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An Arts-Based State Rural Development Policy

Ann Markusen

University of Minnesota - USA

In American small towns, arts-centered activities are serving as an important growth stimulus for both declining downtowns and the surrounding countryside. By refurbishing older educational, cultural and industrial buildings to host artists and art participants, these towns have increased export base activities, prompted import substitution, and helped to attract and retain artists as residents. Arts and cultural centers often act as anchor tenants in main street revitalization. In some rural settings, artists' retreats have brought income and spending to nearby communities and helped to showcase their retirement potential. A number of relatively inexpensive policies can be adopted by states to foster artistic development in rural areas.

In rural America today, agricultural and manufacturing job loss is being counterbalanced in part by surprising new sources of growth, especially retiree immigration and arts-related activities. The amenities of small towns and rural areas, including their relatively low cost of living and environmental quality, are a strong draw (Nelson, 1997; Nelson and Beyers, 1998; Vias, 1999). Although artists overall prefer larger urban areas, many prefer the solitude, natural surroundings, and accessible community found in the countryside. A study of the distribution and net migration of artists by discipline in Minnesota over the past decade found that visual artists, writers, and older artists prefer rural locations compared with performing artists, musicians, and younger artists (Markusen and Johnson, 2006). In new work on the artists in rural America, practitioners and researchers are finding that the presence of artists and arts centers that go beyond presenting road shows are helping to stimulate local economies and enhance the quality of life in the region, in turn encouraging people to come and stay (Rosenfeld, 2004; Cuesta, Gillespie and Lillis, 2005; Borrup, 2006; Sheppard, 2006).

Artists—especially those who are trying to make at least some of their income on their work—contribute to the local economy when they sell their work elsewhere, which many do via the internet, by traveling to perform or to juried art fairs, by commissions from elsewhere, or by being represented by an urban gallery, and spend a portion of their incomes locally on housing, food, gasoline and entertainment (Markusen and Schrock, 2006). When they work through or present their work at a local center, they may also expand the ranks of local artists by serving as teachers, mentors, and exemplars. By creating artistic events, they draw in arts consumers from the surrounding areas and tourists from farther afield. The presence of artists in a community, whether as residents or retreat guests, helps to make an area more attractive to other residents and retirees.

As with casinos and churches, some of this local spending on arts and culture can be viewed as import substitution: people who buy artwork or spend discretionary income on tickets may be forgoing purchases of products from elsewhere. Shifts in consumer spending towards more local context, not necessarily in the same products or services, can be conceptualized as a consumption based model of rural development, an alternative to the export base preoccupation of most economists (Markusen, 2006). In addition, since arts and cultural activities are quite labor-intensive, spending associated with small town and rural arts activities has a large local multiplier effect compared with equal spending for capital-intensive projects.

The creation of an arts-dedicated space—cultural centers, artists' retreats, multi-media theaters, artists' live/work or studio buildings—can magnify the economic impact of artists' presence in an area, the number of tourists brought to the center, the quality of arts development and the draw for retirees. In many small

towns, local governments have helped to raise funds for arts centers through bonding, giving vacant city-owned buildings to organizers, providing infrastructure, combining city economic development or tourism staffing with arts center management, helping to develop artists' live/work spaces, or even by deciding to own and run arts centers themselves. Examples abound: the rehabilitation of an old, shuttered theater in town (e.g. Grand Forks, North Dakota and Faribault, Minnesota); the refurbishing of old churches or commercial buildings as arts centers (Grand Marais, Northfield and New York Mills, Minnesota); and the transformation of old industrial or commercial buildings into artists live/work space (Paducah, Kentucky; Fergus Falls, Minnesota) are examples of combinations of these strategies at the local level. Some of these cases are documented in detail in Markusen and Johnson (2006).

How can states foster artist-centered rural activity? First, states should assess their current arts funding apparatus for its urban/rural balance. State arts boards that offer funding to individual artists and arts organizations, from both state and national sources, should adopt a regionally decentralized structure if they do not already have one. Nine states currently have decentralized funding structures. Of these, Minnesota's is the second oldest. Its eleven Regional Arts Councils were created in tandem with the State Arts Board in 1976. The Councils have their own line in the state budget (rather than having to apply to the State Board each year) and receive a relatively large share of the state arts budget, currently 28 percent, allocated by a formula based on population, land mass and prior year funding. (Rural artists and larger arts organizations can also apply for central fund allocations.) Each regional arts council, a non-profit, has a Board of Governors who determines regional needs and solicits grantees broadly, dispersing funding across the region (Bye, 2006).

Critics of funding decentralization argue that the better artists are disproportionately in the larger cities, but artists often report feeling that they must move to major metro areas to win funding. If better opportunities and cultural facilities are present in rural communities, emerging artists may stay and do better in funding competitions (Booker, 2005). State arts boards might stress the importance of dedicated artistic space in rural and small town arts funding, rather than just presentation of touring companies or tiny grants to individual artists.

Second, states can think more creatively about rural economic development programs, now dominated by expensive and often ineffective business incentives that are biased towards private sector capital-intensive

projects (Markusen forthcoming). As states and localities increasingly merge their economic and workforce development operations, they are beginning to target key occupations as well as industries in their programming (Markusen, 2004). Artists, because of their high rates of self-employment, rural/urban migration, and entrepreneurialism, are good occupational targeting candidates. Rural and small town economic development projects such as artists' centers can help artists learn the business side of their work by ongoing exposure to each other and to entrepreneurial programs in a dedicated space (Markusen and Johnson, 2006).

Third, state economic development programs can encourage small town or rural development of arts and cultural space by offering to match local capital or initial operating commitments. States should also re-evaluate their capital bonding practices which currently heavily favor large, urban arts projects over smaller and decentralized ones. Smaller-scale public or non-profit capital projects, such as the artistic spaces recommended here, often fall below the minimum scale for state bonding support. State economic development agencies could package together a number of smaller theater renovations, community arts centers, and other cultural spaces through special programming as one way around this problem, or they could establish a matching fund.

In all cases, artists and arts centers receiving any form of state arts or economic development support should be asked to give back to the community by teaching, offering workshops, mentoring other artists and amateurs, and volunteering time or space for community events such as art fairs, artistic performances, and other non-arts activities. They should be expected to actively participate in strategizing about community and regional development. Minnesota's New York Mills Regional Cultural Center was created at the initiative of a local artist who built the support for it and convinced the City Council to fund it, and its current director serves as the tourism director for the town as well.

In summary, nurturing arts and cultural activities and programming can yield multiple benefits for rural communities. They make communities more livable, retaining existing residents and attracting new ones, especially retirees. They attract artists who are foot-loose and who export their work, bringing in income to the community. Spending by tourists and locals on arts and cultural events and products may keep more income circulating in the local economy. Artistic spaces are playing a role in revitalizing older downtowns. Arts and cultural activities have payoffs beyond the strictly economic as well—in civic participa-

tion, aesthetic and entertainment pleasure, and solving community problems.

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