



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

Report for the Council of Europe

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The COVID-19 pandemic has wounded sociality and limited the possibility to stay together: the essence of many forms of art. The report aims to provide a first analysis on the tremendous impact on the cultural and creative sector (CCS).

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.¹

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 seems to be recognised, in the political agenda, as “best antidote [...] in the European Community” to the crisis caused by the COVID-19 pandemic.²

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-28³. This last percentage represents a reliable parameter for the Council for Europe membership, too.⁴

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-27.⁵ The CCS is deeply connected with other essential economic sectors such as tourism 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 a first assessment of the pandemic’s economic impact on the sector, enlightening the intrinsic precarity of its workers. It continues with a panoramic overview on the measures taken at the international, national and local level to tackle the economic and social crisis. A prospective on the “new normalities” provoked by the pandemic conclude the report.

¹ European Investment Fund (2019). Market Analysis of the Cultural and Creative Sectors in Europe. https://www.eif.org/what_we_do/quarantees/cultural_creative_sectors_quarantee_facility/ccs-market-analysis-europe.pdf

² 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.

³ Eurostat. (2019). Culture statistics—Cultural Employment. https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture_statistics_-_cultural_employment#Self-employment. (last accessed 14 June 2020).

⁴ 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.

⁵ Ibidem.

Section 1. Economic and Social Impact of COVID-19 on CCS

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, museum, theatres, heritage sites or art galleries have been closed down. 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; nevertheless, some estimates provide an essential snap-shot of the seriousness of damage suffered by the industry. 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 life events including festivals or trade fairs.

Spending on recreation and culture in the G7 economies has decreased significantly: for instance, -10% UK, -7% Germany, -6% France and -5% Italy.⁶ According to Unesco at the beginning of June 2020 50% of world heritage sites are still closed.⁷

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 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.⁸

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.⁹

In France, the National Centre of Music (CNM) estimates the losses generated by COVID-19 on live performances to be between EUR 1.7 and 2 billion.¹⁰ “La Scala” of Milan estimates that limiting its audience to 200 people, means a loss of EUR 50 000 per day whilst having already lost EUR 20 million.¹¹

The cancellation of trade fairs and markets represent an incredibly severe loss of opportunity to find buyers and sellers for artistic productions. In 2020 the following Europe-based trade fairs with

⁶ EOCED. (2020). *Evaluating the Initial Impact of COVID-19 Containment Measures on Economic Activity*. https://read.oecd-ilibrary.org/view/?ref=126_126496-evqsi2qmqj&title=Evaluating_the_initial_impact_of_COVID-19_containment_measures_on_economic_activity#page=5, (last accessed 14 June 2020).

⁷ UNESCO. (2020). *Monitoring World Heritage Site Closures*. <https://en.unesco.org/covid19/cultureresponse/monitoring-world-heritage-site-closures>, (last accessed 14 June 2020).

⁸ 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.

⁹ Eva Matjaž, Polona Černič, & Teja Kosi. (2020). *Slovenski Kulturno-Kreativni Delavec v času COVID-19*. Poligon Kreativni Center.

¹⁰ 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>

¹¹ Covid-19, la Scala di Milano rischia di non riaprire dopo il lockdown. (2020, May 26). *Milano Today*. <https://www.milanotoday.it/attualita/coronavirus/teatro-scala-riapertura.html>.

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 is set to take place in October 2020.

Total sales of art works 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). "The sharp fall isn't so surprising given that all but three of May's auctions were purely online. Historically, online sales from these auction houses have generated less than USD 2 million on average each, compared to USD 50 million from the live evening sales," says Christine Bourron, chief executive of Pi-eX.¹²

The Audio-Visual (AV) sector and film/TV production is experiencing similar problems. At production level all shootings had to stop. Distancing measure are difficult to implement in production phases. At distribution level most movie releases have been deferred as cinemas are closed, disrupting supplies and release schedules. In parallel several film festivals have been cancelled or moved to online platforms.¹³ The UNESCO monitoring system estimates that the cinema industry worldwide is bound to lose EUR 7 billion.¹⁴

For museums, the social-distancing problem¹⁵ will add an additional difficulty to the closure requirement. The Rijksmuseum which closed in March has normally 12 000 visitors a day. It will be 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.¹⁶

As for museums, cinemas and concerts halls are gradually opening up with sanitary measures to respect. The Musikverein in Vienna is reopening in June with only 100 visitors allowed in the audience, the Ravenna festival in Italy will start with an open-air concert in late June. Cinemas are due to reopen in most countries as from the end of June.

