

WRITTEN SUBMISSION TO THE DEPARTMENT OF FINANCE

Pre-Budget Consultations for Budget 2017

**Association nationale des éditeurs de livres
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Summary

Given that the main objective of Canadian policies in the area of book publishing is to ensure the publication and distribution of Canadian-authored books, both domestically and internationally, the Association nationale des éditeurs de livres (ANEL) has prepared this brief, which presents four recommendations that would provide Quebec and French-Canadian publishers with tools to address the challenges of today's society, by giving them the means to be more competitive and make a greater contribution to Canada's economic growth and cultural enrichment.

In response to the question, "What federal actions would assist the book industry meet its expansion, innovation and prosperity goals", the ANEL is calling on the Government of Canada to:

- Double the envelope allocated to the Canada Book Fund (CBF);
- Support publishers in the development of new international markets;
- Recognize the distinctiveness of the Quebec and French-Canadian publishing industry and its contribution to the Canadian economy;
- Ensure that artists and creators are fairly compensated for their work.

Introduction

The most recent federal budget acknowledged that our cultural industries represent a key sector of the Canadian economy, one that not only creates jobs but also helps showcase Canadian culture around the world. The ANEL, an organization representing over 100 French-language publishing houses in Quebec and Canada, applauds the Government of Canada for acknowledging the contribution of our cultural industries to the country's economy, and is presenting this brief to the Department of Finance as a way to participate in these consultations.

In order for the book industry to continue to develop and meet the challenges presented by things like digital technologies and globalization, the ANEL would like to see the Canadian government become a key player in the development of the book industry. It is by working together that we will come up with innovative solutions that will enable us to promote our cultural production, both domestically and internationally, and ensure fair compensation for our creators. In this brief, the ANEL is proposing four recommendations, as well as suggestions for concrete initiatives.

1. Double funding to the Canada Book Fund (CBF)

To help publishers meet the challenges presented by digital technologies and globalization, the ANEL recommends that the Canadian government double its current funding of \$39.1 million to the CBF. The initiatives proposed for this recommendation fit in with the two strategic priorities recently adopted by the CBF, namely, digital innovation and international competitiveness (this second aspect is also addressed in point 2).

Initiative # 1

Support and champion Canadian cultural identity

In the context of globalization, the key issues for the book industry are discoverability – in other words, being visible, distinct, distinctive and recognized on the Internet – and the significant penetration of foreign cultural products in Canada. The next budget should demonstrate the government's commitment to strengthen Canadian cultural diversity and support our cultural industries vis-à-vis the big digital players.

Initiative # 2

Support the development of digital outreach capacity

The digital age represents an opportunity to promote Canadian literature, explore new creative forms and develop new business models. However, in a market of oversupply and free access, capturing the public's interest and promoting both digital books and paper books are becoming exceedingly challenging. In this democratic digital world, the relationship between a cultural product and its audience has been turned upside down. It is no longer about attracting the public to the product, but rather ensuring that the product is available wherever its audience is found. To accomplish this, publishers need support to help them develop their digital promotion and marketing capacity.

Initiative # 3

Develop new markets in Canada

For the paper book, Renaud-Bray's purchase of the Archambault retail chain has French-language publishers worried about market concentration for French-language books, similar to what English-Canadian publishers experienced in the 1990s. As for digital books, although they have been on the literary scene for several years now, that sector's economic model still needs to be clarified, and so does the role of the key players in this new environment. In order to develop the book market and ensure diversity in the publishing industry, it is crucial that the CBF support publishers in their research and innovation efforts in order to develop new forms of marketing.

Initiative # 4

Create a national translation program (NTP)

For 10 years now, the ANEL has been calling on the Canadian government to expand the current translation program and create a more generous program that is more accessible to all publishers. A new NTP would complement the existing Canada Council for the Arts program dedicated to literary works and promote their dissemination to all Canadians.

Creating a national translation program would:

- Enhance dialogue between Canadian English-language, French-language and Aboriginal-language publishers;
- Increase sales of books in Canada and other countries, in particular by expanding the range of titles intended for specific markets;
- Cut the production costs of Canadian titles, while also giving Canadian publishers financial sustainability and an economic advantage over foreign titles.

2. Support publishers in the development of new international markets

To find new markets – for both the export of finished products and the sale of rights – the ANEL believes that Canadian publishers must take part in international events as well as welcome foreign publishers here. Considering the modest size of the Canadian market, it is crucial that the Canadian government increase its participation in the export sector by supporting publishers in the development of new international markets.

