

# **Living Better from Art**

## **Action Plan to Enhance the Socioeconomic Conditions of Artists**

### **SUMMARY**

## MESSAGE FROM THE MINISTER

The Québec government is committed to examining more closely the living and working conditions of artists to enable them to live better from their art. *Briller parmi les meilleurs — La vision et les priorités d'action du gouvernement du Québec*, the discussion paper that the government recently made public, notes that “the development of culture also depends to a large extent on the support offered to craftspeople, artists and performers. Québec society must better recognize the artists’ role in the definition of its identity and its place in the world.” This policy direction is in keeping with the principles of the *Politique culturelle* adopted unanimously in 1992 by the Québec National Assembly. Even today, the policy is an excellent reference to guide government initiatives pertaining to the enhancement of the socioeconomic conditions of artists.

The socioeconomic profile of artists made public on February 24, 2004 reveals that a number of artists subsist under economically precarious conditions or have two jobs in order to live decently. Significant fluctuations in income have also been noted.

I take pleasure in making public the action plan on the social safety net for artists that the government committed itself to delivering during its first year in power. We have kept that promise.



Line Beauchamp  
Minister of Culture and Communications

## INTRODUCTION

Since the examination in 1986 by the Committee on Culture of the National Assembly of the socioeconomic conditions of artists, measures have been implemented to enhance the situation. Some examples are the adoption in 1987 and 1988 of two statutes governing the professional status of artists, the 1992 *Politique culturelle* and amendments in 1997 to the *Act respecting the professional status and conditions of engagement of performing, recording and film artists* (R.S.Q., c. S-32.1).

Despite noteworthy achievements, the expectations of the cultural milieu are evident and there is still room for improvement. In April 2003, the Québec Premier confirmed that “our culture is of way of being and imbues our way of growing and prospering.” At that time, he asked the Minister of Culture and Communications to help professional artists to live from their art, as stipulated in *De rampart à tremplin*. This desire was reasserted in March 2004 with the publication of the consultation paper entitled *Briller parmi les meilleurs — La vision et les priorités d'action du gouvernement du Québec*.

In this perspective, Minister Line Beauchamp initiated a concerted approach with the cultural milieu and established in the fall of 2003 a steering committee made up of representatives of the cultural milieu and the government.

Here is the action plan, which includes the problems discussed in the book of proposals concerning occupational health and safety, pension plans, income enhancement through taxation and grants, and career and income security transitions, and which confirms the measures adopted by the government to attain its objective of helping professional artists to live better from their art.

## **SOCIOECONOMIC CONDITIONS OF ARTISTS**

The data in this section are drawn from the document entitled *Pour mieux vivre de l'art — Portrait socioéconomique des artistes*, made public on February 24, 2004.

### **Highlights**

#### **Artists' income in 2001**

First, it should be noted that the data do not allow us to distinguish income derived from artistic endeavours and that stemming from supplementary employment.

#### **Breakdown of artists' income**

- Artists' income is made up primarily of salaries (50.5%) and self-employment income (21.4%).
- Over 20% of the overall income of artists comes from sources other than employment (employment income, self-employment income and grants), i.e. pension income (8.4%), interest and dividends (10%), employment insurance (1.4%), social aid (0.4%), and spousal support (0.2%) Among Québec taxpayers overall, this proportion stands at 23%.

#### **Characteristics of artists' income**

- Artists earn income from various sources: employment income, self-employment income, interest income, pension income, employment insurance, social aid, grants and spousal support.
- The proportion of artists with employment income (salaried) accounted for 60.5% of the population under study in 2001.
- Paradoxically, 62% of the artists declared self-employment income, compared with 8.7% among Québec taxpayers overall.
- These figures reveal that 33.4% of artists declare both employment and self-employment earnings.
- Moreover, 28.7% of the artists declare only self-employment income (no employment income), while 27.1% of the artists have employment income alone (no self-employment income).
- Nearly 11% of the artists receive employment insurance benefits, a rate higher than Québec's unemployment rate (8.7%).
- Artists' income varies considerably from one year to the next. Indeed, the income of 29% of artists fluctuated by 50% between 2000 and 2001.

## Observations

The average total income of artists overall is \$37 710, compared with \$28 708 for Québec taxpayers overall, a difference of \$9 000.

