

Research Note n°2 (2020)

“SLEEPING BEAUTY” II, A RELIEF POLICY FOR THE ARTS

By Simon Grand, Frédéric Martel, Roman Page and Christoph Weckerle

This research note is part of a series of four notes published by the Zurich Centre for Creative Economies (ZCCE) on the economic consequences of the coronavirus for the cultural sector.

Introduction – (Christoph Weckerle)

Note 1 – The WPA, Roosevelt and Artist Relief in America 1936–1939 (Frédéric Martel)

Note 2 – The Great Cultural Depression (Frédéric Martel)

Note 3 – The Swiss Creative Economy: Some statistics-based reflections on the current debates in Switzerland (Roman Page, Christoph Weckerle)

Note 4 – Beyond the current debates: Alternative strategies for analysing the creative economy (Simon Grand, Christoph Weckerle)

ABSTRACT | Since February 2020, the Covid-19 epidemic has affected entire sectors of the world economy. Differently and atypically, the creative economy is being hit hard, not only in economic terms but also in terms of its identity and organisation. Our four research notes aim: (1) to recall the history of the “relief” programmes set up in the past to aid the cultural sector, especially during the Great Depression of 1929; (2) to analyse the current situation of the cultural sectors, both as a whole and sector by sector; (3) to present the Swiss creative economy through some statistics-based reflections on the current debate in Switzerland; and finally (4), beyond the current debates: to consider alternative strategies for analysing the creative economy.

Note II
The Great Cultural Depression

II.1 The creative economy, an economy unlike any other

II.2 The creative economy, an economy unlike any other

II.3 The sub-sectors of the creative economy

Conclusion

NOTE II**The Great Cultural Depression**

In March 2020, a large number of countries around the world entered a period of partial or total confinement. This sudden “lockdown,” both unprecedented and large-scale, has had far-reaching consequences for the entire global economy. Cultural life and the creative industries have also been impacted by this crisis in three different, yet often cumulative ways: 1. in a general way, like all economic sectors; 2. in a specific way, as the creative and cultural sector; 3. in a sectoral way, i.e. by sub-sector. This threefold cultural crisis is also unique in that it has never been anticipated by any consulting, forecasting or similar agency, despite these existing in abundance and being so costly!

Christiane Bourbonnaud, former deputy director of Avignon International Theatre Festival, who, with the festival’s board of directors, has just decided to cancel this year’s edition, scheduled to take place in July, explains: “What strikes me most is the uncertainty, even the state of astonishment, in which we find ourselves: information that contradicts itself from one day to the next. Our reasoning, now entirely short-term, can draw only on current data. This situation, however, is untenable for cultural managers, who must project themselves into the future.”

Although very limited quantitative research is available on the economic impact of the coronavirus on the cultural sector,

Americans for the Arts (a nonprofit organisation) has already calculated, based on an initial survey of 120,000 American cultural institutions, a shortfall of around 4.8 billion dollars among the institutions surveyed. This represents a “median” loss of \$38,000 per organisation to date, and does not take into account losses for the period May–August 2020¹.



Credits: Christophe Raynaud de Lage / Festival d'Avignon

This second ZCCE note therefore attempts to describe the current situation along three main dimensions — general, sectoral and sub-sectoral — based on the available quantitative data and studies², as well as on a series of qualitative interviews conducted internationally by ZHdK/ZCCE between 14 and 28 April 2020. These interviews are not meant to represent the cultural sector but to illustrate the current situation. (Most of the artists interviewed were first interviewed for our “Positive Economy” report in 2018; we have therefore, as far as

¹ Americans for the Arts, “The Economic Impact of Coronavirus on the Arts and Culture Sector,” last updated 27 April 2020

² See: for the US, data from the NEA and Americans for the Arts; for Germany, data from the u-institute

Backes & Hustedt GbR as well as “Künstler in der Corona-Krise: Ausgespielt,” *Die Zeit*, 22 April 2020; for Switzerland, see the third note in this series; see also Compendium Cultural Policies and Trends/ Covid 19: <https://www.culturalpolicies.net/covid-19/>

possible, tracked them down and re-interviewed them in order to follow and analyse their situation during Covid-19)³.

II.1 – The creative economy, an economy like any other

The cultural and creative sector (CCS) is a disparate entity. It includes the “traditional” arts as well as the cultural and creative industries (CCI), to which must be added a considerable number of “related” economic activities (tourism, telecommunications, education, design, etc.). This cultural and creative sector is itself divided into about ten sub-sectors⁴. Despite these differences, this sector’s structures and actors have been impacted by the current health crisis. The brutal economic slowdown, working from home, social distancing and the closure of all public venues have affected everyone — differently, yet similarly.

Like other gainfully employed persons, many artists or cultural professionals no longer have a salary; those who were paid fees no longer necessarily have contracts; some are unemployed or have been furloughed; others receive no compensation at all. For instance, actors at the Comédie Française, the acclaimed French public theatre, are paid a fixed salary (about 60 per cent of their income) and a variable salary depending on their stage commitments (up to 40 per cent of their income); as a result of the

pandemic, they have lost an average of 40 per cent of their salary⁵.

Most of our interviewees agree that the mid- and long-term consequences of the current health and economic crisis are barely predictable at this stage. Its real effects, they say, will only become evident later, this autumn or winter — and perhaps even well beyond.

Tom Avendaño, a cultural journalist at *El Pais*, who has been locked down in Madrid, describes the situation as follows: “What crisis are we facing? A health crisis, an economic crisis, a combination of the two, something else? No one knows very well what the nature of this crisis is or how long it will last, even when the lockdown ends. Thus, there is a paradox: an increased demand for culture in times of confinement and an increased need to turn to artists for comfort and perspective; at the same time, fewer consumers are willing to pay for traditional forms of culture, to which they no longer have access. Such friction usually brings forth new voices, new styles, new models in the face of an unknown situation. New content, either cheaper or based on a different aesthetic, might emerge.”

Beyond economic problems, cascading effects are the most difficult to measure and likely to endure longest. For example, the advertising market is in sharp decline everywhere, a development that will lastingly impact the media or audiovisual production long after strict lockdown and, as a result, will affect several cultural sectors at the same

³ See “Positive Economy, Towards New Business Models for Artists,” Entrepreneurial Strategies for a “Positive Economy,” 3rd Creative Economies Report, ZHdK University, Zurich, 2018.

⁴ This is not the place to provide a history of the typologies of the Cultural and Creative Sector (CCS) nor of the Cultural or Creative Industries (CCI), nor to review

existing classifications; see, for instance, Frédéric Martel, *State of the arts, Cultural policies: Mapping a field in reinvention*, ZHdK/ZCCE, 2020, 41p. See also Policy Research Group, *The Creative Economy: Key Concepts and Literature Review Highlights*, Canada, 2013.

⁵ Michel Guerrin and Brigitte Salino, “Baïllon de culture,” *Le Monde*, 22 April 2020.

Note II
The Great Cultural
Depression

II.1 The creative economy, an economy unlike any other

II.2 The creative economy, an economy unlike any other

II.3 The sub-sectors of the creative economy

Conclusion

time. Overwhelmed by colossal debts, what “relief” will governments, states and cities be able to offer? Lacking prospects, wealthy philanthropists also seem to be cautious in their donation policies, which translates into a decline in individual patronage and a “wait and see” attitude on the part of foundations. Even donation or equity funding sites (e.g. Patreon, Tipeee, My Major Company, etc.) seem to be on hold at the moment, particularly as potential donors or investors are waiting to see what will happen. The “snowball” effects are therefore numerous and potentially devastating in this current crisis.

Beyond cultural institutions and enterprises, the individual situation of artists is the most complex to analyse. Brett Gleason, an “indie” musician confined to his home in Brooklyn, believes that artists are “doubly victims of the coronavirus.” “Here in New York,” he says, “most young musicians, actors, comedians or ‘DIY’ artists usually have small jobs so they can keep pursuing their passion.



