

Rhetoric and Reality about the Creative Economy: Prospects for Museums?

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Preamble

Good afternoon. I am honoured by the invitation to give the Fellows' Lecture to the Canadian Museum Association. I have been fascinated with museums since childhood summer visits to the giantess Anna Swan's museum in the creamery at Tatamagouche. I used to munch on handfuls of blueberries, marvel at the size of the custom-built furniture and wondered at her strength in a photo showing her dangling a baby at the end of her right fist. Anna Swan's story of renown through the PT Barnum circus world and the tiny creamery which houses her artefacts shows the interrelationship among tourism, entertainment and museums goes back more than a hundred years in small towns.

My challenge today is to present some of the current thinking on the creative economy, creative cities and the prospects for museums.

Given the extent, speed and wreckage of the global financial meltdown, it is a very real question whether integrated global creative economy thinking is too tied up with excess speculation, conspicuous consumption and efforts to attract global tourism to survive the recession. Like so many overbuilt iconic buildings, is the idea of the creative economy dead?

My answer is today is no. I take as my guide the French social scientists Luc Boltanski and Ève Chiapello, who wrote a profoundly critical treatise about what they called the "new spirit of capitalism" in our age (Boltanski and Chiapello, 1999).¹ They argued that celebrating profit-making as the prime moral imperative in a global economy has *increased* social inequalities, produced a generalized political nihilism and a breakdown in the material security of workers (p. 629).

After black September, 2008, they seem prescient. Indictment of the greed, irresponsibility and fraud that led to the financial meltdown is widespread. Many think this is the time to re-examine "what we care about and what we value", and not for the first time in the 21st century, if we recall the dot-com bubble.

At a time of unprecedented job loss, painful restructuring of the manufacturing sector and enormous public investment in stimulus packages, in Canada and around the world, we need to ask: Does the creative economy represent a new spirit of capitalism? Does it merit attention in public stimulus spending?

I am going to argue that, YES, there is some reality behind all the rhetoric of a creative economy. Our problem is that the heritage and museum sector is rarely mentioned in the creative economy policy documents. The second problem is this: Is there room for public good thinking in new conceptions of the creative economy. Again, my answer is YES, we

¹ Following Heilbroner, they adopt a minimalist notion of capitalism as a cycle of conversion of capital into goods and then back into capital, then again into investments, resulting in an unlimited accumulation of wealth premised on consumption (Heilbroner, 1986).

see new complex balances emerging in creative city theory and urban practice, new focus on social economy issues and cultural sustainability that are entirely promising, and blunt the most exploitive of neo-liberal tendencies. So I do not want those who value the intrinsic or social value of culture and heritage to despair—this emerging theory is not just another instrumental economism at work. How can we make the case for culture and heritage as arbiters of our way out of this economic mess?

First, we need to set aside some old stereotypes and rhetoric for some new realities.

In the last federal election, Mr. Harper said people did not care about culture. It is nothing more than a *subsidy to elites*, he suggested, so cuts would mean little to voters. He was wrong, and it cost him his majority. It ignored much evidence:

- That the culture sector is under-counted and under-recognized. The Conference Board of Canada in its study of 2008 suggests that the creative economy—which includes arts, culture, heritage, architecture and other key services—has an economic footprint of about 8% of Canada’s GDP. That is more than forestry, fishing and agriculture combined.
- It forgets that the culture sector is dynamic—in the decade since 1995, cultural/creative job growth was double the average.
- It overlooks that Canadian citizens and consumers outspend all levels of government on cultural goods and services—proving people want them.
- It doesn’t understand that earned revenue from most not-for-profit cultural organizations exceeds public subsidy—most cultural/heritage enterprises earn their way.
- It ignores that volunteer work remains a major contributor to productivity, that the social economy is essential to a vital arts and culture and heritage sector—and that is hidden in the Conference Board estimates. ***The true contribution of some 8% to the GDP may be understated by one-half to one-quarter.***

This is the reality about the relevance and sustainability of the arts, culture and heritage sector.

Now let’s examine some new rhetoric in cultural policy.

Creativity has become a buzzword in cultural policy and urban and regional planning in recent years, around the world. Cities and regions have been told to be “creative” (Landry, 2000) in coping with the challenges of technological and structural change, or die. To be competitive cities must attract the new creative class in the global economy (Florida, 2000). Creative industries are considered the engine of future economic development and the salvation of rundown city centres or first-generation suburbs. Business consultants earn their fees by stressing creativity as the most essential condition for success. “Creativity” has almost become an overused marketing term.

