



Institute for Innovation
and Public Purpose

The Public Value of Arts and Culture

Investing in Arts and Culture to Reimagine
Economic Growth in the 21st Century

BY MARIANA MAZZUCATO

Discussion Paper - September 2025

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IIPP Discussion Paper, September 2025

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Cover image: *Ice Watch* by Olafur Eliasson (Denmark) outside the
Tate Modern in London in 2018. Photo: Charlie Forgham-Bailey

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About the Author

Mariana Mazzucato (PhD, CBE) is Professor in the Economics of Innovation and Public Value at University College London (UCL), where she is Founding Director of the UCL Institute for Innovation & Public Purpose. She is winner of international prizes including the Grande Ufficiale Ordine al Merito della Repubblica Italiana in 2021, Italy's highest civilian honour, the 2020 John von Neumann Award, the 2019 All European Academies Madame de Staël Prize for Cultural Values, and 2018 Leontief Prize for Advancing the Frontiers of Economic Thought. She is a member of the UK Academy of Social Sciences (FACSS) and the Italian Academy of Sciences *Lincei*. In 2025, she was appointed Commander of the British Empire (CBE) for services to economics in the King's Birthday Honours List. Pope Francis appointed her to the Pontifical Academy for Life for bringing 'more humanity' to the world.

Her award-winning books include: *The Entrepreneurial State: debunking public vs. private sector myths* (2013), she is the author of *The Value of Everything: Making and Taking in the Global Economy* (2018), *Mission Economy: A Moonshot Guide to Changing Capitalism* (2021), and most recently *The Big Con: How the Consulting Industry Weakens our Businesses, Infantilizes our Governments and Warps our Economies* (2023). She advises policymakers around the world on innovation-led inclusive and sustainable growth. Her policy roles include: Chair of the World Health Organization's Council on the Economics of Health for All, Co-Chair of the Global Commission on the Economics of Water, a member of the South African President's Economic Advisory Council, Co-Chair of the Brazilian 2024 Group of Experts to the G20 Task Force for the Global Mobilization against Climate Change, and Special Representative of President Ramaphosa to the 2025 G20 Taskforce 1 on Inclusive Economic Growth, Industrialization, Employment, and Reduced Inequality.

About the Institute for Innovation and Public Purpose

The Institute for Innovation and Public Purpose (IIPP) at University College London (UCL) brings together cutting-edge academic theory with teaching and policy practice, to rethink the role of the state in tackling some of the biggest challenges facing society.

IIPP challenges traditional economic thinking, with the goal of creating, nurturing and evaluating public value in order to achieve growth that is more innovation-led, inclusive and sustainable. A key pillar of IIPP's research is its understanding of markets as outcomes of the interactions between different actors. Through 'practice based theorizing' we link theory, policy and education. IIPP's work feeds into innovation and industrial policy, macroeconomic and financial reform, institutional change and sustainable development.

IIPP is a department within UCL - and part of The Bartlett, ranking number one in the world for architecture and the built environment in the world.

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Summary

In an era of multiple interrelated crises, governments have a critical role in shaping economies. The question is no longer whether the state should intervene, but *how* and towards *what* ends. Arts and culture, from visual arts to music and design, are the foundations for reimagining alternative futures, fostering civic identity, and mobilising collective action.¹ Yet they remain underutilised and undervalued in economic policy.

Arts and culture are not peripheral to economic development but essential to both **stimulating and directing economic growth** toward more creative, inclusive and sustainable societies and **generating high economic multipliers and dynamic spillovers** across the economy and society.

¹ Investment in arts and culture can influence, and is influenced by, broader 'culture'. Culture is defined by UNESCO as the "distinct spiritual, material, intellectual, and emotional features characterizing a society. It encompasses arts, lifestyle, human rights, value systems, traditions, and beliefs. Culture shapes individuals and societies, fostering unity through shared values and traditions" (UNESCO, n.d.).

This stems in part from the collaborative nature of creative processes that engage a range of professions as well as the social value that cultural engagement creates for individuals and communities.

Despite these well-documented benefits, **arts and culture remain undervalued by conventional evaluation methods, often reduced to their contribution to GDP rather than their ability to shape an economy.** As a result, cultural funding is frequently the first to be cut during austerity – precisely when society most needs a renewed sense of purpose and imagination.

Historical examples such as the German Bauhaus school and the U.S. Works Progress Administration demonstrate the transformative power of culture in redefining how we imagine, design, and build public life.

This legacy continues globally, from Mexico City's *Utopias* bringing a cultural lens to community formation to modern



Figure 1. Seymour Fogel's 'Wealth of the Nation' Works Progress Administration mural displayed in the Cohen Federal Building, Washington, D.C. Credit: Carol M. Highsmith Archive, Library of Congress, Prints and Photographs Division.

policy design labs that embed creativity into government experimentation.

To tackle issues from climate breakdown to rising inequalities, a shift in perspective is urgently required.

We need to move away from viewing arts and culture as a cost and towards recognising them as an investment. Arts and culture can be both a means and an end: a goal of economic policy as well as a precondition for economic transformation.

This requires governments to make strategic policy shifts:

- **Recognise and nurture culture's ability to shape the direction of economic growth.**
- **Place arts and culture at the centre of policy design and industrial strategies:** Invest in the institutional capabilities to embed cultural approaches as tools for achieving social, economic and environmental goals.

