

***“Statistics in the Wake of Challenges Posed
by Cultural Diversity in a Globalization Context”***

**Beyond Economics:
Developing indicators
of the Social Effects of Culture**

**Dick Stanley
Department of Canadian Heritage
Hull, Québec, Canada**

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of the Social Effects of Culture**

Dick Stanley
Director
Strategic Research and Analysis (SRA)
Strategic Policy and Research
Department of Canadian Heritage
dick_stanley@pch.gc.ca
25 Eddy Street, 12th Floor
Hull, Québec
CANADA K1A 0M5

June 2002

Reference: SRA-690

For copies of this report contact us at:
sradoc_docras@pch.gc.ca
or Fax: (819) 997-6765

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Introduction

The purpose of this paper is to describe the set of cultural indicators being studied by the Canadian Federal and Provincial Government cultural authorities, and to explore how these indicators can be expanded to include indicators of social impact.

The first part of the paper discusses the definition of culture being used. The second presents a model of the flow of creative content through society from creation to consumption, with feedback. The model serves as a checklist for ensuring that the indicators chosen are comprehensive and efficient. The model taken as a whole also suggests that there is something beyond simple measures of volume, rate, and size, namely the impact or effect that this flow has on society itself. The third section takes up the issue of what precisely is to be measured: volume of products, financial performance, employment, consumption, economic impact, social impact. This leads directly to the question of what is understood by social impact, which is taken up in the fourth section. Section five discusses several specific secondary issues such as cultural tourism and new media, and section 6 concludes with an overview of the current status of indicator development. An appendix lists the proposed indicators in detail.

1. Definition of Culture

The first step in modelling the cultural sector is to define what culture is. Scholars define culture in a wide variety of different ways. In fact, two American scholars once published a list of 160 different definitions of culture¹. The various definitions resolve themselves however into two main perspectives. One defines culture broadly as the set of symbolic resources people use to make sense of the world around them and to enable them to interact with each other. Culture in this perspective includes the ideas, values, and systems of belief people hold, the norms and social rules they live by, the languages and protocols they use to relate to each other, as well as their patterns of behaviour and even the material products they create. The other perspective defines culture as the activity of aesthetic creation and expression and its products, in other words, the creative and performing arts. Closer consideration reveals however that these are just two perspectives on the same body of knowledge. If culture is thought of as a stock of knowledge individuals use to interpret the world around them (the first perspective), then the second perspective, aesthetic creation and expression, is the source of that stock of knowledge, the process by which all the knowledge was originally created and from which flows new knowledge and new ways of interpreting the world.

Culture as aesthetic creation and expression can therefore be thought of as the Research and Development laboratory where new symbolic resources are created and tested to see if they work, and then released to the world as cultural products to see if they will be absorbed into the existing stock of ideas and perceptions. The reason the cultural sector understood as aesthetic activities attracts policy interest, therefore, is that a society must continuously refresh and update its stock of symbolic resources (i.e., ensure cultural diversity) if it is to cope with rapidly changing world circumstances and phenomena.

¹ Kroeber, A.L., & Kluckhohn, C. (1952). Culture: A critical review of concepts and definitions. Harvard University Peabody Museum of American Archeology and Ethnology Papers 47.

The cultural sector that this paper talks about therefore is the sector of society which is concerned with activities that use creative and aesthetic expression to make cultural products that society can experience and use.

2. A Model of the Cultural Sector

Schematically, the cultural sector can be represented as a flow of information through several nodes, from initial creation to final experience (consumption) and its effect or benefit in society. Figure 1 illustrates this schematic.