As governments respond to the current crisis, creative economy thinking—of the type associated with Roger Martin and Richard Florida—is gaining prominence in the think tanks of Ontario and Nova Scotia. At the federal level, Canada has been slow to get on

board the creative economy strategy for a variety of reasons²—but all our large cities (MTV), a surprising number of our mid-size cities (like London, Kitchener-Waterloo or Calgary) and small communities (like Prince Edward County) have in some cases a 20-year head start. We can no longer ignore the concept as Mr. Harper’s government would seem to do.

What is the creative economy?

The simplest way to define it is to think of it as activities based on the original expression of an idea, which may be sold or given as a gift. Ideas can be produced alone or collectively, so the form of their expression may be held in private or in common (Murray and Gollmitzer, 2008). Of course, in the policy and political arenas, things are rarely so simple. There are many different definitions: a survey of 20 countries done at the Centre for Policy Studies of Culture and Communities at SFU revealed no consistency in terminology or application. However, there is expert consensus that the creative economy represents a *new* phase in the transition from an industrial to a service economy, one which in Western industrialized countries has led to a focus on the meaning of the product or service, and its symbolic value, which creates profit, rather than the commodity form.

Where 1990s talk relied heavily on information technologies, today the focus is on the invention of new ideas, new processes, new value.

How relevant is this for museums? At this conference, you have discussed how one of museums’ core functions is to seek and discover new knowledge about artefacts, specimens, places, history and people. They do that through various types of research, carried out on-site, at other museums and facilities, in the field, with staff and with other experts. Museum research contributes to the integrity of other cultural production and enables us to tell our stories accurately and effectively, as Debra Graham from Carleton University and Mark Graham from the Canadian Museum of Nature observe. Museums also identify intellectual property rights to artefacts, and narratives about material culture.

Museums and galleries can also look for the wellsprings of creativity in their contemporary museological practice. You have talked in sold-out workshops about new exhibition planning models, new mobile technologies that help put the museum visitor at the core of every aspect of exhibition planning and experience design. There is a focus on how to integrate community engagement and participation into all aspects of the exhibition planning cycle. This kind of approach to experience design in service innovation is central to the creative economy thinking. Museums are potentially relevant to the study of innovation if there is sustainable long-term research and it is transferred to others in the creative community.

² Probably due to a succession of minority governments, jurisdictional ambiguity and a reluctance to move away from the cultural diversity paradigm within UNESCO which culminated in 2004 under the federal Liberals.

How does this idea of the creative economy fit into the history of cultural policy? In national discourse, it fits very well. It seems to pick up the '90s focus on the expansion of the cultural industries in Canada, which caused the spread of film and specialty television channels and rise of videogame software design. It also picks up the participatory focus of Gerard Pelletier's Liberal cultural policy of the '70s and '80s. The period birthed the first and only full national museum policy statement, and was followed by an extraordinary expansion of museums, cultural organizations and cultural participation spread under an ethos of cultural democracy.

What is different this time is how the creative economy idea is solidly embedded in global discourse, a sign of a new scale in the policy networks and a new international division of cultural labour (as scholars like Toby Miller and George Yudice call it). **Creative economy thinking is spreading between nations.** It may be said to have started with Australia's 1994 report, *The Creative Nation*, and was developed and consolidated in Britain 1997, enjoying a decade under Tony Blair's New Labour. The most recent expression is in the policy statement, *Creative Britain: New Talents for the New Economy* (produced in 2008), but it may be said to have spread throughout Europe and Asia (A creative economy green paper for the Nordic Region, 2007). **Creative economy thinking is linked to creative city theory**, so it is strongly influenced by the global city movement. As a sign of this growing interest, UNESCO developed an international creative cities network —almost seven years after one sprang up in the Creative City Network In Canada.

The cultural turn to the economy means three things. The first is that designers, artists and symbolic analysts increasingly work outside the cultural sector. A study of cultural workers in Australia has found that almost 40% work for other companies or public institutions (Higgs and Cunningham, 2008). **This brings us to the second thing the cultural economy implies.**

What we define as cultural/creative is broadened. For example, in the Blair era in the UK, the Department of Culture, Media and Sport led the way in widening our definition of the creative sector by including design, film and video, television, antique markets, computer services, advertising, architecture, performing arts and crafts as creative industries. Notably absent, except for a very small arts market, were museums and the broad heritage activities. Indeed, aside from signature developments like the Tate Modern, support to museums in Britain declined 15% (Travers). It's a curious fact that although the UK is a world leader in creative economy thinking and London its world hub, heritage has not been a major player. It's been reluctant to join the new coalitions, and, in examples like the new body *Creative Scotland* which takes over from the Scottish Arts Council, almost absent.

