

DATA DIVE WITH NIK NANOS

# WHAT’S THE NEXT ACT FOR OUR ARTS AND CULTURE SECTOR?

Attendance is seeing a boost as the pandemic recedes, but the industry must prepare for the possibility of an economic downturn

OPINION

Nik Nanos is the chief data scientist at Nanos Research, a global fellow at the Woodrow Wilson International Center for Scholars in Washington and the official pollster for The Globe and Mail and CTV News.

The pandemic was difficult for everyone, particularly the arts and culture sector. Patrons were deprived of in-person experiences as governments worked to protect public health. First it was masking, then physical distancing, then vaccinations and mandates. It was a roller-coaster ride as everyone dealt with multiple waves of COVID-19.

How did the arts and culture sector make out? Not bad. Not great. But it's still trying to get back to those prepandemic days.

Since the beginning of the crisis, Nanos has conducted quarterly national tracking surveys of arts and culture patrons on behalf of the charitable organization Business/Arts and the National Arts Centre.

On the positive side, people are returning to get their arts and culture fix. The latest numbers show a majority of people are coming back. About six out of 10 patrons (62 per cent) have returned to outdoor events, up from 38 per cent in May, 2022. Likewise, 67 per cent reported returning to museums and art galleries (up 22 points since last May). More than seven in 10 patrons (72 per cent) reported returning to indoor events, up from 48 per cent in May of last year.

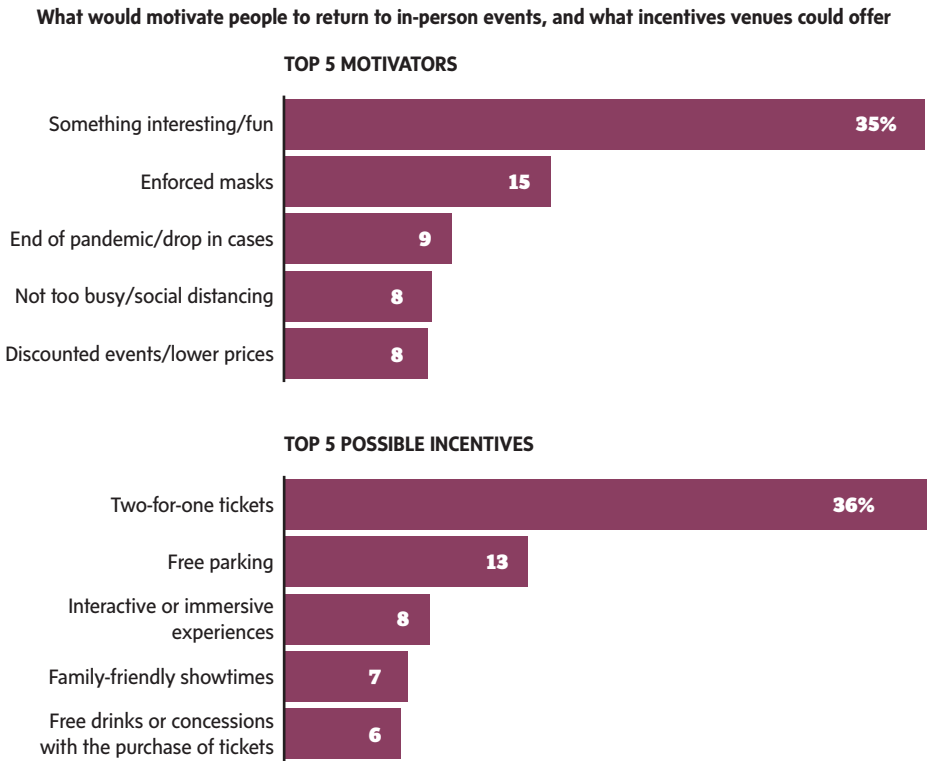
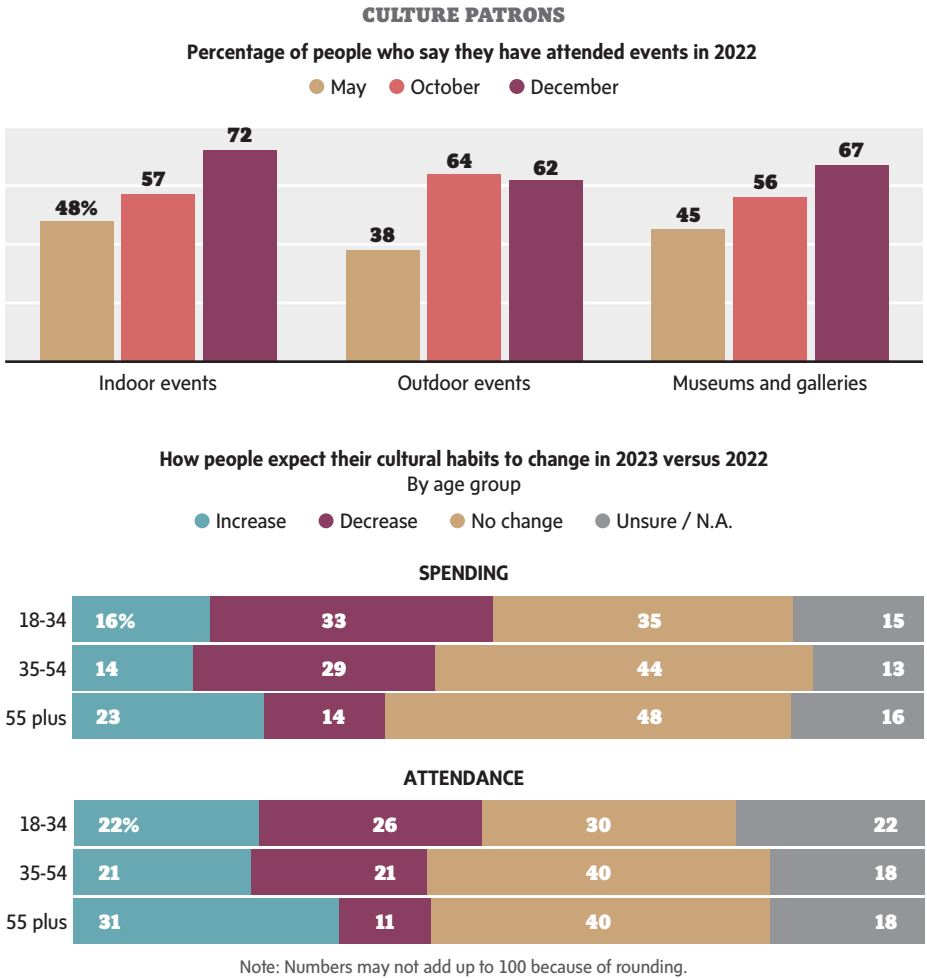
One in 20 culture patrons said they would never return, and about one in 10 remained unsure about attending indoor events. The big question, for the sector, is how to lure back that latter group.

