Melbourne Business School

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Developed out of a partnership between the National Endowment for the Arts and the Brookings Institution (an independent research body and publisher) *Creative Communities: Art Works in Economic Development* presents nine diverse empirical studies on the economic impact of the arts. Employing New Growth Theory as a rallying cry, the scholars in this book cohesively argue that high human capital or talented innovators and intellectuals with great ideas stimulate economic growth. This theoretical positioning creates the foundation for the authors to address the pursuit of empirical economic evidence so desperately desired by the arts and cultural sectors.

Considering the dark side of economic theories, including New Growth Theory (Romer, 1990), and the impact they have on the arts and cultural sectors is critically important to the nascent field of arts and economic development. It is within this frame that I ask is the arts an engine for affluence if comprehended in this fashion? Rushton and his collaborators secure their empirical investigations to the ‘economics of knowledge’ (Warsh, 1990: xv). New Growth Theory argues that creativity, innovation and knowledge are the drivers of economies. So the lack there of, as Romer himself points out: “it is ideas, not objects, that poor countries lack.” (2008), creates a serious consideration about power and knowledge in the replication of socio-racial-economic divisions.
The specter of Richard Florida (The Rise of the Creative Class) whether present or notably absent throughout the chapters tells us the impact of his best-selling coined idea of ‘the creative class’ and the statistics Florida uses to argue that human creativity is an express feature of our contemporary economy. In Chapter 6 the team from Michigan State University led by physiologist Robert Root-Bernstein insightfully make the point that Florida’s statistics are underpinned by the assumption that there is a relationship between higher education and creative cities rather than employing an index of creativity to measure place (98). They highlight, through their observation, that highly educated individuals or those with the agency of choice are the primary foci for investigation of the economic importance of the arts and cultural sectors.

When Florida claims that ‘the creative class is the norm-setting class of our times’ (2011: 10) questions of what norms are being set and who is locked out by these choices gather primacy. Discourses promoting the economic impact of the arts tread the line of reducing the debate to a measurement of mere monetary value. The authors in this book should be commended for engaging in the complex debate of determining value in the creative knowledge economy. Each chapter provides an interesting lens on how the arts contribute to local and national economies. Schuetz in Chapter 2 explores the co-relationship between galleries/museums and urban development by investigating the anecdotal concept that artists are the ‘causal agents’ of gentrification. Not shirking from presenting contrary findings, Schuetz finds that local art galleries anticipate neighborhood renewal, rather than drive the development.
In Chapters 3, 5 and 8 the authors investigate organizational level concerns like employment, revenue and location as an indicative factor of economic growth. Markusen, Nicodemus and Barbour (Chapter 3) argue that promotion of local based consumption, coupled with supportive incentives for innovation and export trading by building the capacity of established arts organizations, is productive for economic development. Schmitz (Chapter 5) presents a clever case study that outlines the effects of a cultural tax district as compared to a non-cultural tax district, asking if the revenues are boosted by the localized commitment to arts and culture. Despite that, the findings seemingly fall flat. Schmitz highlights that the public service activities performed by arts organizations, like arts and science education, are more prolific in cultural tax districts (83). Kushner (Chapter 8) investigates what supports entry of arts entrepreneurs in 281 American communities, asking the question ‘Is this a good place to start my arts venture?’ (161).

In Chapter 4 Maloney and Wassell case study the Adams Arts Program for the Creative Economy in Massachusetts finding that cross sector collaboration promotes a sense of community cohesiveness, however lack of skills and funding hampered efforts to develop sustainable cultural infrastructure. Chapters 7, 9 and 10 look statistically at environmental factors related to employment, income and expenditure. In Chapter 7 Nooman and Breznitz measure the impact of universities on the development of media arts sectors by measuring technological/scientific/industrial and commercial applications of innovation. Whereas Pedroni and Sheppard work up a mathematical equation to determine whether there is a casual connection between arts production and economic prosperity in Chapter 9, Bakhshi, Lee and Mateos-Garcia
find that cultural clustering in cities is good for productivity and that people are willing to sacrifice higher wages to live in a culturally enriched city.

All authors evenhandedly present their findings, however it is in the methodological construction of the studies, as well as the assessment of the policy imperatives these studies furnish arts advocates and policy makers with, where the book truly shines a light. Each study does work on anecdotal or casual intuitions that the arts sector have been touting for decades, for example: that the arts are a precursor of economic growth; that support for small-medium not for profit arts organizations is essential to a healthy arts and cultural sector; that arts collaborations promote community cohesiveness; and that more public funding for the arts promotes more private funding. Each author discusses the many limitations and assumptions that underpin the data sets they use. Authors have engaged large data sets for example the Neighborhood Change Database (Chapter 2), the Current Population Survey (Chapter 7) or the National Center for Charitable Statistics data (Chapter 9). Having the methodological and intellectual rigor to construct research investigations to build sound arguments is increasingly vital to a sector that is progressively managerial and business like.

The introduction of entrepreneurship literature detailed in this book (Chapters 6 and 8 in particular) shows that the discourse of cultural economics is inexplicably linked to the discourses of business, brands and management. These discourses are undoubtedly displacing the more traditional artistic excellence and audience development discourses of arts management as policy makers work hard to make
arguments to create space for the arts and cultural sectors in the crush of the debate about what’s important to the economy.

I found it interesting that Kushner explicitly states that it is the managerial and leadership activities, not the environmental factors, which affect nascent arts ventures (162). Thus, the entrepreneurial discourse of upholding individualism, of success and opportunity, and of agency of choice disguises the classic assumptions that underpin the idealisation of continual economic (capitalist) growth and the assumed role of human beings as ‘homo-economicus’ (Tedmanson et al., 2012).

Despite this ambition of providing evidence for change, the books most telling contribution is the reinforcement of hegemonic discourses of arts as a tool for economic development. Rushton previously has argued “the American system …allows the rich to have a disproportionate say in how public support is allocated, that arts organizations will skew their activities to those that have most appeal for wealthy donors…” (2008: 294) It is this tension between the instrumental enactment of the arts, its intrinsic value(s), and the situated power relations of patronage that haunt any focus on economic impact in the arts and cultural sectors.

Platforming the growing generation of scholarly minds investigating the impact of arts on the economic development of cities, this book edited by Dr Michael Rushton (Indiana University) demonstrates the role of empirical research has to play in crafting sophisticated arguments to bolster the positioning of the creative industries. Unfortunately there is no critical discussion of the focus by many authors on measures of affluence, and the arts and cultural sector as an economic engine for the affluent
classes. Future studies that lift the lid on the classic assumptions inherent in the economic impact measurement discourses by critically engaging investigations into the power relations inherent in this emerging discipline and how it asserts domination would be very timely.

Bibliography


Dr. Michelle Evans, originally from the Hunter Valley in NSW Australia, is a Research Fellow at Melbourne Business School where she leads Australia’s first Indigenous Business Master Class series - MURRA - established to skill up Indigenous entrepreneurs. Michelle is a Fellow of the Research Center for Leadership in Action at NYU (2014); a Fulbright Scholar (2013) and is Trustee of the Yvonne Cohen Award for Indigenous Creative Young People.