

# CULTURE as an economic engine

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**M**unicipalities that adopt culture as an industry have gained positive economic benefits for their communities. Cultural industries create job growth, turn ordinary cities into “destination cities,” create interconnections between arts and business, revitalize urban areas, attract skilled workers, and create spin-off businesses.

## **Culture-based businesses and organizations:**

- 1 provide **direct economic benefits**
- 2 create **job growth** in the cultural sector, expanding the sector as a whole
- 3 promote and **enhance cultural development**
- 4 help **foster creative cities and communities**
- 5 improve the ability of urban centres to attract **skilled workers**
- 6 **help a community distinguish itself** based on strong identities, cultures, arts and crafts, etc.
- 7 help a community **gain a competitive advantage as a “destination city” for cultural tourism**
- 8 **spawn “spin-off” businesses**, fortifying and diversifying the original initiatives’ strengths
- 9 can lead to subsequent **economic regeneration** through urban revitalization

Public and private assistance can facilitate the growth of arts and culture as a strong, interconnected, and legitimate industry. Municipalities that adopt **community and cultural economic development frameworks** have observed a significant increase in success in the arts and culture through closer connections between arts and business.

## Key arguments

### Culture as an Economic Engine



Québec City, QC

Several models and strategies for supporting culture have emerged within the past decades that reflect and attempt to balance the intrinsic value of culture (e.g., art for its own sake, and for contributions to cultural development) with its wider contributions to society and economy. Community and economic development theory advocates the promotion of local culture and identity within an economically sound operating structure. Urban revitalization initiatives see the opportunity for infrastructure redevelopment as both economically beneficial and socially and culturally beneficial. Cities have begun identifying themselves as distinctive and unique based on strong cultural industries or arts initiatives and festivals. Creative cities are emerging as urban centres with a high concentration of economically profitable creative industries and an innovative and creative labour force. Currently, culture in Canada has found a fine balance between economics, identity, commerce, and creativity.

#### Economic impacts

1. The **direct economic benefits** of profitable arts and cultural industries are economic growth and promotion of the arts and culture (Reeves, 2002).

The sales of tickets to plays, performances, exhibits, and museums produce direct profits for arts and culture initiatives (Ontario Trillium Foundation Report, 2003; Ottawa Jazz Festival, 2005; Stratford Festival, 1997).

2. Profitable arts and cultural industries create **job growth** in the cultural sector and subsequently expand the sector as a whole (Canada Council for the Arts, 2004; City of Saskatoon profile [ [creativecommons.ca/project-profiles/Economic-Engine-Saskatoon.html](http://creativecommons.ca/project-profiles/Economic-Engine-Saskatoon.html) ]; Statistics Canada, 2005; Western Economic Development, 2003).

3. **Public and private assistance** can facilitate the growth of arts and culture as a strong, interconnected, and legitimate industry.

Private funding for the production of performances, or for the construction of facilities, helps the growth of the arts and cultural sector (CHRC, 2001).

Public assistance, grants, scholarships, and infrastructure funding also benefit the arts and cultural sector (e.g., Go West Music).

4. Cities that distinguish themselves from other cities based on strong or profitable identities, cultures, or arts and crafts, **gain a competitive advantage as “destination cities” for cultural tourism.**

Many Canadian cities are renowned for distinctive seasonal festivals that attract tourists (Ladner, 2003; Niagara Grape and Wine Festivals, 2005; Ontario Trillium Foundation, 2003; Stratford Festival, 1997).

By fostering local culture and identity building, many cities distinguish themselves from other cities and brand themselves as distinctive and exciting (e.g., City of Winnipeg; see also Hassan, 2000; Toronto Cultural Plan, 2003).



Dawson City, YT

5. Municipalities that adopt **Community and Cultural Economic Development** frameworks have observed a significant increase in success in the arts and culture because of the closer connection between arts and business (Alberta Foundation for the Arts, 2004; Hawles, 2004).
6. The recent trend in **creative cities** has anchored the arts and culture as key industries in municipal economic development (Landry & Greene, 1996).

