

Part III: Policies to Promote Creative Labour

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Abstract

A comparison of policies to promote creative labour expression in several countries reveals a need for more substance, method and critique. A good part of the difficulty in finding coherence to these policy initiatives lies in inadequate attention to the underlying ideological orientations to the role of the “Creative State”.

Where “Creative Economy” frameworks exist, they seem to overlook comprehensive creative labour policies to accommodate a more flexible, mobile workforce, and one which is increasingly self-employed – even in the Nordic countries. Workers are forgotten. Or, labour policies are not seen as a key to creative productivity – a flaw in policy formulation. The history and contemporary adaptations of a special “Status of the Artist” approach to social security provisions for the sector are reviewed and found to be slow in diffusion. Setting the approach aside allows a better understanding of the general needs for “flexicurity” for all workers – that is, a social safety net for all part-time, casual or self-employed labour. Specific initiatives to do with generalising a “flexicurity” approach and other taxation and entrepreneurial assistance are reviewed across some 38 countries. Several recommendations to address the needs of creative labour are made, consistent with an integrated conception of the creative cultural ecology.

Introduction

The second part of this study found, despite the lack of consensus on methodology to map cultural workers, strong agreement among analysts around the world of a persistent gap between some cultural workers and the rest of the labour force. The *Facing the Future* qualitative study for the Canadian Cultural Human Resources Sector in 2002 confirmed that the creators and cultural workers who are especially disadvantaged, marginalized or isolated in Canada include:

- aboriginal and visible minority cultural communities;
- linguistic minorities
- the geographically isolated
- workers in smaller organizations and enterprises; and
- youth.

Nonetheless, the simple stereotype of the starving artist in the atelier was found to be misleading according to recent Canadian statistics. Certain cultural occupations are indeed doing as well as the hypotheses about the comparative advantage in creativity in the new economy hold. Given the uneven impacts of the cultural turn to economic wealth-generation, what can countries do to mitigate them, and better make the labour force adjustments for the creative economy?

Policy approaches to creative labour

If the review of statistical evidence and academic literature on the known composition of the creative labour workforce presented in Part II of this study reveals anything, it is the need for creative economy policies to continue to adapt to an employment-based professional model (which is surprisingly persistent in Germany and Sweden for example, even in new media) *and* a free-agent entrepreneurial model as is dominant in the US (Christopherson, 2004). The argument in this paper is that the focus needs also to extend to the volunteer labour or alternative labour pool to cover the community arts/amateur segment (although these terms are increasingly called into question). Current creative economy thinking reveals an inadequate conception of the creative labour market segments, which still are too narrowly defined in their relationship to the activity of paid work, much less discipline or orientation to for profit or not-for-profit sectors.

Nationally constructed governance systems affecting employment regulation, social security and other key aspects of the functioning of creative labour remain important even in increasing globalization. There are marked differences and thus different incentive structures for workers and employers in national practices and institutions governing investment and labour markets (Christopherson, 2004). Even within a country, policy approaches are remarkably fragmented, partially due to the sharply locational effects of economic geography (Innis, 1950) and partly due to the politics of clientelist/corporatist policy systems.¹ Indeed, such fragmentation reflects the general finding in a review of 100 policies in 18 countries that “the majority of countries...do not have a comprehensive long-term national strategy for creative industries, despite the growing number of initiatives” (in Finland, UK, Singapore, and others) (*Quick scan of national policies*, 2007). These authors find there is similarly rarely a comprehensive long-term strategy to build the creative labour work force or ease the adjustments to a global creative economy. Such ad hocery is more surprising given shortages in skilled labour facing most OECD countries. With the attendant need to compete internationally for knowledge workers, it is often argued that *contemporary labour policy may be more predisposed to be developed from a needs perspective*, one that has been lost in social policy more generally after a decade or more of state retrenchment (Harder, 2004).

As the review of statistical mapping of the creative labour sector in Part II of this study indicated, there is at least a 7-fold typology of creative workers’ needs which could be adapted according to relative time spent, to determine intensity of cultural work and patterns of cross subsidy from other paid employment, educational status or voluntary contribution from the social economy. The typology includes:

- full time employed
- full time self employed
- part time employed
- part time self-employed

¹See Leslie A. Pal (2006). *Beyond policy analysis*. Scarborough. Thomson & Nelson; and Michael Howlett, & M. Ramesh (2003). *Studying public policy. Policy cycles and policy subsystems*. Oxford.

- not employed but volunteering
- not employed but practicing (amateur)
- not employed, volunteering or practicing cultural activities.

Furthermore, for a more inclusive notion of cultural labour force flow, it would also be important to indicate the degree of the artist's cross-over or movement between part time or contract jobs over this lifecycle of engagement in cultural work. Certainly the typologies presented here are intended to provide a useful cross-check on the adequacy of the basket of policy instruments in use.

According to the prevailing policy and academic literature envisioning a creative economy approach, the additional crucial element is to identify for-profit or non-profit status - suggesting a simpler, incomplete typology which sets out the range of potential policy instruments used for the basic creative labour segments (Figure 4).

