

# Day 16 - Charles Saunders

Put simply, the Guggenheim effect demonstrates the extraordinary power of art and its possible effects in transforming its immediate surroundings through the cultural and social aura that it produces. Examples like [Bilbao](#) prove that this effect is significant enough to alter entire cities, even in the midst of economic downturn and recession. The Guggenheim effect produces economic and social transformation through the opening of a single museum, allowing its surrounding environment "[resuscitation through art](#)." Mayors across the world are attempting to duplicate this success in their own respective localities, but the root of the phenomenon can be traced back to Bilbao, Spain.

Bilbao had risen to prominence as a mining and industrial center along the coast, but had experienced massive recession, unemployment, and population emigration since the 1980s. The public clamored for city funds to support industrial job creation and attract foreign investment. The city created a plan whose key tenets included the establishment of a new vision of Bilbao of a world-class metropolitan area, associated with art, culture, and advanced services. The hope was that this recreation would transform Bilbao into a more attractive, innovative, and cultural city, persuading its population to stay and increasing the incentive for investment and capital flows to modernize and rejuvenate the city. The city opted to pay a hefty price for the construction of new [Guggenheim museum](#), hoping that the brand name would provide instant credibility as an artistic center, even opting to use more expensive, big-name architects to achieve this goal. Their plan succeeded to an unexpected degree.

Today, the [Guggenheim](#) is seen as the most prominent symbol and driver of the city's rejuvenation. Adjacent neighborhoods have had their real estate prices soar, indicative of the increased demand for commercial and industrial enterprises to expand into the sought-after space. The museum stimulated new leisure and cultural economies, increasing residential, restaurant, hotel, and retail industries both directly and indirectly. It's affluent citizens saw Bilbao as a more attractive place to live, and population loss was stemmed. The museum served to increase tourism to the newly-branded cultural capital, and wealthy tourists helped generate income, capital inflows, investment, and ultimately employment. The building, by [Frank Gehry](#), has been described as the "[greatest building of our time](#)," and has so far attracted over ten million visitors from around the world, at an astonishing rate of over one million per year. The building has produced a high degree of art tourism, with complementing effects of job creation, international recognition, capital investment, and indirect benefits to other sectors which have helped to fully reverse the downward recessive trends of the Bilbao economy in the 1980s. Some estimates have painted the monetary benefits of the building at an increase of \$1.5 billion to Spain's GDP, \$250 million in tax revenue for the Bilbao government, and a job creation estimate of about 4,500 new opportunities.

Many other cities have sought to replicate the success of Bilbao, and the [Guggenheim Foundation](#) is eager to meet their demand, requiring a greater amount of space to house their ever-growing contemporary art collection. Feasibility studies are performed at every opportunity, analyzing and evaluating such factors as financial situations, social mixes, physical and logistical set-ups, and the quality and supply of art collections in the immediate region. According to director Thomas Krens, there is a [\\$600 million price tag for "a Bilbao,"](#) and the Foundation has become exceedingly competent at cost-benefit analyses.

As per usual in the art world, there has been critical opposition. The Guggenheim Foundation has been accused of cashing in on their success and "franchising their brand name," much like a McDonald's or Burger King. This is a common argument in the art world, in that the commodification and profitability of artwork has generally been a point of contention, as it is seen by art purists as tarnishing or devaluing the aesthetic and cultural values of art. However, a McDonald's or Burger King requires it's franchises to offer the exact same product at every international location they serve as a way of ensuring quality control. The Guggenheim operates with an opposite strategy; every experience is different and unique, reflecting the surround geographic region and its individual characteristic to a much larger extent than traditional franchises, becoming a reflection of its surrounding culture and helping to emphasize it rather than replace it. In this way the expansion of the Guggenheim could be seen as highlighting the cultural and artistic value of its house city, which would lend itself incredible legitimacy in the art world. It is possible to argue that the success of Bilbao might be over-exaggerated, in that the museum could merely draw funds from other cultural activities and more deserving investments, and commodify the local culture without truly contributing anything. Yet, it is difficult to believe that the success of Bilbao is uncorrelated with the opening of the Guggenheim museum, and there is solid, quantifiable analyses that supports this perception.

All in all, the Guggenheim effect represents the ability of a culturally significant artistic creation to significantly alter the economic and social environment of a house city through increased international cultural recognition, which incentivizes foreign tourism, capital investment, employment and quality of life increases. It is true that every city consists of different circumstances and situational requirements than Bilbao, and it may be challenging to fully extrapolate the success, job creation and international recognition effects, and dollar-quantity multipliers resulting from the culture increases to other cities. Nevertheless, it would be foolish to underestimate the positive effects of culture in transforming a surrounding city.

Articles cited, and for further reading:

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