

CRAFT & RECOVERY: Strengthening the Path Forward Through Craft Promotion & Small Business Development

Written Submission for the Pre-Budget Consultations in Advance of the 2022 Federal Budget

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Recommendations:

1. Extend and adapt CRB and CEWS programs at the original rates, and continue to adapt the EI system, leading to the development of a Basic Income program.
 2. Expand funding for internships and mentorship through the Building Careers in Heritage program and the Sectoral Initiatives program.
 3. Review and adapt the timeline and eligibility of existing and newly proposed federal funding programs in arts, culture, tourism and export.
 4. Continue and expand efforts to address systemic racism in arts funding by providing ongoing operational and project funding for Indigenous, racialized, and newcomer communities.
 5. Continue to invest in innovations in digital creation that enhance financial stability.
 6. Amend the Copyright Act to include an Artist's Resale Right as an economic marketplace solution for individual artists.
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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 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 craft workers listed as members of our organization, and many more working independently across the country. The recommendations below will directly, and indirectly, impact their ability to succeed in a valuable sector with the ongoing unpredictable climate of the COVID-19 pandemic and into the future.

Craft in Context

A key contributor to the cultural economy, the craft sector, overlaps with many other industries, including the broader arts 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. The craft sector functions both in the physical and digital marketplace, attracting consumers and tourism internationally, interprovincially, and online. Sector investment 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 cultural GDP recovery. The crafts subdomain for real GDP dropped by only -3.7% from the first quarter of 2019 to the first quarter of 2021, this is a sign of great strength and resiliency, considering the comparison to

heritage and libraries (-27%) and performing arts (-63%)¹. We credit this resilience to the support of CERB/CRB and CEWS programs, which allowed businesses and artists to continue their work, and to the adaptability of the craft sector for its massive shift to online platforms. COVID-19 resulted in closed businesses, while others adapted and remained open digitally. Popular live events such as holiday markets transformed from physical spaces to virtual showcases. Craft organizations across the country are working to continue this adaptation as we shift back to a physical experience, attempting to maintain both the virtual and in-person markets. This has been an extremely difficult learning curve, one which requires further support in digital literacy and financial investment in order for these successes to be maintained and strengthened.

Recommendations in Context

Recommendation 1:

The CERB/CRB and CEWS programs have been essential to the ongoing success and support of craft artists and craft businesses. Without question, this support has ensured the survival of organizations, associations, collectives, shops, galleries, sole proprietorships and small scale manufacturers throughout the ongoing pandemic. The craft sector is pleased by the July 30 decision to extend these programs until October 23, 2021. However, the reduction in rates and the timeline for terminating the program are of great concern. Though tourism is expected to provide a slight bump for the summer months, a fall conclusion to the program will weaken the industry at its most crucial stage of recovery: the transition from a tentatively reopened tourism season, to a difficult holiday gift-giving season. Craft artists typically make a large portion of their annual income during the summer and in the early winter months, which is expected to support their work throughout the remainder of the year. This is the cyclical nature of many retail-based and tourism-based industries; Craft is tied to both.

Though the current level of reopening is promising, there is great concern that the economy will not be buoyed enough by these slight returns to normalcy. Rather, it is essential that the government extend CRB and CEWS support through to the end of 2021. Additionally, we encourage the continued efforts to modernize emergency supports into a new, effective EI program in alignment with the tenets of a permanent Basic Income (BI) program. This would recognize the changing nature of employment for all Canadians, including those working in the arts, 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 increases for women were even higher, up to 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,

¹ [Statistics Canada. National Culture Indicators. 1st Quarter 2021. \(Released 2021\)](#)

entertainment, and recreation industries are four times more likely to be gig workers.² The federal government must continue to protect the arts by investing in cultural workers and the industry at large. Without continued support from the CRB, CEWS, or a newly developed BI program throughout this difficult period and beyond, artists will suffer.

A Basic Income program would help to address the long-standing painful truth that those who contribute the most, and are the lifeblood of this 53.1 billion dollar industry—the artists—are paid the least for their contributions to the sector. EI reform leading to a BI program will not only support those at risk, it will also inspire risk-taking, encouraging the development of new businesses in the arts, culture, and wider business communities. A strong foundation now will support innovation for the future.

Recommendation #2:

By expanding the funding available for mentorship and apprenticeship through the Building Careers in Heritage program within the Employment and Social Development Canada funding system, an increased number of internships and mentorships would be developed within the cultural sector. Additionally, the CCF/FCMA seeks to ensure that arts, culture, and tourism-based proposals are encouraged and supported through the Employment and Social Development's Sectoral Initiatives stream. Currently, it is feared that proposals from the craft sector are seen as too "business" for the arts, while at the same time too "arts-based" for business.

