

# EU support for artists and the cultural and creative sector during the coronavirus crisis

## SUMMARY

The EU's cultural and creative sectors (CCS) are a European Union economic and societal asset, providing an important contribution to GDP, and shaping identity and diversity.

Despite the significant contribution of the CCS to the economy and people's wellbeing, the situation of operators and workers in the sector is often precarious and their work seasonal. The outbreak of the Covid-19 pandemic particularly threatens the future of artists, creators and cultural operators, who are severely impacted by the enforcement of social distancing measures and the consequent postponements, cancellations or closures of events, live performances, exhibitions, museums and cultural institutions.

EU Member States reacted quickly to counterbalance the consequences of Covid-19 containment measures with support for cultural institutions and artists. At the EU level, measures have been introduced to protect the small and medium-sized enterprises (SMEs), which predominate in CCS; the self-employed, who are very numerous among artists and in CCS; as well as those who have lost their jobs, a constant threat for those working in CCS. Sector specific measures have also been discussed to protect the most vulnerable, including performing artists. A series of surveys and mappings of different sectors are planned to help design a path towards the sector's recovery from the confinement measures and the resulting change in audience behaviour.

The European Parliament, and its Committee on Culture and Education, call for sector-specific support measures and funds to be earmarked for those who have supported confined populations and health service professionals in particular, with their artistic output.



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## Background

Due to the outbreak of the Covid-19 pandemic in the EU, EU Member States have introduced various measures since February 2020, including social distancing, which puts many economic activities on hold. The confinement measures have put a strain on the cultural and creative sectors, where SMEs are [predominant](#), and numerous independent freelance artists do not necessarily benefit from [social protection](#) and unemployment schemes. The employment structure in the sector differs according to the domain of the cultural activity, as well as the Member State and region. Creators, their public and prosumers (i.e. who are both content consumers and producers) are also impacted by the lockdown measures aiming at tackling the pandemic. Member States and their regions were struck by Covid-19 outbreaks at different times, to different degrees and national and regional authorities have applied [different strategies](#) at different moments in response. This situation also has its consequences for artists, writers and the cultural and creative sectors.

Artists exposing their work in small galleries have missed a chance to make their names known, sell some of their work and have their costs at least partly covered. Theatre, dance and opera performances, concerts, exhibitions and art fairs have been [cancelled](#), with different consequences for small private companies, as well as public ones, which probably will also see their financing reduced, and prestigious state-funded public venues. With the exception of press shops, which sometimes offer a limited choice of books, further measures have included [closing bookshops](#), which have been trying to survive in the face of strong competition from digital books and press, and a [low interest](#) in reading. Music shops, cultural education institutions and enterprises, and freelance artists, share an uncertain fate.

Many artists and creators have remained active during the confinement period and organised themselves to offer [live concerts](#) or [art exhibitions](#) from their balconies and windows, or [streaming](#) them via digital messaging platforms. They continue to create and to offer their production generously to their public. Those who are lucky enough to be employed by public theatres, opera houses, concert halls, or art schools, can count on some [state-designed solutions](#) that cover all the staff.

For their part, freelance artists and creators who share their work for free need support to continue. Musicians need to practice and need time to do so, but they also need to pay their bills and taxes. While some artists and professionals have adopted a digital way to work, and thus can continue their activities and perhaps get paid, others have difficulties in monetising their works online. Writers and translators, who rarely survive on the revenue from their books, can continue, while other creative activities face difficulties. Art galleries are already showing their artists' works online, artists are reinventing their communication channels and business models and putting their works online via messaging platforms. Human creativity and innovation seem to have no limits.

## EU cultural employment and enterprises

Cultural activity has an economic as well as a social and [mental health](#) dimension, which is particularly important during the period of measures against coronavirus. It plays an important role in society and can be a factor in social cohesion when people with different backgrounds engage in a common artistic project. This dimension seems to be a strong feature of cultural participation around the EU, where despite the confinement measures, citizens are participating in various spontaneous cultural initiatives via social media. Similarly, artists are contributing their creations online for free to help people overcome the hardships of the pandemic. Nevertheless, culture is also an economic activity on which artists and cultural workers depend for their economic survival. The sector includes a range of actors, from independent and freelance artists and creators, SMEs, to big international corporations and public cultural institutions.

## Cultural enterprises

[Cultural enterprises](#) carry out, among other activities:

- creative, arts and entertainment activities;
- architectural, specialised design, photographic, translation and interpretation activities;
- manufacturing of: jewellery, printing, reproduction, musical instruments;
- publishing of books, newspapers, journals, periodicals, computer games, production of films, video and television programmes, sound recordings and music publishing;
- distribution of: books, newspapers, stationery, music and video recordings in specialised stores;
- renting of video tapes and disks.

