



CULTURE ACTION EUROPE'S CONTRIBUTION TO THE COMMITTEE OF THE REGIONS' WRITTEN STAKEHOLDER CONSULTATION ON "THE RESTART OF CULTURAL AND CREATIVE SECTORS"

Rapporteur: Giuseppe Varacalli

1. According to your own experience and knowledge, what was the impact of the COVID-19 pandemic on cultural and creative sectors in the EU? Which sectors do you think were most affected?

The Culture and Creative Sectors (CCS) all over Europe are hard hit by the COVID-19 pandemic. As the biggest umbrella organisation representing the cultural and creative sectors at a European level, [CAE rapidly reacted to the outbreak of COVID-19](#) and, among other things, aimed to clarify issues and challenges the cultural CCS are facing.

Together with the European Cultural Foundation (ECF), CAE mapped together the emergency initiatives and measures across Europe to tackle the effects of the Covid-19 crisis on the arts, culture, creative sectors and cultural heritage (compensations, dedicated funding, combined efforts or public and private actors, information sharing etc.). The mapping was conducted through a survey with the goal to identify the gaps between these measures and to pull together more resources and share them widely with cultural actors across Europe and beyond. The report on the findings was published at the end of June.

Based on a series of "deep interviews" with 103 of its members (European and national networks, organisations, and individual members), CAE collected information on surveys conducted by our members and on how COVID-19 is affecting them and the main challenges they will face post-pandemic. The discussion also included collecting together the surveys our members know about.

Uncertainty now and about the future is the main issue raised by most of the respondents of the CAE-ECF survey. Temporary loss of jobs and incomes, closing of art venues, workshops, ateliers and the cancellation of entire programmed portfolios of cultural, educational activities, international mobility, touring, training, and other services, led to serious financial issues (cash-flow) for cultural organisations. **The crisis revealed the vulnerability of the independent cultural sector and the freelance/self-employed artists, cultural and creative workers.** The sectors affected by the crisis most immediately are those related to and dependent on live performances.

Another key challenge is the **need for fiscal and financial support from governments that would allow the CCSs and individual actors to overcome the negative consequences of the crisis** both in short and long terms. Such governmental measures could include tax reduction, favorable loans, microcredit, credits with no interest etc. Regional and local governments (federal regions, cities, municipalities) provide substantial support directly to the individuals and organisations operating on their territories.

The types of support, **which could also benefit from European schemes such as SURE and REACT-EU**, vary from direct compensation for wages, allow using the full awarded subsidies for projects, launching dedicated one-off schemes, tax and rent exemptions, as well as other solidarity measures, e.g. legal, financial or other advice and guidance for individuals and organisations, information resources and platforms etc.



2. What is your assessment of the EU response to the coronavirus outbreak and the measures and actions put in place in support of the cultural and creative sectors? What are your expectations from the future Creative Europe programme? What is still needed for the restart of cultural and creative sectors?

Cultural workers and organisations must be given the space and the time to re-start their work both during the pandemic and in the post-pandemic situation, with appropriate safety protocols and security measures. Instead of being pushed to reinvent their models immediately, cultural and creative workers need **substantial transition support** in the first place - by the public institutions in their countries, by the local authorities (where they are based), by the philanthropic sectors locally, as well as by the EU. This adds urgency to the **need to improve the working and social conditions of artists and creative professionals**, which can be done by adopting a "European statute for the artists", also as an outcome of the Open Method of Coordination that will be kicked off in 2021, as foreseen in the Council Work Plan for Culture. **An ever-stronger role for the European Union in culture is emerging**, as well as the **key contribution of CCS to the recovery of Europe**, as stressed by the recent resolution by the European Parliament on the matter.

In the past months, the EU has announced a number of horizontal as well as sector-specific measures. Horizontal measures such as the temporary framework enabling State aid, the investment and support scheme to mitigate unemployment risks (SURE) and the structural funds of the Coronavirus Response Investment Initiative (CRII and CRII+) are dedicated to support Member States. Despite a few exceptions, many representatives of CCS at national and local levels, however, have had very little experience in seeing these instruments being implemented for culture and CCS.

These immediate efforts are now complemented by the historical Recovery Fund "Next Generation EU", 90% of which is channelled to Member States through the Recovery and Resilience Facility (RRF). Starting mid-October, Member States will submit their draft national recovery and resilience plans to the European Commission, detailing how they will spend the RRF funds. Already in May, CAE made it clear that a significant percentage of the recovery money should be devoted to culture and CCS, as one of the top affected sectors by the pandemic. **We join the call made by the European Parliament to earmark at the very least 2% for culture in the national RRF plans.** However, considering the EU GDP contribution of the cultural and creative industries (4,4%) and a wider economical impact of non profit cultural organisations, CAE and ECF called for an earmarking of 7% in the RRF.

The national recovery strategies, however, do not address the specific value of European cultural cooperation, which has been hindered by the mobility restrictions imposed by public bodies all over the continent. **Creative Europe still is the only EU programme specifically dedicated to support and fund transnational cultural cooperation and foster Europe's cultural diversity.** It is a long-standing generator of cultural innovation across EU borders and its importance in the next programming cycle 2021-2027 should be upheld and further strengthened.

Parallel to this, it is vital to mainstream culture across the whole Multiannual Financial Framework (MFF), especially through Horizon Europe and the regional development funds.

The COVID-19 crisis has not yet shown its mid-term or long-term impacts, but it is an opportunity, for example, to **design the new Horizon Europe programme towards experimentation and research-driven innovation.** This means including **artistic research** and cross-disciplinary processes with other fields in its work programme, as well as involving civil society organisations and other public interest groups in co- designing the programme topics.



