Art in the Information Economy

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Abstract: Economically, art has been viewed as a resource, a commodity, a process, a secondary good, a technology, and as capital. The role of art as a producer of and storage for cultural capital has historically been the most important for society as a whole. Today, however, the general stock of cultural capital is declining. Other trends in the current information economy include a greater appreciation for art as a source of innovation than for art products as commodities in themselves; recognition of the ability of art to serve as a source for minority communities seeking a niche in the global economy; and an increase in efforts to quantify cultural capital. The problem of the decline of cultural capital should be a matter of concern to civil society as a whole.

Résumé: D'un point de vue économique, on a perçu l'art comme étant une ressource, une marchandise, un processus, un bien secondaire, une technologie, et un capital. D'un point de vue historique, le rôle le plus important de l'art pour la société prise dans sa totalité a été celui de producteur et d'entreposeur de capital culturel. Aujourd'hui, cependant, les réserves générales de ce capital culturel sont en baisse. D'autres tendances de l'économie de l'information actuelle sont: une plus grande appréciation de l'art comme source d'innovation que comme produit en tant que tel; la reconnaissance de la capacité de l'art de servir de ressource pour les communautés minoritaires recherchant un créneau dans l'économie globale; et une augmentation dans les efforts de quantifier le capital culturel. Ce problème du déclin dans le capital culturel est une question qui devrait concerner la société civile dans sa totalité.

Derrida, in his extended rumination over relationships among different types of changes taking place in Europe, *The Other Heading* (1992), weaves a complicated argument about the relationship between the decline of the state and the loss of cultural capital. This is the important next step in the developing conversation about types of cultural capital, the distinction between cultural

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capital and cultural resources, and ways in which cultural capital is created, maintained, and grows. (Cultural capital is proficiency in the consumption of and discourse about generally prestigious [institutionally screened and validated] cultural goods that in turn yields improvement of social position and potentially of economic position [Bourdieu, 1991]). Derrida points out that when the institutions that can create cultural capital decay or dissolve, as happens concurrent with the decline of the state, the capital those institutions created and maintained is lost as well.

A second means by which cultural capital disappears, Derrida also argues, is through the loss of the individuals whose efforts and interests are also critical to the formation and maintenance of cultural capital:

What puts cultural capital as ideal capital into a state of crisis ("I have witnessed the gradual dying out of men of the greatest value for their contribution to our ideal capital . . .") is the disappearance of these men who "knew how to read—a virtue now lost," these men who "knew . . . how to hear, and even how to listen," who "knew how to see," "to read, hear, or see again"—in a word, these men also capable of repetition and memory, prepared to respond, to respond before, to be responsible for and to respond to what they had heard, seen, read, and known for the first time. Through this responsible memory, what was constituted as "solid value" . . . produced at the same time an absolute surplus value, namely, the increase of a universal capital: " . . . whatever they wished to read, hear, or see again was, by recapitulation, turned into a solid value. And the world's wealth was thus increased." (Derrida, 1992, p. 70; quotations are from poet Paul Valéry's History and Politics, 1939, pp. 201-202)

Talking about the same changes in Europe, Enzensberger describes the result as a spread of mediocrity in which the increase in degrees of freedom, possibilities, and decision points produces the recombination which has been considered one characteristic of art in results not historically considered to be art. The consequent variety, he claims,

does not arise from individual rationality, but from a process of social combination. But ultimately genetic reproduction or writing are also based on nothing else but a code made up of standardized elements. Equally, the evolution of mediocrity also leads to unpredictable results. It does not produce a homogeneous population; it displays quite on the contrary, within its limits, an endless variability. (Enzensberger, 1992, p. 178)

In this environment, Enzensberger argues, it is the newspaper that has become the ultimate art form.

Discussion about the loss of cultural capital is just part of the renewed attention to the subject of capital triggered by recent geopolitical changes as well as by the Big Bang in the financial world. This discussion features the hot subjects of knowledge capital and intellectual capital as well as the politically sensitive topic of linguistic capital and concern over the losses of social, cultural,
and moral capital. The different types of capital interact with each other in ways that can enhance the processes of capital accumulation and deaccumulation. Proficiency in art consumption, for example, is a form of cultural capital that also enhances linguistic capital by providing a vocabulary, a domain of discourse, venues for discourse (such as art galleries), and media of both distribution and legitimation.

