture in the

territory, do contemplate Lisbon companies.

Festivals

Festivals and multi-area productions have nowadays an increasing support from public authorities. It reveals a special interest for a more diversification of attendance and agglomeration economies.

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4. Change of A Co-Editor for the Journal of Cultural Economics

Outgoing Co-Editor of the Journal of Cultural Economics: Ruth Towse

"An Editor's Swan song: Reflections on editing the JCE"

Stepping down from being Joint Editor of the *Journal of Cultural Economics* for 9 years has made me think of all the changes that have taken place in our field over that period. The presentation at Rotterdam City Hall to mark the end of my tenure gave me much pleasure because it signified the success of the journal for the ACEI and for all those people associated with it – the other editors and the staff at Kluwer but also the Editorial Board and, perhaps most importantly, all the contributors and those who have given their time to referee articles. As I have often said, the success of a journal ultimately depends on the quality of the papers that are sent to it. There can be no doubt that the quality of the *JCE* has improved significantly. We have published papers by leading economists as well as by young scholars doing research in the field. The future of cultural economics lies in their hands and the thing that pleases me most is to see how many of them there are.

After the presentation, Dick Netzer reminded me of the circumstances in which I started the job. It was Dick who shepherded the formation of the presently constituted ACEI and formalised the relationship with Kluwer Academic Publishers who had bought the title from William Hendon, the founder of both the association and the *Journal of Cultural*

Economics. There was much to be done to get the relationship to work for us all and his wisdom and commitment were crucial in the transition process. It was a rocky ride for me too, the more so as I was not very experienced. I have learned a lot in the mean time, not least that is it hard work editing a journal but THAT IT IS ALSO very satisfying." I hope that my successor, Guenther Schulze, finds the same satisfaction. I am delighted that he is now doing the hard work! I am certain he will make an excellent job of it.

One of the changes that has been very important to the growth of the field and to the improvement in quality is the increasing number of cultural economists from Europe and elsewhere who write in English. Language was formerly an unfortunate barrier to access, which has now been overcome. Cultural economics is now becoming established in Asia and South America and I am sure we shall soon see contributions from these areas. Another change is the evolution of the subject as it is applied more and more to the cultural industries and to issues such as copyright and related rights that are increasingly important in the cultural sector. Policy-makers at the national and international level are becoming more and more aware of the contribution cultural economics can make to their thinking. Cultural economics is now taken seriously by governments as well as by UNESCO, the World Bank and WIPO.

One part of the *JCE* that is valued highly by readers is the Book Review section and Michael Rushton works tirelessly to achieve its success. He has done an excellent job of selecting books and reviewers and I am glad he will continue in this role.

Mark Schuster continues as Joint Editor, ensuring not only continuity but also that his hard work, expertise and wide experience will continue to serve the field. Perhaps only I know what a tremendous contribution he has made to the success of the journal. At Kluwer, Cathelijne van Heerwarden, the Commissioning editor responsible for the *JCE*, Kimberly van Herk in the Editorial Department and Wendel van der Sluis in the Production Department continue to work on the journal. My thanks to them all and to their predecessors for their support over the years.

I am now retreating to the Editorial Board, from where I expect to see the *Journal of Cultural Economics* go from strength to strength. I shall enjoy seeing the changes the new team makes and the progress of the journal without me.

Incoming Co-Editor of the Journal of Cultural Economics: Günther G. Schulze

Dear members of the ACEI, dear colleagues and friends,

I would like to introduce myself as the incoming co-editor of the Journal of Cultural Economics. Many of you I have already had the opportunity to meet at the Rotterdam conference. To all others a very warm – virtual – welcome; I am very much looking forward to working with you in the future and to hopefully meeting many of you in person. I am replacing Dr. Ruth Towse who after nine years of continued service for the Journal decided to devote more time to her own writing and to her coordinating function for the master program in arts economics at the Erasmus University Rotterdam. During her tenure the Journal has risen tremendously in quality and visibility; Mark Schuster's and her continuous efforts have established the JCE as *the* field journal in cultural economics referenced in the Journal of Economic Literature (EconLit), among other reference systems.

