



**C A R F A C**

# **Positioning the Arts as a Key Economic Driver in COVID-19 Recovery**

**A brief to the House of Commons  
Standing Committee on Finance**

**2021 Pre-Budget Consultations**

**Submitted by:**

**Canadian Artists' Representation / Le Front des artistes canadiens**

## **Recommendations**

We support the recommendations made by the Canadian Arts Coalition.

Additionally, we recommend that the Federal Government:

- 1. Implement a Guaranteed Basic Income program for Canadian citizens;**
- 2. Invest \$12 Million annually at the Canada Council for the Arts, to support artists and cultural leaders identifying as Indigenous, Black, racialized, and members of equity-seeking groups;**
- 3. Invest \$1 Million annually at the Canada Council for the Arts to provide rapid-response micro-grants for individual artists;**
- 4. Amend the Copyright Act to include an Artist's Resale Right as an economic marketplace solution for individual artists.**

While COVID-19 has presented immense challenges and has caused significant damage to the arts sector in Canada, this crisis offers a profound opportunity to consider how we resource and manage our cultural ecosystem, as bold changes to current structures are absolutely essential for survival of arts and culture in Canada.

## **About CARFAC**

Founded in 1968, Canadian Artists' Representation / Le Front des artistes canadiens (CARFAC) is the national professional membership association for visual artists. We represent over 21,000 professional visual artists, including over 4,000 members.

We believe that artists, like professionals in other fields, should be paid fairly for their work at all stages of their careers. We educate the visual arts community about artists' economic and legal rights, and we offer professional development opportunities and training to artists. CARFAC strives to be an inclusive and safe space for all, and to accurately reflect the diversity of the artist communities that we serve.

## **A snapshot of the arts in Canada**

- According to [2016 Census data](#), there are 726,600 cultural workers, representing 4% of the overall labour force. This includes over 158,000 artists living and working in Canada, representing more workers than in automotive manufacturing and utilities;
- Indigenous, Black, and racialized artists are also underrepresented within Canadian cultural institutions both as presenting artists, and within management, executive positions, and boards. Meanwhile COVID-19 transmission has disproportionately impacted Black, racialized, and low-income communities.
- The median income of Canadian visual artists is \$20,000, which is 54% lower than the median income of all workers. 66% of Canadian visual artists are self-employed, compared to only 12% of all Canadian workers. Of the 21,100 visual artists in Canada, 16% of visual artists are Indigenous, Black, or racialized;
- The [2016 Census](#) also revealed that Indigenous, Black, and other racialized artists earn significantly less income than their non-Indigenous/non-racialized counterparts. Indigenous, and Black and racialized artists earn a median income of 68 cents and 72 cents, respectively, for every \$1 for non-Indigenous/Black/racialized artists;

- [A survey of 500 artists](#) from all disciplines between March 30 and April 5, 2020 found that an estimated \$11.1 Million total income has been lost or is at-risk due to COVID-19, including \$22,253 average income lost or at-risk, per artist.

## **1. Implement a Guaranteed Basic Income program for Canadian citizens**

We recommend the implementation of a Guaranteed Basic Income program for all Canadian citizens, permanent residents, and refugees over the age of 18, that:

- Is income-tested, not means-tested;
- Provides \$2,000/month to enable all citizens to live a dignified, healthy, and engaged life;
- Is intended to alleviate the dehumanizing and economically unsustainable conditions associated with current social programs. As self-employed workers, many artists do not qualify for EI or CPP, while those on other forms of social assistance are often trapped in poverty;
- Is designed in conjunction with other support structures (i.e. disability, senior, and child benefits);
- Does not entail cuts, nor compromise increases to, public funding for the arts sector; and
- Can be evaluated after 18-24 months with the intention of identifying improvements and modifications for continuation.

A Guaranteed Basic Income program for all citizens will improve economic conditions for the country's most vulnerable, and it will stimulate growth by ensuring Canadians are meaningfully engaged in the economy in ways that capitalize on their skill sets and capacities. It will significantly improve conditions for Canadian artists given that artists are often amongst the country's most vulnerable workers, and many have fallen through the cracks with relief programs such as the Canada Emergency Response Benefit (CERB).

We anticipate that artists and cultural workers will require income support for up to 2 years as we recover from COVID, but we recommend a Basic Income as a long-term program. This program will be critical given the current inequality experienced by Indigenous, Black, racialized, and other marginalized artists.

Artists who were successful in receiving CERB have widely reported that the benefit has resulted in significantly increased financial stability, and for many, it has represented a time of great productivity and creative incubation. We are confident that financially stable artists are better positioned to contribute to our country's domestic economy, and they help make Canada more competitive through our global contributions and cultural exports.

## **2. Invest \$12 Million annually to the Canada Council for the Arts, to support artists and cultural leaders identifying as Indigenous, Black, racialized, and members of equity-seeking groups**

This fund should be:

- Administered by the Canada Council, in addition to their current budget, through two distinct funding envelopes:

1) **Project grants** for individual artists working in any discipline;

2) **Project and operating grants** for small groups, collectives, and unincorporated initiatives, with annual budgets under \$200,000, that are ineligible to access core funding through current Canada Council programs. These grants should focus on resourcing organizational development activities, capacity-building, and creating fair wages for staff and artist leaders. These grants should not preclude recipients from simultaneously applying for and receiving project grants from other sections at the Council.

