

Gaining Fame and Fortune : A “Cultural Agent” Hypothesis

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Abstract. In this paper we put forward a “cultural agent” hypothesis, namely, what cultural producers seek are net revenue maximization and fame maximization. A multi-object decision model is developed to verify the hypothesis, showing that the hypothesis is tenable if it is satisfied by the following three theorems: the direct effect of audience variation derived from quality variation of cultural products should be less than the absolute value of the first indirect effect caused by the price of cultural products; the price of cultural products is not very susceptible to quantity variation of cultural products; the direct effect of audience variation derived from the price variation of cultural products should be less than the first indirect effect caused by the quantity of cultural products. Finally, this paper illustrates the “cultural agent” hypothesis with some cultural and social examples.

Keywords: “cultural agent”; fame; fortune; net revenue; audience

1. Introduction

There exists an economic agent hypothesis in economics for a long time. The hypothesis springs from Adam Smith (1776) who pointed out that “by pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.”^[1] However, if we are making research on cultural phenomena rather than economic phenomena, the economic agent hypothesis will be far from enough in explaining the behavior of cultural producers? Many authors^[2] argue that the economic value gained by cultural producers is dependent on his long-established fame to much greater extent. (For example, Rosen (1981) have noted that there is “a strong tendency for both market size and reward to be skewed toward the most talented people in the activity”.) A cultural product (cultural goods or cultural service) will be of a higher price when it is provided by a star than that by an ordinary cultural producer, mainly because consumers worship stars or believe in stars.

On the other hand, it is demonstrated by the study of the artistic labor market that before a person becomes a famous star, when he does artistic work he earns less than that when he does non-artistic work^{[3][4][5][6][7][8]}. (Some scholars have made surveys on the issue, e.g., see McLain (1978), Felton (1980), Kingston et al. (1981), Ruttenberg et al. (1981), Wassall and Alper (1983), Filter (1989). The result showed that the mean income of artists is about one third lower than that of administrators, professionals and technicians.) Some famous artists achieve the economic value of their works only after they have died for many years, a typical example of whom is Vincent van Gogh. Chances are, they could not even maintain basic life if they devote all the time to the artistic work, so they have no other choice but to devote part of their time to non-artistic work at the early stage of their career^{[9][10]}. (A multiple job-holding model was developed by David Throsby (2001) to expound work time allocation of artists. The model was further developed by Wang (2008) who concludes that artists would allocate corresponding time to work on non-artistic work as long as wage ratio of non-artistic work is higher than that of artistic work)

Therefore, a popular star-making campaign is sweeping through the whole world. For instance, CCTV programs like “I want to be on the Spring Festival Gala” and “Avenue of Stars”, and local TV stations

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programs like “Super Girl” and “Folk Star in Action” have made a large batch of stars out of common talented people. Some audacious people even make public their desperate actions by use of the internet. With the sensational propaganda of some star cappers they become famous overnight and then they will participate in various activities, such as performances, singing, acting, advertisement to make a large amount of money to make up for the cost of fame.

Therefore, we attempt to put forward a new hypothesis in this paper, that is, a cultural producer seeks both fame and fortune. Owing to the fact that we tend to use cultural persons to refer to those who go in for cultural production, education and scientific research in China, we may name the hypothesis “cultural agent” hypothesis.

2. Methodology

A model will be developed to formulate the above-mentioned concept. In the model, there are two objective functions, one being the maximization of net revenue and the other maximization of fame. The first objective function may be analyzed by the classic theory, but the second objective function should be converted into a quantifiable objective function. As is known to all, fame includes two aspects: the first is concerned with good or bad value judgment; the second is the effect of fame dissemination, that is, how many people know someone or something. In contemporary society, one has a lot of chances to gain enormous fortune if he is famous positively or negatively. It is worth noting that we attach more importance to good fame rather than ill fame.