The scope of the UK definition bothers some. The Conference Board of Canada and the Department of Canadian Heritage at their first joint international conference on the creative economy last year used a much narrower definition, *which also apparently overlooked heritage and museums*. Perhaps this oversight is an acknowledgement of the often uneasy partnership between the arts and heritage. The heritage sector collects,

manages, encourages preservation, research and knowledge sharing. The professional art sector is concerned with original expression, creation and production, often resistant to conservation routines.

One of the best-known cultural economists, David Throsby from Australia, easily remedies such oversight. He suggests we need a model of concentric circles, with the innermost circle involving the core creative arts, including literature, music, performing and visual arts; the second circle the core cultural industries including film, museums and libraries; the third concentric circle of heritage services, publishing, sound recording, TV radio and video and computer games, and finally, related creative industries like architecture, advertising, design and fashion. In Throsby's view, museums are one of the core industries and span several rings.

Let us come back to the third and final characteristic in the cultural turn to the economy. Most cultural work today is part-time, non-standard and by contract. Workers and employees in all sectors of the economy find themselves now in working conditions largely similar to the way artists, archivists, curators and creative labourers have always lived and worked. This experience includes higher levels of self-employment, serial project work and casual labour. It is characterized by job insecurity and precariousness, high levels of expected flexibility, the “de-professionalization” or “reprofessionalization” of work with all its blessings of autonomy and burdens, and constant need for lifelong learning. The significance of arts, heritage and creative activities today lies in their being a seismograph that predicts larger disruptions, opportunities and developments in the world of work and in society as a whole (Gollmitzer and Murray, 2008). Labour policies are an important but often overlooked anchor for creative economy thinking, and provinces and urban labour markets responsible for creative work have new roles to play.

The Creative Age

The great marketers of creative economy thinking are Richard Florida and Roger Martin from the Prosperity Institute at U of T, who will be well-known to you for their recent \$2.1 million report for the Government of Ontario entitled *Ontario in the Creative Age*.³ The gist is that provinces can improve or lose position in times of economic crisis. Ontario, they found, ranks behind peer regions in North America in economic output per person and level of citizens' creative skills. Though it outperforms similar US states on

³ It is interesting that we imported Florida from the US and this makes media news, when the fact that we import other major talent on global cities like Jamie Peck from Manchester, who is a CRC chair in urban and regional political economy at UBC and critical of the creative class idea, and grow our own experts on agglomerating urban economic clusters, like Meric Gertler from U of T, Tom Hutton from UBC or perhaps the best-known, Neil Bradford on urban policy from Western, is overlooked.

measures of diversity and tolerance, these attributes are not yet converting into economic success in Ontario's economy⁴.

Martin and Florida prescribe a toolkit to develop distinctive comparative advantage, increase productivity and grow wages in service industries. They argue that we need to build something *more* than a creative economy—a truly creative society that can harness the energy and mitigate disruption. Government stimulus should not focus on bailouts, credit easing or shovel-ready infrastructure investment in roads, bridges and rinks. The authors instead make the case for public investment that focuses on increased education, boosts the creative content of all work (including routine work), establishes a social safety net which assists Ontarians to achieve their full creative potential, and develops clusters of creative industries. They underline projections that up to 70% of future jobs created in Canada will require some post-secondary education. And they peddle a mega-region approach to clustering economic development (the Waterloo-Niagara-Toronto-Ottawa corridor). In a CBC interview, Florida additionally discussed Calgary-Edmonton, Montreal-Quebec City and Cascadia as the other promising mega-regions for creative economic activity.

What has made Richard Florida “the toast of city conferences from Toronto to Auckland”? Why was the mayor of Denver moved to buy multiple copies of his book, *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*, and distribute them as bedtime reading for his senior staff, while initiating a strategy to rebrand the city as a creative centre (Peck, 2005)? Why was the Government of Singapore moved to relax its restrictions on homosexuality, and for that matter busking and bungee-jumping, in the name of spurring urban economic innovation?