Baudrillard (1993) describes the practice of speculation in today's environment as an "ecstasy" of value; we are "metamorphosing into a transeconomics of speculation which merely plays at obeying the old logic (the law of value, the laws of the market, production, surplus-value, all the classical laws of capital)" (p. 35). The two—speculation with capital and the dispersion and resultant loss of cultural capital—are similar processes and both are based on endless multiplication of the numbers of symbols exchanged, for digitization has permitted an inflation of all forms of symbolic capital never before experienced. (Of course, each "new information technology" has contributed to the expansion of this domain, from memory and speech on.)

In this context, then, the interrelationships between economics and art must be reconsidered. We have historically understood art to be a resource (as evidence, or data), a commodity, a process, a technology, a community, and capital. Of these, the role of art as producer of and storage for cultural capital, it will be argued here, is the most important for society as a whole. Each type of economic approach to art will be discussed, concluding with an exploration of trends in the economic treatment of art and the economic characteristics of art at this stage of the information economy.

**Art as a resource**

Art is a resource when it provides data about the current shape of society, the future shape of society, and potential market niches and commodities. This feature is useful to those who manufacture and distribute artistic products, to policy makers, and to communities struggling to retain critical elements of their unique identities under today's conditions.

**Art as marketing data**

Art is considered to provide records of taste; Durkheim, for example, included art among the types of empirical evidence he examined (Smelser, 1976). Appreciation of art is clearly a positional good, providing information about class and rank within class. Taste in art is to some degree "endogenous" or natural, though choices in art also depend upon the menu of choices offered and upon other people's preferences.

The latter is significant because fine art is a snob good in which it is possible to create a cartel, as was alleged in the court case involving Jackson Pollock (*David Kramer v. The Pollock-Krasner Foundation*, 1995), a case that will be
further discussed below in the section on art as a commodity. Some argue that snobbery and gains in status made at the cost of others, which characterize the collection of fine art, should be treated as anti-social preferences in more general economic calculations.

Art as policy input

Those who are responsible for maintenance of a culture's "heritage" must decide which works should receive the kind of storage and care that will permit them to survive into the future, for art provides some evidence of the ways in which society sees itself at present and directions in which it would like to go in the future. Making decisions about which works to maintain requires aggregating taste in some way. In complex and highly articulated societies, such as Great Britain, such a question would be approached using economic tools. In more traditional societies, this is a simpler (though not conflict-free) problem.

The choices made by producers, consumers, and distributors of art provide data useful in the identification of products and product niches, as well as markets and market niches. In this, art as a resource contributes to the accumulation of capital by providing data that is useful as a raw material in the processes of analyzing trends in society, the position of individuals within society, and directions in which society desires to move.

Art as raw material

Art serves as a resource to traditional communities undergoing penetration by modernization processes who find themselves using art as a means of storing traditional knowledge. The Warlpiri of northern Australia provide one example of this; when physically removed from a number of their sacred sites and accustomed to drawing ephemeral pictures in the sand (among other forms of symbolic transmission of their culture), they painted the doors of their schools with those symbols instead (Michaels, 1994). In Soviet Eastern Europe, forced commoditization of those aspects of the traditional cultures that are the artistic manifestations of cycles of communal life, personal life, and the seasons did not prevent communities and artists from simultaneously continuing their symbolic and ritual lives. In most cases they were forced to do so in conjunction with participating in spring rituals conducted for tourists, or while carving symbol-laden wooden doorways or weaving textiles for sale, simply because each of these activities consumed so much time that there would not also be time for conducting any of these activities in secret. (More aspects of this function of art in traditional communities will be further discussed under the section on art as a process.)

Among the niches identified by art, therefore, is the local, since cultural processes always emerge from specific locations under specific conditions of
existence that vary from location to location, resulting in dispersion and differentiation. The economic manifestation of this is seen most obviously in tourism, claimed by some to be the single largest industry in the world.

