

ASSOCIATION
NATIONALE
DES ÉDITEURS
DE LIVRES

BRIEF FOR THE PRE-BUDGET CONSULTATIONS

By the Association nationale des éditeurs de livres (ANEL)

August 2021

RECOMMENDATIONS

Recommendation 1: That the government provide additional assistance to publishers so that they can remain competitive in the wake of COVID-19 by increasing the annual budget of the Canada Book Fund's (CBF) regular programs over the next two years with a \$15M investment in 2022–2023 and a \$20M one in 2023–2024.

Recommendation 2: That the government implement commercialization solutions that encourage equitable remuneration to rights holders for the use of copyright protected works through a reform of the *Copyright Act*.

Recommendation 3: That the government introduce policies or mechanisms that encourage people to buy books that are published by Canadian publishers.

BACKGROUND

The Association nationale des éditeurs de livres (ANEL) is made up of more than 110 Canadian French-language publishers—big and small—based in Quebec, Ontario, Manitoba and New Brunswick.

Over 6,000 French-language books are published annually in various formats (audio, digital, paper) in Canada. These include novels, practical guides, poetry collections, essays, textbooks, art books and so on. Based on the size of Canada’s French-speaking population, its book publishing industry is on par with those of France and Germany.

Canadian publishers are an essential component of the Canadian book ecosystem and maintain business relationships with authors, illustrators, printers, distributors, arts presenters, bookstores, libraries and so on. Small and large book companies alike help to enrich Canadian culture.

Challenges of Canadian French-language publishing

The federal government, through its programs to support book publishers and organizations, has helped Canadian book publishers to compete domestically and abroad. Our industry will be celebrated in October when Canada will be the guest of honour at the Frankfurt Book Fair, a project that has received tremendous support from the government.

Budget 2021 announced support for Canadian bookstores and our delegation in Frankfurt, but the ANEL is calling for more help to meet the specific challenges of publishing, which have been exacerbated by the pandemic. The Canadian French-language book industry, although unique and thriving, faces major challenges.

A NARROW MARKET

Canada’s French-language publishers face severe competition from their European counterparts, whose books account for approximately 50% of sales in the Canadian French-language book market. Canadian companies have been working for years to increase their market share by publishing high-quality works.

Canadian literature has nothing to envy from foreign literature: it has achieved wonderful recognition and stands out, both domestically and abroad, for its boldness and diversity. Nevertheless, Canadian publishing experiences problems owing to the small size of the French-language market in North America, the low number of readers and poor literacy skills. According to the Institut de la statistique du Québec, one in five Quebeckers aged 16 to 65 have a very limited ability to process information, and 19% of this population segment have literacy problems.¹

¹ Institut de la statistique du Québec, 2015, p. 237

A FRAGILE REALITY

Canadian French-language publishers are mainly small businesses, with 40% of the ANEL's 115 members having annual sales of less than \$250,000. Publishers and their staff are in a precarious situation. Salaries in both small and large publishing houses are modest, even though many of their employees are university graduates, and there are simply too many part-time and freelance positions in one of Canada's most important cultural industries.

COPYRIGHT LAW

The book industry is now suffering the repercussions of poorly drafted copyright legislation where educational exceptions have become commonplace, thereby impoverishing creators and publishers. The 2012 amendments to the *Copyright Act* cost the Canadian industry \$150 million in lost licensing revenue, which has adversely affected investments in new books.

THE PANDEMIC AND THE INTERNATIONAL MARKET

The pandemic has caused temporary closures of bookstores, schools and libraries, disrupted supply chains and forced many events to cancel.

Before the crisis, Canadian French-language publishing was experiencing a golden age internationally. Never before had so many books by Canadian authors been translated abroad (Germany, South Korea, Spain, Sweden, etc.), and a great deal of authors were in the running for major literary awards. Publishers' export strategies were at long last successful, after many years of effort.

Unfortunately, since March 2020, all international book fairs and exhibitions have been cancelled or held virtually without much success. The pandemic has put a stop to many international initiatives, and foreign markets have been devastated.

The Canadian government's commitment

The government must recognize the importance of the Canadian book industry, the quality of Canadian works and the boldness and risk-taking nature of Canadian publishers who help to enhance and promote Canadian culture. It must provide the resources and legal framework needed for Canadian publishers to continue growing.

Publishers are important contributors to Canada's economy. According to CBF data, the Canadian book publishing industry was responsible for 9,570 jobs and \$756.5 million of Canada's GDP in 2017.²

² Evaluation of the Canada Book Fund 2012–2013 to 2017–2018: <https://www.canada.ca/en/canadian-heritage/corporate/publications/evaluations/canada-book-fund.html>.

Canada’s publishers also support Canadian students by offering them learning resources and guaranteeing the high quality and diverse nature of books sold here. This Canadian perspective is important at a time when anti-racism and equality, reconciliation with Indigenous Peoples and the fight against climate change are all receiving national attention. The books that students read today will help to shape our society going forward.