Well, *The Rise of the Creative Class* is easy to read. It replaced the kind of tired old-school urban economic development toolkit—based on business subsidies, convention centres, sports stadia and shopping malls—with a new one loosely based on work across the pond by Charles Landry in London and others at Comedia and the Demos Institute. Floridians targeted urban public resources not to socio-economic need, but to creative potential: searching out mixed-income housing opportunities, pedestrian-friendly environments, championing neighbourhood/organizing mechanisms, higher density, clean/cared-for public and private space, historic districts, recreation opportunities/parks, zones or cultural precincts for museums, galleries or other shops (Peck, 2005). At the time, Florida stated, “I like to tell city leaders that finding ways to help support a local music scene can be just as important as investing in high-tech business and far more effective than building a downtown mall” (Florida, 2002: 229) and cities like Austin, Texas took him at his word, wooing music development away from Nashville. This is a script that gives urban actors exciting new roles while prodding them with talk of new

⁴ The authors claim that creativity-oriented occupations in Ontario make 63% more than the provincial average, but are about 30% below the premium estimated in the US (89%). *Ontario in the Creative Age*. 18. Tolerance, talent and technology are key to generating sustained prosperity.

competitive threats, and cities in the US have been extremely keen to get in on the act. Michigan instituted a Cool Cities program and enrolled 129 communities.

So a very important element to Florida's strategy is it offers an apple-pie quality, which has the dual effect of generating a certain degree of warm and fuzzy support while disarming local opposition. It offers a new liberalism, an egalitarianism which asserts that everyone can be creative if they are only given the chance. It involves new focus on a human-capital, social-welfare policy. It has heart. The Martin-Florida report, for example, champions early childcare policy investment as one of the best predictors of a talented work force. And it has a wide embrace. It rewrites the business improvement districts, the Boards of Trades, to open them up to involve new partners: coalitions of arts producers, developers, social enterprises and civil society service organizations, businesses looking for cultural amenities to attract and retain prized workers and city planners, in new coalitions (improvement districts or creative councils).

Florida is not without his critics. A study replicating his method of the bohemian index in the UK for example, has found diversity and tolerance are not predictors of growth in cultural work and productivity (Nathan, 2005). Critics from the left argue that focus on an elite global mobile class leaves out insight into the impact of attracting such a class on the low-wage service sector required to keep them, or the growing gap between rich and poor. Critics from the right abhor the focus on hedonism, challenge to family values, and infinite consumption in Florida's picture of the creative economy. Hard line conventional labour economists, especially today, have problems with his underlying premise that jobs follow people. To be fair, Florida's later work addresses these and other criticisms, and indeed, his new partnership with Roger Martin and insight into social democratic consequences of hyper aggressive courting of the creative class show promise.

The only problem is that without insight into how arts, culture and heritage works on the ground, in the cities and in our public spaces, this kind of creative economy thinking can't get full traction. For that, we need to turn to creative city and creative cluster theory.

Creative Cities and Creative Clusters

A creative city is a dynamic locale of experimentation and innovation, where new ideas flourish and people come together to make their communities better places to live, work and play. Such places solve the perennial urban problems of housing, congestion, inclusion, preservation and development in innovative ways. They make beautiful spaces. They give order to the continuity between past and present. As Sir Peter Hall said, such cities "have throughout history been the places that ignited the sacred flame of the human intelligence and the human imagination."(Bradford, 2004).

Canadian creative city thinking is heavily influenced by Jane Jacobs' seminal *The Death and Life of Great American Cities*, published in 1961. She celebrated the innate vitality of cities driven by unplanned, seemingly chaotic development. From her close daily

observation on the streets, creativity turned on human-scale interactions and multiple interconnections in neighbourhoods. The culture sector creates a sense of place by fostering community and individual development, building connections, local identity and sense of belonging, and contributing to liveability and improved quality of life.

This tradition is built upon by The Social Impact of the Arts Project (SIAP) at the University of Pennsylvania School of Social Policy and Practice. SIAP conducted research on Philadelphia neighbourhoods and documented links between arts, culture and heritage and cultural engagement, social diversity and community capacity building, as well as economic regeneration. Their plan for creative cities focuses on the neighbourhood, entirely within the community museum and arts tradition. This progressive tradition is still strong in urban planning, and the Canadian variant is gaining international recognition. In very good recent books on Canadian municipal policies and planning traditions (Lightbody, 2006 and Grant, 2008), a range of cultural development strategies in play across Canadian cities can be identified, from entrepreneurial (Calgary with its innovative focus on public art installations) to creative class (Toronto with its \$1 billion investment in cultural infrastructure) to progressive (Winnipeg and Vancouver, the latter with its focus on subsidy of live-work space, public housing and methods to restrain gentrification, fraught with difficulty in areas like the Downtown Eastside) (See Grodach and Loukaitou-Sideris, 2007).⁵

So what has been the role of museums in this creative city push?

The irony is that museums collectively or singly, by associations or through their leaders sitting on joined up boards or local councils, have not been central to creative economy or creative city thinking anywhere. That may be because of a proud (but contested) distance kept from economic forces. But that autonomy has led to some museums being co-opted into a new monumentalism consistent with neo-liberal creative economy thinking, a new competitive ethos in positioning global cities, leading to a growing gap between rich and poor.

