

Ontario's Culture Strategy and the Fashion Industry

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1. INTRODUCTION

In 2014-2015, the Ontario Ministry of Tourism, Culture and Sport invested approximately \$800 million into the province's cultural industries. To date, the fashion industry has been ineligible to receive any of this funding on the basis that it does not qualify as culture or arts. I am delighted to bring forward a compelling report to the Ontario government that will encourage it to view the fashion industry as a viable, dynamic, and exciting sector. As such, I, along with a collective of stakeholders within the fashion industry, believe that fashion is an integral component of Ontario's culture and is deserving of government funding and support.

2. OVERVIEW OF SUBMISSION

The fashion industry has consistently been excluded from the province's cultural funding. The fashion industry is deserving and in need of government funding and support. This submission will demonstrate that the fashion industry is vibrant, profitable and organized. It is already able to boast an economic impact to the Ontario government, which will only be increased with government support and funding. In addition, investing in the fashion industry has a trickledown effect to a myriad of related industries, which provides a greater ROI to both the fashion industry and the economy. The fashion industry has a well-established infrastructure comprised of post-secondary educational institutions, professional organizations and associations, dedicated incubators and accelerators, and world renowned fashion shows that all play an integral part in supporting and boosting the fashion industry. The effectiveness of this infrastructure will be further enhanced through government funding and support. Finally, the Quebec, British and Hong Kong government has proven that government investment in the fashion industry garners positive results. The Ontario government should similarly invest in its fashion industry by allowing fashion to be included in the Culture Strategy.

3. TYPE OF GOVERNMENT FUNDING AND SUPPORT REQUESTED

There are a number of ways in which the Ontario government can lend its support. Below is a non-exhaustive list of examples:

- Government grants available to eligible fashion businesses via existing funding bodies
- Tax incentives rewarding Ontario-based apparel manufacturing
- Government funding available to eligible fashion incubators and accelerators to develop talent and create more opportunities in the marketplace
- Government funding available to eligible fashion organizations and associations
- Investment into fashion events and marketing initiatives thereby raising the calibre and profile of the fashion industry
- Funding of fashion road shows that will enable Ontario fashion businesses to gain exposure internationally
- Government support to integrate the fashion industry's development with other industries that require apparel, costumes and uniforms
- Incentives provided to other industries to integrate the fashion industry into its government funded festivals

In addition, we believe that an authority figure within the Culture Strategy should manage funding requests, conduct periodic studies to determine the effectiveness of the government support and funding and investigate how the funds are being used by the recipients. Government support and funding must be granted within a system of checks and balances.

4. FASHION IS AN INEXTRICABLE PART OF CULTURE AND SHOULD BE INCLUDED IN THE CULTURE STRATEGY

In order to ensure that fashion is eligible for funding through Ontario's Culture Strategy, it is necessary to demonstrate that fashion meets the criteria to be included as part of Ontario's culture. The Discussion Paper issued by the Ontario Ministry of Tourism, Culture and Sport delineates four cultural sectors: i) the arts, ii) cultural industries, iii) public libraries and iv) cultural heritage. Fashion can very clearly be categorized as part of at least 3 of the 4 above-mentioned categories.

Fashion is a natural fit within the arts category. In the Discussion Paper, the Ministry uses inclusive wording to describe what is considered to be the arts: "...including craft, dance, literary arts, media arts, music, opera, theatre and visual arts".¹ This inclusive definition of arts indicates that the Ministry is open to expanding the definition of arts. Without a doubt, the fashion industry is an artistic endeavour on its own accord. Garment-making involves incredible artistic vision and talent. Moreover, the fashion industry is integral to costuming for dance, music, opera and theatre.

Notwithstanding fashion's obvious fit within the arts category, fashion features heavily within the cultural industries category. Indeed, fashion is oftentimes central to cultural identification. The Discussion Paper explains that the cultural industry sectors "[includes] film and television production, interactive digital media, the music industry, and book and magazine publishing".² Fashion is a critical component to the film, television, music and magazine industries. Remove fashion from any of these industries and you remove a core aspect; fashion is a necessary part of the equation to these industries. In some instances, fashion becomes its own character of productions.

Similarly, fashion is integral to the final category, cultural heritage, which includes "collections held by museums".³ Toronto's Bata Shoe Museum is dedicated to the fashion industry, containing 13,000 artifacts that capture 4,500 years. The Textile Museum of Canada, based in Toronto, is Canada's only textile-dedicated museum. Its

¹ Ministry of Tourism, Culture and Sport. *Telling Our Stories, Growing Our Economy: Developing a Culture Strategy for Ontario. Discussion Paper.*, p. 2.

