

## Agro-food economics as culture economics: some inceptive reflections

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### Introduction: aims and research question

The main objective of our work is to discuss the approach of *economics of culture* as an analytical perspective on agri-food sector. Then, the question we try to satisfy is which could difficulties researchers might encounter in such a perspective.

In the next section we considered some doctrinal antecedents and theory literature. The third one is dedicated to some approach to areas of serious mismatching between mainstream theory economics and cultural standpoint, namely in the light of agro-food economy characteristics. The last paragraph illustrates the concluding remarks.

### Doctrinal antecedents and literature

More than fifty years ago, such an original scholar as Oskar Lange began his Political Economy handbook, which would be the overall summa of his thought, with these lines:

*Man, living in society at a certain stage of historical development has various needs [...] Some of these needs are biological and must be satisfied in order to sustain life: other needs result from the fact that men live together in society and are determined by the complex set of factors which constitute what is called the culture of a given society. Even biological needs take on forms and character according to the culture of a society.* (Lange 1963, p. 1).

For a still heterodox marxist that was a near granted idea, suffice to consider what Marx meant with *subsistence wages*, but we can judge not so obvious its positioning at the very starting lines of a manual of political economy.

We do not know—within our limited possibilities—any other handbook of economic theory which has such an immediate recall to the concept of culture, independently from the authors' school of thinking, beyond the field of marxists (marxians). This notwithstanding historians had well made clear that capitalistic development depended on radical changes of habits of people, and then on their culture, beyond the existence of a strongly advanced agriculture (Jones and Woolf, 1979). The material wealth produced by agriculture triggered a per capita consumption rise rather than the increasing of population. Social preferences shifted mainly to not agricultural goods, causing a consumption demand consistent with the industrial revolution.

In other words: the role of culture in economic history, with incessant and often tumultuous advancements, was so great as well as the economic theory was unable to take it in due

account in building its own artifacts. The price paid was the over century domination of the marginalistic thought, which has always considered economics as a tool perfectly fit for all types of societies. As a result, economics has been inherently separated from the 'cultural dimension'. Moreover, it is hardly to be questioned that in any kind of socio-cultural environment and circumstance we have to determine the most rational use of scarce resources in front of allocations excluding each others, as so dear to Lionel Robbins (1932).

Fortunately in this scenario many things have been changing since some times. The richest economies-societies are characterized, like it or not, by productive systems which must churn out goods and services that, rather than basic (physiologic) needs, must increasingly meet needs related to tastes and desires induced by the surrounding cultural environment.

Two other facts must be considered: the increasing free time availability and the diffusion of the Internet. The gradual decrease of working hours is parallel to the increase of free time for leisure activities, possibly related to the creative idleness, as stated by Italian sociologist De Masi (2000). Further, the use of Internet can easily turn near each one from consumer to producer (or merely assembler and poster) of cultural contents, and vice versa of course. The production (creation) of cultural objects is then more accessible to each person and, in a certain sense, also far easier. As a consequence of all that we briefly described, economics of culture can be finally considered as an actual section of the economic science.

The very first handbook appeared less than fifteen years ago (Throsby, 2001) and the first Elsevier handbook edited by Victor Ginsburgh and David Throsby in 2006 (Throsby and Ginsburg, 2006), while a next handbook will be delivered soon by Edward Elgar publishing.

Following the thought of these scholars, the characterizing topic of economics of culture, even before the availability of theoretical and technical tools of analysis, is actually the object to be studied, namely the field of activities it focuses on: production (economics of production), management-reproduction (economics of heritage), exchange (business and market economics) consumption (consumer economics) of goods or performance with exclusive, or at least, whether not exclusively, relevant cultural content (artistic and / or recreational and / or symbolic).

Economics of culture shows to have relevant areas of overlapping with other sections of economics, such as local development, knowledge, and first of all heritage economics. It could be systematized according to two conceptual ways as follows.

On one hand, we can state a "minimalistic" field of study, simply intending the possibility to adapt the standard (mainstream) theory to the analysis of the sector traditionally classified as cultural, or even better as the cultural macro-sector. A sector which can be treated as an industry that uses resources whose allocation must be determined by means of conventional optimizing models.

On the other hand, we can focus on a larger and more convincing range of activities. In fact economists might consider besides cultural goods and performances *sensu strictu*, cultural and creative industries, and industries producing supporting devices, also other categories of goods, which have usually been misconceived in term of culture or have been considered under other viewpoints. In this case, agriculture and the agro-food sector do actually matter and are a great object of interest.

First of all, we are pointing to those goods which constitute the Natural Heritage as defined by UNESCO (2009) and consequently assimilated with those activities Throsby includes in the center of his concentric circles model, thus being the very core of cultural production.