- **Measure the public value of arts and culture²:** Move beyond static cost-benefit analysis to develop dynamic evaluation and appraisal tools that capture the economy-wide spillovers that cultural investments can create.
- **Invest in cultural ecosystems:** Secure funding mechanisms for cultural institutions, educators, and artists. By redefining the economic framing of the public value of arts and culture, we can shape economies for flourishing and thriving societies.



Figure 2. *Floating Fragments* by Seema Nusrat (Pakistan), at the 2025 Abu Dhabi Biennale reflects the imminent challenges associated with climate breakdown, such as flooding. Photo: Lance Gerber.

² Public value is defined here as “collectively generated by a range of stakeholders including the market, the state and civil society” (Mazzucato and Ryan-Collins, 2022, p. 352).

1. The Challenge Before Us

**“If you want to build a ship,
don’t drum up the men to
gather wood...Instead, teach
them to yearn for the vast and
endless sea.”**

Antoine de Saint-Exupéry, 1948

In an age marked by climate breakdown and rising inequality, governments must reassert their role in shaping economies. The question is no longer whether the state should intervene, but how and towards what ends. Arts and culture are fundamental to shaping the direction of this intervention and defining the goals of economic growth. They are not a luxury – they are an essential part of a democratic, flourishing economy.

Art forms such as painting, cinema, theatre, and music are not just entertainment. These mediums influence the broader cultural landscape allowing communities to understand other perspectives and experience empathy, thereby transforming personal and collective experience to bring about shared values and change.

Yet our collective capacity to imagine alternative futures through arts and culture is consistently undervalued by conventional cost-benefit frameworks (Campaign for the Arts, 2025). Across the OECD, funding for culture has declined. Government expenditure on culture in OECD countries sits at pre-2008 levels, despite growth in total government spending (OECD, 2022). In England, prolonged austerity has led to stark cuts: between 2009-10 and 2022-23, local authority spending per person on culture fell by 48%, forcing artists and cultural organisations into financial precarity and contributing to a reduction in cultural programming (Campaign for the Arts and University of Warwick, 2024).

Governments must reposition arts and culture as strategic drivers for more inclusive and sustainable economies. This means recognising their role not only in generating GDP or jobs, but in imagining the goals and missions we choose to pursue. It also demands integrating arts and culture in outcomes-oriented policy design and devising new ways of valuing them as critical to the shaping of our economies and society.

2. Reimagining Societal Goals and Directing Economic Growth



Figure 3. 'Utopia' project in Mexico City. Major investments in health, wellbeing and culture in one of the Mexican capital's most impoverished neighbourhoods. Credit: Secretariat of Education, Science, Technology and Innovation of Mexico City

Economic growth has not only a rate, but also a direction and we need to question what direction we want.

Culture has a key role in this imagination process. Contemporary economic growth strategies should move beyond simplistic GDP or cost-benefit metrics and instead be guided in the direction of social and environmental objectives. Arts and culture, both as a sector and as critical to storytelling and identity formation across society, help us to reimagine what direction we want to move towards, and the values that the economy should serve.

Catalyst for Alternative Futures

Throughout history, culture has been central to our social and political development as humans, as one of the most powerful means through which societies establish knowing, belonging, and identity. Angela Davis (1998) underscored how the protest songs of Billie Holiday and Nina Simone conveyed the lived realities of racism and resistance, turning personal experience into a collective political force.

Likewise, others have argued that music, particularly rap and hip hop, are forms of social broadcasting that amplify marginalised voices and create shared languages of experience and aspiration (George the Poet, 2021). These artistic forms generate value, help communities feel recognised and confront systemic problems.

More than multipliers: Reframing the Cultural and Creative Industries

The creative and cultural industries contribute to the economy through employment, education and local multiplier effects.³ As a sector, they are globally significant, accounting for 3.1% of GDP and 6.2% of employment (UNESCO, 2022). Investment in cultural industries has a higher multiplier effect than many industries. In the decade prior to the pandemic, employment growth in cultural and creative sectors outpaced overall employment in most OECD countries (13.4% vs 9.1%; OECD, 2022). In England, every £1 generated by arts and culture catalyses an additional £1.23 in economy-wide impact, creating jobs and supporting supply chains across tourism, education and retail (Centre for Economics and Business Research, 2020). Reflecting their growing economic relevance, the creative industries (broadly encompassing sub-sectors such as video games) have been formally recognised as part of the UK's Modern Industrial Strategy (Department for Business and Trade and Department for Culture, Media and Sport, 2025). These are fast-growing and cross-cutting industries that power local

³ While the terms 'cultural sector' and 'creative industries' are sometimes used interchangeably, the UK government issues a broad definition of the creative industries as '[...] those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property' (Department of Business and Trade and Department of Culture, Media and Sport, 2025, p. 73).

economies and innovation ecosystems.

Yet focussing solely on arts and culture in terms of their economic multipliers risks obscuring their strategic and societal value. Reducing culture to a sector with GDP contribution reflects a market-value framing which, as O'Connor (2024) has argued, has depoliticised and commodified culture. This narrow frame has not only failed to secure sufficient investment or legitimacy for cultural policy but also sidelines the contributions of arts and culture as essential infrastructure – a space to create meaning, participation, and long-term vision.

Learning from Past and Present: Precedents for Public Investment

History offers important precedents where public investment in arts and culture helped to reimagine the economy and rebuild social fabric. We can learn from 1920s Germany and 1930s United States, as well as from contemporary cities like Mexico City and Rio de Janeiro, to understand how state support for culture can foster inclusion, civic pride, and long-term public value.