In its policy report, the Joint Research Centre of the European Commission¹⁷ shows the impact of COVID-19 on cities with a high share of arts jobs and where cultural offering is a main driver of the local economy, notably tourism. 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 major national cultural institutions, 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.

¹² Melanie Gerlis. (2020, June 4). Art sales fall 97% at the biggest auction houses. Financial Times. <https://www.ft.com/content/beb600dc-a50d-11ea-a27c-b8aa85e36b7e>.

¹³ Some countries had to change their national law to allow premiere to be broadcast online.

¹⁴ UNESCO, & GISAC. (n.d.). Guide pour lancer votre mouvement ResiliArt. https://fr.unesco.org/sites/default/files/debate_guide_fr.pdf

¹⁵ 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>.

¹⁶ 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>.

¹⁷ 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.

Heritage sites not being visited by tourists and mass cultural events are not likely to resume before September, whether in the most seriously affected countries (UK, Spain, Italy, France, Belgium) or countries with less infection cases but obliged to take drastic confinement measures to protect a weaker health service system.

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,¹⁸ Amazon Prime Video, telecom, national VOD services or Spotify enjoyed substantial business growth reflected in increased membership, customers or share price.¹⁹ Whilst impacted by the production pause, the streaming giant Netflix announced in April 2020 that it gained 15.77 million new paid subscribers globally, well above the 7 million it had expected.²⁰ The music-streaming platform Spotify said it gained six million subscribers in the first quarter of 2020.²¹ 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. 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 cultural managers who must project themselves into the future” according to Christiane Bourbonnaud from the Avignon International Theatre Festival”.²²

It is evident that the losses suffered due to the pandemic differ depending on the different 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 money²³ or they organise activities that do not require as much social interaction (e.g. writers, visual art, who can be productive in teleworking). However, a noticeable *fil rouge* connects all the personal situations: precariousness with an uncertain future.²⁴

¹⁸ 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>.

¹⁹ On the 29th March, the word “Netflix” has been searched twice as often as 1st 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>.

²⁰ Dominic Rushe, & Benjamin Lee. (2020 April 21). Netflix doubles expected tally of new subscribers amid Covid-19 lockdown. *The Guardian*. <https://www.theguardian.com/media/2020/apr/21/netflix-new-subscribers-covid-19-lockdown>.

²¹ Spotify hits 130 million subscribers amid Covid-19. (2020, April 29). *BBC News*. <https://www.bbc.com/news/technology-52478708>

²² 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.

²³ 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.

²⁴ 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.

Section 2. Support Measures to Mitigate the Impact of the Pandemic Crisis on CCS

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.

2.1. 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.

1. The European Union

The European Commission (EC) has put forward a variety of measures to mitigate the socio-economic impact of the COVID-19 pandemic. The Union is providing a global response using three main instruments: The Corona Response Investment Initiative (CRII), the Corona Response Investment Initiative Plus (CRII+) and the Support to Mitigate the Unemployment Risks in an Emergency.

The EC has proposed an ambitious emergency European Recovery Instrument ("Next Generation EU") amounting to EUR 750 billion. It also proposed a reinforced long-term budget for the EU for 2021-2027 (EUR 1 100 billion). In relation to CCS the EC highlights in its proposal on the EU Budget that "it is imperative that other programs are strengthened to allow them to play their full role in making the Union more resilient and addressing challenges that have been heightened by the pandemic and its consequences". Amongst these programs it identifies: "Investing in young people through an additional EUR 3.4 billion for Erasmus Plus, bringing the total to EUR 24.6 billion, as well as in the cultural and creative sectors through an increase of Creative Europe to a level of EUR 1.5 billion".²⁵ The proposals are now being debated by Member States.

The European Central Bank and the European Investment Bank are also offering support to financial institutions to avoid credit contraction and liquidity shortage. Cultural entrepreneurs should be able to benefit from this credit and re-financing facilities at lower costs.