**Competition for art as a resource**

Some of the tensions inherent in the art world become understandable when the different entities competing for the value to be gained from art as a resource are examined. For example, identification of a previously unmodified form of traditional art serves the community producing that art—until others outside the community start creating copies to compete for the market for these products. In another example, expansion of the public for art products of a particular sensibility may serve some of the producers and distributors of such products for a while—but the response of the elite art market is likely to be a turn away from interest in such products so that their prices, and the profits to be earned from them, ultimately fall.

**Art as product**

It is most traditional to conceive of art from an economic perspective as a commodity, a product that can be bought and sold; something produced by one person and consumed by another who, in our common understanding, contributes nothing to the creation of the product. As an industrial sector, art is not insignificant; some studies have shown the size of the art sector to be as large as that of fuel and power, or vehicles (for example, Myerscough, 1988).

**Reproducibility issues**

Art products differ in the degree of their reproducibility, from those items that cannot be reproduced at all, such as a live theater experience which requires physical presence at a specific time and place; to those that can only be reproduced with a significant loss of subjective and exchange value, such as oil paintings; to those which can be easily mass reproduced, such as films.

Walter Benjamin pointed to changes in the nature and experience of art that derive from mass production, shifts that have the effect of intensifying the commodification of art. The first in-depth analyses of the industrialization of culture were those by Adorno and Horkheimer (who may have coined the phrase “cultural industry” [Miège, 1989]) in the 1940s. Since those beginning analyses of cultural industries—by scholars more interested in commodities and markets than in culture and steeped in an Old World elite art sense of art—have vastly grown in range and sophistication, with treatments ranging from sociological treatment (Becker, 1984), to network analysis of art as an innovation that diffuses (Lievrouw & Pope, 1994), to studies of cultural policy (e.g., Wallis & Malm, 1993), to the use of cultural studies approaches (e.g., Ramet, 1994).
It is one of the features of the industrialization process that art works, too, have largely changed from handmade pieces, each of which is unique, to mass-produced cultural phenomena such as those made by Madonna. The fragmenting of "the audience" or "culture" occurs at both the social and the individual levels. At the social level, the multiplication of objects dissolves social cohesion by pulling individuals in different directions. This diffusion at the same time creates an environment in which individual identities are pulled in multiple directions, with the result that items of attention for each individual receive less attention over time. At the social level, this fragmentation of social cohesion has been discussed as audience fragmentation. At the individual level, it might be measured in level of concentration, amount of time spent on or with a type of art object, and amount of time spent on or with individual art objects. The result is that the multiplication of objects reduces the cultural capital built up by each individual as well as the general fund of cultural capital in society. (Reproducibility issues also intersect with authenticity issues and intellectual property issues, which are unfortunately beyond the scope of this paper.)

The art world as a set of market roles

Viewing art as a commodity has implications for how the various roles and institutions in the art world are understood. The function of art criticism in recent years can be understood as that of a more or less sophisticated public relations or promotion apparatus. Critics historically have stood between the artist and the marketplace as economic gatekeepers who play a significant role in determining price. Intellectuals can play the role of brokers or mediators, bringing art in from other places and times, commissioning it, translating it, criticizing it, and publicizing it (Forgacs, 1990). Journalists, too, have been described as translators of art, bringing it to a mass public (Carey, 1989).

Those holding the curatorial role in museums traditionally competed in terms of cultural capital. As museums have become massified, however, the role has become one of marketing, with design decisions governed by product design concerns rather than those of aesthetics or another logic (Goldberger, 1994). Blockbuster shows that provide, most importantly, monetary capital for museums struggling to stay alive are often sponsored by corporations. In such instances, it is the corporations that gain the cultural capital in exchange for financial support, while museums to some degree have lost cultural capital in the bargain. Marketing practices, like those used in film, are now using sophisticated psychological testing to gauge audience response before art is displayed. With pop art, art itself became part of the advertising world, significantly contributing to the creation of a culture oriented towards consumerism as a means of expansion at a time when corporations were blocked from expanding by mergers and acquisitions by antitrust law (Mamiya, 1992). A less influential but still significant subset of art as a consumer product is art as
decor, with pieces chosen by interior designers to fit a particular "look" in a room, and in the appropriate colours. A number of people also treat art as an investment.

