

Face of the Future

A Study of Human Resource Issues
in Canada's Cultural Sector

Highlights of the Literature Review

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INTRODUCTION

GOALS AND OBJECTIVES OF THE LITERATURE REVIEW

The goal of this first stage of research is to identify and determine the relative importance of all existing sources of information (ex.: statistics, case studies, relevant articles, research reports...) on the nature of work and human resources development in the cultural sector in Canada. The literature review will thus make it possible to consult a large number of sources in order to gain perspective on the overarching issues and trends in the sector as a whole. This step will also provide direction for the development of questions and themes to be explored in the following stage (interviews with key stakeholders). The reality of the sector as it appears in this report corresponds to what is found in existing writing and documentation. The collection of primary data (following step) will be necessary in order to complete or verify this existing information.

METHODOLOGY USED IN THIS PHASE

The literature review looked at information related not only to creative activity, but also to management and technical jobs within the following six sub-sectors:

- 1- audiovisual and performing arts;
- 2- heritage;
- 3- music and sound recording;
- 4- visual arts and crafts;
- 5- writing and publishing;
- 6- new media.

Numerous questions were considered in this stage, including employment status, access to training, recruitment, the promotion of loyalty in the workforce, the demand for new skills, education, levels of pay, working conditions, benefits, unionization, youth, first nations, the environment, women, immigrants, etc. The impact of environmental factors (such as new technologies, government policies, globalization and demographics) on the cultural sector was also studied.

FINDINGS

The collection of data in this phase enabled us to choose and consult close to 400 sources out of a total of some 1,200 documents gathered. In order to choose these 400 documents, all sources were sorted according to their relevance to the issues concerning this study. It should be noted that information will continue to come in during later phases; it will be processed and taken into account in Phase 3 (processing and analysis).

Each document chosen was studied and a summary of the document was produced, with a section showing the primary findings and additional avenues of research. Next, all of these summaries were compiled for each sub-sector being studied (see section entitled "Summary of Literature Review" in this report). Lastly, all of the findings are presented in the following section, based on the summaries that were produced.

FINDINGS

1. GENERAL FINDINGS FROM THE CULTURAL SECTOR

- In most of the sub-sectors analyzed, the definition of the areas of activity included in each sub-sector is often unclear, or at the very least, open to different interpretations by people within the milieu.
- It may be more desirable and productive to adopt a more broad-based approach to development of the cultural sector as a whole, as opposed to one limited strictly to development of its "human resources".
- It seems desirable to conduct a more detailed analysis of the ongoing relevance of federal Status of the Artist legislation, particularly "collective bargaining agreements" between Canadian artists and producers under the Act.
- This phase of the project has confirmed the need to conduct a comprehensive, nation-wide study, both qualitative and quantitative, of the cultural sector, much like the one we are completing.
- There seems to be general agreement on the need for a complete study of education/learning needs, with a focus on both traditional and new skills.
- It would be important to raise questions concerning the inclusion of visual arts and crafts within the new media sub-sector.
- There is a need for a more in-depth study of certain groups of artists marginalized due to reasons of race, language, gender or geography.
- It would still be relevant to conduct an analysis of the disparities in income between male and female cultural workers.
- The protection of intellectual property is a strategic issue of great importance across all sub-sectors.
- The total population of Canada is slightly over 30 million people. This limited market results in chronic hardship for cultural industries, artists and cultural workers trying to survive in the face of foreign competitors who have an overwhelming capacity for promotion, profit and cultural domination. The entire cultural sector is looking for more government support at the national, provincial and regional levels, and is increasingly turning to the private sector for support.
- Technological development has a dual impact on the cultural sector: first of all, new technology plays an ever-increasing role in the production of cultural product itself, whether in the area of film, music or new media; secondly, its role in the processes of information transfer and management is becoming increasingly important.
- In Canada as a whole, the cultural sector directly contributes some 15 billion dollars in revenue, not counting any indirect contribution. Very little investment is lost abroad – only 11% of goods and services purchased for cultural production are bought outside the country.
 - Cultural activities benefit not only those working directly in the sector, but also contribute to local, regional and national prosperity. The multiplier for domestic production expenditures is approximately 1.6 for culture – a very major impact, as compared to the overall average of 1.3.
 - As a labour-intensive industry, a high percentage of the money spent (60%) in the cultural sector goes to salaries and wages. The growth of cultural industries contributes greatly to job creation in Canada.

- _ The cultural workforce in Canada is highly-educated, resourceful and innovative.
- _ Every \$100 of activity in the cultural sector produces an additional \$36 of added value in other sectors of the economy (suppliers).
- _ For every 100 jobs in the cultural sector, 44 additional jobs are generated in other sectors of the economy (suppliers).
- _ For every \$100 spent in cultural sector activities, \$13 in government revenue and \$8 in incidental taxation are obtained, for a total of \$21.

2. AUDIOVISUAL AND LIVE PERFORMING ARTS

2.1 General Findings

- The audiovisual and live performing arts sub-sector represents a marriage of two very different segments of the cultural sector. On the one hand, the performing arts in Canada are generally impoverished, underfunded non-profit organizations that are troubled by deficits and challenged to adapt to change. Next to visual artists and craftspersons, performing artists receive the lowest annual salaries of all cultural workers. On the other hand, the audiovisual segment is generally profitable, growing rapidly, adapting to and incorporating the new technologies, taking full advantage of exporting and global trends, and attracting a great deal of government funding and attention.
- While film and television production and broadcasting companies appear to have a bright future, performing arts companies in Canada are clearly in a state of transition and many issues need to be addressed effectively to guarantee them a certain future.
- There is a certain degree of mobility between the audiovisual industries and the performing arts in terms of human resources. The fact that the training of personnel for both segments is the same or similar and that the workforce overlaps would mitigate in favour of maintaining the current union of the audio-visual with the live performing arts, at least where human resources policies and planning are concerned.

2.2 Audiovisual

2.2.1 Profile of the Industry

- Canada's production sector has experienced stable economic activity over the past several years, and its positive economic impact benefiting most regions in Canada through a balance of foreign location and certified Canadian productions.
- Although the absolute number of film and video production companies in Canada remains high, many of them are small operators, independent producers, and project-specific companies. A small group of well-financed and diversified production companies has developed in recent years. Canada's post-production industry is very healthy: in 1997-98, Canada was home to 227 post-production companies, the majority of which are Canadian-controlled.
- Between 1990 and 1998, the total revenue from the production sector more than doubled, with exports showing the greatest growth from 12% to 30% of the total. During the same period, Canada's post-production sector increased by 125%.
- In the 1999-2000 fiscal year, the Canadian film and television production industry generated \$4.4 billion, an increase of 12% over 1998-1999.

