



Cultural Policy in Saskatchewan

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ABSTRACT

Cultural policy has a history of being relegated to secondary importance or being supported in an *ad hoc* way by governments in many jurisdictions in North America and around the world. This has occurred despite the fact that there is a growing literature demonstrating the importance of the arts and culture in the economic vitality of places both as a growth sector in itself and as a contributor to quality of life, enhancing population growth and retention. This paper reviews the various organizations and groups involved in the arts and culture in Saskatchewan, their funding sources, and their relationships. The findings reveal a complex network of “funders” and “producers” of arts and culture. A series of reviews of the sector points to an implicit policy that has been largely reactive, lacking coherent long-term objectives for the sector, and often lacking transparency. Conclusions are drawn regarding the elements of a framework for developing a cultural policy for the province.

1. INTRODUCTION

The arts and culture, as vehicles of creative expression, are primary mechanisms through which individuals derive a sense of place and communities develop a sense of identity. In addition, a growing body of literature suggests that, indeed, the arts and culture are strong catalysts for both community health and economic growth (Markusen and Schrock, 2006; Markusen and King, 2003; Bayliss, 2004; Ottiaviano and Peri, 2006; Gray, 1996) and play a key role in determining where people choose to live and work (Florida, 2002). Despite this, cultural policy has a history of being relegated to secondary importance or being supported in an *ad hoc* way by governments in many jurisdictions in North America and around the world. This is partly attributable to the difficulty of quantifying the benefits of arts and culture as economic drivers and in terms of their effect on population growth and retention. In addition to being a growth industry in itself, the arts and culture generate externalities or social benefits, which are positive spillovers beyond the incomes of artists or the products and services directly produced. The primary economic benefits to a region of arts and culture are often dispersed in a number of other sectors, such as tourism and educational institutions. The externalities are, by definition, difficult to identify and quantify. Nevertheless, a realistic assessment of the value of the sector will inform new policy directions that will allow the benefits of a thriving arts and culture sector to be captured in the province. An effective public policy for the cultural sector is much more than funding allocations in response to individual and organization lobbying efforts. While an arm's-length approach may be appropriate in terms of funding specific projects, a well-defined framework, goals, objectives, and priorities are essential elements of a cultural policy.

Individuals choose their location of residence and/or business for a variety of reasons, including economic opportunity. However, the local (or accessible) amenities or quality of life are also important determinants of location as people “vote with their feet” according to their preferences and the opportunities they face (Cebula and Vedder, 1973; Deller et al., 2001; Getz and Huang, 1978; Herzog and Schlottmann, 1993; Knapp and Graves, 1989; Rappaport, 2004; Roback, 1982; Wojan and McGranahan, 2004). For a jurisdiction like Saskatchewan, where net out-migration of population has been the norm for several decades, capitalizing on the role of the arts and culture to improve the quality of life may be a valuable policy option. Saskatchewan has a long history of cultural activity and is home to numerous organizations that work tirelessly to provide cultural opportunities to the province's citizens. The Saskatchewan Arts Board (SAB), for example, is the oldest entity of its kind in North America (Saskatchewan Arts Board Website, 2007). The Government of Saskatchewan, through its Department of Culture, Youth, and Recreation¹ works with organizations like the Saskatchewan Arts Board, SaskCulture, and the Saskatchewan Arts Alliance to promote the arts and culture. Still, it is evident that much more can be done. Numerous reviews of the arts and culture sector in the province suggest that cultural policy in Saskatchewan can be characterized as reactive rather than proactive and has suffered from a lack of coordination and transparency, and that financial support has been both limited and inconsistent. A more efficient and focused means of assessing the value and requirements for the development of this sector may be warranted.

The objective of this paper is to provide an overview of the cultural policy that is implicit in the various agencies and funding arrangements that exist in Saskatchewan, to review funding levels in the province and in other jurisdictions, and to identify the parameters of a framework for the development of an effective and transparent cultural policy. This inference regarding the implicit policy is necessary because there is no explicit cultural policy in Saskatchewan, though Government of Saskatchewan annual reports from 2000 on refer to the need for one. The target audience is both government (at all levels) and the general public. Bringing cultural policy into the mainstream would recognize arts and culture as a valuable economic driver and a public good, with investments in this

sector yielding direct and indirect economic and non-economic returns for the entire province. Saskatchewan has a solid base in the arts and culture sector including both universities, which offer education and training in the arts, and serve as “consumers” of the same. The development of a sound cultural policy can contribute to the attractiveness of the province for population retention and growth, as well as for national and international migrants in a highly competitive setting.

The paper is organized into six sections. Section 2 provides an overview of the various cultural organizations in the province, thus presenting the context in which cultural policy in Saskatchewan presently functions. In this section, this paper provides an overview of the primary channels through which the government and lottery funding flows can be interpreted as playing a major role in implicit policy. Section 3 compares government expenditures on the cultural sector, while section 4 discusses some of the major reviews of past and present policy. Section 5 is a summary of the academic literature establishing linkages between cultural activity and economic vitality. Section 6 outlines the conclusions with respect to the desirable ingredients of a cultural policy for Saskatchewan.

2. SASKATCHEWAN’S IMPLICIT CULTURAL POLICY

The most recent cultural policy statement in Saskatchewan was published by the Conservative government in 1982 (receiving Cabinet endorsement in early 1983) with the official objective of establishing a coordinated, long-term, effective role for the government in promoting cultural development in the province. The report was the culmination of the work of the Cultural Policy Secretariat which began this assignment under the preceding New Democratic Party (NDP) government in July 1979 to produce a policy and recommend programming for the arts and culture.² The policy’s five founding principles were stated as: 1) the crucial role of the creative individual; 2) universal participation; 3) community involvement; 4) Saskatchewan Culture First; and 5) government involvement (Saskatchewan Arts Board, 1997). The report establishes five goals for culture: 1) broaden public awareness; 2) increase public access; 3) preserve Saskatchewan’s heritage; 4) provide opportunities for artists to develop skills and work on their professions; and 5) preserve and promote cultural heritage.

While a 14-point strategy for goal attainment was articulated in the report of the Cultural Policy Secretariat, the policy has been criticized because it contains no specific discussion of the sector’s stakeholders, their responsibilities, or the numerous interrelationships within the sector (Saskatchewan Arts Board, 1997). Further, it was argued that there was a “disconnect” between the work of the Cultural Policy Secretariat and the 1982 cultural policy. It seems the tremendous boom in lottery revenues in subsequent years largely derailed the implementation of the policy. Still the 1982 policy must be seen as a point of departure for understanding the structure of funding and the relationships among key players. The 2001-2002 Annual Report of the newly (re-)formed Department of Culture, Youth and Recreation notes that the department “is working to develop a cultural policy framework.” Despite this, a review of subsequent annual reports does not reveal any progress on this objective.

In order to infer how implicit cultural policy has evolved during the last 25 years, it is instructive to examine the main organizations involved in distributing funding, the primary sources of public funding, and the numerous policy decisions made by the provincial government’s Department of Culture, Youth and Recreation. Funding flows to organizations are particularly important in light of the fact that the government is involved in the sector mainly in an arm’s-length way. The size and direction of these flows are thus indicative of the major policy directions. A general overview of the

cultural system, including sources of funding and major sector stakeholders, is provided in the upcoming paragraphs. This is followed by a summary of funding allocated by all levels of government.

Cultural System Funding Overview

The cultural sector in Saskatchewan encompasses hundreds of individual and institutional stakeholders who receive funding through a variety of grants and programs administered by key organizations within the system. The funding flow is instructive in identifying the key players and in portraying the relationships among groups in the system. Public funding for the sector is controlled by the provincial government's Department of Culture, Youth and Recreation. In addition to funding that flows from the General Revenue Fund (GRF) through the department, the cultural sector also receives some funding directly from the GRF. A second major source of funding is the lottery system. Figure 1 provides a schematic of the flow of funding from these two sources down through the sector. Solid lines indicate funding flows whose allocation may also be determined through a process of adjudication, or indicate influence and advice from the funding source to the recipients. Dashed lines indicate influence or adjudication without direct funding flows.

As can be seen in Figure 1, funding from the GRF is either distributed directly by the Department of Culture, Youth and Recreation to stakeholders within the sector or by the Saskatchewan Arts Board (SAB), which receives an annual allocation from the GRF to distribute to a variety of arts and culture initiatives. Funding from the lotteries flows in fixed proportions to the areas of sport (50%), culture (35%), and recreation (15%). A portion of the cultural component of lottery funding is then allocated by SaskCulture to organizations within the cultural sector through grants and programs. While minor funding flows to the other groups represented in Figure 1, the major flow occurs between the Western Canadian Lottery Corporation (WCLC) and provincial cultural organizations (PCOs)³ and is triggered by recommendations from SaskCulture. While the line between the SAB and PCOs is drawn in Figure 1 as a dashed line (representing no direct funding flows), a new initiative in the fall of 2007 may change this line of influence to include funding as well. This will be a major departure from the past relationship between the SAB and PCOs.