Yet, as always there are “creative” differences between policy theory and policy practice. A deeper look at policy highlights actually deployed for the creative labour forces around the world make this clear. We set out to conduct an examination of policies directed at creative workers, using an overview of 38 countries available from the Council of Europe Compendium (www.culturalpolicies.net) and a excellent quick scan of 100 policies in 18 different countries conducted by the European Institute for Comparative Urban Research at the Erasmus University Rotterdam (*Quick scan of national policies*, 2007). For the Figure in Appendix C generated from a review of those two sources, we have selected policies that we believe are representative of policy instruments used around the world. Thus, we present policies of 20 countries that illustrate common approaches – instead of presenting exhaustive lists of similar policies. Moreover, we limited ourselves to policies that clearly assume a relationship between creativity and business or, in other words, that assume a commercial or industrial dimension of arts and culture. Thus, we have not explored traditional arts policies that come in the form of subsidies and other public support based on the assumption of market failure.

We can draw several conclusions from this overview of policy practice. First of all, most of the programs or initiatives can grouped into three broad categories which cover “education and training” or, loosely, a creative capital approach; “awards and grants” to build a culture of creativity and celebrate its recognition, and “business support and entrepreneurial development”. This categorization is broadly consistent with existing policy papers such as the *Creative economy green paper for the Nordic region* (2007) and the very recent *Creative economy strategy paper* in the UK (2008).

As also may be seen in Appendix C, other countries are much farther ahead than Canada in identifying educational and training activities. Arts degrees, research centres and incubation hubs are obviously seen as important inputs to generating clusters. The more advanced programs offer sophisticated and comprehensive networks and online resources to match courses to training needs in various locations, and a ‘cradle to grave’ delivery lifecycle for citizens of both professional and non-professional status. On February 22, 2008, the UK government announced an aggressive action plan *Creative Britain. New talents for the new economy*. The focus on creative capital or talent development includes grass roots talent programs, a mandatory 5 hours a week of

cultural activity in schools, a “talent pathways program” to help people who experience barriers in access to getting into the cultural industries, and a pledge of apprentice positions in conjunction with employers.

Second, there is extensive consideration given to programs to enhance capacities of individual artists and sole-proprietor or small creative enterprises. The more advanced programs link size of enterprise to delivery of capacity building: coaching, business start-up advice, or other aid. There is a tension between countries which offer “generalized” business start up advice and those which “specifically” target the sector. In Canada, only Quebec and Ontario offer the latter. Ontario offers good “navigation guides” to aid artists or arts groups.

A litmus test of commitment to such an approach is if a national, regional or local government is also committed to stimulating the supply of venture capital in seeding creative innovation. As the *Quick scan of national policies* (2007) highlights, there seems to be a global resistance to setting up guarantees for venture capital funds for cultural production around the world. There is obviously a scope concern: many programs are directed at micro enterprises. However, there is a growing focus on fostering public-private partnerships (particularly in local infrastructure investments) which suggests new project-driven ways to aggregate financing are being explored.

Thirdly, there is an important commitment to promotion and awareness-building. The object of many awards and other programs is to celebrate creative initiative, or stimulate selective creative specialization as a core national competence (for example, the Swedish design award). Canada’s use of the Network of Centres of Excellence to stimulate research in design (through the Canadian Design Research Network established in 2005) similarly is intended to build profile for creativity.

However, this exploration of actual policies deployed confirms that a fourth category is underdeveloped: the “social and labour policy” category. Policy programs or instruments falling under “education and training”, “awards and grants” and “business support and entrepreneurial development” are all directed at generating GDP from creative activities. In contrast, “social and labour policies” are a long-term infrastructural investment for governments in social security, providing no immediate economic gain. In other words, contemporary creative industry policies are strong in offering voluntary measures, in stimulating participation in creative education and the development of entrepreneurship. At the same time, these policies are rather weak in providing universal, stable and mandatory support in the areas of labour relations and social and income security as implied in a creative ecology approach. The asymmetry is often due to the underlying neo-liberalism of a creative economy approach, increasingly coming under fire. The premise in some of the most advanced of the creative economy literature is that a new concept of social security has to adjust to the increasing flexibility of the creative work force: what some call “*flexicurity*”.

**Figure 4: Taxonomy of policies for a diversified creative labour market
(structured by employment status)**

Employment Status	Employed In for-profit sector (<i>direct commercial orientation</i>)	Self-employed (<i>freelancing/independent worker/temporary contracts</i>)	Employed in non-profit sector (<i>paid, grey or social economy</i>)	Volunteer work, charity activities Amateur Practice (<i>unpaid, grey or social economy</i>)
Policies	<ul style="list-style-type: none"> ● Employees profit from the regular social security policies in place for employees in all sectors of the economy + ● Mainstream economic policies directed at the creative economy as a sector: promotion innovation and entrepreneurship, access to venture capital, market development 	<ul style="list-style-type: none"> ● VAT reductions the taxes payable (in some countries less than half of standard VAT or to a floor of exemptions) ● special income tax measures (income averaging over up to 10 years; special allowances: income tax deduction or exemption) ● tax deductions for owning and maintaining musical instruments and other “tools” enabling creativity ● tax credits for the invention/creation of commercially valuable creative work ● laws that acknowledge the needs of self-employed creative workers ● pension planning: help with specific websites and free workshops ● pension supplements ● unemployment insurance ● comprehensive social insurance package for self-employed artists <ul style="list-style-type: none"> ● public institutions affording full benefits to part time labour 	<ul style="list-style-type: none"> ● Develop instruments to “measure” monetary and non-monetary contribution of this sub-sector (enable role for the initial creation stage) ● provide sustained operating support ● encourage the entry of these organizations into offering pension/other plans ● link third sector to training/ educational incubators or hubs ● enable organizations to enter into public-private partnerships ● consistent with arms-length principle, continue permanent standing in representation in policy formulation 	<ul style="list-style-type: none"> ● Develop instruments to “measure” non-monetary contribution of this sub-sector to the economy (especially role in the initial creation stage of the cultural value chain) ● create incentives (tax deductions for hours worked) ● loosen “professional” status considerations for access to certain creative incentives ● tie to education and specific youth initiatives ● outreach initiatives to immigrant communities