Museums *led* the first neo-liberal wave of the global franchise of the creative city. London's Tate Modern is recognized as one of the world's most successful new galleries, an important asset to Britain's capacity to sell itself as a cutting-edge, modern creative nation. In Spain, Frank Gehry's Guggenheim breathed new life into Bilbao. Whatever you may say about the Bilbao effect, cities as different as St Petersburg and Shanghai

⁵ Vancouver is perhaps the Canadian city most typical of the balancing act between "neo-liberalism" inherent in creative economy thinking and the hunger to develop service film and video game sectors, with the emergence of "creative city" language in planning as early as 1986 in preparation for Expo, and "social" mitigation. Vancouver's innovations with cultural amenity bonusing, where density in development is exchanged for cultural space or services, the introduction of exhibition taxes and subsidy of artist live-work space represent a fusion of cultural and social policy sensibilities that are well recognized in Canada.

have jumped on the bandwagon of city promotionalism and exploitation of globally positioned museums. In Canada, we have the marquee makeover of the ROM (Royal Ontario Museum) with Daniel Liebeskind's crystal extension, Gehry's revitalization of the AGO(Art Gallery of Ontario) and a range of similar developments. Anyone who has visited the Squamish Lil'wat First Nations art museum built in Whistler for the Olympics must be staggered by its scale, beauty and sheer unsustainability in staffing. So it is important to concede that Canadian museums have not been immune to monumentalism, allowing themselves to be used as instruments in attracting tourism, city rebranding or other purpose.

But their must be more than an amenity trap in creative economy thinking. New research is examining museums' role in clustering and generating cultural creative activity. In his brilliant study of such clustering strategies in the Netherlands, Hans Mommass examines different scales of clusters, from the project or development to the district. Of particular interest is his examination of two museum districts created over the last 15 years, one successful in Utrecht and one in Rotterdam that is not. Rotterdam's museum quarter, involving starchitect Rem Koolhaus, never materialized its synergy.⁶ Why? The proposed infill of the cultural boulevard lost some of its marginal position, pushed out an informal economy of drug-users and drug-traders, and could not retain a mixed cultural infrastructure of bistros, bars, galleries and arts education centres. Complaints were raised that investments in the physical 'hardware' of the new cultural infrastructure were not met by equivalent investments in the social and cultural. The case demonstrates how clustering strategies by urban planners cannot become the hostage of excessive gentrification. Museums are not monuments. They are anchors and supports in a night-time cultural economy essential for urban living.

By contrast, the museum quarter created in the heart of the medieval city of Utrecht, with European Regional Development funds, achieved take-off.⁷ It involved the regeneration

⁶ Rem Koolhaus set about to build a textbook case in inner city renewal in the late 1980s, following the precedent of Baltimore. Located in the East End, Rotterdam's museum quarter clustered a museum of classical modern art, a hall of arts, an architectural museum, a nature museum and an open air space for public performances. It was, therefore, based on a mono-functional model, and was intended to be linked via a boulevard of bistros and other informal arts economies to the harbour. The intended synergy never materialized, and in Mommass' view the relation to the wider urban field was not made as well as the museum quarter in Vienna, for example.

⁷ It was linked to a related project for a theatre quarter in the late 19th-century, eastern fringe of the city. The museum quarter project had a much more horizontally diversified cultural field: it was aimed at improving the quality of public space and residential living conditions, as well as strengthening the area's tourist-recreational and cultural functions. Central to the project are the Municipal Museum, a recently extended and renovated museum of ancient and modern art, the Catharijne Convent, a museum dedicated to the history of Catholic art, also undergoing a major renovation, and the University Museum, housing exhibitions on science-related issues. It is linked to other museums situated elsewhere in the city centre, including a national museum for mechanical playing

of the physical area, revitalisation of an existing visual arts centre, transformation of an old convent into a five-star hotel and creation of work spaces for artists and other cultural professions involved in the preservation of historical buildings. It represents a much more diversified, self-sustaining cultural economy, with nightlife and social enterprises like museum shops or restaurants cross-subsidizing the museum and other cultural partner activities.

The point of these case studies of the productive capacity of museums in cultural district development is to explore what works and what does not, what role museums have in urban revitalization and their responsibilities in shaping a creative environment, something which involves more than just economic spin-off indicators. The studies try to measure the social connectedness of the museum to place-making. Utrecht's museum quarter moved from the top-down categorical silos (theatre, dance, museums and so on) in cultural programming to a bottom-up approach that views culture as a broad resource for human development and community creativity. It succeeded in sharing its authority, building its links to the community and becoming a viable hybrid, financially self-sustainable, while not sacrificing cultural autonomy.