The Bauhaus school, founded in Germany in 1919 with public funds, formed a movement of artists, architects, and designers with a revolutionary vision to integrate aesthetics, craft, and social purpose.

With contributions to object design and social housing, their work went on to reimagine how people live, connect, and inhabit the world, with innovative building forms and design that persist today.

In the United States during the Great Depression, President Franklin D. Roosevelt's Works Progress Administration (created as part of the New Deal) explicitly recognised culture's public value by employing thousands of artists, writers, musicians, and architects to produce works of art, many of which reflected portraits of American life and featured in public buildings across the country (Figure 1). More than a job creation scheme, it was a bold investment in community, resilience, and hope for new economic directions during crisis (Naylor, 2014; Schulz-Keil, 1979).

Today, similar ambition to reimagine economic growth is seen in places such as Iztapalapa, Mexico City's most populous and historically neglected borough. Launched by Mayor Clara Brugada, the *Utopias* initiative (Figure 3) offers a powerful example of how the public sector can invest in beauty to provide care, rebuild trust, and steer the economy toward creativity and inclusive growth. The Utopias are multifunctional cultural and civic spaces co-designed with residents to transform neglected urban areas into hubs of participation, collective healing, and pride.



Figure 4. Photograph of artist commissioned by the Works Progress Administration. Michigan artist Alfred Castagne sketching Works Progress Administration construction workers, May 19, 1939. Credit: Unknown, retrieved from the National Archives, Records of the Work Projects Administration (69-AG-410).

By embedding art, green spaces, sports, cultural programmes, and social services into public infrastructure, the state not only improves local quality of life but demonstrates that all people, especially the most marginalised, deserve dignity, beauty, and joy. This investment in the aesthetic and social fabric of everyday life fosters self-worth and belonging, leading to greater civic engagement and economic participation. The *Utopias* illustrate how governments can direct the economy toward collective flourishing

through beauty, inclusion, and shared ownership.

These examples, spanning different eras and geographies, illustrate how visionary leadership and cultural investment can shape public consciousness and institutional capacity, not just offer short-term economic returns. This century's challenges demand an equally bold reimagining of how the state invests and shapes markets, instead of just fixing "market failures". The state can work with others in society to deliver an economy that works for the many, not the few.

3. Culture and Industrial Strategy

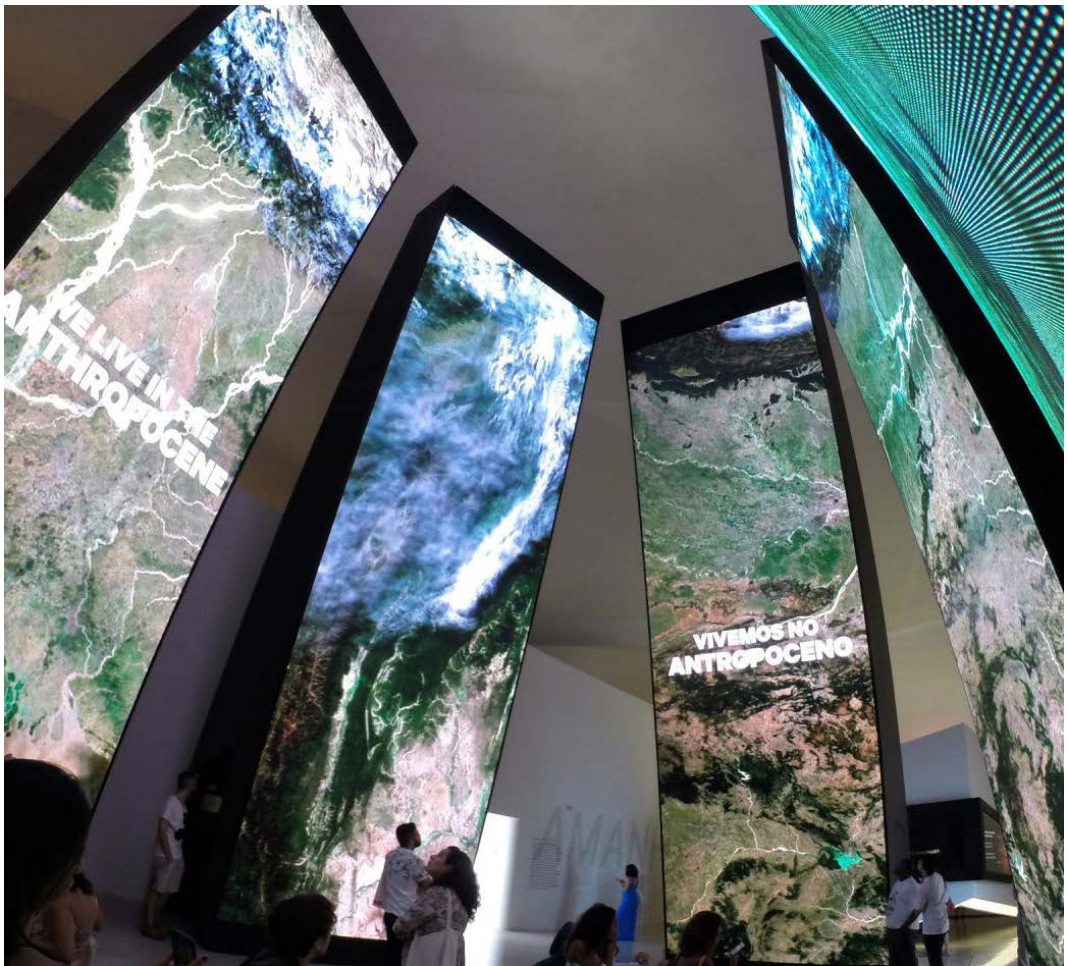


Figure 5. The Museum of Tomorrow in Rio de Janeiro invites visitors to “explore the past and imagine the future”, guided by principles of sustainability and coexistence (Museum of Tomorrow, n.d.)
Credit: Ralph Appelbaum Associates

Is culture the mission, or does it cross all missions?