The two auction houses through which prices for fine art are set, Sotheby’s and Christie’s, play such a strong role in making the art market that they have been taken to court on the accusation of antitrust violations. In the case mentioned previously (David Kramer v. The Pollock-Krasner Foundation, 1995), the auction houses were discussed as “essential facilities” under antitrust law. A collector who had bought what he believed to be a Jackson Pollock painting sued the two auction houses and the Pollock estate under antitrust law for forming a cartel. Because Pollock signed few of his paintings and has been much imitated, there is a certification board that provides the determinations as to whether or not a specific painting is actually by Jackson Pollock, which is relied upon by the auction houses before they will accept a painting for auction. The collector, who had bought a painting quite cheaply which he believed to be by Pollock, claimed that the certification board, run by the estate and others, had deprived him of income by not certifying his painting as a Pollock. Because, as a result, the auction houses would not accept his painting for sale at what the collector expected to be significantly more than what he had paid for the painting, he had been financially damaged. The auction houses and estate had a motive in restricting the number of certified Pollock paintings, he argued, in order to artificially sustain a particular price level by restricting the product.

Art as innovation

Art can also be understood as an innovation, susceptible to analysis using the tools of diffusion theory and network analysis (Lievrouw & Pope, 1994). Implementing its appreciation of this aspect of art, Xerox PARC has undertaken and continues the practice of teaming artists with engineers because they find the combination stimulates innovation; at the end of the period of working together, the artists own the art works that have been produced, while Xerox PARC owns the intellectual property rights for any technologies or processes that may have been developed in order to facilitate the fulfillment of the artists’ intentions.

(It is interesting to note that the first corporation to hire an artist full-time on its staff was Cray, maker of what was for a long time the world’s fastest computers and an organization famous and infamous for its encouragement of creativity among all its employees. In one probably apocryphal tale, it is said that Seymour Cray would build a sailboat each year, use it for the season, and then destroy it at the end of the season, starting over to build a new and better one next year.)
Innovations are a particular type of product in which the emphasis is on what is new. Lievrouw & Pope (1994) note that, in the case of art, both the ideas and the objects can be treated as innovation, each following its own diffusion path. As ideas, artistic innovations can also be understood as processes, and will be discussed as such below.

Problems with art as a commodity in the information economy

The number of types of art products has multiplied in this environment. This has the effect of reducing cultural capital in multiple ways. Artists are discouraged from producing when they do not receive recompense from distribution of their work through different media. In an extreme but vivid example of this problem, actors are now concerned about the fact that their movements are becoming digitized so that it is possible to "use" them without hiring them. (One actor "completed" a film in this way after his death.) The assignment of intellectual property rights over digitized works is still being debated, but control at this point lies clearly in the hands of the transnational corporations that market the works rather than in the hands of the creators. With the multiplication of types of artistic products, cultural capital is also lost because no genres or works are receiving the multiple and sustained attention required to generate, in the words quoted earlier, the "solid value" that produces cultural capital.

It is difficult in the electronic environment even to identify just what the artistic "piece" is. Artist Jeffrey Schulz, for example, produces works as Hyperperformer in which he rollerblades from ATM machine to ATM machine on Wall Street in New York, conducting a transaction at each. In addition to this act as performance piece, Schulz does a stage performance version that adds text and visuals. Collectors give Schulz their own bank cards and receive, for their collections, the group of slips from the ATM machines. Maps of his travels and slips from ATM machines form visual pieces that are part of Schulz shows in art galleries. Art aficionados also see this work as a piece of conceptual art. Each of these items is the "piece," but no single object embodies the piece in its totality. This difficulty in identifying the art object in the electronic environment is posing multiple challenges to art galleries and those who make their living off of the marketing of art.

