

August 5, 2011

Briefing Note

Prepared by artsnb for the CCA: Culture in the 2012 Budget

Issue

In response to the annual national consultation for the 2012 Federal Budget, artsnb presents its proposals. Since the federal Strategic and Operational Review's objective is to find a cumulative \$11 billion in savings over the next three years with, according to Hon. Tony Clement, whole program cuts on the line, this consultation process is particularly important for Canadians.

The Creative Economy generates income, jobs, and export earnings while promoting social inclusion, cultural diversity, and human development. Arts and culture are key components of the strategic economic plans of many nations — Australia, the U.S., and the U.K. included. Canada needs new strategies to harness its full potential by harnessing the power of its creative sector to ensure it remains competitive, and recognized as a global leader.

Background

1

A paradigm shift is underway: we're operating in a new economy. Canada has moved from an agrarian-based economy to an industry-based economy, and is now poised on the cusp of a brave new world: the Creative Economy.

What are the engines of the Creative Economy? Globalization, technology, creativity, human capital, and the capacity for innovation. Growth sectors in the Creative Economy include: creative industries, medical and scientific research, education, health care, culture, and the arts.

Technology, creativity, and globalization means Canada is no longer linked by isolated regions: now, we're all networked via the Internet and other electronic means. As culturally and geographically diverse nation, this network is a very powerful asset indeed, especially when it comes to advancing the needs of generations X, Y and Millennials. The creative economy is primarily led by a younger, more culturally diverse group of individuals, Quality of life is a prime consideration when these generations decide where to live, work, and play. Numerous studies have shown that creative people will trade wages for lifestyle amenities. A well-balanced lifestyle is critical to generations X, Y, and emerging generations.

Canada can attract creative people on a global scale who want choose to live and work by supporting a vibrant way of life. Canada’s cultural resources, amenities, and facilities are strategic assets in the new economy — key to investment, innovation, and immigration.

Current Status

Over the past 10–20 years, quantification of the impact of the creative cultural industries in Canada has been underway. In 2007, there was \$46B in direct contributions, making an \$84B economic impact. This represents a substantial contribution to the GDP: 7.4% in total contributions. This translates into direct employment of 616,000 people, or 3.9% of national employment.

In New Brunswick alone, cultural industries contributed \$549M, representing 2.7% of the provincial GDP (2003). Employment figures indicate 9,200 people, 82% on a full time basis, representing 3% of total provincial employment. In 2005, New Brunswickers spent \$540M on cultural products and services. The per capita spending is \$747 (8th in Canada), but despite this, there has been steady growth in spending on cultural goods and services between 1997 and 2008 — comparable to national average. A strong cultural sector distinguishes Canada (or province or municipality) Anteing up cultural spending means increasing our ability to attract quality people, business, and investment.

2

Countries such as the UK, the US, Australia, and Canada are recognizing the significant contribution made by arts and culture. Communities with creativity–oriented occupation clusters generate a significantly higher average income base of \$83,300 versus those with more routine occupation clusters \$38,000 (2005 figures for Canada and the US). The Creative Economy is about what people DO – it is an economy where people are paid to think and produce across all sectors.

Australia’s model, (ILAP) – Integrated Local Area Planning model includes: the economy, the environment, social policy, infrastructure, and culture. When tools to support this strategy are well developed and databases are populated, culture becomes a vital part of a “growth coalition” where municipal/regional/provincial planning is holistic. That is, it is strategic, integrated, responsive and comprehensive. Resources are leveraged and duplication is reduced. Cultural resources are identified for strategic integration into physical planning, townscape design, tourism, industrial development, retailing, place marketing, community development, education and training. The Australian model focuses on the leveraging of community assets (all of them including culture) for the purpose of social, economic and cultural. Hard infrastructure is integrated with soft and creative assets.

In December 2010, The Department for Culture Media and Sport in Great Britain released a statement from its Prime Minister on the creative industries. The creative industries were cited as “providing around two million jobs, in the creative sector itself and in creative roles in other sectors. Employment in the sector has grown at double the rate of the economy as a whole.” Take note, Canada – creativity and innovation is the future of our economy, and an indicator of our ability to turn on a dime. It is crucial not only keep pace with a changing marketplace, but to lead those changes. In the UK, creative industries contributed 5.6 % of the UK’s Gross Value Added (GVA) in 2008; exports of services by the creative industries totalled GBP 17.3 billion in 2008, equalling 4.1% of all goods and services exported. In 2010, there were an estimated 182,100 businesses in the creative industries on the Inter-Departmental Business Register (IDBR). This represents 8.7% of all companies on the IDBR. Software and electronic publishing make the biggest contribution to GVA of the creative industries, at 2.5% in 2008. They also make up a large number of total creative firms: 81,700.

Key Considerations

New strategies to harness Canada’s full potential are needed, but we have a strong existing foundation from which to build: the Canada Council for the Arts and the CBC. Strategic investment in a vibrant arts and culture sector through amplified support to the Canada Council, would strengthen the very backbone of our creative sector. Further, Canadians already possess a strong national media conduit that reaches every regional outpost of this vast country. The CBC keeps awareness of national and regional arts and culture high in every corner of this nation, and has long understood arts and culture reporting as foundational to a strong national and regional identity. This is a powerful tool indeed – not just within our country, but through international channels as well.

The four pillars of sustainability are: economic prosperity, social equity, cultural vitality, and environmental sustainability. An increased international profile for advanced arts and culture is key for attracting immigration by the world’s finest and brightest. An appetite must be whetted abroad for Canadian arts and culture, attracting the most outstanding of the world’s creative thinkers — adding fuel year-over-year to Canada’s creative economy. Our creative economy has the ability to generate even more income, jobs, and export earnings while promoting social inclusion, cultural diversity, and human development. International arts and culture exchange is a key strategy in ensuring a strong creative economy for Canada.

Options

To ensure sustained economic growth in Canada, it is essential that funding for Arts and Culture be at least maintained, and at best increased, in order to ensure that Canada's economic growth is strategic, integrated, responsive and comprehensive.

The alternative is bleak: a strong economy based primarily on natural resources and manufacturing is not a strong enough draw to attract the young, bright, vibrant people who could lead this country to greatness, and to new heights in innovation.

Conclusion and Recommendations

Cultural planning is socio-economic planning. The quality of life of a society is defined by the relationship between culture, economic development, education, community regeneration and sustainability, social inclusion and diversity. High levels of job growth, business investment, and quality living standards are important for all Canadians, including those working in the arts and culture sector. We recommend:

1. Support of increased (or at least maintained) funding for the Canada Council of the Arts, which is the backbone of the creative economy and Canada's competitiveness.
2. Increased opportunity for International Exchange and cross-country exchange opportunities for artists to ensure opportunity for a flourishing of the creative economy from sea to sea to sea – providing all regions the same opportunities for economic growth in this sector, and ensuring that by establishing an awareness and appetite abroad, Canadian arts and culture meets an international market and penetrates it effectively.
3. Maintaining or increasing funding for the CBC, which is an essential main conduit for balanced dissemination of information and for the promotion of cultural activities and public awareness — particularly in the provinces and territories.