



# Culture shock: COVID-19 and the cultural and creative sectors

7 September 2020

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Cultural and creative sectors are important in their own right in terms of their economic footprint and employment. They also spur innovation across the economy, as well as contribute to numerous other channels for positive social impact (well-being and health, education, inclusion, urban regeneration, etc.). They are among the hardest hit by the pandemic, with large cities often containing the greatest share of jobs at risk. The dynamics vary across sub-sectors, with venue-based activities and the related supply chains most affected. Policies to support firms and workers during the pandemic can be ill-adapted to the non-traditional business models and forms of employment in the sector. In addition to short-term support for artists and firms, which comes from both the public and private sector, policies can also leverage the economic and social impacts of culture in their broader recovery packages and efforts to transform local economies.

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## Summary

***Along with the tourism sector, cultural and creative sectors (CCS)<sup>1</sup> are among the most affected by the current crisis, with jobs at risk ranging from 0.8 to 5.5% of employment across OECD regions...***

The venue-based sectors (such as museums, performing arts, live music, festivals, cinema, etc.) are the hardest hit by social distancing measures. The abrupt drop in revenues puts their financial sustainability at risk and has resulted in reduced wage earnings and lay-offs with repercussions for the value chain of their suppliers, from creative and non-creative sectors alike. Some cultural and creative sectors, such as online content platforms, have profited from the increased demand for cultural content streaming during lockdown, but the benefits from this extra demand have largely accrued to the largest firms in the industry.

***...and the effects will be long lasting due to a combination of several factors***

The effects of the crisis on distribution channels and the drop in investment by the sector will affect the production of cultural goods and services and their diversity in the months, if not years, to come. Over the medium term, the anticipated lower levels of international and domestic tourism, drop in purchasing power, and reductions of public and private funding for arts and culture, especially at the local level, could amplify this negative trend even further. In the absence of responsive public support and recovery strategies, the downsizing of cultural and creative sectors will have a negative impact on cities and regions in terms of jobs and revenues, levels of innovation, citizen well-being and the vibrancy and diversity of communities.

***The crisis has sharply exposed the structural fragility of some producers in the sector...***

Cultural and creative sectors are largely composed of micro-firms, non-profit organisations and creative professionals, often operating on the margins of financial sustainability. Large public and private cultural institutions and businesses depend on this dynamic cultural ecosystem for the provision of creative goods and services.

***....and the inadequacy of public support schemes ill-adapted to CCS business models and forms of employment***

National and local governments across the globe have introduced multiple measures that support workers and firms in light of COVID-19. Many of them, particularly those not targeted to CCS, are not well suited to the peculiarities of the sector. Employment and income support measures are not always accessible or adapted to the new and non-standard forms of

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<sup>1</sup> While definitions of cultural and creative sectors vary across countries and continents, they typically include all sectors whose activities are based on cultural values and/or artistic and other creative expressions. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management (see for example, the definition in the [EC Creative Europe Programme](#)). The cultural and creative sectors include *inter alia* architecture, archives, libraries and museums, artistic crafts, audio-visual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts, and fashion. See more on CCS definition approaches in Annex 1.A.



employment (freelance, intermittent, hybrid – e.g. combining salaried part-time work with freelance work) that tend to be more precarious and are more common in CCS. SME finance measures could also be better adapted to businesses based on intangible assets. Similarly, innovation supports, largely catering to technological innovations, could be adapted to other forms of innovation more common in CCS, such as innovations in format and content, including through mixed use of different media, and recognise that the sector generates innovation through creative skills, new ways of working, new business models, and new forms of co-production.

***The sector has innovated rapidly, notably with accelerated digitalisation...***

Massive digitalisation coupled with emerging technologies, such as virtual and augmented realities, can create new forms of cultural experience, dissemination and new business models with market potential. With the lockdown, many public and private providers moved content online for free to keep audiences engaged and satisfy the sharply increased demand for cultural content. While the provision of free and digitally mediated cultural content is not sustainable over time, it has opened the door to many future innovations. To capitalise on them, there is a need to address the digital skills shortages within the sector and improve digital access beyond large metropolitan areas, with the additional consideration that digital access does not replace a live cultural experience or all the jobs that go with it.

***...and cross-overs between culture and education or health sectors can drive future innovation***

Building on the impact of the COVID-19 crisis on both the education and the cultural and creative sectors, strategic complementarities can be developed. Both sectors experienced accelerated digitalisation, which brings new opportunities for local and regional development but also risks of exacerbating inequalities without accompanying measures. Such accompanying measures include, for example, the development of methodologies and technological solutions for distance and distributed learning with digitally mediated access to cultural resources and experiences.