- Ontario is the country's largest production centre, with 33% of the national volume (\$1.5 billion), followed by Quebec with \$1.4 billion (31%), British Columbia with \$1.1 billion, the Atlantic provinces with \$167 million and the Prairies with \$300 million.
- Revenues are concentrated among a very small group of well-financed and diversified production companies, which in recent years have benefited greatly from combined policy measures introduced by government for the film sector. In 1997, the top four production companies earned 42% of the revenues and the top ten producers accounted for 98% of the growth in production revenues. In 1996-97, half the total revenues were earned by the top four companies.
- Despite significant growth in film and television production, most of the revenue from distribution in Canada is generated by foreign productions, primarily American. Box office receipts for Canadian films represent only 2 to 3% of total box office receipts. Quebec productions are faring significantly better, with 9% of that province's box office receipts.
- Foreign-controlled companies increased their share of the home video and video sales market in Canada from 29% in 1991-92 to 45% by 1997-98.

2.2.2 General Trends

- Over the past few years, the media sector globally and in Canada has experienced a massive consolidation through large-scale mergers that have produced powerful, vertically-integrated media conglomerates. This trend threatens Canada's independent producers seeking to gain access to distribution networks and domestic markets. The future relaxation of Canada's foreign ownership rules in a liberalized trade environment could open up domestic markets to takeovers by foreign companies and put serious pressure on Canadian content policies. The trend towards foreign investment and trans-national commercial alliances can be expected to accelerate as the media industries globalize.
- Some believe the trend towards large-scale media mergers may be reversing, especially as many media giants are becoming cautious with sudden economic downturns and unpredictable global events like the terrorist attacks in the U.S.
- New media distribution systems like the Internet and new hardware technologies in broadcasting test the limits of copyright law in Canada. Policy-makers need to determine the appropriate balance between accommodating technological change and ensuring that rightsholders are fairly compensated.
- The regulatory framework for the Canadian broadcasting industry and the growing demand for Canadian drama, variety and musical programs should ensure an ongoing market for domestic television production.
- The Canadian and global media sector is experiencing a period of uncertainty, due an uncertain world political and economic environment, which is expected to continue in the short term. The resulting impact on economic indicators, particularly advertising spending, has had negative consequences for the Canadian production sector, despite its overall growth.
- The new technologies continue to grow and hold tremendous commercial promise. The emergence of interactive television, in particular, will open up new forms of revenue streams, including e-commerce transactions. It is important that producers are compensated for the commercial use of their intellectual property, whether via conventional outlets or on the Internet.

2.2.3 Human Resources

- The film and television production sector is a major employer in this country, supporting 51,700 direct jobs and 82,700 indirect jobs, for a total of 134,400 Canadian jobs in 2000-01. Each direct job created by the production industry results in the creation of an additional 1.6 indirect jobs.
- Overall, the production industry made an important contribution to direct and indirect jobs in all regions of Canada.
- Between 1996 and 2000, employment in the motion picture and video industries grew at an average annual rate of 8.2%, six times faster growth than the radio and television broadcasting industry and over three times faster than all industries in Canada.
- Although the amount of money invested in production has increased greatly, income for artists and creators appears to have stagnated.
- A high percentage of those working in this industry are employed on a more or less seasonal basis (based on the production calendar), as opposed to fulltime. Many workers hold down more than one job and a high percentage of them are self-employed. There is considerable labour force mobility between the various film and video sectors.
- Demand for skilled workers in the Canadian production sector outpaces the supply of labour due, in part, to recruitment by foreign producers shooting in Canada who can afford to offer higher wages.

2.2.4 Training

- As workers are not always able to count on stable sources of income, necessary training is not always feasible.
- A review of the training in the film and video industry in four provinces found that effective training programs for new entrants are key building blocks, and ongoing professional development for current industry practitioners is just as critical.
- Entry-level training is key to the recruitment, selection and continuing growth of a skilled workforce. Its emphasis should be « hands-on » and some form of bursary support or individual financial incentive is critical.
- Industry representatives need to be heavily involved in the initiation, planning and delivery of training programs because they are in the best position to know the mix of skills required for current and future productions.
- Training must match future production requirements, so planning is the key to ensuring the growth of the industry as a whole and contextualized training.
- The benefit of partnerships, particularly with post-secondary institutions, are many, providing that initiatives are industry-driven and based on industry-determined standards.

2.2.5 Avenues for Analysis

- Study the relationships and the distinctions between human resource issues in the audiovisual industries and the performing arts, and determine creative ways that disparities between the sector can be reduced.
- Validate the extent of mobility of human resources between the audiovisual industries and the performing arts and the extent to which training programs may benefit both segments.
- Investigate how Canadian film, television and broadcasting industries can become competitive and commercially viable both domestically and internationally in the current global environment.

2.3 Performing Arts

2.3.1 Profile of the Sub-sector

- In 1999, Canada had 625 professional performing arts groups which include theatre, opera, symphony and dance.
- No statistics were found which reflected the size of the total workforce in the live performing arts.
- The proportion of performing artists who work part-time or less than a full year was significantly higher than the overall workforce: 86% of musicians and singers; 88% of actors; and 85% of dancers--compared with 50% for all earners in Canada.
- The total number of audience members who attended performances by Canadian performing arts companies in 1996-97 was 13,319,791, with 66.6% of these attending home performances; 28.4% attending tour performances; and 25.6% attending youth performances.
- Unearned revenues in the form of grants from government agencies and arts councils and donations from corporations and individuals constitute 52% of total revenues for professional performing arts organizations.
- At the end of fiscal 1996-97 there was an overall accumulated deficit for all performing arts companies of \$27 million. Almost half (48%) of this amount was attributable to 17 large orchestras, although on a smaller scale, a similar situation occurred in the other disciplines. Overall, 85% of the entire cumulative deficit was attributable to the 82 largest companies.

2.3.2 General Trends

- In the 1980s, there was a considerable broadening of Canadian audiences which was expected to continue in the 1990s. However, overall, the live performing arts experienced an actual decline in attendance of 15% between 1992-93 and 1996-97. Possible explanations include the increase in the cost of admission, the recent downturn in the economy, and competition from other entertainment media such as movies, radio and television.
- Total spending by governments on the performing arts has declined in recent years: in 1997-98 it was \$292 million, significantly below the funding level of 1992-93 (\$328 million) although above levels of a decade ago. Government funding for culture peaked in 1992-93, but in the 5 years between 1993-94 and 1997-98 overall funding dropped by 8%.
- The downturn in the economy in the late 90s and after September 11th has meant less private monies available from corporations, foundations and individuals. In addition, increased competition for charitable and sponsorship support across the voluntary sector has drawn substantial sums away from the performing arts.

- Growing ethno-racial and cultural diversity in communities challenge cultural institutions originally established to serve a more specific (largely European) set of cultural traditions to maintain existing audiences and to develop new ones.
- New technologies are changing the pace of communications and information exchange, but many individuals who want to keep pace with changes have little time and/or resources to do so. Performing artists and support workers who embrace technology, are experiencing more efficient communications and more effective production, marketing, delivery and management.

