

ACTRA

**ACTRA Submission to Employment and Social
Development Canada**

**Consultation on Modernizing Canada's Employment
Insurance (EI) program**

8 October 2021

WHO WE ARE AND WHAT WE BRING TO THIS DISCUSSION

ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) welcomes the opportunity to provide our feedback and recommendations to Employment and Social Development Canada as part of its Consultation on Modernizing Canada's Employment Insurance (EI) program.

For over 75 years, ACTRA has represented performers living and working in every corner of the country who are pivotal to bringing Canadian stories to life in film, television, sound recordings, radio and digital media. ACTRA brings to this process the perspective of over 27,000 professional performers working in English-language recorded media in Canada.

From its earliest days, ACTRA has actively contributed to public policy development processes and played a critical policy role in Canada and internationally. Through its own work and that of its branches, ACTRA plays an indispensable role advocating for Canadian performers – who are self-employed, independent contractors.

ACTRA is pleased to participate in this consultation process, which is intended to help the Government modernize Canada's Employment Insurance (EI) program by taking into account the realities of today's labour market and workforce so it can better meet the evolving needs of Canadian workers.

While the Government of Canada has outlined this consultation will address several areas upon which the EI program can be improved, ACTRA will focus our submission on the one issue that will best improve the working lives of our members: **how we should help the increasing number of gig and self-employed workers who are currently not covered by Employment Insurance.**

THE IMPORTANCE OF ARTISTS AND RECOGNIZING THE UNIQUE WAY THEY WORK

In 2019, roughly 2.9 million people in Canada identified self-employment as their main job, and hundreds of thousands of additional workers rely on a combination of employment and self-employment earnings. While the share of self-employed workers in the labour force has remained relatively stable since the late 1990s, a growing share of Canada's workforce consists of "gig workers" who enter into short-term contracts with firms or individuals to complete specific and often one-off tasks. Gig work as a share of total employment rose by 50 per cent between 2005 and 2016, and now comprises approximately 8.2 per cent of the labour force.¹

Canadian artists are very familiar with Canada's gig economy. Despite the value Canada's cultural workers bring to our economy, many remain precariously employed and underpaid. Performers are the original "gig" workers: self-employed, independent contractors who make a living from a variety of sources. Even though Canada's screen-based production sector

¹ *Consultations on Building a Modern Employment Insurance Program: National Roundtables on the Changing Nature of Work*, Employment and Social Development Canada/Canada Employment Insurance Commission, August-September 2021;

generates almost 250,000 full-time equivalent jobs,² many screen industry workers take on multiple jobs, either within the sector or outside, to survive economically. Most artists, including ACTRA members, do not work a traditional workweek.

Like many self-employed workers, some ACTRA members experience more volatile earnings as performers while others have relatively consistent earnings. Additionally, some ACTRA members may be able to cover temporary reductions in earnings through savings while others are more vulnerable to financial hardship when earnings fluctuate.

While individual engagements in ACTRA's jurisdiction are well-paid, performers are constantly searching and competing for available work. In 2019, the median income of actors, singers, dancers, comedians, musicians and other performers was roughly \$24,300. This was approximately 44 per cent lower than the median income of all workers (roughly \$43,500). For actors, the median income was even lower: \$18,600 for men and \$18,400 for women.³

Almost 41 per cent of workers with creative and artistic production occupations are self-employed. Overall, the share of self-employed workers in the cultural sector (28 per cent)⁴ is almost double the rate of all Canadian workers (15 per cent).⁵

COVID-19 PANDEMIC, CULTURAL INDUSTRIES AND ARTISTS

After the initial nation-wide shutdown in March 2020 due to the global COVID-19 pandemic, work on film, television and digital media programs resumed in various capacities across Canada with productions continually adapting to ever-changing public health restrictions.

However, there is no denying the gaps in Canada's social systems, including EI, exposed by the pandemic, which left self-employed workers with no income or social safety net overnight and made an already vulnerable group of Canada's labour market even more vulnerable.

While millions of Canadians lost their jobs because of rapidly emerging business reductions and closures at the onset of the pandemic, many of those workers were not eligible for EI.

This required the rapid introduction of a suite of new temporary benefits to ensure unemployed workers had access to income support. In addition, some aspects of the EI program and systems had to be significantly simplified to increase access and process the unprecedented number of applications.

