

# Table of Contents

<b>Introduction.....</b>	<b>1</b>
<b>1 The Arts, Economics and Valuation.....</b>	<b>7</b>
1.1 Defining Culture and the Arts.....	7
1.2 Arguments in Favour of Public Support for the Arts.....	9
1.2.1 Demand Side Arguments.....	10
1.2.2 Supply Side Arguments: Baumol's Cost Disease.....	16
1.2.3 New Theories of Cultural Capital.....	20
1.3 Valuing Cultural Goods and the Scope of Economics.....	23
1.4 Conclusions.....	28
<b>2 Using Economic Impact Studies to Value the Arts.....</b>	<b>33</b>
2.1 The Benefits of Using Economic Impact Studies.....	35
2.2 The Dangers of Using Economic Impact Studies.....	38
2.3 Conclusions.....	44
<b>3 Calculating Economic Impact.....</b>	<b>47</b>
3.1 Direct Net Economic Impact.....	48
3.1.1 Data Collection Methods and Sampling.....	50
3.1.2 The Area of Study and Local Spectators.....	54
3.1.3 Determining Visitor Numbers.....	58
3.1.4 Producers, Sponsors, Vendors and the Media.....	61
3.1.5 Supply Constraints and Other Costs.....	63
3.2 Indirect Impact.....	66
3.3 Total Economic Impact.....	71
3.4 Conclusions.....	73
<b>4 The Contingent Valuation Method.....</b>	<b>77</b>
4.1 Examples of WTP Studies in Cultural Economics.....	79
4.2 The WTP Method and the Exxon Controversy.....	85

4.3	Criticisms and Defense of the CV Method.....	87
4.3.1	Hypothetical Markets and the “Free Rider” Problem.....	87
4.3.2	The Embedding Effect and “Warm Glow” Hypothesis....	98
4.3.3	Disparities Between WTP and WTA.....	107
4.3.4	The Mixed Good Bias.....	113
4.3.5	Other Categorical Critiques of the CV Method.....	117
4.4	Conclusions.....	120
	<i>Appendix 4.1:</i>	
	<i>Examples of WTP Studies in Cultural Economics.....</i>	<i>121</i>
<b>5</b>	<b>Using Willingness to Pay Studies to Value Cultural Goods.....</b>	<b>131</b>
5.1	Data Collection and Sampling.....	131
5.2	Questionnaire Structure in WTP Studies.....	135
5.3	Opinions and Externalities: Measuring Non-Use Values.....	136
5.4	Attendance, Spending and Earnings: Measuring Use Values.....	139
5.5	The WTP Question.....	141
5.5.1	Provision of Information and Information Bias.....	142
5.5.2	WTP Question Elicitation Format.....	148
5.5.3	Detecting Biased Responses: Follow-up Questions and Sureness Measures.....	153
5.6	Socio-demographics.....	160
5.7	Validity and Reliability Tests.....	163
5.8	Conclusions.....	167
	<i>Appendix 5.1:</i>	
	<i>WTP Telephone Survey Questionnaire used in the South African National Arts Festival study.....</i>	<i>169</i>
<b>6</b>	<b>The Choice Experiment Method and Use.....</b>	<b>177</b>
6.1	Examples of Choice Experiments in Cultural Economics.....	178
6.2	The Underlying Theory of Choice Experiments.....	185
6.3	A Comparison Between Choice Experiments and WTP.....	187
6.4	Choosing Attributes and Levels.....	190
6.5	Potential Forms of Bias in Choice Experiments.....	195
6.5.1	<i>Status Quo</i> and Endowment Effects.....	196
6.5.2	Complexity and Choice Consistency.....	197
6.5.3	Independent Valuation and Summation.....	199
6.6	Interpreting Results.....	201
6.6.1	Odds Interpretation and Willingness to Pay.....	201
6.6.2	Including Socio-demographic Variables.....	204
6.6.3	Welfare Changes and Market Acceptability.....	208

---

6.7	Combining Methods	210
6.8	Conclusions.....	210
	<i>Appendix 6.1:</i>	
	<i>Examples of Choice Experiments in Cultural Economics.....</i>	<i>212</i>
<b>7</b>	<b>Conclusions.....</b>	<b>217</b>
7.1	A Case Study of the South African National Arts Festival.....	220
7.2	Conclusions.....	224
	<b>Index.....</b>	<b>227</b>

Measuring the Value of Culture  
Methods and Examples in Cultural Economics  
Snowball, J.D.  
2008, XI, 230 p., Hardcover  
ISBN: 978-3-540-74355-2