Digitisation of existing cultural production, as well as museum collections and cultural heritage, has been boosted by public subsidies. Governments, including local authorities, and private donors could further explore new ways of promoting, distributing and accessing arts and cultural content – locally and nationally. a new Just Transition Fund with financing coming from EU cohesion policy.

3. How can we ensure that cities and regions are aware of measures and initiatives put in place for CCS in the EU? How CCS can better participate in the latest proposals for Creative Europe, Horizon Europe, REACT EU, SURE, CRII+, the European Guarantee Fund, etc.?

It is not clear so far how the EU support to the national economic and social emergency packages would reach and affect the cultural and creative sectors in the EU Member States. Governments should therefore include culture and creative sectors in their national recovery and resilience plans, linking them to the seven flagship initiatives that have been outlined by the European Commission as the priority actions around which to structure the recovery.

Trying to monitor or capture the effects of the EU emergency support in as many EU Member states as possible would contribute to creating the much-needed good practices.

If no fresh support practically reaches the cultural and creative sectors across the EU in a short-or mid-term, this would result in deepening the existing gaps between these sectors in the different Member States. This would increase even further the need for more EU solidarity measures in the long run.

4. How can we ensure that special attention is given to culture and cultural heritage in the next programming period so that CCS are considered a priority at national level and allow for synergies with other policies and structural funding?

As hinted above, we believe that the national recovery and resilience plans should mainstream culture in all the seven flagship initiatives mentioned there. We need culture and creative sectors to be recognized as key areas for the EU's recovery plan and a key asset for building what will come next. We should raise awareness that there will be no real recovery if culture is left behind.

For this reason, [culture should also be upheld in the new MFF](#) through the various programmes and in particular by strengthening funds available for Creative Europe, the only source of funding dedicated to transnational cultural cooperation.

At the onset of the crisis, CAE called for solidarity between Member States and for a strong and united European response that respects foundations of the European Union and its core values in its letter "[Remaining together in times of crisis](#)". In a joint statement, European Cultural Foundation and Culture Action Europe urged the European Parliament, European Commission and the Member States to recognise CCS as an integral part of the economic, social and environmental recovery plan for Europe within the next Multiannual Financial Framework (MFF) 2021-2027 and to earmark at least 7% of the Recovery Fund for CCS.

5. What are, in your opinion, the best practices carried out by your countries and which could be exported to all Member States?

The COVID-19 has tested the capacities of national cultural policies of governments to assess, adapt and act in an unprecedented situation like this. It also revealed persistent issues in the existing public funding models, the lack of relevant data about the size and the contribution of the cultural and creative sectors etc., which in some cases delayed the emergency measures, or led to inadequate measures. We observed that there is



concentration and variety of measures at national level in some countries (like Austria and Belgium for example), and fewer measures in larger countries (Romania, Spain).

This is a function of national policy priorities, as well as on the gravity of the COVID- 19 health crisis (which pushed the priorities toward healthcare, unemployment and social systems). It will be interesting to assess how effective or useful these approaches were in these unpredictable times, as well as to extract and share good stories and learnings, especially about the concrete use of the EU emergency funding toolbox for CCS at national and regional levels.

Culture Action Europe's survey respondents pointed out the following measures as vital for their life and work:

- **Governments support for wages for cultural and creative** - Compensate for the losses of wages and fees, and social security for the individuals and organisations in the CCS.
- **Structural support for cultural and creative organisations (micro, small and medium)** – Enabling their basic functioning through specific financing. A number of respondents mentioned that culture and creative sectors are not specifically included in the SME support by their government. **It is not clear to what extent instruments such as SURE to uphold employment at the EU level have reached national CCS and concretely benefited them.**
- **Temporary tax relief for cultural and creative sectors** - Fiscal relief or postponing fiscal debt is vital for micro-entities and self-employed.
- **Flexible subsidies and grants, which are not too prescriptive** – Microand small organisations and not-for-profit activities would need some breathing space and time to recover from the losses and missed opportunities.
- **Measures to enable cultural and creative sectors to switch to new innovative and technological solutions.**
- **Additional support from the philanthropic sector,**
- **Targeted support from regions, cities and other local authorities**, also to give the CCS opportunities to network with peers as mobility becomes more and more hindered by the crisis.

6. How can we best promote culture as a key driver for strengthening the European identity and ensure a more prominent place in the discussion on the Future of Europe?

Before the crisis, Culture Action Europe, in collaboration with the Budapest Observatory and other CAE members and partners, collected relevant evidence substantiating the impact of culture across a range of EU policy fields in the publication [“The Value and Values of Culture”](#). The evidence included in this impact review demonstrates without doubt the EU added value of culture and the subsequent need to properly support the cultural ecosystem.

Culture has always been a vibrant social resource, able to heal wounds in times of crisis. Culture carries tremendous intrinsic value and contributes significantly to the economy. This is precisely why it should be put at the heart of the upcoming **Conference on the Future of Europe**.

This is an opportunity to engage in a democratic debate with citizens and civil society across Europe about our future and the future direction of the EU. Artists, creatives, cultural workers, and civil society organisations with their imagination and creativity must be made an intrinsic part of the process.



ABOUT CULTURE ACTION EUROPE:

Culture Action Europe (CAE) is the major European network of cultural networks, organisations, artists, activists, academics and policymakers. CAE is the first port of call for informed opinion and debate about arts and cultural policy in the EU. As the only intersectoral network, it brings together all practices in culture, from the performing arts to literature, the visual arts, design and cross-arts initiatives, to community centres and activist groups.

CAE believes in the value and values of culture and its contribution to the development of sustainable and inclusive societies.

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