

The Creative Economy

Rural Policy Implications
April 27, 2010

Presented by the Ontario Ministries of:

Economic Development and Trade

Research and Innovation

Tourism and Culture

Agriculture, Food and Rural Affairs

Context: Why the Creative Economy

Drivers influencing a renewed focus on the Creative Economy:

- Shifts in the economy's base:
 - Decline in manufacturing
 - Labour market challenges (e.g. changing demographics)
- Requiring new approaches to economic development
 - Role of innovation
 - Role of culture
 - Place-based, assets-based economic development
 - Holistic, integrated and multi-faceted
- Places with higher levels of human capital are more innovative and grow more rapidly (Richard Florida).
- A focus on the creative economy may help bolster local communities
 - Communities are willing to explore the creative economy as an approach to economic development
- Potential role for private sector, not-for-profit and all levels of government to identify and adopt successful strategies
 - Opportunity for government to help communities identify and develop strategies based on growth of the creative economy

Ontario in the Creative Age

- The Ontario government commissioned the *Ontario in the Creative Age* project through the Martin Prosperity Institute (MPI) in the March 2008 Ontario budget
 - The purpose of the study was “To undertake a study of the changing composition of Ontario’s economy and workforce and examine historical changes and projected future trends affecting Ontario and provide recommendations to the Province on how to ensure Ontario’s economy and people remain globally competitive and prosperous.”
 - Ontario Budget, 2008
 - The final report was released on February 5, 2009 and was followed by 20 supporting Working Papers
 - The overall report recommendations are categorized as:
 1. *Harness the creative potential of Ontarians*
 2. *Broaden talent base*
 3. *Establish new social safety net*
 4. *Build province-wide geographic advantage*

Creative Economy Defined

- Martin Prosperity Institute defines the Creative Economy as:
 - An Economy that requires analytical skills and judgment, based primarily in the service industries, providing services and relying on creativity
 - E.g.: Creativity-oriented jobs that depend upon the operation of a heuristic including scientists and technologists, artists and entertainers, and managers and analysts.

1. Harness the creative potential of Ontarians

- To harness Ontario's creative potential, MPI recommended that the province and businesses work to:
 - Increase creativity in all jobs
 - Be the world's first jurisdiction where creativity oriented occupations account for half of all jobs
 - Strengthen creativity skills through our education system
 - Market Ontario as a creative province
 - Make diversity a cornerstone of economic prosperity

2. Broaden Talent Base

- The report recommends that Ontario build a talent and education system attuned to the demands of the global creative economy. This can be achieved by:
 - Making Ontario the talent province
 - Strengthening Ontario's managerial capability

3. Establish new social safety net

- In the creative age, the best safety net is to provide the essential skills for the creative age – continued education. This is accomplished through:
 - Making early childhood development a high priority
 - Investing in skills development for recent immigrants
 - Wage insurance for longer tenure workers

4. Build province-wide geographic advantage

- The report recommends that the province take advantage of the large, and prosperous core, or mega-region, around Toronto that stretches from Kitchener- Waterloo to the west, down through Buffalo and Rochester in the United States, over to Ottawa and eastward to Montreal. It can do this by:
 - Making the mega-region as strong as it can be
 - Invest in connectivity

Ministry of Research and Innovation

CREATING AN INNOVATION ECOSYSTEM

Innovation

“... an openness on the part of people to new ways of thinking and doing that to bring about improvements, whether to an individual business, an industry, government, the economy or society as a whole.”

-Ontario's Innovation Agenda 2008

Research and Commercialization

It is the movement from an idea to new knowledge (**research**); from new knowledge to a new product or service; and from a new product or service to the marketplace (**commercialization**).

Innovation system

The flow of technology and information between and among a system of interrelated people, enterprises and institutions is key to the process of innovation.