Rethinking the creative state and flexicurity as policy principle

Anthony Giddens work on *Globalization and the European social model* (2007) sets out the core values which could drive a cultural ecology policy framework. He argues for a new conception of social security – something called *flexicurity* – to ease the labour force transitions to the creative economy. Giddens, a noted sociologist and one of the conceptual architects for the renaissance of New Labour in Britain in the 1990s, also explores the different factors in relative contributions to productivity, defined in terms of GDP per capita, employment rates, hours of work and adjustments for immigrants. Flexibility – which in its neoliberal face, is nothing more than downloading the costs of adjustment to globalization on workers – has to get a good name by protecting basic security guarantees² to the right to representation, to consultation, to laws against discrimination, and working conditions in this view. Giddens is arguing for why we need a new welfare state conception in the knowledge economy – a ‘fourth way’. The ideal type of such a policy, in Giddens’ view, involves positive welfare safety nets addressing income inequality, a system of incentives specific to increased workforce differentiation, and obligations to provide for basic economic security – not passive unemployment rights or other partial steps. His social model thus presents an effort to turn the tables back on the State in its responsibilities for the provision of social goods needed for daily survival, individual growth and development from the market and family, with profound implications for equity, fairness and quality of life (McKeen & Porter, 2003). Such a new “Creative State” need not fit the stereotype of the bloated Keynesian era of the past. Significant progress is being made by mainstream economists, endogenous growth theorists and some variants of neo liberal thinkers in understanding the dynamics of economic growth: as Giddens maintains, the postulate that government spending on welfare is inversely related to productivity has been turned on its head by some areas of the European experience. The superiority of Nordic countries in reducing disparities in quality of life is not due to transfers from taxes and welfare redistribution, but investment in education, and a fuller matrix of other creative labour supporting policies and programs. Design is all.

Giddens’ view is that the future of the European Social Model in the creative economy does not lie in more countries becoming like the UK. Britain still has a high rate of unemployment, and while learning from the Nordic example of investment in education and other public services, reducing its poverty rate, it “still lags behind Continental best practice and levels of income inequality remain high in spite of progress made” (Ibid:158). The “Creative Economy” push in the UK has to be read against this backdrop. Andrew Calabrese, a noted US communication scholar, argues that the fourth generation of the rights revolution – in the midst of assaults on updating notions of the welfare state – turns on rejecting the idea that the state can only be a negotiator, venture capitalist and corporate lawyer in the creative economy, rather than anything else.

In general, aside from the observation that social spending as a proportion of the GDP remains low in Canada against the G-8 except for the US and Japan, and that Canada has been a laggard in introducing social legislation due to the division of powers, and

² In Canada, these include the Old Age Security provisions, Guaranteed Income Supplement, Canada Pension Plan, Child Tax, Workman’s Compensation, plus tax credits, allowable deductions and retirement plans, and finally medicare, hospital insurance, national housing and provincial shelters.

British Colonial heritage of liberalism (Armitage, 2003; Harder, 2004), comparative social welfare policies must be set aside in this discussion. But it is fair to say that the history of their evolution worldwide and especially in Canada has been that they have developed in a piecemeal and fragmentary fashion (McKeen & Porter, 2003, Shaw 2004). It is also fair to say that the reengineering of the complex systems of intergovernmental transfers to fund provincial social programs (the Canada Health and Social Transfer) redesigned programs to make them more compatible with economic growth models, and collided with large retraction of federal funding with adverse impacts which have been castigated by the UN (Hankivsky, 2004). Feminists, left academics and neo liberals weigh in with different evaluations, but the statistical evidence, particularly for its intersection with poverty among artists, women, youth, aboriginal and minority groups of the type which so concerns the Canadian Cultural Human Resource Council is still unclear. The jury is still out, but this lack of public debate in Canada may not be surprising since retraction of social policy over the last decade was policy by stealth (Prince, 1996). Certainly, the data for an informed policy review is insufficient. Experiences of other countries with different social democratic³ or market authoritarian” regimes of capitalism may be illustrative of the current thinking in policy networks about creative labour flexicurity.

There is extensive devolution of authority at stake in considering flexicurity. Shared labour jurisdictions (like Canada’s) pose complex challenges in policy coordination, as do horizontal policy subfields across cultural industries, labour and social economy areas, increasingly required in addition to the usual economic and industrial innovation policies for a comprehensive cultural ecology approach.