For a long time, industrial strategy has focused on “key sectors”, including the “creative sector”. However, to tackle complex issues, governments must shift from thinking in terms of sectors to thinking in terms of problems that need solving. A *mission-oriented approach* to industrial strategy and policy can enable all sectors across the economy, from digital and financial services to the creative sector, to drive transformation (Mazzucato, 2018a; Mazzucato, 2021; Mazzucato, Doyle, and Kuehn von Burgsdorff, 2024). Culture is more than a sector; it must cross all missions, from those on net zero to those on wellbeing.

With the overarching mission of fostering inclusive and sustainable growth, **arts and culture can drive change in fundamental ways:**

1. **Defining missions:** Cultural practices help articulate the societal goals that missions aim to achieve.
2. **Shaping delivery:** Artistic and cultural methods influence how missions are pursued, from community engagement to experimentation with iterative learning.
3. **Mobilising participation:** Arts and culture foster the civic imagination and emotional buy-in required to build coalitions and sustain public support.

“I like to think of the cultural sector as listening to you. [...] I don’t think culture tells you what to do, but it listens to what you want to do.”

Olafur Eliasson, 2019
(in conversation with Mariana Mazzucato)

The “How” as Much as the “What”

Culture is both a means and an end: a goal of economic policy and a standalone mission, as well as a precondition for economic transformation in other missions.

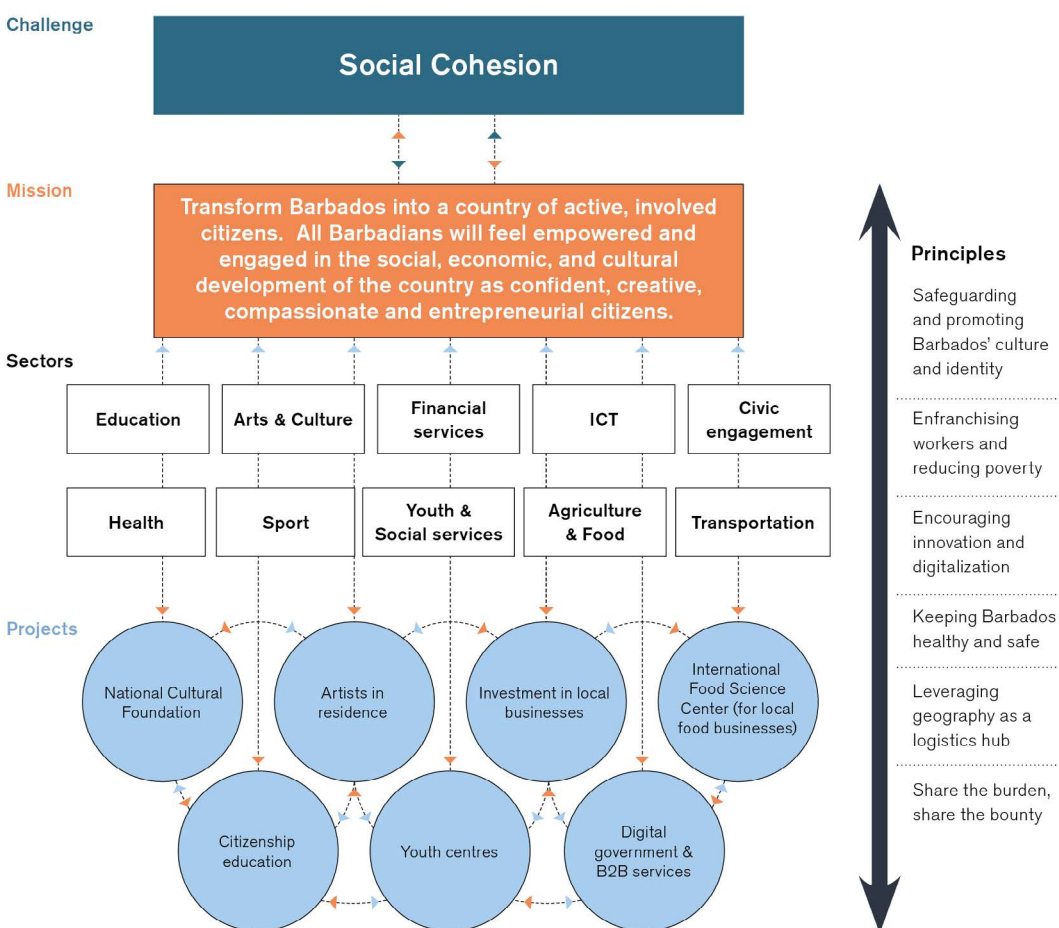
The Government of Barbados’ mission-oriented approach to growth, supported by the UCL Institute for Innovation and Public Purpose (IIPP), included six national missions. While they all incorporate cultural processes, one mission explicitly centres culture as a goal, aiming to “transform Barbados into a society of active, involved citizens, where all Barbadians feel empowered and engaged in the social, economic, and cultural development of the country” (Government of Barbados, 2023). Investment in cultural districts, music (reggae/soca), schools, carnivals such as the Crop Over Festival, as well as the National Art Gallery is critical to this mission (Mazzucato and Kuehn von Burgsdorff, forthcoming).

