

Paper Proposal for ACEI Rotterdam 2025

“Creative corporatism?: Regressive nature of New York City’s film and television subsidies”

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January 14, 2025

Abstract

This research explores the rationales for and results of subsidies in the ‘creative industries’ using the New York City Mayor's Office of Media and Entertainment as a case study. Although specifically about NYC's film and television subsidy program of US\$ 750 million annually, the method for critically analyzing the effects of arts subsidies may be more broadly applicable. We find that the subsidies result in redistribution upwards. In 2019 (the most recent data available) the average annual salary of those working for NYC MOME-subsidized productions in NYC is \$121,000 whereas the average salary in New York City is \$91,000, a 33% differential in higher salaries for those working on projects receiving subsidies than those who do not work on these subsidized projects (MOME 2021). This means that those who earn less in New York City have to pay more in tax to subsidize those who earn more, all else being equal. Most of the tax subsidies are given to large media firms, which skew the salaries upwards for the highly remunerated executives of these firms. This is conservative cultural policy in that state subsidies help finance productions made by well-connected corporations rather than encourage local independent artists and risk-taking. Subsidy policies also create an inequitable beggar-thy-neighbor race to the bottom incentive structure especially when viewed from the perspective of (debt-funded) general equilibrium instead of project-level partial equilibrium. The research question is how can these results, arts subsidies with redistribution upwards, be seen as *equitable*, a proclaimed goal of the NYC subsidy programs? This is where Bourdieu (1984)'s notion of social consecration leading to distinction may cast light. Politicians and technocrats gain social distinction from being associated with the arts. Likewise those in the arts gain social distinction from their involvement in politics. The act of creating and awarding state subsidies in the arts is itself a form of consecration leading to social distinction. This signaling of virtue, of distinction, may be a more important act than the regressive empirical consequences of the subsidies themselves. The elite ruling class help to perpetuate their field of power with cultural production. This corporatism in production also easily lends itself to “public good” rationales for state control of media related to national defense.

Key words: Cultural policy, Economic development, Screen arts, New York City, Inequality, Corporatism

JEL Codes: D31, H42, R51, Z10, Z18