The lockdown and social distancing measures have also made evident the importance of arts and culture for people's mental well-being – and possibly, through the increasingly documented psychosomatic effects of cultural access, also health. This recognition provides a new opportunity to capitalise on the role of arts and culture in the prevention and treatment of illness across the lifespan, contributing to solutions for health and welfare systems, such as through reductions in hospitalisation or medication rates.

***Cities and regions can take advantage of the creative potential of culture in the post-COVID recovery***

Going forward, cities and regions may consider cultural and creative sectors as well as cultural participation as a driver of social impact in its own right and throughout the economy. The sector is already an economic driver and source of innovation. In many cities and regions, specialisations in the cultural and creative sectors are evolving, and being used to tackle competitive and societal challenges from new angles<sup>2</sup>, favouring resilience, skills creation and

<sup>2</sup> See for example, the *2019 Culture and Climate Change* report by World Cities Culture Forum showcasing how 14 world cities put climate and the environment at the centre of their cultural policies ([http://www.worldcitiescultureforum.com/assets/others/WCCF\\_Report\\_June\\_28\\_FINAL\\_v4.pdf](http://www.worldcitiescultureforum.com/assets/others/WCCF_Report_June_28_FINAL_v4.pdf) accessed



prosocial behavioural changes. In the recovery, there is an opportunity for dense metropolitan areas and remote, lagging regions alike to reconsider growth models moving away from culture-based large-scale tourism towards models fostering cross-innovation between CCS and traditional manufacturing and services (e.g. design and furniture making) that can be incorporated into creative tourism programmes. They can also capitalise on the role of culture to help raise awareness about the complex challenges of climate change and population ageing. The contribution of culture can also be important in other areas of local development, from rebuilding public trust to contributing to post-pandemic urban design adapted to social distancing rules.

## Box 1. Policy recommendations for cultural and creative sectors in light of COVID-19 and its consequences

### In the short term:

- Ensure that public support for COVID-19 relief does not exclude CCS firms and workers due to their non-traditional business models and employment contracts
  - Consult with CCS network organisations, representatives of self-employed professionals, small cultural and creative businesses, and sectoral employer organisations to raise the efficacy of policy measures
  - Address gaps in self-employment support schemes by simplifying eligibility criteria and making them accessible to hybrid forms of employment (e.g. those that combine salaried, part-time work and run their own business as a self-employed person as well). See note below.
  - Include non-profit institutions (e.g. museums) in support programmes designed to help small businesses retain employees
- Ensure that the support to cultural organisations reaches artists and other creative professionals
- In parallel with income and business support measures, invest in cultural production to help the sector rebound after the crisis
- Consider tax incentives for corporate and individual donations to promote investments in the sector
- Encourage private and non-profit sector mobilisation in support of CCS firms and workers

### In the medium and long term:

- Introduce measures for the recovery to help the self-employed and other small firms adapt to structural changes (e.g. shifts in consumer habits) and seize new opportunities, including digital tools
- Widen innovation strategies and policies to better account for the role of cultural and creative sectors

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26 August 2020). Another example is the inclusion of culture in broader regional innovation strategies, e.g. as highlighted in *How can cultural and creative industries contribute to economic transformation through smart specialisation?* Working Group of EU Member States Experts (Open Method Of Coordination) On Cultural and Creative Industries, 2012 ([https://s3platform.jrc.ec.europa.eu/documents/20182/84453/120420\\_CCI\\_Policy\\_Handbook\\_%28FINAL%29.pdf/3a645b54-4d8e-4cf9-95f9-bf60658cf5b2](https://s3platform.jrc.ec.europa.eu/documents/20182/84453/120420_CCI_Policy_Handbook_%28FINAL%29.pdf/3a645b54-4d8e-4cf9-95f9-bf60658cf5b2), (accessed on 26 August 2020).



- Invest in digital infrastructure that can amplify advances in cultural and creative sectors
- Promote greater complementarities between culture and other policy sectors
  - Education can benefit from advances in cultural and creative sectors, particularly in the use of new digital tools that build on gaming technologies and new forms of cultural content
  - Health care and social services can benefit from greater linkages with cultural and creative sectors to improve well-being, prevent illness or delay its onset, favour the adoption of healthy habits, and prevent social isolation, among others
- Develop new local strategies for cultural tourism that address the socially and environmentally unsustainable practices of many large-scale or intensive tourism centres
- Use targeted cultural policies to address social issues such as intercultural dialogue or the integration and valorisation of minorities and migrants
- Support cultural and creative entrepreneurship as catalysts of new models of economic and social value creation

Note: For a full review of employment measures, see OECD (2020), OECD Employment Outlook 2020: Worker Security and the COVID-19 Crisis, OECD Publishing, Paris, <https://doi.org/10.1787/19991266>.

