Good and Plenty: The Creative Successes of American Arts Funding. By Tyler Cowen. Princeton, N.J.: Princeton University Press, 2006.

Tyler Cowen has two great aims in his new book on government arts funding. One is to explain the distinctions between what he calls the aesthetic perspective and the economic perspective. The other is to argue that the American system of indirect state subsidizing of the arts is superior to direct subsidy programs like those popular in Europe and Canada. The reader will come away from Cowen's book with some good insights despite a number of errors and claims not sufficiently supported.

Cowen does a fair job of distinguishing between the warring perspectives on arts funding: the aesthetic and economic. He soundly points out that neither economics nor aesthetics can, by itself, tell us what is wise arts policy. He correctly characterizes the prosubsidy arguments as primarily ethical in nature, as they tend to hinge on the notion that people have a moral right to art. Hence the current motto for the National Endowment for the Arts: "Because a great nation *deserves* great art" (emphasis added). Cowen also rightly understands that using economic criteria, such as efficiency, to judge policy is an ethical decision because it presupposes that it is good to be efficient.

Alas, Cowen's exposition of the economic perspective suffers from many of the problems associated with contemporary neoclassical economic theory. He adopts the Marshallian assumption that price measures value, indicating buyers' willingness to pay, whereas we know that value is subjective and, hence, can never be measured. Without justification or defense, he assumes the validity of Pareto Optimality as a scientific criterion for economic policy. At the same time, he merely dismisses the notion that the main alternative to arts subsidies is to allow people to keep their own income (p. 19). Cowen asserts that a true alternative would be some other government program that the state could undertake. Additionally, he also accepts the conventional treatment of market power in the free market.

Cowen provides an outstanding critique of direct government arts subsidies. A bright spot of the book is his demolition of the newly fashionable argument that arts subsidies are wise statecraft because they assist in regional development. Arts organizations such as Americans for the Arts make the claim that there is what amounts to a Keynesian arts-spending multiplier. The argument goes something like this: every dollar spent supporting an arts organization generates some multiple of income for the economy as the arts organization spends on factors of production such as printing of programs and local advertising and because arts events and museums draw tourists who spend money on parking, dining, and hotels.

Cowen dismantles this assertion by noting that any arts institution that is likely to attract tourists and hence generate more entertainment income is also likely to be viable on its own and does not need subsidies to exist. If an arts institution needs government subsidies to survive, the chance that such spending truly generates the biggest economic bang for our buck is slim at best. Cowen notes that a more important economic point is that such spending-multiplier considerations completely ignore that art is not the only socially beneficial alternative on which people can spend their money. Arts impact studies that use the arts-spending multiplier to justify subsidies ignore opportunity cost, and instead "typically treat art expenditures as creating value from nothing" (p. 15). If one spends money on the arts, he is forgoing spending in some other endeavor. Money taxed away to pay for arts subsidies is money that is unavailable for investment in capital formation and, hence, leaves the economy with less productive labor earning lower wages. Championing arts subsidies in the name of economic development is a classic case of focusing on the seen and ignoring the unseen.

Cowen rightly identifies the prestige argument as the most accepted argument for arts funding among economists. The main premise of this argument is that a thriving arts culture generates external benefits due to increasing the prestige of everyone in such a culture. Due to this positive externality, in order for an efficient quantity of art to be produced, the state must subsidize its production. Cowen correctly notes that the prestige argument cuts both ways. If the state funds the production of bad art, this would generate an external bad, not a good. The prestige argument too often assumes that all art is good. At the very least, this argument merely assumes that government arts bureaucrats have the ability to discern between good and bad art.

Cowen also makes an appealing case for decentralized arts funding as the best means for fostering a thriving artistic culture. Unfortunately, his lack of an identifiable aesthetic mooring will not persuade many of his readers. Cowen convincingly argues that, because we cannot guarantee artistic discovery via "brute force, or amassing enough laborers to work on perfecting a single technology . . . the artist must have the ability to market his or her vision to a diverse set of consumers, donors, and funders" (p. 20). It is unlikely that any single source will identify all of the important artists and qualities of artists. Therefore, the more diverse the funding, the greater the likelihood that more great art will be produced. Such decentralization precludes a state art leviathan monopolizing arts funding and policy.