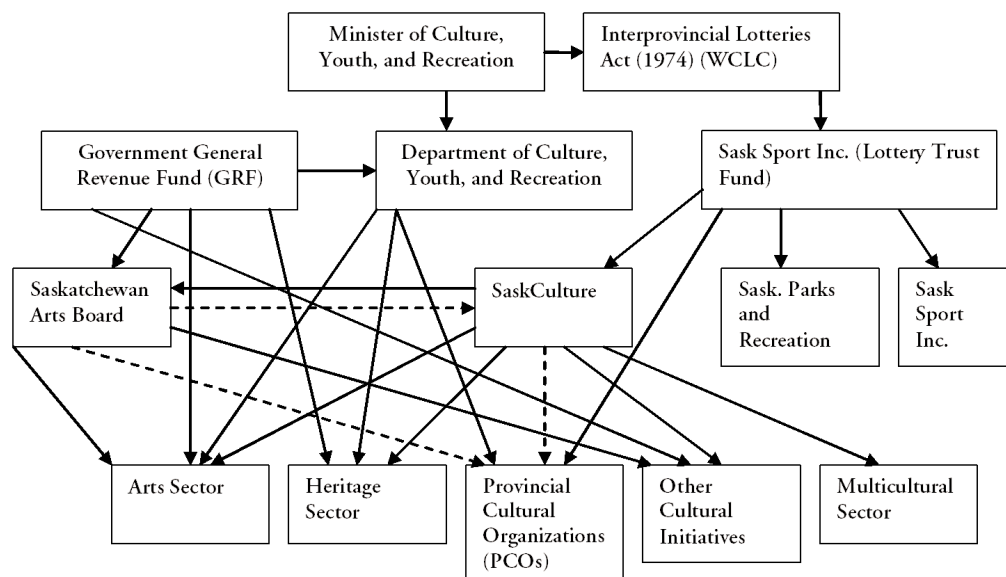


Figure 1: Arts and Culture System Overview

Source: Adapted from the Saskatchewan Arts Board, 1997

In general, all organizations within the sector are funded by SaskCulture and the SAB or directly by the provincial government through the GRF. The SAB typically allocates funding to artists and artist-related organizations, while SaskCulture focuses more on grassroots cultural organizations. The government allocates funding to a variety of initiatives (often on an *ad hoc* basis) across the sector. Some organizations receive funding from more than one source. A more detailed description of the funding system and the major stakeholders is presented below.

2.1 Sources of Provincial Funding

The General Revenue Fund

The General Revenue Fund (GRF) is the Government of Saskatchewan's revenue account that holds tax revenue collected from the people and businesses of Saskatchewan. It is the primary source of funding used for all discretionary spending as outlined in each provincial budget. On an annual basis, monies are allocated to various government departments both to cover their operating costs (or overhead) and to allocate to various programs, organizations, or infrastructure falling within their jurisdiction. In the case of the Department of Culture, Youth and Recreation, once government overhead is covered, transfers from the GRF flow to the sector indirectly through the Saskatchewan Arts Board, and may also flow directly from the GRF following changes introduced in the fall of 2007. Minor amounts also flow directly to three broad recipient groups (see Figure 1), including 1) various arts initiatives; 2) heritage initiatives; and 3) other (Saskatchewan Arts Board, 1997). In addition, some arts sector groups receive funding directly from the GRF, such as the Saskatchewan Arts Board, the Mackenzie Art Gallery, and the Centre of the Arts. Examples of heritage sector groups that receive GRF funding include the library system, the Saskatchewan Archives Board, the Saskatchewan Heritage Foundation, the Western Development Museum, Wanuskewin Heritage Park, and the Saskatchewan Science Centre. "Other" sector groups (a very small amount) that receive GRF transfers include Arts Heritage and Multicultural Grants (SaskCulture Website, 2007). Two other recipient groups, provincial cultural organizations (PCOs) and the multicultural sector, are primarily funded through Saskatchewan Lottery Trust Fund proceeds.

The Lottery System

Second only to the GRF as a source of public funding, lottery proceeds are a primary provider for cultural activities in Saskatchewan. Under the jurisdiction of the *Interprovincial Lotteries Act, 1974* (an agreement between the three Prairie provinces), lottery activities are administered by the Western Canadian Lotteries Corporation (WCLC). Net proceeds from the Saskatchewan portion of lottery ticket sales are directed to the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation, which is managed by three non-profit organizations: SaskCulture, SaskSport Inc., and the Saskatchewan Parks and Recreation Association Inc.

As described earlier, SaskCulture is the organization responsible for advising on the allocation of the cultural component of the lottery proceeds to PCOs and allocates funds directly to various organizations and activities within the province. Referring again to Figure 1, organizations receiving lottery funding, directly or indirectly, can be categorized into five groups: 1) the Arts Sector; 2) the Heritage Sector; 3) the Multicultural Sector; 4) Provincial Cultural Organizations; and 5) Other Cultural Initiatives (Saskatchewan Arts Board, 1997). As noted above, the PCOs receive their funding directly from the WCLC upon the advice of SaskCulture and the SAB. Members of these groups receive funding from one or more of five funding blocks that are described in more detail in section

2.2 SaskCulture Inc. In addition to supporting the Trust Fund, lottery proceeds are used to pay a license fee which is deposited into the government's GRF. The license fee is the negotiated annual amount that SaskSport must pay to the GRF (Saskatchewan Council of Cultural Organizations, 1997). The entire process of lottery funding disbursement is formalized through ongoing agreements with the three non-profit organizations mentioned above and the provincial government (Saskatchewan Council for Cultural Organizations, 1997).

2.2 Organizations

The Department of Culture, Youth and Recreation

The Department of Culture, Youth and Recreation, created in 1972 (and initially called the Department of Culture and Youth), is the provincial government organization responsible for developing arts policy that affects all other arts and cultural organizations in the province. It directly or indirectly controls all public funding that flows to various arts and cultural organizations in Saskatchewan and, in doing so, plays a primary role in how the arts and culture system functions. Public funding levels are established through the Treasury Board's annual allocation to cultural activities from the General Revenue Fund (GRF) and through the government's indirect involvement in the lottery system. As its name suggests, the Department of Culture, Youth and Recreation is also responsible for policy and funding related to the areas of youth, sport, and recreation.

Responsibility for the arts and culture sector has not always resided in the same department. Indeed, the numerous changes in the department responsible for culture are indicative of the peripheral and uncertain status of this portfolio. Examples of the various departments responsible for culture include the Department of Culture and Youth; the Department of Parks, Recreation and Culture; and the Department of Municipal Affairs, Culture and Housing.

The goals for the cultural sector may be inferred from the annual reports of the department since its most recent reformulation. In the 2001-2002 report, one of the department's stated goals was that "culture and recreation contribute to the financial health of the province" (p. 9). Subsequent annual reports refer to the department working to create an environment where Saskatchewan's culture and heritage can thrive, and sustaining the breadth and quality of the cultural life in the province's communities. Among the noted accomplishments is the list of ways in which the government supports the sector through funding flows. In particular they highlight the importance of their arm's-length involvement.

The Saskatchewan Arts Board

Created in 1948, the Saskatchewan Arts Board (SAB) is an arm's-length funding agency that receives annual funding from the provincial government (primarily through the GRF) and disburses it (as well as its own revenue) to the arts community in the form of grants, programs, and services. The SAB is governed by the *Arts Board Act, 1997*, which stipulates the Board's objectives in the following mandate:

- 1) to support and facilitate public access to and participation in the Arts;
- 2) to support the Saskatchewan Arts Community;
- 3) to foster excellence in the arts;
- 4) to encourage quality in creative expression and management of arts activity;

- 5) to support and encourage innovation and development in the arts through education, training, creation, production, presentation, touring and distribution, marketing collection, appreciation, preservation, research and study;
- 6) to support and encourage the arts of both aboriginal peoples and the ethnic communities of Saskatchewan;
- 7) to promote public appreciation and understanding of the arts;
- 8) to establish advisory processes by which the arts community can be involved in operational and program policy development for the Arts Board; and
- 9) to establish adjudication processes that ensure assessment by qualified persons from the arts community.

(Saskatchewan Arts Board Website, 1997)

The Arts Board carries out numerous functions related to promoting the arts and culture in Saskatchewan, including the provision of consultation services in areas such as community and organizational development, research, arts advocacy, and communications (Saskatchewan Arts Board Website, 2007). Organizations and programs funded by the Arts Board include the Artist in Residence Program, ArtsSmarts Saskatchewan, the Gallery Grant Program, the Independent Artists Grant Program, the Project Assistance Grant Program, the Indigenous Pathways Initiative,⁴ the Aboriginal Arts and Culture Leadership Program, the Provincial Cultural Organization Global Grant Program, the Global Grants Multi-Year and Annual Assistance Programs, the Prince Edward Drama Scholarship, the Premier's Centennial Arts Scholarship, as well as some basic sponsorship initiatives. To receive support from any of these programs, organizations and individuals must meet program-specific eligibility requirements and then qualify through a peer-assisted adjudication process (Library and Archives Canada Website, 2007). The majority of these programs are run exclusively by the Arts Board, although some are run in partnership with SaskCulture and its associated lottery funding. The Arts Board also collects, preserves, and manages various art objects created by Saskatchewan artists (Library and Archives Canada Website, 2007).

It is important to note that the *Arts Board Act* does not state the level of funding to be allocated by the provincial government and, in fact, does not guarantee any government funding at all. Furthermore, the Act states that the Arts Board itself and all of its belongings are property of the Crown. So although the Arts Board may have freedom to allocate funding as it sees fit, it is not autonomous from the provincial government.

In an October 2007 announcement, the budget of the Saskatchewan Arts Board was doubled “enabling the agency to move forward on recommendations made in the Minister’s Advisory Committee on Status of the Artist and achieve the broad vision of ensuring cultural vibrancy and commercial viability of Saskatchewan artists” (Saskatchewan Arts Board, 2007). As already noted, the possible changes include reconfiguring funding flows so that they are direct from the SAB to PCOs, representing a new relationship between these two groups. Perhaps more significantly, as a result of recommendations from the province’s Music Industry Review report, responsibilities and funding for cultural industry PCOs was transferred from the lotteries to the GRF. While the funding increase marks a major commitment and some new directions are implied, the broader cultural policy framework remains largely unarticulated.

SaskCulture Inc.