Let us turn the lens closer to home. Toronto, Montreal and Vancouver 'A-list' cities have long track records (well over a decade and in Vancouver, 30 years) in attracting cultural/creative labour and enterprises, using creative enterprise strategy, zoning, special tax abatements or amenity-density bonusing schemes, and constructing creative districts and incubators. Since 2000, for example, Toronto has twinned with London in creative city research and development, commissioning exploration of cultural mapping of facilities and cultural enterprises, and is developing an expressly creative global city strategy, winning top-ten mention in global rankings based on a number of indicators, including cultural activity.⁸ And Canada is building an impressive number of case studies of new urban cluster development, from Quebec City's Quartier St. Roch to Vancouver's Yale Town to Tohu, la cite des arts du cirque in Montreal, a successful arts incubator. Laval pioneered the crossover of science and museum with its biomedical museum.

So, we are building the empirical case studies in Canada to contribute to theory-building. But it is premature to say much definitively about what works and what does not and how we can best characterize the productivity of the cultural sector. That is why much attention is shifting the micro-enterprise, the cultural incubator and how it works. As Mommass reminds us, in practice, much will depend on how those involved 'read' developments and how they are able to fit in and secure cultural values. Different

instruments (from musical boxes to carillons to street organs) and a national railway museum.

⁸ More than \$1 billion was recently invested in major cultural institutions in Toronto, including new homes for the Canadian Opera Company, the National Ballet School, the Toronto International Film Festival and Soulpepper Theatre. There were also major expansions or renovations at the Royal Ontario Museum, the Art Gallery of Ontario, the Royal Conservatory of Music and the Gardiner Museum. See NS report Building the Creative Economy, 2009, 26.

possible rationales ask for different clustering strategies and support structures, with different spatial, financial and managerial arrangements and links to different parts of a wider urban environment.

OK—that ends this overview of the rhetoric on creative economy, the creative class and creative cities. We must next explore the implications of creative economy strategies for cultural policy-making. New players mean new power-sharing.

Multi-Level Governance

Just as municipal actors have emerged as new influencers, provinces increasingly are embracing creative economy strategies—Ontario and Nova Scotia leading the way. The cultural field has witnessed a huge devolution of authority since the 1990s. Let us examine only the rather imperfect data on cultural spending. Provincial arts, culture and heritage spending now exceeds federal spending (\$283m to \$243m in 2002) or 51% of all such spending (Hill, 2005). Municipalities have increasingly taken responsibility for cultural spending in general, and particularly libraries, which they want to make universally available. Municipal and provincial spending together far outweighs the federal. Ottawa is far less salient than municipalities to cultural life in BC.

This pattern of devolution in cultural spending is NOT yet apparent in museums. When heritage spending alone is examined, the most recent Statistics Canada data available (2002-2003) suggest the federal government pays the lion's share.⁹ Much of Canada's cultural action is occurring at a different level of government than museums, risking a widening of institutional barriers to cooperation, quite opposite to the hallmark of creative economy strategies.

The picture becomes cloudier.

No full-blown federal museum policy has existed since the 1970s, although a major initiative on museums and First Nations began in 1992. By default, the current government may have endorsed a model of competitive creative cities by inviting tenders for the National Portrait Gallery, but then it was withdrawn. The major federal investment in the National Museum of Human Rights in Winnipeg represents an important vote for a new kind of “idea” museum outside the centre, involving new functions. But I would argue that it is not possible to see the shape of a federal heritage policy strategy outside of opportunism or neglect.

Instead, Canadian federal spending on museums has shrunk. Is this the price of failing to play in creative economy policy circles? All too often, museums (as opposed to art museums and galleries) have been invisible in provincial or local planning processes

⁹ See Diane St. Pierre and Monica Gattinger, eds., forthcoming. *Cultural Policy and Cultural Public Administration in Provincial and Territorial Governments in Canada..* Institute of Public Administration in Canada, U. of T. Press.

(Stapleton et al, 2006). They often aren't mentioned in mapping exercises of the local arts and cultural asset base, no consultation is sought with them, or they are not represented in the working group. Where local librarians are included in creative planning exercises (often because libraries are seen as important cultural portals, especially for immigrants), local museum workers may not be. Museums may become allies in the Canadian Cultural Capital designated programs, often involved in projects on cultural diversity through oral history, assisting in the interpretation of the region. But these are rarely widely celebrated.