Cultural producers may be individuals or corporations. Various works created by cultural producers are sold in market in order to gain some economic revenue. The transaction process is the same as that of ordinary economic goods if certain special traits derived from cultural production process are put aside. However, it is still noted that cultural production has some unique characteristics. The cultural products may be tangible such as paintings, sculptures porcelain crafts, and the like, and also may be intangible such as dramas, operas and TV programs. Of course, the classification is not absolute because the latter may be converted into tangible goods via some forms of media. Furthermore, it should be noticed that some cultural products are unique if we don't take duplication and reproduction technology into consideration, so they can only be resold but not be sold in bulk. In the course of continuous resale, their value increases continuously. The appreciation of cultural products will occur naturally both in public auctions and private transactions. Therefore, cultural goods may be seen as an instrument of investment portfolio. Intangible cultural services such as performances bear the characteristics of both alive and dead. That is to say, the production of cultural services come from cultural producers are simultaneous with the consumption by consumers. The consuming process finishes alongside with the producing process and the cultural services also disappear. Of course, various inputs such as capital and labor are needed in the course of cultural production. Labor cost plays an especially important part in cultural production and sometimes holds a higher weight in total cost^{[11][12]} according to Caves (2001) and Florida (2002). For example, the payment to a few stars even accounts for more than 50% of the entire production cost of a movie. The gross revenue minus cost is the net revenue acquired by cultural producers. An essential object of cultural production is to seek the maximization of net revenue.

Now we turn to another challenging issue, that is, how to represent fame. As mentioned, the fame are manifested in two aspects. In the first sense, fame may be represented by the quality of cultural products and in the second sense, by the number of dissemination. In theory, the quality of cultural products may be improved ceaselessly, but the extent of improvement is of no limit because we have no idea of the potentiality of human beings, but in fact, the quality of cultural products is subject to many factors such as knowledge, skills and techniques of cultural producers. So, it is argued that the quality of cultural products is an intrinsic variable, but can't be considered as an objective variable. However, the number of dissemination is the object many cultural producers trying to seek. For instance, many singers frequently hold concerts, take part in local cultural activities and attend public-service cultural activities; the authors of best sellers appear on the scene to sign their books; some stars perform in advertisements and TV programs repeatedly. Increase in exposure number will make readers and audiences familiar with them and their content products. This kind of pursuit of cultural producers is called “audience maximization^[13]” trend by Garnham (1990). It

needs to note that the quality the works of these stars may not be improved when they promote themselves with their all efforts and they may not be in the intention of improving it. On the contrary, they are likely to opt the quality of their programs in the light of occasion to be present. Such examples abound in the performance markets of our country. In the 2010 Mid-autumn Festival, the author of the present paper and several people were invited to watch a performance by Gongzhuling bureau government but it turned out that we were disappointed with the performance of some big stars. The reason was the rank of performance was not so high that they didn't care about it. After all, Gongzhuling is a country-level city. However, they still chose to participate in the party because they want to be known by more audiences and also to make a big sum of money. The example suffices to illustrate that what stars pursue is exposure number rather than quality. Increase in exposure number means increase in audiences and that is what they pursue.

We will use a model to formulate the above idea. Apparently the model needs to settle a multi-object decision problem. The two objects cultural producers pursue are not necessarily compatible; instead, they are in conflict in some cases. To ensure the wide application of our model, we will express it with symbolic language which brings about certain difficulties for us to resolve the model. Some methods^[14] to resolve multiple object decision problems are listed in Ying-ai Gan and Feng Tian et al. (2005). Here the method we adopt is to resolve the two optimal problems respectively to get their own optimal solution, and then to find the public solution set of two optimal solutions. If there is such a public solution set, we can say that the "cultural agent" hypothesis we put forward is correct. But it is worth pointing out that a fundamental condition in using the method is that the two objective functions are uncorrelated. Otherwise, the method can not be adopted. There will be a further elaboration in the forthcoming model that the object of net revenue maximization is irrelevant to that of audience maximization.

3. Model

In our model, R denotes the net revenue of a certain cultural product, A denotes its audience size, K denotes capital input of the production of the cultural product, L denotes labor input of the production of the cultural product, Y denotes production quantity of the cultural product, Q denotes production quality of the cultural product, P denotes price of the cultural product, r denotes return rate of capital and w denotes reward rate of labor. Then the net revenue of the cultural product is

$$R = PY - rK - wL \quad (1)$$

In general, r and w may be considered as exogenous variables. Therefore, R is in direct proportion to P and Y , but is in inverse proportion to K and L . There exists an implicit assumption that the cultural market is cleared out so that the quantity supplied equals to quantity demanded when the cultural market reaches the equilibrium. It appears that equation (1) is the same as that of ordinary economic commodities. However, the specialty of equation (1) is embodied in formation of the prices of cultural products. It is known that the price differences among most of the similar kind of ordinary goods are not so striking. For example, the price difference between Nongfu Spring and Master Kong is only 0.5 RMB, and the price difference between Mengniu and Erie is nearly the same. Nevertheless, the price differences are striking for similar kind of cultural products. For instance, there is an obvious price difference between Ru Porcelain and Jun Porcelain. The difference stems from their characteristics and products quality *per se*. There is a distinct price difference between the first-class products and the second -class product for the same porcelain.