The Status of the Artist legislative approach

Historically, a series of measures to protect the “special status of the cultural worker” have been put in place, largely as a result of external pressure from arts advocates. Initially the status of the artist push was twofold: arguing for an “exceptional” status (that is usually predicated on the special character of the need to protect freedom of expression and foster creative diversity) and for parity or equity: that is, in recognition of the marginal status of artists, the need to extend the same minimum protections (for example, access to universal social welfare programs) as are afforded other workers. As the following review will show, the dissemination of such an approach is still limited. The slow take up of such approaches in sub-national regimes in Canada and around the world reveals an underlying conceptual problem.

³ Somewhat tendentiously, Giddens accepts four main types of “welfare capitalism” in Europe: the Nordic type, based on high taxation and job opportunities in the state itself; the Central European type of Germany and France based mainly on payroll contributions, and the Anglo Saxon type, having a lower taxation base and using more targeted policies. The fourth type is Mediterranean, which also has a low tax base, but depends heavily upon provision from the family. A fifth type ought to be added: Eastern Europe, and especially the states in the EU. The impact of a recent directive on EU free trade in services is controversial for its proposed effects on universal public social services. What is totally missing in regional policy meta-analysis is Asian, Latin American and other analysis. The creative economy cult is very Eurocentric.

In no other sector is multi level governance moving as quickly to insinuate itself in policy networks by mediating global, national and sub-national policy agendas than in creative labour. UNESCO began the push internationally to a special recognition of the need to protect artists in 1982. Among 38 countries included in the Council of Europe's Compendium, the minority (16) do have the beginnings of such a Status of the Artist framework: Including France which has the oldest such law (1977) and Finland (1985) followed by Austria (2001) and Estonia (2004) (see Appendix C). There are sharp differences in later versions of Status of the Artist legislative instruments. Nevertheless, the majority of countries (the remaining 22) *do not* have comprehensive social security legislation for creative workers and only offer partial and limited measures such as a form of pension supplement or unemployment insurance.

Apart from tax measures and social security policies, the question of labour relations and collective bargaining is also a significant one when exploring policies for the creative labour force. How do nations design their labour policies to manage the adjustment to the broader cultural turn in the new economy? We will look at the Status of the Artist legislation as an example of one way to recognize the economic rights of artists and establish a labour relations regime by setting out a regulatory category of eligibility of independent arts contractors for "professional" standing through membership in a nationally certified association.

More than a decade after had first introduced the idea of Status of the Artist, Canada followed UNESCO with its own *Status of the Artist Act* that came into force in 1995. Consonant with international practice, the Canadian Act recognizes the contributions of artists to the cultural fabric of life and also sets out a policy on the professional status of the artist, based on the rights of freedom of association (removing any impediment to collective bargaining) and creative expression (including moral, economic and social rights). While there was intended to be a permanent council advising the Minister of Canadian Heritage on creative labour policy, this has never been enacted: a victim of insufficient resources and resistance to cede policy jurisdiction. Instead, there is a Canadian Artists and Producers Professional Relations Tribunal which can adjudicate disputes between artists and producers involving institutions within federal jurisdiction, for those with self-employed status.⁴ Quebec has introduced its own variant of the legislation, and Saskatchewan tried to do so, but its legislation has been withdrawn. In 2007, Ontario also began considering a new bill to protect those who create, construct, design, and perform, adapted from the federal Status model, and indeed cited it in the 2007 budget, but suspended its development. In the Ontario version is the standard basket of policy instruments in the labour relations regime, extended to self-employed artists, including certification standards, along with a new voluntary "floor" approach to intellectual property contracts which suggests minimum terms agreements to do with

⁴ While the tribunal has been somewhat active (ruling on 14 or so disputes and reporting to the Minister of Labour in Parliament) it has not yet had any apparent effect on salaries or standards of living (see: the 2007 European Compendium, Canada Report, www.culturalpolicies.net/ retrieved 02/21/2008). A subsequent review in 2002-2003 found it too narrow to make a material impact on artistic well-being, and other measures need to be explored. Section 5.1.4.

royalties, advances and other rights. Such initiatives are strongly supported by collective associations like the Canadian Conference of the Arts and the Writers Union of Canada. However, other provinces (and especially BC) have been loath to introduce such legislation after a decade or more of lobbying. Various recommendations for reform in the review of the federal model suggest a choice of dual status (allowing artists to retain their self-employed status and access employment insurance and Canada Pension Plan, for example) be afforded, income averaging be extended⁵, access to employment insurance be provided, improved access to pension, occupational health and safety and other programs widened, and a new recognition of artists as preferred or secured creditors in the event of a bankruptcy (for example, Stoddart Publishers).

Among the more interesting developments are the trends in the semi-professional or non-technical occupations to negotiating special agreements. While journalism is not one of the most highly developed and prestigious of professions (see Murray, 2007), there are increasing signs of professional maturity, and recognition. The CBC, for example, has been pressured to introduce a charter of rights for its independent producers, at the behest of the Canadian Film and Television Producer's Association. Recently, the trend to consolidation of ownership and oligopoly power in news journalism has led to the Canadian Radio-television and Telecommunications Commission (CRTC) to push for standards and codes of editorial independence which are important markers of licensed autonomy for journalists and independent documentary producers (see the Canadian Association of Journalists' website). Indeed, the ILO's *Study on the future Quality of Work in the Media, Culture and Graphic Sectors* (conducted in the preparations leading up to the world information summit in October, 2004) suggests that unions in the media and entertainment industries have the most experience in organizing those who are not employees of a specific employer (whether freelance, independent or self-employed and provide important models for future collective organization in other sectors of the knowledge economy (ILO, 2004, p. 76).