## Impact of the COVID-19 crisis on cultural and creative sectors and its consequences for cities and regions

Along with the tourism industry,<sup>3</sup> the OECD<sup>4</sup> has identified arts, entertainment and recreation as among the sectors most at risk due to the impact of containment measures. Other sectors most at risk include manufacturing of transport equipment, construction, wholesale and retail trade, air transport, accommodation and food services, and real estate services.

**The risk exposure associated with cultural and creative sectors (CCS) is uneven across regions.** While employment in CCS represented on average 1.5% of employment in OECD countries in 2017, the weight of those industries in the labour market varies a lot from one region to another.<sup>5</sup> In 230 (63%) out of 367 regions in OECD countries with data, the regional employment share in CCS is higher than 1% (Figures 1 and 3). In general, the region with the highest share is the capital region of a country. It should be noted that cultural employment tends to be underestimated in official statistics for a number of reasons (see Box 2).

<sup>3</sup> OECD (2020), [Tourism Policy Responses to the Coronavirus \(COVID-19\). OECD Policy Responses to Coronavirus \(Covid-19\)](#).

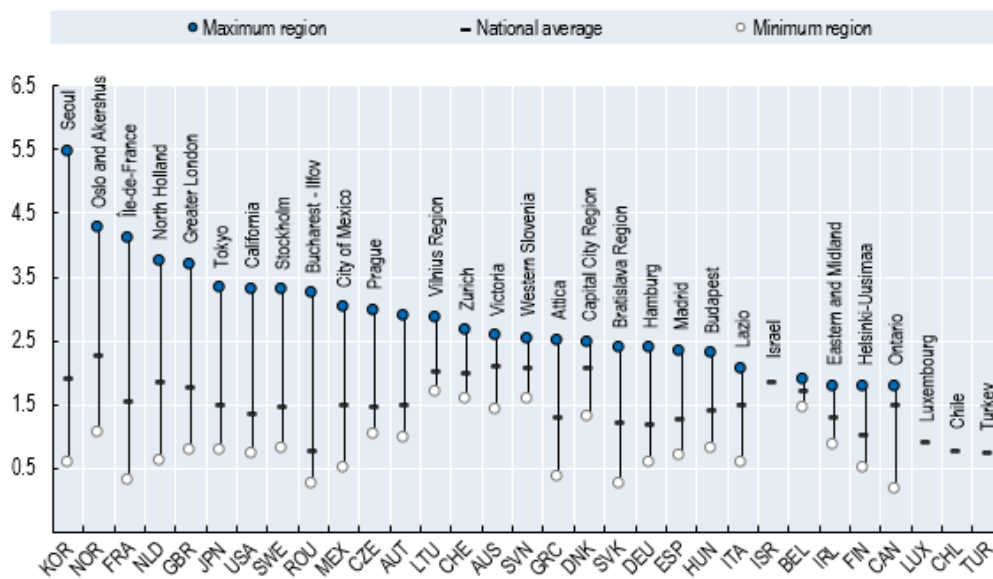
<sup>4</sup> OECD (2020), [Evaluating the Initial Impact of COVID-19 Containment Measures on Economic Activity. OECD Policy Responses to Coronavirus \(Covid-19\)](#).

<sup>5</sup> In this document, regional data are presented at territorial level 2 (TL2). Regions within the 37 OECD countries are classified on territorial levels reflecting the administrative organisation of countries. The 427 OECD large (TL2) regions represent the first administrative tier of subnational government (see OECD territorial grid, <http://www.oecd.org/fr/regional>).



**Figure 1. Regional differences in the share of employment in CCS, TL2 regions**

2017 or latest available year for OECD countries with data plus Romania, in % of regional employment



Note: Circles represent the highest and lowest regional shares in each country. Countries are sorted by order of region with the highest share of employment in CCS. For the countries where regional data are not available, country average are presented. Data for TL2 regions, except Japan and Korea (small regions, TL3). Latvia, Iceland, and Slovakia are not presented in the figure due to lack of detailed employment data for divisions R90 and R91. TL2 regions represent the first administrative tier of subnational government (see OECD territorial grid, <http://www.oecd.org/fr/regional>).

Source: OECD (2020), OECD Regional Statistics. Ad-hoc data collection.

## Box 2. (Under)-estimating cultural employment

Cultural employment is often underestimated in official statistics for a number of reasons. When estimating cultural employment, it is difficult to determine what proportion of some economic activities and occupations is genuinely cultural. For this reason, activities and occupations which are only partially cultural are often excluded from official cultural employment statistics. In addition, labour force surveys include only a respondent's main paid job and do not capture the secondary employment or volunteer employment, which is present in CCS.

Note: Adapted from Eurostat, Culture Statistics – Cultural Employment, [https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture\\_statistics\\_-\\_cultural\\_employment](https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture_statistics_-_cultural_employment) (accessed 15 June 2020).