To understand the cultural sector therefore, it would first be necessary to model this basic flow for each part of the cultural sector (e.g., book publishing, film making, painting, dance, music, etc.) and demonstrate the connections between them. Fortunately, in the late 1990's, the Department of Canadian Heritage, Industry Canada, Department of Foreign Affairs, and Statistics Canada developed a statistical framework for the cultural sector and its main elements, to serve as the basis for an number of statistical analyses, including analysis Cultural Trade and Investment, the Economic Impact of the Cultural Sector, and the Cultural Labour Force.²

The framework defines the cultural sector as including:

- Books and magazines
- Film
- Broadcasting
- Sound Recording and Music Publishing
- New media
- Performing Arts
- Visual Arts
- Crafts
- Architecture
- Photography
- Design
- Advertising
- Festivals
- Cultural Education
- Heritage and Preservation
- Libraries

It also defines the cultural sector functionally as including creation, production, preservation, manufacturing, wholesale retail, and consumption, which is the same as the cultural flow described in Figure 1, but using economic terminology.

² Statistics Canada, A Canadian Framework for Cultural Statistics, Mimeo, Cultural Statistics Program, April 2002.

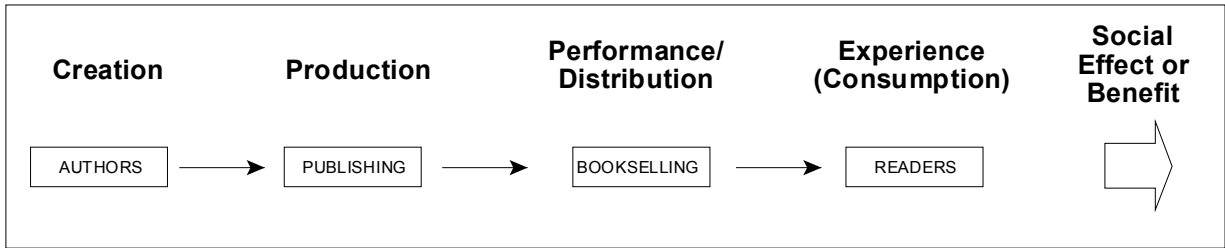


Figure 1: The basic flow of cultural information in the creative process.

If this whole framework is drawn as a flow in the same way as Figure 1 was, it appears as Figure 2.

Figure 2 provides an overall picture or model of the cultural sector and the flows of ideas through it. It is these flows that we wish to measure. The model traces the flow in each discipline from the roots of creation in arts education and heritage preservation, through the creative functions (authors, composers, etc.) to the process of turning of created ideas into culturally consumable products and services (publishing, sound recording, film making, etc), to dissemination (book stores, broadcasting, art galleries) onward to consumption and experience (readers, viewers, visitors) and finally to the social effects or human benefits which the cultural flow of ideas creates. The model also illustrates the feedback loop whereby future creation is inspired by the effects past information flows have had, through personal experience and its effects on heritage and tradition.