Identifying the artist is also problematic in this environment. Artists coming to the electronic environment from work with other media find they must work collaboratively in order to accomplish their pieces. A number of those we have designated as artists now turn to their computer programmers as the real artists involved in the creation of their pieces. The problem of economic analysis of joint production in art is a subset of the range of problems found in the treatment of information via neoclassical economics (Braman, 1995a).
Art as process

From the perspective of the economics of art, the opposite of dealing with art as a product is to treat it as a process—or processes, for a single artistic product or activity may participate in multiple processes at once. And as a process with its own time structure(s) (Eco [1994] notes that several different types of time are involved in reading a book—discourse time, reading time, and story time), art affects the timing and nature of other social and individual processes.

Art and the process of community formation

Most significantly, art—both individual art and communal art—contributes to the process of community formation and maintenance. Bruck & Raboy (1989) specifically contrast art with markets, for the latter “alter the ideas that people have about material things and social meanings, reassign meanings, produce value, and coordinate informationally complex social activities of vast populations” (p. 5). Community art is collaboratively created and often associated with a ritual schedule. This is art in which there is relatively low consumption value to an outsider who experiences it, though it is precisely commodification of such forms that comprises tourism. The purpose of communal art is indirect—to bring communities together and to give people the pleasure of creating per se. Works of art created by individuals can also facilitate the process of community formation by providing needed images, carrying on traditions, generating objects used in communal activities, and so forth.

In path-breaking work, poet Daphne Marlatt (1975) found a way of acknowledging the value of traditional stories and practices while serving community maintenance. Marlatt exchanged the intellectual property rights to her oral history of the Japanese fishing community, Steveston (near Vancouver, British Columbia), with that community for the ability to enter the community and collect the stories. In demonstration of its understanding of the value of those property rights, the Steveston community forbade the Canadian government to reprint the book that resulted once it was out of print; their concern was to record their history for their own community, and that purpose had been served. Intellectual property rights of the book of poetry by Marlatt (1974) that also came out of the project resided with Marlatt.

In the early 1980s, the Ojibwe community of North America decided to release some—not all—of their story cycle to the general public in the form of extremely beautiful, clear, and inspiring children’s books. Feeling aggrieved against by those anxious to “hear” and thereby acquire their stories for retransmission in commodity form, in this way the Ojibwe felt they could satisfy curiosity, provide some stories in a commodity form (the books were well designed and affordable), and still protect what they felt should remain secret and within their own community—thus simultaneously protecting their social capital.
Eric Michaels (1994), picking up from the Warlpiri activity described above, brilliantly found a way to bring together the communal aspects of art with its commodity aspects. In his introduction to *Bad Aboriginal Art*, Dick Hebdige describes what Michaels accomplished:

The negotiations Michaels helped to inaugurate with tribal elders, dealers, and buyers over the terms of entry into the international art market of Aboriginal paintings demonstrates the delicacy and complexity of the issues raised here. Questions of the collective ownership and tribally restricted access to iconographically transmitted knowledge, of the imbrication of surface, medium, and ground in Warlpiri art, of the transferability or otherwise of site-specific sacred paintings to portable formats and of their translatability into the elaborated codes of modernist abstraction or neo-expressionism in the galleries and art museums of Sydney or New York—each question becomes, in turn, the subject of lengthy debates not just with readers and cited authors but with the Warlpiri individuals who “own” (i.e., are responsible for and have reproduction rights to) the original designs. Among the outcomes of this debate are at least three linked products: an illustrated book of Yuendumu door paintings, Aboriginal paintings of the same designs, and Michaels’ article documenting and interpreting the translation/transmission process. All three products circulate internationally as commodities. (Michaels, 1994, p. xxiii)

It is, as it was in the examples of the Ojibwe and the Japanese-Canadian fishing community, central to the success of this process that deliberate and controlled commodification of a portion of the group’s traditional knowledge and artistic practices provided the funds that enabled the society—forcibly removed from their land and made to live some distance away—to continue to pass on that traditional knowledge and engage in their traditional practices. This was accomplished by using funds generated by sales of their art for purchasing trucks that permitted them to revisit the sacred sites for which they had the responsibility of maintenance through continuance of those practices. Whether or not our artistic activities play or can play this role, however, is to a large degree the result of policy decisions made about the structure of media industries. Brecht for this reason argued for the transformation of radio from a mechanism for the distribution of events and opinions into an autonomous production process of experiences that functioned by putting people into contact with each other (Negt, 1978).