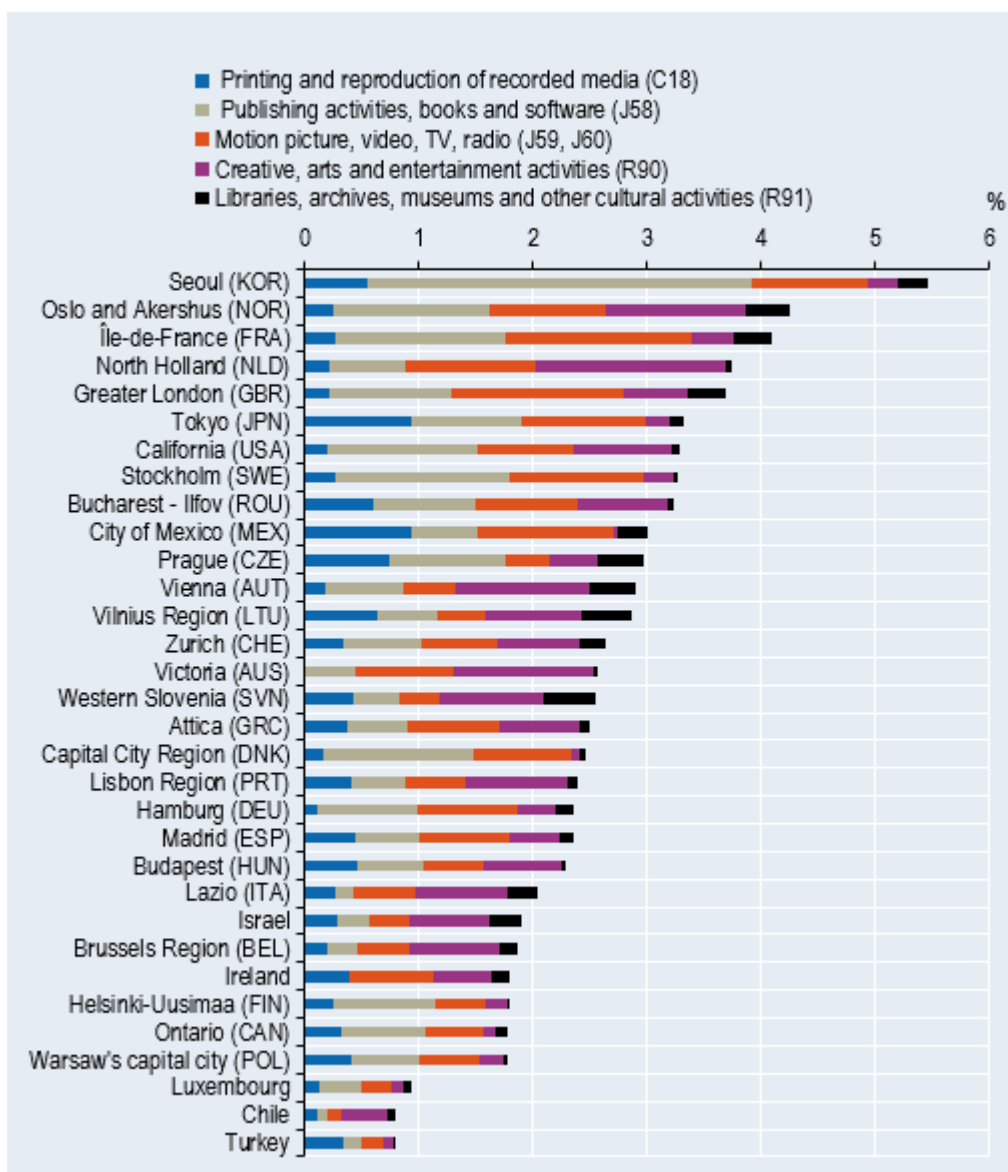
**Regional differences were the largest in Korea, Norway and France, given that Seoul, Oslo and Akershus, and Île-de-France respectively had the highest share among OECD regions overall.** In these countries, the most exposed regions have a share of employment higher by more than two percentage points from the second highest region (3.8 pp higher in the case of Korea, between Seoul (almost 5.5%) and Gyeonggi-do). This particularly high share is largely driven by software publishing industries, which represents more than 60% of the employment in CCS in Seoul (Figure 2).