Mark and I are determined to continue on this path; in order to do so we have to rely on the help of many. In the past few weeks we have consulted the editorial board on a number of issues and have received valuable input to the editorial process for which we are very grateful. We are encouraging comments and suggestion from our readers as well: Your suggestions are very much appreciated. Critically important, of course, are our authors! We strongly encourage submissions of original contributions and of high quality. My impression is that people working in the field of cultural economics do not only write about creativity more often than other economists, they tend to be more creative themselves. The journal should reflect that.

We will continue our strive to keep the turnover times of submitted articles low. On that occasion I would like to express my sincere gratitude to the many referees who have delivered their reports quickly and competently. We will continue to rely heavily (but by no means exclusively) on the members of the association to act as referees for the Journal and are grateful for their service. Let me take this opportunity to ask you all another favor: Rumor has it that there are some pockets in academia who are still not aware of the Journal of Cultural Economics. Please draw their attention to the JCE and encourage submissions. A great way to do so, of course, is to quote JCE articles frequently in your own work.

Thank you all! I look forward to working with you in the future:

With kind regards,

** Professor **Günther G. Schulze** has a Doctorate in economics from the University of Konstanz. He studied at Stanford University for one year as a visiting scholar. He had held teaching positions with the University of Konstanz and Freiburg University of Technology and Mining before becoming a full professor at the University of Freiburg. He has published many papers in learned journals including JCE and some book chapters. His research interests range from international economics to political economy. For further information, please visit his website at <http://www.vwl.uni-freiburg.de/fakultaet/sopo/sopo.htm> .

5. Editor's Corner

□ Editor's Note

On behalf of the ACEI members, I would like to thank the conference program organizers and the local organizers of the Erasmus University for the successful biennial ACEI conference in Rotterdam. Most of the members who attended the conference would know that some of the papers presented at the conference are still available at the Rotterdam Conference website. Those who missed the conference can visit www.fhk.eur.nl/evenementen/acei2002/index.html to obtain papers of their interests. The next conference will be held in Chicago in 2004.

We have forty new members in this conference year. We extend our warm welcome to them. The list of the new members below is provided by the Secretary-Treasurer.

Financial support by Kookmin University for editorial work and the distribution of the ACEI Newsletter is gratefully acknowledged. I would like to thank Dr. Sung-Jin Chung, the President of Kookmin University.

The key to the success of this newsletter is the participation from you, the general membership of this Association. Please read the boxed **Call for Information** at the end of this newsletter and send the information concerning any aspect of the interests of the members to the editor.

[Byung-Hee Soh bhsoh@cal.berkeley.edu or sooam@kookmin.ac.kr]

The List of New Members

Family name	First Name	Institution1	Title	City	Country
Pinho	Maria Ines	ESEP	Dr.	Porto	Portugal
Lidstrom	Bengt	Umea University	Mr.	Umea	Sweden
Potepan	Michael	San Francisco State U.	Professor	San Francisco	USA
Hill	Kelly	Ontario Arts Council	Mr.	Toronto	Canada
Ferrante	Francesco	University of Cassino	Professor	Rome	Italy
France	Pierre		Mr.	Saint-Romain-Au-Mont-D'Or	
Janmaat	Bert	Amsterdam Arts Council	Mr.	Amsterdam	Netherlands
Frateschi	Carlofilippo	University of Padova	Professor	Padova	Italy
Chougnat	Jean-Francois		Mr.	Paris	France
Dabbrescia	Paolo	Accademia di Belle Arti di Brera-Milan	Professor	Milan	Italy
Saltini	Stefania	I.U.L.M. University of Milan	Dr.	Ferrara	Italy
Urrutiaguer	Daniel	University of Paris X – Nanterre	Dr.	Paris	France
Vecco	Marilena	ICARE	Mrs.	Mestre Venezia	Italy
Mazza	Isidoro	University of Catania	Professor	Catania	Italy
Poor	P. Joan	St. Mary's College of Maryland	Dr.	St. Mary's City	USA
Caserta	Maurizio	University of Catania	Professor	Catania	Italy
Vicente	Eva	University of Valladolid	Mrs	Valladolid	Spain
Sanz-Lara	Jose-Angel	University of Valladolid	Mr.	Valladolid	Spain
Champarnaud	Luc	Gremars Universite Lille3	Professor	Lille	France
Getzner	Michael	University of Klagenfurt	Dr.	Klagenfurt	Austria
Montero	Isabel	University de la Laguna	Professor	La Laguna-Tenerife	Spain
Gutierrez del Castillo	Ruben	Spanish Society of Authors	Mr.	Madrid	Spain
Moretti	Andrea		Professor	Udine	Italy
Landes	William	University of Chicago	Professor	Chicago	USA
Roemer	Andres		Dr.	Mexico City	Mexico
Grant	Peter	McCarthy Tetrault	Mr.	Toronto	Canada