Another aspect of the role of art as the site of community in today’s environment has become evident in the trend towards public body mutilation as performance art; as Kroker (1992) notes, art is no longer a representation of a sacrifice but the scene of sacrificial violence. Closely related to the role of art in building community, art serves the maintenance as well as the creation of community, playing a critical role in the passing on of traditions of many kinds (Bourdieu, 1991). Ulmer (1994) notes that learning is more like invention than verification, so that the innovative aspects of art-making should
imbue all learning processes. Intertemporal issues in the economics of art—discussed above as the "heritage" issue—of necessity assume community issues, including maintenance of the stock of cultural capital, issues associated with taste change, and choice of an appropriate discount rate.

Hyde (1983) notes that art can exist simultaneously in two economies—a market economy and a gift economy—but "Only one of these is essential, however: a work of art can survive without the market, but where there is a no gift there is no art" (p. xi). He emphasizes that while art can exist simultaneously in both economies, it often does not: "If it is true that in the essential commerce of art a gift is carried by the work from the artist to his audience, if I am right to say that where there is no gift there is no art, then it may be possible to destroy a work of art by converting it into a pure commodity" (p. xiii).

There are interactions between the two roles of art as commodity and as community-building process, as with the development of the technological capability to produce mass circulation periodicals that included images as well as type and the emergence of mass culture in the middle of the nineteenth century (Anderson, 1991). The City of Manhattan acknowledged the economic role of the arts in its economic life in some aspects of its urban policy during the 1980s, though it appears to no longer be doing so.

A special case of art as the process of community formation is its role in the building and maintenance of the cultural aspects of the nation as distinct from the bureaucratic aspects of the state (Braman, 1995b). A spate of research is currently underway examining the contribution of various art forms to the sustenance of the nation-states in which they are found; see, for example, Chakravarty (1993), Shell (1993), Kruger (1992), Paulin (1992), Helgerson (1992), and Oshima (1992).

Art as process in manufacturing

Art can be both product and process when it serves as a secondary good, a product used in the process of producing something else. It is for this reason that Derrida (1992) can claim that, at this point in history, the relationship between the base and superstructure has been reversed, with the superstructure providing the construction materials out of which the base is increasingly made.

John Seely Brown of Palo Alto Research Center (PARC) argues that a design logic, rather than linear logic, should govern problem-solving in today's environment. He uses the model of the practice of architecture, in which multiple constraints and needs are taken into account in the development of an aesthetic solution to problems, with the solution of the aesthetic problems serving as a critical part of the general problem-solving process. It has long been acknowledged that there has been an aesthetic stimulus to invention; in metallurgy, for example, it was sensual engagement with the
materials that led to most inventions historically (de Landa, 1991). A revived appreciation of the common root for both art and technology in *techne* dominates contemporary discussions of art in cyberspace and art as a key feature of cyberspace.

The role of art as process is particularly important from the perspective of self-organizing systems theory, on several levels. The basic principle of systems methodology is design. Self-organizing systems that have experienced turbulence or chaos require what are called "attractors" around which an emergent order may articulate itself. Encouragement of creativity of all kinds is thus necessary in order to survive turbulent periods, for only in this way will new alternative formations be generated. Artistic activity, therefore, can provide guidance and leadership in a turbulent environment (Braman, in press).

**Art as capital**

Art is a premiere example of cultural capital. Cultural capital can be distinguished from other cultural resources on the basis of collective investments in formal organizations devoted to its maintenance and consecration (DiMaggio, 1991). The category of cultural resources includes the mastery of a symbolic system, the ability to access and distribute information using that system, the capacity to use that mastery within specific relational contexts, and the capacity to gain additional mastery and to learn and use other symbolic systems. As Valéry pointed out, cultural capital enriches with surplus value the significations of memory and cultural accumulation on the part of the individual.

