SHAKESPEARE, CULTURE AND ECONOMIC INTANGIBLES IN KNOWLEDGE ECONOMIES

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Abstract
This contribution investigates the vexed question of economic intangibles in the knowledge economy using Shakespeare as a locus of inquiry. Shakespeare is particularly suited for this analysis since as England's widely-acknowledged greatest dramatist, the author possesses considerable cultural capital, but also contributes substantially to the tangible, measurable economy of Great Britain through productions of his works, tourism, and fee-generating activity in universities, museums and heritage sites. In addition, a considerable number of knowledge products (Intellectual Property) arise directly from Shakespeare including books, films, instructional materials, and research articles. Due to the large number of peer-reviewed books and articles annually produced by scholars of Early Modern history and literature, academics joke about "the Shakespeare industry." Drawing on cultural economics, cultural theory, and knowledge economy research, this paper attempts to bridge the gap between quantitative statistical based economic theory and qualitative research into culture, value, and artistic transmission.

Keywords: *Shakespeare, economic intangibles, cultural economics, intellectual property, cultural economics*

I. Introduction

As a cultural icon, symbol of the achievements of a golden age of literature, imperial expansion, and prosperity (and I will argue below that these aspects of Elizabethan culture are inter-related), Shakespeare still commands international and national attention. The 'Isles of Wonder' theme drawn from Shakespeare's play *The Tempest* will form the backdrop of the £27m Olympic Opening Ceremony for the 2012 London summer Olympic games. A 27-tonne bell to be used in the ceremony, twice the size of the 13.5 tonne Big Ben bell cast in 1856 in the same foundry, will be inscribed with a line from Shakespeare: "Be not afeard, the isle is full of noises." The line introduces the theme that England has many 'Isles of wonder,' i.e. tourist spots. Hosting the Olympics obviously provides a wide range of tangible economic benefits to the host country in addition to tourist revenue, such as job creation, advertisement, and foreign direct investment ('showcasing' the country for potential investors). As the Culture Secretary Jeremy Hunt argued, "the Games represented 'an extraordinary business opportunity' likely to attract foreign investment.""[1]

The Olympic ceremony bell additionally signals to the world the geopolitical message that the UK is still a modern, wealthy, industrialized, and a continually advancing nation able to outdo its previous achievements in manufacturing (casting a larger, more expensive bell than was possible in 1856). Without delving into the reality of this self-perception, this recent example demonstrates how culture (Shakespeare as a cultural symbol) is intimately linked to both tangible and intangible economic assets as well as related political and social power structures.

Exactly what are tangible and intangible cultural capital assets? *Tangible capital* includes forms of property such as buildings, physical locations and sites that possess cultural significance, often called 'cultural heritage', along with artworks, artifacts, paintings and sculpture.[2] They exist in the physical world primarily in the form of land, structures and movable objects (the word tangible

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[1] Jane Mower and Michael Hirst, "London 2012: Isles of Wonder theme for Olympic ceremony," *BBC News UK*, January 27, 2012, accessed February 1, 2012 http://www.bbc.co.uk/news/uk-16747032.

[2] David Throsby, "Cultural Capital," Journal of Cultural Economics 23 (1999): 7.

derives from Latin *tangere*, to touch). *Intangible* cultural capital, according to Throsby, "comprises the set of ideas, practices, beliefs, traditions and values which serve to identify and bind together a given group of people, however the group may be determined, together with the stock of artworks existing in the public domain as public goods, such as literature and music. These intangible cultural assets also give rise to a flow of services which may form part of private final consumption and/or may contribute to the production of future cultural goods."[3]

The concept of intangible cultural heritage gained international recognition at a 2003 UNESCO meeting in Paris. The meeting drafted *The Convention for the Safeguarding of Intangible Cultural Heritage* which has spawned a number of programs in addition to a list of Masterpieces of the Oral and Intangible Heritage of Humanity.[4] Part of the reason for establishing this list was to counter-balance UNESCO's designation of World Heritage Sites, which are physical locations such as monuments and natural habitats. Another reason was to preserve cultural traditions, particularly oral-based performances and practices, in imminent danger of disappearing. Although Shakespeare in many senses would fit in to the UNESCO definition of intangible cultural heritage–for example, Shakespearean language such as figures of speech, famous quotations, metaphors, and neologisms which he coined have become part of the oral heritage of Britain–there is still so much attention paid to this author and his influence that there is little likelihood that Shakespeare, Shakespeareanism or Shakespearean language will become endangered and die out in the near future; hence Shakespeare's cultural influence would not be in need of UNESCO protection.