- However, the difference diminishes when account is taken of median income: in 2001, it stood at \$23 620 for artists overall, as against \$20 304 for Québec taxpayers overall.
- Moreover, the situation is different for artists who declare self-employment income: their average total income is \$36 540, compared with \$42 651 for all taxpayers who also earn self-employment income, a difference of \$6 000.
- While the average total income of artists is higher than that of Québec taxpayers overall, it should be noted that:
  - 44.4% of artists have incomes of less than \$20 000 and account for 11.5% of total income;
  - 22.4% of artists have incomes of over \$50 000 and account for 60% of total income.
- Furthermore, the average total income of craftspeople (\$18 751), dancers (\$20 215) and visual artists (\$27 741) is lower than that of Québec taxpayers overall (\$28 708).

## Social protection

- One artist in two (51.1%) has contributed to a registered retirement savings plan, for a total of nearly \$30 million, equivalent to an average of \$4 112 per artist.
- Some 57% of artists have contributed to the QPP, for a total of nearly \$7 million.
- Moreover, 13 artists' associations (out of 16 recognized associations) offer pension plans in which producers participate.

## **PROBLEMS AND MEASURES ADOPTED**

### **Occupational health and safety**

The situation among artists from the standpoint of occupational health and safety is unusual in several ways both because of the nature of their employment and the organization of the world of work. The challenge consists in offering artists reasonable protection that takes into account the specific nature of their occupations and the conditions in which they work.

Certain measures are already in effect in Québec to partly cover occupational health and safety risks, in particular the occupational health and safety compensation plan administered by the Commission de la santé et de la sécurité du travail (CSST). This plan covers all Québec workers who engage in an employment relationship.

Moreover, legislation governing the status of professional artists defines the artist as a self-employed person. The legislation means, in particular, that artists can benefit from the presumption of the status of a self-employed worker for tax purposes. Despite this tax status, the CSST deems performers, whether under contract or salaried, to be salaried employees inasmuch as an employer-employee relationship exists between the producer and the artist.

### **Clarification of provisions in the *Act respecting occupational accidents and industrial diseases***

The presumption by the ministère du Revenu du Québec that artists have the status of self-employed workers has meant that confusion has arisen concerning the rights and obligations of artists and producers with regard to the *Act respecting occupational accidents and industrial diseases*.

### **Measure 1**

**1.1 Design and implement a coordinated communications strategy in collaboration with the CSST, the Conseil des arts et des lettres du Québec (CALQ), the Société de développement des entreprises culturelles (SODEC), the Conseil québécois des ressources humaines en culture (CQRHC), and artists' and producers' associations, with a view to ensuring the application of CSST regulations in cultural agencies and enterprises and to heighten awareness of the concerned parties of the prevention of risks related to professional artistic activities. In conjunction with the awareness campaign, encourage other self-employed workers to take advantage of section 19 of the *Act respecting occupational accidents and industrial diseases* in order to obtain recognition as an "association of independent operators." (This measure is related to measure 3.)**

**1.2 Explore, with Emploi-Québec, the realization of training initiatives in the realm of occupational health and safety.**

**Agency responsible: CSST**

**Collaborators: CALQ, SODEC, Emploi-Québec, CQRHC, Secrétariat permanent à la condition socioéconomique des artistes**

## Coverage of risks during intermittent employment

Despite the advantageous provisions in the CSST compensation system, the professional activities of performing artists that take place outside the framework of a contract with an employer, e.g. professional development activities and training, are not covered by the current CSST plan.

### Measure 2

- 2.1 **Ensure the conclusion of an agreement between the CSST and the CALQ, pursuant to section 16 of the *Act respecting occupational accidents and industrial diseases*, in order to protect dancers during training activities that are not covered by an employment contract.**
- 2.2 **Produce a preliminary sectoral analysis of training in the music, circus and acrobatic theatre sectors.**
- 2.3 **Depending on the findings of this analysis, conduct a feasibility study concerning the implementation of a government skills development program.**

**Agencies responsible:** CSST and the Secrétariat permanent à la condition socioéconomique des artistes

**Collaborators:** MCC (Direction de la recherche et de la statistique), CALQ, Regroupement québécois de la danse

## The protection of self-employed artists

Writers and artists working in the fields of the visual arts, the media arts and the arts and crafts who work at home or in a studio are usually deemed by the CSST to be self-employed workers. They can register individually with the CSST to obtain personal protection, although they must assume the cost of such protection.