2.3.3 Human Resources

- On average, workers in the live performing arts are highly educated relative to the total population, but having post-secondary education or a university degree makes little or no difference to their income levels.
- Although salaries and contract wages constituted about 55% of the average total expenditures of all performing arts companies in Canada, individual salaries—particularly of creative personnel—were deplorably low. Dancers were among the 30 lowest paying occupations in Canada in 1995, earning an average annual salary of \$11,900 or 45% of the average income of all earners. Actors earned an average of \$17,000 per year, or 64% of the national average for all earners.
- Most organizations offer no benefits to employees apart from the required statutory and union/collective contributions.
- In 1997-1998, the 62 subsidized theatre companies in Quebec employed 3,761 people, most of whom were self-employed, with an average annual salary of \$6,333 for an average of 9 weeks of work. During that same period, the 18 subsidized dance companies employed 418 people, both permanent and self-employed, with an average salary of \$17,280 for an average of 20 weeks of work.
- For both theatre and dance, a high percentage of jobs rely upon assistance programs offered by the various levels of government.
- One study (Hamilton, 2001), identified the top five human resource issues (in descending order of importance) as follows: insufficient pay to attract skilled employees; insufficient pay for work currently done; understaffing; employee turnover; and excessive workload. It also noted a scarcity of skilled administrative employees, insufficient production budgets to attract highly qualified artists, and insufficient educational or training opportunities.

2.3.4 Training

- The primary problems with accessing training are related to the lack of time and the lack of financial resources.
- The type of training most often requested is that related to artistic practice.
- The increasingly complex economic reality of freelance artists and self-employed workers had led to the need for greater training in business skills, general administration, job search and self-promotion.
- New technologies are having an impact on both the production and presentation of performances, and the marketing/promotion of individual artists, requiring the development of new skills in these areas.
- Studies of the professional development needs of arts managers reveal:
 1. An increasingly complex environment requiring more sophisticated knowledge and capabilities among arts managers.

2. A weak and underdeveloped training/learning infrastructure with limited quality offerings.
3. The strong preference for on-the-job learning and mentoring and an integration of learning with work.
4. A weak research/knowledge base to support decision-making, both institutional and sectoral.
5. The need to see "training" in broader context of more integrated human resource development, both institutional and sectoral.

2.3.5 Avenues for Analysis

- Investigate the success of government and private initiatives, including arts stabilization programs, in ameliorating conditions in the performing arts and improving the economic reality of its human resources.
- Investigate ways that the performing arts can use new marketing techniques, distribution and delivery media, and other strategies to help compete with the huge choice of other entertainment options available to audiences.
- Investigate ways that the new technologies might assist with the creation, production, dissemination and management in the performing arts.

3. HERITAGE

3.1 Definition

The heritage sub-sector includes all activities related to libraries, archives depositories and document management centres, as well as museums and exhibit centres.

3.2 General Findings

- In Canada, the heritage sub-sector is comprised of 2,300 institutions.
- This sub-sector is undoubtedly organized better than any other cultural sub-sector.
- The heritage sub-sector is the second greatest benefactor of federal funding (behind broadcasting).
- The ongoing reduction in government funding results in an increasingly entrepreneurial approach to management on the part of heritage institutions, which have taken proactive means to become more attractive to their various client groups, broaden their funding base, attract more support from the private sector (sponsorships, donations) and develop commercial initiatives (gift shops, etc.).
- More sustained exploitation of the tourism industry is another way in which the requirements of the sub-sector's new reality are gradually being met.
- Implementation of a human resource strategy and action plan over the last 5 years has allowed the heritage sub-sector to develop a complete competencies profile (the only sub-sector with a profile of this type), an accreditation-like program, detailed data on remuneration and a profile of volunteers working in heritage institutions.
- In 1998, heritage institutions employed close to 70,000 workers. It is important to note, however, that only 15% of these workers were full-time employees.
- Employment and career development trends indicate a very mobile workforce.
- Workers in the heritage sub-sector are generally paid better than their counterparts in the other cultural sub-sectors.
- The heritage sub-sector employs some 25,000 librarians, archivists, curators and museology or library technicians in public and school libraries, archives depositories, museums, historical sites and art galleries in Canada.
- A high percentage of workers (up to 65%) are volunteers.
- The sub-sector's workforce is highly educated (generally a master's degree for librarians, archivists, curators and restorers, and a college diploma for technicians).
- The heritage sector's workforce has a high percentage of women.
- Given the high level of education required for entry into the profession, the heritage sector generally tends to have a lower percentage of young people working in it than other parts of the cultural sector.
- In terms of workforce adjustment, the heritage sub-sector faces five major challenges:
 1. Fewer full-time positions and more part-time or contract positions.
 2. Reduced mobility between jobs for existing positions and obstacles to entry into the profession for young people arriving in the workforce.
 3. Huge impact of new technologies in data management and electronic communications.
 4. Greater efforts to reach partnership and sponsorship agreements with private-sector organisations, with new management and communications skills required (marketing, promotion, relationships within the business community).
 5. With constantly decreasing resources in the sector, the demand for volunteers will continue to rise, yet the pool of volunteers in Canada is shrinking.

- Future workers will need skills and aptitudes to meet the new challenges of the sub-sector, such as:
 - greater self-sufficiency;
 - ability to promote the sector as more meaningful and relevant to a broader constituency;
 - strategic leadership;
 - fund management (one of the greatest challenges facing the sub-sector);
 - bilingual, multilingual, and cross-cultural skills .
- Priorities with regard to training are in the areas of information technology, project management and management in general, as well as customer service.
- The predominantly institutional nature of the sub-sector gives it a clear advantage with regard to working conditions for cultural workers and employees in the public and semipublic sectors.
- More recently, the trend towards municipal mergers in Quebec (following Toronto's lead) has given rise to a new set of questions from the heritage milieu about the political directions of these new cities and fears that the end result may be fewer organizations and a reduced workforce.
- Also, as is the case everywhere in the public service, most heritage institutions are reaching a succession crisis in which an entire generation of employees will reach retirement age with no internal successors available to take their place.
- Outsourcing is increasingly being looked upon as a way to respond to the demand for specialized competencies and financial restraint. This is often perceived by staff members, however, as a threat to their career development.
- In a more fundamental and structural way, the heritage sub-sector is challenged by technological developments. The convergence of technologies and their applications alters practices and exerts pressure on the very definition of the professions of the heritage sub-sector.
- Despite the high level of education amongst most heritage workers, there is still a need for both basic and specialized training in many areas, such as the mastery of disciplines and different fields of knowledge, specialization based on activities or client groups, mastery of languages, support for the advancement of science, support for access to different areas of knowledge, the promotion of cultural activities and the development of strategic leadership.

