Are the Arts the Economic Engine of Affluence?


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, edited by Michael Rushton, 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, are 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 2006, xv). New growth theory argues that creativity, innovation, and knowledge are the drivers of economies. So, the lack thereof, as Romer points out—"it is ideas, not objects, that poor countries lack" (2008)—creates a

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serious consideration about power and knowledge in the replication of socio-racial-economic divisions.

The specter of Richard Florida’s *The Rise of the Creative Class* (2002, 2011), 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 that Florida uses to argue that human creativity is an express feature of our contemporary economy. In chapter 6, “Arts, Crafts, and STEM Innovation: A Network Approach to Understanding the Creative Knowledge Economy” in *Creative Communities*, a team from Michigan State University led by physiologist Robert Root-Bernstein insightfully makes the point that Florida’s statistics are underpinned by the assumption that there is a relationship between higher education and creative cities but do not employ an index of creativity to measure place (98). The authors highlight, through their observation, that highly educated individuals or those with the agency of choice are the primary focus 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. Jenny Schuetz in chapter 2 (“Causal Agents or Canaries in the Coal Mine? Art Galleries and Neighborhood Change”) explores the co-relationship between galleries and 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 such as employment, revenue, and location as indicative factors of economic growth. Ann Markussen, Anne Gadwa Nicodemus, and Elisa Babbour (chapter 3, “The Arts, Consumption, and Innovation in Regional Development”) 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. Lauren Schmitz (chapter 5, “Do Cultural Tax Districts Buttress Revenue Growth for Arts Organizations?”) presents a clever case study that outlines the effects of a cultural tax district compared to a noncultural tax district, asking whether 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, such as arts and science education, are more prolific in cultural tax districts (83). Roland J. Kushner (chapter 8, “Cultural Enterprise Formation and Cultural Participation in America’s Counties”) investigates what supports the 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 (“A Case Study in Cultural Economic Development: The Adams Arts Program in Massachusetts”), Richard G. Maloney and Gregory H. Wassall’s case study finds that cross-sector collaboration promotes a sense of community cohesiveness; however, a 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 (“Art Districts, Universities, and the Rise of Media Arts”), Douglas S. Noonan and Shiri M. Breznitz measure the impact of universities on the development of media arts sectors by measuring technological, scientific, industrial, and commercial applications of innovation. Whereas Peter Pedroni and Stephen Sheppard work up a mathematical equation to determine whether there is a causal connection between arts production and economic prosperity in chapter 9 (“The Economic Consequences of Cultural Spending”), Hasan Bakhshi, Neil Lee, and Juan 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 of the authors present their findings evenhandedly. However, it is in the methodological construction of the studies, as well as the assessment of the policy imperatives that these studies provide arts advocates and policy makers, that the book truly shines a light. Each study does work on anecdotal or intuitions that the arts sector has been touting for decades, for example, that the arts are a precursor of economic growth; that support for small and 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 engage large data sets such as those of the Neighborhood Change Database (chapter 2), the Current Population Survey (chapter 7), and the National Center for Charitable Statistics data (chapter 9). Having the methodological
and intellectual rigor to construct research investigations in order to build sound arguments is increasingly vital to a sector that is progressively managerial and businesslike.

The introduction of entrepreneurship literature detailed in this book (chapters 6, “Arts, Crafts, and STEM Innovation: A Network Approach to Understanding the Creative Knowledge Economy” and 8, “Cultural Enterprise Formation and Cultural Participation in America’s Counties” 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 is important to the economy.

I found it interesting that Kushner explicitly states that it is managerial and leadership activities, not environmental factors, that affect nascent arts ventures (162). Thus, the entrepreneurial discourse of upholding individualism, of success and opportunity, and of agency of choice disguise the classic assumptions that underpin the idealization 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 book’s most telling contribution is the reinforcement of hegemonic discourses of the arts as a tool for economic development. Rushton previously argued that “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 the arts on the economic development of cities, this book demonstrates the role that 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 or the arts and cultural sector as an economic engine for the affluent classes. There is an urgent need for 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 showing how it asserts domination, these studies would be very timely.

References