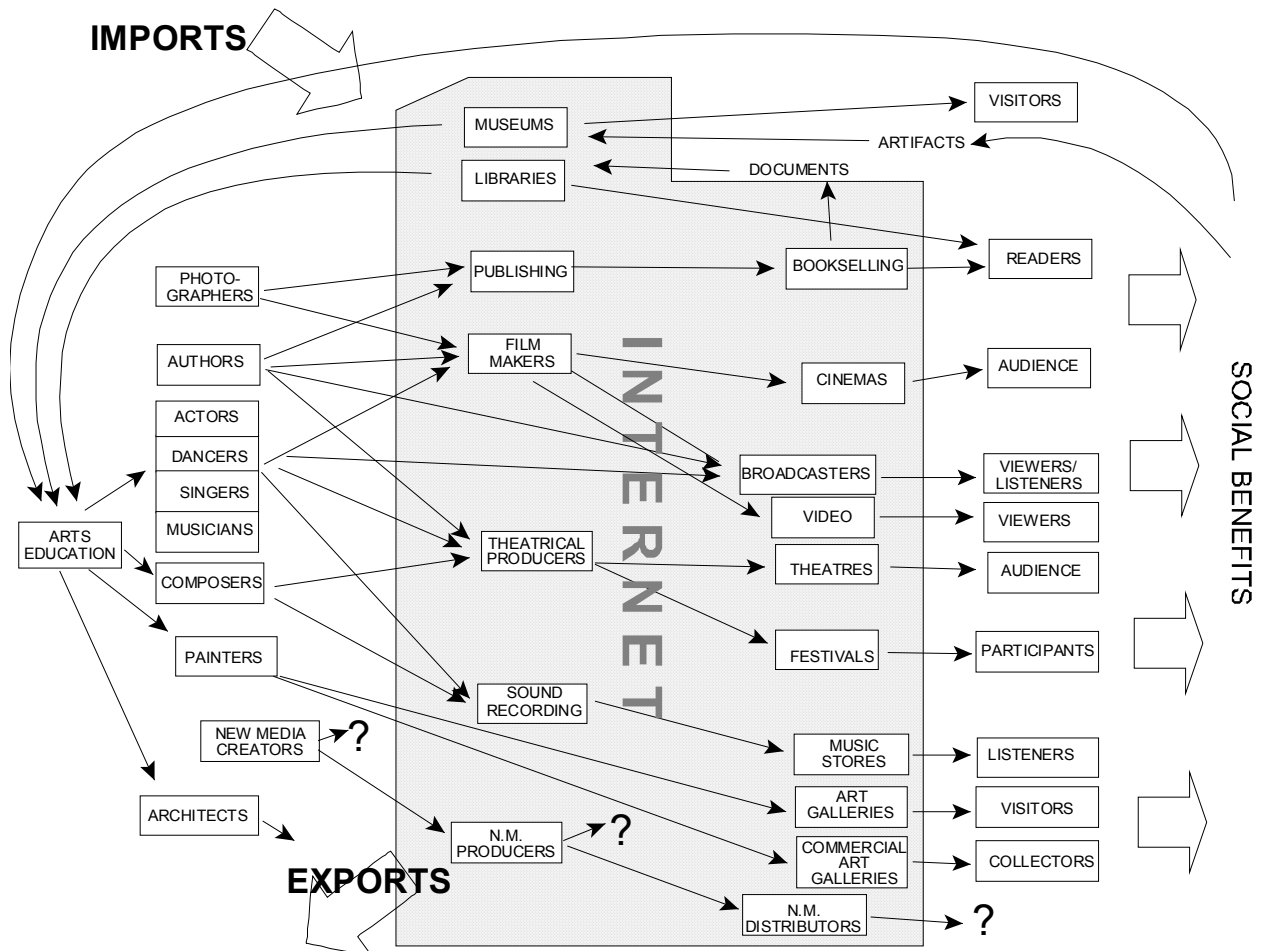


Figure 2: A model of the cultural sector. The name of each node is shortened for graphical convenience, but should be understood to stand for the larger number of related activities. For example, "AUTHORS" should be understood to include playwrights, poets, etc., and museums to include zoos, planetaria, etc.

3. What Do We Want to Measure?

Statistics Canada has a long tradition of collecting statistics on the main cultural activities in Canada. These statistics have been the mainstay of the cultural sector since the collections began in the early 1980's. These statistics measure mainly the physical product of the cultural sector (number of book titles published, volume of books sold, number of films) and the economic dimensions of this flow (revenue, costs, employment). In addition, certain characteristics of the flow are captured (language of the product, nation of ownership of the enterprise, or of origin of the work).

There are a number of other sources of quantified information about the cultural sector in Statistics Canada and in administrative and other collections elsewhere (e.g., consumption and participation data in the household expenditure surveys and General Social Surveys, attendance and participation data in provincial ministries responsible for culture).

These statistics are ones that have withstood the test of time and proven to be useful, which argues that they should constitute basis for the indicators that populate the model. In fact, they are actually largely the indicators of the rate, volume and characteristics of the flow of

information through the model, which is exactly the terms which are typically used to describe flows.