3.3 Libraries and Information Management

3.3.1 General

- The need to manage information, documents and services will always exist, but with technological changes comes the requirement for new systems, processes and procedures. There are two major development streams:
 1. Changes in the world of information:
 - attention increasingly paid to informational content related to locating, organizing, validating and disseminating, whereas interest is currently centred on how the content is presented;
 - knowledge increasingly varied in form and distribution method;
 - decompartmentalization of information sources and practices.
 2. Technological changes:
 - integration of technologies and the information highway;

- the development of intranets;
 - the multiplicity of media on which information is recorded and the complementariness of these media;
 - the development of standardization.
- As a result, training is becoming increasingly important.
 - The role of the information professional will increasingly be that of an information distributor.

3.3.2 Human Resources

- Close to 63% of French-speaking library personnel have more than 10 years of experience working in a library.
- Quebec may face a staffing shortage within 5 years.
- According to a 2000 survey on job placement of ÉBSI graduates (Class of 2000), one quarter of them will find work outside the library sphere.
- It is predicted that most future graduates will be self-employed workers, requiring skills in generating and supporting numerous clients, both individual and business.
- Information professionals will, of course, continue to work in libraries and archival institutions. Their activity, however, will take place increasingly outside of this framework, and more directly with a product or service, requiring them to be more and more entrepreneurial.

3.3.3 Training needs

- There seems to be unanimity with regard to a growing need for management skills.
- Keeping pace with technological change is the primary incentive for participation in ongoing training activities.
- The focus in skill development has been to improve workers' abilities as: (1) intelligent users of information; (2) trainers or mentors; (3) information, documentation and organization managers; and (4) system designers.

3.4 Archives and Documentation Centres

We cannot overlook the president's address to participants at the 30th Annual Convention (May-June 2001) of the *Association des archivistes du Québec*:

- "Concerned because we are not alone (and are less and less alone) in being concerned with 'information management'.
- Concerned because our directors' needs and requirements are focussed more and more on the electronic realm, while our education may not provide us with sufficient preparation for these new realities.
- Concerned because the knowledge and skills we have at our disposal are starting to become progressively more obsolete.
- Concerned because we are not always ready to position ourselves among the information professions that are, slowly but surely, taking over the territory that we have considered ours for so long."
- Amongst archivists in Canada, there are a number of concerns being expressed about the current state of the profession, including the management of information, challenges in meeting demands of new technologies, obsolescence of knowledge and training, and a loss of influence on the information technology field to other professions.

3.4.1 General Trends

- The profession of archivist is still marked by the dichotomy between the archival tradition rooted in history and erudition, and practices that are more closely related to information sciences.
- The profession is facing increasingly complex realities. Functions vary a great deal, from the conservation of material and physical conservation, through preventive conservation and, when necessary, restoration of documents.
- Rapid and accelerating social changes have forced archives – as well as libraries, museums and all other stakeholders in heritage policy – to reconsider their role with regard to the public. The requirements of communications and promotions to the public are changing.

3.4.2 Globalization and New Technologies

- Trends in globalization and new technology threaten the orderly evolution of archival practice. Energies are increasingly being directed toward wide-scale distribution and on the consequent need to present information more accessibly and attractively while maintaining the scientific nature and rigour inherent in archival treatment.
- Throughout the world, archival institutions are on the threshold of the electronic age. We can therefore expect major transformations to take place in the near future, some of which may not presently be contemplated.
- Electronic transfer carries an inherent technological risk for archives, as “the advance of computerization can also lead to the unfortunate result that electronic documents are well conserved, but cannot be communicated, if they are in an obsolete form, for example.”

3.4.3 Training

- It appears that archivists must increasingly become familiar with relevant law.
- One of the greatest challenges appears to be the ability to develop new processes with regard to members of the public, such as the delivery of quality public service in the archives.
- Limon (1999-2000) favours open training for those professions that are natural partners for archivists, and shared responsibility for education.

3.5 Museums and Exhibition Centres

3.5.1 General Trends

– Museums and exhibition centres today face the following issues:

- Faced with radical and unpredictable changes as a result of local, national and global events and trends, the challenge is to achieve a critical mobilization of all human resources in the sub-sector for the benefit of both individuals and institutions.
- Technological development: Although approximately 25% of Canada's museums had a computer or other computerized equipment in 1999, the sub-sector recognizes the need for greater access to new technology and related training in order to ensure that it will be used effectively.
- Demographic and social change:
 - population concentrated around large urban centres, with a decrease in rural population.
 - relationship between aging of the population and the level of attendance at institutions
 - new client types and market segments.

- redefinition of the notions of heritage and collections.
- The difficulty faced by museums in offering competitive rates of pay represents a challenge for retention of workers with the desired skills.
- Although museums in Quebec have flourished in recent years, the Quebec museum sector is still trailing behind Ontario.
- Quebec municipalities are very hesitant to invest and the financial difficulties faced by small museums represent a major obstacle to the hiring of staff.
- There is currently a widespread fascination in Canada for museology, and new projects in this area are undertaken every day. Traditional definitions of museology are changing, and the terminology in use (economuseums, ecomuseums, interpretation centres, exhibition centres, theme museums ...) reflect the transformations being experienced. It also is evident that the public's interest in museums is growing, as shown by the constant increase in the number of visitors.
- Museums have become an important factor in social development.
- ARPIN (1997) identifies two new trends in the culture of museums:
 - A new awareness of the individual as the most important resource of museums.
 - The mission of museums has become more educational than ever.

3.5.2 Training

- In 1995, the museum sector adopted a training strategy based on the following elements:
 - Human resource planning and management.
 - Ongoing development and learning.
 - Recruitment and employment equity.
 - Retention and quality of life in the workplace.
 - Competencies profile.
- In Quebec, the *Société des musées québécois* has identified three areas on which training should be focussed:
 - Conservation standards
 - Governance of museum-related institutions, including the division of responsibility between Boards and management, the role of young workers in decision-making, and the strategic composition of Boards.
 - Development and marketing of lines of merchandise for museums and galleries.

3.6 Avenues of Analysis

- Evaluate the relevance and necessity of training programs which deal with:
 - Business management and other non-technical competencies
 - Career planning
 - New workers entering the workforce and workers in transition
 - Competencies development
- Study the effectiveness of provincial financial incentives for municipalities and school boards to hire librarians.
- Study the effectiveness of provincial incentives for training schools and the recruitment of new heritage workers.

- Study the most desirable and effective government involvement in the heritage sector, and what contributions can be reasonably expected in future from public and private funding sources.
- Investigate the challenges of cultural and demographic inclusivity in the heritage sub-sector.
- Identify opportunities provided by new technologies.
- Analyze the implications of the important role played by volunteers in the day-to-day operations of the sub-sector.

4. MUSIC AND SOUND RECORDING

4.1 Definition

This sub-sector includes all styles of music (folk, pop, jazz, rock, classical, ancient music, new music, country), as well as a wide variety of artists (symphonic musicians, composers, rock stars, record company executives...). The sub-sector also includes all who provide services to artists, including record and video producers, directors, agents, and publicists. Like many other sub-sectors in the cultural sector, Music and Sound Recording includes a broad range of disciplines that do not all operate within the same context, but which nevertheless are included in the same sub-sector grouping.