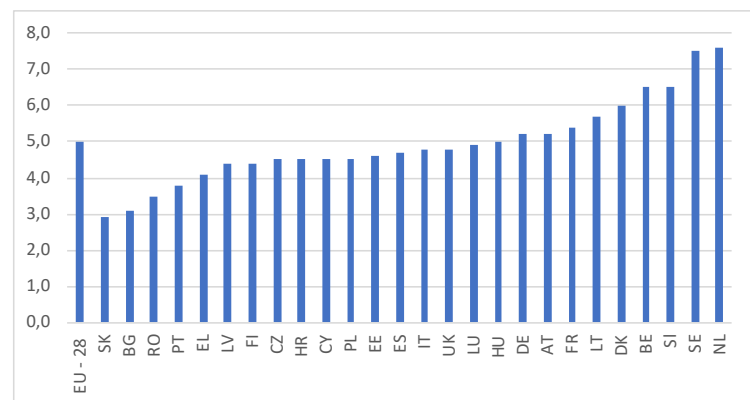
The share of the total number of cultural enterprises varies according to their activity. Architecture, design and photography account for [more than half](#) of the total, followed by film, television and music production, and printing and reproduction of recorded media, together with manufacturing of musical instruments and jewellery at above 12 %. Retail sales in specialised stores stands at less than 9 %.

Cultural enterprises, of which there are 1.2 million in the EU, account for around 5 % of all sectors (except finance) in the EU, but this share ranges between 7.6 % in the Netherlands and 2.9 % in Slovakia (see Figure 1). In 2016, the value-added share in the non-financial business economy was 2.7 % (€192 billion), almost equal to food manufacturing and slightly higher than the motor trade sector.

Italy has the highest share of cultural enterprises (see Figure 2) in the total number of cultural enterprises in the EU, followed by France, Germany, Spain and (previously) the United Kingdom. These five Member States accounted for almost 60 % of cultural enterprises in the EU in 2016. They also accounted for 79 % of added value produced by the sector (see Figure 3) in the same five Member States. In Spain and Italy, which have struggled with the consequences of the 2008 financial crisis and are currently the Member States most hard-hit by the pandemic, also figure among those with a high share of cultural enterprises in their economy.

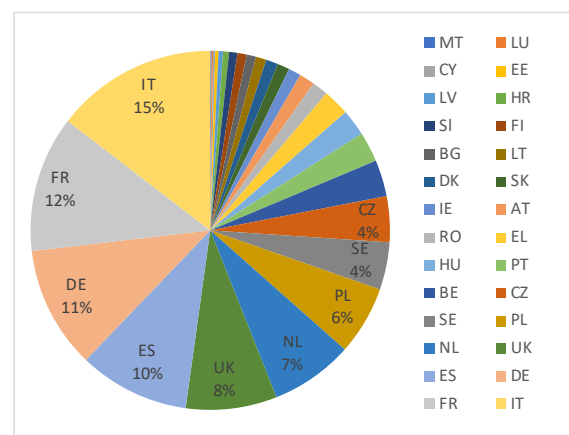
As in other sectors of the EU economy, the majority of cultural enterprises are [SMEs](#) employing [three persons](#) per enterprise on

Figure 1 – Share of cultural enterprises in all non-financial EU enterprises, 2016, in %



Source: [Culture Statistics](#), European Commission, 2019.

Figure 2 – Cultural enterprises in Member States, as % of total EU cultural enterprises

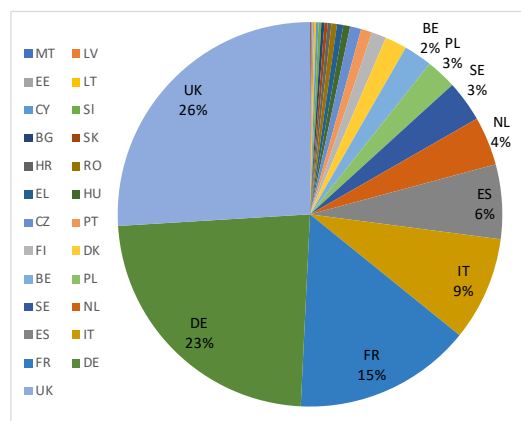


Data source: [Eurostat](#), European Commission, 2017.

average, varying between 1.5 persons in Czechia and 4.5 in Denmark. A majority of those in the EU-28 who work in photographic activities (82.9 %) and in specialised design activities (74.8 %), was employed by micro-enterprises that count less than 10 persons.