ONTARIO'S INNOVATION SYSTEM – KEY ELEMENTS

Competitive Business Climate



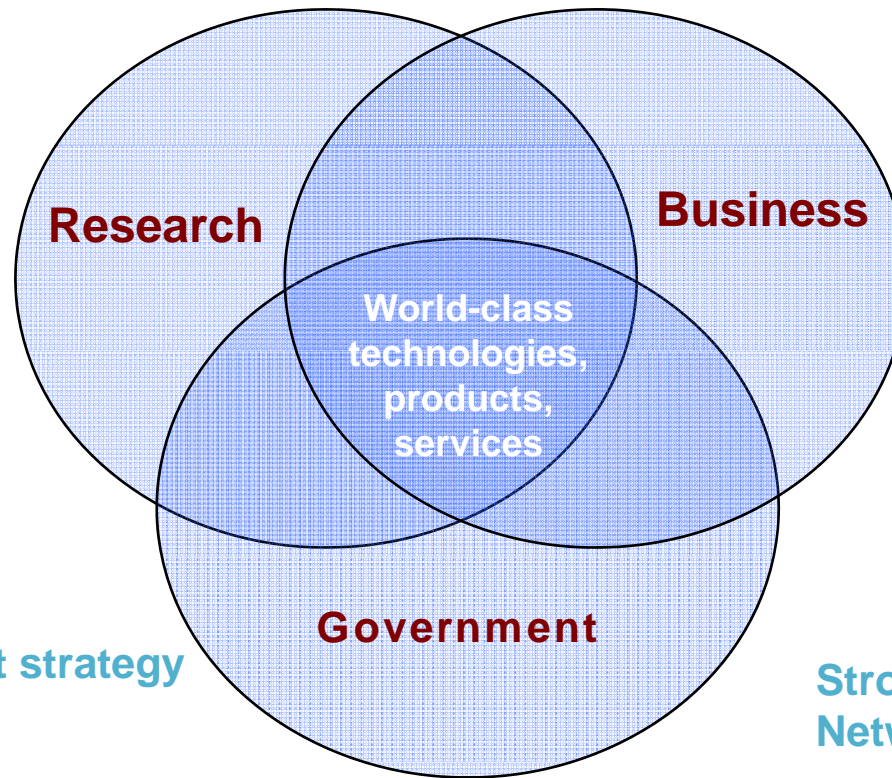
Globally significant research



Education system for knowledge-based economy



Focused government strategy



Access to Capital

Strong Clusters and Networks

Promoting an Innovation Culture



ONTARIO'S INNOVATION SYSTEM

Key Elements

- **Talent:** Ontario has one of the most educated workforces in the world.
- **Scientific/Research Excellence:** world-class universities, teaching hospitals and platform institutions (i.e. OICR).
- **Competitive Business Climate:** Ontario's tax reforms – including the harmonized sales tax – are improving the province's business climate dramatically.
- **Strong Clusters:** Ontario has strong clusters in places like Ottawa and K-W, anchored by private sector leaders like RIM and Mitel.
- **Access To Capital:** while the overall market remains challenging, Ontario has made great strides with the OVCF and OETF. Experts believe this market-based approach to government support is on the right track.

Summary: Ontario excels at **creating new knowledge** and is developing a sophisticated culture of collaboration that is essential for successful innovation.

ONTARIO'S INNOVATION SYSTEM

Creation of the Ministry of Research and Innovation

Created in 2005 to:

- **Lead** the transformation of Ontario's economy to one focused on innovation
- **Focus** the government's commitment to innovation as the driver for economic growth across all sectors of the economy
- **Coordinate**, strategically, innovation programs that previously were scattered across 9 different ministries.

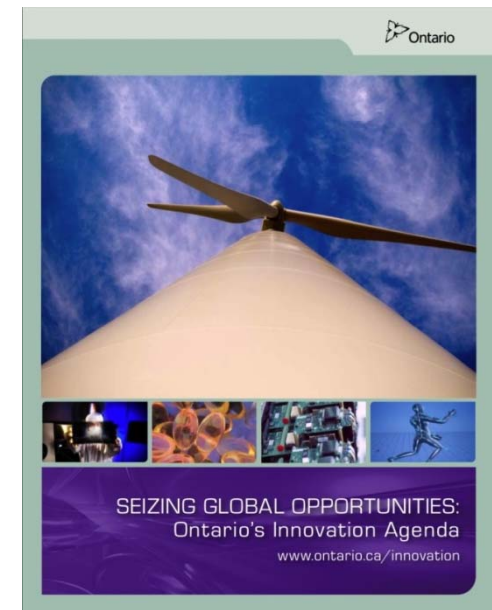
Mandate is to:

- **Develop** an integrated innovation strategy and guide its delivery
- **Invest** in both policies and programs to deliver on the innovation strategy
- **Foster** a culture of innovation and showcase Ontario's innovative culture nationally and internationally.