4.2 Profile of the Sub-sector

- In the past 40 years, the music industry has experienced phenomenal growth world-wide, so that it now surpasses even the film and book publishing industries in terms of influence and economic importance.
- This sub-sector is constantly forced to face and adapt to technological changes and new trends.
- It is estimated that the industry overall employs more than 42,344 full-time workers, either as musicians or service providers.
- A 1997 study (CAAMA) showed that most Canadian artists (67%) were directly signed to multinational labels. It is noted that 33% were signed to Canadian companies, half of this number in Quebec.
- In 1997, 90% of the 75 best-selling artists were residents of Canada.
- More than 250 Canadian companies produce 90% of the recordings by Canadian artists. The remaining 10% are produced by some 15 foreign companies.
- In 1998, there were 254 Canadian sound recording companies, including 91 in Ontario, 84 in Quebec, 40 in British Columbia, 28 in the Prairies and 11 in the Atlantic provinces.
- Independent labels control about 31% of the Quebec market, compared to 10% in the rest of Canada.
- Between 1990 and 1996, new titles by Canadians accounted for only 11 to 14% of the total new titles released in Canada each year.
- In Canada, 83% of Canadian titles are distributed by foreign distribution companies. In Quebec, however, the distribution of domestic recordings is controlled by Quebec distribution companies.
- In 1997, 47% of the best-selling titles in Canada were by new artists.
- In Canada in 1999, retail sales of sound recordings totalled \$1.313 billion. Canadian sound recording accounted for only 11% of this amount, or \$144.43 million.

- In constant dollars, from 1986-87 to 1995-96, the resources invested by the federal government decreased by 27%.
- In 2000, the Sound Recording Development Program (SRDP) was renewed for three years, with an additional budget of \$10 million. From 2001 to 2004, additional budgets of \$28 million and \$23 million have been provided to the SRDP and the Canadian Music Fund, respectively.

4.3 Foreign Control

- Canadian companies face strong competition from foreign companies. In 1995-96, for example, sound recordings by Canadian artists accounted for only 15% of the total sales of sound recordings in Canada.
- The industry is dominated by six multinationals that controlled between 80% and 90% of the Canadian market in 1993-94, with barely 16% of the market served by Canadian companies.
- Foreign companies achieve five times as much revenue, 18 times as much profit and 10 times as much value in long-term assets, as Canadian companies.

4.4 General Trends

- A growing demand for music production in a variety of media, particularly visual media including television, film, home videos, corporate or educational videos, background music providers.
- Greater diversity in types of music as the industry is comprised of increasingly varied styles and genres.
- Increased “professionalism” in music production, resulting in higher standards for presentation and communication as well as greater attention paid to marketing strategies.
- New technologies are revolutionizing the industry, radically altering relationships between artists, clients and the entire production chain.
- Miniaturization of musical production as new technologies make material requirements smaller and make it easier for independent production companies to emerge.
- With the lower costs made possible by new technologies, artists are becoming more independent and have greater control of both production and distribution of their work.
- Transformation of the process of artistic creation, appealing to all senses through the use of multimedia.
- Globalization of production.
- A downturn in the economic health of the industry with the growing tendency of consumers to burn their own CDs, less interest than predicted in on-line shopping, and reduced income from advertising.
- Reduction of the industry's infrastructure through attrition and a “brain drain” from Canada as Canadian studios lose their market share to American studios.
- A strong trend towards mergers between communications and entertainment companies.

4.5 Intellectual Property Rights

- The lack of adequate protection compromises the industry's economic viability at the most fundamental levels.
- The very popular practice of reproducing digital recordings at no cost has already led to a 7% reduction in sales in 2000 and 2001.

- In December 2001, amendments to the Copyright Act were introduced governing retransmissions by broadcast signals.
- There is a general consensus throughout the world that copyright laws need to be adapted to conform to the new requirements adopted during the UN International Conference on Intellectual Property Law (the WIPO treaties) held in Geneva in 1996, to adjust to the impact of new technologies.

4.6 New Technologies

- Contrary to the expectations of many artists and producers, the Internet has not been as successful a marketing tool as originally anticipated.
- Nevertheless, a number of studies indicate that by 2005, 25% of the entire industry will be on-line and will generate \$5 billion annually (Ipsos-Reid, 2002).

4.7 Human Resources

- It is first and foremost due to a passion for music that people want to work in this field (CHRC 1996). This basic premise probably explains why a large number of artists persist in a field in which it is so difficult to establish and sustain oneself.

4.7.1 Pay and Patterns of Work

- The majority of artists in this sub-sector are self-employed, highly motivated, extremely mobile and, generally, well educated.
- In 1998, Canadian artists and producers produced \$337 million in revenue.
- In 1990, only 2% of artists in this industry were earning their living through their art.
- Two years after completing university, graduates in music earn an average of 38% less than all university graduates (HRDC 2000).
- 31% earn their living full-time in their profession, compared to 74% for the population as a whole; 53.8% work part-time in their profession (compared to 15.8% overall).
- The average annual salary in 1997-98 was \$8,385 for an average of 14 weeks of work annually (CALQ, 2000).
- While providing real support, employment assistance measures seem to be one of the causes of a high turnover rate in employees in the music industry, which makes it difficult for organizations to move ahead in any real way.
- Singers must wait for sales of recordings or fees from broadcasts before they enjoy a reasonable level of income.
- Cultural workers in the industry are affected by the financial hardships of the organizations that hire them. They often eke out a living through government employment programs, employment insurance, social assistance and occasional small contracts in order to pursue their profession.

4.7.2 Training

- A recent study carried out in Manitoba (SEQUUS, 2002) which seem to be applicable to all of Canada, identified the following training needs for artists:
 - Career management.
 - Business management.
 - Knowledge of the industry and its primary stakeholders.

- Ability to access assistance, financial support, and other resources.
- The same study identified the following training needs for producers and service providers:
 - Business management.
 - Knowledge of the industry's formal and informal structure.
 - Ability to keep up to date with major trends and their impacts.
 - Ability to draw up a business plan.
 - Ability to identify critical factors for success and apply them to their situation.
- Obstacles to training are identified as a lack of resources and a lack of time (Boucher Musilab, 2000).
- Some observers (Bowman, 2000; Théberge, 2000) believe that the curriculum in training programs needs to be more diverse to include the study of popular music and the full range of musicians' interests.

4.8 Avenues for Analysis

- Analyze the need to achieve better positioning (marketing strategy).
- Analyze the effectiveness of government support for pre-production, launches and promotion, and tax credits.
- Investigate strategies for the development of larger markets and greater public demand for Canadian and francophone music, and for the fostering of ongoing audience loyalty.
- Study ways to build awareness of careers in music and sound recording among primary, secondary and college level students.
- Study ways to discover, develop and promote new Canadian artists.
- Investigate how the music industry can collaborate with related disciplines like dance, theatre, opera, and film, develop common visions strategies and action plans.