More than a third of non-returning patrons said something interesting and fun would bring them back. After being deprived of in-person cultural experiences for so long, it looks like many want to start with dessert as opposed to “good for you” cultural offerings.

Still, the attendance trajectory remains positive. Also of note, back in May, 2020, when patrons were locked out of in-person experiences, about one in two turned to digital cultural experiences and performances. There was no expectation of a free ride, with about one-half of patrons saying they would pay for a digital experience.

What is the path forward? If the pandemic wasn't enough of a disruption, now arts

## State of the arts



MURAT YÜKSELİR / THE GLOBE AND MAIL, SOURCE: NANOS RESEARCH

## China’s balloon is latest chapter in long history of high-altitude espionage

DAVID SHRIBMAN

OPINION

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It skirted into Canadian territory, traversed the United States and then was destroyed over the Atlantic. Its path from Montana to South Carolina sent thousands casting their eyes into the wintry skies. It caused the U.S. Secretary of State to cancel his diplomatic mission to China, prompted the President to send warplanes flying, gave conservative critics of Joe Biden an opening to accuse him of weakness and set in motion the sort of ocean recovery search that was a staple of the Project Mercury space-capsule flights of the early 1960s.

The story of the flight of the Chinese balloon created a near-hysteria in political circles if not on the ground and, in breathless cable coverage, suggested a frightening new frontier in international spycraft. But in truth, balloon surveillance dates to the late 18th century, the United States fired on German balloons in the First World War and in this century employed balloons to conduct surveillance in Afghanistan. China has been sending balloons aloft for years.

Indeed, the U.S. and China shared an almost mirror image of

the 2023 episode in 1952, when in the chilliest days of the Cold War, an American spy plane travelling into Chinese airspace on an evening with a full moon was shot down and its two CIA operatives were captured. Thus began a two-decade-long ordeal of imprisonment, torture and meals such as a dead sparrow that had been boiled in water without having been cleaned first.

Airborne surveillance always has been fraught with risk. Though China argued its balloon, the size of three city buses, was examining weather patterns in the atmosphere, not missile-launching sites in the American northern plains, U.S. intelligence officials this week concluded that it was part of a massive surveillance program.

