

CRAFT & CULTURE: An Investment in Social, Entrepreneurial, and Equitable Futures

Written Submission for the Pre-Budget Consultations in Advance of the 2021 Federal Budget

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Recommendations:

1. Extend and adapt EI and the CERB, including the development of a basic income program, ensuring equitable dignity and quality of life for all those struggling with economic instability.
2. Adapt the CEWS program criteria to identify donations and fundraising revenue as “optional” for not for profit and charitable organizations in the calculation of revenues earned.
3. Expand funding for internships and mentorship through the Building Careers in Heritage program within the Employment and Social Development Canada funding system.
4. Address systemic racism in arts funding by providing funds to ensure enhanced interim, ongoing operational and project funding for Indigenous, racialized, deaf and disabled and community-based arts organizations.
5. Invest in innovations in digital creation that enhance financial stability.

About the CCF/FCMA:

The Canadian Crafts Federation / Fédération canadienne des métiers d’art (CCF/FCMA) is a national arts service organization dedicated to the advancement of professional Canadian Craft. Our strength is found in the national network of craft organizations that make up our membership, including all the Provincial and Territorial Craft Councils as well as galleries, guilds, educational institutions and more.

The craft sector is alive and well in Canada, with over 5,500 practising artists listed as members of our organization, and many more working independently across the country. The recommendations below will directly and indirectly impact the ability of these artists to succeed in this sector, both in the current unpredictable climate of the COVID-19 pandemic and into the future, as economic, social and cultural structures are reviewed, renewed, reopened and redesigned.

Craft in Context

As a key contributor to the cultural economy, the craft sector is unique in its ability to overlap with many other industries, including the broader cultural sector, manufacturing, design, education, tourism, health, and much more. A majority of the professional craft workers in Canada are self-employed small business owners who create jobs for themselves and others. A thriving craft sector functions both in the physical and digital marketplace, attracting audiences internationally, inter-provincially, and online. Investment in this field will lead to safe programming and production, driving increased participation and spending in the cultural sector during a time when continued cultural exchange is crucial to the cultural GDP, and to the 666,500 individual Canadians employed in the arts sector prior to the pandemic¹.

¹ [Statistics Canada, Provincial and Territorial Culture Indicators, 2017.](#)

Recommendation 1:

We thank the government for their swift development of the CERB and CEWS programs, supporting individuals, corporations and organizations immediately impacted by COVID-19. These actions ensured access to basic support, averting an immediate plummet into debt and poverty for millions of Canadians. With the July 31st announcement that CERB will end in September 2020, it is essential that the government build a new basic income program to modernize the existing variety of social support programs into a modern, effective system for the 21st century. Basic income programs have been studied and supported in reports produced by the Basic Income Canada Network, the Metcalf Foundation, the Canadian Centre for Policy Alternatives, amongst others.

An adaptation of CERB into a permanent basic income program would ensure a stable and effective future that recognizes the changing nature of employment for all Canadians, including those working in the arts, as well as precarious workers, freelance and gig workers from all sectors. The percentage of gig workers in Canada rose from 5.5% to 8.2% between 2005 and 2016. The representation of female gig workers was even higher, at 9.1%. The annual income of a typical gig worker is low; in 2016 the median net gig income topped only \$4,303. Those with main occupations in the arts, entertainment and recreation industries are four times more likely to be gig workers.² Arts and culture workers have reported expected losses of 83% of their average arts-related income in 2019 due to COVID-19.³ The federal government must move to protect arts and culture workers and the cultural industry at large, a 53.1 billion dollar industry accounting for 3.6% of all jobs in the Canadian economy in 2017.⁴

As artists and cultural workers will not be able to return to a fully functioning cultural economy until all restrictions on public gatherings are lifted, individuals will not have access to a solid market for cultural engagement. Even if audiences were able to return to pre-COVID scale events, the economic capacity of the public to contribute to the arts and culture industry will be reduced due to the overarching economic downturn. As artists and arts organizations experience a summer rife with cultural market and travel restrictions, many programs have been cancelled until the end of the calendar year with no firm confirmation of rescheduled dates. This effectively cuts artists off from revenue generating activities such as live holiday markets and public performances until the public is able - and willing - to return to such event-based activities. Longstanding summer festivals such as the Toronto Outdoor Art Fair have had to shift to online formats, with reduced sales expected across the board. Craft Council holiday sales are in limbo, some outright cancelled and others deeply concerned about the potential of a second wave.

In 2019, the twelve Provincial and Territorial Craft Councils alone sold over \$14 million in Canadian craft through their galleries, shops and festivals, with \$12.5 million of this going directly to the artists.⁵

² [Statistics Canada, Measuring the Gig Economy in Canada Using Administrative Data, December 2019.](#)

³ [Hill Strategies, Impacts of COVID-19 on Canadian Artists and Independent Cultural Workers, June 2020.](#)

⁴ [Statistics Canada, Provincial and Territorial Culture Indicators 2017, April 2019.](#)

⁵ [Canadian Crafts Federation, Craft Retail Impact, April 2020.](#)

This figure captures only one small portion of the craft sector, not taking into account the many other stores, galleries, festivals and independent studio sales that encompass the craft retail landscape. In 2016, \$1.7 billion was spent on culture and sport tourism in Canada.⁶ For many, the summer tourism and holiday market seasons are the two biggest income generating seasons for the entire year. Without continued support throughout these difficult periods and beyond, artists will suffer.