Cities that foster arts and culture as a local industry can promote the “clustering” of arts and cultural producers (Smith, 2004; Smith & McCarthy, 2004; Western Economic Development, 2003).

When cities foster the arts and cultural sectors they become more economically competitive with other cities and regions (Dziembowska & Funck, 1999).

7. The arts and culture can lead to subsequent economic regeneration through **urban revitalization** in cities. (King, 1996; Landry & Greene, 1996; Quebec City’s Quartier St. Roch [ [creativecommons.ca/project-profiles/Urban-Renewal-St-Roch-Quarter.html](http://creativecommons.ca/project-profiles/Urban-Renewal-St-Roch-Quarter.html) ])
8. An emerging body of research links arts amenities and the availability of cultural initiatives to the ability of urban centres to **attract skilled workers** (human capital).

This is important to a city’s economy, as a high concentration of human capital allows a city to attract more businesses. Concentrations of human capital substantially reduce the cost of doing business in a city due to increased efficiencies, higher productivity levels, more entrepreneurial opportunities, and a greater ability to attract venture capital investment (Fukyama, 1996; Lipsett, 1981).

9. Extremely popular arts and cultural initiatives can **spawn “spin-off” businesses**, fortifying and diversifying the original initiatives’ strengths (Department of Canadian Heritage, 2003; Ladner, 2002).

## PROFILES



Barrie, ON, "ArtCity" *The Centre of the World* by Bill Vazan

### **Barrie, ON**

*ArtCity: Where art and environment merge.*  
[creativecity.ca/project-profiles/Cultural-Tourism-Barrie.html](http://creativecity.ca/project-profiles/Cultural-Tourism-Barrie.html)

*Shore/lines: A summer of environmental art.*  
[www.maclareart.com](http://www.maclareart.com)

### **Dawson Creek, BC**

*Partnering in arts education brings cultural tourists: The story of Dawson Creek's South Peace Summer School of the Arts.*  
[creativecity.ca/project-profiles/Dawson-Creek.html](http://creativecity.ca/project-profiles/Dawson-Creek.html)

### **North Vancouver, BC**

*Spinning off of Hollywood North: The North Vancouver film industry.*  
[creativecity.ca/project-profiles/Economic-Engine-North-Vancouver-film.html](http://creativecity.ca/project-profiles/Economic-Engine-North-Vancouver-film.html)

### **Okotoks, AB**

*Partners in promoting local artists and tourism: The story of the Okotoks Art Walk.*  
[creativecity.ca/project-profiles/Okotoks-artwalk.html](http://creativecity.ca/project-profiles/Okotoks-artwalk.html)

### **Stratford, ON**

*Stratford: The city and the Stratford Festival.*  
[creativecity.ca/project-profiles/Economic-Engine-Stratford.html](http://creativecity.ca/project-profiles/Economic-Engine-Stratford.html)

### **Strathroy-Caradoc, ON**

*Creative tourism bolsters cultural community in rural Ontario: The story of Strathroy-Caradoc's Baskets & More Conference.*  
[creativecity.ca/project-profiles/Strathroy-Baskets.html](http://creativecity.ca/project-profiles/Strathroy-Baskets.html)



Trinity, NL *The New Founde Lande Trinity Pageant*

### **Trinity, NL**

*Theatre and Trinity: One good thing deserves another.*  
[creativecity.ca/project-profiles/Cultural-Tourism-Trinity-Theatre.html](http://creativecity.ca/project-profiles/Cultural-Tourism-Trinity-Theatre.html)

### **Waterloo, ON**

*Creating the "Quilt Capital of Canada": The story of the Waterloo County & Area Quilt Festival.*  
[creativecity.ca/project-profiles/Waterloo-Quilt.html](http://creativecity.ca/project-profiles/Waterloo-Quilt.html)

## REFERENCES

For a current list of references (articles and weblinks), visit:  
[creativecity.ca/making-the-case/culture-economic-engine-3.html](http://creativecity.ca/making-the-case/culture-economic-engine-3.html)

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