Credits: Hans Vivek

They work as bartenders in cafés, give classes or play music in the subway to make tips. However, not only are their artistic activities at a standstill, but their small jobs, especially because of the closure of cafés and restaurants, have come to a halt. They are doubly victimised.” According to Gleason, the “New York underground art community”

and all “emerging” artists are being hit and are currently “in very great difficulty.” In some artists’ residencies (The Artist Fund, Union of Actors, etc.), artists are no longer able to even pay their rent; elsewhere, in ghettos, favelas or slums, they are short of food. Gleason notes, however, that online courses have multiplied, meaning online musicians are able to moderately improve their income at the moment due to increased demand: “I teach music via Zoom; it’s not the same as face-to-face, but it’s better than nothing.”

This increased precariousness is a feeling shared by several of the independent artists we interviewed. For instance, Miguel Rojas Palencia, a Spanish “indie” filmmaker confined to Barcelona, states: “In general, artistic work is poorly paid, except for certain recognised artists, and often it is not even paid directly. If we start from the precariousness of the cultural sector in general, then the consequences of this health crisis are devastating, because it means the loss of the little income we still had. In other words, we are moving from precariousness to misery.”

Swiss musician Hanspeter Kruesi sums up matters: “Artists and creators were hit first. As governments need to look after sectors they consider more vital, artists will be the last to receive help. In the meantime, they will have to take care of themselves — as always! Personally, I’m putting all my efforts into my online activities, education and concerts. I’m working hard because offerings are now abounding, and only professionalism will make the difference.”

Our interviewees all believe that an ongoing transformation towards the greater digitisation of culture is occurring, a phenomenon that, while predating the coronavirus crisis, is now accelerating. “It’s a total paradigm shift,” says Brett Gleason. Belgian

musician and producer Elvin Galland (known in electro music under the pseudonym Jim Henderson) analyses matters similarly: “I’m obviously aware of the consequences this crisis is having for me. All my concerts and studio appointments have been cancelled. The schedules and tours that had been set up for releases or video clips have all fallen through. Financially, even though I hadn’t anticipated using my funds this way, I’m lucky I saved a little bit so I could pay my rent and my bills. But it won’t last very long.”

In conclusion, it seems that culture is being impacted for the first time like any other economic sector, and this is already to impoverish it. In return, its weakening is also hurting the general economy because, as the former French Minister of Culture, Aurélie Filippetti, points out: “In France, culture represents about 3 per cent of GDP and 800,000 direct jobs. That figure is much higher if we count the indirect jobs. In some cities, especially ones hosting major festivals, culture keeps certain towns alive in the summer thanks to tourism, restaurants and hotels.” Now, amid the coronavirus, many others responsible for culture could make the same case for their countries, regions or cities: if culture stops, whole areas of life disappear.

II.2 – The creative economy, an economy unlike any other

If artist and cultural professionals, like everyone else, have to pay rent or feed themselves, if they fall ill or are threatened with unemployment, then other aspects of their

professional life distinguish these social actors. Comprising a mixture of subsidised cultural institutions and private creative enterprises, the cultural sector is already very atypical compared to the rest of the economy. Semi-public, semi-private, the sector is also characterised by enterprises that are often smaller than in the rest of the economy and involve more part-time employees and a younger workforce. Moreover, a higher percentage of self-employed people or “intermittent” employees contracted on a work-for-hire basis distinguish the sector, as well as a higher level of education. The economic and social conditions of artists therefore vary considerably from the rest of the population, a fact that has significant consequences in times of crisis. Finally, digital technology also plays a major and increasing role in the arts and culture⁶.

The former Minister of Culture of Mexico, Consuelo Sáizar, who is currently locked down in the United Kingdom, says: “This crisis brings us back to our basic and frail condition in the world. Curiously, many, if not most, of the ways in which we face this primitive challenge come from the most advanced technologies we have developed. I see ongoing further democratization of culture through digital screens. This will make us relearn our approach to the enjoyment of the arts. In a time when hope and happiness are low, I am an optimist.”

Mario von Rickenbach, a Zurich-based artist and video game designer confirms this view: “The sources of remuneration seem to have a big impact on the economic situation of artists: those who rely on public money and media with no physical presence, such as animated films, seem to be able to

⁶ See Roman Page and Christophe Weckerle, “Creative Industries Switzerland,” in Entrepreneurial

Strategies for a “Positive Economy”, *3rd Creative Economies Report*, Switzerland, ZHdK/ZCCE, 2018.

Note II
The Great Cultural
Depression

II.1 The creative economy, an economy unlike any other

II.2 The creative economy, an economy unlike any other

II.3 The sub-sectors of the creative economy

Conclusion

continue to work more or less normally and to be financed, although it is not necessarily possible, or even easy, to work from home. On the other hand, those who depend on 'live' performance or ticketing clearly have a problem."

Regarding the cultural sector, it is therefore important to analyse primarily "cultural," often subsidised, institutions differently than predominantly "commercial" enterprises, which operate in the market sector, with many more hybrid cases existing in between. In addition, there is a second dimension, depending on the size of the organisation (small, medium or large) and, above all, on whether or not it is in contact with a "live" audience. Finally, belonging to this or that cultural and creative sub-sector seems to have important consequences.

Hence, we need to try to analyse events by sub-sector, because "social distancing" and the closure of all public venues do not affect "live" events, cinema or streaming in the same way. On stage, artists touch each other, dancers embrace, actors speak loudly — sputtering — and the audience sits in tight rows of seats! An article in *Le Monde* quoted Stéphane Lissner, the director of Paris Opera, as follows: "We represent everything that shouldn't be done." Lissner does not know whether the much-anticipated production of Wagner's *Walküre*, directed by Spanish artist Calixto Bieito, will be performed this autumn. "Social distancing is by nature impossible in a closed concert venue: concerts are precisely there to bring people together and avoid any distancing!" confirms musician Brett Gleason.

Christiane Bourbonnaud, of the Avignon Festival, agrees: "The very nature of live

performance is encapsulated in the word 'live': the magic of the theatre is the 'presence' and contact between actor and audience. So, the question is: how to organise this physical presence within the constraints of distancing? For the moment, it is impossible.



Credits: Evgen Rom

Festival directors, realising this, have cancelled everything. But if the situation persists — and this unfortunately is likely — we will have to conjure up solutions: leave every second seat empty? Give everyone masks? Will the audience still attend performances under these conditions?"

For instance, France's 2,000 cinemas, 2,500 music venues, 3,000 bookshops, 1,200 museums, 16,000 libraries and 1,000 theatres have all been shut since 17 March⁷. While bookshops and libraries are about to reopen, no dates have been announced for other cultural venues. As a result, the losses suffered by professional organisations are considerable: €300 million for French cinemas after two months of lockdown; €590 million for popular music venues. Should some forms of lockdown last until autumn or winter, or even continue during 2021, the damage will be much higher. "For many cultural

⁷ Michel Guerrin and Brigitte Salino, "Baïllon de culture," *Le Monde*, 22 April 2020.

Note II

The Great Cultural
DepressionII.1 The creative eco-
nomy, an economy
unlike any otherII.2 The creative eco-
nomy, an economy
unlike any otherII.3 The sub-sectors
of the creative eco-
nomy

Conclusion

institutions, the situation is life-threatening,” says Laurence Engel, the president of the National Library of France.

Worse than the last two months is the concern among all cultural professionals about the future. Especially since some public health experts are suggesting that concerts, festivals and sporting events “may not be possible until the autumn of 2021 at the earliest.”⁸ No one, however, dares to imagine such a scenario...

Another problem is that of senior citizens. They are, for example, the core opera and classical music audience in the United States, according to NEA studies: will they be willing to risk their health by sitting close together in auditoriums hard-to-protect for months on end?

Yet another concern is the return of tourists, who account for the bulk of visitors at major museums such as WOAgr in New York, the Louvre in Paris, Madrid’s Prado and the Vatican Museums in Rome. For instance, an estimated 80 per cent of visitors at the Palace of Versailles come from abroad: they are widely expected to be missing this summer and perhaps even this autumn. How might this colossal deficit in ticket sales be offset? The current health crisis will therefore affect the world of culture far beyond the strictest lockdown.

Despite this bleak picture, there is still scope for optimism. Some of the interviewed artists and writers acknowledge that, as soon as they have enough means to eat and pay their rent, the current lockdown might turn out to be positive. Musician Brett Gleason says, “It’s usually quite difficult, emotionally, to be creative. From this point of

view, lockdown is an opportunity because it allows you to get out of your routine, to re-think your projects and priorities, and to create. It is enabling me to write my new album. But, of course, that’s only possible if you’re not ill and can survive financially.”