5. VISUAL ARTS AND CRAFTS

5.1 General Findings

- The visual arts and crafts sub-sector, which is largely comprised of independent creators, seems to be one of the most difficult sub-sectors to quantify and qualify. Workers in the industry are highly educated, but face numerous challenges, including poverty-level incomes, adaptation to new technologies, promotion of their work, protection of intellectual property and the low level of support from both the public and private sectors.
- In 1999, the Quebec crafts sector adopted a strategic plan for the economic development of crafts-related professions, which helped mobilize crafts workers and led to broad-based action to further development of the industry.
- Over the last few years, the Quebec crafts network has established galleries similar to those for visual arts, and craftspeople often find themselves at shows of original objects at which visual artists from English Canada, the United States and Europe are also participating.
- In terms of globalization, of increasing concern to the industry are international trade barriers, the undervaluation of Canadian art in the international market, and the relative lack of Canadian export marketing initiatives.

5.2 Definition

- Although grouped together in the same sub-sector, visual artists and craftspersons operate in structures with distinct professional associations, characterized by major differences in terms of human resources. It is appropriate, therefore, to treat them separately for the purposes of this report.
- It would be important to define the sub-sector for the future: should two distinct sub-sectors be established for visual arts and for crafts? Should artistic design also be included?
- It must be emphasized that analysis of the data surveyed must be made with caution because methodological differences and variable definitions of which workers are included in "visual arts" and "crafts" make it difficult to compare statistics and profile of the industries across various reports and studies.

5.3 Crafts

5.3.1 Human Resources

- _ In 1996, craftspeople represented 16% of cultural workers in Canada.
- _ From 1991 to 1996, there was a decrease in the number of people working in crafts, from 21,860 to 18,055; it appears to be the only sub-sector that saw a decline in the number of workers over this period.
- _ From 1990 to 1995, Canadian craftspeople saw their average annual income reduced by some 21%, from \$13,480 to \$10,606 annually.
- _ In 1995, craftspeople worked in one of the 25 most poorly paid occupations in Canada.
- _ The majority of craftspeople are self-employed and work part-time in their artistic field. In 1999, only 37% of craftspeople worked full-time at their art.
- _ Artists are working more and more at home in order to reduce costs.
- _ In the crafts sub-sector, women earn an average annual income that is only 60% of that of their male counterparts.
- _ In 1997, 61% of craftspeople had a post-secondary degree.

5.3.2 Quebec and Federal Initiatives

- _ In 1995, in collaboration with all of the stakeholders in the industry and with very broad participation from craftspeople themselves, Quebec adopted a **Strategic plan for the economic development of arts and crafts**, within the framework of SODEC. This initiative led to the following results:
 - SODEC budgets for the sub-sector increased from \$100,000 to \$1.5 million.
 - Other initiatives were also undertaken, such as the establishment of the *Prix France-Québec* (start-up to export) and the *Prix à l'exportation* (for established craftspeople), a crafts symposium, creative crafts with the French design world, etc.
 - The establishment of sectors within the CALQ devoted to programs for the promotion and communication of crafts events.
 - Projects to establish artists' centres adapted to the context of crafts.
- _ In the federal sphere, the Canada Council for the Arts established a specific discipline for crafts around 1994, with its own programs structured according to the particular needs of craftspeople.
- _ The *Commission québécoise des Métiers d'art* has established as a priority for 2002-2003 a study led by SODEC aimed at updating current data.

5.3.3 Training

- Globalization of markets for Canadian crafts calls for new approaches, new skills and new attitudes.
- College-level education appears insufficient to provide the triple skills of creation, production, and management.
- A 1999 study in British Columbia shows that close to two-thirds of respondents consider themselves to be self-taught, whereas 38% have received university or college training. Training centres include fine arts schools (25%), continuing education programs (24%), secondary schooling (23%) and apprenticeship and mentorship programs (21%).
- Management skills are learned mainly “on-the-job” in close to 74% of cases, compared to only 22% of workers who have received formal training in this area.
- There is considerable concern in a number of provinces regarding the elimination of crafts education programs at the post-secondary level.
- There appears to be no Canadian inventory of training programs offered by provincial crafts boards. As a result, skills development programs remain informal, uncertified and largely unrecognized.

5.3.4 Specialization

- A growing trend towards specialization is being observed among craftspeople, who are concentrating increasingly on creation and production and relying more on intermediaries for promotion and sales.

5.3.5 New Technologies

- Although there seems to be some ambivalence with regard to the impact of new technologies, progressively more craftspeople are using e-commerce to promote and sell their work.

5.3.6 Exports

- Although Canada is virtually absent from the international crafts market, there are many opportunities for international business and expansion for the crafts sector.

5.4 Visual Arts

5.4.1 Human Resources

- In 1997, over 52,000 people in Canada identified visual arts as their primary occupation.
- In 1997, half of the artists working in visual arts had a university degree.
- From 1987 to 1997, the number of workers in visual arts occupations grew substantially (by 21%), compared to 13% for the workforce in general. The number of painters, sculptors and other related artists increased by over 48% during that period.
- In 1995, artists working in visual arts received an average annual income of \$12,600, only 47.5% of the average annual income for Canada's workforce overall.
- In 1997, the vast majority (up to 81%) of workers in visual arts were self-employed, compared to 15% in the overall population of workers.
- According to a 1999 study, some 12.1% of visual artists considered their greatest business challenge to be self-promotion.
- In 1997-1998, the federal government spent \$15.3 million on visual arts funding. In all, the federal government devoted only 0.6% of its cultural budget to the visual arts, compared to 11% for the film and video industry, 6% for writing and publishing and 4% for performing arts.
- Women generally have a lower income in the sector than men.

5.4.2 Exports

- In 1998, Canadian exports of visual art totalled \$70 million, close to 13% of total Canadian sales in visual arts.
- From 1994 to 1998, exports grew by 72% and our net positive trade balance grew by nearly \$18.5 million.

5.4.3 Intellectual Property Rights

- Despite the existence of agreements for the collection of copyright and reproduction fees, visual artists routinely waive approximately 50% of their copyright revenue annually.

5.4.4 Avenues for Analysis

- Investigate conditions for artists in rural environments.
- Investigate conditions for artists in aboriginal and multicultural communities.
- Analyze issues related to the protection of intellectual property rights.
- Conduct analysis on the origins of public apathy towards visual arts in Canada.
- Study the relevance of developing a "virtual network" to link the artists of the sub-sector.