Thus, we can refer also to food commodities (as undifferentiated raw materials) and specialties (as “designed” and/or highly “idiosyncratic” food or wine, including gastronomy artifacts) which objectify either an industrial project of food-design or abilities based on tacit knowledge and very peculiar natural resources. The first one conveniently uses a highly *codified* scientific knowledge and creativity and very specialized skills, the second ones are based on tacit knowledge matrixes and social networks, grounded on territorial specialization (i. e. *contextual* knowledge), once usually defined as gastronomy deposits. In the first case, we face products proactively designed to goal and catch consumers by means of a symbolic attraction, in terms of a certain style of life. In the second one, we face specialties which necessitate the involvement of consumers in a very cultural experience, which is an enabling process of cognition.

In this sense, literature of sociologist scholars is quite illuminating. Alimentation is a human biological function which takes diverse meaning and cultural symbols, changing over time and following variable socio-economic situations (Fischler, 1988). Food is a central junction in building identity both for individual and groups, and food preferences are strictly to be linked to social mechanisms of self-recognition (Guidoni, 2006). In this line, any new food that is included in a traditional diet, before being incorporated in the alimentary model, must be subjected to a process of authentication capable to render it local and even autochthonous, and finally genuine (Guidoni, 2006). Thus, food, eating and cuisine are central for determining group diversity, hierarchy and organization, and even oneness and otherness. Food gives identity both to individuals and social groups and also to places, in a very complex way (Fischler, 1988).

Food and eating can unify geographical areas, as for instance, referring to the Mediterranean, Claude Braudel, wrote:

*Everywhere can be found the same eternal trinity: wheat, olives, and vines, born of the climate and history; in other words an identical agri-cultural civilization, identical ways of dominating the environment. The different regions of the sea are not, therefore, complementary [...]. They have the same granaries, wine-cellar and oil presses, the same tools, flocks, and often the same agrarian traditions and daily preoccupations. What prospers in one region will do equally well in the next. In the sixteenth century all the coastal regions produced wax, wool, and skins, montonini or vacchini; they all grew (or could have grown) mulberry trees and raised silkworms. They are all without exception lands of wine and vineyards, even the Moslem countries. Who has praised wine more highly than the poet of Islam? At Tor on the Red Sea there were vines, [...] and they even grew in far-off Persia, where the wine of Shiraz was highly prized. (Braudel, 1973, p. 233).*

Or contrarily it can divide, as in the case of pork meat, a food which defines strong cultural and geographical separations (Barak-Erez, 2007). In any case, food and eating are linkable to practices and collective representations (Douglas, 1966; Lévi-Strauss 1968) and french sociologist Bourdieu (1984), in analyzing the social norms governing eating, showed that

tastes can be understood as socially constructed and differentiated normative sets of practices.

In general, we can say everything which enter our diet is a great component of what cultural economists defines as *taste-goods*, substantially accepting the viewpoint of an eminent sociologist when treated tastes regarding for instance the art of house furnishing or 'music, food, paintings and sports, literature and hairstyle.' (Bourdieu, 1996, p. 6).

### **Agro-food economics as culture economics: challenging difficulties**

Economics of agro-food culture should consider not only a simply even vaster industry border and merchandize horizon. Indeed, we argue its major peculiarity is consistent with the questioning of the toolbox of mainstream economics, introducing new conceptual-theoretical-analytical tools.

Some points of this questioning can be only summarized in the present text and, we try to give only some suggestions focusing on main topics: the concepts of value, capital, cultural goods, and related meanings for production, consumption and innovation.

One point is the difficulty of combining the concept of cultural value—which stems from an intrinsic and not negotiable sphere of our life, and from the relational experiences producing our personality—with the concept of economic value. This latter being by definition specific of the realm of material negotiation. This difficulty forces someone to demonize the idea of culture economics in itself, privileging the prejudice that culture must be hold under the exclusive dominion of public intervention and civil officers (alien to the evil of profit) and that from culture one can only extract some rents (mainly by means of tourism).

Then follows the difficulty to change the idea of cultural capital, diffusely treated by Throsby's handbook (2001) too, with the concept of heritage, that we consider fertile but not usual for economists. One may mistakingly consider the 'cultural heritage' in the same meaning of 'cultural capital'. We, as economists, are used to classify under the definition of 'capital' those goods, material and immaterial, that wear out with their use. On the contrary, we mean with heritage those category of goods that increase and self expand while are used. Suffice to consider all those types of heritage which coincide with the personal productive knowledge (skills in doing) deposits. Personal knowledge does not wear out and the owner never can divest them even when s/he transfers them to others. When passing from one another these skills become finer, self-enrich, mutate and transfer traditions (Rullani, 2004), favoring the collective action, following the scheme of the so called innovation by use (Rullani, 2012). The same natural heritage (in the physical sense) whether well governed can be capable of self-reproduction and even improvement.

Further, we must consider the cultural content of a certain product as aggregates of taste characteristics. A good (i. e. a wine) can satisfy contemporarily a primary need (thirst), a security need (avoid poisoning sulfites), a nutraceutical need (avoid fats in blood), a cultural-cognitive need (sensorial and experientially trained use of local products) and a cultural-symbolic need (social distinction *à la* Bourdieu).