### Measure 3

- 3.1 **Formalize the recognition of the Conseil des métiers d'art du Québec as an “association of independent operators” pursuant to section 19 of the *Act respecting occupational accidents and industrial diseases*. This recognition will enable it to register its members with the CSST and to collect their dues.**
- 3.2 **Invite other associations of independent operators to take advantage of this provision in the Act.**

**Agency responsible:** CSST

**Collaborators:** Conseil des métiers d'art du Québec, Secrétariat permanent à la condition socioéconomique des artistes

## **Classification of sectors of activity and risk**

Artists are asking that the contribution rate reflect actual risk.

### **Measure 4**

**Ensure that the CSST classification reflects the actual risks stemming from activities specific to the cultural sector. In the short term, a risk assessment is being contemplated in respect of craftspeople who are members of the Conseil des métiers du Québec.**

**Agency responsible: CSST**

**Collaborators: Conseil des métiers d'art du Québec, Secrétariat permanent à la condition socioéconomique des artistes**

## **Injury prevention**

There is limited awareness among artists and producers of injury prevention.

### **Measure 5**

**5.1 Establish joint consultation committees in the realms of the performing arts, the visual arts and the arts and crafts to examine problems, broaden knowledge and determine appropriate prevention measures.**

**5.2 In conjunction with this measure, conduct a study on occupational health and safety risks in the performing arts, the visual arts and the arts and crafts.**

**Agencies responsible: CSST and the Secrétariat permanent à la condition socioéconomique des artistes**

**Collaborators: associations**



## Pension plans

The situation has changed considerably since artists submitted their demands at the hearings of the Committee on Culture in 1986. Such change stems from the structuring of labour relations in the realms of the performing arts, film and audiovisual production in the wake of the *Act respecting the professional status and conditions of engagement of performing, recording and film artists* (R.S.Q., c. S-32.1). The Act has made it possible to establish the conditions necessary to implement group pension plans.

Banks now administer the artists' group pension plans, which earn variable returns. Two hypotheses can be envisaged, i.e. explore the advantages of pension plans other than the group RRSP or group together some or all of the existing plans in order to reduce management costs and increase returns.

### Measure 6

**Conduct an opportunity and feasibility study to help artists determine the options likely to enhance returns on their pension plans and foster the plans' long-term survival.**

**Agency responsible:** Secrétariat permanent à la condition socioéconomique des artistes

**Collaborators:** Professional associations that manage group pension plans, Régie des rentes du Québec

## Income enhancement through taxation

Since 1992, a number of tax and other measures have been adopted with a view to enhancing artists' living and working conditions. Mention should be made, for example, of the deduction from income of royalties, the deduction of expenses incurred to maintain a salaried musician's musical instrument, the tax credit for artists who must pay an annual fee to a professional association, and the extension of the deduction for royalties to include the amounts received from the Public Lending Right Commission for books circulated in libraries. Other problems experienced by artists concern taxation, i.e. the striking fluctuation in income and the exclusion of performers from the deduction for royalties.

### Measure 7

**announced in the 2004-2005 Budget Speech**

#### Income averaging annuity

**To better support artists and enable them to live better from the fruits of their labour, the Minister of Finance announced that they may from now on take advantage of an income averaging annuity. This measure is intended for artists whose net artistic income totals \$50 000 or more. Such an annuity is equivalent over a full year to a tax expenditure of \$4 million. In 2004-2005, it will total \$1 million.**

**Agency responsible:** Ministère des Finances

**Collaborator:** Ministère du Revenu

## **Tax deduction for royalties**

In 1995, a tax deduction for royalties was implemented, then enhanced on March 29, 2001 and broadened on June 12, 2003. This measure allows artists to take advantage of an annual deduction from their income of royalties, although it does not cover performing artists. In 1997, the federal government decided to grant neighbouring rights (object of copyright) to performing artists, among others.

### **Measure 8**

#### **announced in the 2004-2005 Budget Speech**

**The deduction for royalties is extended to performing artists. For performing artists, royalties pertaining to a performance and neighbouring rights are now deemed to be income eligible for the deduction in respect of royalties. The measure will cost an estimated \$1 million in 2004-2005 and \$3 million in 2005-2006.**

**Agency responsible: Ministère des Finances**

**Collaborator: Ministère du Revenu**

## **Employment assistance benefits**

The socioeconomic profile revealed that a number of artists benefit from employment assistance benefits paid by the ministère de l'Emploi, de la Solidarité sociale et de la Famille. It also shows that artists must lead a "double professional life" in order to earn adequate income. This specific situation poses challenges from the standpoint of the management of income security policies and programs. Indeed, artists who receive employment assistance benefits and who are self-employed may continue their professional activities and such activities engender both business expenses and income, in particular royalties, library lending fees or travel grants. Unfortunately, the artists must also face periods during which they earn no income. Some of the artists are compelled to apply on a temporary basis for employment assistance benefits.