The Canadian record on a special status of the artist approach, then, is moot. A status of the artist approach at the federal level has not made a material impact on the overall condition of artists: it currently excludes too many from its ambit. Indeed, the impact of the legislative benefits conferred may have had the perverse effect of widening the gap between professional classes of artists (usually in the unionized/or high status recognized professions) who have been able to use it to improve their status, and those without access to similar organizational clout in the Canadian case. It is thus, at heart, an approach more targeting artistic institutions than it is creative workers.

Rethinking of Status of the Artist approach?

The limited dissemination in Canada and around the world of such special legislation contrasts with UNESCO's creation in 2003 of a World Observatory on the Condition of the Artist to promote greater international mobilization.⁶ Slow take up of the UNESCO,

⁵ Quebec is the most aggressive in its averaging. See the Canadian Report in the Compendium (2007).

⁶ According to the Observatory, a survey of the International Labour Office and the International Federation of Musicians (FIM) on The social situation of musical performers in Africa, Asia and Latin America, made apparent

and partial regional diffusion suggest deep underlying conceptual problems in application of a specialized status of the artist approach, or in using it as a base from which to generalize security for cultural /knowledge workers.

The problem with the regime is that it is partial and schizophrenic⁷. In theory, it is consistent with changes in tax legislation in Canada⁸ and other countries which are predicated on the argument that artists are entitled to the same treatment as other taxpayers in comparable economic situations. In practice, there are residual ideological tinges of protectionism and exceptionalism, that is, arguments that what artists do is both different and more important to democratic values of diversity of expression than other classes of workers, and that economic situations continue *not* to be comparable. The UN guidelines walk this tightrope uneasily, and indeed, it may be said they are internally inconsistent and flawed, representing the same problems inherent in the 80s under the separate drive to a Fair Flow of Information, and one which several scholars contend has substantively shifted with the passage of the *UNESCO Convention to Protect the Diversity of Cultural Expressions* of which Canada was the first to ratify (2005). In particular, the UN framework is said by some policy analysts to allow for too many derogations or exceptions. In some respects, it falls short of the affirmative principles of cultural diversity at the heart of the spirit of the UNESCO Convention on Cultural Diversity which guarantee access to the means of creative expression for *all* citizens. It furthermore has proved a tough political sell at the provincial level in Canada, (and arguably in countries as varied as the UK, Russian Federation or other countries) for a variety of reasons, but not the least of which is that the larger problem of generalized labour contingency itself may require other solutions. The faint beginnings of a fuller blown conception of a new approach may be found in the new term in the lexicon of principles in the creative economy: **flexicurity**. What is needed is a way to take the economic rights of artists, and then generalize them to other precarious creators.⁹

Social security for creative labourers

Evidence from the Council of Europe's Compendium (www.culturalpolicies.net) suggests that there are indeed efforts to modernize status of the artist legislation to make it more relevant to the broader self employed and part time labour sectors. Austria passed a new law in 2001 which generalized security measures to other cultural disciplines

that the status of musicians as independent workers entails great absence of social security, with the exception of Japan and Argentina. Precariousness is increasingly common among artists of world music, despite the emergence of this genre as a successful one for the highly concentrated sound recording industry.

⁷ We are indebted to Keith Kelly and Guillaume Sirois of the Canadian Conference of the Arts for refining these ideas, and particularly to Kelly's draft background paper, "Status of the Artist – A Model for Professional Relations in the Creative Economy?", undated.

⁸ See Joseph Jackson, et al, 1999. *The Arts and Cultural Policy*, Library of Parliament, October 15. In addition to the special deductions for musicians (without cap) and gifts, salaried artists may deduct expenses incurred in carrying on artistic activity to a maximum of \$1,000 or 20% of income, patently low.

⁹ Danielle Cliché. 1996. Status of the Artist or of Arts Organizations? A Brief Discussion of the Canadian Status of the Artist Act. In *The Canadian Journal of Communication*. Vol. 21 No. 2.