Flow measures such as these provide a basic picture of the sector, but do not allow us to interpret the significance of it. To understand the significance, it is necessary to synthesize this basic flow data into a series of trends, comparisons and ratios. Trends show growth and decline. Comparisons (e.g., largest employer) indicate significance of individual flows. Ratios (e.g., profitability, market share) reveal the inter-relationships of the parts. This implies that we need a second level of indicators, which we might term synthetic indicators, since they are synthesized from the base indicators, and do not require new data.

In order to talk about the sector as a whole, it is necessary to have macro indicators (e.g., proportion of GDP accounted for by the sector, total employment in the cultural sector), which are essentially aggregates of the basic flow measures.

Finally, we will want to measure the effects or benefits of these flows on society, which will be a challenging task for the future.

It must be kept in mind that we are seeking this data not only at the national level, but also at the provincial and, where possible, the major municipality level as well.

Appendix A provides a list of what a "complete" set of indicators might look like. This appendix provides a starting point for discussion of what are the essential indicators we need for the model.

Note that synthetic indicators are not included in the appendix. If enough basic data is supplied, individual users can be left to calculate their own synthetic indicators as needed.

4. Social Benefits: an Area for Special Attention

Social benefits are not well understood and so are represented only embryonically in the model. Before indicators can be developed, our understanding will have to be developed. It is critical to include measures of social benefit, however, because it is social benefits that differentiate cultural goods and services from other goods and services.

To help understand what is involved in developing these indicators, and so help plan the necessary research, it is useful to consider what those benefits might be. This section advances some theoretical considerations as a starting point for thinking.

Consider a shoe as an example of a private consumption good. The benefit it provides is comfort and safety to the user as well as enhanced capacity, since he or she can now walk faster and farther, for longer, and over a wider variety of surfaces. Shoes can even confer a status or prestige through their stylishness. A key characteristic of private goods such as a shoe however is that people other than the purchaser are largely excluded from any benefit.

How does a cultural good differ? Let us take the performance of a play as an example. A play provides the auditor with pleasure, diversion, and relaxation, the equivalent of the private benefits of the shoe. Others can also be excluded from these benefits, since usually

a ticket must be purchased for a play and only ticket holders are admitted. However, there are two other effects which a play has.

First, a play changes the way you think about things³. This process of has been described variously as catharsis or epiphany, or the moment when the light dawns. While this may appear as a private benefit (or not a benefit at all), what you think differently about is your basic understanding of the world and how to act within it. In other words, the consumption of a cultural good changes your relationship to the world and people around you. It changes your values and identity. This can have quite a significant effect on the world and the people around you, since it is through your identity and values that you determine how to relate to others. The change in your way of thinking, therefore, is a public good which is produced by the private (and indeed shared) experience of the cultural good.

Of course, the change caused by a single cultural experience is not large. The cumulative effect through a lifetime is.

Propagandists have long recognized the power of art to influence minds, and have tried to harness it to particular causes. However, culture changes minds in unpredictable ways, so propagandists rarely dare to leave art to its own devices. That is why propaganda rarely makes good art and why totalitarian dictators imposed strict controls on artists. Hitler and Stalin required all art to be censored, the Taliban banned music and blew up sculpture, and Plato wanted to forbid poetry.

If the effect of art on thought is unpredictable, can it not do just as much harm as good? This is not an easy question to answer, but while oratory, close-order drill, mass rallies and broadcast propaganda, all of which can make you change the way you think and behave, and lead you at times to obey immoral orders and commit unspeakable crimes, no one was ever driven to committing evil by listening to a performance of a Bach oratorio or a Mozart symphony. What protects us from the potential harm is the diversity of cultural experience. A single cultural message, even delivered by an artist not in the service of a propaganda ministry, may be obnoxious, harmful or even immoral, but if there is a marketplace of ideas, a cultural diversity, that idea will be challenged by many others. (the famous dialogue between Sartre and Camus is a good, though not typical, example).