The EU is also providing specific support to CCS: 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.²⁶ Furthermore the EC is exploring ways to adapt the CCS Guarantee Facility to mitigate the impact of the crisis on CCS.

The platform Creative Unite has been set up with EU support.²⁷ It is intended to facilitate knowledge exchange. It offers a common space for CCS providing help to European artists and cultural operators to access resources and information as well as offering opportunities to co-create and sell.

²⁵ European Commission. (2020). *The EU budget powering the recovery plan for Europe. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.* COM (2020) 442 final.

https://ec.europa.eu/info/sites/info/files/about_the_european_commission/eu_budget/1_en_act_part1_v9.pdf.

²⁶European Commission. (n.d.). Coronavirus: How it Affects the Creative Europe Programme. https://ec.europa.eu/programmes/creative-europe/content/coronavirus-how-it-affects-creative-europe-programme_en

²⁷ The platform is available at <https://creativesunite.eu>.

2. UNESCO

UNESCO mainly contributes to the effort by monitoring the consequences of the pandemic on culture. First it set up a the weekly “Culture & Covid-19: Impact and Response Tracker”²⁸; 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”.²⁹

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 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 69 ResiliArt debates have already been completed and 39 are planned. UNESCO claims that a total of 48 countries are participating to the ResiliArt movement.

3. 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.³⁰ 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).

4. 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”³¹ 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).³² 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 crisis³³ and launched a call for innovative and integrated heritage-led Faro initiatives, as did the Strategy 21 collecting best practices in reply to

²⁸ UNESCO. (n.d.). *Culture & COVID-19: Impact and Response Tracker*. <https://en.unesco.org/news/culture-covid-19-impact-and-response-tracker>.

²⁹ UNESCO <https://en.unesco.org/news/launch-unesco-report-museums-around-world-face-covid-19>

³⁰ Complete overview of the debate available at <https://www.oecd.org/cfe/leed/culture-webinars.htm>.

³¹ SG/Inf(2020)11, 7 April 2020

³² 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#{"62760084":{6}}](https://www.coe.int/en/web/culture-and-heritage/access-to-culture-during-COVID-19#{).

³³ 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>.

Covid-19. Numerous initiatives and best practices were received and are made available on the respective websites.³⁴

The Secretariat of the Enlarged Partial Agreement on Cultural Routes and the European Institute of Cultural Routes have released a survey on the "Impact of COVID-19 on the Cultural Routes of the Council of Europe". The survey is intended to collect information on how the pandemic is affecting Cultural Routes activities.³⁵

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 Trends³⁶ developed 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/>) and a section informing about online cultural initiatives (<https://www.culturalpolicies.net/covid-19/online-initiatives/>) in different sectors. The Compendium also offers a [comparative overview](#) of the financial measures taken, started [an interview series](#) to contextualise data and publishes an overview of [reopening measures](#).

The European Audiovisual Observatory (EAO) is tracking information on specific national measures aimed at supporting the audiovisual sector in 41 Member States. The tracking will include the Eurimages co-production fund.³⁷

2.2 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.

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

The KEA report identified, from various sources³⁸, close to 500 single support actions taken at 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.

It proposes a typology of support measures with the following 8 categories:

- Structural / Project grants
- Extension / Referral of already-existing support measures
- Unemployment schemes
- Loans / Loan guarantees

³⁴ <https://www.coe.int/en/web/culture-and-heritage/-/search-for-st21-best-practices-continues-in-2020->

³⁵ 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>.