beyond its usually protected music and visual arts. A new Austrian social security insurance fund for arts established the same year set too high a level of eligibility and is currently under review. Belgium also acted with legislation coming into effect in 2003, which provides complete coverage, and an opt-in provision. Organizations can apply to get their share of the costs subsidized. Adjustment to time frames and other models are still under discussion. Bulgaria has had a special code on social security for liberal professions in general, and artists may choose between compulsory or voluntary contributions on a preset scale. A revision to the seasonal floor for eligibility was reduced to 4 of the past 12 months. Croatia, which already had conveyed a right to health, pension and disability insurance to artists successfully fought the drafting of a new law which excluded them on retirement benefits and health insurance. Estonia acted on new legislation which came into force in 2005, and amended it to include subsidies for artists unions. Finland was among the first to act in 1985 for both artists and short-term workers, and is now looking at reform in UIC, pension and improving the rights of freelancers. Hungary has innovated in the creation of a limited partnership company for its creative sector (called Teteti Tasagag) to become eligible for a flat tax (a self-described “radical simplification”) and health benefits can be topped up by paying into a private pension fund. Ireland, famed for its liberal tax regime for artists, is criticized for an archaic means test for eligibility for social security which requires artists must actually be looking for work in their field which constricts non-artistic options especially in an economic downturn. Lithuania (2004) Macedonia (1982) and Serbia (1998: not enacted) are also active in setting up special measures to benefit artists. Another country that has a comprehensive system of social security measures for creative workers in place is Germany, with its Artists Social Fund. This fund offers statutory social insurance for artists, where the corporate or individual users of creative content cover the employer’s contribution to the fund, together with the state. By contrast, the situation in the Russian federation has been one of repealing special privileges, and two failed attempts of a status of the artist type legislative protection.

The self-proclaimed (and probable) leader in creative economy initiatives, the UK, has resisted a general move to ‘*flexicurity*’ provisions under the Labour government despite the best intentions of its intellectual lodestar Anthony Giddens. Yet in 2004, in language reminiscent of Franklin Delano Roosevelt, the UK Blair Government introduced a *New Deal Program* to subsidize unemployed young musicians, suggesting a cautious way forward.

The social security policies reviewed above may be described as broadening the content of the creative economy approach to other precarious workers, marrying it with more robust social assistance instruments, and providing more choice to artists than the first wave of Status of the Artist protection.

Tax incentives for creators

Also evident from the scan of existing policies world-wide is a growing but small number of countries who are making over the tax system to be more attractive to individual creative workers (Appendix C). This overview shows Canada is ahead of many in its use of the equivalent to the Value Added Tax (GST) to give breaks for artists making under

\$30,000 per annum, but is behind in its broadening of the period for income averaging into longer artistic life cycles, and making a comparatively small allowance for special equipment for arts, culture or heritage production.

No country would seem to be very far ahead in targeting specific tax/or other instruments to intellectual property value explicitly, treating investment in the development of a story, performance or heritage collection as the equivalent in research and development tax credit for the information technology sector, for example. Québec exempts the first \$15,000 of copyright or other residual income from its provincial income tax, on the Irish model, but no other level of jurisdiction in Canada has similarly acted. The UK has always exempted grant income if it may be proven to be relevant to research and development, and can be averaged. However, in 2001 rather than income, the averaging formula was amended to pertain only to profits.

While there is a “thick” policy field of taxation instruments directed at the cultural industries (and especially film and TV production around the world), there are as yet isolated examples of tax incentives for individual creators in the primary creative arts, culture and heritage sectors. For example, sliding scales of income deductions for individual artists are available in the Netherlands, Belgium, Germany, Italy and Austria, although no country has gone as far as Ireland. In a move counter to other countries, Hungary voted to end its 100% copyright deduction in 2007. Ireland, by contrast has upheld its 1969 provision in the Finance Act to exempt all intellectual property royalties, bursaries, or foreign earnings. Lauded internationally, there has now been a cap imposed of a quarter of a million dollars, so it is no longer a victim of its success. Poland similarly allows a 50% deduction for creative work (1998) which despite attempts to dismantle it prevailed. What is also evident is that tax breaks and deductions are regularly reviewed (and despite efforts to claw them back, tend to have remained in place). In Canada, recent amendments to the federal income tax act allow only limited capital cost allowance or employment expenses for artists. Disputes with the Canada Revenue Agency revolve around the requirement of reasonable expectation of profit for a self-employed artist, leading to the development of various aids to interpretation.¹⁰

Social economy initiatives to support creative labour

Not surprisingly, the last two segments in the 7-fold typology introduced above (amateur or community arts and volunteer sectors) are under-theorized and mapped, with little value attached to them in official statistical accounts (however one might quibble with the derivation of the estimates). It is deeply telling that we have found no mapping documents or statistics exploring the work of volunteers or non-profit workers in the creative, sometimes termed “social” economy in any of the literature on the turn to the creative economy. Their contribution to the cultural value chain is widely unknown although the culture sector has an exceptionally high number of both volunteers and non-profit organizations. As a consequence, there is a need to examine other policy instruments to support or promote this hidden share of the creative labour force.

¹⁰ CCA has a backgrounder on Taxation and the Artist under development.

Like many European countries, Canada during Chrétien's Liberal government became interested in the voluntary sector, both individual and collective. This came to be defined as the "social economy", directed towards the grass-roots entrepreneurial, not-for-profit sector. The concept is particularly important in Europe and Québec. Social economy initiatives seek to enhance the social, economic, and environmental conditions of communities, often with a focus on their disadvantaged members (see Appendix D). The Liberal Government sought a wide range of capacity-building policies in the period between 1995 and 2005 under the umbrella of the Voluntary Sector Initiative (Phillips, 2004). Various provincial arts agencies also took up the capacity question to build managerial strength in arts culture and heritage in partnerships with various foundations and others.