II.3 – The sub-sectors of the creative economy

Beyond the overall situation, we need to examine each cultural sector in turn. Specific cases abound, depending on artistic discipline, but also on geographical area, measure or economic model.

Live events and festivals

If any sector is particularly affected by the health crisis caused by the coronavirus, then it is first and foremost festivals, concerts and “live” shows. The flood of cancellations is unprecedented; and if one considers the preparations, the investments, advance fees, and the number of professionals who should have been working in these festivals, the cancellations are gut-wrenching.

A brief (and far from exhaustive) list of cancelled festivals by country provides some sense of matters: Switzerland: Montreux Jazz Festival, Paléo Festival, etc.; Germany: Rock am Ring & Rock im Park, Lollapalooza Festival, Superbloom Festival, etc.; France: Cannes, Avignon, Chorégies d’Orange, Festival Radio France in Montpellier, Festival de musique lyrique d’Aix, Solidays, les Vieilles Charrues, les Eurockéennes de Belfort, les Francofolies de la Rochelle, le Main Square, etc.; United Kingdom: Wide Awake, BST

⁸ Caleb Triscari, “Coronavirus: Healthcare expert predicts concerts and festivals will not return until autumn 2021,” *New Musical Express*, 13 April 2020.

Hyde Park, Download Festival, Glastonbury Festival, Isle of Wight Festival, etc.; The Netherlands: Best Kept Secret, Pinkpop, Awakenings Festival, Down the Rabbit Hole, NN North Sea Jazz Festival, Zwarte Cross, Milkshake Festival, Dekmantel Festival, Psy-Fi Festival, Lowlands, Mysteryland Festival, etc.; Spain: San Fermin Festival in Pamplona; United States: SXSW, Burning Man 2020, etc.; Denmark: Roskilde. Northside; Sweden: Sweden Rock; Poland: Orange Warsaw Festival; Belgium: Graspop; Pukkelpop; Portugal: Rock in Rio Lisbon, etc. The list extends to hundreds of other events worldwide.



Credits: Pexels

“It’s simple: in Japan all events have been cancelled, including all summer festivals,” says Jonas Pulver, Head of Culture and Communications at the Swiss Embassy in Tokyo.

Pulver knows what he is talking about. He has long been preparing the cultural side-events at this summer’s Tokyo Olympics... but everything has been cancelled. “The Cultural Olympiads, called Tokyo-Tokyo, have also been called off,” says Pulver. Everything has been postponed for a year. Expo Dubai 2020, this year’s World Fair, will be held from September 2021 to March 2022 under a new name: Dubai 2021! For all cultural diplomats, who depend on air travel and the

availability of artists for their programming, autumn and winter 2020 look perilous.

These cancellations — of festivals, tours, concerts and most “live” events — risk jeopardising an entire industry consisting of fragile and often independent companies. Because what is extraordinary about this sudden crisis is that the manifold links in the music value chain are affected across the world at the same time (venues, clubs, producers, touring companies, technical service providers, artists, management teams, etc.). “This is really tragic for ‘live’ events because concerts are based on short-term economic models. A lot of small concert venues are going to close down,” says Matthieu Dartiguenave, who heads the Music Export Office in Singapore, where he is currently locked down. He adds: “In Asia, all music tours in the region were down as early as February because they usually pass through China and the early stage of the epidemic there precipitated one cancellation after another. The problem is that there is little government support in Asia except in South Korea, Japan, Taiwan, Australia and Singapore. Elsewhere, such as Thailand, Vietnam, Indonesia, the Philippines, Malaysia and Cambodia, there are no funds. Everyone is left to their own devices!” The important tour of “Latino” musician Manu Chao in Asia, for instance, began in India, only to end abruptly, after taking place in merely one of the six initially planned countries.

“Here in Asia,” adds Dartiguenave, “we believe things will be better in the autumn, the traditional festival season. At this stage, professionals are quite optimistic and believe things will go well. Overall, though, everyone is expecting 2020 to be whitewashed.”

In Germany, for instance, the major professional music organisations have just announced the industry's estimated losses: €5.4 billion for the next six months⁹. These overall figures, however, only imperfectly reflect a reality that is difficult to translate. Individual situations are more "telling."

For instance, Belgian musician Eric Legnini, an internationally acclaimed jazz pianist, observes: "The maths are fairly easy. Between the end of June and the end of August 2020, I had 26 concerts planned, including Jazz à Vienne, Montreux Jazz Festival, Juan les Pins, etc. I had 26 bookings — and 26 cancellations! These two summer months amount to a loss of about 15 per cent of my annual income." So instead of touring, Legnini is concentrating on his music and teaching: "I have my own studio, which gives me more freedom. And since I teach at the Royal Conservatory in Brussels, I can continue to teach online. Eleven of my twelve students are doing fine online; only one has fallen behind." He adds: "The more established musicians, like myself, are going to do okay. The current situation even allows us to get out of our routine, out of the incessant flow of activities. We can recharge our batteries, reflect on our music, and work. I am playing the piano twelve hours a day. But what about others?"

In classical music, matters seem even more difficult because artists are "booked" several years in advance, and because orchestras are unable to rehearse. International festivals have all been cancelled and major institutions, such as national or regional opera houses, no longer have any outlook for the 2020–2021 season. The losses

are already considerable and no one knows whether they can be offset by philanthropists (in the United States) or by public authorities (in Europe). "If the state intervenes to support larger structures and organisations, which is complicated in itself, then this funding will inevitably come at the expense of the budgets allocated to music schools or innovative artists," worries Yves Riesel, who founded the record company Abeille Musique and the classical music platform Qobuz.

We must also consider the mid-term, even after lockdown. Will audiences have to wear masks? And musicians? While violinists, double bassists, cellists or certain percussionists could wear masks, this will be impossible for soloists, trumpeters or brass players! Will classical music have to be limited for many months to chamber music orchestras with string instruments?

Although "live" music is struggling, the multiplication of online initiatives in the field is noteworthy. Thanks to significant progress in the synchronisation and regulation of internet speeds, concerts are beginning to be held online, with musicians and singers present in different places. However, as this economic model is almost non-existent on the internet, these are mainly communications operations, serving to boost morale among health workers, or rehearsals...

In contemporary music, however, the multiplication of concerts on platforms such as Twitch, YouTube or even Zoom may involve certain forms of monetisation. In any event, this movement suggests that "live" music is not only one of the most heavily impacted sectors, but also one of the most

⁹ According to a document published by the music industry's trade associations representing the live industry (BDKV, LiveMuzikKommission, BVPop), record labels (BVMI, VUT), music publishing (DMV), artists

and rights organisation (GEMA and VPL). The revenues lost amount to €5.4 billion and include artists, concert promoters and festivals, labels, music publishers, retailers, venues. See MusikWoche.

agile and innovative,” as Singapore-based Matthieu Dartiguenave remarks.

MIDEM, for example, the world’s largest music market, has cancelled its “physical” event in Cannes in June; it will, however, be taking place in a completely recreated digital format, the Midem Digital Edition. This service will be available to all music professionals through live-streamed keynote sessions, talks and presentations, as well as online conversations and speed meetings as in its physical editions. In the same vein, Music Matters, the important Asian music industry trade show, to be held in September in Singapore, will convene largely online for the benefit of foreign participants.

Thus, an interesting new model is emerging: it is not “glocal,” as it was once called, i.e. a mixture of global and local, but what I would now call the “LOGO” mode: “Local Outside, Global Online,” i.e. events held physically in one place for the “local” (“out” or “outdoors”), but only “online” for the “global.”

These blended “LOGO” models offer a small ray of hope and demonstrate that the industry has very quickly reacted by turning to live-streaming while experimenting with new models of monetising online content (donations, subscriptions, etc.).

Music (CD and vinyl sales)

While stage and “live” performances are completely at a standstill, the “physical” record industry is also declining. Concerts are now prohibited, and shops closed! The rare data available for recorded music confirms a dramatic slump in CD and vinyl sales since lockdown began. Still, disrupted physical distribution does not explain everything.