ONTARIO'S INNOVATION AGENDA:

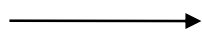
Driving the government's five-point economic plan for prosperity

- **Support excellence** through innovation investments - ensuring value and relevance to Ontario's priorities
- **Target investments** in opportunities where Ontario can be a global leader
 - Advanced Health Technologies
 - **Digital Media and ICT**
 - Bio-economy and Clean Technologies
 - Pharmaceutical Research and Manufacturing
- Leverage Ontario's **skills and knowledge advantage** in research, entrepreneurship and commerce
- Promote an innovation-friendly **business climate**
- Ensure government is the **catalyst for innovation** aligning programs, working at the speed of business, fostering collaboration

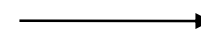


MRI PROGRAM OVERVIEW

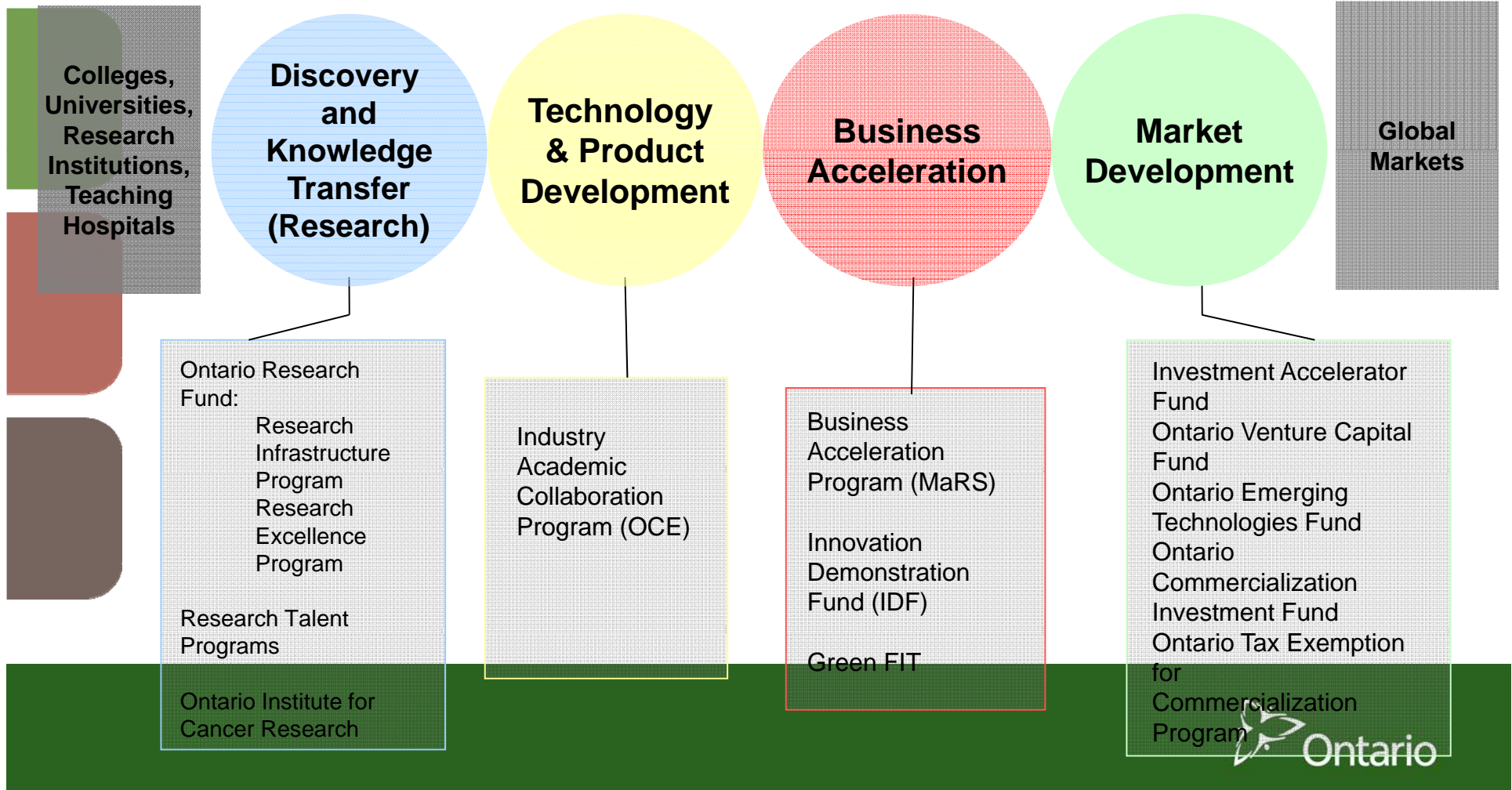
RESEARCH



DEVELOPMENT



MARKETS



Spotlight on ICT and IDM

- New technologies and new interactive digital ways to create, share and use information, are key actors of change shaping both our cultural identity and future prosperity.
- ICT is a ubiquitous presence in our world, connecting and enabling almost every sector – for jurisdictions to succeed they must be leaders in technology, design and connectivity.
- The Ontario government is investing heavily in the ICT and other information technology intensive sectors; MRI has a role to play in supporting the research and commercialization activities that will both attract, retain and grow these sectors.
- Some key investments include:
 - **The Communitech Hub**: Digital Media & Mobile Accelerator
 - **Coral CEA** - Communications Enabled Applications
 - **The Stratford Institute** – Stratford Campus, University of Waterloo
 - **Digital Media Research + Innovation Institute (DMRII)** at the Ontario College of Art and Design (OCAD)

MRI ICT/IDM Research Funding

- The Ontario Research Fund (ORF) is MRI primary funding vehicle, which supports scientific excellence by supporting research that can be developed into innovative goods and services that will boost Ontario's economy.
- The ORF is an integrated two-stream program, supporting:
 - Research Excellence (RE)**
 - Research Infrastructure (RI)**

Examples of ORF-RI

Pervasive and Wireless Networking Research – Guelph University

Laboratory for Last-mile Photonics Networking Technologies – Queen's University

New Media Collaboration Centre (NMCC) to support augmented reality research - York University

Examples of ORF-RE

MESSAGES: MEdia-Server and Support for Advanced Gaming: Ottawa University

Security and Mobility over the Global Information Transport Platform: University of Waterloo

Ministry of Tourism and Culture

Two key ministry priorities offer support to grow rural creative economies:

- **Entertainment and Creative Cluster:** For-profit cultural media industries (e.g. film, music industry, interactive digital media) are one of the fastest growing sectors of Ontario's economy, as cited in Ontario's Long Term Report on the Economy.
- **Municipal cultural planning (MCP)** is an economic development tool for transforming and diversifying post-industrial economies, and generating creative culture-related economic development strategies for small, rural and communities in transition.
- The local cultural vibrancy resulting from MCP creates the buzz and quality of place that retains and welcomes new populations and attracts creative economy workers and the businesses that seek them out.

Creative Cultural Industries

- Ontario's Entertainment and Creative Cluster is defined as the geographic concentration of the "copyright creating and producing industries", such as film, television, book and magazine publishing, music industry - sound recording and interactive digital media
- Ontario's broader Creative Cluster (which further includes supporting industries such as advertising and design) employ over 200,000 people, or roughly 43% of Canada's cultural industry workforce. (Source: Statistics Canada 2007)
- From 1999 to 2007, Ontario's cultural industries created over 80,000 net new jobs in Ontario, an increase of 38.3%. This compares with an increase of 17% in the overall economy. (Source: 2008 Budget)

Support for the Creative Industries

- **Ontario Media Development Corporation (OMDC)** is the primary delivery agent for a range of Cluster programs and services for each media sector.
- OMDC co-administers Ontario's six cultural media **tax credit programs** (total estimated value \$180M annually.)
 - The tax credits are corporate tax rebates that support production of cultural media products by refunding a share of labour costs. <http://www.omdc.on.ca/>
- **Entertainment and Creative Cluster Partnerships Fund**, launched in 2006, to provide \$7.5 million over three years. Renewed in 2009 \$12M over four years.
 - The fund supports collaborative partnerships between industry, academia, non-profit associations and other innovative partners to support the growth and development of the cluster in the areas of business innovation, domestic and global marketing, skills and training and industry capacity building.
- **Intellectual Property Fund** - \$10M pilot - assists Ontario corporations by providing a refund of 30% of costs incurred in direct support of eligible early stage development activities for screen-based industries.
- The Ministry works to promote cluster innovation, business investment and skills development and training by **coordinating inter-ministerial efforts** with the ministries of Finance, Research and Innovation, Economic Development and Trade, Training, Colleges and Universities.

What is Municipal Cultural Planning?