6. WRITING AND PUBLISHING

6.1 General Findings

- Book and periodical publishing is a significant contributor to the Canadian economy and a leader among cultural industries in export sales.
- Despite the current strength and potential of this industry, the advent of globalization and new technologies pose significant challenges.
- The concentration of companies in circulation and distribution is a very important issue (e.g. mergers & acquisitions).
- The publishing industry will be forced to face the challenges posed by technological change if it is to maintain its position and continue to market its product effectively (Larose, 2000).

6.2 Definition

- Writers include researchers and writers of fiction and non-fiction for publication and presentation in a variety of media, including content for digital, electronic and on-line works.
- Publishing includes the publication of books, magazines, periodicals and new media materials, whether in print/hard copy, digital or electronic form.

6.3 Profile of the Industry

- In terms of export sales, Canada's publishing industry shares a leadership role with the film and television industries.
- The book publishing industry is comprised of many small companies and a few major corporations; in 1998-99, 173 companies showed revenue of less than \$1 million, with 4% of all revenue in the sector. On the other hand, 47 companies accounted for 86% of total revenue in the industry.
- In 1998-99, there were 188 English-language companies (63%) and 112 French-language companies (37%) in Canada.
- French-language companies publish 27% of the titles, but generate only 17% of the total revenue.
- English-language publishing companies have an average annual income of \$7 million, compared to \$2.6 million for Francophone companies.
- In 1998-99, only 53.4% of books published in English were profitable and the average percentage of profit on all revenue was only 6.6%. Francophone publishers in Canada registered better performance in terms of profitability of books published (63.5%); however, they realized profit of only 4.5% of total income.
- English-language magazine publishing registered a 6.7% profit before taxes, compared to an average of 10% for French-language magazines. This profit margin would have been much lower or even non-existent without government subsidies, which totalled approximately \$36 million in 1996-97.
- In 1998, the Quebec book market registered sales of \$588 million, or approximately \$80 per resident.
- Sales in Quebec grew constantly until 1991, at which point they reached a plateau and a point of stagnation.

- Bookstores hold a major market share of book sales to individuals in Quebec, 50% of the whole, with production of some 4,500 titles per year (Ménard, 2001).
- Ten of the 80 circulation/distribution companies controlled 80% of distribution in Quebec in 1999.
- Since 1995, book sales have stagnated in Quebec due to:
 - The growing availability of cultural products other than books, particularly electronic and audiovisual;
 - Regular increases in book prices;
 - The stagnation of disposable income and available leisure time.
- Over the last 10 years, the book publishing industry has seen an increase of 21% in the number of titles published (from 9,711 to 11,769).
- Total revenues from domestic book sales in 1997 were \$1.9 billion.

6.4 New Technologies

- The impact of new technologies on the industry is very complex. While new technologies will probably bring profound changes to book distribution, they also offer the industry great potential for market expansion. For example, for market segments that would have been too narrow to be viable based on traditional circulation processes, printing upon request and digital publishing are now possible.
- However, for the moment, all high-volume production remains dependent upon traditional processes.
- The federal government does not seem to be providing sufficient leadership and support to enable the industry to take advantage of all market opportunities, both domestic and international.
- Electronic reproduction has rendered CANCOPY's photocopy licensing scheme ineffective.
- We are likely to see major developments in the use of e-books in the near future.

6.5 Globalization

- The majority of books available in Canada are produced outside the country, primarily in the United States.
- In 1996-97, total book imports were estimated at \$762 million.
- In terms of exports, the book industry is a leader in the cultural sector, reaching \$119 million in 1996-97, after seeing exports grow by 20% annually from 1991-92 to 1996-97.
- Book publishing occurs in a very competitive environment and is considered a very high risk with very low profit margins. In 1998-99, companies under foreign control registered nearly three times as much total revenue per title published as Canadian-owned companies.
- Some writers in Canada have expressed concern that globalization encourages the "commodification" of culture, and advocate for international agreements specific to the area of culture and for government trade and investment agreements which will not put the country's cultural sovereignty at risk.

6.6 Human Resources

- Despite their high level of education, writers remain generally poorly paid, often underappreciated by governments and the public, and at a constant risk of losing control of rights to their work.
- In the area of book publishing, employment has remained stable from 1992 to 1996, with some 7,000 people working full-time in the industry at approximately 300 publishing houses.
- In periodical publishing, workers' time is divided mainly between publishing (55% of their time), administration (25% of their time), marketing and teaching (10% and 11%, respectively).
- As for other media, Canada has over 1,600 writers working as freelancers for English film, television and radio, and new media production. Workers have highly variable incomes and are very mobile, often working in different Canadian cities as well as abroad.
- The number of writers in Canada increased by 22% between 1991 and 1996, compared to a 15% increase in cultural sector workers overall.
- According to 1997 data, writers and librarians were the only two cultural occupations whose average annual income was above the Canadian average of \$26,500, with writers earning an average of \$27,900 annually.
- Journalists working for major Canadian newspapers had a higher level of pay than writers of books or magazines.
- Publishing house employees, 77% of whom worked full-time, enjoyed higher incomes than self-employed workers in the industry.
- As is the case in other cultural sub-sectors, women's income was lower than that of their male counterparts (82% of men's income).
- Income for freelance writers in Canada has stagnated- over the last 20 years, remaining at the 1979 level.
- The majority of writers depend on income from a variety of sources and regularly experience large fluctuations of income from year to year, resulting in the payment of unfair levels of income tax because of no provisions allowing for income averaging.
- The increasing concentration of control of publishing and distribution networks in the hands of a few huge conglomerates (e.g. *Chapters*) has exerted considerable pressure on writers. As these companies demand deeper discounts from publishers, writers are forced to subsidize the system by accepting less pay for their work.
- According to SODEC, in 1999, there were approximately 1,000 writers in Quebec and some 9,270 workers in publishing, distribution, marketing and retail sales.
- In 1997, Quebec bookstores had an average of eight employees each, more than half of whom were between the ages of 16 and 35. Three out of eight employees worked part-time, while the other five were employed full-time. Almost six out of eight employees were women.

6.7 Training

- Most writers in Canada have very high levels of education and well-developed technical skills.
- Universities, community colleges and teaching institutions with a specialty in the industry provide excellent education on the technical aspects of writing, publishing and other related

skills. However, little attention is paid to practical details related to earning one's living in the industry or marketing one's skills and creative output.

- Three out of ten bookstore workers have studied at the university level. The areas most often studied by bookstore workers are:
 - documentation techniques ;
 - literature and language;
 - humanities and social sciences;
 - administration and business;
- At present, there is no specific training for bookstore workers.
- The new technologies will require editors and writers to upgrade their skills and make greater efforts to market themselves as content providers, since now virtually anyone can be a publisher on the Web.
- A 1997 study (Everts and Cowen) identified the following training needs for freelance writers: presentation, communications, business, technologies, self-promotion, negotiation, and collection of payment.
- Most writers' organizations do not have sufficient resources to respond to the training needs of their members. As a result, financial support from government is essential.
- Some suggest that a Canadian registry of available mentoring resources be established.