The Caledon Institute of Social Policy, one of Canada's leading think tanks from a left-social democratic and humanist perspective, conducted a major review of an evaluation framework for federal investment in the social economy (a term and approach much favoured in Québec) in January of 2006, precisely at the time when the new minority Conservative government appeared to be turning its back on the Liberal approach. The first Martin-Prime Ministerial budget (largely inherited but unchallenged from the Chrétien legacy) in the 2004 budget promised a major capital infusion to the voluntary sector initiative to build the capacity and breadth of the civil society in Canada. Nascent since the mid 90s, and part of an extensive horizontal policy coordination framework, the Voluntary Sector Initiative involved over 7 departments and agencies. The diversity and evolutionary nature of the policy initiatives directed at enhancing the capacity of the social economy was clear, as well as the need to employ them simultaneously, over long-term time frames and demand the development of indicators for outcomes measurement.¹¹ To be fair, such a review followed a series of Fraser Institute inspired studies (William Stanbury, Stephen Globerman) which dismissed all such policy intervention to help arts groups as classic rent-seeking among a clientele/corporatist policy field. The ideological "field" of cultural politics in most countries, and especially Canada, tends to continue to be sharply polarized, but supported by a soft middle consensus among voters culture which is "important" for its generational asset value. Under the minority Conservative government, the Voluntary Sector Initiative's emphasis on building the capacity of autonomous arts, culture and heritage groups has been abandoned at the federal level. It remains strong in Quebec and BC, albeit driven by very different collectivist or individualist values.¹²

Clearly, then, the desire to enable the third voluntary sector (of not for profit arts professional associations, for example, which may or may not enter the field of delivery of pension plans for its members) has stalled in Canada with few exceptions. It cannot be said to supply for the absence of state-led security measures for the arts culture and heritage sector.

¹¹ For policy wonks, the richest contribution is the Caledon Institute's Social Economy Logic Model, which sets up a framework for conceptualising results. See Eric Leviten-Reid, Sherri Torjam, 2006. *Evaluation Framework for Federal Investment in the Social Economy: A Discussion Paper*. Caledon Institute of Social Policy. See appendix D.

¹² Monica Gattinger and Diane Saint Pierre eds., *Cultural Policy and Cultural Public Administration in Provincial and Territorial Governments in Canada*. Institute of Public Administration in Canada. Forthcoming 2008.

Safety, Security and Creative Live/work space

Just as most social economy/voluntary sector initiatives seem to emerge at regional or city levels, so too does the impact of municipal control over zoning, building and health and safety standards of work places important to the creative process. Urban planning influences from the creative city movement in cultural theory change the conception of policy instruments needed to foster creativity. Devolution of policy responsibilities in culture in Canada has been underway as one strategic reaction to the processes of globalization. Over the past decade, combined provincial and municipal spending in culture has surpassed federal spending. Since 1995, more municipalities have developed specialised responsibility for planning of cultural resources, infrastructure and amenities; and in certain cities (Montréal, Vancouver) compelled “cultural impact” statements from all other operating policy arms. The gradual professionalization of the field and development of the national Creative City Network (created in 2001), combined with various degrees of recognition of culture as the fourth pillar of sustainability among provincial associations of municipalities, have breathed new life into the consideration of a place-based strategy to stimulate cultural activity. Influenced by the work of Richard Florida, the recognition is that a lively cultural sector will attract knowledge workers and provide an important input to overall quality of life, and is one of the most effective ways to retain these workers.

As a part of this planning cycle, cultural infrastructure is emerging as a key factor in smoothing the transition to the creative economy, a driver from gentrification, and in keeping artists and creative workers in the urban core. Artist live-work space, and policies to promote cross subsidy from urban land developers are increasingly moving to the head of the arsenal of municipal policy instruments. There are a number of tools in use in Canada and around the world. In Vancouver, for example, (one of the first Canadian cities to use creative city language in 1986) “amenity bonusing” systems allow developers to exchange public facilities for artists (performance, rehearsal or live work space) or other social groups in exchange for greater density. A three year centre of expertise (2005-2008), funded by Infrastructure Canada, will map the various activities underway in municipalities in Canada and around the world (www.cultureandcommunities.ca). However, in the absence of a comprehensive creative ecology approach, with a review of ‘flexicurity’ and attention to the legislative reform necessary to entrench responsibility to provide cultural services at the municipal level, little can be expected from ad hoc initiatives. Gaps remain in place-based policies to promote creative workers’ access to adequate space of sufficient quality necessary to practice their craft.¹³ As a consequence, there is a demand for overhauling the various provincial acts setting out the powers of the municipalities to compel them to provide universal access to cultural services, on the model of several Library Acts across the country, but even with this fairly radical affirmative policy devolution of responsibility to provide access to cultural expression, there would still need to be a co-ordinated flexicurity approach.