The modern economic discussions about capital and economic assets, both tangible and intangible, would not be entirely foreign to Shakespeare himself. His father was a wealthy glover and wool merchant and Shakespeare himself became wealthy through acting, joint stock ownership in theatres, and the reputation he built through the (often illicit) publication of his poetry and drama, which became a box office draw for theatre-goers. He owned, for example, along with fellow members of the Lord Chamberlain's Men, a 12.5% share in the immensely profitable Globe Theatre (1599-1642) where many of his plays were performed.

The present analysis takes a qualitative cultural economics view of Shakespeare–the man, his creative works, and the cultural institutions that have grown up around him. Shakespeare is particularly interesting because he, along with Ben Jonson and other contemporary writers, contributed to the development of the concept of intellectual property (our modern term) during the critical period spanning the founding of Caxton's first printing press in Westminster in 1476 until the 1709 Statute of Anne which broke the 1557 monopoly of the Stationer's Company. The Statute of Anne invested rights of reproduction or copyright in authors instead of a single guild and is recognized as one of the first modern copyright laws.

II. Shakespeare and Economics

Two immediate concerns arise in these kinds of discussions of cultural value: the term culture itself is a contested concept and economics likewise spans a wide range of methodologies. As Doyle observes: "But it remains that conceptions of what counts as culture are varied and, likewise, economic research in the area of culture is diverse."[5] Culture is here defined as creative products of a society imbued with shared ritual and symbolic meaning. In one sense, cultural institutions can be understood using well-established laws and principles of classical economics. For example, the sites and buildings managed by the Shakespeare Birthday Trust are simply a non-profit business (technically under British law, an educational Registered Charity) that through visitor fees and

[3] Throsby, "Cultural Capital", 7.

[4] "Text of the Convention for the Safeguarding of Intangible Cultural Heritage," UNESCO, accessed January 15, 2012, http://www.unesco.org/culture/ich/index.php?lg=en&pg=00006.

[5] Gillian Doyle, "Why culture attracts and resists economic analysis," Journal of Cultural Economics 34 (2010): 246.

donations must manage and maintain several historical buildings (essentially museums), and a library and archive. The value of properties such as these can be calculated simply by market value–what the land and structures would command if offered for sale–or if buildings remain protected from sale in non-market public trust, one could determine how much the public is willing to spend on their upkeep and preservation. David Throsby, who has been instrumental in defining and developing the field of cultural economics, believes a new concept of capital called *cultural capital* may be useful in defining the total value of such properties as Shakespeare's birthplace. These kinds of buildings (Throsby uses the related example of an historic church) possess a "'cultural value', a multidimensional representation of the building's cultural worth, assessed in quantitative and/or qualitative terms against a variety of attributes such as its aesthetic quality, its spiritual meaning, its social function, its symbolic significance, its historical importance, its uniqueness and so on."[6]

As such, cultural capital at times does seem to be a real physical entity, easily recognizable as such to both specialists and non-specialists. Throsby, however, seems over-optimistic about the possibility of developing quantitative measures of cultural capital. For example, we can recognize in Shakespeare spiritual meanings (as the greatest English dramatist, and embodiment of the English character) and symbolic meanings (evidenced by his incorporation into the Olympic ceremony), but placing a number value on these meanings would have to be done indirectly through proxies or through qualitative methods or common sense approaches. The benefits of introducing this new kind of capital and quantitative measures of it into the traditional economic formulations of physical or manufactured capital, human capital, and natural capital, are obvious in that cultural objects including non-physical objects such as a country's songs, oral poetry, and traditional theatre can be understood and managed under a rational system, for example, the system of investment. Both society and governments, in other words, can plan more wisely how much they want to invest in preserving a particular art form, such as traditional dance, by building theatres, supporting educational scholarships for transmitting the art, or underwriting the costs of performances, etc.