The five-year survival rates for new cultural enterprises varies according to the Member State and is more than 50 % in Belgium (64 %), the Netherlands and Sweden, while it was consistently below this rate in Denmark, Germany, Spain, Italy, Hungary and Portugal. Film, video, TV programme production, sound recording and music publishing had the highest chances of five-year survival except for in France, Denmark and Spain which recorded lower survival rates in this activity than their service economy's average.

Figure 3 – Value-added by Member States' cultural enterprises, as % of total EU cultural enterprises' value added



Data source: [Eurostat](#), European Commission, 2017.

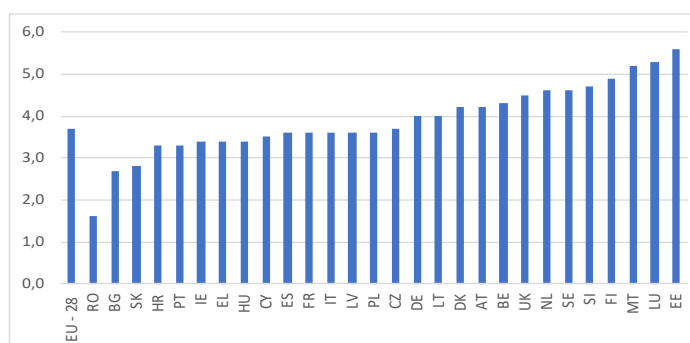
[Creative, arts and entertainment](#) are among the cultural enterprises with lower five-year [survival rates](#) on average than all service economy firms, with disparities among Member States and domains of activity. The Netherlands again had a 12.8 percentage points higher five-year survival rate for creative, arts and entertainment enterprises than the average for all services in the business economy, while in Italy, France and Belgium, the rate was 10 percentage points lower than the rate for all services in the business economy. Less than one third of the creative, arts and entertainment enterprises created in 2011 in Germany, Spain, Lithuania and Italy had survived after five years.

These features can have significant repercussions for the sector once the pandemic is over and the economy needs to push the restart button.

## Cultural employment

In 2018, 3.8 % (8.7 million) of all those [employed](#) worked in the cultural sector (see Figure 4), ranging between 5.6 % in Estonia, 5.3 % in Luxembourg and 5.2 % in Malta, and 1.6% in Romania, 2.7 % in Bulgaria and 2.8 % in Slovakia. However, the proportion of [self-employed](#) people is more than double the average rate in the EU: self-employed people accounted for almost 14 % of total employment in the EU-28 and more than 30 % of cultural employment in 2018. In the Netherlands, Germany and France, the self-employed were about three times more numerous in the cultural sector than in total employment (see Figure 5).

Figure 4 – Cultural employment as % of total

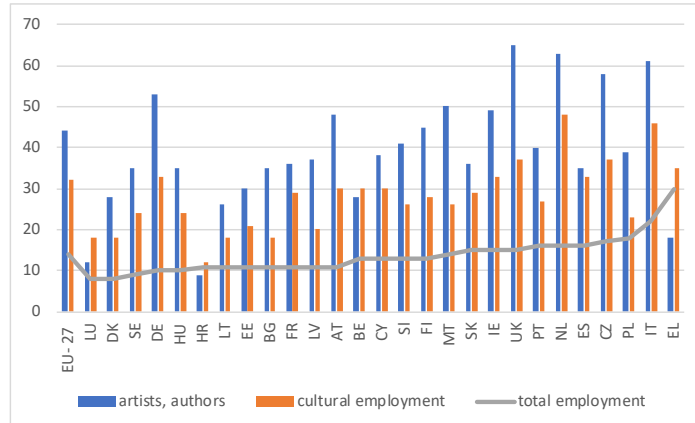


Data source: [Eurostat](#), European Commission, 2018.

Over two million artists and writers (including interpreters, translators, journalists, creative and performance artists) in the EU-28 account for almost one quarter of all cultural workers and nearly a half of them (48 %) are self-employed, a proportion even higher than in cultural employment in general (33 %) and almost three times higher than in total employment in 2018. However, in some Member States the proportion is even higher. Three out of five artists and writers are self-employed

in the United Kingdom, the Netherlands and Italy, with Czechia and Germany coming just behind, and one in two in Austria, Malta and Ireland.

Figure 5 – Self-employed in cultural employment and total employment, in %



Data source: Eurostat, European Commission, 2018.

Cultural employment is [precarious](#) by nature, with seasonal employment in music and live performance summer festivals, as well as a high share of self-employed people, and a smaller share of full-time employment. In 2018, some 86 % of employees in the EU-28 had a permanent employment contract, while only [77 %](#) were full-time employees in the cultural sector. However, less than two-thirds of all artists and writers (who were employees) in Spain (64 %) and Poland (65 %) had a permanent contract. In France, this share was particularly low (60 %), compared with the share of employees across the whole

national economy with a permanent contract (83 %). The difference of 23 percentage points was the largest recorded among any of the EU Member States. Gaps of 10 % were also registered in Belgium, Malta, Italy, Ireland and Sweden.

## Coronavirus consequences for the cultural sector

A recent study<sup>1</sup> on the economic impact of social distancing measures in France seems to confirm that, due to administrative closures, the 'arts and leisure' together with 'hotel restaurants' sectors are the hardest hit by the measures in place to tackle the coronavirus pandemic. The study evaluates the impact on the growth of valued added after six weeks of social distancing on the sector, among the most affected, at [-7.7 %](#), with an average drop in the country's gross domestic product (GDP) of [5.4 %](#), on a scale ranging from -9.2 % in Bulgaria and -4.3 % in Denmark.

An Organisation for Economic Co-operation and Development [OECD](#) study of March 2020 evaluates the potential initial impact of partial or complete shutdowns on private consumption in some G7 economies. It points to the highest, almost 10 %, decline in spending on recreation and culture in the United Kingdom, followed by -7 % in Germany, -6 % in France and -5 % in Italy, with obvious consequences for the sector and its workers. In many EU Member States the economy has slowed, cultural institutions are closed and events are cancelled. Enterprises whose activities have stopped or diminished significantly are at risk of collapse.

As the OECD demonstrates, the risks are high for creators, artists and those working in the entertainment sector – a group of workers who are already vulnerable. With potentially large numbers of people out of work and their disposable income drastically lowered, cultural expenditure risks not being a priority for consumers. This shows that the current impossibility for people to earn a living in the sector, will be followed by diminished audience expenditure on culture and leisure.

A [study of the impact of the 2008 financial crisis](#) on the management of cultural and creative industries<sup>2</sup> points to a possible decrease in public funding, leading to the disappearance of many arts and heritage initiatives and downsizing of the sector to a mix of commercial and elitist cultural initiatives and organisations. It also warns against the risk for young and avant-garde professionals,



whose activities may not survive. Such a situation could undermine cultural diversity, with severe consequences for those Member States particularly vulnerable to the pandemic.

However, the current pandemic is different in nature – similarity to the 2008 financial and the subsequent economic crisis would result in the sanitary crisis, and more or less strict lockdown measures, leaving the economy on hold for only a few weeks in particular Member States. The pandemic has resulted in individual artists, and creative and cultural enterprises being locked-down for an unpredictable period and unable to continue their activity, unless they have the possibility to go digital, and in the best-case scenario, when they are already strongly present on the internet and able to monetise their output.

## A digital cultural offer during coronavirus quarantine

The OECD's [digital toolkit](#) presents the situation of individuals facing the challenges of digital technologies. The data highlights inequalities depending on age and income, pointing to the OECD average 71.6 % of 55-74 year-olds using the internet and a 75.1 % average of households with the lowest income. In the EU, the situation also differs according to Member States and regions, regarding their digital infrastructure, its availability, the quality of connections and obviously, the population's access to digital equipment. The digital divide as concerns equipment, the quality of connection and skills, will deepen social and professional inequalities.

Such a situation, with obvious differences among Member States, regions and social groups, has an impact on the possibility for cultural sector workers to go digital and continue their activity, particularly in cultural and creative sectors where employment is precarious. It is also an additional hurdle for artists, writers and newly launched cultural and creative enterprises, which face [competition](#) from well-established dominant cultural and creative content providers, with possible consequences for cultural diversity as the study on the 2008 economic crisis indicates. The situation can have a heavy impact on artists and CCS in Member States particularly vulnerable to the pandemic. It could be further undermined by a [strong audio-visual presence](#) in the EU of operators representing dominant global players, who offer hours of films and entertainment to people in coronavirus-linked quarantine all over the world, while local performing artists suffer heavy financial consequences, as do closed bookshops, cinemas, museums and exhibitions.

On the other hand, it seems that the [demand for digital](#) cultural content and e-sales of cultural goods and services have grown among populations under confinement measures. Some are already users of video on demand (VOD) or subscription video on demand (SVOD) to watch films, or subscribe to music streaming services, or e-commerce platforms – most often international corporations, buy e-books or read newspapers online, others continue to consume pirated<sup>3</sup> content. To address cultural needs, cultural institutions such as concert halls, opera houses, theatres and museums have made their productions and exhibitions available [online for free](#). They are joined by individual artists, actors, singers, visual artists, or event musical ensembles, who [stream](#) their current or past work for free.

Questions however remain on what behaviour will result from this period of digital cultural consumption for free. Will artists who have streamed their productions for free manage to monetise their work once life returns to normal? Will new artists emerge from this period of intense prosumer activity and be able to continue their creative work? Will cultural institutions increase their outreach to new audiences and be operational with potentially reduced public funding? Will traditional music and bookshops, closed during the pandemic, survive the even

### Cancelled concerts and operas live online

As early as 12 March 2020, the [Berliner Philharmoniker](#) orchestra livestreamed a cancelled concert on their 'Digital Concert Hall', as the first in a series of concerts available for free.

Opera houses are also online and presenting their previous productions. Those participating in the EU Creative Europe supported project for livestreaming their performances, 'Operavision', have a platform ready for disseminating their generous and free offer, used for instance by [Opera Comique](#) in Paris, which has also adapted its offer for children.

stronger competition of big international platforms selling books and recordings? Will small cultural venues be able to operate?

## Member States support culture, culture supports people

Individual Member States have introduced different measures at different times, often tightening them progressively. Nevertheless, one of the first measures was to cancel major events and public gatherings. This meant museums, art galleries, theatres, opera houses, concert halls, cinemas and festivals were the first to be shut down, together with restaurants and cafés. Exhibitions in major museums with tickets booked long in advance were cancelled and visitors were reimbursed or given vouchers, while the costs of such expensive events still need to be covered.

### Face masks produced in opera houses

Public cultural institutions all over the EU are contributing to the effort to tackle the coronavirus pandemic. For example, costume workshops in opera houses in Brussels, Paris or Bonn are producing face masks for health professionals to help cope with a general shortage of this essential protection against Covid-19.

Source: Newsletter [Musiq'3](#), 1 April 2020.

According to data provided to and gathered by the European Parliament's Committee on Culture and Education, almost all Member States have put or plan to put in place specific measures to address difficulties experienced by the cultural sector and artists. Various support measures for SMEs, such as deferred tax payments or social and unemployment contributions can also cover CCS firms, as well as freelance and independent workers. Some Member States, such as [Slovakia](#), will use the EU Social Fund to support self-employed people (including artists and cultural workers), who are inactive due to the coronavirus pandemic.

While [French cultural workers](#) have called for support for all those heavily impacted by the cancellation of cultural events, festivals, book fairs or live performances, the French government proposed [supportive measures](#) on 19 March 2020, such as modifying the rules of the country's specific unemployment scheme for artists and technicians in the sector (*intermittents*). It further announced, among other measures, that artist-authors could benefit from support proposed for enterprises negatively impacted by the pandemic with a [lump sum](#) from a solidarity fund, as well as delay in payment of various bills, rents, and taxes and social contributions. The French government also called on cultural operators to pay copyright dues and promised to reconsider the distribution of rights collected via the private copyright mechanism and the collective management rights system for the benefit of artist-authors in difficulty.

On 17 March 2020, [Germany](#) also recognised the importance of its artists and cultural and creative sectors and the additional burden of cancellations of events due to the coronavirus pandemic, and promised to support state sponsored activities (theatres, concert halls, and opera houses, exhibitions and projects), suggesting wherever possible that events are replaced by their digital versions.

This support initiative was welcomed by the Culture Council of Germany (Deutsche [Kulturrat](#)), which also stressed the importance, size and high proportion of freelancers and SMEs and the precarious nature of employment in the sector. The federal authorities earmarked [€50 billion](#) in support for freelance artists and cultural and creative SMEs, together with many other measures such as access to basic insurance, support for families with children, or tax relief.

Decisions on support for the cultural sector and artists are also taken at regional level, as for instance, the [Nord Rhein Westfalen](#) authorities earmarking of €120 million in support for cultural institutions and actors, as well as a one-off payment of up to €2 000 for freelance artists whose events were cancelled due to the pandemic.

Cultural events in Italy were cancelled as of 9 March 2020, and on 16 March, exceptional [indemnities](#) and measures for enterprises to cushion effects of unemployment were allocated for those from

tourist and cultural sectors with an emergency fund of €130 million for workers, authors, artists, performing and interpreting artists in the film industry, live performance and audio-visual sectors.

In Belgium, Wallonia and Brussels authorities earmarked [€50 million](#) for culture, sports, and childhood and youth policies, with a focus on culture and childhood sectors. Belgian federal authorities plan to introduce various measures to support the sector, which is suffering from the consequences of about ten thousand cancelled cultural events during the summer festival high season. Cultural initiatives in Belgium include [concerts](#) on social media, which also host museums, [exhibitions](#), festivals, cultural events or individual artists. On the other hand, in January, just as the outbreak of Covid-19 was announced officially in China, [Flemish](#) regional authorities cut funding for culture considering it 'non-essential'.

### Promoting culture during pandemic

[Italy](#) also launched a promotional campaign disseminating its artistic and cultural richness, and entertainment across the world. It offers access to the resources of archaeological sites, archives, libraries, festivals, theatres, films, museums, and live entertainment, in an effort to project a positive image of a country suffering greatly from the Covid-19 pandemic.

## European Commission

Social distancing was one of the [recommendations](#) issued by the European Commission at the outbreak of the pandemic. It consisted of 'closure of social and cultural meeting places such as bars, nightclubs, restaurants, cafeterias, museums, theatres, cinemas, sports clubs, etc.' and the recommendation that 'all mass gatherings (sporting events, concerts, festivals, conferences, trade fairs, parties, political rallies, etc.) must be stopped and, generally, gatherings should be discouraged'.

As cultural policy is not an EU competence, EU level action in the cultural field in responding to the coronavirus crisis is limited to the task of supporting Member States in their efforts to promote cultural heritage and diversity, as well as the mobility of cultural professionals, artists and their work. The coronavirus pandemic has created a situation requiring exactly such actions to accompany Member States in their support for their artists and cultural sectors, so that a rich and diverse cultural offer is preserved in the EU and that the pandemic does not affect European cultural heritage and its workers, or artists' mobility, capacities and skills.

[Support measures](#) proposed by the Commission in the second half of March 2020 can help SMEs in the cultural and creative sectors. Recognising the economic costs of social distancing, on 19 March, Executive Vice-President [Valdis Dombrovskis](#) announced the EU priorities for efforts to cushion the impact of Covid-19 on the EU economy, such as the protection of workers and self-employed.

Moreover, the Commission provided for more flexibility, via a [temporary State-aid framework](#) which specifically mentions culture among the most badly-hit economic sectors as concerns employment due to anti-Covid-19 social distancing and confinement measures. The framework covers Member States' decisions to make generally applicable changes in favour of businesses, such as deferring taxes, or subsidising short-time work across all sectors, enabling Member States to use the full flexibility provided under State aid rules.

The actions covered include:

- direct grants, selective tax advantages and advance payments: schemes to grant up to €800 000 to a company to address its urgent liquidity needs,
- state guarantees for loans taken by companies from banks,
- safeguards for banks that channel State aid to the real economy.

Such actions targeting companies that suffer damage due to the Covid-19 outbreak are particularly useful in support of heavily-hit sectors. Among them, the European Commission approved €20 billion in [Spanish](#) guarantee schemes supporting companies and the self-employed affected by



the pandemic. Similarly, a [Dutch](#) request concerning a €12 million scheme to compensate for cancellations of large public events due to the Covid-19 outbreak has also been approved. Many more Member States have also requested the approval of support measures for SMEs.

The framework was later completed with [financial measures](#) such as a €37 billion [Coronavirus Response Investment Initiative](#) (CRII) to support not only healthcare but also SMEs and the labour market and other vulnerable elements of EU economies. The initiative is accompanied by €28 billion from the structural funds, which cover labour market issues, and the EU [Solidarity Fund](#) (EUSF), which can play an important role in showing EU solidarity with Member States dealing with emergency situations. The European Commission proposed to raise the level of advance payments compensating for individual disasters of all categories from 10 % to 25 % of the expected EUSF contribution, limited to a maximum of €100 million (raised from the current €50 million level). The financial contribution shall be granted for operations, such as among many other measures, the protection of cultural heritage and contributing to the cost of restoration (only up to the estimated cost of returning it to its previous status). This instrument was previously put in place to help earthquake-stricken areas in Italy where cultural heritage sites were destroyed.

On 2 April 2020, the European Commission proposed a new Covid-19 related European instrument for temporary support to mitigate unemployment risks in an emergency ([SURE](#)). The SURE scheme should also unlock further funding for SMEs and the self-employed in the CCS within a mechanism of [short-time work schemes](#) in most EU Member States. A European scheme could provide more universal cover than national schemes, and could also enhance protection for people facing a high risk of poverty in face of the pandemic.