The second thing a play does is create social bonds. The fact of simultaneously coming to a similar understanding at the climax of the play, and the realization that you have just had a collective experience, can recognizably reinforce social cohesion⁴. The outbreak of spontaneous applause at a climactic point in the action or of a standing ovation are physical manifestations of this bonding effect. This effect is most noticeable in sports, of course. Witness the effect on Canada of Paul Henderson's winning goal over the Soviet Union in 1972. The group bonding effect of a rock concert appears to be a similar phenomenon. While such bonding effects seem much more intense, and may even be more enduring, they seem also to be there in more tranquil cultural experiences as well.

The fact that culture contributes to the creation of values and social cohesion, and may indeed be the main source of evolution in values in society, makes the cultural sector of

³ See Throsby, D. (2001) *Economics and Culture*. Cambridge University Press, Cambridge, UK for a scholarly discussion of the value of cultural goods and experiences.

⁴ McNeill, W. (1995). *Keeping Together in Time* Harvard. See also Throsby, *op cit*.

policy interest beyond its mere economic contribution or the creation of material benefits (entertainment and relaxation).

5. Some Particular Issues

5.1 Where Does Economic Impact Fit In

Economic impact of the cultural sector is an indicator of enduring interest. However, it is increasingly a discredited measure, owing to its frequent misuse. Economic impact simply means the value added by an economic activity. As such, it is found in the macro indicators mentioned in the previous section, specifically the proportion of Canada's GDP accounted for by the sector.

Economic impact of an expensive public project is often used by advocates of the project as a measure of the benefits it will create, whereas, the reality is that if the public money were not spent there, it would be used on a project elsewhere which will create as much impact. Using the term "economic impact" for the GDP accounted for by the cultural sector is an attempt to imply that the value added would not have been created in the economy if the sector were not there. In fact, the resources available to the cultural sector would have flowed to some other sector and created equivalent value added there, leaving Canada's GDP much the way it was. Using the GDP accounted for by the sector as a measure of the benefit created by the sector is therefore incorrect. It also distracts attention from the true benefits.

5.2 Tourism

A rich and unique culture is one of the main attractions for foreign tourists to a country. Tourism as an economic activity, however, can only be partially expressed in the model, because it is not a cultural activity per se. All tourism does in the model is increase the consumption of cultural goods. This increase is included in the value of the various monetary indicators. Only when we try to disaggregate exports by asking producers how much of their production is shipped outside the country (i.e., how much demand is generated by foreigners) does cultural tourism become an issue. All the other goods it increases the consumption of (transportation, accommodation, food, etc.) are outside the model. If we want indicators of the benefits of cultural tourism they will have to be measured by other means and included in a separate module.

5.3 Equipment

Just as cultural tourists have to make expenditures on non-cultural goods in order to experience cultural ones, and therefore we ascribe their purchases to culture, so to do domestic cultural consumers have to make purchases of non-cultural goods (television sets, paint boxes, trombones) to experience cultural ones. These purchases can also be ascribed (at least in principle) to a demand for culture. However, as in the case of tourism, this must also be analysed outside the model and included in a separate module.

5.4 Education

If the purpose of creative cultural activity is to produce a flow of new symbolic resources into the society, the educational system is an important component of the effect and feedback mechanisms of the model. The educational system is both a place where symbolic resources delivered by the cultural system are appropriated by members of society, and where new creators are first introduced to their creative heritage. Educational system therefore has a parallel role to museums and other heritage conservation institutions which are a key part of the cultural flows. However, the educational system is as vast as the cultural system in terms of information flows, and is the subject of study and policy development elsewhere, and so must be omitted from the model and the suite.

5.5 Geographic location

The geographic dimension of culture is taken care of in the provincial perspective.