**Figure 2. Regions with the highest employment share in CCS by country, TL2 regions**

2017 or latest available year for OECD countries with data plus Romania



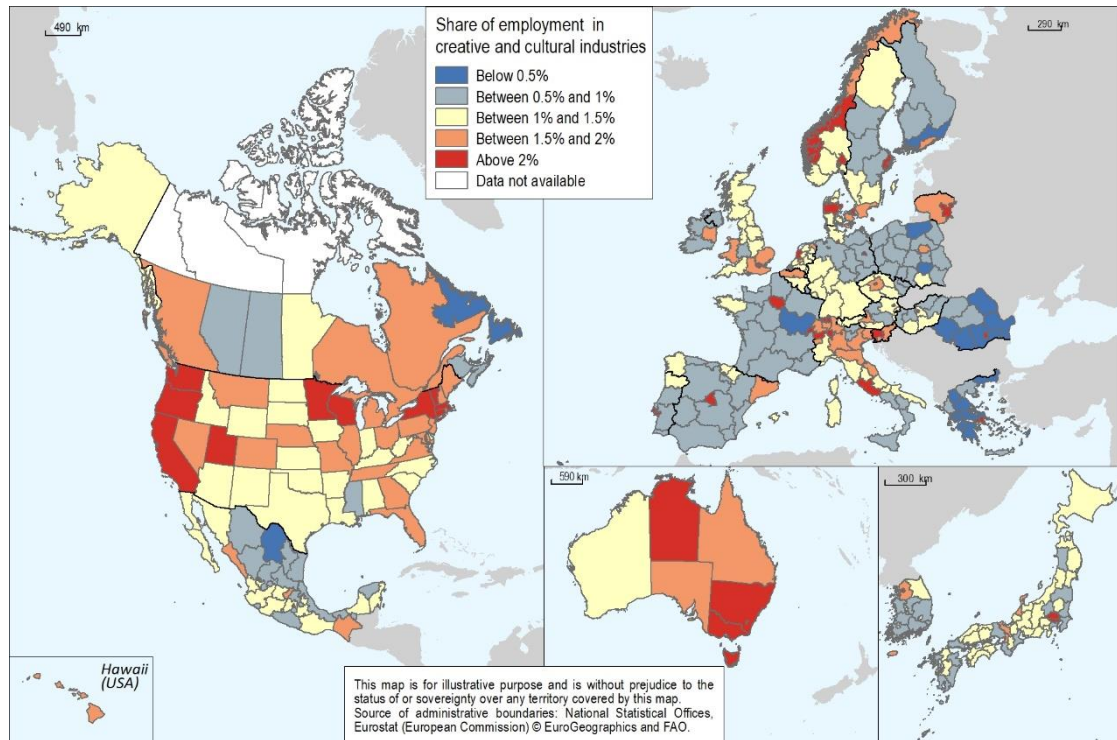
Note: Latvia, Iceland, and Slovakia are not presented in the figure due to lack of detailed employment data for divisions R90 and R91. TL2 regions represent the first administrative tier of subnational government (see OECD territorial grid, <http://www.oecd.org/fr/regional>).

Source: OECD (2020), OECD Regional Statistics. Ad-hoc data collection.



### Figure 3. Share of employment in creative and cultural sectors, TL2 regions

2017 or latest available year for OECD countries with data plus Romania



Notes: Latvia, Iceland, and Slovakia are not presented in the figure due to lack of detailed employment data for divisions R90 and R91. TL2 regions represent the first administrative tier of subnational government (see OECD territorial grid, <http://www.oecd.org/fr/regional>).

Source: OECD (2020), OECD Regional Statistics. Ad-hoc data collection.

**Studies of the sector in specific places reveal the economic weight and importance of CCS for a local economy.** Megacities like London or New York are very affected, with high concentrations of creative jobs and a diverse set of creative businesses. For example, in 2017 the creative economy of London accounted for GBP 52 billion, one in six jobs, and an additional GBP 40 billion in a supply chain that supports the core creative economy<sup>6</sup> (Box 3).

<sup>6</sup> Greater London Authority (2019), *The Creative Supply Chains Study*.





### Box 3. The economic impact of CCS in selected cities and regions

**London:** According to the 2019 Creative Supply Chains Study, the creative industries contribute GBP 52 billion to London's economy, and spend an estimated GBP 40 billion within their London supply chain – boosting a wide range of other sectors. London's creative sector is also generating business activity across the United Kingdom, with case studies of eight London-based organisations showing that 40% of their suppliers are located outside of London. Employment in the creative industries was growing four times the rate of other areas of the economy. In total, 267 500 people were working in London's creative industries in 2017, with 203 200 in creative supply chain employment – more than in the legal and accounting sectors combined.

**New York:** Some 15 000 firms and institutions provided employment to over 231 000 people in New York City's creative sector in 2017. In addition, over 62 000 workers in the sector are self-employed – a figure which has grown at nearly twice the rate of growth of those employed in a business or non-profit organisation. Altogether, New York City's creative sector represents about 5.4% of private employment in the city, and 6.7% of wages paid. The creative sector accounts for 13% of total economic output. In total, one out of every eight dollars of economic activity in the city – USD 110 billion in 2017 – can be traced directly or indirectly to the sector.