Indeed, Prime Minister Mia Mottley argued that Bob Marley’s “Redemption Song” should be in the national curriculum. In addition to the specific culture/heritage mission, “Safeguarding and promoting Barbados’ culture and identity” is a *guiding principle* across all of Barbados’ missions, including those

on both sustainability, housing, and on food and water.

As both a principle and set of tangible methods, arts and culture are essential for all missions.

Figure 6. Social cohesion mission map co-created with the Barbados government. Arts and culture are both the mission, a standalone sector, and individual projects. Reproduced from: *A Mission-Oriented Strategy for Inclusive and Sustainable Economic Growth in Barbados* (Mazzucato, 2023a).

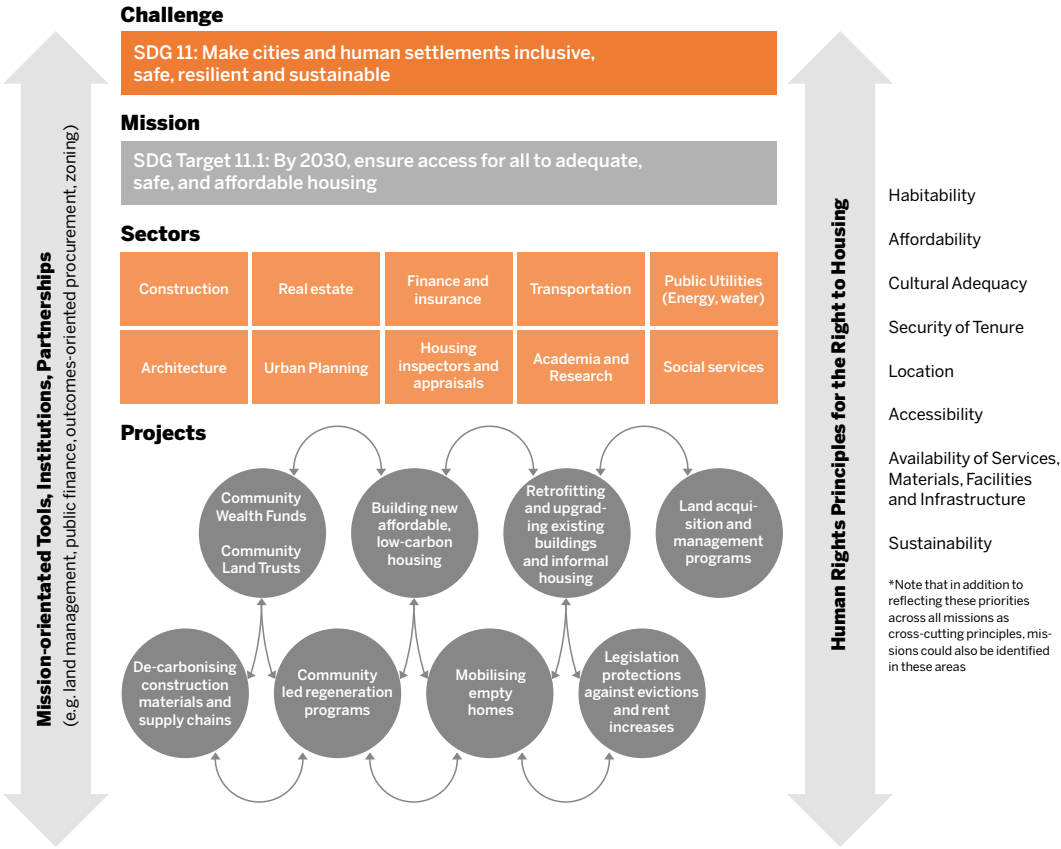


From Cultural Principle to Policy Practice

Embedding principles into policy design is key to mission-oriented approaches that meet the needs of the people. For example, when countries pursue housebuilding plans to both address critical housing need and to foster a fiscal stimulus around infrastructure investment, it is crucial that we ask what sort of housing is being built, making sure it is inclusive, sustainable, and enables community connection.

In a recent paper, Mazzucato and Farha (former UN Special Rapporteur on the Right to Housing) argue that a “human rights” approach to housing can ensure it is affordable, sustainable and culturally adequate, among other key characteristics (2023; Figure 7). Here, culturally adequate housing enables residents to express their cultural identity, through its construction methods and materials (p. 13) – a significant task.

Figure 7. A Rights-based, mission-oriented housing mission map.
 Reproduced from: *The right to housing: a mission-oriented and human-rights-based approach.* (Mazzucato and Farha, 2023).



Delivering on this bold vision requires integrating arts and design approaches alongside architecture and urban planning – not only to shape the built environment, but as a means of enabling participation. Arts can help show how social and environmental goals can be synergistic, help envision what buildings could look and feel like, and how housing is integrated within neighbourhoods and people's everyday needs. Bogotá's *Sistema de Cuidados* (care system) is an integrated response to the unequal burden of care faced by women which co-locates education, wellbeing activities, care support and cultural transformation programmes. Fundamentally, the care system and its care blocks are a plan to redesign the built environment and support services by placing caregivers at the centre of urban design (Burdett and Mazzucato, 2023).

