



Canadian Arts Coalition's Pre-Budget Submission 2017

Brief to the Standing Committee on Finance

Submitted August 5, 2016, to:
Clerk, Standing Committee on Finance
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Executive Summary

The Canadian Arts Coalition brings forth two recommendations for the development of the 2017 federal budget:

1. Implement the **Artist's Resale Right** in order to recognize the rights of individual artists, especially Indigenous artists
2. Extend and sustain two-year arts investments from Budget 2016, in the **Cultural Spaces and in the Showcasing Canada programs**.

These recommendations were identified as priorities by 42 member associations during consultations held in June 2016. Recommendation One addresses Canadians' need, especially Indigenous Canadians, to better contribute to economic growth (focal point one). Recommendation Two addresses how Canadian artists can better compete internationally and how Canadian arts organizations can contribute to their communities (focal points two and three).

Recommendation One: Implement the Artist's Resale Right in order to recognize the rights of individual visual artists, especially Indigenous artists

Rationale:

The Artist's Resale Right (ARR), also known as *droit de suite*, is a market-based mechanism that entitles visual artists to share in the ongoing commercial success of their work by entitling them to a percentage of the sale price each time their work is resold through an auction house or commercial gallery. The full value of an artwork often isn't realized on the initial sale. It is common for visual art to appreciate in value over time. If an artwork is resold in the secondary market, Canadian artists do not currently benefit financially from further sales of that work, even though its increased value is usually based on the experience and reputation of the artist.

Canada's Indigenous artists in particular are losing out on the tremendous profits being made on their work in the secondary market. Many artists living in isolated northern communities live in impoverished conditions, while their work dramatically increases in value. For example, acclaimed Inuit artist, Kenjuak Ashevak, sold her piece *Enchanted Owl* in 1960 for \$24. It was later resold by Waddington's auction house in 2001 for \$58,650. Ashevak received no profits from the auction sale. The Canadian Arts Coalition proposes that visual artists receive 5% from the public sale of their work in the secondary market.

Actions: That the Minister of Canadian Heritage present the Artist's Resale Right as an addition to the *Copyright Act*.

Expected cost: market-based mechanism

Period of time: Recurring, starting in 2017

Intended Beneficiaries:

This recommendation will benefit individual Canadian visual artists, especially Indigenous artists.

Impact:

The establishment of this new Right will allow artists to achieve a more sustainable living income¹ based on the value of their own work, in a way that is not reliant on public funding from the Canada Council for the Arts and other public funders. The positive impact of the ARR has already been documented in other countries. For example, the ARR was first legislated in France in 1920; as many as 93 countries world-wide have endorsed the ARR. If implemented, this recommendation would help Canadian artists maximize their contribution to economic growth without the need to increase public funding.

¹ Between 1990 and 2005, the average earnings of artists decreased by 11% while the earnings of the average labourer increased by 9%. Visual artists, by comparison, earn 61% less than the average Canadian worker, and their average earnings (\$13,976) are much reduced from the \$18,700 reported in 2001.

Recommendation Two: Extend and sustain two-year arts investments, from Budget 2016, in the Cultural Spaces and in the Showcasing Canada programs.

Rationale: The reinvestment in the Canada Cultural Spaces Fund, as part of Phase 1 of the Government of Canada's infrastructure plan, is a timely recognition of the aging infrastructure at many arts organizations. Currently, one of the pressing needs is to make these older facilities fully accessible for the Canadian public. Considering the preparations necessary for a large-scale renovation such as feasibility studies, the timeline of just two years will significantly limit the eligibility to only shovel-ready projects in 2016. By extending the Cultural Spaces program into Phase Two of the Infrastructure plan, the potential growth for the arts sector is exponential. Notably, with the increases to the Canada Council for the Arts beginning in 2016, the federal government has taken the first step by investing in the artists and organizations. Those artists need more and better functioning arts facilities in order to reach Canadians. More and more cultural spaces have evolved to become community hubs, as a result these spaces are essential to the well-being of Canadian communities. A sustained investment in the Canada Cultural Spaces Fund is necessary at this time.

The new Showcasing Canada's Cultural Industries to the World fund is still in the consultation phase. The arts sector is eager to benefit from funding for international market access, especially the collaboration with the experts from International Trade and Global Affairs. Specifically, Canadian artists and companies (businesses) stand to benefit from this targeted investment in international cultural trade which will also result in reciprocal relationships for Canadian presenters. Showcasing Canada will fill a hole in the arts sector experienced for over five years. As a result of this gap in funding, international relationships with promoters, programmers, and curators have not been a priority. It takes more than two years to develop these relationships again and to secure tours. In addition, it takes more than two years for a program to deliver measurable outcomes. Consequently, funding for Showcasing Canada needs to be extended up to 2020, at which point this new program should be subject to a summative evaluation. Showcasing Canada addresses a priority in the sector, in order to encourage the export of cultural products, investment must be sustained.

Expected cost: Cultural Spaces \$84 million annually

Period of time: Phase Two of the Infrastructure Plan, 2018-2024

Expect cost: Showcasing Canada, \$25 million annually

Period of time: 2018-20

Intended Beneficiaries: The beneficiaries of the Canada Cultural Spaces Fund are individual Canadians and their communities across the country. These cultural spaces are the gateways to Canadian artists and artwork. These pivotal facilities are often community hubs that provide access to audiences, viewers, and clients.

The beneficiaries of the Showcasing Canada fund are Canadian artists, companies, and international audiences. The world needs more Canada! Showcasing Canada brings our country's best artists to foreign audiences, viewers, and readers. But it is so much more than one-time access, Showcasing Canada builds a relationship with Canadian artists and businesses. International recognition will in turn breed local appreciation of Canadian artists.

Impact: The arts sector has been advocating for the return of international market support since its demise in 2008. At the time, the Canadian Conference for the Arts wrote about the success of previous programs, Trade Routes and PromArt, "The often relatively small amounts granted under both programs have had a leverage effect for many artists and organizations as they sought support to develop markets abroad, contribute to our national image and lend valued support to other general trade development efforts of our missions abroad." Sustained funding for Showcasing Canada will help Canadian artists build fruitful and reciprocal relationships around the globe.

The impact of a sustained Cultural Spaces program will be better and an increased number of community hubs across the country made with artists in mind. Cultural Spaces are the ideal way for young Canadians, seniors, and families to interact and engage with the arts.

While funding to both programs is already secured for the 2017-2018 fiscal year, it is important that their extension be included in Budget 2017. Capital projects and market development are both long term endeavours. Consequently, predictability and stability of funding are paramount.

The Canadian Arts Coalition would welcome the opportunity to appear before the Standing Committee on Finance during the pre-budget hearings in Ottawa. An invitation to appear can be emailed at info@canadianartscoalition.com.

About the Canadian Arts Coalition

The Canadian Arts Coalition is a collaborative non-partisan movement spearheaded by a group of national arts service and membership organizations. We are united in the belief that a strong arts and culture sector contributes to economically vibrant, liveable, and innovative communities, and that strong federal cultural policy and investment frameworks leverage arts and culture's contribution to the Canadian economy, Canadian communities, and Canada's standing internationally.