A basic income would help to address the longstanding inequity that exists in the culture industry, one in which those who contribute the most, the lifeblood of this 53.1 billion-dollar industry: the artists, are paid the least for their contributions. Prior to the pandemic, basic income was recommended to mitigate the impact of automation, precarious work and the rise of the gig economy, each a distinct issue impacting Canadians' ability to strengthen their careers and their economic health. As the world continues to experience great upheaval during the frightening reality of this pandemic, NOW is the time to take decisive action. COVID-19 has pulled the economic rug out from under us, and we must ensure there is a foundation strong enough to sustain the most vulnerable, providing adequate and equitable economic support for all.

Recommendation #2:

Similar to the allowance for grant funding, where organizations can choose to omit grant revenues as part of their eligibility calculations, not for profits and charitable organizations would greatly benefit from a similar treatment for fundraising and donation revenues within the CEWS formula.

For small organizations, the potential loss of support in CEWS funding due to the temporary and unpredictable influx of income through donation drives and fundraising events effectively negates the benefits earned through these one-off relief programs. If an organization must include one-time donations or event-based fundraising revenue in their income for a monthly period, their CEWS benefits are significantly reduced. Many organizations host just one or two fundraising events a year, investing significant time, energy, and expense. This single influx should not erase the more predictable and sustained support of CEWS. Efforts to maintain staffing and programming levels should not be negatively impacted by the generosity of donors wanting to advance their cause.

Recommendation #3:

Expanding the funding available for mentorship and apprenticeship through the *Building Careers in Heritage* program within the Employment and Social Development Canada funding system would lead to an increased number of internships and mentorships developed within the cultural sector. In 2016, there was “a widening gap between the number of younger people entering the labour force and the number of people preparing to exit”⁷. The current generation of emerging craft artists face this reality, starting their professional careers with extensive post-secondary debt. The disparity between young

⁶ [Statistics Canada, Tourism Spending on Culture and Sport Products 2016, June 2018.](#)

⁷ [Statistics Canada, The Impact of Aging on Labour Market Participation Rates, 2017.](#)

artists working to learn business management or technical skills and mid-career or senior artists seeking digital skill development for their existing arts businesses is an unfortunate reality. Funding a new mentorship and apprenticeship program would assist both issues by pairing individuals in the same field for skills exchange.

By increasing the funding available toward training, professional development and internships, an inter-generational craft entrepreneurship program would allow artists of all ages to interact, collaborate, and create new and exciting opportunities in today's creative economy. We recommend that funding to the existing *Young Canada Works* program be tripled, from \$13.4 million to \$40.2 million, increasing the budgets of the existing five national delivery organizations and adding a new program stream specifically for craft-based internships, which could be delivered by the CCF/FCMA. This stream would be similar to those of the Cultural Human Resources Council or Canadian Museums Association, and would allow for more internships to be processed. In addition, it would expand the support for to internship providers, up from 25-50% to 100% of employment costs.

Recommendation #4:

In alignment with the Canadian Arts Coalitions recommendation for funding to address systemic racism, we concur that significant and immediate funding to support Indigenous, racialized, deaf and disabled and community based arts organizations is essential. Quoted from their brief: "The arts have always had a role to educate, enlighten and entertain but they also promote empathy and understanding as society grapples with the issues of racism and prejudice... Yet, while those from Indigenous and racialized communities consume arts at the same rate as others, they are severely underrepresented in decision-making roles within the arts, are perilously behind White artists in their earnings and their organizations tend to exist on project or low-levels of operating funding"⁸

Systemic racism in arts funding should be addressed through the implementation of equity actions with clear goals and timetables so that core and project funding is explicitly provided to these communities. We recommend increased funding to Canadian Heritage and Canada Council for the Arts programs by \$50 million each, earmarked exclusively for this purpose. Existing emergency funding through these programs is oversubscribed, and the need continues to grow. For example, the Aboriginal Curatorial Collective's "Curating Care" program, providing funding for individual curators in need, saw over 500 people apply in just four days, depleting the program. Well-funded strategies to directly support those who have been systematically denied access must be implemented.

Recommendation #5:

In alignment with the Canadian Arts Coalition recommendations on enhanced capacity for digital creation, we recognize that development and use of digital technology in the arts should assist all aspects of arts presentation and administration as well as support artist fees and licensing. Despite the tactile nature of the craft sector, digital tools and markets are essential to craft practice. Continued investment in digital literacy, access and infrastructure -particularly in rural and Indigenous communities- is required to ensure arts organizations are funded to support basic training and skills development.

⁸ [Hill Strategies, Demographic Diversity of Artists in Canada, 2016.](#)

Investments such as the *Digital Strategies Fund* through the Canada Council for the Arts should be increased to develop digital arts experiences that fairly compensate the creators.

Request to Appear

The CCF/FCMA would welcome the opportunity to appear before the Standing Committee on Finance. Please send requests to appear to: info@canadiancraftsfederation.ca.