Initiative # 5

Integrate arts and culture into Canadian diplomatic and business strategies

If embassies and Quebec's network of representatives abroad are given the tools needed to carry out their role, which includes promoting and supporting Canadian artists, cultural enterprises and productions, they would be better positioned to support publishers in their efforts on the international stage. This support could take the following forms:

- Provide specific data on the industry in the relevant countries;
- Offer a pied-à-terre at international delegations and embassies;
- Help showcase Canadian publishing.

Initiative # 6

Encourage foreign buyers and publishers to come to Canada

Since 2014, thanks to a program called *Rendez-vous* created by Québec Édition, an ANEL committee dedicated to developing exports, approximately 10 foreign publishers come to the *Salon du livre de Montréal* every year to explore the Quebec and French-Canadian literary and identity landscapes. These meetings are an opportunity for some publishing houses to explore the sale of rights and for others to develop their business networks. With about 10 book rights sold at each edition of *Rendez-vous*, the ANEL believes that ongoing support for this program would help publishers explore new markets.

Initiative # 7

Showcase Canadian culture at major international events

In addition to the presence of publishers and authors at international book fairs and literary festivals, the ANEL has observed, through efforts made by Québec Édition, the impact that an honorary presence can have on book sales and the business relationships forged through those opportunities. These kinds of events are an opportunity to share Quebec and Canadian culture through rich programming that promotes dialogue between authors and the public. The support of federal and provincial governments, as well as collaboration and support from the embassies, is absolutely crucial to the organization of these kinds of events, in terms of both the logistics and promotion of the events.

3. Recognize the distinctiveness of the Quebec and French-Canadian publishing industry and its contribution to the Canadian economy

Any government measures introduced must be adapted to both the English- and French-language publishing sectors, since they operate in different environments and are aimed at completely separate linguistic markets. This will help them develop and flourish, both in Canada and internationally.

Initiative # 8

Recognize the role of Québec Édition

The federal government currently funds a portion of international missions through the CBF and the activities of Livres Canada Books (LCB), whose mission is to represent the interests of both French- and English-language publishers under one umbrella organization. The ANEL has noted that its actions, funded primarily by the Government of Quebec,¹ are addressing the specific needs of French-language publishers and the issues related to that market.

¹ According to Québec Édition's 2016-17 budget, funding dedicated to book fairs and literary festivals provided by CBF and LCB (FRMAP) totals \$43, 337 and \$15,790 respectively, compared to that of SODEC, which is \$555,000.

Although Francophones represent less than 25% of Canada's population, exports by Quebec and French-Canadian publishers account for 50% of the market. Under those circumstances, the ANEL hopes that the Canadian government will recognize the contribution of the Quebec and French-Canadian publishing industry to the country's economic development and the showcasing of Canadian culture around the world, and that it will therefore do more to support the efforts of its Québec Édition committee.

4. Ensure that artists and creators are fairly compensated for their work

With digital technologies shaking up how culture is traditionally funded and consumed, the book industry is facing a number of challenges, including the recognition of intellectual property. Although it is an intangible asset, it gives meaning to the economics of the industry and recognizes the value of books, as well as the work of authors and publishers.

Initiative # 9

Examine the Copyright Act and the impacts of the 2012 amendment on the book industry

The ANEL will be closely monitoring the review of the *Copyright Act* planned for the fall of 2017. That review is the federal government's opportunity to make any necessary adjustments following the 2012 amendment, which, it must be noted, was contested almost universally by the Canadian cultural community. Given that the copyright industry contributes about \$50 billion to the Canadian economy, it is crucial that the federal government strike a committee to examine the existing legislation.

Initiative # 10

Reconsider creators' funding sources

With Canadians spending less and less of their household budgets on cultural participation and more and more on Internet services and electronic devices, developing new business models should engage everyone who benefits from the creativity of Canadian artists and take into account all aspects of our cultural ecosystem, from production to participation, including the marketing of cultural products. That is why the ANEL would like to see support for research and for the development of new funding sources for creators in the next federal budget.

Conclusion

Considering that books are what allow us to explore other cultures and learn more about our own culture, the ANEL hopes that the next federal budget will take the recommendations presented in this brief into account, along with recommendations made by our Anglophone colleagues from the Association of Canadian Publishers. By increasing funding allocated to the CBF in the next federal budget, the government could help the book industry meet the challenges clearly presented by digital technology, as well as the challenges related to demographics, globalization, and the distinct nature of the identity of Quebecers and French

Canadians in North America. This support from the Canadian government and recognition of the contribution made by French-language publishers and artists' work will not only ensure the stability the book industry needs to continue operating, but will also allow it to continue to innovate and seize any opportunities that arise, for the benefit of all Canadians.