Source: Greater London Authority (2019), The Creative Supply Chains Study; New York City Comptroller (n.d.). The Creative Economy: Art, Culture, and Creativity in New York City. <https://comptroller.nyc.gov/reports/the-creative-economy/> (accessed 5 June 2020).

#### ***Specific characteristics of CCS and local cultural ecosystems are important considerations for policy supports in general, and particularly in light of COVID-19 impacts***

**Cultural and creative sectors are structured in a unique way in comparison to other sectors.** Public cultural institutions and big private players alike rely on an interconnected and interdependent network of freelancers and micro-firms which provide creative content, goods and services. This “ecosystem” is vital to the sector and now faces bankruptcy due to a sudden and massive loss of revenue opportunities.

**Cultural and creative sectors are characterised by high shares of non-standard forms of work.** The use of non-standard contracts has been a common feature of creative jobs before more widespread use in other industries. To a large extent, professionals in these sectors are organised as self-employed or as micro-companies. For example, according to Eurostat,<sup>7</sup> in Europe the percentage of self-employed in cultural employment is at least double that observed in total employment, and in some countries the self-employed account for almost half of all cultural employment (e.g. 48% in the Netherlands and 46% in Italy in 2018). The Île-de-France region in France (around Paris) is home to 36% of France's cultural establishments. Of the 161 000 establishments primarily engaged in cultural activities in the region, 90% of them had no employees in 2016 (compared to three out of four in all economic sectors). This means that the majority of those employed in CCS (artists, individual entrepreneurs or licensed

<sup>7</sup> Eurostat, Culture Statistics – Cultural Employment, [https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture\\_statistics\\_-\\_cultural\\_employment#Self-employment](https://ec.europa.eu/eurostat/statistics-explained/index.php/Culture_statistics_-_cultural_employment#Self-employment) (accessed 2 July).



professionals) is self-employed.<sup>8</sup>

**Creative jobs often come in precarious forms of employment, and the COVID-19 crisis has highlighted how such jobs often fall through the cracks in terms of public support.**

Typically, to make a living throughout the year, a creative professional (artist, writer, journalist, musician, etc.) will have several project contracts as a self-employed or a freelancer, sometimes combined with a part-time salaried job, or the combination of a main salaried job (often in a non-creative sector) with a “second” creative job. However, the basic difference with respect to typical precarious gig economy jobs is that cultural and creative jobs are generally highly skilled and qualified, require high levels of specific human capital investment, and their productivity is much harder to assess than that of a car driver or a delivery person. Moreover, such workers need not only to make a living but to maintain and cultivate their personal networks to ensure the future viability of their business.

**Due to their very specific characteristics, such forms of employment raise several issues.** *First*, access to income support, self-employment or business support measures is a challenge, as programmes are ill-adapted to these hybrid forms of employment. The self-employed in general often do not have access to income replacement benefits.<sup>9</sup> Furthermore, government support to the cultural sector is largely channelled to institutions. *Second*, it is common for a self-employed creative professional to lack access to safety nets, which reduces their resilience to financial and other economic shocks. *Third*, official statistics in their current form do not capture the second jobs or voluntary work also very present in CCS, thus not showing the real size of cultural employment and the importance of the sector (see Box 2). In sum, these atypical forms of employment necessitate specific policy responses to ensure social protection, career development and skills upgrading pathways for creative workers in general, and in particular in the face of a crisis such as COVID-19.

**Creative jobs are often precarious.** *About one third of New York City-based actors did not have active employment in 2017, as did 21% of musicians. Part-time work is also prevalent: more than half of actors and nearly half of musicians and dancers and entertainers reported working part-time. 36% of New York City-based creative workers were self-employed in 2017, compared to just 10% of the City's overall workforce.<sup>10</sup> These workers lack access to benefits and protections available to employees, such as affordable health insurance and unemployment insurance.*

**CCS also have sector-specific and highly varied business models that government policies do not sufficiently recognise.** For example, business models vary across CCS from not-for-profit and public institutions (e.g. museums, libraries) to large for-profit players (e.g. Netflix, Spotify). What is typical for a large share of creative professionals or micro-businesses in the CCS sector is that economic growth or profit making is not always the primary goal but it is rather instrumental to remaining in the creative business, which is the intrinsic goal. For many of them, intrinsic motivation and personal satisfaction from the completion of their creative tasks are important additional drivers of their work. Many creative businesses are based on intangible assets, such as highly specific forms of skills and expertise, networks of social relations, or reputation and credit in specific creative communities. These intangible assets make it

<sup>8</sup> INSEE - Institut National de la Statistique et des Études Économiques (2018). *L'Île-de-France, première région française de l'économie culturelle*. <http://www.insee.fr/fr/statistiques/3535510> (accessed 5 July 2020)

<sup>9</sup> OECD (2020), [Supporting livelihoods during the COVID-19 crisis: Closing the gaps in safety nets](#).

<sup>10</sup> New York City Comptroller (n.d.). *The Creative Economy: Art, Culture, and Creativity in New York City*. <https://comptroller.nyc.gov/reports/the-creative-economy/> (accessed 5 June 2020)



challenging for them to access business supports and credits, as lending institutions may be reluctant to provide credit due to difficulties in the valuation of intangible assets.

**Similarly, many CCS firms have difficulties in accessing innovation supports despite the fact that CCS are generators of innovation.** They do so through new ways of working (crowd-working, platform work, and project-based work), new business models, new ways of reaching audiences and new forms of co-production. They are also important suppliers of ideas for other sectors through technological cross-overs and business-to-business linkages (e.g. the so-called “serious games”, which build on formats and tools developed in the CCS field: gamification of learning processes, such as training of airline pilots or surgeons, or of therapeutic strategies such as provision of cognitive stimuli to Alzheimer patients). As innovation is often perceived as a technological innovation, the cultural and creative sectors are often overlooked or excluded from initiatives designed to promote innovation.

**Cultural “ecosystems” bring together different elements of cultural and creative industries and other sectors to mutually reinforce their performance.** The division of arts and culture into neatly separated sectors – such as commercial, third-sector, amateur and subsidised – misses the relationship between them, and the ways in which the commercial sector is connected to the rest in an ecological system.<sup>11</sup> The ecosystem approach connects with work on clusters and agglomerations and underlines business-to-business linkages between the commercial parts of the creative sectors and other businesses that can drive innovation locally. An example is the “fused” digital, tech and creative firms which combine creative art and design skills with technology expertise and are often linked to increased growth.<sup>12</sup> There are also the linkages between non-profit and commercial parts of CCS. The non-profit cultural sector acts as an R&D lab for commercial businesses, with public funding enabling them to take risks with creative content and ideas.<sup>13</sup> One example is the role of cutting-edge visual arts and experimental cinema in generating innovations quickly adopted in advertising, mainstream cinema and entertainment, or design of retail spaces. The diminishing share of non-commercial parts of the sector due to the current crisis and expected reductions in public funding over the medium term, might alter these collaboration dynamics.

## Long-lasting effects of COVID-19 on CCS

**Above and beyond the immediate impacts on jobs and revenues, the current crisis and the social distancing measures are likely to have long-lasting effects on CCS.** The combination of investment and demand shocks as well as an anticipated reduction of public and private funding, may cause the disappearance or significant reduction in activity of otherwise viable and valuable firms that support the sector. The result would be the loss of skills of those creative professionals who would have to abandon their creative activities and seek other jobs to make a living. The impoverishment and downsizing of the cultural and creative sectors would have a negative impact on cities and regions not only in terms of direct economic and social impact but also in terms of well-being, the vibrancy of cities and communities, and cultural diversity.

<sup>11</sup> Crossick, G. and P. Kaszynska (2016), *Understanding the Value of Arts and Culture*, Arts and Humanities Research Council.

<sup>12</sup> Sapsed, J. and P. Nightingale (2013), *The Brighton Fuse*, <http://www.brightonfuse.com/wp-content/uploads/2013/10/The-Brighton-Fuse-Final-Report.pdf>.

<sup>13</sup> Crossick, G. and P. Kaszynska (2016), *Understanding the Value of Arts and Culture*, Arts and Humanities Research Council.



**An investment shock could result in reduced levels of cultural production.** According to a survey undertaken by the German Network Promoting Creative Industries and The National Association Creatives Germany,<sup>14</sup> creative firms and professionals anticipate a drop in investment that will impact on cultural production in the months to come. The cancellation of festivals, trade fairs and other similar events where artists, writers, film-makers, software designers etc. sell their work and conclude deals for future production means that the effect of this loss of investment will only be felt in the months to come. An investment shock will also affect creative professionals and businesses that trade with legal rights (copyright industries, e.g. music, cinema). Artists that were unable to sell their production due to cancellation of events will not receive any copyright revenue in the year to come and thus will have reduced funds to invest in new production.

**There is likely a demand shock also as consumers reduce their consumption of cultural and creative sector goods and services, particularly those not accessed digitally.** Social distancing is likely to last for a while, and domestic and international tourism may not return to pre-crisis levels even in the medium or long term. These factors, coupled with the likely reduced purchasing power of many consumers, means that visitor-based parts of the sector will continue to lose revenues with repercussions to their wider ecosystem of creative firms and professionals. In addition, there will likely be a decrease in demand from other business sectors for creative services, especially in the fields of marketing, product development and innovation as seen during the 2008 financial and economic crisis.