Given the complexity and specific nature of the situations in which artists find themselves, there is every reason to pursue reflection on the problems experienced by artists who are employment assistance beneficiaries.

### **Measure 9**

#### **Examine the problems experienced by artists who are employment assistance beneficiaries**

**Agency responsible: Secrétariat permanent à la condition socioéconomique des artistes**

**Collaborator: Ministère de l'Emploi, de la Solidarité sociale et de la Famille**

## **Career transition**

The documentation available reveals that growing numbers of cultural workers must now envisage a career transition.

Moreover, the question of a career transition for artists does not arise solely starting at the age of 50, as is the case for many other workers, if only for reasons of physical capacity, for example, when artists are not longer able to engage in their art at the same pace.

The question of career transitions will remain an ongoing concern at the ministère de la Culture et des Communications, in partnership with Emploi-Québec.

## **Measure 10**

**10.1** In collaboration with Emploi-Québec and in keeping with the resources available, make accessible external manpower services in the realm of career renewal, funded by Emploi-Québec, when an artist wishes to take stock of his career, even though he is neither an employment insurance nor an employment assistance beneficiary.

**10.2** Explore with Emploi-Québec career transition measures specific to the arts and literature, regardless of the artist's age.

**Agency responsible:** Secrétariat permanent à la condition socioéconomique des artistes

**Collaborators:** Ministère de l'Emploi, de la Solidarité sociale et de la Famille, Emploi-Québec, CQRHC

## **Income enhancement through grants**

The level of funding in the arts and literature sector has improved significantly in recent years. Aside from the funds earmarked for the Conseil des arts et des lettres du Québec (CALQ) in respect of its current programs, funds have been allocated specifically for the consolidation of arts organizations and the enhancement of the living conditions of arts and craftspeople.

Over four years, the CALQ's budget base for its programs has risen by \$20.5 million, from \$43.4 million in 2000-2001 to \$63.9 million in 2003-2004, a 47% increase. Moreover, the CALQ has received during this period non-recurring appropriations of \$21.5 million.

The Minister of Culture and Communications is aware of this problem and has transmitted to the CALQ precise guidelines encouraging the organization to pursue its efforts to enhance the remuneration and working conditions of regular and temporary staff and to ensure the payment of adequate fees to artists.

### **Measure 11**

**11.1**            **Maintain the current policy direction adopted by the Conseil des arts et des lettres du Québec (CALQ) concerning the remuneration of artists and collaborators when budgets are allocated and make provision for the measurement of results.**

**11.2**            **Have adopted in other government-owned corporations reporting to the Minister the same policy directions.**

**Official responsible:    Minister of Culture and Communications**

**Collaborators:            MCC (Secrétariat général et sociétés d'État), CALQ, SODEC, Musées d'État, Secrétariat permanent à la condition socioéconomique des artistes**

## **Implementation of the government's action plan**

An action plan does not exhaust artists' concerns but serves instead as the beginning of a new phase in the government's approach adopted in 1986 to enhance the socioeconomic conditions of artists. Moreover, the deliberations of the steering committee on the socioeconomic conditions of artists confirmed the relevance of pooling the expertise of the different government departments concerned by the policies or programs that comprise the social safety net. Consequently, the idea of establishing a permanent consultation committee to foster the enhancement of the socioeconomic conditions of artists has been adopted.

### **Measure 12**

- 12.1**            **Establish, in collaboration with the arts community, a permanent consultation committee dedicated to the enhancement of the socioeconomic conditions of artists.**
- 12.2**            **Establish in the ministère de la Culture et des Communications a permanent secretariat devoted to the socioeconomic condition of artists.**

The permanent committee comprises representatives of the cultural milieus and the MCC.

**From the standpoint of the enhancement of the socioeconomic conditions of artists, the committee has a mandate to:**

- take stock of follow-up to the government's action plan;
- serve as a permanent contact for the cultural milieu;
- examine and comment on the findings of studies;
- propose or submit new avenues of work;
- submit to the Minister advice in the next three years on the application of legislation governing the status of artists.

**Under its mandate, the secretariat will:**

- oversee the implementation of measures adopted by the government;
- ensure liaison with the permanent committee;
- examine any new means of enhancing the socioeconomic condition of artists, in collaboration with the government departments concerned;
- submit recommendations to the Minister.