On the consumption side, considering the existence of taste-goods should mean the recovery of a theory (Lancaster, 1971) which is not very feasible in formal terms. On the production

side, because we are obliged to reason in terms of joint outputs (technical interdependence) then we must use the contribution of Georgescu-Roegen (1975) in order to treat problems of substitutability and not-substitutability of fund and flow factors, or between recipe-techniques and productive-techniques. In this case, the problem is not only the ease of mathematics in formalizing phenomena, but the actual credibility of assumptions of marginalistic theory and therefore mainstream economics.

A cultural productive factor, considering any susceptible form it can assume, would be difficult to be formally focused. In fact, if the cultural content of a consumption good has, in general, the nature of private good, when culture (according various ways) is an input of a productive process, empirical evidence tangles often things. Indeed, the related cultural deposit may be embedded in a natural resource, which has been secularly reproduced by a long lasting agronomic practice (e.g. the pastures fit to qualify cheese or veal) or know-how that characterizes artisan-made foods (e.g. all the huge realm of typical food and local recipes).

In the first case, we face a (material) common good, in the second one a (immaterial) local public good. Since they have no market and thus no market-price, and further they are even difficult to be quantitatively assessed, how can we correctly formalize such a kind of inputs in a neoclassical production function or in a productive functional on the (ex-theory) fund and flows?

This difficulties about culture as a factor of production become greater when one wants to approach, in a dynamic and evolutionary sense, the innovation process. On one hand, in the case of food design products (including branding) the continual differentiation is stemming from a specialized R&S business unit, having its own explicit costs. On the other hand, for goods that coincide with (do reside in) gastronomic deposits the factors of differentiation pose very intricate and challenging issues, as industrial districts literature has largely taught. And all that because these factors are (cognitive) local public goods, resulting from the combination of fragments of (implicit) knowledge embedded in human capital (both of employers and workers) of each firm networking in a local system. A knowledge that is processed within an informal circuit of sharing between the same firms, which, in this sense, are creating precisely an 'atmosphere' *à la* Marshall. Food-design innovation can be modeled by means of a function which includes explicit costs. The "shadow" character of inputs inherent in a gastronomic deposits makes the analysis very complex.

Other difficulties arise in assessing development policies of factors of differentiation. Indeed, when skills to be utilized have essentially a scientific and technical nature, the amount of committed resources is relatively easy to quantify, as well as it is sufficiently clear how to organize the use of resources, being private in nature. On the contrary, when the substrate of a production process is essentially based on territorial rooted culture and knowledge, and deriving from a collective elaboration, the establishment of an *ad hoc* policy for innovation involves such organizational and institutional problems that are far more relevant than the same quantitative assessment of policy costs.

A further difficulty on development policies is that regarding the strategic choice between conservation/reproduction and actual transformation of cultural resources which are the original factors for differentiation of resources themselves. In the first case, we deal with the simple maintenance of an economic rent, in the second one with a proactive planning and

designing of products that will allow the search for new sources of profit. A theme that is particularly delicate when we are reasoning about 'Made-in-Italy', which is intended by some as the ground for the revival of ancient or at least consolidated cultural heritage. On the opposite, others, in a much more convincing manner we believe, consider this issue as the field of interaction between cognitive consolidated assets and creation of new goods and services, in which the deposited historical-cultural facilities can regenerate.

### **Concluding remarks**

The main objective of our work was to highlight the standpoint of economics of culture to analyze many aspects of the agro-food reality, both on consumption and production side. This perspective is an extension of the of economics of culture defined by the pioneering classification of David Throsby. This extension is justified by two items. On one hand, the proposal of UNESCO to assign the heritage patrimony, with which agriculture has several obvious point of contacts, a value comparable to that of performing arts. On another hand, industrial design, and subsequently food-design, are highly consistent with cultural activities, *sensu strictu*.

On the ground of theoretical premises, we can mean as 'cultural' both artistic goods and performances, yet studied by economists of culture, and other goods (first of all food) which can strongly represent certain *styles of life*, and do necessitate a *taste-driven enjoyment*, that is actually accessible only for consumers who have been specially trained by means of an actually cognitive education.

Such a line of work implies many relevant departures from the mainstream economic theory. The major aftermath seems to be the abandonment of the beloved toolbox, containing more or less formalized but always reassuring and elegant stylized models. In reward of this grief, economists should re-consider as a happy-ending the opportunity to face the importance of knowledge and culture in understanding the essence of the discipline and re-defining theories and practical tools.

The western postindustrial society needs to imagine new development models in order to challenge the overwhelming globalism. The approach of culture economics can help regional and local economies, and policymakers, to find their place in the sun, even giving sense to the efforts of improving the quality of agricultural raw materials and eno-gastronomy, grounding differentiations in the cognitive assets and deposits of historical-cultural capabilities.

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