5.6 New Media

New media is three different things:

- a) new ways to produce old goods and services by current organizations (e.g., books on CD by current publishers). These are not differentiated in the model from old media, any more than paperback books are differentiated from hard bound ones. There is no a priori reason however why new media should not be differentiated, just as other characteristics such as language is;
- b) new products produced in a new way (e.g., video game software produced by new style companies). This is modelled as New Media Creators, Producers and Distributors, and new information may have to be gathered about them;
- c) the Internet, which is providing new opportunities for organizing the creation and delivery of cultural products to consumers (e.g., MP3). This is modelled as a grey area covering the production and distribution areas of the model to indicate the potential alternative delivery system which is emerging.

New media will be incorporated into the Suite of Cultural Indicators as it becomes statistically feasible to do so.

6. Current Status

Statistics Canada already collects many of the required statistics, thanks to their cultural survey program. Therefore, the core of the model can be populated with data series by selecting and arranging existing statistics to fit the model (data packaging).

Other required statistics exist in disbursed surveys (surveys of other industries, the GSS time use survey and cultural supplement, the Household Expenditure survey and various

administrative data collections). Some exploration of data sources and data mining will be required to mine those sources to fill in the picture (data assembling).

Finally, some original conceptual and theoretical research and new data collection will be required to complete the quantification of the "fringes" of the model (such as data on visual artists) and to begin to explore the little understood area of social benefits (data development).

To provide some idea of the magnitude of these tasks, Figure 3 illustrates the proportions of the model that can be completed by each of the three data approaches: packaging, assembling and development.

