

**OPENING ADDRESS AT THE 2016 GRADUATE EXHIBITION  
BY STUDENTS AT THE TASMANIAN COLLEGE OF THE ARTS,  
UNIVERSITY OF TASMANIA  
HUNTER STREET, HOBART**

**By**

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I want to begin by congratulating all of the students who are on the cusp of graduating from this University, and whose work will be on display here from this evening for the next two weeks. As John Valla explained just now, what you see displayed here represents the culmination of three years of studio work across various fields of art and design – including painting, drawing, photography, printmaking, emedia, visual communication and three-dimensional design.

Some of you – perhaps it's actually many or even most of you – might be a little surprised that an economist would be asked to talk on an occasion such as this.

After all, not only are economists supposedly people who are “good with figures, but lack the personality to be chartered accountants”: we are also, in the eyes of many, people who “know the price of anything and the value of nothing”.

And I am sure many of you will have at some stage read, seen, or heard an economist saying something which validates either or both of those propositions.

There are indeed some economists who are absolute philistines. There are also some doctors, lawyers, engineers, plumbers, bus-drivers and, yes, politicians, of whom the same could be said.

However, there have been, and still are, many economists who value and appreciate the arts for the same reasons that people from every walk of life do – reasons that have got everything to do with the celebration of human ingenuity, the human spirit, and the world in which we live, and nothing to do with job creation, government revenue, tourist arrivals or GDP.

And there have been, and are, some economists who have used their professional skills and training to demonstrate that the arts, and cultural activities more broadly, do make a positive contribution to job creation, government revenue, tourist arrivals and GDP, and other things which are important to politicians and bureaucrats – and that, as a result, government investment in the arts and culture can and often does demonstrate a positive financial return – as well as paying ‘dividends’ in other, non-monetary ways.

Some of you may have heard of John Maynard Keynes – who many regard as one of the most, if not *the* most, influential economist of the 20<sup>th</sup> century. He is perhaps best remembered these days as the intellectual father of what has become known as “Keynesian economics”, the most widely-element of which is the idea that governments can and should use their budgets to prevent or ameliorate recessions. Those ideas fell into disfavour during the last quarter of the 20<sup>th</sup> century, but they were revived during and after the global financial crisis of 2007-09, and today are being championed by, among others, the IMF and the OECD.

Keynes was also, however, a lover and patron of the arts – and of individual artists. The two great loves of his life were the painter Duncan Grant and the ballerina Lydia Lopokova, whom he married in 1925. He regarded both as ‘delicate work[s] of art, to be worshipped and protected against breakage’.

He was acutely conscious of the financial difficulties faced by artists in his time, as they are by arts practitioners today. In 1930 he wrote,

“When one sees how much money is spent in a year on useless and hideous objects, it seems monstrous that it should be a serious struggle to provide some of the most promising artists in the country ... with £150 a year. Why does the general public find it so extraordinarily difficult to get over its reserves and hesitations towards contemporary art?”

Throughout his life Keynes was an advocate of public support for the arts. In 1945, he observed that

“... the civilizing arts ... in fact use up an infinitesimal quantity of materials in relation to their importance in the national life and the comfort they can give to the individual spirit”.

Appropriately, Keynes was the first Chairman of the Arts Council of Great Britain, a body established at the end of World War II to make recommendations on public support for the arts. Speaking in that capacity, he said:

“The work of the artist in all its aspects is, of its nature, individual and free, undisciplined, unregimented, uncontrolled. The artist ... cannot be told his (sic) direction; he does not know it himself. But he leads us into fresh pastures and teaches us to love and to enjoy what we often begin by rejecting, enlarging our sensibility and purifying our instincts. The task of an official body is not to teach or to censor, but to give courage, confidence and opportunity”.

Keynes was however concerned to ensure that government support for the arts fostered high standards of artistic practice. In 1943 he said:

“We ... seek, and increasingly, to aid all those who pursue the highest standards of original composition and executive performance in all branches of the arts ... and to accustom ... audiences to expect and to approve the best”.

Keynes was also acutely conscious of the role the arts could play in promoting what we nowadays call ‘regional development’. He saw part of the role of the Arts Council as

“decentraliz[ing] and dispers[ing] the dramatic and musical and artistic life of the country”

so that

“different parts of the country would ... learn to develop something different from their neighbours and characteristic of themselves”.

The Australia Council was explicitly modelled on the Arts Council of Great Britain. And, interestingly enough, its first Chairman was also an economist – Dr Herbert (or ‘Nugget’, as he was better known) Coombs, who prior to taking on this role had been Governor of the Reserve Bank (and its predecessor the Commonwealth Bank) for almost 20 years.