Having initially evolved out of the Saskatchewan Council of Cultural Organizations (SCCO)⁵ in 1997, SaskCulture is a volunteer organization that acts as a trustee for the cultural component of

lottery proceeds, distributing funding to a network of cultural organizations and programs throughout Saskatchewan. Funding allocated to various organizations can be categorized into five separate blocks: 1) Provincial Cultural Organizations (PCOs); 2) Tri-partite; 3) SaskCulture; 4) Administered Contracts; and 5) Directed Funds (SaskCulture Website, 2007). The relative proportion of funding allocated in 2007 from each block is presented in Figure 2.

Of the five “blocks,” PCOs are by far the largest recipient of lottery funding (through SaskCulture). These organizations have a mandate from the provincial government to serve as central resources within a specific cultural discipline. In order to qualify to become a PCO, an organization must be a volunteer non-profit organization that is deemed to be involved in delivering culture programs and services within Saskatchewan. In 2006, there were 31 PCOs in the province, such as Canadian Artists Representation/Le front des artistes canadiens (CARFAC) Saskatchewan Visual Artists, Conseil Cultural Fransaskois, Dance Saskatchewan Inc., Multi-cultural Council of Saskatchewan, and the Museums Association of Saskatchewan.

The Tri-partite block of funding is directed towards the operation of the three arm’s-length administration centres of the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation and any other initiatives that fall under the jurisdiction of these three areas.

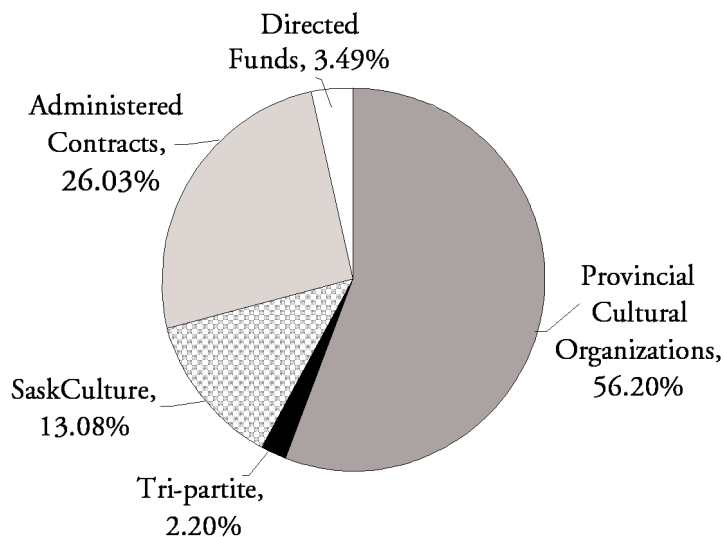


Figure 2: Funding Allocated by SaskCulture, by Funding Block, 2007
Source: SaskCulture Website, 2007

The SaskCulture block of funds consists of an operating grant for that organization as well as funding for existing and new initiatives deemed of value to the entire arts and culture sector (SaskCulture Website, 2007).

The Administered Contracts block of funds is directed at those programs that are administered predominantly by other groups, such as the SAB. Examples of these programs include the Artist in Residence Program, the Festivals Grant Program, the Gallery Grant Program, the Media Arts Grant Program, the Métis Cultural Development Fund, the Museums Grant Program, the Multicultural Initiatives Fund, and the Student Employment Experience Program.

The block of Directed Funds is allocated to various cultural initiatives by SaskCulture on direct orders from the minister responsible for arts and culture. In addition to allocating lottery funding, SaskCulture focuses on cultural networking, organizational development, advocacy and public awareness, and community engagement. It should be noted that the lottery system is not required to disclose the amount that it distributes to various organizations within the sector (SaskCulture Website, 2007).

Saskatchewan Arts Alliance

Established in 1984, the Saskatchewan Arts Alliance (SAA) defines itself as a non-profit coalition of arts organizations that provides a collective voice for the arts in Saskatchewan. It receives funding from the Arts Board and SaskCulture on a contract basis; however, in contrast to the Arts Board and SaskCulture, the SAA does not allocate funding to the cultural sector, but instead supports the arts and culture through:

- ⇒ advocating healthy levels of public and private support;
- ⇒ encouraging public acknowledgement of the arts;
- ⇒ encouraging in assisting in the development of arts education;
- ⇒ providing information related to the arts; and
- ⇒ providing a forum for issues affecting the arts and cultural industries.

(Saskatchewan Arts Alliance Website, 2007)

Saskatchewan Cultural Industries Development Council

Created by the provincial government in 1997, the Saskatchewan Cultural Industries Development Council's (SCIDC) mandate is to promote the development of industries related to book publishing, crafts, visual arts, film and video, and music and sound recording. The SCIDC accomplishes this primarily by providing policy direction to the provincial government and through the administration of its Cultural Industries Development Strategy (CIDS). According to the SCIDC's website, the CIDS has four broad objectives:

- ⇒ to document and assess existing businesses to identify a critical mass of cultural industry activity;
- ⇒ to consolidate existing information on each sector into one document and present a cogent plan for future development;
- ⇒ to generate solutions to the problems and issues facing the cultural industries through a process of discussion and collaboration; and
- ⇒ to develop proposals for initiatives that, whenever possible, address the needs of all, or more than one, of the individual cultural industries, without losing sight of industry-specific needs and perspectives.

(Saskatchewan Cultural Industries Development Council Website, 2008)

3. GOVERNMENT EXPENDITURES ON THE CULTURAL SECTOR

Government expenditures on the cultural sector can be viewed, in part, as the value placed on this sector for its economic and quality-of-life/aesthetic contributions. In part, these expenditures can also be seen as an investment for support and development of the sector as an economic contributor in its own right. In addition, they may reflect the government's perception of the "externalities" or positive spillovers for the broader public that are not captured by the "producers" of cultural activities and artifacts or by the associated industries. Ideally, the size and strength of the sector would also be measured by the GDP value it generates to assess the appropriateness of government funding. In addition to being conceptually difficult, such an evaluation is beyond the scope of this paper. However, at the national level it is estimated that the cultural sector in Canada in 2007 contributed 3.8% of GDP and generated 6.9% of total employment (Banks, 2007). To put this in perspective, the agricultural sector was estimated to contribute 1.27% of GDP and about 3% of total Canadian employment.

Although this paper focuses exclusively on Saskatchewan's provincial cultural policy, funding for the province's cultural sector comes from all three levels of government (provincial, federal, and municipal). It is useful to recognize the magnitude of the funding that originates from each source and how these funding levels compare with the other provinces, as considerable differences are apparent in the magnitude of expenditures by province. All funding numbers presented are in nominal terms, unless otherwise stated. Due to data availability, the numbers focus on the recent past as opposed to the entire time frame over which Saskatchewan's cultural policy is examined.

The data for expenditures reported in this paper, for all levels of government, are derived from a survey administered as part of the Culture Statistics Program (Statistics, 2005). Included in the category of cultural activity are libraries, heritage resources, arts education, literary, performing, and visual arts, film and video, broadcasting, sound recording, multiculturalism, and assorted other cultural activities and facilities. All provincial and territorial government departments and agencies responsible for the support of the arts and culture sector were surveyed and response to the survey was mandatory.

3.1 Provincial Funding

Total provincial spending on arts and culture in Saskatchewan is broken down into government capital and operating expenses, as well as capital and operating grants, contributions, and transfers. Table 1 provides a summary of provincial spending on the arts and culture sector in these categories.

The methodology used by Statistics Canada in arriving at these totals makes it difficult to separate lottery funding and funding originating from the GRF as discussed in the previous section. It is also difficult to ascertain the level of direct funding that ends up in the hands of artists and arts organizations. Nonetheless, the category "capital and operating grants, contributions, and transfers" includes all lottery money designated for culture (through SaskCulture), as well as GRF funding allocated by the government to the Saskatchewan Arts Board and other organizations. In 2003-2004, the Saskatchewan Arts Board received approximately \$4.3 million from the GRF, while SaskCulture received approximately \$7 million from the lotteries. The remaining money (almost \$38 million) was allocated directly by the government to other stakeholders within the sector. The categories "operating expenditures" and "capital expenditures" refer to expenditures incurred directly by the government and do not include money that is disbursed to independent groups within the sector.

Table 1: Total Provincial Funding for the Arts and Culture Sector, Nominal Dollars, 1998-2004

Year	Total Expenditures (\$000s)	Operating Expenditures (\$000s)	Capital Expenditures (\$000s)	Capital and Operating Grants, Contributions, and Transfers (\$000s)
1998-1999	69,525	29,828	3,737	35,960
1999-2000	69,209	29,437	3,153	36,619
2000-2001	75,373	32,077	4,352	38,945
2001-2002	83,969	34,046	5,626	44,296
2002-2003	85,583	33,901	5,034	46,648
2003-2004	87,733	34,159	4,240	49,333
Real Δ 1998-1999 to 2003-2004	12%	2%	1%	22%

Source: Statistics Canada, 2007a

The last row of Table 1, showing expenditure increases in real terms, reveals that total spending by the province on the cultural sector has increased by 12% (real dollars) between 1998-1999 and 2003-2004. Considering a growth rate of real GDP over this time period of about 11%, this represents an increase slightly in excess of total income in the province. The majority of this increase is in the area of grants, contributions, and transfers (22%), and to a lesser extent through increased operating expenditures of the government (2%). This is a good indication that increased provincial funding is finding its way to organizations and individuals within the cultural sector, although it says very little about the relative distribution of funding among the sector's various constituent groups and individual stakeholders. It should also be noted that during this same time period, the GRF grew by 11% (in real dollars), indicating that increases in cultural expenditures have kept pace with growth in the GRF.

Statistics Canada expenditure categories can also be summarized into industry categories including arts, cultural industries, libraries, heritage, and other (Hill Strategies Research, 2006). In 2003-2004, the provincial government directed 65% of its cultural expenditures to heritage (39%) and libraries (26%). Of the remaining 35%, cultural industries and the arts received 22% and 6%, respectively, while "other" received 7% (Statistics Canada, 2007a).