In 2016, Statistics Canada reported "a widening gap between the number of younger people entering the labour force and the number of people preparing to exit"³. The current generation of emerging craft artists continue to face this reality, starting their professional craft careers with extensive University and College debt. There is great potential in connecting young artists working to learn business management and technical craft skills with mid-career and senior artists seeking digital skill development. Funding a new mentorship/apprenticeship program would assist both by pairing individuals in the same field for skill exchanges.

Not only do we recommend the approval of craft (and culture) proposals through existing funding, we continue to recommend that funding to the existing Young Canada Works (YCW) program be increased, supporting 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, similar to the structure of the Cultural Human Resources Council or Canadian Museums Association streams. This increase would allow more internships to be processed, and a critical expansion of the support for internship providers, up from 25 - 50% to 100% of employment costs. Not for profit organizations face extreme difficulties in attracting youth to opportunities. Typical wages for such programs must increase

² Measuring the Gig Economy in Canada Using Administrative Data, Statistics Canada, December 16th, 2019. <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2019025-eng.htm>

³ [Statistics Canada. The Impact of Aging on Labour Market Participation Rates, 2017.](#)

to match the needs of the emerging workforce in order to foster more interest amongst potential applicants. It is necessary to boost YCW funding levels to offer more positions at appropriate levels of compensation for participants.

Recommendation #3:

As Canadian organizations work toward developing new, innovative programs to support artists and arts-based businesses, eligibility restrictions hamper the craft sector from accessing programs for much-needed industry support. Many federal funding programs that existed pre-pandemic were critically underfunded, excluded the craft sector, and were restrictive in the timeline for funding application and approval. Restrictions against sole proprietorships, fast-paced proposal application/approval, and stacking multiple levels of government funding has left not-for-profit organizations at a great disadvantage.

We request that a review of existing program eligibility and timelines be conducted, particularly for the slate of programs at Canadian Heritage. Currently, there are no funding opportunities specific to visual arts/craft within this department. Access for our sector has been limited to competition within the project funds open to culture, sport, and heritage organizations, while other arts disciplines are supported through dedicated disciplinary funds such as the Canadian Arts Presentation Fund, Canada Book Fund, Canada Media Fund, Canada Periodical Fund, etc.

We ask that two streams of visual arts specific funding be developed:

- 1) Operational funding to support visual arts and craft-based organizations whose mandate focuses on the advancement, professional development, promotion, expansion and innovation in visual arts at large, including craft.
- 2) Mentorship/training and marketing funding specifically targeted to provide sector-specific professional development and business advisory services to artists. This funding is particularly relevant to those running sole-proprietorships, who are currently excluded from newly announced microgrant funding such as the Grow Your Business Online programs through Innovation, Science and Economic Development Canada.

Recommendation #4:

The CCF/FCMA was pleased to see specific, targeted funding in last year's budget to support Indigenous, Black, and newcomer communities. We are also pleased to see these funds moving through the Department of Heritage, the Canada Council for the Arts, as well as through youth employment and entrepreneurship programs. The effort to dismantle systemic racism within all sectors requires ongoing investment, including the expansion of emergency supports created in the 2021 budget. In addition to these long-term measures, the CCF/FCMA advocates for the establishment of open reporting and review mechanisms to ensure accountability and transparency.

Artists from Indigenous and racialized communities engage with the arts at the same rate as all Canadians but are deeply underrepresented in leadership roles, grant funding, and earnings in the arts

sector.⁴ Change has begun, but ongoing efforts to deconstruct the barriers to access and equity must be supported by long-term investments.

Recommendation #5:

With the success of existing digital support funding at the Canada Council for the Arts and through new funding such as the Grow Your Business Online fund, we recognize that funding to support enhanced capacity for digital creation, literacy, and implementation in the arts continues to be essential. Despite the tactile nature of the craft sector, digital tools and online markets are a key component to the success of craft businesses today. Continued investment in digital literacy, access and infrastructure—particularly in rural and Indigenous communities—is required to ensure funds support basic training and skills development. Investments such as the Digital Strategies Fund through the Canada Council for the Arts should be maintained and increased to develop accessible digital arts experiences that fairly compensate the creators.

Recommendation #6:

In alignment with the proposal from CARFAC National, the CCF/FCMA supports the creation of an Artist's Resale Right (or droit de suite) in Canada. This market-based mechanism entitles visual artists to a portion of the secondary sale price of their own work. In 2019, the Standing Committee on Canadian Heritage recommended this be established. We ask that an Artist Resale Right be revisited and implemented as recommended by CARFAC National.

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.

⁴ <https://hillstrategies.com/resource/demographic-diversity-of-artists-in-canada-in-2016/>