The Commission also reacted to lockdown measures in many Member States, which put numerous events and projects under the Creative Europe programme, the only one devoted exclusively to cultural and creative sector, on hold. Within the programme it proposed measures, such as:

- flexibility for extended deadlines for current calls for proposals;
- *force majeure* clause for current projects in difficulties due to the Covid-19 outbreak;
- €5 million for cinemas affected by the pandemic in form of vouchers;
- redirection towards virtual mobility and digital culture of a €2 million call for projects (May 2020) in a support scheme for cross-border dimensions in performing arts;
- more support for translation of literature – call currently under selection procedure;
- debate on practicalities of an enhanced use of the Cultural and Creative Sectors Guarantee Facility currently available under the programme;
- creation of two platforms – one for Member States and one for the sector to share solutions and ideas;
- [#CreativeEuropeAtHome](#) campaign offering artists and cultural operators under the programme a possibility to showcase their work. Innovation, Research, Culture, Education and Youth Commissioner Mariya Gabriel, Internal Market Commissioner Thierry Breton and the Commission will share some of them on their Twitter accounts.

Commissioner Mariya Gabriel [announced](#) possible medium and long-term measures in the next multiannual financial framework, targeting the CCS and potentially supportive of them:

- Horizon 2020, cluster 2 on culture;
- European Institute of Innovation and Technology, which will include a new Community of Innovation and Communication devoted to culture and creative industries.

## Council

A Council videoconference of [Ministers of Culture](#) on 8 April 2020 allowed for an exchange of information and practices, and offered the Commissioner Mariya Gabriel an occasion to sum up EU-level efforts targeted towards support for artists and the cultural sector. The measures

mentioned by the Commissioner showcase the solutions proposed at the EU level to be used by Member States according to the needs of their cultural and creative sectors and artists.

## European Parliament

On 26 March 2020, the [European Parliament](#), in an extraordinary plenary session, adopted urgent legislative proposals aimed at tackling the effects of the pandemic, making €37 billion available from the Cohesion Funds for Member States to address the consequences of the crisis, and the Commission proposals on a Coronavirus Response Investment Initiative. They supported the idea of including the current Covid-19 crisis as a major public health emergency to be covered by the EU Solidarity Fund, to support Member States and accession countries hit by major natural disasters.

During its April plenary session, Parliament approved temporary [flexibility measures](#) in the use of the European structural and investment (ESI) funds for actions dealing with the impact of the coronavirus induced crisis to be financed up to 100 % from the EU budget between July 2020 and June 2021, together with greater simplification and flexibility in the rules on funding allocation that the European Commission proposed as part of the second Coronavirus Response Investment Initiative (CRII+). In a [resolution](#) adopted on 17 April 2020, Parliament underlined the special nature of the creative sector and the difficulties faced by artists and called on the EU to provide support.

## Committee on Education and Culture

The European Parliament's Committee on Culture and Education issued a [call](#) to the EU and Member States to support cultural and creative sectors facing the consequences of the pandemic related lockdowns, affecting cinemas, small concert venues, theatres and museums already on 17 March 2020. It highlighted performances made available online for free by individuals and small businesses whose economic survival is in question.

On 27 March 2020, [Committee Chair](#) Sabine Verheyen (EPP, Germany) stressed the imperative for businesses and individuals in the cultural and creative sector to have access to the financial support from the CRII adopted by the European Parliament during its [extraordinary session](#) the previous day. The Committee pressed the Commission to mobilise additional sources of funding among existing programmes to complement the considerable efforts at national level. The Committee is also of the opinion that EU support can most usefully be delivered through access to bridging loans and to other finance and proposes three basic options:

- The [Cultural and Creative Sectors Guarantee Facility](#) under Creative Europe is a relatively new instrument operating since [June 2016](#) and tailored to the needs of CCS SMEs. The programme as such does not offer sufficient solutions as it has a tiny part (0.14%) of the EU [funds](#) at its disposal, but the guarantee can help address the cash flow problems of small creative companies. The Facility, managed by the [European Investment Fund](#), has been moved to a new programme, InvestEU, for the next Multiannual Financial Framework (2021-2027) still under discussion.

In the Committee on Culture and Education's point of view, an extension of the existing programme seems inevitable. It suggests two ways of topping it up: direct increase of the Creative Europe budget or additional funding through the [European Fund for Strategic Investments](#) (EFSI), put in place under 2014 Juncker's [Investment Plan for Europe](#). However, more money for the current Creative Europe programme is unlikely to yield enough additional funding to cope with the current huge difficulties. Moreover, the discussion on its future budget has been deadlocked since December 2019 due to Council opposition. Concerning EFSI, to March 2019, the top-up provided [€60 million](#) with a potential €70 million added to the Facility, and a cash injection of a similar order could be envisaged again. The Committee is of the opinion that using the existing Facility, tailored to the specific needs of the cultural and creative sectors, would be the preferred option. Banks delivering loans to CCS SMEs have gathered expertise in evaluating the risks in the sector, which under the current circumstances

is a precious advantage. The Committee suggests two more existing instruments as solutions (see below).