- MCP is the strategic and integrated planning and use of cultural resources in economic and community development.
- MCP is part of a **holistic, integrated approach to planning and development** that takes into account **four pillars of sustainability**: economic, social, environmental and cultural.
- MCP begins with **broad community engagement to identify and map local cultural resources/assets**, then develops a **cultural plan**, adopted by Council, to strengthen and enhance those resources. It then leverages and **integrates those cultural resources into all aspects of municipal planning and decision-making** – such as Official Plans, Land Use and Economic Development.

What is Municipal Cultural Planning? (cont'd)

- It is not simply planning for the culture sector—but adopting a “**cultural lens**” to identify opportunities where a community’s unique cultural assets can address local issues and priorities, such as:
 - **Diversifying and growing local creative economy** – by identifying and growing local cultural industries and cultural tourism attractions
 - **Attracting and retaining creative economy workers** & the businesses that seek them out – by creating the culturally vibrant places in which they choose to live and work
 - **Improving community pride and quality of place** – revitalizing downtowns and neighbourhoods by preserving heritage assets, beautification through public art and design, identifying and celebrating a community’s unique stories and values
 - **Retaining youth** – by engaging them in meaningful cultural activities and creating pride of place
 - **Attracting new Canadians** – by offering welcoming opportunities to share and celebrate a diversity of culture expressions

Prince Edward County Case Study

- **2004 - Profile**

- Agricultural and some manufacturing economy, zero competitive advantage for attracting traditional industry
- Declining population, job losses

- **2004-05 - MCP**

- Cultural Mapping – discovered heritage, creative cultural industries clusters
- Economic Development strategy – culture one of four pillars (with agriculture – artisanal foods and wine, tourism, industry & commerce)
- Municipal Cultural Plan (awarded EDCO's best strategic plan)
 - Manage growth and protect “quality of place”: heritage, beautification, cultural assets
 - Build cultural tourism – culture as engine of growth: arts & heritage attractions, wine & food, beaches & inns
 - Extend and enhance cultural places and spaces: cultural vibrancy; networking and marketing of cultural businesses

Support for MCP

- The Ministry works in partnership with other ministries and external stakeholders to promote and support MCP in communities across the province by:
 - **coordinating inter-ministerial efforts** with Ministries responsible for Rural Affairs, Municipal Affairs, Economic Development, Northern Development, Infrastructure, Citizenship, etc., and
 - investing in supportive initiatives such as Business for the Arts' **ArtsVest**, **Artscape's** Creative Placemaking and Spacemaking workshops, Martin Prosperity Institute's **Placing Creativity** workshops on cultural mapping.
- Since 2005, with **Municipal Cultural Planning Inc (MCPI)**, the Ministry has delivered 23 **MCP forums and workshops** as well as dozens of conference sessions
 - Rural-specific examples: 2005-06 MCP Forums (co-sponsored by OMAFRA) in Perth and Strathroy-Caradoc, and 2008-09 TORC MCP forums (2008-09) – highlighted rural case studies, identified rural needs
- **Information, advisory and facilitation services** provided to municipalities across Ontario - through the Ministry's knowledgeable regional services advisors and MCPI and its network of Partners, e.g. Dan Taylor

Support for MCP cont'd

- **Creative Communities Prosperity Fund** – launched 2009 with \$9M for its first 4 years. The fund is designed to support municipalities and First Nations with costs associated with MCP and cultural mapping, as well as not-for-profit organizations that provide specific capacity-building initiatives that enhance MCP at the community level – such as MCPI.
 - The Ministry received an overwhelming response to the first deadline - 95 applications with requests of \$6.3M – a testament to the growing interest and practice of MCP in Ontario
- **Research** – to track progress of MCP, identify trends and issues, develop indicators and performance measures, build evidence of its impacts, and describe case studies
- **MCPI website** (www.ontariomcp.ca) provides relevant news, resources, and information about upcoming events and training opportunities
- And MCPI is developing new tools through 2 working groups:
 - **Cultural Mapping guidelines** (Fall 2010 launch)
 - **An online MCP toolkit** (Winter 2010-11 launch)

MCP Result – Spreading like Wildfire

- 12 completed plans (Ajax, Barrie, *Chatham-Kent*, Dryden, Ingersoll, London, Niagara Region, Oakville, Orillia, *Oxford County*, *Prince Edward County*, Strathroy-Caradoc)
- 5 plans underway (Burlington, Hamilton, Mississauga, Peterborough, Vaughn)
- 50+ additional municipalities and First Nations engaged in MCP
- \$6M in requests to Creative Community Prosperity Fund demonstrates demand in municipalities
- MCP highlighted in recommendations from recent reports involving rural consultation, including Canada's Creative Corridor and The Ontario Rural Council, following MCP Forums
- Ontario now recognized as the world leader in cultural planning