¹³ See the Report on the Regional Roundtables on the State of Cultural Infrastructure.
<http://www.cultureandcommunities.ca>

Conclusions & recommendations

This survey of best practices among a creative economy policy formulation around the world illustrates that creativity all too often is operationalized in a way in many policy regimes which makes it exceptionally vulnerable to critiques of propaganda to justify the increasingly precarious notion of work domestically, and the international division of labour which 'disappears' jobs (Kapur in McKercher et al., 2007). Certainly, the ideological function of creativity and innovation in capitalism is part of its awesome social and economic power among social institutions: capitalism promises to realize the creativity of all even as it accelerates the creative, social and economic divides among its citizens. Yet cultural politics are far from conceded to neo-liberal hegemony.¹⁴ As this paper suggests, there is an urgent need to rethink the social model of the creative economy, and in particular, how to design policy interventions to promote it within a publicly debated ethical context. Whether that ethical framework is sustainability (as the fourth pillar of urban planning), cultural diversity (as the new UNESCO convention on the Diversity of Cultural Expressions which Canada was the first to endorse suggests) or flexicurity in a new creative labour policy has yet to be determined. What is suggested here is that a specialized, autonomous strategy of the type of the early Status of the Artist legislative approach endorsed by UNESCO is insufficient for the challenges of the cultural turn to the economy. The Nordic approach has much to commend it, since it seems to embody in its framework a potential to evolve to a more comprehensive approach to creative welfare and creative innovation. Anthony Giddens' call for more comparative analysis, however, has as yet been unanswered by theorists and policy analysts.

The trap in much of the creative economy literature is to recognize that an education approach does not necessarily promise a way to overcome the growing economic gap between the situations of different classes of cultural workers. An enterprise approach does not bridge well to the large numbers of sole-proprietorships, or self-employed artists. We argue that a full creative labour policy is needed, sensitive to the creative ecology represented by creative cities and spaces.

The framework for such an ecological approach should be designed from a needs-based perspective, consonant with the positive right to cultural expression which is now solidly entrenched in international and national diversity law. In Figure 4 we set out the range of policy instruments which have emerged from this survey. More thought is needed to develop these or other models for assessing the coherence and completeness of the creative economy policy field. There are a range of possible recommendations which arise out of this survey. However, we restrict ourselves to the main theoretical ones which we believe are essential to the transition to a creative economy.

¹⁴ The EuroMayDay Movement since 2003 had young people from France, Belgium, Denmark, Germany and Italy protesting against inadequate welfare and unemployment benefits together with immigrant labour. The slogan? No borders: No precarity (Kapur in McKerchner and Mosco, 173).

First, we need to broaden our understanding of the creative processes away from a cultural economy to a creative ecology framework, introducing a reflexive rethinking about the role of a Creative State, integrating a generalized “flexicurity” scheme and finding new ways to coordinate policy devolution and policy networks.

Second, a creative ecology framework must include the social economy and voluntary and amateur sectors. An ecology approach both recognizes and values the contribution to the GDP provided by both.

Third, social security and employment policies should be developed on the basis of need, and evaluation of their effectiveness. In this, the sensible policy questions about the creative economy proposed by researchers at the European Institute for Comparative Urban Research about the creative economy are equally relevant to the addition of creative labour to an ecological model:

- What is the economic impact of creative work and what are key strengths of creative workers?
- What are crucial elements in a national strategic framework for the creative ecology?
- What is to be preferred: a generic economic/labour/social policy with the assumption that it caters for the creative workers versus special policy schemes for creative workers in the various modes of practice?
- What sub-sectors of creative practice should be prioritized?
- How should we integrate explicit policies for (parts of) creative workers in both mainstream economic/labour and social policies and cultural policies?
- What is the best way to deliver these policies?
- How should they be evaluated?

Fourth, this call for evaluation raises questions of adequacy of evidence. Both the ILO and the Canadian Cultural Human Resources Sectoral Council have placed a high priority on the appropriate measurement and development of a fuller insight into the stratification and employment/activity patterns of creative workers in the new economy. This should be a top priority for the CHRSC which has had no in-depth comprehensive study of the sector since 1993. Evidence-based policy development is preferable to the piecemeal approach seen around the world. While this paper suggests a seven-fold typology of creative workers/non-workers, it should be amenable to empirical testing. What is certain is that the issue of dual status, part time and serial movement through the formal cultural labour force has to be captured by new methods of measurement, including a time spent standard as suggested by economists like David Throsby.

Fifth, more light should be shed by policy meta-analysis on the range of innovations at work on policy development for the creative economy. We find the Nordic attempts to develop a creative policy matrix for the Nordic region all too infrequent in creative economy thinking. The matrix integrates connecting horizontal economic theme to policy problem, proposed action and evidence requirements for policy monitoring and evaluation (see Appendix B).

Sixth, it is clear that various jurisdictions are revising their old systems of policy governance, and introducing new bodies such as “Creative Scotland” a new body outside of the Scottish Arts Council charged with the responsibility to develop the

country's creative talent and excellence. Do such new institutions marginalize or enhance the power of the existing ones in cultural sectors? Are they unintentionally blocking broader "flexicurity" approaches or enabling them?

Finally, policy makers have to realize that they need to use the policy instruments at their disposal in new ways and in new partnerships with other stakeholders. To adapt David Throsby:

This in turn suggests a de-emphasis on arts policy or the economic earning power of the arts ... and a shift of that policy focus to where creative activity has the greatest scope to generate economic and social rewards, to employment policy, to regional and urban development policy, to industry policy and other fields like labour and the social economy (2002).

What is needed is an entire change of creativity governance, away from attention on the individual to collective creativity and its interactions. The goal is a theoretically and practically elegant integration of culture and the economy in policy practice.