During his time as Governor, Australia’s central bank acquired a significant collection of works by contemporary Australian artists - something which Coombs thought was entirely proper. As he wrote in his memoirs,

“The arts have always needed patrons, and it has seemed to me that those on whom ‘the arrangements of society’ confer control of great resources have an obligation to society to perform this function. The natural successors of the noble families of the Middle Ages are today the great corporations, public and private”.

Perhaps the fact that “great corporations, public and private” – or, at least some of them – no longer feel this obligation as keenly as they once did, is evidence that economists don’t have *enough* influence on decision-making in this sphere, as opposed to having too much, as many people seem to think.

That is also one reason why economists, if they love and care about the arts, need to keep making the case that the arts, and culture more broadly, do make a positive contribution to the economy.

*Not*, let me hasten to add, because this is, or ought to be, the only, or even the most important, reason why governments, corporations and individuals should support the arts – but rather because it is a fact of life that governments, in particular, are acutely sensitive to such arguments. In this instance, if not in many others, the end does justify the means.

Incidentally, this is *not* a challenge unique to our times. Keynes himself wrote, in 1936,

“We have persuaded ourselves that it is positively wicked for the state to spend a halfpenny on non-economic purposes. Even education and public health only creep in under an economic alias on the ground that they ‘pay’ ... One form alone of uncalculated expenditure survives from the heroic age – war. And even that must sometimes pretend to be economic”.

As the French say, *plus ça change, plus c’est la même chose*.

There has been a large number of formal studies, in Australia and in other countries, seeking to measure the economic impact of arts and cultural activities. For example, a [study by KMPG](#), one of the ‘big four’ accounting firms, found that every dollar spent on cultural institutions generated an additional 56 cents in value added to the Victorian economy.

Other studies have sought to measure the ‘spillover’ benefits that the arts can have, for example, for health. Indeed, a body called the [Australian Centre for Arts and Health](#) is hosting a conference titled ‘The Art of Good Health and Wellbeing’ at the Art Gallery of NSW in Sydney the week after next.

A [particularly influential piece of work](#) was one undertaken for Arts Council England and the National Museum Directors’ Council by the Centre for Economics and Business Research, which estimated that the indirect impact of the arts and cultural sector on British GDP and employment was more than twice its direct impact; that for each £1 of salary paid by the arts and culture sector, an additional £2 is generated through the wider economy; and that more than 10% of total spending by non-business visitors to the UK was directly attributable to arts and culture.

This study also demonstrated an important role for the arts in boosting productivity, including through the development of the creativity essential to the UK's increasingly knowledge-based economy; and through improvements in communication and other social skills which improve people's likelihood of gaining and remaining in employment.

Perhaps most pertinently in the context of this evening, this study also suggested that graduates of creative arts subjects enjoy a 35% wage premium over non-graduates working in the creative industries over their careers.

Another recent study which is particularly relevant in the Tasmanian context is one by [Peter Pedroni and Stephen Sheppard](#) of Williams College in Massachusetts, which goes beyond seeking to measure the contribution that arts and cultural activities make to GDP or employment at any particular point in time, in order to illustrate *causal linkages* between *local* cultural production and *local* GDP.

I'm not aware of any studies that seek to replicate these findings in Tasmania. However, while it might be useful to have some of them, I'm not sure that it is an absolute necessity.

We know, for example, that what the Australian Statistics Bureau classes as 'art and recreation services' account for 2.0% of employment in Tasmania, up from an average of 1.4% in the 1990s, and compared with 1.5% of total employment across Australia as a whole.

We know that more than 30% of the now nearly 1.2mn visitors to Tasmania annually go to our museums and galleries, and that a similar proportion of them purchase Tasmanian art or craft pieces while they're here (something the statistics credit to the retail sector, not to arts and recreation).

We know that the arts are a major reason why Hobart's hotels are almost completely fully booked over the summer and early autumn months, and why over the past 12 months some \$72mn worth of new hotel construction has been approved in Tasmania, more than in the previous four years put together.

We know that MONA, but not just MONA, has done more to change the image which other Australians have of Tasmania than any other single thing that has happened here.

In short we know that the arts are as a vibrant and vital part of Tasmania's economy, both now and into the future.

Hopefully many of you who are about to graduate will either remain here to be part of it, or after venturing further afield will want to return at a later stage of your career to be part of it. Particularly to those who have come here from somewhere else to undertake your studies, and are now planning to return from whence you came, I hope you will take a part of Tasmania with you, which will be reflected in your work in some way. But whatever it is you're planning to do with the skills and knowledge you've acquired while you've been here, congratulations on your achievements, thank you for sharing it with us through this exhibition, and best wishes for the rest of your career.