It may be inferred that the price varies extremely with different brands and qualities of cultural products. Of course, similar with ordinary goods, the price is still influenced by the quantity supplied. For example, Tang tricolor pottery in Luoyang has been depreciating owing to oversupply. Therefore, it may be concluded that the price function of cultural products is

$$P = P(Y, Q) \quad (2)$$

It is noted that the above equation is just the form provided by Rosen (1981) who investigated the superstar phenomena. In equation (2), P decreases with Y , but increases with Q , i.e. $\frac{\partial P}{\partial Y} < 0$, $\frac{\partial P}{\partial Q} > 0$; P is

second-order derivative at Y and Q .

Next it is time to consider audience size of cultural products. It may be argued that audience size is primarily dependent on three factors. First is quantity, the larger quantity a cultural product is in, the bigger chances people have to get in touch with it; second is quality, the higher quality a cultural product is, the more willing people are to get in touch with it; finally, is the price, the dearer a cultural product is, the less purchasers are. Therefore, the audience size of a cultural product may be expressed as

$$A=A (Y, Q, P) =A (Y, Q, P (Y, Q)) \quad (3)$$

In addition, what we need to bear in mind is that cultural products are easily diffused. A person may judge a cultural product he has experienced to others and in so doing to make others experience it indirectly. He may also lend the product to others, so they gain the first hand experience as well. In the context of internet economy, people may download freely by means of some download instruments such as Thunder, eMule and Nanorobot or, they can watch what they want online via Tudou, Youku, YouTube and so on. With the growth of the number of net citizens in the world, the internet externality is become increasingly outstanding and the international flow of cultural products is accelerated. If a cultural product is transmitted by ten times, the audience size will change from one to ten. Therefore, the above equation calls for the further modification. Assuming the transmission frequency is denoted by m , we then get

$$A= A (mY, Q, P (Y, Q)) \quad (4)$$

Here we obtain a multi -object decision problem

$$\max R = PY - rK - wL \quad (5)$$

$$\max A= A (mY, Q, P (Y, Q)) \quad (6)$$

Here, the relationship between R and A is uncertain. The uncertainty is due to the easy dissemination of cultural products. Assuming that cultural products are stagnant and can not be spread, we can allow $A=nY$ (n is a natural number) meaning that the audience of a certain cultural product purchases at least one cultural product. Only in this way is net revenue and audience size of a direct proportion correlation. If cultural products can be transmitted freely, the correlation will disappear. The reason why to consider the mobility of cultural products has to do with the law and policy concerning cultural product. For example, the Chinese government is fighting against pornographic contents on the internet, so there are some difficulties in exposing the public to these products. The relationship between R and A will become uncertain in view of internet externality. Audiences of some popular cultural contents are perhaps countless, but the net revenue gained by cultural producers may not be proportional to the audiences. Counter examples are not easy to find. One exception is though the net revenue of rare goods are all extremely high, the exposure number is extremely low.

Throsby (2006) raised an artistic production function^[15]. With a little alteration, without distinguishing the physical capital from the human capital, we get the production function of cultural products as follows:

$$Y=Y (K, L) \quad (7)$$

$$Q=Q (K, L) \quad (8)$$

In the above two equations, Y and Q increases with K and L and are satisfied with decreasing law of marginal product, i.e. $\frac{\partial Y}{\partial K} > 0$, $\frac{\partial Y}{\partial L} > 0$, $\frac{\partial Q}{\partial K} > 0$, $\frac{\partial Q}{\partial L} > 0$, $\frac{\partial^2 Y}{\partial K^2} < 0$, $\frac{\partial^2 Y}{\partial L^2} < 0$, $\frac{\partial^2 Q}{\partial K^2} < 0$, $\frac{\partial^2 Q}{\partial L^2} < 0$.