Some of the early research on Shakespeare and economics–or example, Henry W. Farnham's *Shakespeare's Economics* (1931)–came to the odd conclusion that Shakespeare "seldom sets out to give a picture of the economic condition of his times, or to moralize on its economic problems."[7] But this assessment was based on Farnham's inability to uncover any of what passed for the specific and technical terminology of economics of Shakespeare age. The term economics appears nowhere in Shakespeare's works. In fact, during Shakespeare's day, economics, variously spelled, referred specifically to the two works on household management by Xenophon and Aristotle entitled *Oikonomikos* and only gradually during the late 18th to early 19th centuries did a recognizable vocabulary of modern economics emerge.[8] However, Elizabethan thinkers and politicians developed a both practical and philosophical economic discourse and theory of mercantilism which impacted all levels of society since mercantilism fuelled England's overseas adventures.

Trying to demonstrate Shakespeare's ignorance of technical economic terms, however, is misplaced and even inaccurate: he was not university educated and his primary reading was in classical Latin literature as per the standard grammar school education of his day. T.E. Baldwin has meticulously reconstructed Shakespeare's learning and reading in the absence of any surviving school records. The classical literature to which Shakespeare was exposed (possibly including excerpts from the *Oikonomikos* treatises), contains a great deal of history, theory and speculation about intrinsic value, worth, rent, payments, balance of trade, etc. Thus several important abstract concepts that we would recognize today as economic in nature can be found throughout his plays.

[6] David Throsby, "Cultural Capital," in A Handbook of Cultural Economics, ed. Ruth Towse (Cheltenham, UK: Edward Elgar, 2003), 167.

[7] Henry W. Farnham, Shakespeare's Economics (New Haven: Yale University Press, 1931), 3.

[8] "Economics," Oxford English Dictionary, third edition, last modified March, 2008, accessed January 31, 2012, http://www.oed.com/view/Entry/270555.

For example, Shakespeare humorously explores in the *Tempest* through the character of Gonzago an ideal commonwealth where money is not employed:

Gonzalo. I'th'commonwealth I would, by contraries, / Execute all things; for no kind of traffic / Would I admit; no name of magistrate; / Letters should not be known; riches, poverty, / And use of service none; contract, succession, / Bourn, bound of land, tilth, vineyard, none; / No use of metal, corn or wine, or oil; / No occupation; all men idle, all; / And women too, but innocent and pure; No sovereignty–

Sebastian. Yet he would be king on't.

Antonio. The latter end of his commonwealth forgets the beginning [II.i.148-159].[9]

In this passage the impossibility of a Utopian state without the underpinnings of any system of money, exchange, commerce or trade is brought into focus.

Likewise *The Merchant of Venice* contains a nuanced analysis of usury and money through Shylock's exposition of the biblical tale of Jacob and Laban. Similarly, Shakespeare's line in *Troilus and Cressida* "what is aught but as 'tis valued" signals a concern with intrinsic worth and illuminates the theme of the bartering of women in the play, evidenced by the trading of Cressida for the hostage Antenor. In addition, the not accidental repetition of the etymologically related words "price," "prize," "praise" which has been noted by several literary critics reveals an underlying theme of trade and barter and what objects are really worth. Both the Greek and Trojan commanders question whether the *praised prize* Helen has been properly *appraised*: whether her *price*, the blood of many brave soldiers, is worth the killing and chaos that her abduction has sparked. This question of value has wide ranging implications for modern economics (i.e. the gold standard, valuations, assessments, monetary policy, sources of wealth, etc.). The brilliance of Shakespeare lay in the fact that he could talk about the fundamental and complex ideas embedded in wide range of fields (astronomy, philosophy, and theology to name a few) in a language understandable to a reasonably intelligent Englishman.