Competitive Economic Analysis

- OMAFRA has a number of tools and resources to support communities in moving forward on the creative economy.
- Competitive Advantage Analysis is an existing tool that has been used to guide economic development strategies
- The tool uses sectoral employment (industries) and occupation data (e.g. from Statistics Canada) to show how employment in a local industry is doing relative to a broader geography (e.g. the province), and how employment has changed over time.
- Its purpose is to identify the best prospects for building certain occupational sectors in a community/region in order to help focus economic development efforts
- This analysis can help identify where strengths and gaps exist
- Communities have expressed a need to better understand where opportunities lie in the creative economy
- About a year ago, work began to tailor the tool to look specifically at the occupations associated with knowledge workers (consistent with the work of the Martin Prosperity Institute)

Competitive Economic Analysis

- The analysis can point to cultural industries and creative occupations that enjoy local comparative advantages. The information cannot, however, identify why there is a competitive advantage
- It is important to do further analysis to identify what factors have contributed to the local competitive advantage which is why community consultation is a critical activity to augment the tool
- Community consultation (e.g. with employers, with employees, with residents) can help identify and uncover a number of community attributes that attract the creative class such as:
 - Natural amenities
 - Outdoor recreation opportunities
 - Cultural opportunities
 - Quality of local schools
 - Social tolerance
 - Viable transportation choices
- The integration of information gathered through a community consultation process and quantitative analysis provides the foundation for an economic development strategy that identifies actions to build the creative economy by building on assets
- The strategy can also help the community to communicate its quality of place through marketing and branding efforts

Other Community-based Supports

Business Retention + Expansion (BR+E)

- BR+E is a community-based economic development strategy with a focus on “taking care of, nurturing and supporting” businesses already existing in the community. A structured business survey is utilized as a means of beginning a dialogue with local businesses with the intent of identifying issues, concerns and potential opportunities and taking action.

First Impressions Community Exchange (FICE)

- FICE is a structured process that reveals the first impression a community conveys to outsiders, such as the community’s appearance, services and infrastructure. It helps communities learn about their strengths and shortcomings.
- Volunteer “visiting teams” from two exchange communities do unannounced, incognito visits, record their observations, and give constructive feedback to their exchange community. The knowledge gained through a First Impressions Community Exchange can be the basis for positive community action, focused on downtown revitalization, tourism development, investment attraction, quality service improvement, or broader community strategic planning efforts.

OMAFRA Regional staff work with communities, economic development organizations and businesses to help them move their ideas to reality by providing advice, tools and resources and helping to build partnerships.

Ontario Culinary Tourism Regions



Savour Ontario

- The Savour Ontario Dining Program
 - encourages and assists consumers in choosing foods grown and produced in Ontario
 - many of which come from rural Ontario
- The Savour Ontario marketing strategy focuses on building awareness and demand for fresh, high quality foods of Ontario in fine and vacation dining settings
- Research has shown that when dining out, 25% of those surveyed demonstrated a preference for local foods, however, when on vacation, the preference for local foods increased to 64%



Developing a New Brand



- “Provincial” brand – “Local” tool
- Members of the program are committed to serving and identifying Ontario food items on menu and selling/promoting local foods
- Establishments must:
 - have a significant portion of the menu focused on Ontario foods and beverages
 - provide an internet link to its menu featuring Ontario items
- Provincial recognition, but focused on local/regional fare



Savour Ontario.

Ontario Market Investment Fund

The Ontario Market Investment Fund (OMIF) supports industry market research, promotional initiatives and local food network coordination to promote consumer awareness of Ontario-produced foods and encourage Ontarians to buy locally.

The four-year program was announced in the 2008 Ontario Budget.





The Ontario Market Investment Fund will improve consumer access to locally produced foods by supporting industry and local food network marketing and coordination efforts.

E.g. Fifth Town Artisan Cheese: the project will encourage cheese lovers to visit Prince Edward County, the company's dairy and buy cheese from its store using promotional channels like a website, brochure and advertising. It will also conduct market research via social media channels. The province is contributing \$39,025 to this project.

