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Arts and culture: the economic case made once more

The latest research to demonstrate the huge contribution of the arts and culture to the UK economy provides yet more evidence of the value of investment. So why is no one very excited? Jonathan Ives looks at the numbers and assesses the political impact.

A couple of weeks after culture secretary Maria Miller issued a plea to the arts to make a case for investment in economic terms a fresh research document, titled *The Contribution of the Arts and Culture to the National Economy*, landed on her desk. Commissioned by Arts Council England (ACE) from the Centre for Economics and Business Research (CEBR), here, in a neat 117-page package, was just what she had asked for: the hard numbers to make an economic case for public investment in the arts and culture. Here were enough numbers to spin the head of even the most numerate of her cabinet colleagues, enough evidence for her to go on the offensive with the Treasury to hammer home the case for the phrase 'public subsidy' to be replaced with 'cast-iron investment' when applied to the arts and culture, an investment that delivers demonstrable, consistent and irrefutable economic returns. Here on the culture secretary's desk were the sort of figures and arguments the Treasury likes to use when it sanctions billions of pounds of what it terms 'investment' in road-building schemes, brand new high-speed rail links and aeroplane-less aircraft carriers.

Having digested the report, the culture secretary cannot help but have been impressed, and perhaps a little relieved, by the array of achievements and benefits being delivered with such cost-effectiveness by the industries for which her department is responsible. For its part the Arts Council must also have been pleased with its investment in the research, delivering, as it seems to have done, a thorough, credible and comprehensive assessment of the economic impact of the arts and culture on the national economy.

How Miller must have smiled as she read the details of the report. In 2011 the turnover of arts and culture business totalled £12.4 billion, created £5.9 billion of what economists like to call GVA, or gross value added, which is essentially the value of an industry's output once the inputs used to create it, public funding, has been subtracted. The report also notes that increased efficiency among arts and culture organisations in the face of reduced public subsidy has increased their GVA, which has "increased their contribution to the UK GDP [gross domestic product] even as the wider economy contracted". The sector provides 110,000 jobs, or more than 260,000 jobs if the indirect impacts of the arts and culture are factored in, 1.1% of total UK employment.

The greatest contributor to overall funding of the industry is still earned income and the sector accounts for 0.4% of UK GDP, which rises to 1% when "indirect and induced multiplier impacts are taken into account". It is also noted that "the industry is estimated to have a high GVA multiplier compared to other sectors of the economy". Ten million inbound visits to the UK, 32% of all visits, involved engagement with the arts and culture, and £38 million of expenditure is accounted for by people who only engaged with arts and culture. The aggregate estimate for the impact of art and culture through tourism came in at an additional spend of £856 million.

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And so it goes on through 117 pages with details of the impact of the arts and culture on the government's beloved property values, the regenerative value of the sector and more, all adding grist to the Arts Council's advocacy mill, which already points out that for every pound invested six pounds are generated within the local economy and that the ACE budget of £36.9 billion equates to 14p per week for every person in England.

It may be that these are the most economically literate set of figures on the impact of the arts and culture to have been produced to date. They may be the most persuasive statistics yet published. Whatever their merits, they meet the culture secretary's criteria and add yet another report to the pile of documents that demonstrate the value, whether culturally or fiscally, of investment in the sectors that comprise the DCMS beat. Alan Davey, chief executive of the Arts Council, was certainly pleased that the report revealed "what we have long understood: that culture plays a vital part in attracting tourism to the tune of £856 million a year; that arts centres and activities transform our towns and cities, and drive regeneration; and that the arts support the creative industries and improve their productivity".

With so much to celebrate Anish Kapoor's depiction of the British arts and culture and environment struck a discordant note. Interviewed in advance of the opening of a Berlin exhibition to celebrate his work a week after the CEBR report was published, Kapoor, a British sculptor who has lived and worked in London since the 1970s, told *The Guardian* that the German attitudes to art contrasted starkly with the attitudes in the UK. "Germans have a rather healthy respect for the arts and artists," he said. "In Germany it seems that the intellectual and aesthetic life are to be celebrated and are seen as part of a real and good education, whereas in Britain, traditionally [and] certainly since the Enlightenment, we've been afraid of anything intellectual, aesthetic, visual."

Lamenting that German attitudes could not be further from British attitudes, he was critical of the mismatch between the economic contribution of the arts and government spending. "It's completely scuzzy," he said. "Why do British ministers meet anyone from the arts other than to cut them? Compared to Germany, Britain has got quite a long way to go there, frankly. In short, Britain's fucked."

No doubt the culture secretary could point to Kapoor as a lone voice demonstrating that there is always someone willing to spit in the soup while others toil for the greater good; or she could, were Kapoor's a lone voice rather than just the most recent critic of the current administration's willingness to sacrifice all aspects of the nation's culture to a discredited policy of economic austerity. However, what is striking about Kapoor's comments is not the extent of his criticism but his disdain.

After the delivery of the CEBR research to the DCMS, the overwhelming silence is also notable. The Arts Council can be pleased with its report, if only as further grist to a mill that is turning inexorably towards a time when the government is finally persuaded by the weight of evidence to perform a volte face and become passionate advocates for, and investors in, the arts and culture. But it is hard to escape the conclusion that this is a mill that is going to have to keep turning for a while yet.

Experience suggests to everyone involved in the arts and culture sector that anyone who is going to be persuaded is already persuaded. Anyone not persuaded hides behind patronising pleas for an economic argument to support the case but the implication of these requests, which are always delivered with the sympathetic smile that teachers use to explain to obdurate children why their naïve desires cannot be fulfilled just at the moment, is that if only the arts were sufficiently numerate to produce a compelling case the simpering minister – who, of

course, needs no persuading herself – could get their colleagues – philistines, we are invited to infer, to a man – to loose the purse strings and solve the funding conundrum.

This is now widely recognised as a well-worn political trope, a rhetorical cliché rolled out by ministers for whom the only interest is the application of economic theory designed to entrench social stasis and bolster their electoral prospects. The CEBR report is another attempt to coral the figures to persuade ministers who will not be persuaded. At best these ministers are indifferent to the arguments; too often they are philosophically opposed to the achievements and transformations that the arts can deliver on behalf of individuals and communities.

Kapoor is right to view with disdain, even contempt, the ministers in the current government and their platitudes. He recognises that no one in this government with any influence will be persuaded. The Arts Council and other organisations minded to commission economic studies might as well save their money. The CEBR report may be enough to meet Maria Miller's expectations but we all know that, once it has been properly assessed and digested by her department, it will come up short. Kapoor's pithy and pointed perspective that the arts and culture in the UK are fucked is more likely to hold sway. The sad thing is that ministers know it and do not actually care.

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