3.2 Federal Funding

On a Canada-wide basis, of the three levels of government, the federal government is the largest contributor to the cultural sector, although this is not necessarily the case for each individual province. For example, in Saskatchewan, federal funding in 2003-2004 was just under \$46 million, which is slightly more than half of the spending by the provincial government. In addition, a large proportion of this spending occurs in the form of operating expenditures and to a lesser extent grants, contributions, and transfers. Grants, contributions, and transfers by the federal government are

typically between 20% and 25% of those made by the provincial government and are often administered by federal agencies such as the Canada Council for the Arts, which allocates funding directly to individual stakeholders. In real terms, cultural funding from the federal government has decreased in Saskatchewan by 8% between 1998-1999 and 2003-2004. Since capital and operating grants, contributions, and transfers have increased by 34% in real terms over this period, a significant redistribution of federal expenditures appears to have taken place. The overall decrease is of concern. Federal expenditures on the entire Saskatchewan arts and culture sector are presented in Table 2.

As with provincial funding, federal expenditures can be broken down into industry categories. In Saskatchewan, funding is primarily directed towards cultural industries (53%) and to a lesser extent heritage (34%). The remaining expenditures are directed towards the arts (9%), and “other” (4%). Libraries in Saskatchewan did not receive any funding from the federal government (Statistics Canada, 2007b).

Table 2: Total Federal Funding to the Arts and Culture Sector in Saskatchewan

Year	Total Expenditures (\$000s)	Operating Expenditures (\$000s)	Capital Expenditures (\$000s)	Capital and Operating Grants, Contributions, and Transfers (\$000s)
1998-1999	44,327	30,876	6,604	6,847
1999-2000	44,329	29,701	6,242	8,386
2000-2001	40,995	28,404	2,406	10,185
2001-2002	46,119	30,771	4,945	10,403
2002-2003	48,459	33,765	2,360	12,334
2003-2004	45,762	31,721	3,728	10,313
Real Δ 1998-1999 to 2003-2004	-8%	-9%	-50%	34%

Source: Statistics Canada, 2007b

3.3 Municipal Funding

Comprehensive statistics on municipal funding were not available from Statistics Canada, although it is known that in 2003-2004 municipal governments in Saskatchewan spent approximately \$73 million on arts and cultural activities (Statistics Canada – The Daily, 2005). These expenditures are significantly more than federal funding and slightly less than provincial funding. A review of government spending on culture conducted by Hill (2005) also published some general numbers. In contrast to federal funding, the majority of municipal funding in Canada in 2002-2003 was directed towards heritage and libraries (80%). Multiculturalism, multidisciplinary, and other cultural activities received 19% of allocated funding, while the arts sector received the remaining 1% of total municipal funding (Hill, 2005). It should be noted, however, that this breakdown likely varies from province to province.

3.4 Funding Comparison with other Provinces

Although this study focuses exclusively on Saskatchewan's provincial cultural policy and does not examine federal or municipal policy, further context can be provided by considering how funding from these three levels of government compares with funding received by the cultural sector in the other provinces. Table 3 presents total cultural expenditures by each of the provincial governments as well as the level of grants, contributions, and transfers given out by each government in 2003-2004. Both categories are presented on a per capita basis as well.

Table 3: Total and Per Capita Cultural Expenditures as well as Grants, Contributions, and Transfers by Provincial Governments in 2003-2004

Province	Total Expenditures (\$000s)	Total Expenditures Per Capita (\$)	Capital and Operating Grants, Contributions, and Transfers (\$000s)	Capital and Operating Grants, Contributions, and Transfers Per Capita (\$)
Newfoundland	39,006	75	24,211	47
Prince Edward Is.	11,753	85	4,515	33
Nova Scotia	57,007	61	37,225	40
New Brunswick	52,082	69	31,103	41
Quebec	726,842	96	461,828	61
Ontario	628,228	51	361,355	29
Manitoba	111,832	96	66,238	57
Saskatchewan	87,733	88	49,333	50
Alberta	198,518	62	138,695	43
British Columbia	264,668	63	223,885	53
Average		68		44

Source: Statistics Canada, 2007a

Given the wide variation in population among the provinces, per capita expenditures are a more useful benchmark for comparing the level of support provided by each provincial government. Perhaps most revealing about these per capita funding numbers is how little governments actually invest on a per capita basis, as all provinces spend less than \$100/year per person on the arts and culture sector. Comparisons across provinces, however, show that the Government of Saskatchewan is quite generous relative to the provincial governments of other provinces, ranking third among the provinces in total expenditures per capita. Quebec and Manitoba devote the most resources per capita to arts and culture, followed by Saskatchewan and Prince Edward Island. The Ontario government spends the least per capita by a large margin, joined by Nova Scotia, Alberta, and British Columbia, which all spend less than \$64/year per person. In the grants, contributions, and transfers category, Quebec and Manitoba lead the way again, followed by Saskatchewan and Newfoundland. Relative to its total

expenditures, the Government of Prince Edward Island spends very little on grants, contributions, and transfers, indicating that a large proportion of its expenditures are incurred as government operating expense. As with total expenditures, Ontario offers the least support in this category.

As the largest source of public funding for the arts and culture in Canada (\$3.5 billion in total in 2003-2004), it is important to consider how the federal government allocates its resources among the provinces. Table 4 presents total cultural expenditures in each province by the federal government as well as the level of grants, contributions, and transfers given out to each province in 2003-2004. These figures are presented on a per capita basis as well.

Federal government spending is higher than provincial spending in all provinces except for the four western provinces, which receive significantly less than their eastern counterparts on a per capita basis. The highest spending per capita occurs in Quebec (\$155), followed by Prince Edward Island (\$138), Nova Scotia (\$125), and Ontario (\$118). The lowest spending occurs in Saskatchewan (\$46), Alberta (\$48), and British Columbia (\$48). These three provinces each received less than one-third of the funding allocated to Quebec on a per capita basis. In terms of grants, contributions, and transfers, Prince Edward Island received the most federal funding per capita, followed by Quebec, Nova Scotia, and Ontario. In this category, Saskatchewan again received the least federal support, followed by Alberta, British Columbia, and Newfoundland. In contrast to provincial government spending, a greater proportion of federal funding is consumed by operating expenses, as opposed to grants and transfers in all provinces.

Table 4: Total Cultural Expenditures as well as Grants, Contributions, and Transfers by the Federal Government in 2003-2004

Province	Total Expenditures (\$000s)	Total Expenditures Per Capita (\$)	Capital and Operating Grants, Contributions, and Transfers (\$000s)	Capital and Operating Grants, Contributions, and Transfers Per Capita (\$)
Newfoundland	45,048	87	8,148	16
Prince Edward Is.	19,023	138	5,798	42
Nova Scotia	117,397	125	25,044	27
New Brunswick	56,009	75	12,643	17
Quebec	1,171,180	155	245,040	32
Ontario	1,463,715	118	282,696	23
Manitoba	85,078	73	23,958	20
Saskatchewan	45,762	46	10,313	10
Alberta	152,848	48	35,647	11
British Columbia	203,084	48	67,399	16
Average		105		23

Source: Statistics Canada, 2007b

The final government category that can be compared across provinces is municipal government expenditures. Again, due to data limitations, these expenses have not been broken down into various expenditure categories. Table 5 shows total and per capita cultural expenditures incurred by municipal governments in all provinces for 2003-2004.

It is apparent in Table 5 that municipal governments devote substantial resources to the cultural sector in all provinces. In Ontario, for example, per capita expenditures by municipal governments are \$21 higher than provincial government expenditures in that province. British Columbia's municipal governments spent \$11 more per person than the provincial government. In all remaining provinces, however, provincial governments out-spent their respective municipal governments. The lowest levels of municipal government spending on arts and culture occurred in the four Atlantic provinces. Saskatchewan compares very favourably with the other provinces in municipal expenditures at \$73/year per capita, ranking second only to British Columbia.

Table 5: Total and Per Capita Cultural Expenditures, by Municipal Governments, by Province, 2003-2004

Province	Total Expenditures (\$000s)	Total Expenditures Per Capita (\$)
Newfoundland	11,891	23
Prince Edward Is.	2,758	20
Nova Scotia	34,669	37
New Brunswick	24,045	32
Quebec	422,397	56
Ontario	892,274	72
Manitoba	65,537	56
Saskatchewan	72,664	73
Alberta	188,912	59
British Columbia	314,730	75
Average		64

Source: Statistics Canada – The Daily, 2005

It is evident in the above tables that the magnitude of cultural support from the three levels of government varies considerably among the provinces. The Ontario provincial government, for example, provides the least support per capita, while municipal governments in that province provide the third most support. In contrast, Prince Edward Island (PEI) receives the least support from municipal governments but receives very high levels of support from both the provincial and federal governments. These differences in funding are perhaps indicative of the relative size of the provinces and their cities, as well as possible substitution among levels of government. Ontario has cities large enough to support large-scale arts and culture venues and activities that would not be feasible in smaller places. Smaller cities, such as those in PEI, are unable to support the same types of venues and thus municipal expenditures are limited. In addition, simple budget size and constraints may explain part of the per capita differences. Fundamentally, the per capita expenditure differences may also reflect differences in the value to the municipalities of having the arts and culture facilities and

activities present. In those settings where this sector is (perceived to be) a significant contributor to the tourist industry or to the attractiveness of the city for recruitment, expenditures are likely to be higher. To some extent, differences in municipal per capita funding are offset by those from other levels of government. Table 6 shows the total resources allocated by all levels of government to the cultural sector in each province.