Applying the first-order condition to the net revenue objective function and audience objective function, we find

$$\frac{\partial R}{\partial K} = \left(\frac{\partial P}{\partial Y} \frac{\partial Y}{\partial K} + \frac{\partial P}{\partial Q} \frac{\partial Q}{\partial K} \right) Y + P \frac{\partial Y}{\partial K} - r = 0 \quad (9)$$

$$\frac{\partial R}{\partial L} = \left(\frac{\partial P}{\partial Y} \frac{\partial Y}{\partial L} + \frac{\partial P}{\partial Q} \frac{\partial Q}{\partial L} \right) Y + P \frac{\partial Y}{\partial L} - w = 0 \quad (10)$$

$$\frac{\partial A}{\partial K} = m \frac{\partial A}{\partial(mY)} \frac{\partial Y}{\partial K} + \frac{\partial A}{\partial Q} \frac{\partial Q}{\partial K} + \frac{\partial A}{\partial P} \left(\frac{\partial P}{\partial Y} \frac{\partial Y}{\partial K} + \frac{\partial P}{\partial Q} \frac{\partial Q}{\partial K} \right) = 0 \quad (11)$$

$$\frac{\partial A}{\partial L} = m \frac{\partial A}{\partial(mY)} \frac{\partial Y}{\partial L} + \frac{\partial A}{\partial Q} \frac{\partial Q}{\partial L} + \frac{\partial A}{\partial P} \left(\frac{\partial P}{\partial Y} \frac{\partial Y}{\partial L} + \frac{\partial P}{\partial Q} \frac{\partial Q}{\partial L} \right) = 0 \quad (12)$$

The Public solution (K^* , L^*) resolved in terms of the simultaneous equations system will be the optimal solution satisfied with the two optimal problems. The equations system derived from the above first-order condition is difficult to be directly resolved, but we can obtain four implicit functions of K^* and L^*

$$\left. \frac{\partial Y}{\partial K} \right|_{(K^*, L^*)} = \frac{r \left(\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} \right)}{Y \frac{\partial P}{\partial Y} \frac{\partial A}{\partial Q} + P \left(\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} \right) - mY \frac{\partial P}{\partial Q} \frac{\partial A}{\partial(mY)}} \quad (13)$$

$$\left. \frac{\partial Q}{\partial K} \right|_{(K^*, L^*)} = \frac{r \left(m \frac{\partial A}{\partial(mY)} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Y} \right)}{\frac{\partial A}{\partial Q} \left(Y \frac{\partial P}{\partial Y} + P \right) + \left(P \frac{\partial A}{\partial P} - mY \frac{\partial A}{\partial(mY)} \right) \frac{\partial P}{\partial Q}} \quad (14)$$

$$\left. \frac{\partial Y}{\partial L} \right|_{(K^*, L^*)} = \frac{w \left(\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} \right)}{Y \frac{\partial P}{\partial Y} \frac{\partial A}{\partial Q} + P \left(\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} \right) - mY \frac{\partial P}{\partial Q} \frac{\partial A}{\partial(mY)}} \quad (15)$$

$$\left. \frac{\partial Q}{\partial L} \right|_{(K^*, L^*)} = \frac{w \left(m \frac{\partial A}{\partial(mY)} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Y} \right)}{\frac{\partial A}{\partial Q} \left(Y \frac{\partial P}{\partial Y} + P \right) + \left(P \frac{\partial A}{\partial P} - mY \frac{\partial A}{\partial(mY)} \right) \frac{\partial P}{\partial Q}} \quad (16)$$

It may be found from equation (13) to equation (16) that the equation (13) and equation (15) share the same denominator but different numerators, r and w respectively. The same is true for equation (14) and equation (16). Because $\frac{\partial Y}{\partial K} > 0$, $\frac{\partial Y}{\partial L} > 0$, $\frac{\partial Q}{\partial K} > 0$ and $\frac{\partial Q}{\partial L} > 0$, the denominators and the numerators have the same symbol.

Let us discuss the denominator symbol of equation (13) in the first place. The denominator is divided into three parts. Since $\frac{\partial P}{\partial Y} < 0$, $\frac{\partial P}{\partial Q} > 0$, $\frac{\partial A}{\partial Q} > 0$, $\frac{\partial A}{\partial(mY)} > 0$ and $\frac{\partial A}{\partial P} < 0$, then the first item $Y \frac{\partial P}{\partial Y} \frac{\partial A}{\partial Q} < 0$, the symbol of the second item $P \left(\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} \right)$ is uncertain, and the third item $-mY \frac{\partial P}{\partial Q} \frac{\partial A}{\partial(mY)} < 0$. However, the numerator of equation (13) is $r \left(\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} \right)$; therefore we get $\frac{\partial Y}{\partial K} > 0$ and $\frac{\partial Y}{\partial L} > 0$ as long as $\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} < 0$.

