

Day 16 - Daniel Chazen

I never would have thought that art can completely regenerate a city. But as seen in the example of what happened in Bilbao, it can – and in a big way. The revitalization of the city of Bilbao through the building of a Guggenheim, is proof that cultural projects can economically and socially transform, revitalize and regenerate a city. And that is the essence of the so-called “Guggenheim Effect.”

Here is a photo of the outside of the Guggenheim Bilbao:



The impact and consequences for a city, as well as the art market, of building a massive cultural project like a Guggenheim, is significant. With respect to the impact on the city, Bilbao is a good example. The Guggenheim basically transformed a decaying city known for high unemployment and economic decline, into one with new hotels, new restaurants and new building projects. It now attracts tourists from around the globe, with some estimates that 80% of them come to the town to see the Guggenheim. The Guggenheim web site reports that more than 10 million have already visited the Bilbao Guggenheim.

The Guggenheim Bilbao is an enormous magnet for art tourism.

Here is the link to their web site: <http://www.guggenheim.org/bilbao>

Impact on the art market: The increase in Bilbao's tourism from the Guggenheim has likely in a significant expansion of the art market. Such a well-known museum brings a cultural dynamic of large proportion to a city that previously had nothing like a Guggenheim or other major art presence. The cultural impact of the museum can only serve to increase an awareness of art and, in turn, expand the art market.

While Vicario and Monje claim that the Guggenheim effect doesn't attract international capital, it does create a “new city image associated with art and culture, thereby making it possible to pursue economic revitalization.” The Museum provides a “brand image” which attracts wealthy tourists, generates income and creates employment” (Vicario, 2395). These factors, in turn, have resulted in an “enhanced residential appeal” (Vicario 2396), which increases property values – a gentrification that is not always welcome by people that can't afford increased rents.

Here is a very good YouTube video of the Bilbao Guggenheim and the transformation of the city: