

November 2020

# The impact of the COVID-19 pandemic on the Cultural and Creative Sector

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Report for the Council of Europe

Updated from initial June 2020 version

# A. Introduction

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A report in June 2020 provided a first analysis on the tremendous impact of the COVID-19 pandemic on the cultural and creative sector (CCS). The present document aims to give an update on the situation and to propose policy recommendations to the Council of Europe. The COVID-19 pandemic has wounded sociality and limited the possibility to stay together: the essence of many forms of art.

The wording “CCS” is defined here as all the sectors whose activities are based on cultural values, or artistic, creative expressions, market or non-market oriented. It includes architecture, archives, libraries and museums, artistic crafts, audio-visual tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts.<sup>1</sup>

The arts and creative activities play a crucial role in the well-being and cohesion of the community, shaping values; they represent the key to assure freedom of expression and innovation. According to the joint statements of Italian, German and Spanish Ministers, culture is acknowledged as “best antidote [...] in the European Community” to the crisis caused by the COVID-19 pandemic.<sup>2</sup>

Beyond its immaterial value, the CCS is important for the European economy. According to Eurostat, this market employed 8.7 million people in 2018, equivalent to 3.8 % of the total number of persons employed within the EU-28.<sup>3</sup> This last percentage represents a reliable parameter for the Council for Europe membership, too.<sup>4</sup>

The industry has been growing steadily after the 2008 economic crisis, witnessing an increased demand for entertainment and culture: in 2017, there were 1.1 million cultural enterprises in the EU-27.<sup>5</sup> The CCS is deeply connected with other essential economic sectors such as tourism, real estate, education and information technology for instance.

When analysing the impact of the crisis we should acknowledge that the CCS comprehends a variety of subsectors; it also includes all the activities of the cultural and creative products’ value chain, from development to dissemination.

The present work provides an updated assessment of the pandemic’s economic impact on the sector, enlightening the intrinsic precarity of its workers whilst countries are confronting the second wave of infections. It continues with an updated panoramic overview of the measures taken at the international, national and local level to tackle the economic and social crisis. A

<sup>1</sup> European Investment Fund (2019). Market Analysis of the Cultural and Creative Sectors in Europe. [https://www.eif.org/what\\_we\\_do/guarantees/cultural\\_creative\\_sectors\\_guarantee\\_facility/ccs-market-analysis-europe.pdf](https://www.eif.org/what_we_do/guarantees/cultural_creative_sectors_guarantee_facility/ccs-market-analysis-europe.pdf)

<sup>2</sup> Dario Franceschini, Michelle Müntefering, & José Manuel Rodríguez. (2020, April 3). Together we are stronger than the virus. Corriere Della Sera. [https://www.corriere.it/cultura/20\\_aprile\\_03/together-we-are-stronger-than-the-virus-c4e3f210-75ca-11ea-856e-f9aa62c97d7a.shtml](https://www.corriere.it/cultura/20_aprile_03/together-we-are-stronger-than-the-virus-c4e3f210-75ca-11ea-856e-f9aa62c97d7a.shtml).

<sup>3</sup> Eurostat. (2019). Culture statistics—Cultural Employment. [https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture\\_statistics\\_-\\_cultural\\_employment#Self-employment](https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture_statistics_-_cultural_employment#Self-employment), (last accessed 14 June 2020).

<sup>4</sup> Other CoE Member States, such as Iceland, Switzerland and Norway, recorded shares of cultural employment that were just above the EU average percentage; others, such as North Macedonia, Serbia and Turkey, were just below it. Ibidem.

<sup>5</sup> Ibidem.

perspective on the “new normalities” provoked by the pandemic concludes the report together with policy recommendations.

## B. Economic and Social Impact of COVID-19 on CCS

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The CCS, crucial for the European economy and the well-being of its citizens, has been profoundly wounded by the measures taken to fight the spread of Covid-19 pandemic. Suddenly, with the outbreak of the virus, global production has been stopped, affecting the whole value chain: events have been postponed or cancelled, the related marketing, distribution and touring too. Bookshops, cinemas, concert halls, clubs, museum, theatres, heritage sites or art galleries have been closed down.

As from June 2020, CCS re-started production (in audio-visual), places dispensing cultural goods and services were back in business with life venues (to the exception of clubs) partially reopening on the basis of stringent sanitary obligations aimed at enforcing social distancing rules. The pandemic second wave in October led to the adoption of public health measures throughout the continent with dire consequences for the cultural sector. The sector lobbied without success to be exempted from curfew or lockdown measures on the evidence of the ability to implement efficient social distancing rules. However together with bars, restaurants and discothèques, the CCS became the primary victim of new health measures aimed at restricting mobility and social contacts.

This section illustrates the impact of COVID on CCS national economies, illustrating the specificities of some sub-sectors, and it provides insights on the precarious conditions of the CCS's workers.

At the present moment, it is difficult to assess the overall economic impact on the CCS value chain and its sub-sectors, principally due to the fact that the sector estimates vary in methodology and content. In addition, the uncertain future circumstances require continuous monitoring and evaluation to seriously assess the situation. Nevertheless, some estimates provide an essential snapshot of the seriousness of damage suffered by the industry at the present moment. In France alone, the health crisis is affecting 2 000 cinemas, 3 000 bookshops, 1 200 museums, 1 000 theatres, hundreds of art galleries and live events including festivals or trade fairs.

According to UNESCO, at the beginning of October 2020, only 37% of world heritage sites had completely re-opened.<sup>6</sup> The numbers are likely to decrease again due to the second wave of the virus; that would significate enormous economic damage both for the heritage sector and linked economies, such as tourism.

In Germany, a report from the Kompetenzzentrum Kultur und Kreativwirtschaft of the Federal Government provides the most comprehensive estimates of the damages on the national CCS. The report estimates the impact across various subsectors (music, film and performing

<sup>6</sup> UNESCO. (2020). *Monitoring World Heritage Site Closures*. <https://en.unesco.org/covid19/cultureresponse/monitoring-world-heritage-site-closures>, (last accessed 14 June 2020).

arts). It considers the turnover losses (with a conservative scenario) to be respectively EUR 2.5 billion, 3.4 billion and 2 billion for the selected sub-sectors. Taken together it estimates that CCS in Germany will experience a turnover loss of approximately EUR 21.7 billion or 12.7% of its annual turnover (conservative scenario). The most severe scenario predicts a 23% loss (EUR 39.8 billion). The report stresses that CCS employs 1.7 million people in Germany with only 940.000 of them being employees benefiting from social protection.<sup>7</sup>

In Slovenia, a survey shows that cultural workers expect the turnover of businesses to decrease by an average of 44% in 2020. 63% of cultural entrepreneurs felt that state measures were insufficient to cover the losses.<sup>8</sup> In Italy, the loss for the live cultural sector only is estimated at 950 m EUR.<sup>9</sup> The Irish arts and entertainment sector is going to lose almost 70% of its annual changes in the sector output value, compared to 2019.<sup>10</sup>

The French National Centre of Music (CNM) estimates the losses generated by COVID-19 on live performances to be between EUR 1.7 and 2 billion. The statistics service of the French Ministry of Culture surveyed 7.800 cultural operators to assess the extent of the financial damage and the short and medium-term consequences on employment. The results, released in July, show that the crisis will generate an average drop in turnover of at least 25% in 2020, representing a decline of EUR 22.3 billion.<sup>11</sup> In Ukraine, almost 70% of CCS workers surveyed in May 2020 by PPV Knowledge Networks, supported by the Ministry of Culture and Information Policy of Ukraine, claims a revenue loss between 50% and 75%.<sup>12</sup>

According to the European Festival Association (EFA), the average value of the estimated loss is EUR 150.000 and the median is EUR 40.000 per festival, with tremendous repercussion for the touristic sector and local economy.<sup>13</sup> For instance, in the Netherlands, Germany and the UK the number of cancelled festivals amounted to 121, 84 and 86, respectively.<sup>14</sup> The table below gives an idea of the damages caused by the pandemic.

<b>Festival</b>	<b>Country</b>	
<b>Tomorrowland</b>	<b>Belgium</b>	<b>Revenue: 106 m EUR (2017)</b>
		<b>Audience: 400.000 (2017)</b>
		<b>Benefits in the local economy: 100 m EUR on local economy</b>

<sup>7</sup> Prognose AG. (2020) COVID 19 Impact on the Cultural and Creative Industries in Germany - Last Update 17.04.2020 – Economic Effects in a Scenario Analysis, Kompetenzzentrum Kultur und Kreativwirtschaft des Bundes.

<sup>8</sup> Eva Matjaž, Polona Černič, & Teja Kosi. (2020). *Slovenski Kulturno-Kreativni Delavec v času COVID-19*. Poligon Kreativni Center.

<sup>9</sup> Festivals ou Concerts de Musique. Le Seul Secteur du Spectacle Vivant Musical Accuse 2 Milliards de Pertes. (2020, May 27). *La Tribune*. <https://www.latribune.fr/entreprises-finance/services/tourisme-loisirs/spectacle-vivant-musical-le-cnm-evalue-les-pertes-a-pres-de-2-milliards-d-euros-848766.html>

<sup>10</sup> Economic and Social Research Institute (2020), Quarterly Economic Commentary – Autumn 2020. [https://www.esri.ie/system/files/publications/QEC2020AUT\\_0.pdf](https://www.esri.ie/system/files/publications/QEC2020AUT_0.pdf)

<sup>11</sup> Ministère de la Culture (2020, July 06), L'impact de la crise du Covid-19 sur les secteurs culturels, <https://www.culture.gouv.fr/Sites-thematiques/Etudes-et-statistiques/Publications2/Collections-de-synthese/Culture-chiffres-2007-2020/L-impact-de-la-crise-du-Covid-19-sur-les-secteurs-culturels>.

<sup>12</sup> PPV Knowledge Networks (2020), Results of the Covid 19 on CCS in Ukraine.

<sup>13</sup> European Festival Association (2020) Report on the occasion of the COVID-19 survey April - May 2020 [https://www.efaaef.eu/media/10870-report\\_covid19\\_survey\\_festivals\\_needs\\_and\\_commitments.pdf](https://www.efaaef.eu/media/10870-report_covid19_survey_festivals_needs_and_commitments.pdf)

<sup>14</sup> Viberate (2020), The economic impact of the coronavirus on the music festival seasons. <https://eufcn.com/guidelines-production-during-covid-19/>

<b>Ultra Europe</b>	Croatia	<b>Revenue: 13 m EUR (2018)</b>
		<b>Benefit: visitors spent 143 EUR a day on average- Some 72% visited other cities apart from Split and Hvar where Ultra takes place (2018)</b>
<b>Sziget</b>	Hungary	<b>Revenue: 22.5 m EUR</b>
		<b>Audience: 496.000 (2017) from 100 Countries in the world</b>

Table 1: The table shows data of some of the most relevant festivals in Europe.

In October world-famous French DJ Laurent Garnier wrote an open letter to the French Cultural Minister denouncing the lack of support to “the cultural space of the night” (clubs) which in France are under the supervision of the Ministry of Interior and not the Ministry of Culture.<sup>15</sup> Clubs are in a very difficult position as they were not entitled to reopen at all for the last 8 months contrary to other cultural places such as theatres or cinemas.

The cancellation of trade fairs and markets represents a severe loss of opportunity to find buyers and sellers for artistic productions. In 2020 the following Europe-based trade fairs with global reach fell victim to COVID-19: The Cannes Film Market, the Music market (Midem), Art Basel, Salone Mobile (Design), Gamescom (Videogames) or the Avignon Festival (Theatre). Fortunately, the Frankfurter Buchmesse, the showcase for the international book industry, took place online in October 2020, with an expanded digital agenda, offering a 7-days live programme. The organisers are still evaluating the success of the initiative. However, they confirmed: “the physical book fair cannot be replaced [...]. The face-to-face interactions and networking are central to the experience of the fair.”<sup>16</sup>

Total sales of artworks worldwide fell 97% at Christie’s, Sotheby’s and Phillips during May, from nearly USD 2.9 billion in 2019 to USD 93 million in May 2020. This is the lowest public auction total ever recorded for the month by the database (which tracks totals as from 2007). Overall, Art Basel reports that galleries’ sales fell by 36% on average (with a median decline of 43%) in the first six months of 2020, if compared with 2019, and the decline is expected to continue.<sup>17</sup>

The book and publishing sector has been hit due to the closure of bookshops in many EU Member States for several months and by the postponement or cancellation of many planned new titles releases. A report, issued in July by the Federation of European Publishers, analysis the consequences on the sector’s value chain and revenue. Albeit the percentage of people reading during the confinement was higher than normal (+33%), mostly using digital libraries,<sup>18</sup> the loss estimate is 80/90% in sales during the first wave. In fact, even if the percentage of increase in e-books increased in many countries (e.g. in mid-April platforms

<sup>15</sup> <https://www.laurentgarnier.com/openletter> or <https://www.archyde.com/covid-19-dj-laurent-garnier-denounces-the-governments-contempt-for-the-nightlife/>

<sup>16</sup> Ed Nawotka (2020, October 20), Frankfurt’s Boos Says Physical Fairs Cannot Be Replaced, *Publishers Weekly*. <https://www.publishersweekly.com/pw/by-topic/international/frankfurt-book-fair/article/84664-frankfurt-s-boos-says-physical-fairs-cannot-be-replaced.html>.

<sup>17</sup> Art Basel & UBS, The Impact of COVID-19 on the Gallery Sector A 2020 mid-year survey. [https://d2u3kfwd92fzu7.cloudfront.net/The\\_Art\\_Market\\_Mid\\_Year\\_Survey\\_2020-1.pdf](https://d2u3kfwd92fzu7.cloudfront.net/The_Art_Market_Mid_Year_Survey_2020-1.pdf)

<sup>18</sup> Either public libraries or sources made available for free by publishers

doubled or tripled their sales in France), digital sales did not compensate for the loss of sales in bookshops.<sup>19</sup>

The Audio-Visual (AV) sector and film/TV production are experiencing similar problems. At the production level, all shootings had to stop for months. Distancing measures are difficult to implement in production phases and those productions that have been restarted during the summer to purchase protective equipment, set the on-site organisation with constant testing of the entire crew. In this regard, a panoramic overview of different guidelines to assure a healthy set at the national level is offered by the European Film Commissions Network.<sup>20</sup>

At distribution level larger budget movie releases from Hollywood have been deferred to spring 2021, disrupting supplies, release schedules and revenues for theatres, notably those relying on blockbuster movies. Disney decided to distribute the film "Mulan" on its streaming platform to the dismay of theatrical operators indicating a readiness to challenge normal distribution patterns.

In parallel, several film festivals have been cancelled or moved to online platforms.<sup>21</sup> The UNESCO monitoring system estimates that the cinema industry worldwide is bound to lose EUR 7 billion.<sup>22</sup> The German Federal Government's Centre of Excellence for the Cultural and Creative Industries estimated that the national film industry will lose between 33% and 72% of its annual turnover.<sup>23</sup> Delays in movies releases and difficulties encountered due to the social distancing measures caused prominent cinemas' chain, such as Odeon Cineworld and Picturehouse, to close their venues in different countries.<sup>24</sup> Cineworld, the world's second largest cinema company, closed all of its US and UK screens, putting 45.000 jobs at risks. AMC, the biggest cinema operator, warned investors that it could run out of cash by the end of the year.

European cinemas providing 42.000 screens welcomed 1.35 billion visitors generating EUR 8.8 billion revenues in 2019.<sup>25</sup> On 23 October 2020 UNIC, the International Union of Cinemas (38 countries) published detailed information on national closure processes, support mechanisms, measures relating to employment, taxation, rent and related costs as well as a selection of key box office figures. The report shows that most European markets reopened their cinemas during the summer months of 2020.<sup>26</sup> Its annual report also indicates the severe impact of COVID 19 on cinema attendance with an estimate of 70% revenue loss in 2020.

<sup>19</sup> Federation of European Publishers (2020), Consequences of the COVID-19 Crisis on the Book Market, [https://fep-fee.eu/IMG/pdf/20190707\\_-\\_brochure\\_covid\\_digital\\_only.pdf](https://fep-fee.eu/IMG/pdf/20190707_-_brochure_covid_digital_only.pdf)

<sup>20</sup> European Film Commissions Network, Filming Europe in Safety-Guidelines for production during COVID-19, <https://eufcn.com/guidelines-production-during-covid-19/>

<sup>21</sup> Some countries had to change their national law to allow premiere to be broadcast online.

<sup>22</sup> UNESCO, & GISAC. (n.d.). Guide pour lancer votre mouvement ResiliArt. [https://fr.unesco.org/sites/default/files/debate\\_guide\\_fr.pdf](https://fr.unesco.org/sites/default/files/debate_guide_fr.pdf)

<sup>23</sup> The German government examines the impact of COVID-19 on the national audiovisual sector (2020, September 6). <https://www.cineuropa.org/en/newsdetail/389085>

<sup>24</sup> Cinema chain shut doors in fight against coronavirus. *STV News*. <https://news.stv.tv/scotland/cinema-chains-shut-doors-in-fight-against-coronavirus?top>

<sup>25</sup> Unic Annual Report 2020 [https://www.unic-cinemas.org/fileadmin/user\\_upload/Publications/UNIC\\_AnnualReport\\_2020.pdf](https://www.unic-cinemas.org/fileadmin/user_upload/Publications/UNIC_AnnualReport_2020.pdf)

<sup>26</sup> <https://www.unic-cinemas.org/en/news/news-blog/detail/the-impact-of-the-coronavirus-outbreak-on-the-european-cinema-industry/>

According to the survey conducted by the Network of European Museum Organisation, numerous museums reported a loss of income of 75-80%.<sup>27</sup> In this sector, the social-distancing problem is adding additional difficulty to the closure requirement.<sup>28</sup> The Rijksmuseum which closed in March has normally 12 000 visitors a day. It has been limited to 2.000/ day as from the week of 8 June. The St. Petersburg's Ermitage announced that it will lose half of its annual revenue.<sup>29</sup>

In the USA, 33% of museums are at risk of closing if the effects of the coronavirus pandemic continue for the next 16 months, according to a survey from the American Alliance of Museums. That's about 12,000 of American museums.<sup>30</sup>

The French TV advertising market is expected to contract by 13.5% in 2020 and rebound in 2021 by 7.5%, according to estimates by eMarketer. In Germany, eMarketer predicts that TV ads will be down 11.5% in 2020 over 2019.<sup>31</sup>

As for museums, cinemas and concerts halls opened up with sanitary measures to respect. The Musikverein in Vienna reopened in June with only 100 visitors allowed in the audience, the Ravenna Festival in Italy started with an open-air concert in late June.

In its latest Global Collections Report<sup>32</sup> CISAC the international organisations representing authors' societies shows that royalty collection for creators of music, audiovisual works, visual arts, drama and literature are likely to decline this year by up to 35% - or EUR 3.5 billion in lost income.

In October 2020 the European Federation of Journalists announced the publication of a report<sup>33</sup> mapping in a database covering 44 European countries the different emergency packages, direct financial support and long-term measures,

In its policy report, the Joint Research Centre of the European Commission shows the impact of COVID-19 on cities with a high share of arts jobs and where the cultural offering is a main driver of the local economy, notably tourism.<sup>34</sup> The report shows the higher vulnerability of medium-sized cities in Southern Europe. It can be deduced that the important contribution of tourism and culture to the economy will come as a major challenge for economies in the Balkans, Central and Eastern Europe. The impact of COVID-19 will be even more severe as often these countries overlook the importance of CCS in the economy and in territorial attractiveness. The local creative ecosystems, aside from major national cultural institutions,

<sup>27</sup> NEMO (2020), Survey on the impact of the COVID-19 situation on museums in Europe Final Report. [https://www.nemo.org/fileadmin/Dateien/public/NEMO\\_documents/NEMO\\_COVID19\\_Report\\_12.05.2020.pdf](https://www.nemo.org/fileadmin/Dateien/public/NEMO_documents/NEMO_COVID19_Report_12.05.2020.pdf)

<sup>28</sup> The Genoa "Palazzo Ducale" proposes the initiative "5 Minutes with Monet", for one visitor at the time. With this initiative, the Palazzo Ducale Foundation for Culture intends to transform social distancing measures into an opportunity for an immersive experience. Unfortunately, the effort does not seem sustainable for an extended period. <https://palazzoducale.genova.it/mostra/5-minuti-con-monet>.

<sup>29</sup> Sophia Kishkovsky. (2020, May 8). Russian museums in crisis: State Hermitage projects losses of almost half its annual revenue after closing for two months. The Art Newspaper. <https://www.theartnewspaper.com/analysis/russian-museums-coronavirus>.

<sup>30</sup> Source Creative Industries Newsletter, issue 237 August 2020, Emmanuel Legrand

<sup>31</sup> Source Creative Industries Newsletter, issue 237 August 2020, Emmanuel Legrand

<sup>32</sup> "Covid19: Crisis, Resilience, Recovery", CISAC, 28 October 2020

<sup>33</sup> COVID-19: What financial support have the media and journalists received in Europe? 3.10.2020 <https://europeanjournalists.org/blog/database/covid-19-what-financial-support-has-the-media-and-journalists-received-in-europe/>

<sup>34</sup> V. Montalto, P.L. Sacco, V. Alberti, F. Panella, M. Saisana. (2020). European Cultural and Creative Cities in COVID-19 Times. Jobs at Risk and the Policy Response. JRC Science for Policy Report, [https://publications.jrc.ec.europa.eu/repository/bitstream/JRC120876/kjna30249enn\\_1.pdf](https://publications.jrc.ec.europa.eu/repository/bitstream/JRC120876/kjna30249enn_1.pdf).

are clearly at risk in the absence of accompanying support measures. COVID-19 is shedding an interesting spotlight on the importance of cultural infrastructure in the tourism and travel economy. Reciprocally the cultural sector will have to reassess its relevance to the local economy and citizenship in the absence of international travellers.

The long-term damages for culture and creativity will come from the diminishing philanthropy: both businesses and foundation will suffer a lack of liquidity due to the crisis, as a consequence, their possibility and willingness to contribute to the arts could be largely compromised.

However, it is also important to highlight that not all CCS activities are victims of COVID-19. Online content services benefited from increased demand in subscriptions or on-demand services. Companies like Netflix,<sup>35</sup> Amazon Prime Video, telecom, national VOD services or Spotify enjoyed substantial business growth reflected in increased membership, customers or share price.<sup>36</sup> Whilst impacted by the production pause, the streaming giant Netflix gained 26 million paid subscribers. The music-streaming platform Spotify witness an increase (27% Y/Y) subscribers in the first two quarters of 2020.<sup>37</sup>

The estimated value of the SVoD global market by 2025 is USD 100 bn, double from the USD 50bn recorded in 2019, according to a report from Digital TV Research, based on SVoD activity in 138 countries. The number of SVoD subscriptions will increase by 529 million between 2019 and 2025 to 1,170 million.<sup>38</sup>

Sales of physical books online exploded to the detriment of bookshops. News media are affected by less advertising whilst seeing an increase in online subscriptions. The period also witnessed a greater demand for video games, and in-game concerts representing a new phenomenon in cultural consumption.

Finally, it is important to consider the social impact of the crisis on cultural workers. CCS organisations are not like any other businesses. Across the EU-28, one third (33%) of the cultural workforce is self-employed, compared with an average of 14% for the whole economy. As such, the relative scale of self-employment in the field of culture is more than twice as high as the average for total employment. The precarity of working conditions is specific to this industry. The Zurich Centre for Creative Economies (ZCCE) issued four notes on the impact of COVID-19. Note number 2 is focusing on the specific situation of CCS workers. It concludes: "We are moving from precariousness to misery". "The situation is untenable for

<sup>35</sup> Both the legal and illegal AV consumption raised. According to the British piracy watchdog FACT, access to illicit films has grown in the UK. Coronavirus: Film piracy streaming trebles in lockdown. (2020, May 15). *BBC News*. <https://www.bbc.com/news/technology-52676254>.

<sup>36</sup> On the 29<sup>th</sup> March, the word "Netflix" has been searched twice as often as 1<sup>st</sup> February. Data available at <https://trends.google.it/trends/explore/TIMESERIES/1592141400?hl=it&tz=-120&date=2020-02-01+2020-03-31&q=netflix&sni=3>. Shares of Spotify surged as 17% to \$163.94 on Wednesday after reporting a 31% in paid subscribers Matthew Fox. (2020, April 29). Spotify surges 17% after reporting 31% jump in paid subscribers amid coronavirus lockdowns (SPOT). *Market Insider*. <https://markets.businessinsider.com/news/stocks/spotify-stock-price-earnings-report-jump-paid-subscribers-revenue-coronavirus-2020-4-1029146559>.

<sup>37</sup> Spotify Technology S.A. Announces Financial Results for Second Quarter 2020 (2020, July 29), <https://investors.spotify.com/financials/press-release-details/2020/Spotify-Technology-S.A.-Announces-Financial-Results-for-Second-Quarter-2020/default.aspx>

<sup>38</sup> Creative industries Newsletter, Issue 243, 5 October 2020, Emmanuel Legrand

cultural managers who must project themselves into the future” according to Christiane Bourbonnaud from the Avignon International Theatre Festival”.<sup>39</sup>

The OECD identifies the percentage of jobs at risk between 0.8 and 5.5 % within the CCS.<sup>40</sup> Already before the pandemic, a study by L&R Sozialforschung shows that in Germany, despite solid welfare schemes, 35% of music workers were at risk of impoverishment. Half of the surveyed musicians had a total annual income of less than EUR 15.000.<sup>41</sup> It is evident that the losses suffered due to the pandemic differ depending on the different national scenarios, sources of remuneration of CCS workers as well as the legal status given to artists and freelancers in given countries (social protection for artists is very uneven throughout Europe). The impact is more significant for those who depend on live events and ticketing as those activities have been mandatorily closed or cancelled. At the same time, other institutions are either in a better situation to cope due to the availability of public money<sup>42</sup> or they organise activities that do not require as much social interaction (e.g. writers, visual art, who can be productive in teleworking). However, noticeable “fil rouge” connects all the personal situations: precariousness with an uncertain future.<sup>43</sup>

## C. Support Measures to Mitigate the Impact of the Pandemic Crisis on CCS

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This section is intended to present measures taken to combat the pandemic’s economic and social impact. The overview distinguishes between actions taken by international organisations dealing with culture, public measures taken at national, regional and city levels as well as private initiatives.

### 1. Measures taken by International Organisations

This paragraph analyses the measures taken by the European Union, UNESCO, the Organization for Economic Co-operation and Development (OECD) and the Council of Europe.

<sup>39</sup> Simon Grand, Frédéric Martel, Roman Page, & Christoph Weckerle. (2020). “*Sleeping Beauty*” II, *A Relief Policy for the Arts* (II). Zurich Centre for Creative Economies. Notably pages 3-4 [https://www.zhdk.ch/file/live/de/de38f62fedb6c7d8b6fd22ea0520d4c402371819/research\\_note\\_2\\_en\\_1405\\_final.pdf](https://www.zhdk.ch/file/live/de/de38f62fedb6c7d8b6fd22ea0520d4c402371819/research_note_2_en_1405_final.pdf).

<sup>40</sup> OECD (2020). June 30, global consumption hours have recovered to pre-COVID levels. Culture shock: COVID-19 and the cultural and creative sectors. <https://www.oecd.org/coronavirus/policy-responses/culture-shock-covid-19-and-the-cultural-and-creative-sectors-08da9e0e/#:~:text=Along%20with%20the%20tourism%20sector,of%20employment%20across%20OECD%20regions%E2%80%A6>

<sup>41</sup> <https://www.mdw.ac.at/magazin/index.php/2020/05/28/die-wirtschaftliche-lage-der-musikschaffenden-in-der-coronakrise/?lang=en>

<sup>42</sup> In 2018, general government expenditure across the EU on cultural services, broadcasting and publishing services amounted to EUR 90 billion or 1.4 % of all general government expenditure. Eurostat. (2020). *Culture Statistics—Government Expenditure on Culture*. [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture\\_statistics\\_-\\_government\\_expenditure\\_on\\_culture](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_government_expenditure_on_culture).

<sup>43</sup> On the sustainability of performing arts see also Elena Polivtseva (2020), “*Live Arts in the Virtualisation World*”, IETM. [https://www.ietm.org/en/system/files/publications/live\\_arts\\_in\\_the\\_virtualising\\_world.pdf](https://www.ietm.org/en/system/files/publications/live_arts_in_the_virtualising_world.pdf).

## a. The European Union

The European Commission (EC) has proposed a variety of measures to mitigate the socio-economic impact of the COVID-19 pandemic.

It has proposed an ambitious emergency European Recovery Instrument (“Next Generation EU”) together with a reinforced long-term budget for the EU in relation to the period 2021-2027. In late July, the European Council reached a deal on the recovery package and the European budget. The Multiannual Financial Framework (MFF 2021 – 2027) will amount to EUR 1.074.3 billion and the unprecedented recovery package Next Generation EU will amount to EUR 750 billion. The proposal has yet to be approved by the European Parliament.<sup>44</sup>

In relation to Cultural and Creative Sectors, the European Commission and the European Parliament have taken important political steps to ensure that the CCS is considered as a priority sector eligible for support under the Next Generation EU programme. The European Parliament on 17 September 2020 voted overwhelmingly in favour of a motion urging Member States to include the CCS in the EU-funded National Recovery Plans.

The following illustrates the EU measures potentially available to CCS.

1. **The “Recovery and Resilience Facility”** offers financial support for investments and reforms of Member States’ economies. To access the fund, Member States are required to submit national Recovery and Resilience plans as part of their National Reform Programmes. The CCS are in a position to benefit from grants and loans if their respective Member States incorporate them in the proposed plan and actively connect the CCS to the aims of the instrument.
2. The **“React-EU”** adds €55 billion to the ongoing 2014-2020 cohesion policy programmes to support workers and SMEs.
3. The **“Invest-EU”** provides support to companies in the recovery phase. It ensures investors favourite the EU’s long-term priorities such as the European Green Deal and the digitization challenge. The InvestEU budget guarantee lists four existing policy windows, of which at least three can be connected to the CCS: research, innovation and digitization (+€10 bn); SMEs (+€10 bn); and social investment and skills (+€3.6 bn).
4. The **“Solvency Support Instrument”**, managed by the EIB Group, supports viable European companies that suffer from solvency issues due to the COVID-19 crisis.

In the context of the discussion on the multiannual budget, the future of “Creative Europe”, the EU programme entirely dedicated to the CCS, is particularly relevant. In September 2020, the European Parliament adopted a resolution asking to double the EU fund aimed at the programme. It also called Member States to earmark 2% of the Recovery and Resilience Facility for the CCS. In the same resolution, the EP proposed to introduce a European framework to harmonise working conditions in the CCS.<sup>45</sup>

The urgency to include the Cultural and Creative sector in the national recovery plans is already a focus point for the sector advocacy’s activities. The EP resolution embraces the position expressed by 110 associations and organisations representing CCS which co-signed an open letter to EU and national policymakers calling on the integration of culture in national

<sup>44</sup> For a more detailed overview of EC financial supporting measure: <https://keanet.eu/opinions/nextgenerationeu-recovery-plan-if-you-work-in-culture/>

<sup>45</sup> European Parliament, Joint Motion for a Resolution, pursuant to Rule 132(2) and (4) of the Rules of Procedure on the cultural recovery of Europe, [https://www.europarl.europa.eu/doceo/document/RC-9-2020-0246\\_EN.html](https://www.europarl.europa.eu/doceo/document/RC-9-2020-0246_EN.html).

recovery and resilience plans, allocating at the very least 2% of the RRF Recovery and Resilience Facility budgets to the benefit of the CCS.<sup>46</sup>

The EC is also providing specific support to CCS as part of its ongoing funding programmes: it redirected some funding schemes in performing arts, launching a call to support digital culture and virtual mobility (EUR 2 million). Other measures include deferral or extension of deadlines of projects funded by Creative Europe, redirection of already existing funding or the establishment of a direct fund to support cinemas affected by the pandemic.<sup>47</sup>

In September 2020, the EC President Mme Von der Leyen affirmed the intention to create a “new European Bauhaus Movement” as a “co-creation space where architects, artists, students, engineers, designers work together”. The project, which takes its name from the German design school founded in 1919, will be part of the €750 billion NextGenerationEU. It aims to bring the European Green Deal to life in an innovative, creative and human-centred way.<sup>48</sup> The ambition is to mobilise cultural and artistic resources to contribute to innovation in order to tackle emission cut and energy poverty. The plan will focus on developing 5 New European Bauhaus projects across the EU that aims at sustainability thus recognising the role of culture in the implementation of sustainable development goals. This will contribute to mainstream culture in various policy fields. However, it remains to be seen what this important initiative entails concretely. In particular, the initiative has not a defined budget. The sector already expressed its concerns of the possibility that this would be supported by the Creative Europe program, burdening on its already scarce financial sources.<sup>49</sup>

Furthermore, the EC is, together with the European Investment Fund, considering adaptations to the Cultural and Creative Sectors Guarantee Facility (CCS GF), the 250 million fund aimed at supporting loans to the sector, to allow for more flexibility in repayments of loans.

Through the Music Moves Europe initiatives, the European Commission launched a call for tenders on music export in July 2020 focusing on the new situation brought by the Coronavirus crisis. The European Commission also re-programmed a EUR 2.5 million fund available under the Preparatory action 2020 with a view to helping the sector’ sustainability.

## **b. UNESCO**

UNESCO mainly contributes to the effort by monitoring the consequences of the pandemic on culture. First, it set up the weekly “Culture & Covid-19: Impact and Response Tracker”;<sup>50</sup> each week the focus is dedicated to a different topic related to the pandemic. Secondly, it updates on a regular basis the Monitoring related to World Heritage sites closures. It released the report “Museums Around the World in the Face of COVID-19”.<sup>51</sup>

<sup>46</sup> <https://cultureactioneurope.org/news/make-culture-central-for-the-eu-recovery-open-letter/>

<sup>47</sup> European Commission. (n.d.). Coronavirus: How it Affects the Creative Europe Programme. [https://ec.europa.eu/programmes/creative-europe/content/corona-virus-how-it-affects-creative-europe-programme\\_en](https://ec.europa.eu/programmes/creative-europe/content/corona-virus-how-it-affects-creative-europe-programme_en)

<sup>48</sup> EC Presscorner, [https://ec.europa.eu/commission/presscorner/detail/en/FS\\_20\\_1894](https://ec.europa.eu/commission/presscorner/detail/en/FS_20_1894)

<sup>49</sup> Culture Action Europe, <https://cultureactioneurope.org/news/new-european-bauhaus-a-promising-intention-and-a-much-needed-open-debate/>

<sup>50</sup> UNESCO. (n.d.). *Culture & COVID-19: Impact and Response Tracker*. <https://en.unesco.org/news/culture-covid-19-impact-and-response-tracker>.