RECOMMENDATIONS

Canada’s publishers are experimenting with innovative and inclusive marketing strategies, publishing a wide variety of authors who reflect Canadian diversity and reinventing their business approaches in Canada and abroad. This effort is taking place in a context where federal investments in book publishing have not kept pace with the needs of an evolving industry.

Recommendation 1: Increase support for book publishers by expanding the budgets of the Canada Book Fund’s regular programs

In 2021, the federal government will support Canadian bookstores and Canada’s presence as the guest of honour at the Frankfurt Book Fair and dedicate a portion of the 2021 budget’s recovery fund to direct support for publishers. The ANEL and its members welcome these investments, which partly meet recommendations made by the industry over the past 16 months.

Given the magnitude of the challenges facing publishers, the ANEL recommends increasing investments into the Canada Book Fund’s programs that support publishers. We recommend an investment of \$15 million in 2022–2023 and \$20 million in 2023–2024.

Table 1: Canada Book Fund Programs and Requested Budget

Components of the Canada Book Fund	Investment (millions of dollars)		
	2021-2022	2022-2023	2023-2024
Support for Publishers (existing regular program)	30.7	30.7	30.7
Support for Organizations (existing regular program)	5.6	5.6	5.6
Operating budget (existing regular program)	2.1	2.1	2.1
Recovery Fund, dedicated support for publishers (announced in Budget 2021)	6.4	5.0	0

Budget requested for Support for Publishers and Organizations	0	15	20
Total investment	44.8	58.4	58.4

In 2017, the Creative Canada Policy Framework recommended investing in the Canada Music Fund (CMF) and the Canada Book Fund (CBF).³ The CMF’s budget was increased in 2019, and so were the budgets of other programs recently, namely, the Canada Arts Presentation Fund and the Canada Cultural Spaces Fund.

The ANEL and the Association of Canadian Publishers (ACP) are calling on the government to increase the budgets of ongoing CBF programs. The CBF’s purpose is to promote the publication of Canadian works, which will help our industry to recover after the pandemic. It has supported our industry in the past and will continue to do so going forward.

The CBF’s real value has dropped by almost 40% since 2001, which has reduced its impact. Each year, new publishers seek funding from the Support for Publishers component, which shows that the industry is still active, but this increases the strain on the program. The Support for Organizations component also faces a similar challenge, where the demand for funding exceeds the available funds.

An increase in the CBF’s budgets will result in:

- The creation of new jobs, which publishers often cite as an anticipated outcome of new CBF investments, including the recruitment of staff from racialized communities that are currently under-represented in the industry.
- Investments in new book projects and cash advances to Canadian writers.
- Investments in innovative and inclusive sales and marketing strategies to reach new audiences and generate new revenue, both domestically and internationally.
- Increased investments in digital formats, including e-books and audiobooks.
- Improved inventory management and supply chain initiatives, which help to reduce the industry’s environmental footprint.

Recommendation 2: Implement commercialization solutions that encourage equitable remuneration to rights holders through copyright law reform

The ANEL has responded to every copyright bill and consultation in recent years by calling on

³ The Creative Canada Policy Framework: <https://www.canada.ca/en/canadian-heritage/campaigns/creative-canada/framework.html>.

the government to strengthen the *Copyright Act* and make it consistent with global practices so that Canadian businesses can compete with those in other countries. The ANEL is calling for Canadian legislation to encourage legal supply and make everyone in the digital economy accountable, starting in education.

The ANEL, like the APC and several Canadian book stakeholders, recommends:

- Applying fair dealing for education only when a work is not commercially available under licence by the owner or a collective.
- Amending the *Copyright Act* to clarify that tariffs that are approved by the Copyright Board are enforceable against counterfeiters of copyright protected works that are subject to tariffs.
- Awarding adequate damages to all copyright collectives.

Recommendation 3: Introduce policies or mechanisms that encourage people to buy books that are published by Canadian publishers

Just as the foreign Web giants pose a threat to domestic film and television producers, multinational publishing companies create barriers for Canadian publishers in our domestic market. In English Canada, a handful of companies owned by global media conglomerates dominate the market. They compete with independent publishers and are financially supported by their parent companies and by revenue earned in Canada from the distribution of imported books. They take few risks by publishing only a handful of Canadian authors and focusing on bestsellers. Incidentally, French Canada is not immune to the globalization of publishing either.

Foreign presence in the Canadian market is regulated by the *Revised Foreign Investment Policy in Book Publishing and Distribution* (1992), but the current policy framework has become ineffective in ensuring that foreign investments in the book publishing and distribution industries are a net benefit to Canada and consistent with domestic cultural policies.

CONCLUSION

It is vital for the development and influence of a nation to value reading and support domestic publishing. The ANEL urges the government to heed the recommendations of the Canadian publishing sector by making culture, more specifically publishing, one of its priorities.