Community building and fostering economic participation can be driven by a common good approach (Mazzucato, 2023). While the public good in economics is a correction for the lack of investment by the private sector—solving a market failure, the *common* good must be the objective, not a correction. A common good framing can guide society to pay as much attention to goals that are set, as to the processes through which we reach them, and how all people are valued throughout the process.

This requires 5 pillars shaping economic policies:

1. Purpose and directionality,
 2. Co-creation and participation,
 3. Knowledge sharing and learning,
 4. Benefit and reward sharing, and
 5. transparency and accountability
- (Figure 8).

Figure 8. A
Common Good
Dashboard with five
pillars.
Reproduced from:
*Governing the
economics of the
common good:
from correcting
market failures to
shaping collective
goals* (Mazzucato,
2023b).



Artistic and cultural methods can bring these pillars to life – through storytelling, participatory design and other practices that engage communities to collectively influence the direction of economic growth and share in its rewards. However, these approaches cannot reach their full potential in market-dominated systems. Arts and culture should be included in the institutional capabilities and infrastructures that enable missions to be imagined, co-created, and delivered according to the principles of the common good.

Arts-based tools and capabilities

Governments and cultural institutions can develop institutional capabilities and tools to design, implement and adapt policies that translate societal visions into action.

IIPP has developed a framework for the dynamic public sector capabilities required to enable these changes (Kattel and Mazzucato, 2018). Capabilities such as empathy, sensing, leading, and experimenting are increasingly essential for managing uncertain contexts and enabling creative solutions (Kattel et al., 2025). Arts and culture, whether in the public sphere or policy institutions, offer powerful methods for listening deeply and imagining alternative policy choices.

These methods which are core to artistic practice can also be formalised as “design”, where design capabilities such as iterative problem-solving are essential for challenges such as green transitions (Bason et al., 2020). While challenging to define, the value of design has been operationalised in leading initiatives. In Finland, the national innovation fund supported the Helsinki Design Lab to address the conditions and processes affecting policymaking for industrial strategy, while in the UK, the Public Design Evidence Review highlights the benefits of design and the conditions required for design to drive impact (UK Cabinet Office and Policy Profession, 2025). Establishing these capabilities across departments requires deliberate investment, which can be guided by tools such as IIPP's Public Sector Capability Index (Kattel et al., 2025).

Yet these capabilities are often missing from public leaders and state institutions, which need to both listen to and respond to the messages of cultural and social movements (Mazzucato, 2019). Structural barriers, such as rigid fiscal rules that prioritise short-term cost containment over long-term public value creation, continue to constrain both the scale and nature of public investment. These rules limit the patient, strategic finance needed not only for bold mission-driven projects in arts and culture, but also for rebuilding the very public sector capabilities required to deliver them.

Worse still, governments often lack the institutional capabilities to reform these rules to serve more ambitious societal goals. Today, for instance, fewer than 1% of the UK's architects work in the public sector, compared with 49% in 1976 (Architecture Today, n.d.), weakening the state's ability to create well-designed public buildings and incorporate creative practice into policy design.

Arts and design professionals bring unique strengths to public policy delivery. Industrial strategies for housing, transport, food, and energy transitions cannot rely on technical metrics alone, but should be guided by cultural processes. Where green industrial policies and net zero goals have met resistance or apathy, artistic interventions can help make global challenges feel tangible and support the co-creation of policies to address them. For example, Olafur Eliasson's installation *Ice Watch* (cover) brought glacial ice into public spaces ahead of global climate events such as COP21 and the Intergovernmental Panel on Climate Change Report launch. The installation invited people to physically engage with the urgency of climate change, stimulating dialogue. Such symbolic acts are not a substitute for policy but should be part of a broader movement of scaling and diffusion to shape perceptions and change behaviours.

Integrating collaboration and co-creation requires placing creative practitioners at the core of industrial and innovation strategy.

Arts and cultural organisations can also strengthen their capabilities to govern and deliver programmes and products to play meaningful roles in societal transformations. Both arms-length arts bodies such as arts councils and private entities such as galleries and museums can articulate their public value more clearly, design more effective offerings and broker networks and cross-sectoral partnerships. Furthermore, tools for evaluation such as cultural value frameworks, creative economy metrics, and participation indices can help arts organisations align their offering with mission outcomes and community goals. Without these internal capabilities, the cultural sector's potential will remain underrealised.

Examples from around the world show what is possible when capabilities and creativity are embedded in the state, cultural institutions, and community. Institutions such as the Museum of Tomorrow in Rio de Janeiro (Figure 5) provide immersive, participatory spaces for visitors and citizens alike to engage with probable and desirable futures.



Figure 9. One of many performances at the Notting Hill Carnival (UK) rooted in Afro-Caribbean and Black culture.
Credit: Daniel Leal.

To ensure broad representation in these spaces, the South London Gallery in the UK has worked with underserved youth in the local community – bringing programming to estates and public spaces (Lee and Gupta, 2024). Similarly, community-led cultural events demonstrate how cultural infrastructure can both animate communities and support broader mission goals.

The Notting Hill Carnival in London (Figure 9), for example, was born out of resistance to racism and as a celebration of the creativity of Caribbean diasporic communities. It claims public space and brings people together, from dancers and

steel drum bands to costume designers and makers, food vendors, sound engineers, and youth groups.