The numerator of equation (14) is apparently positive, and thus the denominator should be positive. The denominator contains two items where the second item $\left(P \frac{\partial A}{\partial P} - mY \frac{\partial A}{\partial(mY)} \right) \frac{\partial P}{\partial Q} < 0$. If we want to make the denominator positive, then the first item should be $\frac{\partial A}{\partial Q} \left(Y \frac{\partial P}{\partial Y} + P \right) > 0$, or put it another way, $Y \frac{\partial P}{\partial Y} + P > 0$ and $\frac{\partial A}{\partial Q} \left(Y \frac{\partial P}{\partial Y} + P \right) > \left(mY \frac{\partial A}{\partial(mY)} - P \frac{\partial A}{\partial P} \right) \frac{\partial P}{\partial Q}$.

In addition, it may be found from equation (13) to equation (16)

$$\frac{\partial Y}{\partial K} \Big|_{(K^*, L^*)} \Big/ \frac{\partial Y}{\partial L} \Big|_{(K^*, L^*)} = \frac{\partial Q}{\partial K} \Big|_{(K^*, L^*)} \Big/ \frac{\partial Q}{\partial L} \Big|_{(K^*, L^*)} = \frac{r}{w} \quad (17)$$

Equation (17) shows that there are two invalid equations in the above equations system. In other words, if a solution can be satisfied by equation (13) and equation (14), then it will be satisfied by equation (15) and equation (16), and vice versa. Equation (13) and equation (14) are different and disproportionate. If equation (13) and equation (14) are linear for K^* and L^* , then public solution will be the only one; if equations system can be converted into a nonlinear equation of K^* and L^* by means of iterative method, then there are more than one public solution; alternatively, we can only gain approximate solution with numerical simulation.

Therefore, to ensure the compatibility of the net revenue maximization and audience size maximization, we need the following three necessary but not sufficient conditions:

$$\frac{\partial A}{\partial Q} + \frac{\partial A}{\partial P} \frac{\partial P}{\partial Q} < 0 \quad (18)$$

$$Y \frac{\partial P}{\partial Y} + P > 0 \quad (19)$$

$$\frac{\partial A}{\partial Q} (Y \frac{\partial P}{\partial Y} + P) > (mY \frac{\partial A}{\partial(mY)} - P \frac{\partial A}{\partial P}) \frac{\partial P}{\partial Q} \quad (20)$$

We may define $\frac{\partial A}{\partial Q}$ as the direct effect of audience variation derived from quality variation of cultural products. Similarly, $\frac{\partial A}{\partial P} \frac{\partial P}{\partial Q}$ denotes the first indirect effect on audience induced from quality variation through price transmission; $\frac{\partial A}{\partial(mY)} \frac{\partial(mY)}{\partial P} \frac{\partial P}{\partial Q}$ denotes the second indirect effect on audience size induced from quality through price transmission and quantity transmission; $\frac{Y}{P} \frac{\partial P}{\partial Y}$ denotes the elasticity of the prices of cultural products to the quantities of cultural products. Thus we obtain the following three theorems.

Theorem 1 the direct effect of audience variation derived from quality variation of cultural products should be less than the absolute value of the first indirect effect caused by the price of cultural products This theorem can be got by shifting the second item of inequality (17) to the right of the inequality.

Theorem 2 the price of cultural products is not very susceptible to quantity variation of cultural products. With a little alteration of inequality (18), we can see that elasticity of the prices of cultural products to the quantities of cultural products is less than one.

Theorem 3 the direct effect of audience variation derived from the price variation of cultural products should be less than the first indirect effect caused by the quantity of cultural products.

With some transformation of inequality (19), we have

$$-\frac{\partial A}{\partial P} < \frac{\partial A}{\partial(mY)} \frac{\partial(mY)}{\partial P} \quad (21)$$

The public solution of the equations system exists if equation (17), equation (18) and equation (20) all hold water. Therefore, equation (18), equation (19) and equation (21) become the three necessary but not sufficient conditions coordinating the objects of cultural producers. Furthermore, we have illustrated the plausibility of the ‘‘cultural agent’’ hypothesis.