The coronavirus is accelerating the digitisation of culture, with cultural “products”

shifting to cultural “services,” thus confirming dematerialisation. Online music sales, however, are also declining. In the mid-term, iTunes as a store selling MP3 titles seems doomed. Thus, the entire music chain has become destabilised.



Yves Riesel, who founded the record label Abeille Musique and the classical music platform Qobuz, believes that the present crisis will “precipitate the death of the CD as a product.” Moreover, “the music majors and independents should have taken more radical steps while CD prices kept falling and production and logistics costs kept rising. Physical distribution became limited to chains offered reduced choices or to Amazon. No one, not even in niche markets, is interested in buying a CD in a supermarket anymore! Classical music labels are impoverished. No one is asking why second- or third-rate artists are produced when the best recordings are available for next to nothing in streaming? To be frank, I think that the disappearance of CD sales will create problems for the remaining classical music labels — and that’s good! This will be evident when shops reopen.”

Cinema and the audiovisual sector

More than any other sector, the audiovisual sector — which includes film, television and streaming audiovisual content — is

both one of the big winners and one of the big losers of the crisis.

On the one hand, the demand for films and TV series has rarely been so high, as a result of coronavirus lockdown; on the other hand, production has slowed (television), and even completely stopped (cinema, series), due to the health risks on film sets¹⁰. Both unprecedented and massive, this great dichotomy in a rapidly evolving sector might be a turning point in the history of the cultural industries and might accelerate the consumption of films, series and streaming programmes.¹¹

Here are some details. Cinemas are closed, almost everywhere and indefinitely. Even if they are not strictly speaking a “live” sector, cinemas welcome audiences: this is their magic — and now their tragedy. Will they be able to reopen this summer, at least in some countries? This is highly doubtful under the circumstances. Cinemas can, on the one hand, halve their seating, a measure that has already been approved by several cinema federations. It will, however, be difficult to go beyond that; and for small cinemas with less than 50 seats, further reducing capacity will not be financially viable.

As a result, cinema professionals are sounding the alarm. At the European level, most producers and actors in the film industry have jointly called for radical public measures¹².

In cinema, however, concerns go beyond auditoriums: content itself could be lacking. Cinema continues to attract audiences because it offers exclusive films; the

catalogue of old or heritage films has definitively switched to the internet. To compound matters, most international releases have been deferred to the autumn and often, as with the big blockbusters, to 2021. Even if some cinemas might reopen in certain countries, they will hardly be able to screen films able to attract large audiences. Their costs will rise, yet their revenues will not.

Obviously, the situation is very different for online video content. Streaming is growing rapidly, even if difficulties lie ahead. According to data for the first half of 2020, an estimated 16 million new paying subscribers have joined Netflix worldwide — a record. Netflix shares jumped 11 per cent on Wall Street. Lockdown measures have pushed viewers towards streaming video and Amazon Prime Video, Apple TV+ and Disney+ are also benefiting.

However, if lockdowns remain, audiovisual content could start to run out. The interruption of all shooting during lockdown or other protective measures, is severely handicapping the entire audiovisual production chain. While certain post-shooting (special effects, etc.) and post-production activities have been able to continue via teleworking on films at a sufficiently advanced stage, the industry will be very disorganised, even in disarray, for many months to come. Television series, which require long-term shooting schedules, sometimes in several countries, will also be at a standstill for several months. The production chain will be highly destabilised at least until early 2021.

¹⁰ Joe Flint, Benjamin Mullin and Lillian Rizzo, “With America at Home, the Streaming War Is Hollywood’s Ultimate Test,” *The Wall Street Journal*, 11 April 2020.

¹¹ Erich Schwartzel and R.T. Watson, “The Hollywood Premiere Is Moving to Your Living Room,” *The Wall Street Journal*, 11 April 2020.

¹² The signatories of the joint statement are Animation in Europe, CEPI, EUROCINEMA, FIA, FIAPF, FERA, FSE, UNI MEI.

Lebanese Mazen Hayek is the official spokesperson for the Dubai-based media group MBC. The leading free television enterprise in the Arab world, this network dominates the market in the Middle East, the Gulf Region and the Maghreb, thanks to its eighteen channels, including: MBC 1, MBC 2, MBC 4, MBC Drama, MBC Bollywood, MBC Max, MBC Masr (in Egypt), MBC Iraq, MBC Persia (in Iran), or the 24-hour news channel Al Arabiya. “The Arab television market peaks during Ramadan, from 24 April to 24 May this year. Fortunately, we were prepared as early as March: we had almost finished shooting and producing our biggest titles just before lockdown. So, we have all the right programmes for the month of Ramadan that will follow... months of lockdown,” explains Hayek, via Zoom, from his home in Dubai where he, too, is locked down. The streaming sites of the MBC group have also seen spectacular results since March: Shahid, free VOD, and especially fee-paying Shahid VIP, a kind of Arab Netflix, are making strong progress. “The audience for our channels and digital platforms has never been so large,” says Hayek.

Producers of more artistic or independent content are not as optimistic. For smaller art film producers or directors, the situation even seems desperate. Miguel Rojas Palencia, an independent filmmaker, confirms this outlook: “My sector, film, differs from the rest of culture. Not only can we no longer release films with a premiere at festivals or in cinemas, and not only can we no longer get paid, but above all our productions can now only be shown on the internet; we virtually have no economic model. While some artists such as musicians, writers or painters can work

from home, our productions, video clips and even advertising require casting and shooting, which has simply become impossible.”

The Digital Sector

Whether through streaming, or using mixed models such as LOGO (“Local Outside, Global Online”), culture is seeking to reinvent itself in accelerated fashion. As observed, those interviewed agree: the Covid-19 crisis will spur the digitalisation of culture. New consumption habits are taking hold, and will to some extent remain after the crisis. The figures, moreover, show the impudent success of digital platforms, which represent an exception amid the current health and cultural crisis. And what an exception! The sector’s leaders (Amazon, Netflix, Spotify, Deezer) are all experiencing soaring turnover. Even more remarkable are the results of e-commerce sites, food delivery services, online healthcare, education or even video conferencing applications (Zoom skyrocketed from 10 million users at the end of 2019 ... to 200 million today ...). Sales of physical books online have also exploded, for example, at Waterstones, the leading bookseller in the United Kingdom, which has grown 400 per cent¹³.

Noteworthy among the GAFA, however, are the relative difficulties of Apple, which took the hit in March: its shares were unsettled, its future iPhone was pushed back and its assembly lines in China were paralysed. Since mid-March, Alphabet (Google) has also been experiencing difficulties, as has Facebook, due to the significant drop in the advertising market. The economic recession immediately led to a remarkable contraction

¹³ <https://www.bbc.com/news/entertainment-arts-52048582>

of the advertising market. Even YouTube's revenues are depreciating sharply (although its audience is growing). For countless artists, this unexpected side-effect has resulted in significant financial losses.

Equally disappointing is the fact that music streaming services such as Spotify, Apple Music or Deezer have not seen any significant audience growth. In fact, figures are levelling off. Against all expectations, yet without being dramatic at this stage, listening times on these platforms even seem to have decreased by about 5 to 10 per cent. According to analysts, these disappointing results are due to a sudden decline in public transport ridership and private vehicles ("drive time"), with consumers, now at home, preferring video streaming sites to keep themselves entertained¹⁴. Deezer reports that its "rush hour time," previously at 7 a.m., has shifted to around 9–10 a.m.

Although the tech sector is currently experiencing strong economic development, there are exceptions. Start-ups linked to travel, transport, tourism or travel, as well as e-bikes, e-scooters, etc. are all struggling (Expedia, Trip Advisor, Kayak, etc.). Uber, too, is going through a difficult period, although Uber-Eats is compensating for a small part of these losses. Airbnb sees its model suddenly called into question. Finally, and more generally, some analysts are concerned about the current caution of venture capital investment funds, as this might pose problems for financing the digital sector in the mid-term. The digital sector, however, does not seem too troubled: the European Union recently listed a hundred companies whose value exceeds a billion dollars in

Europe (the famous "unicorns"), thus confirming that the European digital sector and its global ambitions are in good health¹⁵.