² *Ibid*, p. 11.

³ *Ibid*, p. 14.

collection spans 2,000 years and contains 13,000 artifacts. In addition, the Royal Ontario Museum frequently showcases exhibitions that focus on fashion and costumes. In fact, the Royal Ontario Museum has a staff position that is dedicated to “Fashion Costume Curatorship”. The Design Exchange also frequently showcases exhibitions that focus on fashion and costumes.

In conclusion, the fashion industry inextricably qualifies under the arts category and, given that fashion features heavily within the cultural industries and cultural heritage categories, fashion should be considered to be part of culture and, therefore, eligible for funding under the Culture Strategy.

5. THE FASHION INDUSTRY SHOULD RECEIVE GOVERNMENT FUNDING AND SUPPORT

The above submissions demonstrate that the fashion industry qualifies as part of culture and, therefore, is eligible for government support and funding as part of the Culture Strategy. I shall now demonstrate why supporting the fashion industry is a smart and strategically savvy business investment for the Government of Ontario and its economy.

a) The Fashion Industry is a Significant Economic Contributor

Given today's economy, the Canadian business community has come to the realization that traditional Canadian investment sectors, such as mining and resources, are no longer as lucrative as they once were. Profitability and returns in these sectors are diminishing. Ontario needs to diversify its investment into multiple sectors. The fashion industry is a solid candidate in which to invest.

The fashion industry is largely comprised of small and medium sized enterprises. Obtaining growth capital is essential. However, obtaining financing is challenging. Despite this fact, the fashion industry has had sufficient staying power to positively contribute to the economy. Providing the fashion industry with government support and funding will enable the fashion industry to become

a world-class player, which will have significant benefits for the province of Ontario. In addition, it is critical to support independent designers to ensure that they remain competitive with fast fashion enterprises.

The fashion industry is a multi-disciplinary industry whose impact is felt in a large number of sectors and industries, bringing with it opportunity, employment and profit. Indeed, the reach of the fashion industry extends to designers, manufacturers, skilled labourers, artisans, graphic designers, models, hair and beauty professionals, importers, exporters, brokers, agents, photographers, producers, editors, advertisers, retailers, logistics, media, educators, technologists, real estate agents and brokers, land developers and web developers, and so on.

Through statistical analysis, it is clear that the fashion industry is the right investment.

The City of Toronto advises that the fashion/apparel industry employs 50,000 individuals in Toronto, half of which are in manufacturing. The value of wholesale shipments from Toronto's 550 apparel manufacturers is approximately \$1.4 billion annually.⁴ In addition, Toronto's retail sector continues to see growth. The City of Toronto reports that its 4,600 fashion retail stores generate \$2.6 billion in annual sales.⁵

Industry Canada reports that, between 2010 to 2014, the median GDP generated by the apparel industry is \$1.2 billion, employing (on average) close to 27,000 individuals.⁶ Studies by Statistics Canada demonstrate that the Ontario textile, leather and clothing manufacturing industry generated \$24.2 million in

⁴ City of Toronto Economic Development and Culture division. *Toronto Fashion/Apparel Sector Profile*. <https://www1.toronto.ca/static_files/economic_development_and_culture/docs/Sectors_Reports/TORCODevFashion27838.pdf>

⁵ *Ibid* at p. 2.

⁶ Industry Canada. *Apparel Industry Profile 2010-2014*. <http://www.ic.gc.ca/eic/site/026.nsf/eng/h_00070.html>

September 2014 and \$24.3 million in September 2015, which demonstrates consistent profitability.⁷

In addition, the Fur Council of Canada boasts that Canada's fur industry alone has contributed \$800 million to the Canadian economy, employing 65,000 individuals.

These statistics demonstrate that the fashion industry is worthy of investment. It has remained profitable in spite of the lack of government support. However, I strongly believe that injecting government support and funding into the fashion industry will enable the fashion industry to flourish and excel. Even more compelling, benefits that will arise from government funding and support will extend to multiple industries and sectors. This trickledown effect is compelling.

In conclusion, the government's ROI for investing in the fashion industry is clear: increased profitability that spans multiple industries, increased employment and increased tax revenue for the government.

b) The Fashion Industry Contributes to Ontario's Exports

In order for Ontario's culture to become known as world class, which was cited as a desired outcome by the Ministry of Tourism, Culture and Sport in its Discussion Paper, it is critical that Ontario's culturally inclined businesses gain international exposure. This is achieved by encouraging tourists to visit Ontario and also by exporting Ontarian culture within Canada and internationally. The fashion industry is able to achieve both outcomes.

