The Guggenheim effect can be interpreted as the increase in opportunities for economic and cultural development after the renovation of a downtrodden region. In the case of Bilbao, Spain, the gentrification of the city Bilboa La Vieja was accompanied by the Guggenheim effect. This deprived city now had prospects of hope. As part of the renovation efforts, the city wanted to focus on creating a new image for Bilbao---one that had cultural influence on the area. This desire to develop a cultural center in Bilbao La Vieja could be very beneficial for the city. Culture is beneficial and money can be made from it¹. In addition, the Guggenheim effect shows that "cultural investment can refresh the local soul as well as the local economy"¹.

There are a variety of ways the Guggenheim effect can play a role in a city. In one instance, it can affect the art market of a particular region. In Bilbao, the Guggenheim effect led to the construction of the Guggenheim Museum as a part of the gentrification of the city. This will likely create an influx of visitors to the Museum and city, possibly leading to an increase in the number of viewers, artists, and collectors, in the art market of Bilbao. The Guggenheim effect also led to the creation of new cultural facilities like the Guggenheim Museum, Euskalduna Conference and Concert Hall. This too can lead to greater numbers of visitors to the city, and leading to more players in the art market and greater revenues for the city.

In Bilbao, the urban regeneration had success in attracting visitors and possible developing a cultural tourist industry. The undertaking of such a significant task of creating a new culture center for Bilbao would lead to the creation of many jobs in order to see this project completed successfully. A tourist industry could once again bring more exposure and money to the city. Visitors who go to Bilbao La Vieja can help to fund developing arts and cultural movements with money they spend during city visits.

Real estate prices can also rise as the Guggenheim effect sets in. This raise in the cost of living can possibly create a place that is too expensive for previous inhabitants to afford. If there were galleries, it could force and exodus of artists, galleries, etc to regions more affordable. As more of the old inhabitants move out, new inhabitants move into the area. With the arrival of these new inhabitants called, "early gentrifiers and pioneers"², to the neighborhood there is a "different atmosphere of the neighborhood, with an 'authentic' flavor, air of 'freedom' and feeling of living in a place that is 'different', full of cultural diversity thanks to the presence of immigrants"². These "pioneers" could open art galleries and studios, shops, tapas bars and cafes, and a new nightlife could emerge. In some cases this local region of the city could be transformed in the art district of the city. Such was the hypothesis in Bilbao La Vieja. A transformation like this in any city could lead to an enhancement of existing cultural efforts. IN Bilbao, this consisted of the development of avant-garde activities, ethnic diversity-based activities, the creation of performing arts and music centers, a multimedia school, galleries, restaurants---all things which will expand the influence of the art market in that city and rebuild its image. This effect can help to boost the development of local culture and create openings for new trends and young, emerging artists. These artworks they create will attract people, spawn new creative innovations, and generate economic growth.

Interesting Article:

http://www.designbuild-network.com/features/feature1506/

Picture of Guggenheim Museum in Bilbao:



References:

¹http://www.guardian.co.uk/society/2002/oct/30/urbandesign.architecture2

²Vicario L, Martinez Monje P: Another 'Guggenheim Effect'? The Generation of a Potentially Gentrifiable Neighbourhood in Bilbao. Urban Studies, 40:2383-2400, 2003.