

Authority has routinely increased its population estimates by 4.75 percent annually, based on high 1997 estimates of growth and immigration rates. In fact, Palestinian birthrates have dropped. The Palestinian Ministry of Health recorded 308,000 fewer births than were expected between 1997 and the end of 2003. And it's a dirty little secret that more Palestinians are leaving the West Bank and Gaza than are moving in, thanks to Palestinian-incited violence, the authors argue.

Demographic projections need not be demographic destiny, the authors say. It's even possible that Israeli Jews could increase their share of the population in Israel and the West Bank. Palestinian fertility rates are falling while Jewish rates (already the highest in the advanced industrial world) are rising, and there's always the possibility of a fresh influx of Jews from abroad akin to the unexpected arrival of one million Soviet Jews.

Palestine's millions remain a challenge to Israel, the authors allow, but the "Arab demographic time bomb is, in many crucial respects, a dud."

OTHER NATIONS

The Guggenheim Effect

THE SOURCE: "The Return on Investment of the Guggenheim Museum Bilbao" by Beatriz Plaza, in *International Journal of Urban and Regional Research*, June 2006.

WHEN A DECAYING INDUSTRIAL city in the Basque country decided in the 1990s to spend the equivalent of about \$200 million on a modern art museum, critics sput-

tered over the squandering of so much public money on something so irrelevant and exclusive. But today, Bilbao, Spain, is known throughout the world for its "Guggenheim effect."

Bilbao provides an ideal laboratory for the study of the effects of "signature architecture" on a city. Unlike London, Madrid, or New York, where museums and cultural attractions are launched almost as frequently as computer upgrades, Bilbao changed only one major thing in 1997: it opened a spectacular Guggenheim museum. Noted, if at all, for its pollution and past Basque

Bilbao's success still depends on razzle-dazzle shows to complement the architecture.

separatist activity, Bilbao was transformed by the inauguration of Frank O. Gehry's building, considered a masterpiece of 20th-century architecture. Yet many of its original critics have questioned whether it has performed the hoped-for economic miracle.

Beatriz Plaza, an economist at University of the Basque Country in Bilbao, reports that the museum paid for itself in nine years, a world record. When it opened, tourism increased immediately. The number of hotel stays rose by 61,742 a month, Plaza writes, producing an "extra" 740,000 hotel stays a year. The museum has generated 907 jobs,

and helps support 4,500 more. It has had positive effects on such occupations as translation, library services, and handicrafts, and has increased the demand for knowledge of foreign languages, tourism packaging, advertising, marketing, film, and business management.

Plaza notes that signature architecture, even by celebrity architects, is no guarantee that expensive high culture can turn around a stagnating city. Bilbao was fortunate in getting Gehry's most acclaimed building. "It must be remembered that it could also have failed," Plaza writes. Even the most noted architects have their "off" buildings. The new Santiago Calatrava wing of the Milwaukee Art Museum has not attracted as many visitors as first projected. The Royal Armouries Museum in Leeds, England, which expected 1.3 million annual visitors, has had fewer than 200,000.

Rare for Europe, the Guggenheim has adopted market-oriented budgeting aimed at making the museum staff more efficient and sensitive to customers' tastes. Seventy percent of operating costs must be covered by museum revenues and 30 percent by the Basque government. To raise the necessary funds, the museum has staged blockbuster exhibitions.

Bilbao should not be "uncritically replicated elsewhere," Plaza cautions, because the risks were high, and success even now depends on the curators' coming up with new razzle-dazzle shows to complement the architecture and keep the public coming.