**Mini symposium on Causal inference in cultural economics**

Date and time: Tuesday, February 13, 2024, 9:00 AM Central European Time, online via Zoom

Methods of causal inference and causal discovery in econometrics and statistics have gained prominence in recent decades, following seminal works of Donald Rubin, Judea Pearl, James Heckman, Guido Imbens, Joshua Angrist, James Robins and Philip Dawid, among many authors. Research has been gaining ground in both potential outcomes as well as directed acyclic graphical approaches, and combinations of both such as the single world intervention graph perspective. Recenty, connections of machine learning and data science with causal inference have been subject to a body of research, opening many new perspectives. In our mini-symposium we aim to present and discuss some of the most interesting recent applications of such methods in cultural economics.

- **Matthias Sahli** (joint article with Alexander Cuntz): *Ars longa, vita brevis: The death of the creator and the impact on exhibitions and auction markets*

Abstract: This paper studies the death effect on artists’ exhibitions and commercial success in the secondary art market. Based on a random sample of 1000 popular artists born after the turn of the 20th century, we construct a novel panel data set of their worldwide exhibition history and auction transactions. By applying a regression discontinuity and event study design, we find an overall negative effect of artist death on the number of exhibitions. However, this post mortem effect disappears in longer term. Roughly ten years after death, exhibitions are back to pre-death levels. Arguably, transaction cost and higher auction prices after death also temporarily increase the average cost of exhibiting artworks, e.g. higher market valuation raises (unobserved) insurance cost for exhibitions. Hedonic auction price models confirm this intuition and suggest a significant price premium posthumously. We find substantial heterogeneity in the treatment depending on the age and reputation of the artist at death. Overall findings explain important mechanisms for the post mortem value of artistic work and have important policy implications for the creative sectors and the design of legacy stewardship rules, including a possible justification for rights granted post mortem such as copyright.

- **David Throsby** (joint article with John R. Severn and Katya Petetskaya): *Preference formation in demand for live theatre*

Abstract: In economics, the concept of preferences is fundamental to the theory of choice. In many demand analyses, preferences are taken as given, although interesting questions can be asked about how they originate. In this paper, we consider the formation of preferences in demand for live theatre. We propose a model where preferences are derived from certain identifiable types of experience gained from past attendances at live theatre productions, as well as from some characteristics of consumers including their theatre-related human capital and their habitual behaviour patterns in attending a performance. We hypothesise that the preferences formed through these processes determine conditional demand for future live theatre consumption. The model is estimated as a two-stage system using data from a recent survey of theatregoers. The paper is interdisciplinary in its approach, drawing its modelling and methodologies from economics, and its interpretation of results from the academic discipline of theatre studies.

- **Andrea Baldin** (jointly with Trine Bille): *The lost value for users of cultural institutions during the COVID‑19 pandemic: a life satisfaction approach*

Abstract: Studies related to the assessment of the non-market values of culture typically employ methods based on stated or revealed preferences. In this paper, we implement a new emerging non-market valuation technique, namely the life satisfaction approach. In particular, we quantify in monetary values, the additional utility that people benefit from cultural experiences, as well as the additional disutility suffered by cultural consumers specifically due to the closure of cultural organisations during the COVID-19 pandemic, as the pandemic provides a unique setting. Using a survey conducted in Denmark in the spring of 2020, we confirm the link between cultural participation and well-being by estimating a life satisfaction model, instrumenting for both income and cultural participation to avoid simultaneity problems. Furthermore, we show that fervent cultural consumers have experienced an additional welfare loss during the lockdown period, controlling for all other known life dimensions affected by the pandemic. Our results aim to highlight the role of cultural participation in sustaining life satisfaction and, consequently, to support a well-being evidence-based cultural policy that facilitate cultural accessibility as a mean to increase the individual well-being.

Mini symposium will be moderated by Andrej Srakar, Special Session Coordinator of the CEOS online seminar series.