Hernan Botbol, who founded a major Taringa! streaming platform in Argentina, and now runs a price comparison site in Austin, Texas, comments: "We are watching the market and price evolution on Amazon in real time; since lockdown we have witnessed a significant increase in purchases in the US for beauty products (+60 %), sports and fitness equipment (+100 %), as well as baby products (+600 %). With the notable exception of jewellery and luxury goods, which experienced a decline (–40 %), e-commerce is growing very significantly. Electronics are selling better, as are computers, not to mention a spectacular increase in book sales. All entertainment sectors, streaming and social networks are growing very strongly. All technological fields are exploding, with some very few exceptions." Botbol is also expecting business practices in the tech sector to shift: "We have set up shop here in Austin, Texas, as it is now the second US capital for start-ups and technology after Silicon Valley. Apple and Google are opening their second campuses in Austin and the city is one of the 'fastest cities' in America. I believe the coronavirus will further accentuate prominent trends: more and more people will be working from home. This was already our way of doing things, even before the coronavirus, with daily checks and weekly meetings, but this approach will become widespread. Working at home enables saving precious time on transport — sometimes two hours a day here in Austin — as well as eating healthier and taking better care of your children.

¹⁴ See the data compiled and analysed by Music Business Worldwide, based on information from Spotify-Charts.com.

¹⁵ According to data provided by Pēteris Zilgalvis, who heads the European Commission's Unit for Digital Innovation.

Developers enjoy this freedom, as well as being able to choose their own schedule. For our start-up, it's also much cheaper: our seven employees are now all working in remote mode, meaning we no longer need to rent offices!"

These digital trends, which are accelerating during lockdown, might become the rule after lockdown and thus affect more traditional cultural actors who are experiencing an almost entirely virtual artistic world. Laurence Engel, president of the National Library of France, comments: "Going forward, we will have to reason in economic terms and question our models to identify the best way of maintaining the production capacity and, even more so, the distribution capacity of our creations. It will not just be a question of passing the test amid a rationale of one-off, quick-fix compensation. We will also need to sustainably preserve the so-called diversity of creation, if we want to avoid the trend towards concentration and mainstreaming overtaking everything. The risk is now even greater as digital broadcasting will have completely taken over broadcasting during the crisis. I consider this the fundamental objective. It also marks out what seems a promising path. It might involve developing new forms of broadcasting in the physical world. Thus, not giving up venues, not giving up exhibitions, but, for example, providing more intimate forms with more space. For culture, this amounts to the idea of slowing down, by embracing a logic of sustainable development. The principle can be applied to all sectors."

Social networks and video games

Social networks and video games are doing well. They have the advantage of being digital and are facing almost none of the difficulties encountered by filmmaking. Egyptian community manager Hady el Hady, who is currently locked down in Berlin, is a communications specialist at Instagram and is also observing the changes in culture on social networks: "What is happening is quite spectacular. Artists are using social networks as an outlet for their art and people are interested in them online. The most-used networks seem to be Instagram Live Feature (which belongs to Facebook) and Twitch (which belongs to Amazon). Interestingly, Twitch was originally designed for video games and gamers, but since the coronavirus it is being used for all kinds of content."

In recent weeks, Twitch has seen a spectacular — 31 percent — increase in its audience. Besides, it is currently used by musicians (to hold concerts and hopefully monetise their performances) and by teachers (to give online classes), which might also explain this audience increase¹⁶.

Even more revealing are "in-game concerts." This phenomenon, though not new (DJ Marshmello used this mode successfully last year), is also setting new records: American rapper Travis Scott just performed a concert on the Fortnite video game platform to launch his new single "The Scotts" (featuring Kid Cudi). The concert attracted 12 million online viewers. Even if the format obviously did not equal a live concert, it was still quite successful visually. Four more concert dates are planned. Thus, while we wait for

¹⁶ The same audience growth is evident on Huya, a kind of Chinese Twitch specialising in live streaming

video games, which, in addition to video games, is also a leader in sports competitions, cooking and education.

live concerts to return, “in-game concerts” might be an interesting alternative. And yet, will it last?

Egyptian techie and marketer Hady el Hady adds: “I am also observing the development of TikTok, which has adapted perfectly to lockdown, as an article in *The Guardian* recently analysed¹⁷. All of this is significantly changing the uses of social networks. For example, content that was produced for Instagram is now moving to TikTok to reach wider audiences. These platforms offer artists new spaces to show and even monetise their work (Twitch has a ‘tips’ service that enables viewers to pay artists). However, I am also seeing some rather absurd rules on platforms, in terms of what can be said, shared, or even how to dress. Many ‘drag performers, for instance, have been banned from Twitch because their apparel is considered too provocative.”



Credits: Florian Olivio

The video game sector, unlike other fields, seems to have managed to continue developing during the coronavirus; its production has not been as severely impacted as cinema. Mario von Rickenbach, a Zurich-based game designer, explains: “Things haven’t shifted much. Nothing has changed in the

way video games are produced. I have my own studio and work with people who are often abroad. My sources of income, both direct and indirect, application sales and government support, have changed little, if at all. I would even say it’s ‘business as usual.’ According to some, there is now even greater demand for video games, but I haven’t seen that at the moment. I wonder if people really have more time for themselves, even if they are staying at home.”

Media and advertising

Initially, the health and economic crisis caused by the coronavirus was expected to mainly impact “live” culture. However, several recent studies show that the media, broadcasting and press are also affected by the sharply contracting advertising market. Henry Finder, the editorial director of *The New Yorker*, has tentatively analysed the situation in the United States: “The big picture for the news media is now clear. Website traffic is up for news media; subscriptions are up; advertising is down. I gather *The Guardian* is anticipating a twenty-million-pound drop in revenue this year, for instance. Newsstand retailers are in trouble, and advertising categories like travel, hospitality, and retail have cratered. The Tampa Bay Times, a daily newspaper since 1912, recently announced that it would print only two issues a week. Local magazines have closed or suspended publication, including the city publications of the Time Out group. For online-only media properties like Vox and BuzzFeed, we’re seeing layoffs and furloughs (along with ‘explainer’ pieces on the

¹⁷ Coco Khan, “TikTok is the social media sensation of lockdown. Could I become its new star?”, *The Guardian*, 14 April 2020.

difference between layoffs and furloughs). For magazines that have a strong and loyal paying readership, the crisis is bound to have the effect of accelerating existing trends: ever greater reliance on revenue from readers, less support from advertisers.”

The dwindling advertising market is therefore a reason for concern, although local situations vary. In Dubai, for instance, Mazen Hayek is also worried about plummeting advertising revenues despite the Arab television market performing well during the crucial Ramadan period: “Advertising for what jargon calls ‘FMCG,’ Fast-Moving Consumer Goods — or mass consumer goods, i.e. basic necessities, food, soft drinks, purchased mainly in supermarkets — is doing well. There are, however, genuine concerns about advertising for airlines, cars, household goods, luxury goods or beauty products, which is also declining. The 2020 advertising market can be saved if Ramadan revenues turn out good. A priori, our advertising campaigns during Ramadan will be correct. We have limited the damage.”

Fine and visual arts

Museums and galleries, on the other hand, have been strongly impacted by the crisis. For them, it is about squaring the circle: operating costs remain high even without visitors; staff costs remain except for furloughing; ticketing has crashed to zero; philanthropy is drying up. “Balancing museum budgets will be impossible in 2020,” as Aurélie Filippetti, the former French Minister of Culture, sums up the situation.

In the United States, many museums have been forced to lay off or dismiss their staff. Will they be able to reopen soon, or perhaps in June, which would help limit the damage? If closures continue until the autumn,

the situation is likely to be even more severe. Specialists predict that a number of small or medium-sized museums may be unable to survive.

Does the visual arts sector need help? And should institutions or individual artists be favoured? Sean Buffington, vice-president of the Henry Luce Foundation, who is currently locked down in New York, explains: “The Henry Luce Foundation primarily supports museums—as opposed to individual artists or performing arts organizations. Almost immediately it was clear that museums would be profoundly adversely affected. Most US museums support themselves with a combination of admissions fees, gifts and grants, and endowment income. With facility closures, admissions fees disappeared entirely. Expensive exhibitions—which might have recouped some of their costs from admissions or from traveling to other venues—became financial burdens. The stock market collapse led to huge declines in endowment value. And many museums’ principal fundraising events, which take place in the spring, were cancelled.”