- Fifth Town Artisan Cheese (www.fifthtown.ca) is an award-winning dairy producing over 26 different, seasonal, handmade goat, sheep and cow's milk cheeses, using milk from County and Quinte area farms. The facility is North America's only Platinum LEED certified dairy and home to the only subterranean aging caves in Ontario. It is part of Prince Edward County's Taste Trail, which is a self-guided tour route, showcasing Prince Edward County's finest culinary delights
- Links to the food, wine and tourism assets of Prince Edward County.



Issues and Challenges

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- Smaller communities may find it difficult to develop economic development plans or strategies focused on the creative economy
 - Limited capacity (staff, expertise, funding)
 - People need to start thinking of the creative economy beyond arts and culture – finding a common understanding of the concept
 - The creative economy is also not just ‘niche’ economic development
 - Growth in the creative economy results in change, and change can be a mixed blessing
 - Creative economy not answer for all communities, each community has their own strengths and assets and economic development strategies should focus on building those assets
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Collaboration

- Ontario East Economic Development Commission – Creative Economy Team, Durham Region and South Western Ontario studies by Millier, Dickinson & Blais.





Collaboration

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- Creative Economy Alliance developed – led by Dan Taylor. Members include Prince Edward County, Chatham-Kent, Durham Region, Port Hope, Oxford County, Haliburton, Huron County, Centre Wellington, Minto, Whitby, Caledon among others.
 - December 1, 2009 Inter-Ministerial and Community Stakeholder Meeting in Toronto.
 - Two sub-committees developed – Definitions Sub-Committee and Inter-Ministerial Team.
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Anticipated Outcomes




Definitions Sub-Committee

- Establish clear working definitions for the creative economy that can be utilized by stakeholders.







Inter-Ministerial Team

- Directory of programs and services.
 - Development of tools and coordinated resources.
 - Development of 'Making the Case' toolkit for municipalities to demonstrate the viability and importance of the creative economy in developing a diversified and sustainable community.
 - Share and communicate various Ministry initiatives in support of the creative economy.
 - Promote collaboration in policy and program development.
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Next Steps

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- Share and communicate Ministry resources.
 - Pilot OMAFRA's CEA tools with various communities and measure results.
 - Continue efforts to collaborate and work with stakeholders to develop opportunities for the creative economy.
 - Celebrate and share best practices.
 - Work with and support the Monieson Centre to develop Fall Creative Economy Conference.
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Appendix – MPI Supporting Papers

1. From Kraft to Craft: Innovation and Creativity in Ontario's Food Economy
2. Innovation and Creativity on the Periphery: Northern Ontario
3. Creativity, Social Benefit and Job Creation: The Potential for Social Entrepreneurship in Ontario
4. Learning from the Past – Volume 1: The Automotive Industry and Economic Development in Ontario; a Historical Perspective (1904 to the Present)
5. Infrastructure and the Economy: Future Directions for Ontario
6. Ontario's South Asian Transnationals: Unlocking the potential of an untapped resource
7. Building Ontario's Music Economies
8. Ontario Creative Colleges in the Creative Age: Bohemians, Bioinformatics and the Built Environment
9. Specification and Evaluation of Alternate Projections of the Magnitude and Structure of the Ontario Economy to 2020
10. Talent, Technology and Tolerance in Canadian Regional Development

Appendix – MPI Supporting Papers

11. Strategic Management of Urban Economies and the Scope for Inter-municipal Cooperation: Alternative Approaches to Local and Regional Development
12. Immigration and Education Skills in Canada
13. Evaluating Higher-Education Excellence Using the 3Ts – Creation and Attraction of Technology, Talent and Tolerance by Ontario Colleges and Universities
14. The Place of Design: Exploring Ontario’s Design Economy
15. The Service Class in Ontario and Canada
16. Service Class Prosperity in Ontario
17. The Opportunity for Entrepreneurship in Ontario
18. What you do, not who you work for: A comparison of the occupational and industry structure of Canada, The United States, and Sweden
19. Benchmarking report. Additionally, 17 specific city benchmarking reports were compiled on select cities:
 - Toronto; Ottawa; Hamilton; Barrie; Brantford; Guelph; Kingston; Kitchener; London; Oshawa; Peterborough; St. Catharines; Sudbury; Thunder Bay; Windsor;
 - Mid-sized cities with population between 250,000 and 500,000;
 - Small-sized cities with population between 100,000 and 250,000.
20. Locating for Potential: An Empirical Study of Company X’s Innovation Centre in Vancouver, British Columbia