- EFSI can provide access to finance for SMEs in cases where there is a market failure or where investment conditions are sub-optimal. This is clearly the current situation. The Commission could work with the European Investment Fund to channel direct support to the cultural and creative sector. The Juncker plan did not specifically mention the CCS and the past record of EFSI support for the CCS is weak. However, creative industries are included if they relate to the [digital sector](#) which has received [9 % of investment](#). Some cultural and artistic activities could potentially be regarded as social and also covered under the [social sector](#).
- The [European Investment Fund](#) (EIF), through its regular lending operations, provides access to credit and finance to SMEs. The Commission, with the EIF, could ensure that support is channelled to the CCS, potentially through an ad hoc financial instrument for the sector.

On 20 April 2020, the Committee sent [letters](#) to Commissioners Gabriel and Breton, stressing the urgent need to support media hit by an 80 % decline in advertising revenues and playing a crucial role in countering disinformation campaigns. It called for further efforts to provide more targeted support for individual artists and the EU creative sectors and to ensure the money reaches them.

## Artistic and cultural organisations' reactions

Many professional organisations from the cultural and creative sectors and artists have launched surveys on artists' and other sector workers' conditions resulting from the pandemic. The information gathered will feed into recommendations for further support for the sector to recover from the effects of the pandemic.

The Network of European Museum Organisations ([NEMO](#)), supported by the Creative Europe programme, has launched a [mapping](#) exercise of the effects of coronavirus on museums, fearing the majority of European museums would have difficulties to reopen. Its initial [results](#) confirm hardship experienced by museums under the lockdown and their need to 'invest in Europe's museums now and in the future, to mitigate the losses and to support what binds us together'.

Together with the Culture Action Europe and European Cultural Networks, platforms and cultural organisations, on 20 March 2020, NEMO issued a [joint letter](#) to Commissioner Gabriel proposing measures to cope with the impact of the pandemic on CCS and for the Creative Europe programme.

The authors of this call asked for flexibility as concerns eligibility periods for projects and the framework, eligibility of costs so that cost related to cancelled events and projects would still be eligible, a 'solidarity fee' for freelancers whose events and projects were cancelled, flexibility in the format of a planned event, and additional funding for losses due to participation fees and refunds.

[BEA Music](#), the representative organisation of producers and distributors of music and entertainment in Belgium, called for a greater share of Belgian artists on radio and television to support the artists via the copyright generated by their presence on public media.

## Perspective

The live performance sector will suffer further consequences in relation to the likely cancellations of summer festivals and cultural events, a key source of revenues in the sector. In its 15 April 2020 [roadmap](#) on recommendations, the European Commission recommends that mass gatherings such as concerts and festivals are the last, fourth, stage of lifting any confinement measures. Meanwhile, the Commission and the European Parliament's Committee on Culture and Education are considering more targeted support measures and ways to adapt existing programmes to offer more specific support for the cultural sectors and artists most affected.

In this respect, in April 2020, [Unesco](#) and the [OECD](#) launched initiatives where artists and cultural sector specialists highlighted the role of culture and artists for social [cohesion](#) and mental health

during confinement measures, an urgent need to maintain the vivacity and diversity of the sector, preserving its employment, and to include culture as a driver of post-coronavirus change. For this ambition to become reality, it is important to pursue digitisation, to close the digital gap both among artists and consumers, to ensure cultural inclusion and diversity, and to monetise artists' and creators' production provided online. The EU [Copyright Directive](#) needs to be fully implemented to protect creators' rights against international digital corporations that make content created in the EU available without paying due rights or taxes. Such measures are important to ensure a proper ecosystem for both private and public creative sectors, and to safeguard the cultural diversity of small local companies and venues, including outside the digital environment.

## ENDNOTES

- <sup>1</sup> J.-N. Barrot; B. Grassi; J. Sauvagnat, '[Sectoral effects of social distancing](#)', April 2020.
- <sup>2</sup> L. Bonet; F. Donato; '[The Financial Crisis and its Impact on the Current Models of Governance and Management of the Cultural Sector in Europe](#)'; *ENCACT Journal of Cultural Management and Policy*, December 2011.
- <sup>3</sup> S. Witt, 'How Music Got Free. What happens when an entire generation commits the same crime?', The Bodley Head, London, 2015.

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