

Versus the superstars

In discussing the general influence of economic progress on value, Alfred Marshall wrote:

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The relative fall in the incomes to be earned by moderate ability... is accentuated by the rise in those that are obtained by many men of extraordinary ability. There never was a time at which moderately good oil paintings sold more cheaply than now, and... at which first-rate paintings sold so dearly. A business man of average ability and average good fortune gets now a lower rate of profits... than at any previous time, while the operations, in which a man exceptionally favoured by genius and good luck can take part, are so extensive as to enable him to amass a large fortune with a rapidity hitherto□ unknown.

The causes of this change are two; firstly, the general growth of wealth, and secondly, the development of new facilities for communication by which men, who have once attained a commanding position, are enabled to apply their constructive or speculative genius to undertakings vaster, and extending□ over a wider area, than ever before.

It is the first cause... that enables some barristers to command very high fees, for a rich client whose reputation, or fortune, or both, are at stake will scarcely count any price too high to secure the services of the best man he can get: and it is this again that enables jockeys and painters and musicians of exceptional ability to get very high prices... But so long as the number of persons who can be reached by a human voice is strictly limited, it is not very likely that any singer will make an advance on the £10.000 said to have been earned in a season by Mrs. Billington at the beginning of the last century, nearly as great as that which the business leaders of the present generation have made on those of the last.

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Even adjusted for 1981 prices, Mrs. Billington must be a pale shadow beside Pavarotti.¹⁴ Imagine her income had radio and phonograph records existed in 1801! What changes in the future will be wrought by cable, video cassettes, and home computers?

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These are the final remarks of the famous Rosen article: Economics of Superstars.

Since then, many changes occurred in our societies, democracies, and economies but, undoubtedly, we're still living in a market structure prioritizing earnings for the upper percentiles of every kind of distribution.

In this sense, when Rosen concludes his famous paper alluding to a more and more growing trend in coherence with the development of technologies was right.

But market structures, as well as social and political frameworks are not immutable.

History teaches us that these frameworks are the reflection of the needs and the thought of a society and, probably, we should start thinking that this kind of structure of the market is not so contemporary as we're used to believing.

The exacerbation of the economics of superstars is, today, a matter of fact, but it is also clear that this kind of structure reaches such a dimension that it generates to the society more costs than returns, both in a cultural and in economic perspective.

There is a "passage" in both Marshall and Rosen's thought that is widely accepted to be false.

Both the great economists link the earnings with genius (even though this word should be interpreted with a different meaning from the sense we give it today).

Today we're all aware that this link is true only in some markets, whereas other markets, and cultural and creative sectors above all, are often the results of different variables, and that genius is not always the most important among them.

The usage and the structure of our markets and societies are nowadays are shaped by ICT developments, but the potentiality of the new media and the ubiquity of the information could be framed for the rise of new economic models, as the rise of the Long Tail showed us a few years ago.

In cultural and creative sectors, the economics of superstars is empowered also by a cultural trend: the myth of the artist and the "art pour l'art" phenomenon, which carried us to a glamorous interpretation of the arts, both visual and non-visual ones.

Both the arguments reflect, however, a non-contemporary vision of the society and, in this sense, we should reshape our markets in order to understand that, for cultural and creative sectors, despite the exponential growth of the distribution channels, there are many demand segments that still need to be reached.

The Economics of Superstars makes superstars richer and richer meanwhile is depauperating emerging cultural artists, who struggle to reach sufficient earnings to survive with only the results of their cultural works.

A possible strategy to make arts grow, is, thus, the setting up of territorial market structures in order to reach those individuals who cannot afford to buy a top-lot artwork or to take a flight to assist a famous music performer.

By creating territorial cultural offers, the economic actors (such artists, musicians, and so on) could count on a specific demand base, which could help them in persevering with their cultural research and work.

It's not an attempt to subvert the established economic system. It is just a need to bring the Economic of Superstars' framework to its original conditions, where there were geniuses because there were plenty of people in the competition.

By transforming the market in a binary roulette, where on one hand we have enormous global revenues and on the other hand the death, geniuses, simply, are those who are able to be alive.



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