After some initial uncertainty, ACTRA was grateful the government acknowledged gig workers in the rules for the Canada Emergency Response Benefit (CERB) and subsequent Canada

² [Profile 2020](#), Canadian Media Producers Association in collaboration with the Department of Canadian Heritage, Telefilm Canada and Association québécoise de la production médiatique, May 2021;

³ *Demographic Diversity of Artists in Canada in 2016*, Hill Strategies Research Inc, January 2020;

⁴ *Labour Market Information for Canada's Cultural Sector 2019*, Conference Board of Canada, September 2019;

⁵ [Reforming Canada's Employment Insurance program background](#), Employment and Social Development Canada, 2021; and

Recovery Benefit (CRB). These benefits were a lifeline for Canadians working in arts or entertainment industries who were temporarily or permanently laid off due to the pandemic and would have faced even further financial hardship if it were not for the support benefits provided by our federal government.

With the CRB set to expire on October 23, we hope the federal government will examine how to extend this benefit for artists until a modernized EI program, which includes self-employed workers, can be implemented.

A MODERNIZED EMPLOYMENT INSURANCE INCLUSIVE OF ALL CANADIAN WORKERS

Under the *Employment Insurance Act*, regular benefits are only available to eligible workers in insurable employment, which relies on a traditional employee-employer relationship to ensure a worker has lost their job through no fault of their own.

In the late 1980s, over 85 per cent of the unemployed in Canada qualified for unemployment benefits. On the eve of the pandemic, only two in five unemployed workers were receiving EI benefits in any given month and, in large urban centres, the ratio was as low as 1 in 5.⁶

The most pressing change to Canada's current EI program is the need to respond to new labour market realities. Eligibility remains the fundamental barrier for self-employed workers to access the current program because they are classified as independent contractors, which makes them ineligible to contribute to or collect EI.

Additionally, while many self-employed workers make a living from a mix of employment and self-employment activities, they are not eligible to collect EI from contributions made on their employment income because they are not considered to be available for work if self-employment is their principal means of livelihood.

An expanded EI program that addresses the needs of a modern economy would allow self-employed workers to contribute to and collect EI despite not having a clear employee-employer relationship as defined under the current system.

Among other benefits, expanding access to Canada's EI program will strengthen EI's role as an automatic stabilizer, reduce income inequality and poverty, and strengthen attachment to the labour market. It will also ensure EI is accessible for workers when the next recession or pandemic triggers widespread job losses.

ACTRA welcomed commitments by the Liberal Party of Canada in its 2021 federal election platform to support self-employed workers and, specifically, arts and cultural workers:

⁶ *Consultations on Building a Modern Employment Insurance Program: National Roundtables on the Changing Nature of Work, Employment and Social Development Canada/Canada Employment Insurance Commission, August 5, 2021.*

- Introduce a new EI benefit for self-employed Canadians, delivered through the tax system, that would provide unemployment assistance comparable to EI and lasting for as much as 26 weeks. This could provide support of nearly \$15,500 when it is needed most. Self-employed Canadians seeking to access this benefit would only be responsible to contribute the portion they would normally pay if they were a salaried employee.
- Ensure the realities of artists and cultural workers are considered in upcoming reforms to the Employment Insurance (EI) system.

RECOMMENDATIONS

- Establish a transitional support program and examine how to extend the CRB for artists until a modernized EI program, which includes self-employed workers, can be implemented.
- Change the eligibility requirements of the current EI program to allow self-employed, independent contractors to contribute to and collect EI.
- Investigate new measures to offer artists greater financial security.

CONCLUSION

The changing needs of Canadian workers as well as the ongoing COVID-19 global pandemic has resulted in a fundamental shift in the use of and need for modernized social support programs.

This is our opportunity to create a modernized program that reflects and is inclusive of all Canadian workers. We hope the changes made to Canada's EI program will address the inequalities and insecurities experienced by Canadian workers to ensure no one is left behind.

In the early days of the pandemic while our health care and other front-line workers were saving lives and providing essential services every day, let us not forget about the contributions of Canadian artists and performers who brought us comfort and laughter during some of the darkest days. We cannot deny the value Canadian artists bring to society; they entertain us, inspire us, and promote reflection. If artists are to fully participate in the Canadian economy, they must be treated equally as other Canadian workers.

ACTRA appreciates the opportunity to share our views as part of this Consultation on Modernizing Canada's Employment Insurance program. We would be pleased to address any questions of clarification from Employment and Social Development Canada.

Sincerely,



Marie Kelly
National Executive Director, ACTRA