<sup>51</sup> UNESCO <https://en.unesco.org/news/launch-unesco-report-museums-around-world-face-covid-19>

The UN agency launched the global movement: “ResiliArt” which constitutes a “series of virtual debates with key industry professionals and artists with a view to raising awareness of the far-reaching impact of the current confinement measures on the culture sector”. The first debate took place on 15 April, on the occasion of World Art Day, in partnership with the International Confederation of Societies of Authors and Composers (CISAC). The second debate took place on 14 May, organised in partnership with the International Federation of Coalitions for Cultural Diversity (IFCCD) and CISAC. It was devoted to the “The Road to Recovery”. On 25 May, UNESCO hosted a special edition of ResiliArt with focus on the “Don’t Go Viral Campaign - Fighting the infodemic through culture.” Moreover, UNESCO called on artists all around the world to set their own debates on the issue. As a result, 163 ResiliArt debates have already been completed and 64 are planned. UNESCO affirms that a total of 64 countries are participating to the ResiliArt movement.

In October 2020 the UNESCO published the «Culture in crisis: policy guide for a resilient creative sector», a practical guide providing guidance to policymakers to include the cultural and creative industries in social and economic recovery plans.<sup>52</sup> It is a collection of good practices from around the world. The report shows that the internet has become the frontline for the protection and promotion of cultural diversity with a few powerful platforms dominating the market and influencing taste as well as consumption behaviours. The policy recommendations are structured following three main patterns: Direct support for artists and cultural professionals, support for sectors of the cultural and creative industries and strengthening the competitiveness of the cultural and creative industries. The UNESCO’s work stresses the fundamental necessity to include artists and society in the definition of recovery measures, as part of participatory governance process.

The agency also published the Online Meeting Report “Urban Solutions: Learning from cities’ responses to COVID-19”, emphasising the role of culture and creative industries in social cohesion, and depicting culture as one of the keys of the sustainable local recovery strategies’ success.<sup>53</sup>

### **c. Organization for Economic Co-operation and Development (OECD)**

Since April the Organization for Economic Co-operation and Development (OECD) organised a series of discussions followed by targeted training for policymakers and practitioners in the form of webinars. They provided reflections and insights on the current crisis and future of the CCS.<sup>54</sup> Examples of webinars include: Coronavirus (COVID-19) and cultural and creative sectors: impact, innovations and planning for post-crisis (17 April); Culture as a developmental driver for Italy in the post-COVID scenario (15 May); Coronavirus (COVID-19) and cultural and creative sectors: impact, policy responses and opportunities to rebound after the crisis (17 May).

<sup>52</sup> UNESCO (2020), Culture in crisis: policy guide for a resilient creative sector, <https://unesdoc.unesco.org/ark:/48223/pf0000374631>.

<sup>53</sup> Urban Solutions: Learning from cities’ responses to COVID-19, [https://en.unesco.org/sites/default/files/ucp\\_meeting\\_report\\_.pdf](https://en.unesco.org/sites/default/files/ucp_meeting_report_.pdf)

<sup>54</sup> Complete overview of the debate available at <https://www.oecd.org/cfe/leed/culture-webinars.htm>.

In September 2020, the OECD published the study “Culture shock: COVID-19 and the cultural and creative sectors”, depicting an analysis of the situation per sector, providing examples of both private and public support schemes and furnishing policy-recommendation.<sup>55</sup>

#### **d. The Council of Europe**

The Council of Europe issued a toolkit for member states "Respecting democracy, rule of law and human rights in the framework of the COVID-19 sanitary crisis"<sup>56</sup> for dealing with the present unprecedented and massive scale sanitary crisis in a way that respects the fundamental values of democracy, rule of law and human rights.

The Council of Europe Culture and Cultural Heritage Division has prepared a list of cultural activities readily accessible online (visit to museums, heritage sites, galleries and performances).<sup>57</sup> Furthermore, the 2020 edition of the Faro Convention action on the Value of Cultural Heritage stresses the need for new ways to contribute to the management of the collective cultural heritage after the COVID-19 crisis<sup>58</sup> and launched a call for innovative and integrated heritage-led Faro initiatives, as did the Strategy 21 collecting best practices in reply to Covid-19. Numerous initiatives and best practices were received and are made available on the respective websites.<sup>59</sup>

The Secretariat of the Enlarged Partial Agreement on Cultural Routes and the European Institute of Cultural Routes has released a survey on the “Impact of COVID-19 on the Cultural Routes of the Council of Europe”. The survey collected information on how the pandemic is affecting Cultural Routes activities.<sup>60</sup> A webinar was subsequently organised to consider impacts and responses.

The Bureau of the Steering Committee for Culture, Heritage and Landscape (CDCPP) decided to prepare a reader on "Culture in times of Covid-19 - impressions and lessons learnt."

The Compendium of Cultural Policies and Trends<sup>61</sup> embraced a comprehensive approach. It developed a robust monitoring system, developing a specific COVID-19 section featuring country reports on measures taken by Governments and other stakeholders related to the cultural sector (<https://www.culturalpolicies.net/covid-19/>), a comparative overview of reopening measures. In addition, the Compendium adopted far-sighted initiatives, informing about online cultural initiatives (<https://www.culturalpolicies.net/covid-19/online-initiatives/>) in different sectors, and providing interviews to examine the role of artists and policy makers after the pandemic (<https://www.culturalpolicies.net/covid-19/interview-series/>).

<sup>55</sup> OECD (2020), Culture shock: COVID-19 and the cultural and creative sectors, <https://www.oecd.org/coronavirus/policy-responses/culture-shock-covid-19-and-the-cultural-and-creative-sectors-08da9e0e/>

<sup>56</sup> SG/Inf(2020)11, 7 April 2020

<sup>57</sup> Council of Europe. (n.d.). Covid-19—How to explore art and culture and heritage of Europe from home. <https://www.coe.int/en/web/culture-and-heritage/access-to-culture-during-COVID-19#:~:q=62760084&f6>.

<sup>58</sup> Council of Europe. Culture and Cultural Heritage: Newsroom. (2020 April 23). The new Faro Convention Brochure: The way forward with heritage. <https://www.coe.int/en/web/culture-and-heritage/-/the-new-faro-convention-brochure-the-way-forward-with-heritage>.

<sup>59</sup> <https://www.coe.int/en/web/culture-and-heritage/-/search-for-st21-best-practices-continues-in-2020->

<sup>60</sup> Council of Europe. Cultural Routes: Newsroom. (2020 April 29). Survey: Covid-19 and the Cultural Routes of the Council of Europe: Impacts and responses. <https://www.coe.int/en/web/cultural-routes/-/survey-covid-19-and-the-cultural-routes-of-the-council-of-europe-impacts-and-reponses>.

<sup>61</sup> The Compendium is an online cultural policy information system set up by the Council of Europe and ERICarts in 1998 and acts meanwhile as an independent Association ([www.culturalpolicies.net](http://www.culturalpolicies.net)).

In September 2020, the European Audiovisual Observatory (EAO) published a report on the European AV industry in the time of COVID-19,<sup>62</sup> offering a comparative overview of support measures for the sector. The publication is the result of the European Audiovisual Observatory's online tracker, which helped mapping these interventions. The Observatory organized an online event on the impact of the coronavirus on the sector during the Cannes Film Market.

The Secretary General published a toolkit on the impact of the sanitary crisis on freedom of expression and media freedom (SG/inf (2020)19). On 4 November 2020, on the 70th anniversary of the signing of the European Convention on Human rights, the CoE ministers signed the Declaration of Athens on respecting Human Rights during pandemic emergencies stressing the importance of freedom of expression, including in its artistic dimension, during sanitary crisis.

## 2. Measures taken by Public Authorities

It is rather difficult to provide an overview of policy measures in the EU-27. The exercise is difficult considering the non-harmonious way of reporting measures, different terminologies, the diverse administrative competences (centralised vs decentralised) and the way measures are being implemented.

In June 2020, a visualisation map, covering the EU 27 Member States has been developed by KEA to characterise the types of measures implemented and their relevance to given subsectors.

The updated map is available on the following link: <https://keanet.eu/research/c19m/>.

The KEA report identified, from various sources<sup>63</sup>, close to 500 single support actions taken at the national level by governments and other public and private institutions (e.g. Arts councils or similar national arts institutions, media regulators, CCS dedicated support structures, foundations and associations). Some measures have a global economic scope, but a large number are tailored to the CCS.

The KEA map has been updated in October 2020, integrating information from the report of the Organization for Economic Co-operation and Development (OECD) "Culture shock: COVID-19 and the cultural and creative sectors", published in September 2020.<sup>64</sup>

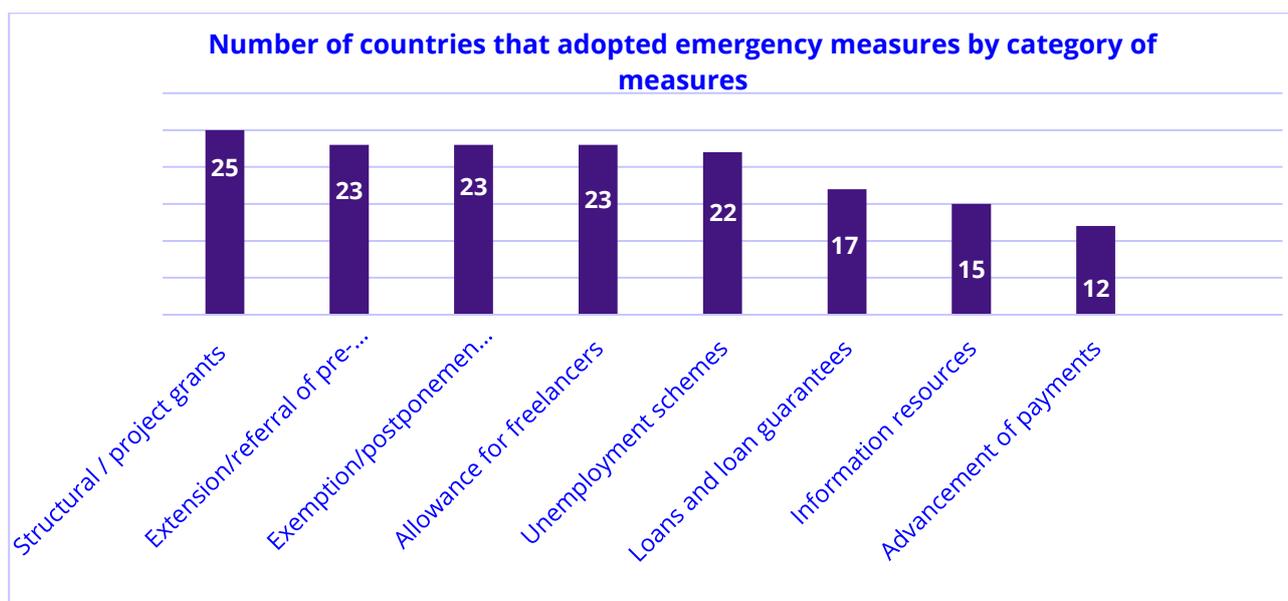
The OECD report does not provide detailed information on each measure adopted. However, it gives a table indicating categories<sup>65</sup> of measures to support CCS in each country. The comparison with the report allows KEA to include policy actions taken in Latvia, Hungary, Poland and Slovakia with regard to project grants and allowance for freelancers.