Beyond institutions, whether large or small, the fate of individual artists does not really seem to be more fortunate. “Artists are in a different position. The vast majority of artists do not earn most of their income from their art. They are employed as service workers, as teachers—in universities, in museums and arts organizations, and in primary and secondary schools, as casual workers who earn income from a variety of sources. Many have lost their primary income source because of COVID-19. Many are unable to practice their art form under lockdown conditions—which may result in lost income and also affects artists personally, spiritually, psychologically. Many do not have adequate health insurance and so may not be able to

secure adequate medical care in the event they become sick. Artists are resilient, of course. Many confront unemployment and underemployment on a daily basis as artists. All sacrifice a great deal—financially, personally—to pursue their art. So, I expect that artists will survive this crisis—but not without great pain and cost.”

Buffington concludes: “On the other hand, confronting this emergency and hurrying to shift our grantmaking to address it has also forced us to ask questions about our grantmaking strategies. Although we haven’t reached any conclusions, we are asking whether we should re-think our grantmaking in the future. What is it that our partners need most; how can we advance our goals most effectively given what we’ve learned and are learning from this crisis?” Thus, very many questions remain unanswered.

Accordingly, museums are stepping up their online initiatives. Among countless examples is the Proa Foundation in Buenos Aires, which “is not trying to compete with the giants in the sector, but is relying entirely on online art education,” as its president, Adriana Rosenberg, confirms. The foundation is offering “dozens of free art classes online via Zoom” (the programme is called “Proa en Zoom”). This initiative is enjoying some success in a country where the economic crisis was hitting millions of people without jobs and unemployment insurance already before the pandemic. The economic crisis is now compounded by the health crisis.

Former French minister of culture Aurélie Filippetti also believes that “we need to reinvent things and can do so digitally. In the long term, rethinking exhibitions with more social

distancing and better viewing quality could prove to be a good thing.”

Jacob Bromberg, an American visual-artist/multimedia poet/translator, is locked down in a rural area with his wife and their young son. His analysis of the current situation is mixed: “On the one hand, I had my main exhibition postponed because we no longer had the companies to produce the vinyls that are indispensable for making my tree poems. Everything is on hold. Schedules are in disarray, and it will take months to re-establish stability. On the other hand, when it comes to writing, I’m much less affected. I can write, take time to think and work. The visual artist in me is doing badly, but the writer is doing well.” He adds that “lockdown helps us to think about what our lives might be like in a few years’ time with climate change.”

Theatre

As they are, by nature, open to the public, theatres are also affected. This is true especially in the United States: “We are observing a similar situation in the performing arts as we are with museums. These institutions are also underfunded and heavily dependent on their box office,” says Sean Buffington.

A study by the leading entertainment company Stage Entertainment shows that audiences do not seem to consider returning to theatres, musicals or concerts until September 2020 at the earliest; moreover, very few people are considering buying tickets in advance, even if they are promised a refund should they cancel¹⁸.

Joe Melillo is one of the most famous theatre and dance producers in the United States, and was for many years director of

¹⁸ Stage Entertainment Corona Study, April 2020.

programming at Brooklyn Academy of Music (BAM). His analysis of the US situation is compelling: “Arts programmers and artists are discovering the magnitude of the disaster. All salaries are being cut by 20 to 50 per cent in the best of cases, if you’re not furloughed or fired... Drastically reduced budgets mean artistic quality will suffer. And since we have fewer artists and fewer cultural administrators, or since we can’t pay them, we’re going to be short of everything. There

down in his home in Venice, says: “I am really fearful of how screwed our fragile free-lance performing arts world - from commercial to more experimental- is by this debacle... especially for emerging artists. It was so precarious already. Not too worried for me; I know I will lose at least a year of income...totally... but hopefully it will recoup some by fall 2021. Too many theatres and universities have been telling me in-person teaching and performing arts this fall is unlikely (my main



Credits: Manuel Nägeli

is a lot of pressure on private philanthropy, but no-one will write us blank cheques! The reality is that American culture is going to shrink in all areas for at least a year.”

Individual artists are paying a high price for this unexpected situation. In the United States, they are rarely salaried and most often “freelance.” They were the first to lose their engagements and resources. Tim Miller, a Los Angeles performance artist locked

gig time). We shall see. The world will look very different 18 months from now.”

Christopher Kriese, a member of the Zurich-based theatre activist collective “Neue Dringlichkeit” analyses the situation in two ways: “At the moment, I am seeing two main consequences. On the one hand, there is financial insecurity, financial losses and uncertainty in already precarious fields of employment. On the other, there is a certain

push towards implementing and experimenting with digital technologies. For example, streaming theatre, interactive theatre formats online. Since our art collective is receiving a two-year grant from the City of Zurich, which is not directly linked to output in the form of live performances, we have more freedom in deciding how to deal with the situation financially. At the moment, we are evaluating the possibility of moving a production scheduled at Gessnerallee to an online format. The greatest challenge is that our piece heavily relies on audience participation. We are thinking about how to involve the audience in an online format.”

With the Avignon Festival in mind, Christiane Bourbonnaud also believes that digital initiatives must be taken, even if they fall short of what constitutes theatre: “Using digital technologies is essential at the moment; they can make a considerable contribution. All of the mini-concerts being broadcast live via the internet open up opportunities and paths for artists and theatre programmers to dig deeper. Although it is unable to replace physical presence, digital theatre can meanwhile recreate proximity. Olivier Py [the current director of the Avignon Festival] has decided to organise a virtual mini-festival in July with broadcasts of recorded performances. This is a good initiative despite possible reservations about recorded shows, which rarely stir audience emotions.”

But do the theatre’s funding processes need to be changed? Christopher Kriese thinks so: “Instead of giving money to artists based on their ‘output’ (i.e. rehearsals, performances), artists should receive money based on their ‘input’ (artistic research, experimentation with new formats, group discussions or whatever else they do). They should receive money for working as an artist, not for producing artworks. (Also, since

many artists work process-based and not product-based). Let me illustrate this: if artists were shoe-sellers, they should not be paid only if they sell a shoe, they should be paid for working at the shoe-store. In my view, the best way to do this would be through some form of basic income for artists. This would also be useful without considering the corona crisis, but it would be especially helpful in times like these, when live performances are not a good idea.”

Despite new ideas and a certain optimism that nevertheless persists, at least at times, many actors are wondering whether this crisis will not lastingly affect their artistic careers: not simply in terms of lost income but also in terms of lost career opportunities. Or as Consuelo Sáizar, Mexico’s former Minister of Culture, puts it: “From what I know about arts management, I am deeply concerned about all the opportunities that will be lost by performance artists, whose corporality is crucial; for instance, dancers, for whom even a six-month career break could affect their development. This will be a tragic proposition for emerging artists.”

Architecture & Design

In architecture and design, the situation is more diverse: “Lockdown came at a special time for all of us. Some are doing well; others are not,” says Bernard Dubois, a young architect (who is already a star in his native Belgium) locked down in Brussels. “As far as I am concerned, most of my projects were in the development phase. Thus, the fact that building sites are at a standstill has only limited effects for me; it pushes back deadlines a bit. In general, 70 to 75 per cent of an architect’s work takes place well ahead of execution. In other words, you can continue working normally from home. It even

allows you to take a step back, not to rush from one building site to another, which makes the quality of my work suffer. I have even managed to sign four new contracts during lockdown,” he says. “If the situation lasts two months, we’ll be able to manage. If it lasts longer, I don’t know.” Since architects tend to be paid stage by stage (signature fee, concept design, schematic design, design development, tendering, execution, follow-up, etc), their business model seems to be less affected than that of other artistic professions.

Abbas Saad, a consultant and urban planner now locked down in his native Beirut, Lebanon, agrees: “We need to distinguish between work that needs human interaction and work that does not. Personally, I am finding this a great opportunity to explore all the political and philosophical topics I have been wanting to dig deep into. However, a big part of my work, which requires interviewing groups of people and collecting fieldwork data is absent now and I actually received a 20% cut on my salary due to the decrease in work activities and the inability to finish some projects without fieldwork. But again, for someone who is into intellectual stuff and likes to research and write, this is a great opportunity for me to teach myself new things, read all the books in the world and not feel bad about it!” In Lebanon, the economic crisis has long prevailed and the current situation is exacerbating tensions.