This disjuncture in multilevel governance for museums has real political risks. Not only are the arts and culture partners further ahead in municipalities, but the absence of solid awareness and priority on museum making, renovation of old plant or sustaining overheads will run into problems with the federal stimulus package for infrastructure investment. In the last federal budget, there is a \$12 billion infrastructure program, in "shovel-ready" projects are listed, mostly roads, transit or bridges. The anchor cultural museum or other cultural facilities needed for critical new-edge city expansion, as in Surrey, are not yet on the list. The requirement for municipalities to match the money may mean the cities that are most strapped are least likely to access it. The budget sets aside \$500 million for recreation facilities, with no mention of the equally aging and dangerous cultural and heritage infrastructure. Today, Ontario's budget announced an astonishing \$27 billion in infrastructure investments, and again, there is no mention of arts, culture and heritage.

Let us look at exactly what this "Inner New Deal" means in the changing role of government and the economy during this recession. There is healthy concern that hard/physical infrastructure spending is too lumpy and slow to work its way through the economy¹⁰. Unfortunately, the 2009 federal budget shows little insight yet into a serious human capital investment program. SFU Economist Jon Kesselman argues that measures to offset the social deficit—changing the hours of work thresholds for employment insurance, removing regional discrepancies and revising the cost sharing for provincial welfare programs (not touched in this budget) could have longer term impact on economic recovery. A recent study of huge EU regional subsidies found little return from physical infrastructure investments, **but more, albeit modest, returns from human capital investments (Markusen, 2008)**. For artists, any tax exemption for award or grant money received, exemptions for the first \$30,000 in copyright payments (like Ireland) **or income averaging for the self-employed would have tremendous impact**. But Canada's budget does not go there.

¹⁰ In Canada, one of the few studies to have attempted a quantitative analysis of the spillover effects of investments in cultural infrastructure was after the re-opening of Vancouver's renovated Stanley Theatre in 1998. A study found that average household income in the neighbourhood increased by 35%, total crime was down by 26%, retail sales in surrounding businesses increased by 108% and condo prices doubled. A survey of area residents found that 76% of respondents felt that the Stanley Theatre had had a positive impact on the community (Jeannotte, 2008).

There are other ideas for human capital investment. CMA leader John McAvity, on the association board, would like to see a return of the Company of Young Canadians—placing students in museums or other cultural centres in the summer. Mr. Obama’s plan south of the border includes a massive youth artist corps and a Social Investment Fund Network, to work for the non-profit sector. The CMA’s budget proposal also suggested that the arts, culture and heritage sector could play important roles in retraining for workers who lost their jobs. None of these ideas appears in the Canadian budget. They may well still be insufficiently developed or debated to make the productivity case before demanding stimulus spending.

But, I would argue, without a concerted vision, building on a kind of creative-economy framework, investments in arts, culture and heritage infrastructure are likely to struggle to get on the agenda. Only Quebec has a provincial infrastructure plan to set arts culture and heritage infrastructure priorities for Quebec-Canada infrastructure agreements, and only BC has a unified Union of BC Municipalities position which makes culture a part of any recreation spend (See Duxbury, 2008). When it comes to public spending on infrastructure, lack of connections in multilevel governance can cost museums heavily. Museum infrastructure repair or investment needs federal-provincial-municipal consensus about priority, and shared-cost agreements in place. Because of the period of “monumentalism” in infrastructure investment, because of the centralist federal focus in policy action in museums, and because of an “MTV” bias in cultural policy, there is view that museums no longer need investment. Yet, outside of the top of the Canadian city hierarchy, there are many museum infrastructural gaps and deficits. Making the case for them is difficult. And the lists of projects are a long way from shovel-ready.

Back to Reality: The Impact of the Recession

What has been the impact of the recession on Canada’s cultural/creative sector? The last labour force survey showed a 7% decline in jobs over 2008, among the highest.¹¹ The first hit in the global recession are the design, advertising and architecture sectors. Since most of the cultural sector is small to medium-sized businesses, from weavers to independent film makers, they struggle for access to credit. Sponsorship dollars are drying up for many non-profit organizations, and it is tough times for new museums.

The point of this lecture is to argue that there is a strong case to be made that the arts, culture and heritage sectors deserve a central role in any stimulus-recovery package. They are labour-intensive, so there is more flow-through to consumption in the economy. They have a track record in regeneration and cultural tourism for economic productivity. Most importantly, they reinstate a politics of hope in communities, a sense of belonging, identity and openness to innovation which is necessary to bootstrap out of the recession. As countries around the world re-establish a role for the state in steering the economy, history can provide a guide.

¹¹ Companies around BC’s Lower Mainland are in trouble: Ballet BC in receivership, struggles at CanWest, the sharp downturn in the videogame industry.