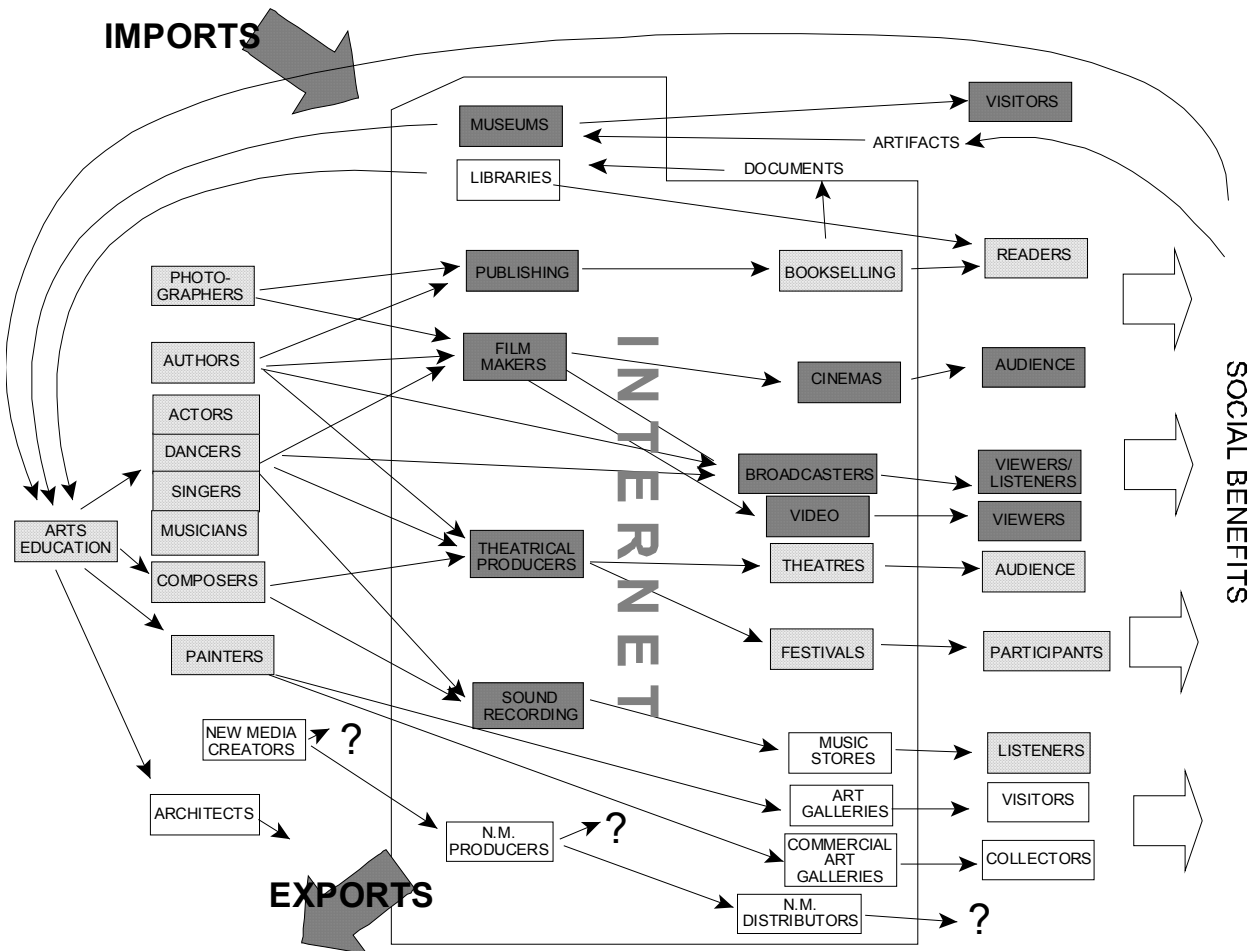


Figure 3: The model of the cultural sector indicating for which nodes information is at hand (dark shading), probably available but needing mining and assembly (light shading) and requiring significant research before being available (no shading).

As can be seen from the Figure, roughly 1/3 of the model can be quantified now, another third completed with existing data but with some effort required to identify sources and assemble it, and the final third will require considerable intellectual effort to understand.

APPENDIX A

Node	Basic Data (over time and by province where applicable)	Classification (Characteristics) Data
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Creators

Photographers	-number who work in this profession -average earnings (and distribution)	-full / part time
Authors, Playwrights, Poets, other Writers	-number who work in this profession -average earnings (and distribution)	-language
Performing Artists: actors, dancers, musicians, singers	-number who work in each of these professions -average earnings (and distribution)	-full / part time
Composers	-number who work in this profession -average earnings (and distribution)	-full / part time
Painters, Sculptors, Craftspeople	-number who work in this profession -average earnings (and distribution)	-full / part time
Architects	-number who work in this profession	
New Media Creators	-number who work in this profession -average earnings (and distribution)	

Producers

Book, Periodical Publishing	-number of firms (and distribution by size) -number of titles (periodicals) produced -number of copies sold -size of workforce -total sales	-nationality of ownership -language of product -export or domestic market
Film making: production, post-production, labs	-number of firms (and distribution by size) -number of films produced -number of copies distributed -size of workforce -total revenue	-nationality of ownership -language of product -type of film -export or domestic market
Theatrical Producers, Impresarios, Festivals, etc.	-number of theatres (and distribution by size) -number of productions -number of performances -attendance -size of workforce -total revenue -total sales	-nationality of ownership -language of product -type of production

(Cont'd...)

Node	Basic Data (over time and by province where applicable)	Classification (Characteristics) Data
Sound Recording and Music Publishing	-number of firms (and distribution by size) -number of recordings produced -number of copies distributed -size of workforce -total sales	-nationality of ownership -language of product -export or domestic market
New Media Producers	-number of firms (and distribution by size) -number of titles produced -number of copies sold -size of workforce -total sales	-nationality of ownership -language of product -export or domestic market
Broadcasters (TV, Radio)	-number of firms (and distribution by size) -number of hours of programming -number of productions -audience reached -size of workforce -total revenue	-nationality of ownership -language of production