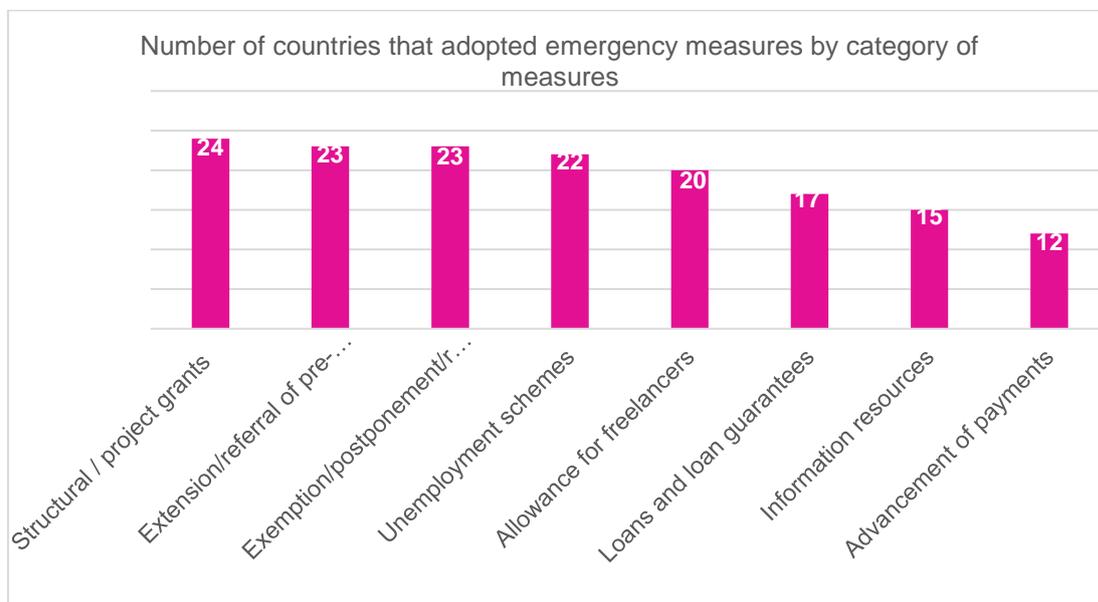
³⁶ The Compendium is an online cultural policy information system set up by the Council of Europe and ERICarts in 1998 and acts meanwhile as an independent Association (www.culturalpolicies.net).

³⁷ European Audiovisual Observatory. (2020). *COVID-19 Audiovisual Sector Measures. Data Tracking*. <https://www.obs.coe.int/en/web/observatoire/covid-19-audiovisual-sector-measures>. (last accessed 14 June 2020).

³⁸ KEA, (2020), Methodology Note of Covid-19 Visualisation Map. <https://keanet.eu/wp-content/uploads/COVID-19-mapping-methodological-considerations.pdf>

- Exemption / Postponement / referral of legal obligations (tax, rent..)
- Advancement of payments
- Information resources
- Allowances for freelancers

The following table indicates that the most popular measures in the EU are linked to the availability of grants, the deferral of legal obligations and social protection schemes.



On the other hand, loans and loan guarantee mechanisms to sustain financial viability were adopted in 17 countries only.

A large number of non-EU countries did not take specific measures for CCS as the latter were bundled with general economic support measures for enterprises and jobs. This is the case for instance in Albania, Georgia, North Macedonia, Serbia, Ukraine and Turkey. 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 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 initial 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).

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.³⁹

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.

Now Europe is entering deconfinement mode. 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.

At this stage Germany decided to put EUR 1 billion aside dedicated to CCS.⁴⁰ At the same time, tax credits and loans are being made available to support opening and/or implementation of risk prevention plans (Italy, Spain, France).

The analysis of public support provided to the sector cannot ignore the fundamental contribution of regional and local authorities.

This support is evident in those countries which devolve strong cultural competence to regions. In Belgium, for instance, Flanders allocated around EUR 20 million of this budget to support local cultural scenes⁴¹ and the government of the Federation Wallonie-Brussel adopted an emergency fund of EUR 8.4 million for the CCS.⁴² The Catalonia region announced a EUR 31 million plan to support the recovery of the sector.⁴³ 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 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.⁴⁴ It also announced specific support measures for local CCS.⁴⁵

The second trend of support is visible in cities, more evidently large metropolises that are albeit being the most affected by the pandemic, due to their high population density.⁴⁶ 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 million⁴⁷ emergency fund. London set up a "Culture at Risk Business Support Fund".⁴⁸ Berlin issued a EUR 100 million

³⁹ For a complete overview please visit <https://europeanfilmagencies.eu>.

⁴⁰ Announcement on 5 June 2020 as part of a 130 billion recovery plan.

⁴¹ Simon Leenknecht. (20 June 3). Country Report Belgium. <https://www.culturalpolicies.net/covid-19/country-reports/belgium-flanders>.