As Turner has shown, Shakespeare has embraced a rich lexicon of words that have historically been used in an economic sense, and many of which are still part of the technical lexicon of economics, including 'bonds, trust, good, save, equity, value, mean, redeem, redemption, forgive, dear, obligation, interest, honor, company, balance, credit, issue, worth, due, duty, thrift, use, will, partner, deed, fair, owe, ought, treasure, sacrifice, risk, royalty, fortune, venture and grace."[10] Interestingly, many of these words simultaneously maintain a moral and ethical dimension, since, in essence, they regulate and control the interactions among moral agents and they reveal a host of difficulties in quantifying human emotions and feelings, such as trust, confidence, and security that moral agents feel towards one another.

Commoditization of artistic production has been a interesting locus of debate in modern economics with respect to knowledge products–art can be consumed (a play watched, a book read), but the production is not destroyed if the know how to reproduce it again remains and its consumption does not lead to resource scarcity. Today, recreation of artistic production (i.e. copying an MP3 of a song) is often trivial, hence the recent frenzied interest of IP holders to develop software tools and laws such as SOPA, PIPA and ACTA to tackle online piracy to protect their investments in original content. These intellectual property laws may be the only way that creators can safeguard innovation or creativity without fixation (placing creativity into a physical form) and then physically safeguarding that fixation.

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[9] William Shakespeare, The Tempest, in The Riverside Shakespeare, ed. G. Blakemore Evans (Boston: Houghton Mifflin Company, 1974), 1620.

[10] Frederick Turner, Shakespeare's Twenty-First Economics: The Morality of Love and Money (New York: Oxford UP, 1999), 11.

Turner observes provocatively that Shakespeare created worth from entities with no individual intrinsic economic value: "Poets spend their lives making value out of combinations of words that have no economic worth in themselves, being common property, infinitely reproducible, and devoid of rarity value."[11]

III. Shakespeare and the Development of the Concept of Intellectual Property

Shakespeare and his contemporary Ben Jonson, along with their publishers, were among the first creative artists to capitalize on their cultural influence due to the expanding literacy brought about the Elizabethan school system, the introduction of printing, and the emergent concept that the creative productions of authors were property and could fall under property rights laws (intellectual property). If we look at previous well known English authors before the introduction of printing, such as Chaucer, we see a different manuscript culture and different economic model of literary production and dissemination. Writing a well-received poem or other form of literature had only indirect financial benefits for authors, who could sell a work outright to a *stationarius* (who then retained rights for copying) for hand copying and renting to readers, such as students, for copying at their own cost. But the main economic motivation for authors in the medieval period (and there were obviously many purely non-economic motives, such as the aesthetic joy of language and stories), was to increase one's fame and reputation for wit, intelligence, and wisdom which could lead to court appointments, invitations to foreign courts (including stipends) to entertain or tutor, or offices from the king. Geoffrey Chaucer's (1343-1400) poetry was greatly appreciated and rewarded at the English court and he served in a number of royal offices.

However, when mass production of literary output began to be facilitated by the printing press, theatres began jealously protecting their playscripts. Due to the numerous "bad quartos" of Shakespeare's plays published during his lifetime and without his permission, it is surmised that copyists would attend plays and clandestinely write them down to sell to publishers. Also, play scripts, often kept under lock and key, could be smuggled out of the theatre for copying and then replaced, or actors could reconstruct an entire play from memory and sell it to a stationer. What is interesting is the continuing concern with the physical object of the manuscript itself and securing it against theft, as opposed to its creative content, a concern that would shift during Shakespeare's age. The price of the manuscript (medieval manuscripts were expensive, hand-produced objects often illustrated and made of highly priced vellum) became a trivial concern when cheaply printed paper books arrived. These practices made authors and play acting companies realize that the performance when fixed in a manuscript had a property value attached to it, and that the creative content had a value as well since it was the origin of the profit-making physical object (the book). However, there were no copyright laws at the time which assigned rights to authors. Acting companies normally would register their works with the Stationer's Company through booksellers for the sole (monopolistic) right to publish a certain work.

