Making Canadian culture in the 21st century: An oxymoron?

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CULTURE AS COLLECTIVE SECURITY

Throughout its history, Canada has faced what has more recently been described internationally as "the Canada problem"—the predicament of a sovereign state that sustains "massive cultural invasion by a neighbour." To foster Canadian cultural expression, Canada has viewed culture, in the policy domain, as the United States views national security—essential to its sovereignty and to the country's capacity to preserve national values and its unique identity.

In contrast, the United States, as the dominant world force in cultural trade, continues to view the cultural sector primarily in economic terms and it remains committed to ending restrictions that infringe on or are likely to limit its trading capacity. Entertainment remains the second largest American export. The Americans know that the United States' ability to export its culture is closely tied to its dominance in other domains. In Canada, as in Europe and Asia, the United States is standing firm in its claim to unrestricted access to its foreign markets and the profits associated with that access.

Today, the parameters of the debate have broadened substantially, throwing into question the capacity of states to create policies in the cultural sector that may run counter to economic liberalization and international trade agreements. The Canada–U.S. debate centres on several key questions. Should Canada ensure that the emerging digital networks provide a communications space for Canadian content? Are current content rules still appropriate? Are investment and ownership regulations in the cultural industries still relevant? Should Canada continue its current initiative to make the case for a true cultural exemption in the international trading domain?

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THE ARGUMENT TO LIMIT GOVERNMENT'S ROLE IN CULTURE

The argument is being made that whatever Canada's earlier needs for so-called protectionist policies might have been, these are no longer necessary or implementable. Cultural products are now being transmitted through new communications technologies that make traditional content requirements obsolete. Canada has succeeded in the international cultural marketplace. Today it is the world's largest exporter of animated programs; its film industry has become Hollywood North and 2000 is already a record-breaking year for Hollywood films shot in Canada. Why then should it still require policies to support its cultural sector?

Examining the future of Canadian trade policy in the cultural sector for the C.D. Howe Institute in 1997, Daniel Schwanen argued that Canada should abandon its reliance on content regulations in favour of providing accessible "shelf space" for channels or sites with high Canadian content. Schwanen argued that it was not investment or ownership regulations but the provision of shelf space for Canadian products that was necessary to provide Canadian citizens with access to cultural products that reflect their experiences.

The argument is also being made, by some Canadian as well as American interests, that it is time to abandon national policies on investment and ownership in light of the need for larger and more integrated businesses in the cultural sector that will oversee production of content and also provide the most efficient means for worldwide distribution. Canadian investment and ownership restrictions, the argument goes, limit the capacity of businesses to compete internationally and offer no guarantees of Canadian cultural content.

CULTURAL POLICY: MORE RELEVANT THAN EVER

What then is the case for national cultural policies in an increasingly globalized environment? The 1980 MacBride International Commission for the Study of Communications Problems documented how the imbalances in the flow of information and cultural expression reinforce the advantage of larger and wealthier countries. It concluded, as Canada has long known, that intervention is required to achieve a more just and equitable balance. In 1986, Donald Macdonald, reporting to the Culture/Communications Industries Committee on free trade and cultural identity, reinforced the need for policies to ensure a variety of identifiably Canadian products and services. He wrote that "if we want to see the survival of cultural content produced by and for Canadians," Canada must seek continued competitive access to its own markets. "Canadian cultural content will simply not survive if our goods and services are required to be substantially repackaged to meet the tastes of a North American market, 90 percent of which does not share Canada's interest in things Canadian."

In a 1998 publication, former Deputy Minister of Heritage Canada Victor Rabinovitch, basing his case for intervention in the cultural policy sphere on the economic notions of "public good" and "merit good," cited the following statistics:

- 70 percent of the music on Canadian radio stations is foreign in content;
- 60 percent of all English-language television programming available in Canada is non-Canadian, reflecting the importation of many American channels and programs;
- 33 percent of all French-language television programming available in Canada is foreign;
- 70 percent of the Canadian book market consists of imported books;
- 83 percent of our newsstand market for magazines is made up of foreign magazines;
- 84 percent of retail sales of sound recording in Canada is foreign content, including 69 percent of French-language retail sales;
- 95 percent of the feature films screened in theatres in Canada are foreign (this can be even higher in English-language markets);
- 86 percent of prime-time drama on English-language television is foreign, mostly from the United States; and
- 75 percent of prime-time drama on French-language television in Canada originates outside the country.

While it is a given that Canadian cultural policies must reflect the evolving nature of cultural production and the impact of change resulting from new digital and multimedia technologies, it is also clear that Canada must continue to be able to maintain and to develop policies that will promote not only its history but the reality of its living culture and its cultural diversity.