The Notting Hill Carnival supports community identity, creative skill formation and local entrepreneurship. Beyond local economic benefits, its deeper contribution is in social and spatial justice: affirming a sense of presence and fostering cohesion across generations. The unique public value of the Notting Hill Carnival is co-created through participation, culture, and continuity (Mazzucato and Barrington, 2024).

In Brazil, the Rio Carnival attracts over 53 million participants (Cardin, 2025). This catalyses investment in local samba schools in the poorest favelas and creates jobs across the economy, including local seamstresses, carpenters and welders, generating community pride (Savarese, 2025).

Events such as public carnivals illustrate the need to value arts-based capabilities not only in formal institutions but also in communities. They mobilise imagination among attendees and creators yet often struggle to secure sufficient funding to maintain operations. In 2025 the Notting Hill Carnival had to rely on £958,000 in emergency funding to meet safety requirements in order to go ahead, despite longstanding calls for stable support (O'Connell, 2025).

This precarity routinely occurs despite evidence showing that festivals and cultural events bolster longer-term regeneration strategies when thoughtfully embedded in broader development goals like education, tourism and urban transformation (OECD, 2025). To fully realise the potential of arts and culture in societal transformation, we must learn to support both institutional and grassroots initiatives that produce public value.

4. Valuing Arts and Culture Beyond Cost-Benefit Analysis



Figure 10. Installation view of Léonard Pongo's *Primordial Earth* at the Lubumbashi Biennale 2019, Democratic Republic of the Congo.

Prevailing policy narratives on the value of arts and culture rely on a core logic of value for money, with 'value' often narrowly defined such that it overlooks broader public benefits (Mazzucato, 2018b). Standard government evaluation frameworks such as the UK's Green Book tend to privilege cost-benefit analysis (HM Treasury, 2022), which monetises costs and benefits and prioritises direct and short-term outcomes, instead of valuing the multitude of process-related benefits, externalised consequences and economy-wide spillovers. This often leads to appraisal decisions unfavourable to the arts. To address these limitations, practitioners have emphasised art's social or instrumental benefits, including positive externalities such as improved health outcomes, educational attainment and workforce skills (Fancourt and Finn, 2019; Crossick and Kaszynska, 2016). While these spillovers are important and increasingly applied (Sagger and Bezzano, 2024), methods for robustly capturing them in standard policy appraisal processes remain underdeveloped. This reinforces a narrative that treats arts and culture primarily as a sector to be supported or assets to be preserved rather than as strategic inputs for reimagining and achieving societal goals (Potts and Cunningham, 2008).

We need a new logic, with improved metrics and methods to capture the market-shaping impact of arts and culture. A study conducted by IIPP together with the British Broadcasting Corporation (BBC) proposes a classification of dimensions of public value, including individual value (such as wellbeing), industry value (such as creative jobs in the economic ecosystem) and societal value (such as community cohesion, democratic engagement; Mazzucato et al., 2020, Figure 11). Cultural institutions such as the BBC create public value by supporting all three—through effects on technological change, societal norms, education, and creative talent. For example, the BBC's coverage of the Women's Football World Cup not only reached 28 million people (a direct measure) but also inspired millions of young women around the world to become footballers, increasing the value that society puts on the sport. The indirect effects also included the enabling of subsequent broadcast deals, leading to new markets and investment opportunities. Similarly, the production of documentary films such as those by Sir David Attenborough for the BBC have resulted in advances in research and development across filming techniques and equipment.

“As Director of Tate Modern I was keenly aware that the programmes driving change – promoting marginal voices and innovatory artistic practice, cultivating new audiences and deepening their engagement with the work – could be powerfully argued in terms of cultural, social and even economic value. And yet this meaningful value proved hard to ‘measure’ through conventional methods of assessment, rendering it too often underappreciated outside the sector.”

Frances Morris⁴

These spillovers are significant yet challenging to measure and rarely appraised (Centre for Economics and Business Research, 2025).

Cultural institutions are often asked to justify their public funding through metrics that do not capture their most impactful contributions to society.

Current funding and evaluation regimes encourage galleries to prioritise ‘blockbuster’ shows with famous artists and high ticket sales, which incentivise programming featuring famous artists who ensure paid visitors, rather than programming focussed on promoting underrepresented voices or engaging people experiencing the arts for the first time.

During her tenure as Director of the Tate Modern in London, Frances Morris points out how her greatest achievements as Director—bringing people into the museum that had never walked into a museum before and showcasing artists usually marginalised by elite museums—were done notwithstanding the blockbuster model of museums.

These examples underscore the need for evaluation and appraisal frameworks that go beyond short-term monetary accounting to capture the public value of arts and culture and to guide cultural programming models toward transformative change.

