

From Economy to Ecology: A Policy Framework for Creative Labour

A report prepared for the

**Canadian Conference
of the Arts**

by

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Executive summary

Many countries and regions are increasingly interested in the “creative economy” or, alternatively, the narrower “creative industries” sector as a generator of economic growth. The creative economy is defined to include activities based on the original expression of an idea and economic or gift transaction of intellectual property held in private or in common.

In Canada the cultural growth rate was over 30% (*Economic contribution of culture in Canada*, 2004, p.10) between 1996 and 2001 and in Europe 20% between 1999 and 2003 (*The economy of culture in Europe*, 2006, p.6). Thus, the creative economy is growing faster than many other sectors. In Canada and many European countries, the creative sector employs between 3-4 per cent of the working population and contributes similar percentages to the annual GDP, placing it ahead of many primary resource sectors (forestry, fishing) combined.

The study of the creative economy requires a new understanding of risk, innovation, cultural entrepreneurship, public infrastructure and creative work to enable and sustain economic growth. This study was conducted by SFU’s Center for Policy Studies on Culture and Communities (supported by Infrastructure Canada), in partnership with the Canadian Conference of the Arts. Mirjam Gollmitzer, an international PhD Student from Germany and SFU Professor Catherine Murray explore current policy approaches directed at the creative economy, in Canada and internationally, including academic literature, cultural statistics and policy papers.

They find that few countries have a comprehensive policy framework for the creative economy, and Canada is no exception. Despite the general assumption that the creative economy will produce a more flexible, multi-skilled and mobile labour force which is increasingly self-employed and thus resembling the cultural sector in its core characteristics, most countries (with the possible exception of the Nordic region) have not yet developed an integrated conception of creative labour policy. Semi-permanent work groups, temporary jobs and free lancing for multiple employers at the same time and over the creative career life span are now the general rule.

A review of 20 countries active in policies to build creative labour forces alongside policies to stimulate innovation and creative enterprise, finds existing policy instruments can be divided into four categories: “education and training”, “awards and contests”, “business support” and “tax and social security policies” with most of the emphasis on the former. After looking at special efforts to establish the economic rights of artists, the authors conclude a broader approach to “flexicurity” – that is social security for the self - employed flexible labour force – is a key driver of creative innovation.

A review of the strengths and weaknesses of Canada’s creative labour force reveals a

new “sociality” in informal, networked cultures of creative production – potentially acting as a double edged sword: contributing to both stability and instability. A gap between classes of creative workers is found. Sharp differences in status, training, credentials and the degree of professional independence obtained by various categories of creative workers exist. Most at risk are youth, aboriginal and visible minorities and those in rural areas. Nonetheless, there are important innovations in collective bargaining and resources made available to creative workers (including advice on standard minimums in negotiations concerning copyright payments).

The researchers offer several recommendations for Canadian policy-makers. First, the current official cultural statistics are inadequate to measure the incredible diversity of employment situations specific to creative workers in the new economy. These statistics systematically under-represent the contribution of creative workers to the GDP by anywhere between a half to a third. The last comprehensive survey of the sector was done in 1993 and needs urgent updating.

Second, it is important to include the role of the social economy – the non-profit and voluntary sectors – in estimating the value added by creative activities, and the capacity of those non-profit organizations which service creative workers. Third, a broader policy framework called a “creative ecology” approach is needed, drawing from the urban planning conceptions of the “creative city” and from new thinking about the role of public and private cultural infrastructure in providing the environment in which creativity can flourish.

Lastly, there is an urgent need for governments to examine multiple ways to enhance social security and income support for the most important but frequently forgotten component of the creative economy: the creative workers themselves. Social security is paramount for them to maintain their creative edge, and contribute to a healthy diversity in creative expression. What is needed is an entire change of creativity governance, away from the 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.

Preface

The Canadian Conference of the Arts approached the Centre for Policy Studies on Culture and Communities in February of 2008 to conduct a background study on principal thinking about the Creative Economy. The intention is to contribute to the debate on ideas about the *Creative Economy* in the first roundtable about it conducted in Canada by the Conference Board of Canada (March 2008). For ease of reference, this study is presented in three Parts:

Part One: A Review of Basic Concepts

*Part Two: A Mapping of the Creative Labour Force and Enterprises in
Canada*

Part Three: Policy Approaches to Creative Labour

This study represents a survey of the principal known statistical sources, policy reviews and databases on the cultural economy available publicly on the Internet, and is deeply indebted to the work being done by the Council of Europe and the European Institute for Comparative Cultural Research in their annual compendium of sources (www.culturalpolicies.net). The authors are also indebted to the comments of Guillaume Sirois and Keith Kelly in the development of their thinking. Mirjam Gollmitzer is an international PhD Candidate in the School of Communication at Simon Fraser University, and Research Associate with the Centre for Policy Studies in Culture and Communities (<http://www.cultureandcommunities.ca>). Catherine Murray is a Professor and Associate Director of the Centre.

Abstract for this study

Creativity functions as an important leitmotif in thinking about the creative economy. However, economic arguments about the specificity of cultural value and its difference from economic value (Caves, 2000; Hesmondhalgh, 2007; Throsby, 2001) or about the role of the arts, artists and the economic activities of the professional arts are not well grounded in theories of innovation or creative industry policy formulations. This article accepts that the most important postulate in the creative economy is that it is based on the realization of the original expression of an idea, an economic or gift transaction of intellectual property – which may be held in private or in common. Understanding the creative process of invention and expression, then, stemming from the individual artist, entrepreneur, or company, is central to effective policy in guiding the creative economy.

An argument is made that the concentric circles model of the creative industry classification based on David Throsby's work (2001) presents the origin and diffusion of creative ideas in sound, text and image as the creative arts (and is most compatible with a new industrial framework for the creative economy). Given the distinct attributes of cultural production, commodity and exchange over time, it is important to understand the role of risk, innovation, cultural entrepreneurship, public infrastructure and volunteer or casual labour support in sustaining creative professional innovation, and enabling its contribution to sustainable economic growth. A comparison of policies to promote creative labour expression in several countries reveals a need for more substance, method and critique.

Despite the general assumption that the knowledge economy will produce a labour force which resembles the cultural sector in its core characteristics, most countries have not yet introduced comprehensive creative labour policies to accommodate a more flexible, mobile workforce, and one which is increasingly self-employed. Several policy recommendations to address this gap are made, consistent with an integrated conception of the creative cultural ecology, derived from urban planning and the study of global cities. What is needed is an entire change of creativity governance, and shift to "flexicurity" in a labour strategy, which acknowledges the interaction with the social economy and volunteer sector. These policies should be developed on the basis of need, requiring more sophisticated models of the creative labour force. A creative labour force survey is urgently needed to develop them.