Tecucianu	Sorin	University of Iasi		Iasi	Romania
Acma	Bulent	Anadolu University		Eskisehir	Turkey
Arora	G.K.	University of Delhi	Dr.	New Delhi	India
Stepan	Paul	FOKUS		Vienna	Austria
Amez	Lucy	KU Leuven	Ms.	Leuven	Belgium
Lazzaro	Elisabetta		Ms	Brussels	Belgium
Knubel	Simon Kaspar		Mr.	Berlin	Germany
Neligan	Adriana	Trinity College	Ms	Dublin	Ireland
Cheng	Sao-Wen	University of Siegen	Mr.	Siegen	Germany
Garca Oliveira	Susana		Ms	Lisbon	Portugal
Glassman,	Deborah,	Memorial University of Newfoundland			
Boyle,	Stephen John	University of South Australia			Australia
Bayne,	Clarence,	Concordia University			
Rieck,	Olaf,				

Quotations on Arts and Culture:

A painter is a businessman if he is intent upon making paintings which could be sold at the highest price. A painter who does not compromise with the taste of the buying public and, disdaining all unpleasant consequences, lets himself be guided solely by his own ideals is an artist, a creative genius.

--- **Ludwig von Mises**, *Human Action: A Treatise on Economics*, (1949), (3rd revised edition 1966). p.240, note 5, Chicago: Henry Regnery Company. [submitted by B.H. Soh]

Papers from the ACEI Conference in Rotterdam Are Still Available

For downloadable papers, visit the website

www.fhk.eur.nl/evenementen/acei2002/index.html

□ **Addresses of ACEI Officers**

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ACEI Newsletter

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□ **Call for Information**

Please share information that may be useful or of interest to other members:

Information on books, papers, conferences.

Information on personal achievement and changes.

(affiliations, positions, promotions, honors, etc.)

Information on cultural events in your country.

Country report on the status of arts and culture or relevant policies.

A short account of a unique customs and cultural aspects of your country
that may enlighten Easterners or Westerners as the case may be.

Submit quotable quotations on arts or culture.

(such as the one from Adam Smith in this issue. Please be specific
about the reference so that the editors can verify the quotations)

Submit short and semi-academic article on arts and culture

Submit short and succinct account of data on arts and culture

All the information should reach the editor **by January, 20th, 2003**
to be considered for the February 2003 issue.

Where to send: **Professor B.H. Soh**
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One secretary-treasurer (in white) and seven presidents on a banquet boat on the river in the Port of Rotterdam: (from left to right) current president Victor Ginsburgh, John O'Hagan (1998-2000), Bruce Seaman (2000-2002), David Throsby (1996-1998), Neil Alper (Executive Secretary-Treasurer, 1994-present), Dick Netzer (1992-1994), Michael Hutter (1994-1996), Charles M. Gray (President-Elect, 2002-2004). <June 14, 2002, photograph provided by Neil Alper>

- For a **membership application form**, see the **ACEI homepage** at
<<http://www.acei.neu.edu/>>