6.8 Intellectual Property Rights

- In the face of the dual challenges of digitalization and globalization, the most critical human resource issue is the protection of artists' intellectual property rights.
- To this end, PWAC (Periodical Writers' Association of Canada) has made the following recommendations:
 - that the federal government establish a fund to support agencies in Canada responsible for managing electronic copyright licensing.
 - that the federal government enact legislation to implement the two international treaties from the World Intellectual Property Organization, and that it ensure amendments to the Canadian Copyright Act keep pace with technological change.

6.9 National Representation Organizations

- National organizations representing workers in the writing and publishing industry saw their budgets slashed during the period of federal funding cutbacks.
- As a result, a number of the services provided to writers and other workers in the industry by these organizations are now in danger of being eliminated.

6.10 Avenues for Analysis

- Consider the effectiveness of government measures to counteract monopolies and foreign domination of the industry, and to protect Canada's cultural sovereignty and diversity.
- Analyze the ability of national writers' organizations to continue to effectively fulfill their mandate in an environment of dwindling financial resources.
- Study more closely the impact of new technologies on writers' intellectual property rights.

- _ Investigate conditions for writers and other workers in the industry who are members of visible minority groups.
- _ Analyze the opportunity to recommend amendments to the Income Tax Act in order to try to stabilize the fluctuating incomes of writers.
- _ Conduct an analysis of needs and of the most appropriate funding sources to sustain and develop the industry.

7. NEW MEDIA

7.1 General Findings

- _ The new media industry is young, growing rapidly and difficult to define; in Canada, this sector represents a small market.
- _ The industry encompasses arts, science and technology, and has an impact on economic and social sectors - culture, entertainment, education and training, health, communications, and trade. Artists are involved at all levels.
- _ Collaboration on the part of stakeholders (creators, performers, workers, employers, government, training institutions) is a key factor in the success of this industry at the international level.
- _ There is a great need for financial support, both public and private.
- _ With the explosion of new technologies, the new media sub-sector holds great market opportunities for artists, but also presents some of the greatest challenges.
- _ With new media eroding traditional boundaries between artistic media and global communications dissolving geographic borders, creative content is being dealt with in a complex and rapidly changing environment where there are few established guideposts.

7.2 Definition

- _ Often called "digital media" or "multimedia", new media has been variously defined as either:
 - artistic forms and outputs that are entirely new; or
 - new means and methods of creating, presenting, preserving, promoting or distributing what are essentially traditional products or outputs from cultural industries
 - the federal government has adopted the following definition:

"New media [involves the] growing use of three essential elements: digitization, interactivity, and interconnected networks... The combination of the first two elements (and increasingly the third element) separate 'old' from 'new' media."
- _ The absence of a common definition represents a major challenge when one attempts to identify policies, analyze the sub-sector or manage its growth.

7.3 Profile of the Industry

- _ Although the evolution and growth of the new media make it difficult to quantify and analyze this sub-sector, the literature reveals the following:
 - In 2002, there were 2,300 companies related to this sector in Canada, and total revenue was approximately \$3.5 billion.

- Close to half these companies have less than 10 employees, and another third have between 10 and 30 employees.
- Over half serve the American market.
- About half derive 100% of their revenue from multimedia related activities.
- The sub-sector appears to be dominated by small businesses, and there does not seem to be a generic business model.
- There is a trend toward concentration in three provinces: Ontario (40%), Quebec (28%) and British Columbia (13%).
- Although it is still growing, the industry is presently going through a period of consolidation (mergers and acquisitions).
- There are numerous challenges in terms of human resources and marketing.
- Although there is some degree of presence on the international scene, very few products have Canadian content. American interests dominate the market.

7.4 General Trends

- Economic preoccupations and emphasis on profitability in this sub-sector create some concern that there is a shift in the value of the artist in our society from “artist as creator” towards artist as “facilitator” of job creation and return on investment.
- The Internet is increasingly becoming a point of convergence. This presents not only the challenge of access to high-speed networks, but also that of controlling content, production and distribution.
- Within the context of globalization, the sub-sector is faced with the challenge of reflecting Canada’s cultural diversity by maximizing Canadian content.
- The major financial requirements involved represent a huge challenge to creators, who are obliged to turn to government support.
- In terms of distribution, there is no shortage of major challenges and questions, as four or five huge foreign production/distribution companies control 80% of the Canadian market.
- With the Canadian market extremely limited, the industry must increasingly rely on exporting, which raises a major issue of financing.
- The Interactive Multimedia and Technology Association (IMTA) believes that the best strategy for accessing markets is based on creative planning and cooperation between stakeholders, combined with effective coordination.
- In order for creators in the industry (who are most often self-employed or workers in micro-companies) to carve out a position in this world of behemoths, they will have to group together, forming alliances and partnerships.

7.5 Intellectual Property Rights

- The protection of artists’ intellectual property rights is threatened by the development of new media, as much of the debate surrounding electronic commerce and the new economy has taken place with little attention to their interests or circumstances.
- The Copyright Act, while it has evolved, is not the only means to ensure protection of intellectual property. Among other safeguards are:
 - the development of universal standards regulating production, distribution and licensing agreements;
 - effective advocacy by arts organizations for the protection of their members; and

- the control of access to and reproduction of protected works through the implementation of effective technological tools.

7.6 Human Resources

- _ Most workers for companies in the sector are male.
- _ Difficulty in recruiting is related to a lack of qualified candidates, competition between companies (turnover) and salary demands.
- _ The highest salaries are paid to project managers, integrators and then artistic directors.
- _ The vast majority of positions in this milieu require university education.
- _ The great majority of workers are located in the country's major urban centres.
- _ In 1999, in Canada:
 - 33% of employees were hired on a contract basis
 - 26% of employees worked in the creation department.
 - 22% worked in the technical department.
 - 20% worked in the management department.
- _ We see artists, universities and industries creating alliances to attract research and development sites (Hexagram, Studio XX, Banff New Media Institute).
- _ In artists' centres devoted to media arts and new media, women are much more active than in the industrial or commercial settings of the sub-sector.
- _ The use of new technologies represents an effective and appropriate response to the need for training and exchanges of artists and cultural workers living in isolated or minority communities.
- _ Among training and professional development needs are the development of skills in business, marketing, exporting, international law and artistic product distribution.

7.7 Avenues for Analysis

- _ Work to arrive at a common definition of "new media" in order to foster more consistency in the development of policies and management in the sub-sector.
- _ Analyze artists' roles and contributions in the definition and establishment of development policies and strategies in the industry.
- _ Analyze training needs and solutions to the problems of skills shortages in the sub-sector.
- _ Analyze issues of inclusiveness of artists from Canadian aboriginal and minority communities.
- _ Investigate the government support required to support emerging partnerships in the industry to counter-balance the domination of the industry by large corporations.
- _ Generally update the existing data to reflect the current reality of the sub-sector.