Much of the 1952 CIA mission over China and its aftermath was conducted in Cold War secrecy, but the most famous episode of airborne surveillance occurred in 1960 and was played out in public, much to the embarrassment of the Dwight Eisenhower administration.

It began with a U-2 overflight into Soviet airspace and ended with the cancellation of a summit meeting between Mr. Eisenhower and the Soviet Union's Nikita Khrushchev. When Francis Gary Powers was shot down near the city of Sverdlovsk Oblast in the Ural Mountains, the administration concocted a story that the pilot, on a 4,700-kilometre, high-altitude pass over the Soviet Union, had drifted off his flight plan after blacking out when an

oxygen-delivery system malfunctioned.

That cover story lasted until Mr. Khrushchev announced that Mr. Powers had not, as American intelligence leaders expected, perished and that the Soviets recovered the plane and determined it wasn't designed to measure meteorological phenomena. A mortified Mr. Eisenhower then acknowledged what had been apparent for days.

In the current episode, American intelligence officials argued the Chinese balloon posed no danger to the country and allowed it to traverse the country so as to observe its functions. They said that, in an age when satellite surveillance was commonplace and sophisticated, balloons could travel closer to the ground and thus offered advantages over other surveillance techniques.

“They must have known such a huge thing would be detected,” Iain Boyd, a professor of aerospace engineering science who is director of the Center for National Security Initiatives at the University of Colorado, said in an interview. “It likely was a provocative move, a counter to the spying Americans do in China, showing they can cause a stir thousands of miles from home. It seems like a political jab at the United States.”

But the question remains why, just before an important meeting with U.S. Secretary of State Antony Blinken, Chinese President Xi Jinping would mount a surveillance offensive sure to be discovered even by Montana ranchers and Kentucky farmhands. The

dispatch of the balloon seemed out of character for a Chinese leader who, facing domestic challenges, has moderated his approach to the West.

The 1952 CIA mission over China had far greater intelligence potential – and presented far greater peril.

“This story is important as a part of U.S. intelligence history because it demonstrates the risks of operations (and the consequences of operational error), the qualities of character necessary to endure hardship, and the potential damage to reputations through the persistence of false stories about past events,” a former deputy CIA historian, Nicholas Dujmovic, wrote in an agency-commissioned assessment.

Initially the CIA denied its two operatives were intelligence operatives, arguing instead they were on a routine cargo flight between Korea and Japan that had gone awry. Instead, they were part of a CIA effort to use American-trained Chinese agents to work with dissident generals to foment upheaval, if not actual counter-revolution, against China's young Communist regime.

When the Americans' engine cut out, their aircraft crashed amid a copse of trees. The pilots were killed but the CIA operatives survived and were captured. “Your future is very dark,” a Chinese security officer told Richard Fecteau, one of the CIA prisoners.

The fate of the two survivors – who underwent brutal interrogations, sleep deprivation, solitary

and culture organizations have to deal with the possibility of an economic downturn. Canadians are worried about paying the rent. They are managing their grocery bills. It looks like the budget for arts and cultural activities is going to be squeezed.

Asked about their 2023 budget for such experiences, 43 per cent said their spending would be the same, 24 per cent said it would be less and 18 per cent said they would spend more. Factoring those that said they would spend less against those that would spend more, 2023 might see revenue for the sector drop 6 per cent overall if uncertainty about the economy continues. The research suggests that organizations in Ontario and the Prairies may be affected more than those in other regions.

The generational divide on spending is dramatic. Patrons under 55 years of age are more likely to cut their arts and culture budget, while those 55 and older said they would spend more in 2023 than in the previous year. If you are under 55, it's about doing more with less. Those budget-trimming culture patrons expect to pursue about the same number of experiences in 2023, but those 55 and older will not only spend more in 2023, but expect to attend more events as well.

Overall attendance is expected to increase, with more than one in three (37 per cent) saying their attendance will be the same, 25 per cent saying they will attend more and 18 per cent less. So attendance in 2023 may be up seven points over the year, and that increase is being driven by returning older patrons.

The survey's margin of error was plus or minus 3.1 to 3.2 percentage points, 19 times out of 20.

How to boost numbers even more? When asked about a series of possible incentives that might draw them back, the most popular was two-for-one tickets. In any case, the sector will need to further embrace innovation in how and when it engages patrons and delivers those cherished arts and cultural experiences. For a sector driven by creativity, this should not be difficult.

If the pandemic was a threatening virus, the sector is likely to experience more of a common cold this year. The problem is that a cold can range from mild to debilitating.

If there is no significant economic downturn in 2023, one can hope that wallets get opened so Canadians can support the arts and cultural experiences they cherish.