The rankings show that the combined government expenditures on cultural activities are highest in Quebec at \$308 per capita. This is 27% higher than the second ranked province (PEI) and 29% higher than the average of all provinces. Saskatchewan ranks sixth among the provinces, 13% below the average of all provinces. Expenditures in Newfoundland, New Brunswick, Alberta, and British Columbia were less than Saskatchewan, with expenditures in Alberta totaling \$169 per capita, which is just over half of the amount received by Quebec and 29% below the average of all provinces.

Table 6: Total and Per Capita Cultural Expenditures, All Levels of Government, by Province, 2003-2004

Province	Total Expenditures (\$000s)	Total Expenditures Per Capita (\$)
Newfoundland	95,945	186
Prince Edward Is.	33,534	243
Nova Scotia	209,073	223
New Brunswick	132,136	176
Quebec	2,320,419	308
Ontario	2,984,217	241
Manitoba	262,447	224
Saskatchewan	206,159	207
Alberta	540,278	169
British Columbia	782,482	186
Average		238

Source: Statistics Canada, 2007a, 200b; Statistics Canada – The Daily, 2005

4. IDENTIFYING ISSUES WITH SASKATCHEWAN'S CULTURAL POLICY

Having provided an overview of Saskatchewan's arts and culture sector including its various sources of funding, it is possible to examine some of the issues identified by various stakeholders within the sector. As a precursor to this, it is important to provide a context for these issues by detailing some of the historical changes made to cultural policy by the Government of Saskatchewan. As highlighted earlier, cultural policy in Saskatchewan is the responsibility of the Department of Culture, Youth and Recreation. Some of the policy decisions made or prompted by the department, and their implications, are summarized in Table 7. The chronology attempts to identify all major policy events involving the provincial government but focuses more heavily on policy events that have occurred in the recent past, as the implications of these events are more likely to be playing out still in the sector.

Table 76: Changes in Cultural Policy by the Government of Saskatchewan since 1972

Year	Policy Decision	Implication
1972	Department of Culture and Youth is created	The provincial government takes a formal/active role in the arts and culture sector
1974	Interprovincial Lotteries Act is introduced	Commitment by the government to fund the arts and culture through lottery proceeds
1974	SaskSport is designated manager of lotteries	Government relies on non-profit sector for management of lottery proceeds
1974	Lottery proceeds funding split is established at 50% sport, 40% culture, and 10% recreation	The importance of funding culture is acknowledged, assigned 40% of lottery proceeds
1978	Sask Trust (i.e. SaskSport) creates funding priority categories (I, II, III)	Funding priority categories suggest the potential for funding shortages does exist
1979	Cultural Policy Secretariat is established	Government acknowledges the need to develop cultural policy for the province
1980	Saskatchewan Council of Cultural Organizations (SCCO) is established	SCCO assumes role of administering lottery proceeds to the arts and culture sector
1981	Lottery funding to Priority II and III organizations is suspended because of shortfall	Many organizations have to adjust spending
1982	SAA is created as an “ad hoc” committee to voice the arts and culture sector’s concerns	Arts and culture sector requests provincial government address funding shortages and develop a workable policy
1982	Arts Board takes over responsibility for funding Priority II organizations	Shifting responsibilities among stakeholders creates instability in the cultural community
1982	Government agrees to address SAA concerns but is voted out of office shortly after agreement is reached	Arts and culture sector must re-orient to deal with new government
1982	New government publishes cultural policy	New government affirms its commitment to the arts and culture sector
1986	Minister imposes a cap on lottery funds available for redistribution	Lottery surplus money is directed into the GRF instead of to the SCCO for distribution
1988	Minster requests that the Arts Board develop a 3-year plan to stabilize arts community	Government acknowledges issues of instability within the cultural sector

Year	Policy Decision	Implication
1989	Government establishes Saskatchewan Arts Strategy Task Force	Government acknowledges funding shortages within the arts sector
1990	Saskatchewan Arts Strategy Task Force recommends single arts agency and additional funding	Single arts agency thought to increase system efficiency and coherence
1991-1992	Funding responsibilities for sport, recreation, arts, and cultural programming transferred completely to lottery community	Government looks to operate at “arms-length” for funding commitments to the arts and culture sector. SCCO assumes increased responsibilities
1991	Lottery funding split is changed to 45% sport, 45% culture, and 10% recreation	Increased funding requirements of SCCO are acknowledged
1992	Status of the Artist Advisory Committee established	Funding, benefits, and infrastructure needs for artists are acknowledged
1993	Government reclaims responsibility for funding cultural agencies and increases lottery license fee from \$6.4M to \$18.3M	Government re-asserts its authority over cultural agencies. Increase in license fee means lottery proceeds directed back into GRF and under government control
1996	Committee formed to propose transition from SCCO to Sask Culture	Government acknowledges a need to streamline the system
1996	Establishment of Single Arts Agency Working Group	Further acknowledgement of need to improve coordination, transparency, and stability
1997	SaskCulture is created	SaskCulture replaces SCCO as the administrator of lottery proceeds to the arts and culture sector
1998	New <i>Arts Board Act</i> is created	New Act increases Arts Board stability and freedom as a single arts agency
2000	New Lottery License Agreement is reached	Fee is set at 9.5% of gross lottery sales
2000	Government begins working on a new cultural policy	Government acknowledges lack of an overarching policy for culture
2001	SAA launches a campaign to renew interest in Status of the Artist Initiative	Artists still without basic needs

Table 7: Continued

Year	Policy Decision	Implication
2003	New Lottery License Agreement is reached	Fee is maintained at 9.5% of gross lottery sales
2003	Funding to the Arts Board is increased by \$1.5M. Increase is to occur over next 3 years	Government acknowledges funding shortage in the arts and culture sector
2004	Government asks SaskCulture to fund Saskatchewan Heritage Foundation	Responsibilities of SaskCulture shifts again
2004	Lottery proceeds shortfall results in less funding for cultural groups	Funding shortage motivates funding review process
2005	Funding review recommends a decrease in lottery license fee. Government reduces fee to 5% for next 3 years	Reduction in fee allows cultural funding levels to increase in order to offset lottery proceeds shortfall
2006	New Lottery License Agreement is reached. License fee is reduced to 3% of gross lottery sales (\$12.3M to \$6.7M)	More funds available for SaskCulture to allocate to the cultural sector
2006	Final Report of the Minister's Advisory Committee on Status of the Artist is published	Recommendations are made to pass legislation granting artists access to much needed resources
2007	<i>Status of the Artist Act</i> held up in Legislature	Still few resources available for artists
2007	Release of Music Industry Review report. Doubling of funding to the Saskatchewan Arts Board	Funding increase, and some realignment of responsibilities, without clear long-term framework

From the above table it is clear that the provincial government recognized the need to develop a cultural policy as early as 1979, in the establishment of the Cultural Policy Secretariat. This was followed by the release of a cultural policy in 1982. In 1988, the government established a Saskatchewan Arts Strategy Task Force and, in 2000, there was once again an intention to work on a new cultural policy, which did not materialize. Other noteworthy milestones in Table 7 are the calls for a single arts agency to increase the efficiency and coherence of funding distribution in 1990, followed by the establishment of a Single Arts Agency Working Group in 1996. Funding and the new Act for the Saskatchewan Arts Board seemed to work toward that end; however, despite substantial funding increases to the SAB since then, the transition was never completed.

Table 7 also chronicles the numerous shifts in policies and programs over the years, as well as the primary source of funding for the arts sector. Although Table 7 is far from an exhaustive list of government-initiated policy events, it is evident that the arts and culture sector has been functioning for much of the last 35 years with a great deal of uncertainty with respect to both funding and, perhaps, more importantly, without a framework that clearly identified the government's commitment to this sector. Further, it is apparent that the responsibilities of the major stakeholders in the sector have been subject to change depending on alterations to the funding mix (as influenced by changes in the lottery license fee), and the oft-changing objectives of the government in power. In other instances, new policy initiatives are slow to evolve. Initiatives such as the proposed *Status of the Artist Act, 2007*, which has been in development since 1993, was stalled in the legislature in the fall of 2007, despite having gone through an extensive public hearing process. In January 2008, the Conservative government was proposing that the Bill will be reintroduced with amendments. Perhaps most troubling about the above chronology of events is that many of the policy decisions appear to be a response to problems caused by previous policy decisions, thus indicating a lack of a long-term plan or vision for the sector. These issues are discussed in more detail in the next section of the paper.

4.1 Cultural Sector Reviews

The uncertainty and instability in the arts and culture sector have prompted numerous stakeholders in the sector, as well as the government itself, to conduct frequent analyses aimed at identifying problems within the system. In addition, various stakeholders have felt the desire to clearly articulate their own needs in the context of the broader functioning of the arts and culture community through various reports and policy documents. See Table 8, below.

Table 8: Cultural Sector Reviews by Year

Year Report is Released	Report Name
1990	Saskatchewan Arts Strategy: Focus on the Future
1993	Final Report of the Arts Strategy Task Forces Implementation Management Committee
1993	Report of the Minister's Advisory Committee on the Status of the Artist
1995	Responding to the Community: Proposals for Cultural Development
1995	Costs/Benefits of Restructuring Saskatchewan's Cultural Community
1997	A Cultural Industries Development Strategy for Saskatchewan
1997	Provincial Funding to Arts and Culture in Saskatchewan: A Systemic Approach
1998	Saskatchewan Museum Funding Review
1999	Strengthening Culture through a Commitment to People

Table 8: Continued

Year Report is Released	Report Name
1999	A New Vision for Saskatchewan's Heritage
2000	A Submission to the Task Force on Municipal Legislative Renewal
2005	Fifteen Years Making Pictures: A Review of the Provincial Government's Role in the Saskatchewan Film and Video Industry 1989-2004
2006	Final Report of the Minister's Advisory Committee on Status of the Artist

Although these reports are written from slightly different perspectives and therefore have differing objectives, some common themes emerge in terms of policy issues identified as well as potential solutions. These issues, described below, are typically related either to funding or to the lack of a coherent and transparent policy for the sector.

