The Canadian creative/cultural sector and the digital shift: cultural citizenship, from cultural sovereignty to consumer sovereignty

Key research question: how to successfully navigate the digital shift in the Canadian creative/cultural sector, with a focus on adoption and diffusion of digital techniques and practices (Theme 3).

Charles H. Davis, Ph.D.
Faculty of Communication & Design, Ryerson University
c5davis@ryerson.ca
revised 12 May 2019
Why the creative/cultural sector?

• **Economic significance:** In 2016, the direct economic impact of Canada’s culture industries was $61.7 billion, or 3.3% of the country’s GDP. This is much larger than that of agriculture, forestry, fishing and hunting ($29 billion); accommodation and food services ($38 billion); utilities ($43 billion); or sports ($6.1 billion).

• **Technological significance:** In North America the media industry is the most highly digitized industry after the IT industry itself (McKinsey, 2015).

• **Political and social significance:** Cultural industries are devoted to meaning-making, and their products are ubiquitous. The communication and culture ecosystem is a producer of cultural citizenship, a key factor in social and national cohesion, and a critically important enabler of democratic practices.
WHAT IF THE STAKES AROUND ‘DIGITAL OPPORTUNITIES’ IN THE CULTURAL/CREATIVE SECTOR ARE SIGNIFICANTLY NON - ECONOMIC?

• “the Canadian broadcasting system, operating primarily in the English and French languages and comprising public, private and community elements, makes use of radio frequencies that are public property and provides, through its programming, a public service essential to the maintenance and enhancement of national identity and cultural sovereignty…”

• the Canadian broadcasting system should serve to "safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada" by providing programming that reflects Canadian opinions, displays Canadian talent, and serves "the needs and interests, and reflect(s) the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society."

Broadcasting Act, 1991
WHAT IF THE DOMESTIC BROADCASTING SYSTEM IS DECREASINGLY SUITABLE AS THE PRINCIPAL INSTRUMENT OF CULTURAL POLICY?

Broadcasting and telecommunications revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Telecom</th>
<th>Broadcasting</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>62.8</td>
<td>44.8</td>
<td>18.0</td>
</tr>
<tr>
<td>2014</td>
<td>64.1</td>
<td>45.9</td>
<td>18.2</td>
</tr>
<tr>
<td>2015</td>
<td>65.8</td>
<td>47.8</td>
<td>18.0</td>
</tr>
<tr>
<td>2016</td>
<td>66.6</td>
<td>48.7</td>
<td>17.9</td>
</tr>
<tr>
<td>2017</td>
<td>67.6</td>
<td>50.3</td>
<td>17.3</td>
</tr>
</tbody>
</table>

CRTC, Communications Monitoring Report, 2018
CBC can’t beat Netflix’s ‘imperialism’ with subsidized Cancon nobody watches

CBC president compares Netflix influence to colonialism

Columnist says that while Netflix should pay tax, it should not have to pay Canadian film and TV production fund.

What a dumb thing for an executive to say. Maybe she’s just money for her to compete with the "evil colonizers". The shows on Netflix they wouldn't subscribe.

It looks like CBC has $1.1 billion / year in funding from tax. That represents 66% of CBC’s overall funding. If CBC was years ago.

So why on earth do we keep pouring our taxes into the CBC? Pay enough for it to be profitable? I wonder how many people subscribe only service like Netflix?
WHAT IF TECHNO-NATIONALISM HAS NO STRONGER CLAIM THAN CULTURAL NATIONALISM?

market caps – platform firms and telcos - $ billion – 29 April 2019
WHAT IF CANADIAN CONTENT WERE AN ASSET RATHER THAN A LIABILITY?

• WHAT IF:
  • Impose GST/HST on digital transactions according to location of consumption, not according to location of supplier?
  • When domestic or transnational distributors editorially or algorithmically curate content, treat these entities as broadcasters or publishers and hold them accountable for harmful content as well as for unfair business practices?
  • Remove cultural policy obligations from domestic private broadcasters?
  • Make public support for content production platform-agnostic?
  • Replenish production funds from general revenue, not from levies on domestic content distributors, and include performance and recoupment requirements when allocating these funds to creators?
  • Task public service media (PSM) with core cultural policy objectives and support these media properly (i.e. no requirement to earn advertising revenues)?
  • Offer service level agreements to publishers and broadcasters (domestic and transnational) in support of specific cultural policy objectives as necessary?
  • Provide vigorous arm’s-length public support for the domestic news industry?
  • Fast-track revision of fundamental legislation (Broadcasting Act, Telecommunications Act, Copyright Act)?