According to the City of Toronto Economic Development's report on the fashion industry, Canada's apparel exports to the U.S.A. have increased by 550% since

⁷ Statistics Canada. *Manufacturing sales, textiles and clothing industry 2014-2015 by province and territory*. <<http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ87a-eng.htm>>

the adoption of the North American Free Trade Agreement.⁸ Moreover, Industry Canada reports that in 2014 close to 50% of Canadian apparel was exported.⁹ Indeed, Canadian manufactured apparel has become widely acknowledged as high quality. The export of high quality Canadian made products can generate interest for foreign companies to explore Canadian manufacturers.

In conclusion, investing in Canada's fashion industry will increase the quality and quantity of exported Ontarian products, which will increase Ontario's exposure internationally and attract foreign interest in Ontario manufacturing capabilities.

c) The Fashion Industry is Supported by a Robust Infrastructure

The fashion industry is supported by a robust infrastructure. This ensures that government funding and support will be used wisely and its investments will not fall into an abyss.

i) Educational Institutions Dedicated to Fashion

The Ministry of Tourism, Culture and Sport's Discussion Paper clearly intimates that it has a vested interest in encouraging youth to embrace culture. In fact, it states that "young people are the future creators and consumers of culture in Ontario".¹⁰ Ontario is home to the following post-secondary educational institutions that offer masters degrees, bachelor degrees and diplomas that are dedicated to the fashion industry, from both a design and business perspective:

- Ryerson University
- Seneca College

⁸ *Supra* note 4 at p. 2.

⁹ *Supra* note 6.

¹⁰ Ministry of Tourism, Culture and Sport. *Telling Our Stories, Growing Our Economy: Developing a Culture Strategy for Ontario. Discussion Paper.*, p. 5.

- George Brown College
- Toronto Film School
- Toronto Fashion Academy
- Humber College
- Fanshawe College
- Centennial College
- OCAD University

This abundance of post-secondary educational institutions catering to fashion students indicates that there is a constant flow of new professionals and entrepreneurs to the fashion industry. Ontario can use this opportunity to cultivate this interest in Canadian culture into profitable businesses.

ii) Established Fashion Incubators and Accelerators Offer Guidance to Businesses

Ontario is home to a number of incubators and accelerators that are exclusively dedicated to the fashion industry, namely:

- Toronto Fashion Incubator
- Ryerson Fashion Zone
- Joe Fresh Centre for Fashion Innovation

It is worthwhile noting that the Toronto Fashion Incubator was the world's first fashion incubator and is responsible for generating 18,000 jobs in Toronto. Collectively, these organizations assist fashion talent to become established businesses. The incubated businesses span a myriad of sectors within the fashion industry including fashion design, fashion-related online services, fashion-focused technology, wearable technology and e-commerce.

iii) *Internationally Acclaimed Fashion Shows Offer Exposure*

Fashion shows are key to enable fashion designers to showcase their talent to the media, buyer and consumers. Toronto is home to numerous fashion shows, including:

- World Mastercard Fashion Week
- Toronto Men's Fashion Week
- Ottawa Fashion Week
- Toronto Fashion Incubator's New Labels
- White Cashmere Collection
- Fashion Art Toronto
- Ryerson University's Mass Exodus
- Fanshawe College's Unbound

I specifically draw your attention to the success of the WorldMaster Card Fashion Week, otherwise known as Toronto Fashion Week. This is Toronto's semi-annual fashion week. It was created by the City of Toronto in the 1990s and was passed on to the Fashion Design Council of Canada to manage, which generated significant outcomes. In fact, Toronto Fashion Week was subsequently purchased by IMG, a world-leading producer, marketer and partner to the international fashion community, in 2012. It is now recognized as North America's 2nd largest fashion week, following New York Fashion Week. In order to invest in Toronto's Fashion Week, IMG saw great potential, opportunity and ROI in Toronto. It would be fortuitous if the Ontario government echoed this perspective. A sample of IMG's notable global fashion portfolio include Milan Fashion Week, New York Fashion Week and London Fashion Week. *Women's Wear Daily* reports that New York's Fashion Week generates \$900 million in

economic impact for New York City from its 8 days of shows. Indeed, both Toronto Fashion Week and Toronto Men's Fashion Week could be a significant source of revenue and tourism. With government funding and support, Ontario's various fashion weeks have the capability to generate significant revenue for the province.

iv) Fashion-Dedicated Associations and Organizations Offer Guidance and Mentorship

There are a number of fashion-dedicated organizations that operate in Ontario, some of which are named below:

- Fashion Group International
- Toronto Fashion Incubator
- Fashion Design Council of Canada
- Canadian Arts & Fashion Awards
- Canadian Apparel Federation

These organizations and associations are dedicated to elevating and celebrating the fashion industry by providing awards shows, networking opportunities, mentorship programs and educational programming. Although separate organizations with their own mandate, it is my experience that these organizations are cooperative and collaborative, ultimately seeking to elevate the fashion industry as a whole.