In seeking to convince his reader, however, he sometimes seeks to prove too much and sometimes gives too much away to subsidy advocates. He begins his book by merely presupposing that that state must take some responsibility for culture. In an apparent effort to appeal to subsidy advocates, Cowen strains to demonstrate the case for alleged successes of government subsidies. Because the Federal Writers Project at one time gave money to authors like Steinbeck, Frost, Bellow, and Ellison, it was a success. Because the WPA gave money to painters such as Pollock, de Kooning, and Rothko it was a success. He tries to convince his reader that he is reasonable and understands that the state is a necessary and vital component of a decentralized arts funding culture. In doing so, he merely assumes that such funding in a decentralized environment will make a positive impact on culture.

Cowen's main argument, however, is that it is the number of indirect subsidies that is the genius of the U.S. arts funding system. His thesis is severely weakened by drawing his set of "indirect subsidies" too broadly and by making too many claims regarding their efficacy. Cowen claims enforcement of law and order, national security, economic policies that encourage economic prosperity and free trade as indirect subsidies. He even includes people keeping more of their own money via tax deductions for nonprofit arts organization as an indirect subsidy. He views the state university system as a valued contributor to artistic culture, whereas a case could be made that, in fact, state university arts programs stifle culture rather than enhance it by making culture more bureaucratic.

Cowen identifies any employment in a state entity as evidence of the efficacy of indirect subsidies, as if their artistic output is attributed to such employment. William Faulkner worked for a time as postmaster at a University of Mississippi postal station. Hawthorne and Melville worked for a time in a customs house. Whitman worked for the Department of the Interior. Ergo, Cowen's argument goes, without the state we would be left without their literary output. Cowen mistakenly identifies accidents of employment with successful arts policy.

Cowen goes so far as to name imprisonment as a form of indirect subsidy. In support of his assertion, he merely provides a laundry list of jailed writers including Thomas More, Donne, Bunyan, Defoe, Voltaire, Wilde, London, Dostoyevsky, and Solzhenitsyn, as if one key source of artistic support is imprisonment. He notes that Cervantes's *Don Quixote*, and de Sade's *120 Days of Sodom* were both written in prison.

The inclusion of de Sade's work in a list of great literature points to another major failure of Cowen's book. He operates with a very unsatisfactory aesthetic. Cowen equates variety and diversity with good. In one place he does assert that variety results in better art, but throughout the book he reverts back again and again to the principle that variety, in itself, is good.

In arguing that a society's art and culture should be judged based on its peaks, he cites 1968 as "great year for music" (p. 118) because it produced the Byrds's *Sweetheart of the Rodeo* and Captain Beefheart's *Safe as Milk*, even though Herman's Hermits and Herb Albert and the Tijuana Brass pushed the Beatles and the Rolling Stones off the top of the pop charts from time to time. What are we to make of an expositor of cultural policy for whom the Byrds and Captain Beefheart appears as the epitome of musical greatness? Has he no greater criteria against which to compare music except the output of Herman's Hermits and Herb Albert?

Cowen goes even farther in his aesthetic ecumenism when he makes it clear that for him, *everything* is art. He "take[s] seriously and literally Walt Whitman's claim that 'the United States themselves are essentially the greatest poem'" (p. 140). He goes on to argue that clothes, personal looks, sports, dreaming, sex, and toys are all art forms, pointing out that people rarely if ever suggest direct subsidies for the production of these things. He claims that such a broad understanding of artistic culture works against direct subsidization. True, but it also works against taking Cowen seriously.

Cowen's criticism against direct arts subsidies is good as far as it goes, and his thesis regarding the superiority of decentralized funding has much appeal. It is quite disappointing, therefore, that the readers he most needs to convince will be left unimpressed due to his lack of aesthetic standards.

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