4.1.1 Funding Issues

Issues related to funding are perhaps the most often-cited criticism of provincial cultural policy in the reviews referred to above and range from concerns over the quantity of funding for individual organizations to concerns about total system funding, its relative distribution among stakeholders, and the mechanism by which funding is delivered. *The Final Report of the Minister's Advisory Committee on Status of the Artist* in 2006, for example, identifies a shortage of financial resources available to artists wanting to engage in viable careers in Saskatchewan, as well as a general shortage of funding to the arts sector for training, programming, education, research, and marketing initiatives. The report recommends an increase in government funding in the form of tax incentives, benefits, and support for specific programs and initiatives (Saskatchewan Culture, Youth, and Recreation, 2006).

A Review of the Provincial Government's Role in the Saskatchewan Film and Video Industry 1989-2004 notes that Saskatchewan's film industry is not viable without government support and suggests that status quo funding levels will create financial challenges in the future. The study also identifies a need to enhance the training of skilled labour in order to meet sector demands and justifies its requirements by pointing out that the sector is a major employer of young people, is increasing in size, and currently has a direct annual economic impact of approximately \$50 million (Saskatchewan Culture, Youth, and Recreation, 2005).

The Saskatchewan Arts Alliance has been actively advocating for increased funding to the arts and culture sector. In March 2007, the Alliance openly criticized the government for falling short of funding expectations in the provincial budget and although it acknowledged that there were funding increases in some areas, the Alliance maintained that these increases were not enough to deal with long-term financial constraints faced by the sector (Saskatchewan Arts Alliance Website, 2007).

The financial concerns of the cultural sector are perhaps best summarized by a 1997 report published by the SAB titled *Provincial Funding to Arts and Culture in Saskatchewan - A Systemic Approach*, which

criticizes several aspects of the way the provincial government handles funding to the sector. In addition to criticizing the level of funding provided by the government, the report is critical of the reduction in cultural support from the GRF relative to lottery funding, and notes that funding from the GRF has not kept up with the increase in revenue experienced by the GRF itself. Because GRF and lottery funding are typically allocated according to different criteria, this has meant that some groups benefit from additional funding while others are forced to go without. This has tended to drive a wedge between potential claimants, dividing individuals and organizations within the sector. For example, heritage stakeholders such as the library system and the Archives Board received a funding increase during the mid-1990s; however, the Saskatchewan Arts Board and the Centre of the Arts during this same time period experienced a decrease in funding (Saskatchewan Arts Board, 1997). Although funding to the SAB has increased in recent years, it is evident that changes in the funding mix between the GRF and lottery sources can create financial shortfalls within the sector, regardless of whether total funding to the sector is increasing or not. Recent trends, for instance, indicate a strain on lottery funding, despite the fact that overall monies allocated to the sector have been increasing.

Changes in the relative proportion of GRF and lottery funding have an impact that goes beyond funding shortages, as shifts in funding inevitably stimulate changes in the roles of various stakeholders involved in allocating resources. For example, the Arts Board had to assume responsibility for Priority II⁷ funding initiatives in the 1980s and SaskCulture (then SCCO) had to expand its mandate during the early 1990s as a result of the provincial government's transfer of funding responsibilities to the lottery community. Although these were considered solutions at the time, both situations led to other funding allocation issues, some of which had to be addressed by changing the eligibility requirements for applicants to allow them to qualify for funding for which they had previously been ineligible. In its 1997 report, the Arts Board suggested that the authority to manage public funding had become spread across too many stakeholders and that the resulting instability was seriously affecting many organizations' abilities to carry out long-term planning. It further noted that these problems had been exacerbated by frequent changes in the lottery license fee and the government's shifting position regarding its own role in administering funds to various organizations. Among the solutions advocated to address these issues in a more focused and coordinated way was the creation of a single arts funding agency (Saskatchewan Arts Board, 1997).

4.1.2 Need for a Cultural Policy

The funding issues described above, though important in themselves, are symptomatic of the absence of an explicit policy for the arts and culture sector. Despite the government's release of a cultural policy in 1982, almost all of the reviews and studies carried out over the last two decades suggest that the government has not laid out a meaningful policy that would provide a predictable and transparent framework for the growth and development of this sector. Further, in examining annual reports it seems that stated initiatives have been more directed towards sustaining the cultural life in communities than the development of the sector as an economic entity in itself. The two objectives are by no means mutually exclusive though assignment of priority may influence the type and amount of support.

As an organization that plays an integral role in the distribution of public funding to the arts and culture sector, the Saskatchewan Arts Board is front and centre in experiencing the effects of government policy (or lack thereof). In its 1997 analysis of the arts and culture funding and regulatory system, the Arts Board concluded that "there has been no overarching policy to inform the long-term development of the arts and culture system in Saskatchewan" and that "given the interconnectedness of stakeholders, the lack of clearly defined roles, responsibility and authority over time have resulted

in instability, and in many instances, unproductive use of resources within the system” (Saskatchewan Arts Board, 1997). When discussing the government strategy for developing cultural policy, the Arts Board concluded that “the history of the arts and culture system in Saskatchewan and the evolution of policies affecting the arts and culture system have been typified less by pro-active forethought than by a reactivity to pressure and strategic positioning” (Saskatchewan Arts Board, 1997). The major new funding announced in October 2007, which doubles the total allocation, while certainly welcome, is another example.

To some extent, this view had been expressed eight years earlier in a Master’s Thesis entitled *Cultural Policy in Saskatchewan 1944-1987*, written by G. S. Horne (1989). Although he did not offer any direct criticism of government cultural policy, Horne suggested a linkage between “reactive” policy and the need that governments have to maintain the support of their core vote. His analysis also suggested that government policy with respect to the arts and culture may reflect the prevailing ideology of the day. Horne concluded that the NDP has often justified cultural development as a means of “community development,” while the Conservatives justify it as “economic development.” It is too early to discern the perspective of the Sask Party elected in the fall of 2007. These slightly different views on the role of cultural policy and the fact that governments typically operate on four-year time frames might offer some insight as to why a functional long-term cultural policy has been difficult to develop.

SaskCulture has long been critical of the lack of a government cultural policy, and has been proactive in its efforts to see an effective policy developed. In 2000, the Department of Municipal Affairs, Culture and Housing⁸ began drafting a cultural policy framework for the province’s culture sector. Several months later, SaskCulture put forward a document titled *SaskCulture’s Response on Direction for the Development of the Province of Saskatchewan’s Cultural Policy* (SaskCulture, 2000). The report suggested that past cultural policies in the province have been “piecemeal” and have not addressed larger social questions pertaining to what type of society Saskatchewan is and wants to become. The report discussed the demographic shifts occurring in Saskatchewan and emphasized how these shifts need to be accounted for in a cultural policy. Among the most important trends that need to be addressed are the increasing First Nations population, the aging baby boomers, and the increasing number of international migrants. In addition, the report identified what it considers to be the key components of a public cultural policy, including the existence of a purpose; short-, medium, and long-term objectives that are measurable; a regulatory environment and funding that is adequate for the objectives to be met; an acknowledgement of and an ability to accommodate diversity; and a flexible framework that can accommodate both anticipated and unanticipated problems and needs. Perhaps most importantly, the cultural policy should be coherent to all stakeholders in the sector (SaskCulture, 2000). The report also discussed in detail some of the specific needs of various stakeholders in the sector. Despite this thoughtful and comprehensive advice from SaskCulture, a functional provincial cultural policy has yet to be released.

Given the government’s stated desire to develop a new cultural policy and the fact they have commissioned numerous studies aimed at identifying ways to improve the system, it is not clear why an effective cultural policy has yet to emerge. One can point to several characteristics of the cultural system and the government itself that might contribute to the gridlock in policy development. Horne (1989) identified the tendencies that governments have to adopt policies that will maintain their core support in the short term as a potential deterrent to developing an effective long-term policy. In addition, it is also possible that changes in government or even changes in the Department of Culture, Youth and Recreation’s Minister might impose a barrier to developing a long-term strategy, as there would most certainly be a learning curve associated with understanding the intricacies of issues within

the sector, not to mention potentially differing visions regarding what an effective policy might look like. Work by the Arts Board (1997) illustrates the complexity of the interrelationships between the sector's various stakeholders, which highlights the notion that stakeholders may have potentially conflicting needs and that this might make it politically difficult for the government to make policy decisions. SaskCulture (2000) has noted that the government has not asked the broader social questions that need to be answered in order to develop an effective policy. Each of these issues might explain to some extent why the government has had difficulty in creating a long-term strategy, yet none of them are insurmountable, which suggests that other factors are at play. Underlying the apparent difficulties may be a tension between developing a cultural policy that is primarily targeted at the welfare of the "producers" (artists, for example) versus a cultural policy that is directed at building the industry both for its intrinsic economic value as well as the positive spillovers the industry has for its broader qualitative and aesthetic value that contributes to the attractiveness of places and regions.

The development of a cultural policy for Saskatchewan is probably closely related to the priority it is assigned in the broader government framework, as is always the case for policy development. In the assignment of priority, balance between the objectives of the artists and the objectives of the broader industry and public must be better understood. While the arts community has been proactive in stating its case, the case for the broader value of the industry as an economic driver and as a factor in enhancing the attractiveness of communities is often not as clearly articulated.