Collecting societies

Less well-known and less publicised, collecting societies are another essential link in the

cultural system, for both music and theatre (GEMA in Germany, SACEM, SCAM and SACD in France, SOCAN in Canada, PRS for Music in the United Kingdom, etc.). These structures, which generally have considerable financial reserves, are currently reflecting on how best to help artists. Some agencies have set up emergency relief funds: by drawing on their reserves, they are helping artists amid the crisis. However, they are also finding themselves in difficulty. Concerts and festivals have been cancelled, discotheques, clubs and bars have closed, businesses have been closed and music-related rights will be significantly and lastingly reduced for several months. Private copying rights are also waning sharply. “But we will only really feel the effects of this crisis in about eighteen months, that is, the time it takes us to collect the rights,” explains the director of one collecting society¹⁹.

However, one wonders whether these private companies, which often manage billions of euros in rights, might not be able to mount a more significant “relief” plan for all their members under such exceptional circumstances.

Publishers and writers

Significant differences are also evident in publishing, depending on whether one is a bookseller, a publishing house, a library, an e-book platform or a writer. “Reading remains one of the safest and most satisfying activities imaginable, so while the current situation is hard for everyone, we remain optimistic. Sales may be lower for the foreseeable future, as long as retailers aren’t able to

¹⁹ Emmanuel Legrand, “Creative sectors assess the impact of C-19 and their needs to get through the global crisis,” Legrand Network, 6 April 2020.

operate or attract as many customers as before, but the essential act of reading isn't likely to change. If anything, people may have more time or occasion to read now," says Jonathan Karp, director of the large American publishing group Simon and Schuster (owned by CBS).

For booksellers, on the other hand, months of closure represent a considerable loss of income, even more so as March and April are important times for literary publication. For publishers, books published in February and March were sacrificed while the rest of the publishing season was postponed to the autumn or winter, at the expense of great difficulties. Concerns remain, however, for summer and even autumn sales. "We're going to pay for this crisis for more than a year," suggests one publisher.

Henry Finder, editorial director of *The New Yorker*, comments: "In the short term, we're seeing the publication of many books being postponed. Wholesale book deliveries have been affected. But again, what we're seeing, more broadly, is the acceleration of previous trends. Many independent bookstores, which have always operated on thin margins, have shuttered for the moment and may not survive. Purchase decisions are increasingly not being made in the bricks-and-mortar retail space. Demand remains strong; book publishers continue to get submissions and continue to buy them. But promoting new authors remains a difficult challenge."

Regarding libraries, Laurence Engel, president of the National Library of France, observes: "Everything has been turned

upside down since lockdown! But libraries have found a way to keep going, and to keep contributing, through dematerialising their services: online resources, digital loans, web conferences, presenting their collections online and via social networks... These offerings have seen visits explode. In the Covid crisis, as previously and probably also afterwards, libraries will therefore remain landmarks and resource centres. Even if the crisis will doubtless make libraries rethink their role in the digital world, in order to develop it further, I am sure that they will also remain, and as soon as possible, places of refuge, inhabited by their readers, who often choose to set up residence there. In other words, while the crisis is strongly disrupting libraries, it is not profoundly destabilising them. This is far from true for all cultural sectors. We are rather resilient."

E-book platforms, in contrast, have seen the lockdown as good news. Activity on most e-book platforms has increased from 75 per cent to 200 per cent, coupled with a real plebiscite for freely accessible e-books and booming digital lending, forms of provision that libraries are struggling to cope with. All platforms are benefitting: Amazon Prime, ePage, Youboox, Vivlio, Tite-Live, Glose, etc.²⁰.

The situation also appears to be quite positive for writers, even if many authors have had to cancel reading tours, which are now core to their economic model²¹. Mexican publisher Consuelo Sáizar states: "As a publisher, I can see no major disruption for writers, but the publishing industry will definitely change: book fairs, for instance, involve a

²⁰ See Livres Hebdo, "Le livre numérique explose sur toutes les plates-formes," 1 April 2020.

²¹ See Frédéric Martel, "Positive Economy, Towards New Business Models for Artists," in Entrepreneurial

Strategies for a "Positive Economy," pp. 5-45 (40p), *3rd Creative Economies Report*, ZHdK/ CreativeEconomics Research Venture, Switzerland, 2018.

social element that is currently unsustainable; besides, publishing and commercialisation might accelerate under the new conditions.”

Benny Ziffer, the internationally renowned Israeli writer and translator, who edits the literary supplement of *Haaretz*, the reputable daily newspaper, also expresses mixed feelings: “On the one hand, all bookstores are closed in Israel, as are theatres and beaches. On the other, my newspaper has never been so popular, but advertising has almost been wiped clean. As a writer, I have to say that the situation is not that bad. Thanks to lockdown, I have been able to translate two books by Gérard de Nerval and Huysmans!” Locked down in his kibbutz in the Jezreel Valley, Ziffer adds: “Lockdown is the ideal state for a writer!”

He adds that authors spend several months a year confined in order to write. Thus, the present health crisis changes nothing. Most writers have begun writing their next book, sometimes ahead of their summer work. Lockdown, then, seems like a godsend of sorts. With secondary activities now suspended, such as teaching, consultancy and, as mentioned, readings and lectures, some authors might still find themselves in economic difficulty.

Another question is, once bookstores reopen, whether new authors can be introduced amid these difficult times: “It’s hard to imagine throngs of readers congregating in small stores and casually browsing books without either wearing gloves and masks, or having a bottle of hand sanitizer nearby. Online sales for well-known authors may remain stable, but publishers and booksellers may have to find new ways to attract attention to newer or less obvious authors,” worries Jonathan Karp, director of Simon and Schuster.

Emmanuel Neisa, who runs Click Arte, a publishing house for educational and children’s books in Bogotá, says: “I didn’t see this crisis coming. But we immediately adapted by moving online. We understood that the demand for online educational content would be massive, and began working on audio books and subscription-based educational micro-content; above all, we launched *laaldea.co*.” The project involves producing original content aimed at explaining the coronavirus and lockdown to children. Success was immediate: “New opportunities have opened up for us. UNICEF approached us to distribute our books to all schools in Colombia, and we managed to produce original content in a few weeks. We have hired graphic designers, authors and developers. This is a moment of strong growth for us. I also believe that children’s books and schools need to reinvent themselves in the digital age, and the crisis brought about by the coronavirus can help us do precisely that.”

Other publishers, including prestigious ones, are experiencing far more serious difficulties., City Light Books, for instance, which is both a famous bookseller and publisher in San Francisco, recently launched a fundraising campaign in its attempt to avoid bankruptcy (GoFundMe: <https://www.gofundme.com/f/aeany-keep-city-lights-books-alive>). \$450,000 have been raised so far. They are also offering advance purchases, which customers will be able to collect as soon as the bookstore reopens.

“What strikes me,” says Tom Avendaño, a cultural journalist at *El País*, “is how quickly we have moved on from the previous situation and the traumatic period we are now experiencing. Right now, the barrier between the traumatic present and the very recent past is so big, so we are going to see a race

to publish new works of art (pieces of culture, rather) to gap these two realities. The Slovenian philosopher Slavoj Žižek has already published a book explaining the pandemic, so has Paolo Giordano. There are audiovisual projects already going on in HBO or in the Spanish public television to 'fictionalize' life during the quarantine. These works are very rarely interesting, the same way books and art produced immediately after 9/11 failed to find anything new to say -- there were over 1,000 nonfiction books about the attack published in the five-year aftermath, and 30 novels (one by John Updike, other by Don DeLillo), and a most them have been outdated. Ken Follet wrote a book about the cathedral of Notre Dame in the week following its tragic fire last year, and it was only interesting because it wasn't a journalistic description of the tragedy to what extent this role now belongs to social media is something we will discover in the next months."