In conclusion, the fashion industry has a robust infrastructure in place that supports the fashion industry. Providing government support and funding into the fashion industry will enable this infrastructure to operate at a higher level, which will benefit the fashion industry and further enhance the province's ROI.

d) Canada has a Strong Historic Connection with the Fashion Industry

To a large extent, the fashion industry was foundational to the creation of Canada as a country and to its economy. The Hudson's Bay Company was founded in 1670. For the next 200 years, it lucratively exploited the fur trade. Despite fashion and retail being a cornerstone of the Canadian economy, the government has failed to maintain its interest and support in the fashion industry.

6. CASE STUDIES DEMONSTRATE THAT GOVERNMENT ASSISTANCE BOLSTERS THE FASHION INDUSTRY

a) Quebec

The Quebec government is an overt supporter of its fashion industry. In 2005, the Quebec government granted \$85 million to the fashion industry. In addition, the Quebec government recently commenced funding a fashion organization called MMode, whose mandate is to boost the province's fashion industry. It is no surprise that with this type of financial assistance, the Quebec fashion industry has flourished. In fact, Montreal is the 3rd largest fashion exporter in North America, following Los Angeles and New York City. Should Ontario support its fashion industry, it is certain that it would benefit immensely.

b) Great Britain

The British Fashion Council ("BFC") is a non-profit organization dedicated to supporting the British fashion industry. It is funded, in part, by the government, including the Mayor of London and the European Regional Development Fund. The results are impressive. London is a global destination for designers, especially newer talent. The BFC's ability to fund designers, fashion-related events and conduct studies on the fashion industry ensures that the fashion industry is able to reach a level of success that would not have been capable without that funding.

c) Hong Kong

Furthering Hong Kong's position as a global consumer and retail hub, the Hong Kong government invested \$500 million (HK) into its fashion industry by creating a 3 year pilot project to support its fashion industry. The pilot program includes the creation of an incubation program, creates opportunities for overseas internships and promotes homegrown talent through local and international events.

In conclusion, each case study demonstrates that there is a governmental ability to invest in the fashion industry, which generates positive results.

7. CONCLUSION

We strongly encourage fashion to be included as part of Ontario's Culture Strategy. It is profitable and generates employment opportunities. It has created an infrastructure that shows great potential. As such, the fashion industry is well-suited to strategically use government funding and support to grow and contribute positively to the economy. With government funding, grants and tax incentives, the fashion industry has the capability to increase employment to a wide cross-section of the population, reinstate manufacturing and skilled trades back to Canada, generate significant revenue and keep Canada competitive and relevant on a global scale. Now is the time for Ontario's fashion industry to rise to the next level with government funding and support.

8. CONSENSUS ON THE NEED FOR GOVERNMENT SUPPORT FROM WITHIN THE FASHION INDUSTRY

a) Notes from the Author

I am a partner with a Bay Street law firm, who practices fashion and branding law. I am also recognised as a Certified Specialist by the Law Society of Upper Canada. I currently hold a 3 year term as co-chair of the Toronto Chapter of Fashion Group International, am a mentor with Toronto Fashion Incubator, an advisor with the Ryerson Fashion Zone and a mentor with the Canadian Arts and Fashion Awards. I am honoured to have leadership roles in the majority of Ontario's fashion organizations and associations. Through my participation, I have been able to develop a deep insight into the fashion industry. I interact with fashion industry professionals every day of my life. Canada's fashion industry is filled with enterprising, industrious, exceptionally hardworking and dedicated individuals. But they need government support and funding. Express government support and funding is a key factor to allow the fashion industry to flourish.

b) Endorsement of This Submission From Within the Fashion Industry

The following entities and individuals endorse this submission:

- Toronto Fashion Incubator
- Fashion Group International
- Canadian Arts and Fashion Awards
- Lisa Tant
- Jeanne Beker
- Stylist Box
- Sue Roadburg
- David Dixon
- Suzanne Rogers
- Paul Mason

- Deirdre Kelly
- Robert Ott
- Ryerson Fashion Zone
- Mikael D
- Novella Magazine
- Toronto Men's Fashion Week