4. Application

This paper has analyzed the ‘‘cultural agent’’ hypothesis and its plausibility at great length. Now it is time to make a contrast between ‘‘economic agent’’ and ‘‘cultural agent’’. The former lays emphasis on the pursuit

of personal interest without excluding public interest, maintaining that we are running the risk of distorting the public interest while pursuing it due to rent-seeking activities of the government agents; the latter also lays stress on the pursuit of personal interest, but at the same time, on the pursuit of fame. Because fame displays certain externality, the chances are, the pursuit of the two goals is in conflict, but the conflict can not prevent the two goals from being realized simultaneously. In reality, the truth is, the cultural agent may gain relatively higher income and fame. The order in chasing the two goals may differ. Some people initially run after money and then fame after they are rich enough, some run after money and fame at the same time and still some desire to be famous overnight so as to gain as much profit as possible. The “cultural agent” hypothesis we put forward in this paper can elucidate many cultural and social phenomena.

First have a look at the entertainment circle. A lot of rumors come from the circle. But why? Are they not chased by the stars? In Hongkong, Taiwan and in mainland China as well, when some stars first enter the entertainment circle they feel like acting in blue movies just because blue movies, which are so vulgar that famous stars are not willing to act, provide them with opportunities to show their face. In the entertainment circle, the affairs between stars, directors and stars always catch the attention of the public. The reason lies in the fact that the entertainment circle is replete with “latent rules”. Some people are so audacious that they volunteer to be taken advantage of. All these kinds of examples evidence that fame is run after vigorously. After one becomes famous, he seeks fabulous wealth.

Second, look at the academic circle. The academic circle is supposed to be a sanctuary but pitifully it is contaminated with worldly conventions and so become an instance of “gaining both profit and fame” hypothesis. Take Lecture Room for example. Some unknown professors achieve a rapid rise to fame after they take part in the programme. After gaining celebrity, they are given a number of honors, appointed many high positions so that they have a say in social issues and obtain a large sum of money. Another example is the phenomenon of “intellectual dominators”. Owing to the authority of these “intellectual dominators” in the intellectual circle, they seize many intellectual resources like projects, journals, rewards and so on. Therefore, the ordinary scholars who have no relations with them are left no opportunities to gain these resources. So, some scholars long to be “intellectual dominators” not because they care about academics but because they are running after profits brought about by the intellectual corona.

Finally look at the vocation of doctors. At present, rent-seeking activities are prevalent. The same is true with the vocation of doctors. A large number of previous literatures focus on the moral hazard and adverse selection of patients. But the fact is that the moral hazard of Chinese doctors is a real bigger menace to society. The moral hazarded is not targeted to individuals. It is worth pointing out that not all the doctors are in the position of making moral hazard, but only the renowned doctors are. We have to admit that it is unavoidable that patients seek help from these doctors because only they are capable of treating some diseases. Or put it another way, because renowned doctors are trusted, they can gain much more from the medical market than ordinary doctors. As a result, ordinary doctors will try their best to be famous.

5. Conclusions

From the outset, this paper puts forward the “cultural agent” hypothesis. Then we illustrate the plausibility of the hypothesis according to a formal model. Thus we get there theorems: (1) the direct effect of audience variation derived from quality variation of cultural products should be less than the absolute value of the first indirect effect caused by the price of cultural products; (2) the price of cultural products is not very susceptible to quantity variation of cultural products; (3) the direct effect of audience variation derived from the price variation of cultural products should be less than the first indirect effect caused by the quantity of cultural products.. At last, we elucidate the application of this hypothesis with some cultural and social examples.

As far as the methodology is concerned, what we have developed is a multiple object model. In order to generalize this theory, we have not given specific functional forms. If we set specific forms for quantity production function, quality production function, price function, it would be easy for us to find the final coordinating solution. Several probabilities have been talked about, among which the most complex one is the method of numerical solutions, the operations of which need be facilitated by computers.

Looking back at the development of cultural economics in the 40-odd years, we can see some authors tried in vain to put forward this hypothesis explicitly as if they would rather veil it. The present paper tries tentatively to uncover this veil, hoping to contribute our bit in this work.

6. Acknowledgment

The author would like to acknowledge financial support from the Key Research Project of Humanities and Social Sciences by the Education Bureau of Henan Province (No. 2008-ZD-002), from the Co-established Project by the Ministry and Province of Henan University (No. SBJ090108), and from the National Social Science Fund (No. 08BJL015).

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