- Designed in a way that prioritizes accessibility and the removal of barriers for applicants throughout all phases of engaging with the Council. This includes, but is not limited to, a simplified application process, increased flexibility with eligible project activities and expenses, more staff support for applicants, and additional support for applicants identifying as deaf and disabled.

This fund will develop sustainable operations within marginalized communities, which is currently under-resourced or non-existent. An investment that accelerates inclusion and diversifies representation and participation in the arts is imperative to sustain and grow the economic impacts the sector provides, particularly given that [Statistics Canada](#) indicates:

- Indigenous populations are growing at twice the national population rate;

- Nearly 22% of the population is foreign-born;
- By 2036, People of Colour are projected to be about a third of the population; and
- [92% of Canadians](#) believe arts experiences are a valuable way of bringing together people from different languages and cultural traditions.

Our sector is highly developed in terms of artistic excellence and public engagement, but racialized and marginalized artists and organizations still face substantial barriers to economic stability, and workforce representation and accountability, which has only been amplified during the COVID pandemic. A thriving arts and cultural sector must include more opportunities for cultural diversity and inclusion, which requires better financial support and organizational infrastructure. We share this perspective with the natural world: more diverse ecosystems are essential for growth and the sustainability of life.

This recommendation entails a modest investment to help combat systemic racism and significantly improve access to equity and inclusion in the arts sector. This is critical to sustain, and amplify, the economic impacts contributed by the arts and culture sector.

### **3. Invest \$1 Million annually to the Canada Council for the Arts to provide rapid-response micro-grants for individual artists**

This fund should be:

- Administered by Canada Council for the Arts, in addition to their current budget;
- Intended to provide micro-grants up to \$2,000 for artists working in any discipline;
- Delivered through a highly accessible and short application process, to reduce barriers;
- Administered efficiently by employing a simplified adjudication rubric commensurate with smaller grant amounts to reduce time needed for evaluation and send responses to applicants.

Investing in artistic production and professional development in this way will allow for increased risk tolerance resulting in artists and projects being supported that might not otherwise secure support through other avenues. It will catalyze new and innovative ideas that

might not be a good fit for larger grant amounts. It will also allow artists to respond quickly and in a timely fashion to current (and rapidly changing) social, cultural, environmental, economic, and community situations.

Micro-grant programs offer funds for artists to develop their practice in a diverse range of projects, including travel, mentorship, research, attending workshops and conferences, or a combination of these activities. It can also include expenses for art supplies, equipment and software purchases, and legal or financial advice. These activities are more suitable to a short application and review process, and this small but meaningful investment will help artists rebuild their capacity and careers during COVID recovery.

#### **4. Amend the Copyright Act to include an Artist's Resale Right as an economic marketplace solution for individual artists**

The Artist's Resale Right (ARR), or *droit de suite*, is a market-based mechanism that entitles visual artists to share in the ongoing commercial success of their work. It is common for visual art to appreciate in value over time. Canadian artists do not currently benefit financially from further secondary sales of their work, even though its ongoing value is intrinsically tied to the reputation and prominence of that artist. We recommend that when an artwork is resold through an auction house or commercial gallery that the artist should receive a royalty from those profits.

First legislated in France in 1920, over 90 countries world-wide have adopted the ARR. Legislating the ARR in Canada would allow artists to benefit from domestic sales as well as reciprocal arrangements with the other countries where ARR is already implemented. When artists are paid royalties from these sales, the Canadian government will collect taxes on domestic and foreign royalty collection. We recommend that 5% of all eligible secondary sales of artwork sold for at least \$1,000 be paid to the artist, and royalty collection and distribution should be managed through a copyright collecting society, for administrative simplicity. CARFAC has a detailed proposal for the ARR on our [website](#).

ARR allows artists to achieve a more sustainable income based on the value of their own work. The positive impact of the ARR has already been documented in other countries. In 2014, [a study](#) in the UK reported that 81% of British artists that have been paid ARR have used the payments to cover living expenses, 73% use it to pay for art supplies, and 63% use it to pay for studio space.

Indigenous artists will have the most to gain, as First Nations, Metis, and Inuit artists are among the most exploited by commercial resale markets. Indigenous art is highly valued in Canada and internationally, and it is common for dealers and wholesalers to purchase work directly from an artist at bargain prices, only to resell it for substantially more. However, the artists see none of that profit. Similarly, the ARR has had a tremendous impact on Indigenous artists in [Australia](#), where they have had the royalty since 2010, and \$8.5 Million (AUD) has been paid to nearly 2,000 artists. Nearly half of the recipients are living artists, and over 64% are Aboriginal or Torres Strait Islander artists.

The implementation of ARR in Canada also provides greater financial independence for senior artists, often living in precarity. In 2010, [it was reported](#) that senior visual artists have median annual incomes of \$5,000. Most art sold in the secondary market was made by artists who are now seniors.

In 2019, the Standing Committee on Canadian Heritage [recommended](#) the ARR be established in Canada. They acknowledged that implementing the Artists' Resale Right will help artists maximize their contribution to economic growth and productivity, without the need to increase public funding, as royalties are generated from commercial sales rather than public funding or tax collection.