IV. Shakespeare From the Perspective of Quantitative Economics

Shakespeare is difficult to remove from English department curricula in U.S. high schools and universities – parents and administrators would interpret such an action as tantamount to an attack on western rationalism and the liberal arts tradition itself: as a faculty member quoted by Brantlinger has stated: "It's a fetish thing. Bardolatry. You can deconstruct other authors into oblivion, but Shakespeare really is immortal"[12] Thus, even if theatrical productions and performances of Shakespeare's works die out–which does not seem likely in the near future–Shakespeare will continue to be a source of economic activity in universities in the form of professorships, courses,

[11] Frederick Turner, *Shakespeare's Twenty-First Economics*, 11.

[12] Patrick Brantlinger, "Who Killed Shakespeare? An Apologia for English Departments," *College English* 61.6 (1999): 681.

textbooks, institutes, libraries, and scholarly research. Many of these activities consume and generate capital and are easily quantifiable.

Quantitative economic research has asked the question whether productions of Shakespeare's plays are subject to Baumol's disease. William J. Baumol, along with William G. Bowen, formulated Baumol's Disease, which theorizes that sectors like manufacturing have undergone productivity increases followed by wage increases as workers share in the benefits of greater profitability of their labor. But some sectors, particularly labor-intensive ones, cannot increase productivity (for example, the same number of musicians are needed to play a Schumann symphony today as in 1854, thus the productivity of classical symphonies have remained static). But wages for classical musicians have risen along with other wages; if they didn't, then workers would abandon industries like teaching where maximum efficiencies have been reached long ago for higher paying jobs, which creates shortages and consequent rise in salaries in the abandoned industries to match more productive industries. Attempts to analyze the effect of Baumol's disease in the theatre have been unsatisfactory, such as Gambling and Andrews' analysis of Royal Shakespeare Company operations from 1968-78[13] – the analysis quickly becomes a large complicated multi-variate equation with unfortunately, several important variables not known, such as seasonal production costs. Another notable attempt to understand the economics of Shakespearean performance using the records of the Royal Shakespeare Company include James H. Gapinski's 1984 article in the *American Economic Review* and the responses and replies to it.[14]

V. Conclusions

In this brief discussion, the field of inquiry into Shakespeare as a locus of cultural economic activity can only be briefly delineated. Shakespeare's works themselves provide in depth economic analyses, albeit primarily in non-economic terminology that must be interpreted and teased out by literary scholars. Furthermore, due to his unique historical position, Shakespeare was one of the first authors to solely and directly capitalize on the remuneration of his creativity through profits from performances of his writings, with minimal benefit from the financial patronage system that had previously existed for poets since Roman times. The posthumous publication of his works proved that creativity could be fixed in mass produced objects (books) that would generate further wealth. This necessitated a stricter regime of intellectual property rights control which came a generation after his death with the Statue of Anne. Thus the circumstances of his authorship were instrumental in the development of copyright law in England. Also, as one of the world's most popular and widely performed playwrights, studying performances of Shakespeare using such resources as the well documented financial records of the Royal Shakespeare Company or box office receipts from the numerous film versions of his works can be a valuable exercise for economists for understanding the quantitative financial aspect of artistic performance and knowledge products. The quantitative aspect of intangible goods, however, is a new area of quantitative economic inquiry and needs more development.

[13] Trevor Gambling and Gordon Andrews, "Does Baumol's Disease Exist? Some Findings from the Royal Shakespeare Company," *Journal of Cultural Economics* 8.2 (1984): 73-91.

[14] James H. Gapinski, "The Economics of Performing Shakespeare," *The American Economic Review* 74.3 (1984): 458-466; Edwin G. West, "The Economics of Performing Shakespeare: Comment," *American Economic Review* 75 (1985): 1206-09; James H. Gapinski, "The Economics of Performing Shakespeare: Reply," *The American Economic Review*, 75.5 (1985): 1210-1212.

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