<sup>62</sup> Cabrera Blázquez F.J., Cappello M., Chochon L., Fontaine G., Talavera Milla J., Valais S., *The European audiovisual industry in the time of COVID-19*, European Audiovisual Observatory, Strasbourg, June 2020

<sup>63</sup> KEA, (2020), Methodology Note of Covid-19 Visualization Map. <https://keanet.eu/wp-content/uploads/COVID-19-mapping-methodological-considerations.pdf>

<sup>64</sup> OECD (2020), Culture shock: COVID-19 and the cultural and creative sectors, <https://www.oecd.org/coronavirus/policy-responses/culture-shock-covid-19-and-the-cultural-and-creative-sectors-08da9e0e/>

<sup>65</sup> Grants and subsidies for CCS, Grants and subsidies for individual artists, Compensation of losses, Loan provision and guarantee. Investment/Incentives, Job retention / income support, Unemployment benefits, Advanced aid, Postponement of dues, Relief of dues, Procedural flexibility, Training and employment of creative workers, Knowledge mobilisation and impact analysis, Digitalisation, Innovation, Copyright licensing



We would like to highlight mapping and information provided by CCS organisations and which are regularly updated.

Precious instruments to map the measures taken to support the sector are provided by UNIC-International Union of Cinemas in its website section “The impact of the Coronavirus outbreak on the European cinema industry”.<sup>66</sup> The French Bureau Export is constantly updating (the latest in October 2020) the information on worldwide support for the music industry.<sup>67</sup> LIVE DMA, a European network of music venues, is also collecting information provided by its members. The organisation is regularly updating a map containing an overview of the current state of the live music sector in 16 European countries. The map contains information on audience restrictions, possibility to organise concerts and the details on national recovery plans.<sup>68</sup>

It is important also to refer to the work of the European Film Agencies (EFAD) which is listing measures taken by National Film and AV Funds across Europe.<sup>69</sup>

Moreover, several non-EU countries did not take specific measures for CCS as the latter was bundled with general economic support measures for enterprises and jobs. This is the case, for instance, in Albania, Ukraine or Georgia. Because of budget restrictions linked to the emergency, some culture Ministries have seen their State resources affected. The budget cuts range from 20% to 5% depending on countries. However, States have been careful to maintain budgets of main national cultural institutions. They have extended deadlines for application or have shown more leniency in the selection of projects receiving grants. It should be noted that in those cases support is geared towards projects rather than enterprises or individuals.

Considering the reliance of CCS on the self-employed and freelancers, further studies would be required to better understand the impact of policy measures aimed at protecting artists

<sup>66</sup> UNIC, <https://www.unic-cinemas.org/en/news/news-blog/detail/the-impact-of-the-coronavirus-outbreak-on-the-european-cinema-industry/>

<sup>67</sup> Le Bureau Export, <https://www.lebureauexport.fr/info/2020/10/monde-coronavirus-quel-soutien-a-lindustrie-musicale-a-travers-le-monde/>

<sup>68</sup> Live DMA COVID-19 map of the European live music sector, <http://www.live-dma.eu/live-dma-covid-19-map-for-the-live-music-sector/>

<sup>69</sup> For a complete overview please visit <https://europeanfilmagencies.eu>.

and cultural workers. Some EU countries provide a specific status for artists. In other countries, protection from social distress and harm will depend on the scope of general unemployment schemes. The definition of “artists” varies from one country to another and lack of trade bodies in many countries does not help the representation of cultural workers.

The analysis does not include specific support measures taken at regional level notably in Federal States such as Belgium and Germany or by regional authorities with a strong competence in culture (Catalonia or the Basque Region in Spain for instance).

Another comprehensive information source on measures taken by Governments and other stakeholders related to the cultural sector in Council of Europe member States (<https://www.culturalpolicies.net/covid-19/>) and a section informing about online cultural initiatives (<https://www.culturalpolicies.net/covid-19/online-initiatives/>) in different sectors is offered by the Compendium of Cultural Policies and Trends online information system. It is fed by a network of national Compendium authors and permanently updated.

Some countries announced during the summer specific funding to support the economic recovery of CCS sectors most affected by the pandemic recognising the importance of sustaining investment to avoid the collapse of the creative ecosystem. Countries with strong public funding for the arts are better placed to envisage the future of their local CCS ecosystem.

Herewith some examples of national plans that specifically integrated considerations specific to the recovery or the support of CCS:

The German<sup>70</sup> government announced in June 2020 that EUR 1 billion of its 130 billion recovery fund will support CCS.<sup>71</sup>

In July the UK government set aside a GBP 1.57 billion rescue package for CCS.<sup>72</sup>

In August 2020, the Italian government announced a EUR 1 billion funding package for culture.<sup>73</sup>

In September 2020, France unveiled a plan granting EUR 2 billion of the national recovery plan to the sector.<sup>74</sup> The French Minister of Culture then announced in October an increase in the exceptional budget already set to support cultural festivals hit by the crisis with an increase from 10 to 15 million euros over the next two years.<sup>75</sup>

<sup>70</sup> Press and Information Office of the Federal Government, <https://www.bundesregierung.de/> <https://www.bundesregierung.de/breg-en/issues/neustart-kultur-1761588>

<sup>71</sup> Announcement on 5 June 2020 as part of a 130 billion recovery plan.

<sup>72</sup> Gov.UK (2020 July 5), £1.57 billion investment to protect Britain’s world-class cultural, arts and heritage institutions <https://www.gov.uk/government/news/157-billion-investment-to-protect-britains-world-class-cultural-arts-and-heritage-institutions#:~:text=Britain%27s%20globally%20renowned%20arts%2C%20culture,coronavirus%2C%20the%20government%20announced%20today.>

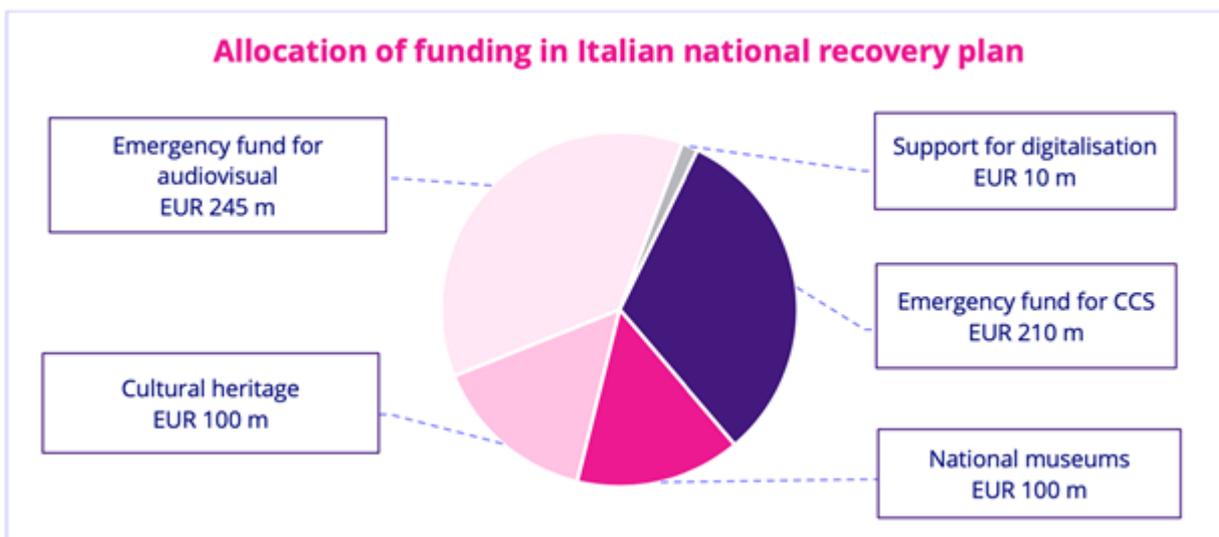
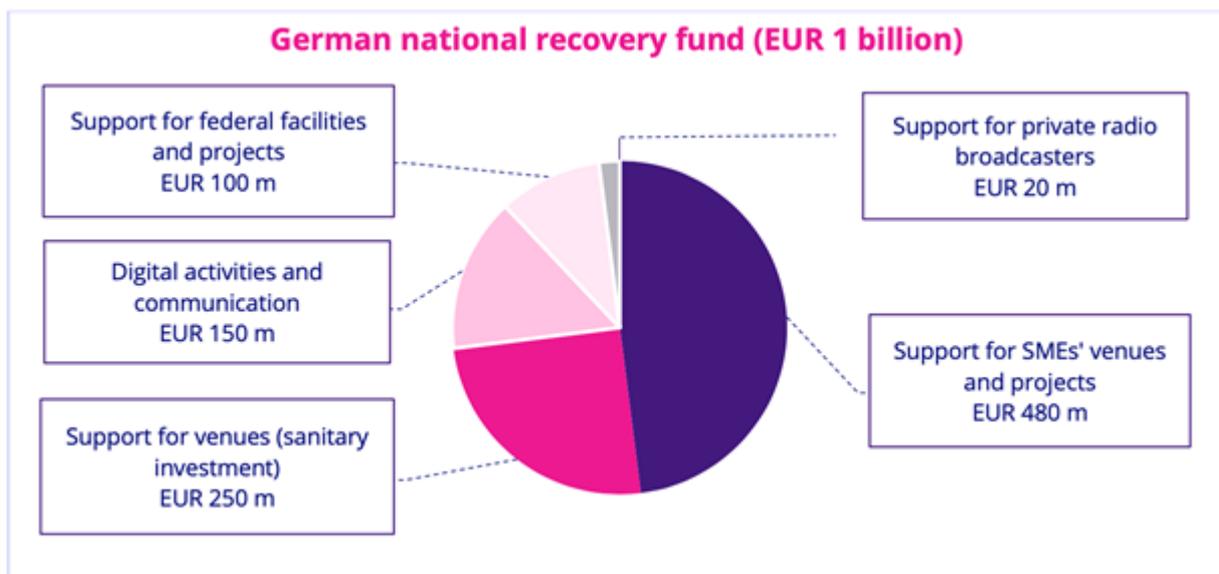
<sup>73</sup> MIBAC, [https://www.beniculturali.it/mibac/multimedia/MiBAC/documents/1589455861377\\_DLilancio\\_pacchettoTurimoCultura.pdf](https://www.beniculturali.it/mibac/multimedia/MiBAC/documents/1589455861377_DLilancio_pacchettoTurimoCultura.pdf)

<sup>74</sup> Plan de relance: un effort de 2 milliards d'euros pour la Culture (2020 September 3), <https://www.culture.gouv.fr/Presse/Communiqués-de-presse/Plan-de-relance-un-effort-de-2-milliards-d-euros-pour-la-Culture>

<sup>75</sup> Banque des territoires (2020 October 5), L'enveloppe de l'État pour les festivals majorée de 50%. <https://www.banquedesterritoires.fr/lenveloppe-de-letat-pour-les-festivals-majorée-de-50>