Disseminators

Booksellers	-number of firms (and distribution by size) -number of titles sold -number of copies sold -size of workforce -total sales	-nationality of ownership -language -type of product -import or domestic
Libraries (Can also be considered Conservators)	-number of libraries (and distribution by size) -size of collection -number of item circulated -size of workforce	-type of collection -type of institution (e.g., public, university...) -language
Cinemas	-number of theatres (and distribution by size) - number of screen hours -attendance	-language -domestic or foreign content -nationality of ownership
Theatres	-number of theatres (and distribution by size) -number of productions -attendance	-type of theatre (discipline) -language -domestic or foreign content -nationality of ownership
Festivals	-number of festivals (and distribution by size) -duration (number of days) -attendance	-language -type

(Cont'd...)

Node	Basic Data (over time and by province where applicable)	Classification (Characteristics) Data
Music Stores	-number of firms (and distribution by size) -number of titles sold -number of copies sold -size of workforce -total sales	-type of product -import or domestic product
Video Stores	-number of firms (and distribution by size) -number of videos rented -size of workforce -total sales	-import or domestic product
Commercial Art Galleries	-number of galleries -number of artists -number of items stocked -number sold -size of workforce -total sales	-import or domestic product
New media Distributors	-number of firms (and distribution by size) -number of items sold -size of workforce -total sales	-nationality of ownership -language -type of product -import or domestic product

Conservers (including Institutional distributors) and Educators

Museums (and other institutions of conservation)	-number (and distribution by size) -size of collection -attendance -size of workforce -annual costs -annual revenues	type of collection (paid and volunteer) government and other
Art Galleries	-number (and distribution by size) -size of collection -attendance -size of workforce -annual costs -annual revenues	type of collection (paid and volunteer) government and other
Zoos, Planitaria, Aquaria, Botanical Gardens	-number (and distribution by size) -size of collection -attendance -size of workforce -annual costs -annual revenues	type of collection (paid and volunteer) government and other

(Cont'd...)

Node	Basic Data (over time and by province where applicable)	Classification (Characteristics) Data
Music Conservatories	-number (and distribution by size) -number of students -number of graduates -size of workforce -annual costs -annual revenues	type of courses government and other
Art Schools	-number (and distribution by size) -number of students -number of graduates -size of workforce -annual costs -annual revenues	type of courses government and other
Performing Arts Schools	-number (and distribution by size) -number of students -number of graduates -size of workforce -annual costs -annual revenues	type of courses government and other

Consumers

Museum Visitors	-number of users (incidence) -number of hours -number of times (frequency)	type of participation
Book and Periodical Readers (incl Library users)	-number of users (incidence) -number of books -number of times (frequency)	language
Cinema Audiences	-number of users (incidence) -number of times (frequency)	language country of production of film
Video consumers	-number of users (incidence) -number of times (frequency)	language country of production of film
Broadcasting viewers, listeners	-number of users (incidence) -number of hours	by type of media by type of program
Theatre (live performance) audiences	-number of users (incidence) -number of times (frequency)	by type (discipline)
Festival participants	-number of users (incidence) -number of times (frequency)	
Music (disk) Listeners	-number of users (incidence) -number of hours	

(Cont'd...)

Node	Basic Data (over time and by province where applicable)	Classification (Characteristics) Data
Gallery Visitors	-number of users (incidence) -number of hours -number of times (frequency)	
Art gallery Customers (collectors)	-number of collectors -volume of sales	

Macro Indicators

	GDP contribution of the sector	
	Total employment in the sector	by industrial and occupational codes
	Total spending in the sector from domestic and external sources	
	International trade flows	by node
	Interprovincial flow of cultural goods and services	
	Government spending on culture	by node

Base Comparison Data

	GDP	Canada / Province
	Labour force	Canada / Province
	Population	Canada / Province
	Total consumption	Canada / Province
	Government budgets	Canada / Province
	Consumer Price Index	Canada / Province