The history of the development of cultural capital is closely linked to that of other forms of capital:

For a society to have cultural capital—sets of cultural goods and capacities that are widely recognized as prestigious—there must be institutions capable of valorizing certain symbolic goods and social groups capable of appropriating them. A society with cultural capital must have a common focus of public life; its culture must be differentiated to some degree, universal enough to admit a common currency of interactional exchange, and hierarchically organized into genres with some ritual potency. In other words, it must be a society with a state, a relatively high level of political incorporation, and substantial institutional differentiation. Thus, the symbolic economy associated with cultural capital comes into being with industrial capitalism. (DiMaggio, 1991, p. 135)

Because of this dependence upon social institutions and a stable political order, the dissolution of these has concomitant effects upon culture:

changes in social structure and the rise of an open market for cultural goods have weakened institutionalized cultural authority, set off spirals of cultural inflation, and created more differentiated, less hierarchical, less universal, and less symbolically potent systems of cultural classification than those in place during the first part of this century. (DiMaggio, 1991, p. 134)
At the level of the nation-state, cultural capital is now acknowledged to be extremely important. Brazil offers an extreme example of a nation-state that deliberately took control over information and communications industries for the purposes of creating and protecting cultural capital as well as for other purposes (Mattelart & Mattelart, 1990). Through tourism, many states create cultural capital out of their images, as " Certain aspects of the culture of the people are transformed into the nation's cultural capital, represented as a 'heritage' or 'tradition' of that country, and then marketed for tourism" (Leong, 1989, p. 76). The state also creates and protects its cultural capital through control over communications, though this is done most successfully when transmitted through decision makers at the local level (Mattelart & Cesta, 1985). And the state can reduce the cultural capital created by its citizens by permitting access and other resources for the individual to go up in cost or become more difficult to obtain in other ways (Hills & Paphanassopoulous, 1991).

Objects, events, and processes are not intrinsically those of cultural capital; rather, cultural capital is formed through activity on the part of institutions and collectivities of people, and in ways that vary from place to place. DiMaggio (1991) describes four dimensions of symbolic classification along which societies differ from each other:

1. differentiation—the extent to which cultural goods are grouped into a few or many types or genres;
2. hierarchy—the extent to which genre distinctions and hierarchies are commonly recognized;
3. universality—the extent to which genre distinctions and hierarchies are commonly recognized; and
4. symbolic potency—the extent to which transgressions of boundaries and hierarchies are commonly recognized.

He further notes that changes in the organization of cultural authority and the mode of allocation of cultural goods have an impact on systems of classification. Structural forces affect symbolic classification systems by influencing the capacity of actors to organize and the uses to which individuals may put cultural resources.

Consumer markets for cultural objects emerged several centuries ago, but the extension of the market to new forms of expression and new publics represented a disjunctive step. In the U.S. before 1850, the arts were generally created and enjoyed in the home or in public venues characterized by a mixing of genres and classes. After 1870, the arts increasingly became the business of organizations of two kinds—high and popular. Once this system was in place and linked to higher education, mass communications, and the apparatus of consumer capitalism, there was a growth in the role of taste and style in the construction of selves in many domains (Ewen, 1988). By the beginning of the twentieth century, there was an integrated, increasingly monopolistic, inter-
penetration of market, scientific know-how, industrial and finance capital, and communications networks (Ewen & Ewen, 1982). There was a shift over time towards professionalization of the management of arts organizations, many of which are still committed to elite concepts of high culture. Universities are acknowledged as playing a significant role in the formation of cultural capital (Bourdieu, 1991; DiMaggio, 1991).

Art, then, is a form of cultural capital when it is created, enjoyed, and studied. As such, it is also social capital when it facilitates creation and maintenance of communal life; intellectual and linguistic capital on the part of the individual who makes, enjoys, and studies art; and intellectual capital when it spurs and contributes to innovation, the engine of today’s economy.