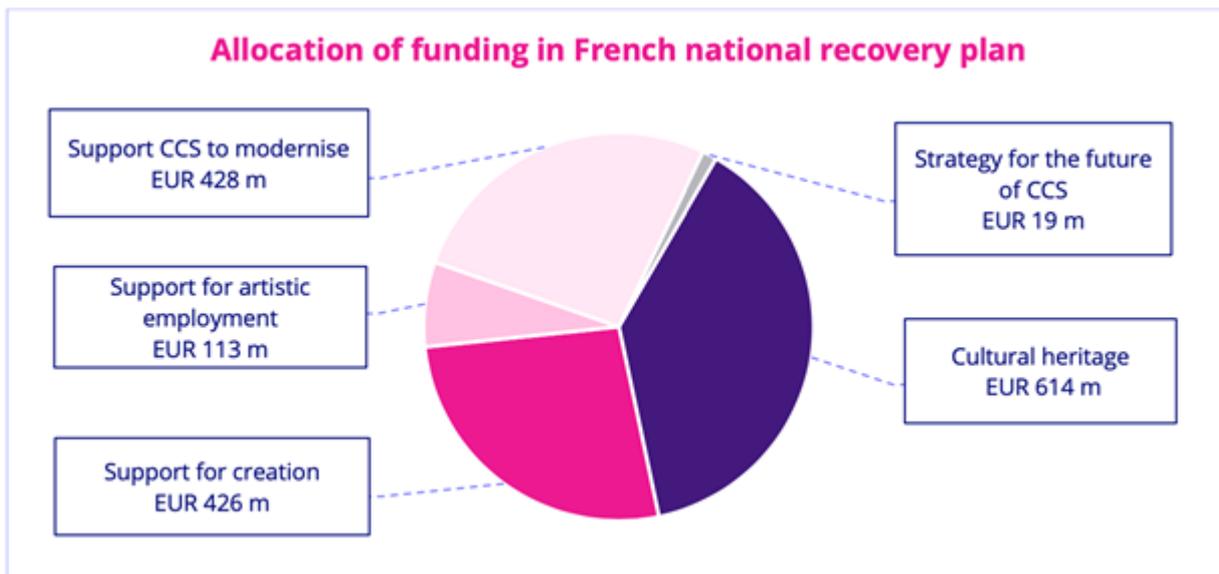
In September, Sweden approved the “largest cultural budget ever” with a package worth EUR 3.4 billion for the years 2020 and 2021.<sup>76</sup>

In May 2020, the Estonian Ministry of Culture is devoting a special EUR 25 m crisis package to support workers in culture and sports organisations.<sup>77</sup>



<sup>76</sup> R. Stasinski (2020 September 11), Sweden makes historic investment in culture. *Kunstkritikk*. <https://kunstkritikk.com/sweden-makes-historic-investment-in-culture/>

<sup>77</sup> UNESCO (2020). Estonia's crisis package for culture and sports. <https://en.unesco.org/creativity/covid-19/estonias-crisis-package-culture-sports>



This support is evident in those countries which devolve strong cultural competence to regions. In Belgium, for instance, both Flanders and the Federation Wallonie-Brussel allocated budgets to support local cultural scenes.<sup>78</sup> In October 2020, The Brussels Government extended its support measures providing a second allowance of 2,000 EUR (same amount provisioned by the first intervention in May) for cultural workers. Moreover, the Brussels region supports companies in the sector with a new bonus (EUR 3.000-9.000) to benefit CCS and tourism. In addition, the regional government released the “Covid-19 Culture” bonus for cultural and creative non-profit organisations, affected by the crisis. Under certain conditions, they can benefit from a bonus of € 4,000.<sup>79</sup>

In October 2020, the Catalonia region announced an increase of the rescue budget destined to support the recovery of the sector: the amount is EUR 37 m.<sup>80</sup> North Rhine-Westphalia in Germany adopted an emergency aid programme to support artists (EUR 5 million) as well as SMEs to bridge liquidity problems. It paid out project grants even if events were cancelled or

<sup>78</sup> Simon Leenknecht. (20 June 3). Country Report Belgium. <https://www.culturalpolicies.net/covid-19/country-reports/belgium-flanders>.

<sup>79</sup> 1819 Brussels. [https://1819.brussels/blog/faq-covid-19-les-aides-aux-entreprises-commerces-et-independants?utm\\_source=flexmail&utm\\_medium=e-mail&utm\\_campaign=infos3primescovidfr27octobre&utm\\_content=faq+covid19+les+aides+aux+entreprises](https://1819.brussels/blog/faq-covid-19-les-aides-aux-entreprises-commerces-et-independants?utm_source=flexmail&utm_medium=e-mail&utm_campaign=infos3primescovidfr27octobre&utm_content=faq+covid19+les+aides+aux+entreprises)

<sup>80</sup> Departament de Cultura Generalitat Catalunya, Mesures de Rescat del Sector Cultural. <https://cultura.gencat.cat/ca/departament/plans-i-programes/pla-rescat/>

postponed. It set up a EUR 11 million fund specific to theatres and orchestras. Even in countries with less decentralisation, regions have been active in supporting their local CCS. For instance, on 13 May the French Region Grand Est announced a specific support scheme (in the form of grants) for independent bookshops.<sup>81</sup> It also announced specific support measures for local CCS.<sup>82</sup> In October 2020, the Italian Emilia Romagna Region announced the purchase of artworks from young artists to support creation with a budget of 180.000 EUR.<sup>83</sup>

In September the Hauts-de-France Region extended the measures put in place for the culture sector and deployed a support fund of EUR 3 million for the year 2020 dedicated to cultural actors impacted by the Covid-19 crisis.<sup>84</sup>

The second trend of support is visible in cities, more evidently in large metropolis dependent on a strong cultural offer to remain attractive.<sup>85</sup> City-specific measures are well described in the JRC Report already cited. Barcelona is one of the first cities to take measures to maintain the city's cultural fabric with a mix of grants, tax reliefs, rental exemption as well as initiatives to promote virtual events on the web. Paris announced a EUR 15 million plan to support culture; Amsterdam is providing a EUR 17 million<sup>86</sup> emergency fund. London set up a "Culture at Risk Business Support Fund".<sup>87</sup> Berlin issued a EUR 100 million support package aimed at SMEs with emergency aid for freelancers<sup>88</sup> and set up an online platform to support artists and online events. Lisbon took exceptional measures to minimise social risks and so did Prague with a EUR 9 million budget. Helsinki set up a network of libraries to provide a wide range of e-books. Belgrade provides support to independent artists who do not have a permanent job and lost their revenue due to the closure of cultural institutions. It sustains the artists engaged in 17 cultural institutions of the city with an allowance of 750 €. Medium sized cities also took emergency measures to safeguard their local cultural and creative ecosystems such as Cologne (the Kulturamt Köln is managing an emergency fund for free culture (tot. EUR 3 million), Ghent announced a dedicated fund of EUR 2.7 million. Nantes set up new services to enhance the digital cultural offer.

Cities are also encouraging the development of new approaches. In Vilnius for instance, restaurants and bars are collaborating with local fashion designers to showcase local

<sup>81</sup> Soutiens exceptionnels pour accompagner la réouverture des librairies du Grand Est face à la crise du COVID-19. (2020 May 13). <https://www.grandest.fr/wp-content/uploads/2020/05/05-13-20-cpresse-aides-librairies.pdf>.

<sup>82</sup> For a comprehensive overview please refer to <https://www.grandest.fr/covid19-culture/>.

<sup>83</sup> Regione Emilia-Romagna (2020, October 14), Cultura, la Regione premia e acquista 36 opere d'arte: sostegno al settore colpito dall'emergenza Covid, <https://www.regione.emilia-romagna.it/notizie/2020/ottobre/cultura-la-regione-premia-e-acquista-36-opere-d-arte-sostegno-al-settore-colpito-dall-emergenza-covid>.

<sup>84</sup> Région Hauts-de-France. (2020 October 1). <https://www.aides-entreprises.fr/actualites/6964>

<sup>85</sup> Thomas J. Campanella, Lawrence J. Valem. *The city will survive coronavirus*, Oxford University Press's Academic Insights for the Thinking World. (2020 April 8). <https://blog.oup.com/2020/04/the-city-will-survive-coronavirus/>.

<sup>86</sup> City of Amsterdam. (2020 May 13). €17 million for Amsterdam's cultural sector. <https://www.amsterdam.nl/en/news/amsterdam-cultural-sector/>.

<sup>87</sup> City of London. (2020 April 30). Mayor launches new fund to support London's at-risk culture. <https://www.london.gov.uk/press-releases/mayoral/new-fund-to-support-londons-at-risk-culture>.

<sup>88</sup> For Berlin the support is within the general package: small businesses and freelancers can get grants of up to EUR 5 000 as emergency aid. The package consists a total of EUR 100 million. Berlin – Support for local businesses and culture (2020 March 30). <https://covidnews.euocities.eu/2020/03/30/berlin-support-for-local-businesses-and-culture/>

fashion.<sup>89</sup> The city of Bamberg organised a donation campaign in favour of local artists, setting an online gallery with portraits of the donors. The Bratislava's administration started organising live outdoor concerts for the elderly population housed in care homes. The Association of Finnish Municipalities published a guide to help cities support CCS during the crisis. The Committee on Culture of the world organisation of United Cities and Local Governments (UCLG) as well as Eurocities, the European Association of Large Cities, provide an interesting overview of initiatives taken at city levels.<sup>90</sup>

### 3. Measures taken by Private Sector

In parallel with public measures, the private sector is contributing to support the CCS in this moment of profound crisis. The number of initiatives is very important, we would like to provide some examples for the sake of illustration.

Impala the trade organization representing independent music companies issued an overview of action across Europe to address the impact of COVID-19 on the music sector.<sup>91</sup> The UK's Association of Independent Music (AIM) launched an emergency fund to provide financial aid to freelancers contractors who have been hit by the cancellation of projects.<sup>92</sup>

Representatives of the heritage community active across Europe adopted in May 2020 a Manifesto setting out the view of the European Heritage Alliance on the contribution of the sector to the recovery and notably cultural tourism.<sup>93</sup>

In October 2020, 26 organisations from across Europe's cultural and creative sectors wrote regarding the EU's flagship investment programme InvestEU highlighting the fact that the programme is facing severe cuts in ongoing budget discussion for the period 2021-2027. The signatories urge the EU to ensure that the cultural and creative sector benefits from an appropriate level of support via InvestEU and advocate for a set percentage of the future InvestEU fund should be earmarked for the sector.

Rights management organisations collecting IP rights for authors, performer or producers have collected information throughout Europe on measures taken to support creators.

In relation to authors rights in the field of music,<sup>94</sup> support ranges from reduced royalties for live streaming and compensation for lost income (Denmark), specific rescue funds including grants to individuals (Belgium, France, Germany, Italy, the UK etc.) or royalty advances.

In June 2002, SACEM (French Society of Authors, Composers and Music Publishers) set up a system for exceptional remuneration adapted to the live streams played during the pandemic

<sup>89</sup> City of Vilnius. (2020 May 21). Vilnius Restaurants Turn into Fashion Displays: Local Designers Will Exhibit Their Collections in Empty Space Left for Social Distancing. <https://vilnius.lt/en/2020/05/21/vilnius-restaurants-turn-into-fashion-displays-local-designers-will-exhibit-their-collections-in-empty-space-left-for-social-distancing/>.

<sup>90</sup> Full list available at <<http://www.agenda21culture.net/culturecovid19>>. For a detailed pic of interesting local initiatives in Europe see <http://www.eurocities.eu/eurocities/news/Highlights-from-EUROCITIES-city-dialogue-on-culture-cities-respond-to-the-Covid-crisis-WSP0-BQ3BPN>.

<sup>91</sup> For an overview of action across Europe to address the impact of Covid-19 on the music sector please refer to <https://impalamusic-covid19.info>.

<sup>92</sup> AIM - Covid-19 Support Fund Fact Sheet. (2020 June 9). <https://www.aim.org.uk/#/resources/aim-covid-19-support-fund-faqs>.

<sup>93</sup> European Heritage Alliance Manifesto – Cultural heritage: a powerful catalyst for the future of Europe.