⁴ Distinguished Visiting Professor, Ewha Woman's University, Seoul, S. Korea; Chair of the Gallery Climate Coalition

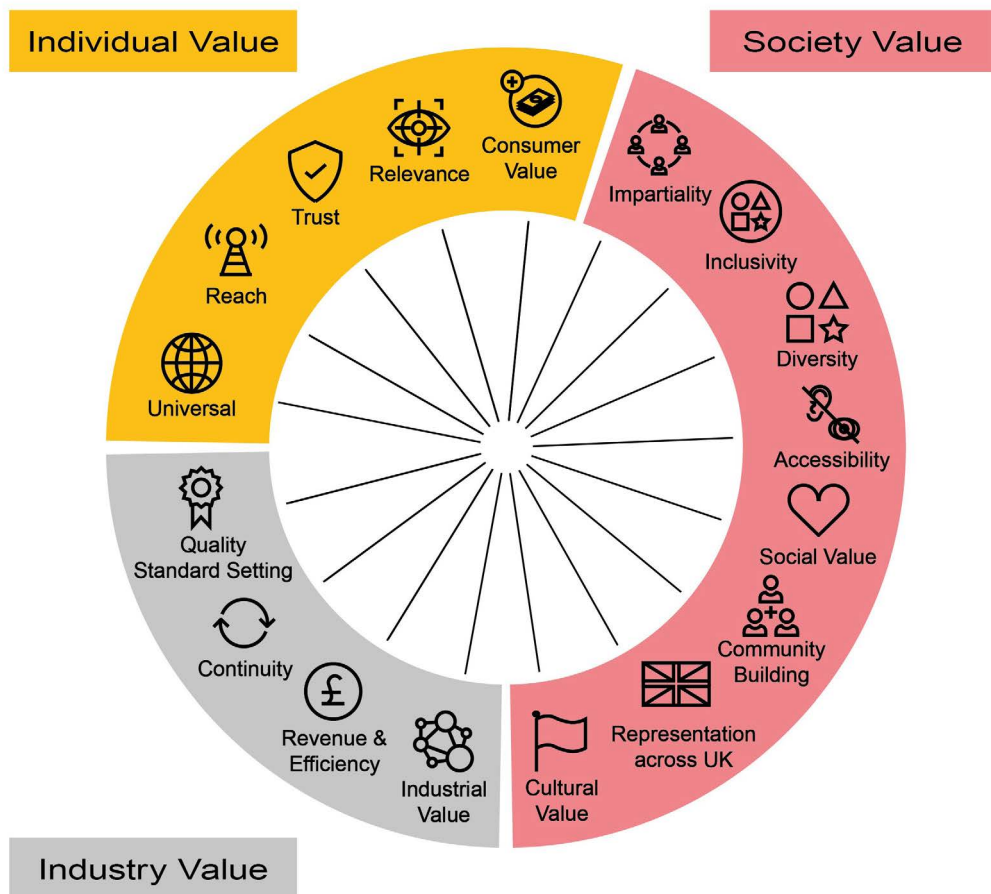


Figure 11. Framework of public value created by the BBC.

Reproduced from: *Creating and measuring dynamic public value at the BBC* (Mazzucato et al., 2020).

5. Conclusion: Investing in Arts Ecosystems

Sustainable cultural networks require more than safeguarding existing institutions and models – they demand bringing arts to people where they are and investing across the entire arts and cultural ecosystem, spanning industries, public programming, and education.

Yet without adequate methods of valuing arts and culture, the arts will always remain in financial jeopardy, marginalised in public budgets (Easton, 2025; OECD, 2022). Funding cuts reflect the broader societal tendency to undervalue culture relative to science, technology, engineering and maths fields, damaging the creative foundations for innovation and inclusivity. In the UK, it is estimated that up to 93% of children are excluded from arts and cultural education due to lack of funding in state schools (N8, 2024), whereas private schools possess the finance to fund arts education. This demonstrates that there is an understanding of how the arts support youth to develop the creativity supportive of success in school, the workplace and

civic life. Yet, such opportunities are unevenly distributed, with disparities in cultural engagement persisting in adulthood (O'Brien, Taylor and Wang, 2025). Given the collective intelligence and collaboration required to produce cultural works, Peabody award-winning musician, poet, and podcaster George the Poet (2021) challenges conventional funding models by calling for long-term investment in the full range of support roles, asking:

“Why can’t we make a plan to invest in the eight-year-olds of today, so that by the time they leave school in 10 years, they have the training, work experience and qualifications to become the graphic designers, lawyers, [and creatives that support artists]?”

George the Poet, in Songs Make Jobs (2021)

To nurture a vibrant, diverse cultural economy that promotes public value, governments have to provide long-term funding for artists and cultural educators. This is both a question of equity and access, as well as cultivating the infrastructure necessary for creative economies and resilient societies.

Leaders and public institutions need to embrace arts and culture as essential ingredients for ambitious policymaking that is guided by visions of the common good. This means putting equal emphasis on what we aim to achieve (objectives such as net zero or social inclusion) as how we get there: the processes through which we continually build community. Despite being systematically undervalued, arts and culture continue to generate significant benefits. As such, policymaking has to treat arts and culture as essential infrastructure, requiring governments to:

- **Recognise and nurture culture's ability to shape the direction of economic growth.**
- **Place arts and culture at the centre of policy design and industrial strategies:** Invest in the institutional capabilities to embed cultural approaches as tools for achieving social, economic and environmental goals.

- **Measure the public value of arts and culture:** Move beyond static cost-benefit analysis to develop dynamic evaluation and appraisal tools that capture the economy-wide spillovers that cultural investments can create.
- **Invest in cultural ecosystems:** Secure funding mechanisms for cultural institutions, educators, and artists. By redefining the economic framing of the public value of arts and culture, we can shape economies for flourishing and thriving societies.

Economist John Maynard Keynes, Arts Council of Great Britain's first chair, said the organisation should "give courage, confidence, and opportunity" with "enjoyment being its first aim" (Stephens, 2021). Strategies that shape the economy, instead of fixing it ex-post, can learn from this bold statement. And, most of all, let us make sure such investments benefit all.

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