It is difficult to accurately perceive and measure the broader benefits of the arts and culture sector for the province, given that some of these benefits are realized in the form of "externalities," or positive spillovers, well beyond the direct financial contributions of the sector's economic activity. For example, the University of Regina and the University of Saskatchewan contribute to the cultural community through their educational programming but also benefit from the local cultural milieu in terms of faculty recruitment and retention, "[The] ability to [hire], and to remain an economic driver of the city and the province, depend on the extent to which the city is understood to be a creative site" (MacKinnon, 2006, p. 6). Further, some of the benefits are realized in other industries, such as tourism, and may not be attributed to the cultural industries. An incomplete or inaccurate view of the value of the sector may lead to underinvestment in the sector and to relative neglect in terms of establishing long-term objectives and the means for pursuing them. Underinvestment is suggested by the fact that explicit cultural policy has remained on the periphery while implicit policy continues to evolve in a non-transparent and chaotic way. The net effect of this has been a series of short-term responses to crises or to particularly effective lobbying, rather than coherent, transparent, stable, long-term commitment upon which the industry can develop.

To move towards a cultural policy for the province, a review of the positive relationship between cultural activity and community economic vitality and growth is warranted. The next section of this paper provides an overview of a selection of the research that addresses this relationship, and describes the role of cultural policy in facilitating it. A clearer understanding of the basis for the link between cultural activity and economic growth may help to articulate the public interest in a cultural policy. A sound policy and the appropriate level of investment may then follow.

5. THE LINK BETWEEN CULTURAL ACTIVITY AND ECONOMIC DEVELOPMENT

Senator Tommy Banks pointed out in a recent presentation in Saskatchewan, “Civilizations past and present are known to historians, and their contemporaries, not so much by their bank accounts as by their culture” (Banks, 2007). He went on to declare that the arts should be seen

not as a secondary and superfluous, outside of Canada’s mainstream, but rather as a major player in our economy and a serious participant in our future. Not as a sinkhole for government and corporate funds, but as a real growth industry with high returns on investment. Not as a playground for indulgent artists but a labour-intensive, efficient lean industry with a proven and increasing market.

What is the basis of this declaration?

Although research attempting to measure the impact of cultural activity on economic growth is not new, the topic has gained momentum in recent years as a result of the work carried out by regional economist Richard Florida (Florida, 2002; 2003; 2005) and others (Jacobs, 1969; Gray, 1996; Peck, 2005; Ottaviano and Peri, 2006; Markusen and Schrock, 2006). Florida’s work suggests that Western economies are undergoing a shift through which a highly productive and mobile “creative class” is replacing the previously dominant “working class” or “service class” as the principal source of economic activity. This is supported by the more general observation that throughout the developed world, service sectors have replaced goods-producing sectors as a major source of employment. The creative class is typically composed of young, educated individuals and is characterized by its ability to find creative, applied, and profitable solutions to an assortment of problems. It consists of a wide range of professions including scientists, professors, think-tank researchers, engineers, architects, actors, artists, entertainers, designers, writers, poets, novelists, cultural figures, and anyone else involved in a “thinking” related profession. Universities have a central role in attracting these professions and contributing to them. The mobility of creative workers allows them to migrate to destinations where they are encouraged to think outside the box and to freely express themselves both at and away from the workplace (Florida, 2002).

Florida’s work shows that there is a strong positive relationship between the percentage of creative workers in a region and the economic productivity of that region. He observes a large-scale resorting of individuals across the US, whereby some regions and cities are becoming focal points for creative workers and others are maintaining larger shares of service-class workers. Locations that attract creative workers are those willing to accommodate a diverse range of social and economic circumstances, and offer a wide range of artistic, cultural, and recreational opportunities. A key characteristic of the creative class is that decisions on where to live and work are heavily based on “quality-of-life” attributes, which consists of both work-related and non-work-related factors. Creative locations, therefore, offer a variety of job opportunities in flexible work environments, as well as a wide range of stimulating and participatory activities away from work. Regions that are able to succeed at doing this will attract creative workers unlike those that do not (Florida, 2002).

The work cited above can be considered a specific example of a vast, though relatively recent, literature documenting the role of “quality-of-life” attributes as factors affecting the location decisions of both households and businesses (Cebula and Vedder, 1973; Deller et al., 2001; Getz and Huang, 1978; Herzog and Schlottmann, 1993; Knapp and Graves, 1989; Rappaport, 2004; Roback, 1982; Wojan and McGranahan, 2004). Along with economic factors such as employment, wages, housing costs, productivity, and the legal and regulatory environment, “amenities,” as determinants of quality of life,

are increasingly found to have an important influence on the decisions of individuals and firms as to their choice of where to live, produce, and work. The term “amenity” commonly refers to any feature that increases the attractiveness of a location. Bruekner, Thisse, and Zenou (1999) dissect “amenity” into three categories: *natural amenities* are those “generated by an area’s topographical features, including rivers, hills, coastline, etc.”; *historical amenities* include monuments, buildings, and any other type of infrastructure from a past era; and *modern amenities* include any facilities or institutions and environments that improve the quality of life in the community. Arts and culture could be considered a subset of modern amenities. While natural and historical amenities are largely outside the control of policy makers, government policy can influence a community’s stock of modern amenities. While cultural policy is not the only determinant of a population’s growth and retention, the literature suggests that it could make a real difference to a location’s attractiveness. In a province like Saskatchewan, which struggles to retain population, attention to these quality-of-life considerations would seem warranted.

Although Florida’s work implies a strong link between cultural activity (as a form of amenity) and population growth and retention, there is research that focuses more explicitly on the cultural component of this “creatively” stimulated economic growth. Markusen and Schrock (2006) and Markusen and King (2003), for example, seek to explain why past studies have, in large part, found that the arts’ contribution to the economy is so small. They claim that traditional methods of measuring the economic contribution of artists have failed to account for several factors including the fact that artists are predominantly self-employed; a lot of their work is exported; they make contributions to products and services in other sectors of the economy; they induce innovation; they offer import-substituting options of entertainment; and they devote large proportions of their own income to the consumption of local art. None of these factors are accounted for in traditional methods of accounting, which measure the arts’ contribution simply by summing the revenue of major arts organizations and/or expenditures by arts patrons and then applying a multiplier effect. They further illustrate the complexities of using traditional methods by noting that artistic activity produces economic returns both as current income streams and as returns from past investments that contribute to a region’s economic base, which is more difficult to measure. A unique component of Markusen and Schrock’s (2006) study is that they find that artists’ location decisions affect firm location decisions, and not the opposite. That is, by choosing to locate in certain regions, artists are able to attract culturally focused firms to that region. These findings suggest that a successful cultural policy should indeed focus on enabling artists to find viable employment in a region, something that the Status of the Artist legislation in Saskatchewan seeks to accomplish.

Other researchers have used varying approaches to confirm the economic benefits of cultural development. In a study of US metropolitan areas, Ottaviano and Peri (2006) show that in cities where the percentage of foreign-born residents increased between 1970 and 1990 (indicating an increase in cultural diversity), US-born residents in those cities experienced an increase in wages as well as rental income for rental houses. They conclude that cultural diversity has a net positive effect on the productivity of individuals indigenous to a region. A study by Gray (1996) emphasizes the importance of government policy in facilitating cultural-sector-induced economic growth, suggesting that economic outcomes can be substantially improved through appropriate cultural policies.

The role of cultural policy in sustaining economic growth is further highlighted in a study by Walker, Jackson, and Rosenstein (2003) that examines the ability of partnerships between economic development organizations and arts organizations (and artists) to facilitate access to the marketplace for artists. Their findings suggest that such partnerships are important for strengthening community bonds and helping communities understand their own cultural traditions, both of which are

precursors to increased market participation. The study also highlights the inherent challenges in developing relationships between groups that sometimes have different objectives, and the role that effective cultural policy can play in fostering these long-term relationships.

In addition to analyzing the relationships between cultural activities and economic development, several studies have attempted to directly quantify culture's impact on the economy. Hill Strategies Research (2007), for example, completed a study that estimated the cultural spending by consumers in Canada and found that total spending in 2005 was \$25.1 billion (all values nominal). These expenditures included spending on home entertainment and services (52% of total cultural spending), reading material (19%), art works and events (11%), photographic equipment and services (9%), movie theatre admissions (5%), and art supplies and musical instruments (4%). Between 1997 and 2005 cultural spending was estimated to have increased by 48%. The study also calculated spending by province and found that in 2005, Saskatchewan residents spent over \$830 million (or \$837 per capita) on cultural goods and services. As a percentage of consumer spending on all goods and services, Saskatchewan residents allocated 3.5% of their total spending to cultural goods and services, which was the highest such ratio in any of the ten provinces (Hill Strategies Research, 2007).

Research by the Canada Council for the Arts attempted to estimate the economic impact of the arts and culture sector and found that it generated approximately \$40 billion and created 600,000 jobs in Canada in 2003-2004 (Canada Council for the Arts, 2005). A similar Statistics Canada study by Singh (2004) analyzed the contribution of the arts and culture sector to provincial GDP and employment and found that Canadian cultural GDP was approximately \$37 billion and that the sector employed 557,000 people in 2001. Saskatchewan's cultural GDP and employment were estimated to be \$744 million and 15,400, respectively, in that same year. A noteworthy and discouraging finding by Singh (2004) is that cultural GDP increased substantially in all provinces between 1996 and 2001 except for Saskatchewan, which experienced virtually no change. In addition, the number of cultural employees in this province increased by only 8% during this time frame, which is the sixth-best performance among the ten provinces.

These studies, along with the empirical academic work presented above, suggest that there is a strong link between cultural activity and economic growth, that the cultural sector is a growth industry in itself, and that governments can expect to see sizable returns on money invested in the cultural sector. In addition to the direct economic benefits (which are substantial), improving the quality of life of a community can make it a more appealing location and thus contribute to population attraction and retention. Additionally, the academic literature supports the notion that an effective cultural policy can play an integral role in supporting the arts and culture milieu and establishing the regulatory environment that it needs to succeed. The lack of growth in Saskatchewan's cultural GDP and cultural labour force between 1996 and 2001 noted by Singh (2004) warrants further investigation. Issues with the sector identified earlier offer some explanation.