<sup>94</sup> GESAC. COVID-19: mapping authors' societies responses. <https://authorsocieties.eu/covid-19-response>.

period. The live-streaming sessions increased during the lockdown period; a new method to remunerate those live sessions has been set up by SACEM. Contracts have been negotiated with YouTube and Facebook/Instagram and other platforms. The Society, together with the Centre national du cinéma et de l'image animée, also announced the creation of an emergency fund for composers who have contributed to the music of film, documentary or TV series. The allowance could amount to up to 1,500 euros per month, depending on each composer's income<sup>95</sup>.

Foundations and no-profit organisation have arranged important contributions and stimuli. The Finnish Cultural Foundation announced €1 million additional fund to support the arts and their workers the state of emergency. The UK Help Musicians set the "Do It Differently Fund" recognising that musicians have to imagine innovative ways to produce due to the social distancing restrictions. The European Cultural Foundation and Fondazione CRT invited organisations from Piedmont and Aosta Valley (Italy) to apply for the European Culture of Solidarity Fund.

Large corporations relying on cultural productions also stepped in. For instance, Spotify announced that it will match donations to relevant organisations in need dollar-for-dollar up to USD 10 million.<sup>96</sup> Netflix launched USD 1 million creative industry COVID-19 Relief Fund to assist individuals in the film and TV industry affected by the pandemic.<sup>97</sup> The streaming platform also donated £500,000 to the Theatre Artists Fund for theatre workers, established in the UK and made a £600,000 donation to the Film and TV Charity's new Covid-19 Recovery Fund.<sup>98</sup> In Europe, Netflix contributed to emergency and relief funds also in Italy,<sup>99</sup> France,<sup>100</sup> Poland,<sup>101</sup> Spain, the Netherlands.

Museums in the USA are collecting artifacts for archiving to be able to tell the story of the pandemic. Individuals are called to participate in assembling objects and documents (including social media posts) that will serve future storytelling and build collections of public interests<sup>102</sup>. In the same vein the House of European History in Brussels started a project collecting evidence of life in Europe during the COVID19 pandemic, focusing on solidarity, hope and community building.

<sup>95</sup> La letter de l'audiovisuel (2020, October 23), Sacem : fonds d'urgence pour les compositeurs de musique à l'image <https://www.lettreaudiovisuel.com/sacem-fonds-durgence-pour-les-compositeurs-de-musique-a-limage/>

<sup>96</sup> Spotify COVID-19 Music Relief. <https://covid19musicrelief.byspotify.com>.

<sup>97</sup> Ted Sarandos, (2020 March 20). Emergency Support for Workers in the Creative Community. <https://media.netflix.com/en/company-blog/emergency-support-for-workers-in-the-creative-community>.

<sup>98</sup> <https://www.screendaily.com/news/netflix-makes-further-600000-donation-to-film-and-tv-charity-covid-19-relief-efforts/5153889.article>

<sup>99</sup> Ilaria Urbani. (2020 May 8). Netflix dona un milione al cinema, *La Repubblica*. [https://rep.repubblica.it/pwa/locali/2020/05/08/news/netflix\\_dona\\_un\\_milione\\_al\\_cinema-256024836/](https://rep.repubblica.it/pwa/locali/2020/05/08/news/netflix_dona_un_milione_al_cinema-256024836/).

<sup>100</sup> Melanie Goodfello. (2020 April 8), Netflix helps kickstart French Covid-19 film and TV workers emergency relief fund, *Screen Daily*. <https://www.screendaily.com/news/netflix-helps-kickstart-french-covid-19-film-and-tv-workers-emergency-relief-fund/5148917.article>.

<sup>101</sup> Kipa and Netflix Establish New Covid-19 Emergency Fund in Poland. (2020 May 8). *Senal News*. <https://senalnews.com/en/stay-tuned/kipa-and-netflix-establish-new-covid-19-emergency-fund-in-poland>.

<sup>102</sup> New York Times, 20.07.2020 The Year will End Eventually. Document is While You Can by Lesley M.M. Blume.

## D. Conclusions and Recommendations

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The public health crisis is having a very damaging impact on the CCS. A majority of governments in Europe have taken measures to support CCS with a view to preserve jobs. However, some States have been obliged to reduce State budgets. As a result, several Ministries of Culture have been affected with reductions ranging from 5 to 20%; as a minimum CCS is benefiting from general measures taken to support the economy. CCS measures have often been amplified at regional and city levels with significant contributions from the private sector. International organisations dealing with culture (Council of Europe, the OECD and UNESCO) are also playing their part. The European Union has identified culture as a priority sector deserving support from the EUR 750 Bn EU Recovery and Resilience Facility set up to help EU Member States mitigate the impact of the pandemic. How this will be used by the CCS is not clear as access to these instruments will depend on national recovery plans that will be submitted. Support is not guaranteed.

The global sanitary crisis is the opportunity to acknowledge the importance of CCS in nurturing social links, supporting mutual understanding and community engagement with a view to change behaviours and convince people that they are instrumental in solving problems. The pandemic has also stressed the economic importance of the sector notably festivals, live events, museums, cinemas or cultural retailing in making places and territories attractive to locals, tourists and investment.

Life cultural experiences are greatly missed during the pandemic and digital streaming is a poor alternative to collective cultural gatherings. It shows that CCS plays a crucial role in the well-being of communities and social cohesion. Culture is not simply entertainment or leisure time. It contributes to collective sense-making. It helps humans define what matters as the globe is confronted with a mortal pandemic, a climate crisis and the threats of technological development to human values.

Undoubtedly the pandemic will generate great arts. Some theatres are 2500 years old and citizens will always require space to celebrate culture and storytelling. Artists will capitalise on fear and neurosis. This worldwide pandemic will inspire writing, bringing new literature, new cinematography and lyrics that will question our policies, technology, science and societal behaviours.

In this section we attempt to describe challenges born from this crisis with a view to imagine policies required to enable CCS to play a key role in an age that requires more global cooperation, the promotion of cultural diversity as well as solidarity.

### 1. The challenges

The crisis has been a formidable accelerator of existing trends notably the growth of digital networks, the market dominance of large media players, the emergence of new collective and individual behaviours. It also highlights the needs to call on artists and creative professionals to contribute to the recovery process and the future.

## **a. Mobilise cultural workers as agents of transformation and global co-operation**

The coronavirus crisis (which has put half of the world's population in lockdown and killed more than 1.2 million people) will usher in an age of global co-operation. Conditions for global co-operation and the implementation of sustainable development goals require the implementation of a convivial, generous and civilized future, respectful of diverse cultures with a view to build a renewed planetary identity that is generous and tolerant. To generate this dynamic of hope we will need fighters of social cohesion, soldiers making a stand for beauty, empathy, international co-production and intercultural dialogue. To beat consumerism, the waste of resources, pollution, inequality and radicalism, we need to change our traditional perspectives, value quality over quantity, sense over superficial, culture over technics, beauty and imagination over standards and the preconceived. The battalions of cultural workers have the competence to take a critical look at societal evolution and address its shortcomings. They should be empowered as they are in a position to engage with communities and trigger much needed behavioural changes.

It is important for policy makers to mobilise the skills of artists, creative and cultural workers to "imagine" a world that makes sense and to fuel social changes required to address global challenges.

## **b. Social inclusion through Culture to address inequality**

As shown by Eurostat statistics<sup>103</sup> a lot remains to be done to ensure that cultural activities contribute to social inclusion, engagement and address inequality. Data shows that there are direct correlations between cultural participation and income, with 82.5% of the EU-28 population (aged 16 or more) in the highest income bracket taking part in cultural activities, in comparison to 43.6% in the lowest income bracket. Financial reasons were the second most cited reason for not taking part in cultural activities. Cultural participation directly correlates to educational attainment; with 86.2% with a tertiary level of educational attainment reporting to have taken part in a cultural activity in the last 12 months, compared to 42.4% of people with no more than a lower secondary level of educational attainment.

It is important to include culture in social and education policies for cultural workers and institutions to be able to deliver on community engagement and inter-cultural dialogue. The fight against inequality is intrinsic part of solving sanitary and climate crisis if we which to create conditions for behavioural changes.

## **c. Acknowledge the acceleration of behavioural changes**

The future generation lives in the virtual world, a world that makes everything accessible and which does not require the traditional interactions. The new generation manipulates information at a faster pace and integrates such information with a minimum of cultural mediation. Access to culture is now the realm of search engines, digital servers and social media as much as cultural institutions. Culture has a sign of intelligence, knowledge, a "état d'esprit" is increasingly taken as a sign of arrogance or old elitism that can be despised

<sup>103</sup>Marta Beck-Domžalska (ed.), and Statistical Office of the European Communities. Culture Statistics: 2019 Edition. Luxembourg: Publications Office of the European Union, 2019. <https://ec.europa.eu/eurostat/documents/3217494/10177894/KS-01-19-712-EN-N.pdf/915f828b-daae-1cca-ba54-a87e90d6b68b>

sometimes vilified. The new urban generation belongs less and less to a given religion, a territory, a culture. Its culture is increasingly the planet. The language has changed, with a new function that's more visual, more English, more urban with new tools to socially interact across frontiers. The capacity to concentrate is different. It requires fast images and pedagogies to learn or experience fast. The Covid-19 is accelerating a mutation that is familiar to the younger generation. It is more individualistic, focusing on the private life, with smaller scale communities relying on digital and virtual networks. This is a threat to established cultural institutions or business structures unable to adapt to new sociological patterns. The pandemic will affect collective behaviours and cultures to the same extent as scripture or printing at the time.

It is important to reflect on these fundamental changes and adapt cultural policies for cultural institutions to remain relevant and contribute to social empowerment. Equally it is the opportunity to mobilise cultural workers and their capacity to engineer emotion and joyous experience with a view to inspire behavioural changes required for people to take ownership of problems solving.

#### **d. Big will get bigger**

The scene means that big companies in the entertainment, culture and art sector will get bigger. More activity will flow into e-commerce and digital content platforms with large catalogue and marketing muscles (Disney, Amazon, Alphabet, Netflix, Tencent, and Apple). They will get bigger because they will have the financial resources and better access to capital support (from the financial sector) to buy their way out of the crisis. It is expected that larger European companies in the broadcasting and media sector will make the most of their relationships with government and banks for bailouts.

As a result, some anticipate that movie or music theatres are going to turn into large cultural / entertainment centres with big investment, creating premium experiences in a way that existing players cannot do. Cultural content will increasingly be bundled in special deals relying on users' data connecting retail, exhibition and digital distribution in well managed release patterns to maximize revenue streams. The risk is that cultural content, artists will primarily used as 'a promotional product' to sell other services and goods. For instance, you get free access to a subscription VOD service as long as you consume on an e-commerce site.<sup>104</sup> Digital platforms and their ability to make the most of artificial intelligence will want to control the various exploitation steps and cut out the middleman. Audiences may not necessarily lose out as choices will increase but cultural mediation will be totally different. These might give more opportunity for talents to get funding with the risk of upsetting traditional business models and the value chain. This will oblige smaller operators to collaborate and find ways to pool resources and creativity to propose viable and sustainable alternatives.

It is important to consider these market developments in the context of policy regulations (copyright, competition and AV/ media law) to safeguard the economic rights of authors, artists and industries investing in cultural productions.

<sup>104</sup> Prime Video is attached to Prime Amazon Delivery Service for instance.