Art in the information economy

Several trends can be identified in the treatment of art and the evolution of the art world in the information economy:

- Art is being valued most significantly as a source of innovation rather than as a good in itself.
- The role of art in community formation and as a resource to minority cultural communities is coming to be recognized and art may, for those communities, become an avenue towards a specialized niche in the global information economy.
- As symbolic forms and the use of symbols expand exponentially, and the manipulation of symbols becomes so easy that its exercise becomes trivial, the general stock of cultural capital is declining.
- As the economic value of all forms of information is acknowledged, efforts are beginning to quantify cultural capital.
- The dissolution of the fund of cultural capital should be a matter of concern to civil society as a whole, and reversing this trend will be a communal decision rather than a move by specialists.

In the information society, the most important economic contribution that is being made by art is via its role contributing to the innovation processes that are today the engines of the economy. Evaluating this role quantitatively so that it can be taken into account for policy-making and decision-making purposes is just one example of the problems that we face in trying to deal with information creation, processing, flows, and use with existing economic tools. Art distinguishes itself in this role from the rampant recombination of symbolic forms now endemic to society by its coherence and particular insights, as the cluster of specific types of information processing we together refer to as “the design process” comes to be recognized as critical “secondary goods” in the manufacture of other types of goods and services. Identifying specific works of art and those who may be designated “artists” has become more difficult in this environment, however, as these lines, too, blur.
Art has become less valuable as a resource as the content and referentiality of its symbolic forms decrease, individuals and communities increasingly pay sustained attention to artistic processes or specific works, the range of types of art products and products itself multiplies, and most art comes to be mass manufactured. Art has retained its value for the marketing community as a way of identifying product niches, but doing so in most cases reduces its value as cultural capital.

In the special case of minority cultural communities seeking to survive under today's conditions, art may, however, provide a critical survival resource. This role in community formation—also difficult to quantify—is increasingly acknowledged, while its impact on policymaking continues.

While the forms of art and the number of art commodities available have multiplied and the information economy as a whole has grown, cultural capital has declined. Increasingly, art is valued less for how it speaks to the past, and more for how it speaks to the future; less for its role as a static product in a commodity-driven market, and more for its ability to stimulate innovation and contribute to production processes in an economy governed by harmonized information flows; less for what it requires in terms of knowledge and sustained attention, and more for its ability to simply do something different; less for its ability to exalt, and more for its ability to solve problems.

Art has always involved both a reconsideration of the past and innovation. Among the factors affecting the relative balance of each during a particular period or in the work of a specific artist have been the constraints upon and the resources available for different aspects of the creative and distribution processes. It is a particular feature of this stage of the information society that there has been a radical shift in the relationship between the transportation and the storage of symbols: While historically it was easier to store information than to transport it, today this relationship is reversed (Braman, 1993). The shift, in turn, has contributed to a shift in the balance between the roles of the past and of the future in a particular culture, and in specific works of art.

Both of these shifts in significant parameters of the information and communication environments require a significant rethinking of pertinent policy issues. Those who are taking part in the effort to rethink accounting systems in such a way as to take account of the various forms of intellectual capital (Stewart, 1994) approach some of these issues, but need to do so in a more explicit and self-aware way. There is other work to be done learning how to place a valuation on cultural goods created by communities working within their own specific tradition; surely, in an environment in which it is acknowledged that every time information is processed, value is added, there should be some way to take into account, for example, the thousands of years during which traditional information has been processed, and the thousands of people who each performed that information processing as both tellers of tales and as
participants in the communities in which the telling and hearing of such stories served to hold the world together.

On a different level, the problem of the loss of cultural capital needs to be addressed not by accountants but by civil society. Here the insights into the relationship between the decline of the state and the loss of cultural capital offered by Derrida (1992), Baudrillard (1993), and Enzensberger (1992) are invaluable. As the state becomes less important and other social forms are constructed, the contributions of art need to be deliberately considered.

Note
1. The author, who worked as a professional storyteller throughout the 1970s and early 1980s, participated in story exchanges with the Ojibwe and learned of the processes by which the stories were released from members of the community involved in those processes.

References