It should be noted from the above discussion that the quality of life and economic growth arguments in favour of a thriving cultural sector are complementary, not substitutes. By improving the cultural environment in communities, creative workers are attracted to them. Their presence produces the kind of activity, environment, and knowledge spillovers that increase productivity. Increased productivity attracts firms, which contributes to employment and economic growth. The location decisions of individuals, households, and firms will reinforce each other in the population and employment growth of communities and regions.

The next section of this paper presents the conclusions drawn from the investigations presented above.

6. CONCLUSIONS REGARDING CULTURAL POLICY IN SASKATCHEWAN

Based on the above findings and discussion, several conclusions are drawn regarding the ingredients of an effective cultural policy in Saskatchewan. These are not intended to be comprehensive but rather indicative of what the foregoing suggests at a fairly conceptual level. The details are necessarily the responsibility of government and stakeholders. A practical description of the general characteristics of an effective cultural policy is contained in *SaskCulture's Response on Direction for the Development of the Province of Saskatchewan's Cultural Policy* (SaskCulture, 2000). In short, an effective cultural policy should include a purpose, medium and long-term objectives, and a means of achieving those objectives. The purpose should address the long-term goals for the sector within the broader context of the social objectives of the province. Objectives should be realistic and should contain benchmarks through which it is possible to measure and evaluate both economic and social progress. The ability to measure outcomes involves collecting, using, and interpreting cultural statistics. Other noteworthy features identified by SaskCulture are that policy should be inclusive of different social groups, anticipate the province's changing demography, and focus on further promoting niches already present within the province (SaskCulture, 2000).

As is evident from Figure 1 in section 2 of this paper, and from the subsequent discussions, the funding flows in the cultural sector and the relationships between funders and among stakeholders are complex and obscure. To the extent that this reflects the *de facto* "cultural policy" in the province, a re-evaluation of how the Saskatchewan public may be best served is called for. The conclusions of this paper presented below are intended to provide a broad framework within which specific policy and programs may be fashioned.

6.1. Need for a Systematic and Realistic Assessment of the Size and Value of the Cultural Sector in Saskatchewan

The Culture Statistics Program of the Culture, Tourism and Centre for Education Statistics Division of Statistics Canada has developed the Canadian Framework for Culture Statistics (Statistics Canada, 2004a). This framework provides definitions and methodologies that are an important first step in assessing the size and value of the cultural sector to Canada and to each province. Subsequent research reports – *Economic Contribution of the Culture Sector in Canada* (Statistics Canada, 2004b) and *Economic Contribution of the Culture Sector in Canada—A Provincial Perspective* (Statistics Canada, 2004c) – provide an excellent basis for assessing the size and strength of the sector in each province. As pointed out in these reports, the contributions of the sector that are quantified are limited to the direct contributions of the sector without "multiplier effects" or indirect social or quality-of-life spillovers. Still, the methodologies and data outlined in these reports could form the basis for a comprehensive analysis of the size and value of the cultural sector, which could in turn be the point of departure for developing a cultural policy. Given the extent of public funding and support for the arts and culture sector, benefits to the public and to the provincial economy need to be articulated. But these "benefits" must be considered as inclusive of the direct, indirect, and spillover effects.

6.2. Predictable, Transparent, Coordinated Funding for the Industry, the Stakeholder Organizations and Individuals

Funding issues will continue to be important at various levels – funding for individuals, communities, arts and culture groups, as well as the budget allocations for the government department itself. The size of such

allocations in a provincial government budget will be a reflection of the importance of the sector to the people of Saskatchewan and to the provincial economy. An accurate and comprehensive assessment as described under the first conclusion above would facilitate the appropriate budget allocation.

Funding of this sector is complicated by its internal heterogeneity and by the fact that a realistic assessment of its value includes consideration of its public good nature with spillovers well beyond the primary stakeholders. Given the complex nature of the sector, it is especially important to provide predictable, transparent, and coordinated funding for the various stakeholders and groups. The relationships among stakeholders and their ability to perform their functions are intimately connected to their funding allocations. In addition to getting the distribution among the stakeholders “right,” reducing uncertainty and funding instability would be desirable.

The reliance on lottery proceeds would seem to be a confounding factor in providing funding for the sector. Some stakeholders rely on the lotteries as a primary source of funding, while others are more dependent on allocations from the GRE. The Saskatchewan government, through its control over the lottery license fee and the GRE, has regularly made changes to the relative proportion of funds available to the sector from these two sources, thus benefiting stakeholders disproportionately. The problem is exacerbated by the fact that, as the distribution of funds changes, it has been necessary to modify the mandates of agencies responsible for allocating funds further down in the sector. The net result of the uncertainty created by this process is that all organizations within the sector are severely restricted in their ability to introduce new initiatives or carry out any long-term planning. As well, the distribution of provincial funding can have an indirect impact on the allocation of federal funding. Many federal programs require matching provincial contributions for specific initiatives before committing their own resources to that initiative.

Some of the funding to individuals and groups must by definition be accomplished “at arm’s-length” through a professional adjudication process. Existing agencies like SaskCulture and the Arts Board seem well-positioned, with well-established reputations to perform these functions. To be effective, they require appropriate resources and permanent mandates along with long-term commitments.

6.3. Human Resource Development

The self-employment nature of many people working in the arts and culture industry generates some special requirements for the development of this sector in the province. Working conditions, pensions and benefits, and education and training are all aspects of human resource development. A number of programs are in place and more are proposed and being developed. For example, the Status of the Artist legislation, when enacted, will provide artists with tax incentives, health and pension benefits, access to business and marketing information and training, and several other tangible benefits. Providing a good working environment for individuals is essential to retention and attraction of artists to the province, as well as to improving their productivity.

The province’s universities have been and continue to be the backbone of training and education for the arts and culture in Saskatchewan. In addition, they have played a major role in creating a general awareness and appreciation of arts and culture. Indeed, it may be argued that the universities were of core importance to the development of the sector through direct participation, as well as instruction. Their ability to continue in this supportive and primary capacity is key to the future development of a thriving arts and culture sector in the province. In turn, a vibrant arts and culture community is vital to the universities in recruiting from the “creative class.”

In addition to training and education opportunities for those involved in “producing” arts and culture in the province, “consumers” of arts and culture will also benefit from education about the sector. The literature suggests that educating people about their own cultural traditions and the value of arts and culture to a community is a precursor to establishing market opportunities (Walker et al., 2003). Creating a broader awareness about the characteristics, accomplishments, and needs of the sector can highlight the relationship between cultural activity and economic growth, which will aid in effective policy development.

6.4. Relationships among Stakeholders and Levels of Government

Cooperation, coordination, and the creation of clearly defined roles are required not only for the purposes of allocating and receiving funding but also to avoid duplication, capture synergies, increase productivity, and realize efficiencies. Such improved relationships and networking would be an asset not only to stakeholders, funders, and interest groups within the province, but also at municipal, provincial, and federal levels. The sometimes conflicting demands and nature of stakeholders in the arts and culture sector present a strong set of challenges for policy makers. These challenges are emerging as a central theme in the literature (Bayliss, 2004; Tallon et al., 2006; Mommas, 2001). Therefore, it is important to be aware of the ideas and concerns of all stakeholders in order to anticipate potential conflicts so that policies can be developed that do not pit organizations or individuals against each other. Clear statements of long- and short-term objectives, clearly defined mandates, coordinated efforts, and improved communication and cooperation will promote the development of the arts and culture sector in the province for the benefit of stakeholders as well as the public.

In addition, relationships among and between artists, cultural organizations, and the business community must be fostered. These relationships can be facilitated by providing ample networking opportunities and venues, and in some cases by using intermediaries to find common ground where interests can diverge. Increased connectivity will result in market opportunities for artists and cultural organizations, enhanced creativity in the business environment (which is attractive to creative workers), and a greater exchange of ideas among all stakeholders in the sector.

7. CONCLUSION

The wealth of able and active community and cultural sector organizations, as well as universities, in the province forms a solid foundation for the future development of a thriving cultural sector. The arm’s-length stance of the provincial Department of Culture, Youth and Recreation in the sector may be warranted in terms of the details of public funding. However, if the government department is only an administrator of grants, responding to crises or lobbying efforts, rather than operating within an explicit cultural policy framework, real opportunities may be lost. The cultural sector or “creative class” can be a source of economic development, both through increasing the quality of life in our communities and through increasing productivity and economic growth. To this end, the creation of a clear, stable cultural policy is required in Saskatchewan, which will acknowledge the value of and advance the placement of the arts and culture sector to primary importance in North America and around the world.

ENDNOTES

1. Note: The newly elected provincial government has recently changed the name of this department to the Ministry of Tourism, Parks, Culture, and Sport.
2. The Cultural Policy Secretariat was established in 1979 by the government to follow through on Premier Allan Blakeney's promise that a cultural policy for the province would be produced within a year. The Secretariat sought and received input from a broad range of stakeholders and citizens.
3. PCOs are organizations that have a mandate from the provincial government to serve as central resources within a specific cultural discipline. A more detailed description of PCOs is presented in section 2.1.
4. The Indigenous Pathway Initiative consists of the Contemporary Arts Grant Program and the Traditional Arts Grant.
5. SCCO was an umbrella organization that was the original Trustee for the Culture Section of the Saskatchewan Trust Fund for Sport, Culture and Recreation.
6. This table format and some of its content is adapted from the Saskatchewan Arts Board (1997).
7. Grants for professional arts organizations and institutions.
8. Note that for several years "culture" was part of the Department of Municipal Affairs and Housing.

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