⁴² Répartition du fonds d'urgence pour le soutien à la Culture. (2020 June 11). https://linard.cfwb.be/home/presse--actualites/publications/publication-presse--actualites-43_publicationfull.html

⁴³ Departament de Cultura Generalitat Catalunya, Mesures de Rescat del Sector Cultural. <https://cultura.gencat.cat/ca/departament/plans-i-programes/pla-rescat/mesures/departament-cultura/mesures-rescat/>.

⁴⁴ 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>.

⁴⁵ For a comprehensive overview please refer to <https://www.grandest.fr/covid19-culture/>.

⁴⁶ 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/>.

⁴⁷ City of Amsterdam. (2020 May 13). €17 million for Amsterdam's cultural sector. <https://www.amsterdam.nl/en/news/amsterdam-cultural-sector/>.

⁴⁸ 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>.

support package aimed at SMEs with emergency aid for freelancers⁴⁹ 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 fashion.⁵⁰ 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.⁵¹

2.3 Measures Taken by the Private Sector

In parallel with public measures, the private sector is contributing to support the CCS in this moment of profound crisis. 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.⁵² 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.⁵³

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 music⁵⁴ support ranges from reduced royalties for live streaming and compensation for lost income (Denmark), specific rescue funds including grants to individual (Belgium, France, Germany, Italy, the UK etc.) or royalty advances.

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.⁵⁵ Netflix launched USD 100 million creative industry COVID-19 Relief Fund in March 2020 to assist individuals in the film and TV industry affected by the pandemic.⁵⁶ In Europe

⁴⁹ 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.eurocities.eu/2020/03/30/berlin-support-for-local-businesses-and-culture/>

⁵⁰ 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/>.

⁵¹ OVID 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-WSPO-BQ3BPN>.

⁵² 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>.

⁵³ AIM - Covid-19 Support Fund Fact Sheet. (2020 June 9). <https://www.aim.org.uk/#/resources/aim-covid-19-support-fund-fags>.

⁵⁴ GESAC. COVID-19: mapping authors' societies responses. <https://authorsocieties.eu/covid-19-response>.

⁵⁵ Spotify COVID-19 Music Relief. <https://covid19musicrelief.byspotify.com>.

⁵⁶ 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>.

Netflix contributed to emergency and relief funds in Italy,⁵⁷ France,⁵⁸ Poland,⁵⁹ Spain, the Netherlands and the UK.

Section 3. Conclusions – What is next ?

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, European Union, OECD and UNESCO) are also playing their part.

The crisis is the opportunity to acknowledge the economic and social importance of CCS in nurturing social cohesion, in making places and territories attractive to locals and tourists and in providing jobs. CCS plays a crucial role in the wellbeing of communities and social cohesion. They are leading collective sense-making. They are part of an essential ecosystem which values freedom of expression, innovation, the sharing of collective experiences and emotions. Artists express our collective consciousness. 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.

3.1 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.

1. Mobilise cultural workers as agents of global co-operation

The coronavirus crisis (which has put half of the world's population in lockdown) will usher in an age of global co-operation. Conditions for global co-operation 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,

⁵⁷ 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/.

⁵⁸ 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>.

⁵⁹ 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>.

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.

2. Social inclusion through Culture to address inequality

As shown by Eurostat statistics⁶⁰ a lot remains to be done to ensure that cultural activities contribute to social inclusion 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.

3. Acknowledge the acceleration of behavioural changes

The future generation lives in the virtual world, a world that make everything accessible and which does not require the traditional interactions. The new generation manipulate information at a faster pace and integrate 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 “*etat d’esprit*” is increasingly taken as a sign of arrogance or old elitism that can be despised sometimes vilified. The new generation belongs less and less to a given religion, a territory, a culture. Their culture is 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, concentrated 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.

4. 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). 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. Digital platforms and their ability to make the most of artificial

⁶⁰Marta Beck-Domzalska (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>

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 traditional value chain. This will oblige smaller operators to collaborate and find ways to pool resources and creativity to propose viable and sustainable alternatives.

3.2 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:

- 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 and
- adapting policies to take the digital shift better into account and the need to create scale outside traditional linguistic or territorial lines.

1. 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 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.

2. Incorporate the cultural dimension in social policy

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

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.

3. 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 measures⁶¹ 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 Audiovisual Media Service Directive 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).

⁶¹ 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:

1. 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;

2. 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;

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 more 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.

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