## e. Build local capacities and taste for home grown productions

Covid 19 led to the absence of new Hollywood movies on European screens as release schedules of blockbusters due this summer and autumn were postponed to at least up until spring 2021. This was the opportunity for local and European productions to find a new audience and increase their market share in distribution. According to the French National Center of Cinema, in September 2020, French films achieved a 56% market share against 44% in 2019. This capacity to make available local production and to dispose of independent distribution outlets contributes to shield cinema theatres from more severe damages.<sup>105</sup> Countries more dependent on Hollywood for the supply of films and providing less support to sustain a diverse cultural offer were more likely to face cinema closures and bankruptcies.

This will not prevent cinema owners to reflect on the value of teaming up with streaming-platforms, by allowing consumers to watch new releases online immediately after the premiere in cinemas.<sup>106</sup> For instance, the hand-curated streaming platform Mubi is providing one free cinema ticket per week to its UK subscribers.<sup>107</sup>

## 2. Future policies for CCS

Some countries are progressively adapting support measures to enable the recovery of the CCS. It will be important to sustain investment in culture to avoid the collapse of the creative ecosystem. Countries with strong public funding for the arts are better placed to envisage the future of their local CCS ecosystem. They run also the risk of freezing or delaying required evolution. In any event, it is appropriate to coordinate a cross-border response, decongesting the entire value chain. Cultural workers should be given a clear recognition of their status and social rights. CCS workers and businesses should see the opportunity to articulate their needs and give a cohesive and creative response to upcoming global challenges. They should, for instance, contribute to design financial support schemes made conditional to an increase in cultural participation and the reaching of social cohesion objectives (gender and racial equality for instance) or environmental objectives (less polluting and sustainable productions, distribution and events).

The cultural and creative sectors (CCS) will be facing challenges in terms of their competitive ability after the COVID-19 crisis. Most of these challenges are well-known and not new: underfunding, lack of scale in the face of international competition, too limited a capacity to produce for a global market as well as distribute and market internationally. The crisis has accelerated the impact of increased international market concentration, new consumption trends and business paradigms.

Post crisis management is the opportunity to address the gaps that hinder competitiveness in the CCS notably the insufficient:

<sup>105</sup> (2020, October 14). *Les Echos* [https://www.lesechos.fr/tech-medias/medias/le-cinema-francais-fait-plus-dentrees-que-lan-dernier-1255604#utm\\_source=le%3Alec0f&utm\\_medium=click&utm\\_campaign=share-links\\_twitter](https://www.lesechos.fr/tech-medias/medias/le-cinema-francais-fait-plus-dentrees-que-lan-dernier-1255604#utm_source=le%3Alec0f&utm_medium=click&utm_campaign=share-links_twitter)

<sup>106</sup> Alice Hancock (2020, October 25), Curzon cinema boss calls for theatres to embrace streaming, *The Financial Times*, [https://www.ft.com/content/291a4e20-d919-45fc-811c-2dd88f820b93?accessToken=zWAAAXVIIU3lk8pGk4g2RIF\\_NOBHC3Yj4lIkw.MEQCIDN5penPXBjFPtKtVrtSOThnNdHf9\\_4zfoqNjiYfAOReAiAe778WMgoTLEsf96zY99b18NfL45apB4OyMayqszcB2w&sharetype=gif?token=141347a5-eab2-49da-85da-31ba207dca73](https://www.ft.com/content/291a4e20-d919-45fc-811c-2dd88f820b93?accessToken=zWAAAXVIIU3lk8pGk4g2RIF_NOBHC3Yj4lIkw.MEQCIDN5penPXBjFPtKtVrtSOThnNdHf9_4zfoqNjiYfAOReAiAe778WMgoTLEsf96zY99b18NfL45apB4OyMayqszcB2w&sharetype=gif?token=141347a5-eab2-49da-85da-31ba207dca73)

- knowledge of technology, which weakens the capacity of the sector to embrace the digital shift and notably, its opportunities in managing consumption data;
- insufficient apprehension of new consumption patterns and trends

In this section we propose elements of policy responses post COVID-19 that would help CCS recovery and adapt to “a new normal”. In our view the focus should be on policies aimed at:

- integrating artistic intervention in policy making,
- incorporating the cultural dimension in social policy,
- adapting policies to take the digital shift better into account and create scale outside traditional linguistic or territorial lines.

## **f. Integrate artistic intervention in policy making**

Cultural policy is about ensuring that the arts and humanities are fully engaged in shaping the future, to ensure that empathy, imagination and beauty are mobilised to support a sustainable and qualitative way of life. As a result, future support measures should give pre-eminence to qualitative production, mindful of the environment and people. They will promote a culturally diverse digital offer (media, leisure, education) supportive of cultural co-existences. It will police responsible social networks.

CCS is in a position to breathe in a singular way, as a counterpoint to scientific and technical reasoning, an original dimension in the establishment of a diagnostic and the designing of solutions for a more caring world. As progress cannot be conceived without consideration of the cultural dimension artists and cultural workers should be called upon to sublimate the health or the climate crisis. There should not be forward-planning committees without artistic intervention. After all Steven Soderbergh’s film “Contagion” featuring Matt Damon and Gwyneth Paltrow as well as a deadly virus implicating bats and China anticipated in 2011 a terrific picture of humanity. The creative world is the best placed to imagine a better world, raise awareness on issues (sometimes difficult to understand) as well as to empower people for being part of the solution. CCS should be incentivised to contribute to make change fun and give confidence to people that then can participate in problem solving.

## **g. Reflect on the social status of artists and cultural workers**

There is insufficient understanding on the social status of artists and cultural workers in Europe as well as their entitlement to social protection. Artists are essential elements in democratic and free societies. Artistic freedom is increasingly threatened, and the pandemic has exposed the social precarity of cultural workers and artists or their ability to benefit from free movement or mobility schemes. The thematic is topical as we are celebrating the 40th anniversary of the UNESCO declaration on the status of artists.<sup>108</sup>

The European Commission has announced the launching of a comparative study that will inform an intergovernmental discussion in the context of the “Open Method of Coordination (OMC)”.

## **h. Incorporate the cultural dimension in social policy**

The crisis is the opportunity to reconsider the place of culture in addressing social issues.

<sup>108</sup> UNESCO for the World Congress on the Status of the Artist: "The Artist and Society", Paris, June 1997

The European Union is proposing an ambitious recovery programme to support workers and companies. In this context it is proposed to review the European Pillar of Social Rights and EU social policy to incorporate the cultural dimension of social inclusion. This would facilitate future support of culture-led projects with a social inclusion dimension (ESF+, Horizon Europe, Invest EU programmes).

The current non-recognition of the cultural dimensions of social policy functions as a major impediment for a transversal, cross-sectoral approach to social inclusion. Additionally, it highlights the broader issue of the existing siloes between policy areas; particularly between the European Pillar of Social Rights & EU social policy, the Recovery Programme (“Next Generation EU”) and the Agenda for Culture.

This initiative would also be the opportunity to consider the social rights of artists and free lancers in CCS.

## **i. Adapt cultural and industrial policies**

### **To take into account new patterns**

The sector will have to accelerate its transformation notably in areas of digital programming if it wishes to respond to new cultural and consumption behaviours. For instance, the increased sale of virtual reality headsets may be a knock-on effect of the demand for online concerts and crowd free events contributing to reshape entertainment delivery. Clearly the crisis will spur the digitization of culture and accelerate the digital shift. The CCS will require assistance to adapt to this shift.

Future support measures<sup>109</sup> will have to take into account new consumption patterns and trends with the objective of improving digital offering. This means:

- ensuring and monitoring the implementation of the audio-visual Media Service Directive (AVMSD) across Member States to support the deployment of digital services that promote cultural diversity and a strong cultural offer representative of local European cultures;
- encouraging a competition policy that is not only focused on impact of concentration on prices but also on consumer choice and the diversity of offer;
- ensuring that large international digital platforms do not discriminate against European content and smaller independent players in licensing terms;
- integrating cultural policy considerations in terms of competitiveness and market access in EU trade and external relation policies;
- ensuring that streaming platforms (which benefit from the creative ecosystem) finance the arts and cultural production and support the marketing and distribution of independent production (production that they did not finance). In the framework of implementing the AVMS Directive the French government is proposing a contribution of 20 to 25% of streaming platforms’ turnover in the country to fund local/European productions (October 2020).

<sup>109</sup> See notably: Creation, Innovation, Promotion – Competitiveness of the European Audiovisual Industry

10–11 September 2019, Conclusions of the Audiovisual Summit organised by the EU Finnish Presidency.

## **To encourage collaboration and pooling of resources**

Competition in the digital global markets calls for scale. Different partnerships both within and across the public and private sectors can bring major competitive advantage by helping different players reach critical mass and encourage cross-innovation. Moreover, teaming up can diversify the media landscape, ensuring a plural offer of content to audiences.

Tapping into partnerships could mean:

- Encouraging collaboration and teaming up amongst European players across the value chain to be able:
  - to invest in ambitious projects and catalogues of content to feed into distribution pipelines,
  - to fund pan-European and international marketing campaigns,
  - to mutualise technical, licensing and service costs to improve the offer to consumers and develop competitiveness in user data management,
  - to develop pan-European or local subscription linear services;
- Developing relationships between media players and technology companies and research labs to enable AV companies to make better use of algorithm, artificial intelligence and big data in targeting audience and advertisers or in easing licensing processes;
- Incentivise collaboration with science to raise awareness on the importance of science and support a culture of informed commitment and facts.

On the other hand, survival will also be based on innovation, adaptation, flexibility... and smallness. At the moment, oversized, shiny vessels control the spotlight. They have the resources and the PR apparatus. But sometimes little sailing boats can best navigate choppy waters. This dynamic of destructive consolidation will also take place in the CCS.

However, it will oblige smaller operators to collaborate and pool resources to exist. The pandemic will be an opportunity to restructure outside traditional linguistic or territorial lines.

Large and well-funded cultural institutions will have to show solidarity with smaller operators (sharing venues for instance that are more easily compliant with social distancing rules).

Indie producers will have pool their catalogues of rights and build the infrastructure collectively to set up direct-to-audience relationships and building strategies to generate the heat. This will give them the ability to be able to leverage the streaming platforms' distribution network. Perhaps, in the "new normal," audience and buyers will become more connected to their local scenes and a shared experience of the world collapsing violently will favour a more collaborative approach.

## **3. Proposed Recommendations for Future Policy Actions**

The Council of Europe has an important role to play in supporting the development of a New Understanding on Cultural Policy. It is necessary to apprehend the nature of cultural investment, its importance and its multidimensional impact with a view to address a wide

range of policy goals extending from job creation to solving societal issues linked to sanitary, climate, inequality crisis as well as technological challenges which all touch upon the future of humanity and human rights.

The priority of the action should be to raise awareness on:

1. Culture as a first necessity investment (at a time of important social distress linked to inequality, injustice, environmental and sanitary gloom, fake news, racism, religious extremism or technology surveillance).
2. The Multidimensional impact of cultural investment

### **Culture as a first necessity investment because it contributes:**

- To shape values (notably in the face of techno-social engineering or business greed).
- To nourish innovation with creation (more human centric).
- To promote cultural diversity (against standardisation and global control).
- To fuel social changes (to address global challenges together) through community engagement leading to behavioural changes and empowerment.

### **The multidimensional impact of cultural investment is linked to:**

- CCS economic contribution (to sustain a growing digital and creative economy).
- Territorial attractiveness (investment, talent, tourism).
- Social cohesion (mutual understanding, empathy, well-being, empowerment).

We propose the following tools to enable achieve the objective of making cultural policy central to future policy making

1. The adoption of **recommendation** to MS on the multidimensional impact of cultural policy to address global crisis (economic, health, climate, social).
2. Provide **training** to public officials on the economic and social value of CCS and how to make the most of local cultural resources.
3. **Fund research** on behavioral changes linked to cultural activities and engagement.

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