

## **Self-employment in the Cultural Sector**

### Recommendation No. 2

The Committee recommends that:

2.1 The Department of Canadian Heritage ensure ongoing federal initiatives examining issues of self-employment include the interests of self-employed artists and creators.

2.2 The Minister of Canadian Heritage appoint a task force to review self-employment issues in the cultural sector. The task force should include representatives from the Department of Revenue, the Department of Finance, and the Department of Human Resources Development Canada, and should report its recommendations within one year.

Response: Action will be taken and an alternative approach is to be pursued.

In 1994, Statistics Canada reported that 18% of Canada's labour force was self-employed. Shifting demographic trends and structural changes in the Canadian economy in the 1990s were viewed as encouraging the growth in self-employment for Canada's labour force. The rate of self-employment among cultural workers is about three times that of the labour force in general.

A large proportion of Canadian artists, creators and cultural workers, either individually or in cultural industries, are self-employed professionals or independent contractors. Like other self-employed individuals, issues such as health care, employment insurance, pension entitlements, tax treatment, access to professional development or training, etc., are of interest to them. For example, many workers in the cultural sector are considered self-employed, and therefore do not pay premiums and are not eligible for Employment Insurance benefits. As a result, a number of professional artists do not have the security and benefits available to others. Over time, the Government has recognized the contribution of Canadian artists and cultural workers to Canadian society through targeted measures, such as the deductibility of instruments for musicians, which now forms part of the tax system. Status of the artist legislation (federal and in Quebec) allows artists who are independent contractors and belong to professional associations to bargain collectively.

Under changes introduced in the 1998 federal budget, self-employed individuals may, under certain conditions and subject to certain limits, deduct amounts for a private health services plan (PHSP) coverage. Health care is a provincial responsibility. However, matters specific to coverage provided by private insurers can also be referred to Health Canada. Through Registered Retirement Saving Plans (RRSPs), self-employed individuals have opportunities for tax-assisted retirement saving. The Department of Finance receives regular presentations regarding issues that affect the self-employed. Operational and technical concerns of the self-employed are addressed through Revenue Canada publications that were developed with contributions from the arts sector [Visual Arts and Writers (IT-504R2) and Performing Artists (IT-525)]. In addition, Revenue Canada's enquiries' lines are available to respond to questions from the cultural sector.

The Government of Canada supports innovative approaches to social policies and programs. Given the rapid expansion of the self-employed segment of the labour force, the Government will continue to study self-employment issues. Specific input from self-employed professionals in the broad cultural sector will continue to be included from the policy, operational and technical perspectives.

Document Source:

<http://www.pch.gc.ca/progs/ac-ca/progs/rc-tr/progs/dpci-tipd/pubs/experience/r02-e.htm>