Note II

The Great Cultural Depression

II.1 The creative economy, an economy unlike any other

II.2 The creative economy, an economy unlike any other

II.3 The sub-sectors of the creative economy

Conclusion

Conclusion

Unprecedented and sudden, the current health and economic crisis will lastingly impact the world of culture. What might be done? What might governments, foundations and the private sector do? Sean Buffington, vice-president of the Luce Foundation, which is heavily involved in the field of culture in the United States, has suggested a few ideas: "Is there anything that could be done—given the culture of funding culture in the US? I don't

know. Perhaps support for bond issuance by cultural non-profits? But that. would benefit only organizations with assets against which bonds could be issued. States could issue such bonds themselves and distribute the money but I suspect they will want to keep that powder dry for the economic recovery. Certainly, cultural non-profits should be included in and eligible for stimulus/recovery monies that become available in the coming months. Some have spoken of a new WPA Federal Art/Writers/Theater Project. It just seems very hard to imagine under the current administration."

Central to discussions in the United States is the National Endowment for the Arts (NEA), the US federal agency for culture. It has just released \$75 million for a programme called CARES (Coronavirus Aid, Relief, and Economic Security), which is aimed indirectly at cultural organisations, via state and regional arts agencies (40 %) and directly at non-profit organisations (60 %). However, shortly before the health crisis, President Trump called for the NEA, and another agency, the National Endowment for the Humanities, to be disbanded as part of budget cuts for the 2021 fiscal year, which begins in June....

The federal "Stimulus Relief for the Arts" plan, recently adopted by Congress, earmarks \$300 million for culture. Although this amount seems considerable at a glance, it is quite modest by American standards. Thus, hopes are being pinned on states and cities. In New York, while various forms of support have been established, their distribution has already raised tensions: although "emerging" artists are among the neediest, the schemes, being based on venues rather than individuals, are barely accessible to them. "The people who need help most will be the least helped," laments Brett Gleason. More

generally, the “relief” systems currently being devised target the most visible offerings — approved venues, major museums and large orchestras — rather than vulnerable individuals.

Henry Finder, editorial director of the *New Yorker*, sums up matters: “Federal aid may enable some vendors and publications to survive. Nonprofits and foundations have provided help to some newsrooms. But American political culture isn’t quite accustomed to extensive public support of media institutions and publishers. America’s Corporation for Public Broadcast operates with a budget that’s a fraction of that of the BBC. The U.S. stimulus bills that are being passed are in the name of propping up the overall economy and softening the economic devastation for affected individuals. There’s little talk about the value of local reporting, say, or maintaining our cultural infrastructure, and I don’t know that, in the halls of Congress, the political will can be found to direct financial assistance specifically toward those sectors.”

Outside the United States, economic stimulus programmes, “stimulus plans” and other “relief” plans are multiplying. Countless initiatives including a cultural component have been devised by public authorities or private foundations. An initial survey has been conducted by the think tank KEA European Affairs²².

In Switzerland, a relief programme recently launched, both at the federal level and by certain cantons or cities. The Federal Council swiftly approved an ambitious relief

programme, amounting to 280 million Swiss francs and co-funded by the cities. In the city of Zurich, for instance, it includes interest-free loans for all requesting institutions; cash advances for subsidised institutions; emergency aid up to 186 Swiss francs per day for artists suffering hardship; as well as substantial compensation for financial losses as a result of cancelled or postponed cultural events, etc.²³.

In Japan, the city of Tokyo has set up a relief programme, to provide roughly €1,000 in immediate aid for every cultural venue and for every applying artist; the guidelines for qualifying for these “relief” grants seem to be fairly flexible and open to everyone, including the youngest or most bohemian artists.

In Germany, a federal plan has been put in place by the Deputy Minister of Culture, Monika Grütters, while the states (Länder) have introduced their own schemes, some very ambitious, others less so²⁴.

In France, a relief and recovery plan, as yet modest, has been drawn up by the Minister of Culture, Franck Riester, who intends to widen the scale in May. On the other hand, significant aid has already been granted to affected enterprises, in form of tax exemption or loans, and to les intermittents du spectacle, as persons working intermittently in the performing arts or the audiovisual sector are called in France²⁵.

In Spain, however, no serious announcements have been made. This is a source of disappointment for young independent filmmaker Miguel Rojas Palencia: “Artists in our system are not recognised as workers:

²² <https://keanet.eu/collaborative-map-covid-19-policy-measures/>

²³ <https://www.stadt-zuerich.ch/kulturleitbild-20-23>

²⁴ See, for instance, “Grütters: Politik muss Künstlern in der Corona-Krise mehr Mut machen,” Mdr.culture,

23. April 2020. See also the data provided by the u-institut Backes & Hustedt GbR.

²⁵ “Franck Riester détaille les mesures en faveur du secteur culturel,” Le Monde, 17 April 2020.

they simply spend their time making art, at their own risk. In Spain, no subsidies and aid are available in the current situation. Recently, the Minister of Culture even stated that the cultural sector is not important enough to be helped as a priority in this crisis... .”

In Mexico, the government has set up a mechanism that Antonio Martínez Velázquez, the chief of staff at the Ministry of Culture, sums up as follows: “In the case of the Mexican government, we have undertaken three main actions for the cultural sector. First of all, the launch of the program ‘Contigo en la Distancia,’ which consists of a digital repository of all the aesthetic production of the Mexican State and a temporary employment space for artists and groups; second, a call was opened for independent scenic spaces. This call gives the opportunity to these spaces, now closed, to access financing of \$ 6,000 (USD) to overcome the pandemic; third, we have established the ‘function bank’ so that today it is possible to pay for plays or concerts that will be presented in the future.”

Almost everywhere, collective aid funds, characterised by original forms and atypical structures, are being conceived or have been established. Examples include the Artist Relief project in the United States or the Covid-19 Music Relief Fund launched by Spotify²⁶. Under its public service remit, Radio France has launched a major solidarity programme with artists by increasing the number of commissioned works, by bringing cancelled festivals to life on its stations and by broadcasting public theatre and concert performances in order to offset artists’ lost income. Not to forget the “One World,

Together at Home” concert organised by Lady Gaga on 18 April: even if this global event did not primarily serve to raise funds, it did at least provide a “feel-good” moment and artistic solidarity amid the constant health alerts.

Despite these numerous public and private initiatives, often generous or original, no large-scale “relief” plan exists — or not yet. If it were to materialise, would it mark, as many hope, a time of refoundation? A moment of reinvention for a new cultural world? In the meantime, and at the beginning of an unprecedented mass economic crisis, the Works Progress Administration set up by President Roosevelt after the 1929 crisis has not yet found its modern-day counterpart.

Frédéric Martel

Translated from French by Mark Kyburz

This first research note is part of a series of four notes published by the Zurich Centre for Creative Economies (ZCCE) on the economic consequences of the coronavirus.

SUGGESTED FURTHER READING:

Introduction – (Christoph Weckerle)

Note 1 – The WPA, Roosevelt and Artist Relief in America 1936–1939 (Frédéric Martel)

Note 3 – The Swiss Creative Economy: Some statistics-based reflections on the current debates in Switzerland (Roman Page, Christoph Weckerle)

²⁶ <https://www.artistrelief.org/> et <https://covid19musicrelief.byspotify.com/fr-fr>

Note 4 – Beyond the current debates: Alternative strategies for analysing the creative economy (Simon Grand, Christoph Weckerle)

ZURICH CENTRE FOR CREATIVE ECONOMIES (ZCCE)

The Zurich Centre for Creative Economies (ZCCE) is an international research centre of excellence dedicated to studying and analysing the creative economies and to transferring this knowledge into higher education and practice. Our fields of expertise are: Cultural Policies, Digitalisation, Smart Cities, Art and Design Careers, Criticism & Theory and Entrepreneurial strategies.

We work closely with our international partners, researchers, academics and startupper.

The Zurich Centre for Creative Economies (ZCCE) is part of Zurich University of the Arts (ZHdK).

Frédéric Martel, Academic Director
Eva Pauline Bossow, Managing Director

CONTACT

Zurich Centre for Creative Economies
Zurich University of the Arts
Toni-Areal, Pfingstweidstrasse 96
8031 Zürich, Switzerland
creative.economies@zhdk.ch
www.zhdk.ch/zcce

May 2020