CULTURAL SOVEREIGNTY: STILL ON THE AGENDA

Arguments to the contrary, the conflict between open-economy assumptions and cultural sovereignty remains. Canadian cultural policy must continue to address the need to reflect the Canadian experience to Canadians and to the world. Despite the growth of niche markets and the argument that the growing worldwide need for content will ensure Canadian production, there is little Canadian content in most of the cultural products that Canada produces for the export market. The trend toward cultural harmonization and the erosion of indigenous cultures has been reinforced by the dominance of transnational media.

There is, as well, well-founded apprehension concerning the rapid growth in concentration of media ownership and cross-ownership among press, audio-visual, and telecommunications companies and the joint ownership of both production and distribution networks. Concentration of power allows a few individuals to decide what information and cultural products consumers receive. For example, in Canada in 1993-94, the top 10 companies accounted for 76 percent of film distribution revenue and 79.3 percent of total sales of recordings.

Issues associated with content regulation, foreign investment and ownership, and the use of subsidies and fiscal measures in the cultural sector will continue to serve as red flags to our American neighbours. While it is a given that Canadian cultural policies must reflect the evolving nature of cultural production and the impact of change resulting from new digital and multimedia technologies, it is also clear that Canada must continue to be able to maintain and to develop policies that will promote not only its history but the reality of its living culture and its cultural diversity.

As countries throughout the world struggle to maintain indigenous cultures and cultural diversity in the new millennium, Canada has, in the last year, been instrumental in creating both an international forum of governments and one of non-governmental

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organizations to address this situation. Convinced that cultural diversity, like biodiversity, must be maintained and seeking partners in the face of strong American opposition, Minister of Canadian Heritage Sheila Copps has fostered the development of a government organization to make the case for sustaining cultural sovereignty in the face of economic liberalization. At the same time, the Canadian Conference of the Arts has assumed a leadership role in developing an international network of cultural NGOs to promote cultural diversity and to develop an agreement designed to remove culture from the discipline of international trade agreements.

What is really at stake in this discussion is whether, in an increasingly integrated economic environment, a sovereign nation is able to create, produce, and disseminate arts and cultural products that reflect its own experience.

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OECD countries with predominantly private financing mechanisms.

Health data show a strong relationship between health status and income.

While there continues to be much hopeful (some would say fanciful) talk in the Canadian reform debate on "influencing" the social and economic determinants of health, it may be that national, provincial, and local tax structures, and their consequences on health care use, constitute the invisible hand that buffers the effects of income inequality on the health status of Canadians. One of the main "influencers" on the health status of Canadians and health inequalities in Canada may well be progressive tax and equalizing benefit structures of the Canadian state, relative to the United States. Canadian health data show a strong relationship between health status and income, but unlike the United States and Britain, the apparent particular effects of income disparities may be muted at least partially by tax policies and health use benefit incidence that implicitly favour social equity!

MORE MONEY FOR CANADA'S AILING HEALTH CARE SYSTEM

On September 11, Canada's First Ministers' Meeting agreed to invest $23.4 billion federally over the next five years on health care, with $2.2 billion of this devoted to early childhood development. This is at once tremendous news and disappointing. The social reinvestment of major transfer dollars is a welcome contrast to the downward fiscal pressure of the early 1990s.

This social reinvestment in transfers, with its progressive distributive consequence, is welcome in light of what we are beginning to understand as the health consequences of polarized income shares on the health of populations and how these consequences are felt in Canada and the United States. The agreement may also begin to buffer the panic talk about the fundamentals of the Canadian health care system.

On the other hand, the first ministers' announcement is disappointing for two important reasons. There are no new conditions on the new Canada Health and Social Transfer funds (http://www.scics.gc.ca/cinfo00/80003807_e.html). Why is this a problem?

In the last 15 years, the proportion of health services covered under the mandatory sweep of the *Canada Health Act* has shrunk from something in the order of 57 percent to something in the order of 45 percent of all health services. This shrinking base of coverage has occurred in part because of passive privatization—the shifting of costs for pharmaceuticals and care from hospitals where they are virtually completely publicly financed to community and home care where the base of public coverage has a threefold variation from one province to the next.

National health reform in Canada requires the extension of insured coverage under the *Canada Health Act*, if only to keep up a reasonably comprehensive base of public coverage. Although there is a political imperative, nothing in the first ministers' agreement compels any extension of coverage in the form of a national standard.

The government of Canada has at once bought political silence in a pre-election period and shrewdly reinvested in a progressively distributed social benefit. These moves will not only ease the panic in our delivery system, but may well help to sustain the health of our population because of the salutary health effects of this progressive social transfer.

This is in stark contrast to the United States, where the main "big ideas" being considered by Congress are the expansion of medical savings accounts and tax credits. Both of these measures will send people into the marketplace of insurance, where carriers still weed out those with health problems. If they do offer policies to sick people, the cost of such policies effectively shut them (and the poor) out of the market.

As Larry Levitt from the Kaiser Family Foundations says of these U.S. developments: "It's potentially a cruel hoax to give people something and then there's nothing to buy." These are not small differences between our two countries.