John Maynard Keynes saw the arts as an essential ingredient of people's lives and an important part of the economy (Throsby, 2008). His wife was a famous dancer, and he was a collector who advised the Chancellor of the Exchequer on the purchase of pictures for the National Gallery. In 1942 he was appointed Chair of the Council for the Encouragement of Music and the Arts, which became the British Arts Council (first in the world). A champion of stimulative government spending, Keynes would oppose today's utilitarian talk about investing in infrastructure. He was a strong advocate of spending on human talent and culture, and no doubt would argue for putting more resources into restoring cultural facilities, contributing to their operating costs and building new ones to anchor cultural districts in urban centres.

Franklin Delano Roosevelt's New Deal introduced extensive public mural and art programs in the US: putting professional artists and others to work on reconstruction of federal buildings. This is where the 1% for art provision in federal construction began, and spread around the world. After the Depression, cultural production and distribution returned to something like it had been—perhaps the spending was too late. The biggest legacies were the oral histories and black theatre companies that endure today. But at the time, the projects stimulated an extraordinary level of experimentation in genres and production.

Canada has its own story of cultural recovery in the dirty thirties. In 1932 R.B. Bennett's Conservative government surprised the world by introducing public radio, which started a national stimulus to variety performances, vaudeville and music that marked a large outpouring of cultural production.

Fast-forward to 2009. The global financial crisis is channelling everyone's Inner New Deal, as the joke goes. We are reinventing a positive role for government, as regulator and animateur. The expert consensus is that governments have to go into deficit to immediately mount stimulus packages that range from 2% to 6% of GDP. Canada is no exception, as we saw in the budget.

But what does the recovery package do for the creative economy? It earmarked about \$160 million for culture in the next year (half of it restoring previous cuts) and \$300 million for tourism—significantly below the two sectors' proportional contributions to the GDP. Forestry and auto get bailouts in excess of their contributions. Despite several information technology incentives, the balance of stimulation is too tilted to the old economy. In essence, the Conservatives offer neither FDR's "1% solution" for the cultural/creative sector nor the new "10% solution" endorsed by the US Conference of Mayors (in their policy recommendations about the \$20 billion US Community Development Block Grant Program, thus \$2 billion for the arts).

Finally, the budget did expand the Cultural Spaces Canada program (by a paltry \$60 million) and earmarked \$100 million for community festivals.¹² There is a small budget

¹² To give you an idea, BC estimated its own cultural infrastructure gap last year at \$1.5 billion in 2007, and that was the low side. There is renewed support in the budget for

for tourism promotion, and money to Parks to upgrade national historic sites. But there is little that implies a full-blown creative economy vision. Roads and rinks still come before museums and galleries.

Conclusion: A New Spirit of Capitalism?

While there is a healthy amount of rhetoric about this creative economy, there is a healthy counter-dose of reality—progress in theory building, experiments which suggest the creative economy has to move from the margins to the mainstream of policy thinking. In some cases, the creative economy/creative class push to have a global museum amenity led to dramatic expansion and large-scale temporary exhibitions which in a sense substituted for an effective agenda of community engagement (Ellis, 2009). The contraction of world cultural tourism, of philanthropic funding, means real hardships. In response to the new reality, museums will explore more ways to share costs, including joint acquisition, pooling conservation, even curatorial appointments, to do more with less.

We need to channel new public investments into a human capital approach for museums, support new venture start-ups, new incubators and new agglomerations in museum districts. We need to generate more evidence-based and sophisticated rationales for public investment. The CMA has already identified the need to build its research/innovation profile to connect with creative economy visions (Silcox), and, together with the Canadian Conference of the Arts and the Creative City Network, it has joined our Centre's plan for a long-term academic study of the changing patterns of creative labour over time involving five countries with 30 leading international researchers.

It is too soon to say if the creative economy thinking can channel a new spirit of capitalism. But inasmuch as it is grounded in the local, it is a kinder, gentler capitalism, based in the creative productivity of its workers, fair wage and heritage training, and in the community sustainability of its activities, inserted in the flow of time. Museums and libraries have an important role to play in leading creative economy thinking and joining forces with the new urban agenda. In his marvellous book on museums, Tony Bennett argued the orientation of the museum is to show and tell so people might look and learn. The museum must render power visible, and represent it as the people's own. Museums will, in the end, inspire a new democratic subjectivity, speaking to the spirit of the creative age as a new phase of capitalism.

community papers and magazines, the Canada New Media and Television Funds at their current levels, but nothing that speaks of a creative economy vision. There is some kind of major international cultural award that will be administered by the team at Luminato, placing a few noses out of joint.

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