**We will likely see a reduction in public funding for CCS.** After the wave of massive emergency and recovery funds, the main public and private sources of funding for arts and culture might be reduced, notably at the local level. Public funding for arts and culture may experience significant budget pressure in the medium term, which could impact on the subsidised parts of the sector (e.g. public museums, libraries, galleries, and performing arts). Across the OECD, spending by subnational governments on “culture, recreation and religion” represented only 3% of their expenditure in 2017. Nevertheless, subnational governments in the OECD account for, on average, roughly 60% of total public expenditure in this area (Figure 4). Subnational government finance will be strongly hit, with strong pressure on expenditure and reduced revenues, thus increasing deficits and debt.<sup>15</sup> While the crisis has already put short-term pressure on health and social expenditures and on categories of subnational revenue, it is in the medium term that the strongest impact is expected.

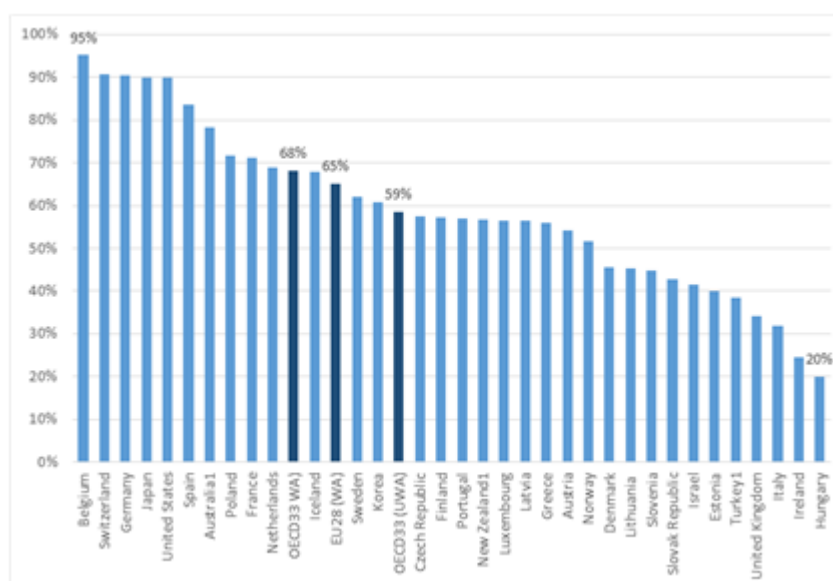
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<sup>14</sup> German Network Promoting Creative Industries and The National Association Creatives Germany (2020) *PCI: Promoting Creative Industries - Corona pandemic: it affects the cultural and Creative industries in three waves.*  
[https://drive.google.com/file/d/12fj\\_XLe7OX1bIZsaM7owNUXAUh1BVVnd/view](https://drive.google.com/file/d/12fj_XLe7OX1bIZsaM7owNUXAUh1BVVnd/view).

<sup>15</sup> OECD (2020), *The Territorial Impact of COVID-19: Managing the Crisis Across Levels of Government. OECD Policy Responses to Coronavirus (COVID-19).*



**Figure 4. Subnational government expenditure in "recreation, culture and religion" as a % of total public expenditure in the category (2017)**



Note: \* COFOG: Classification of the Functions of Government

\*\* Social protection expenditure includes both capital and current expenditure.

1. Australia, New Zealand, and Turkey: estimates from IMF Government Finance Statistics. WA: weighted average; UWA: unweighted average. The total of general government spending is non-consolidated. No data for Canada, Chile and Mexico.

Source: OECD (2020) Subnational governments in OECD countries: key data

### **The availability of private funding for CCS might also be reduced in the months to come.**

Through donations, corporate sponsorships, foundation grants, patronage and philanthropic giving, the private sector has always complemented the support extended by national and sub-national governments for CCS. In some countries such as the United States, the corporate and foundation giving to the arts and culture sector represents about 18% of the latter's revenues, while individual giving represents another 20% or so of the revenues.<sup>16</sup> In Europe, arts and culture institutes rely more on public support than on private contributions. However, foundations are growing in numbers in Europe and about 60% of them have supported arts and culture projects in the past.<sup>17</sup> While there are examples of massive and strategic supports to CCS provided by foundations over the past months (see examples in dedicated sections below), many foundations had to face difficult choices between shifting funding priorities to meet the emergency needs of communities at risk or supporting non-profit arts and culture institutes to ensure financial sustainability. These choices might become more difficult in the future as the economic crisis hits the finances of foundations too. Corporate sponsorships might also be reduced as corporations reassess their marketing budgets in light of the fall in firm revenues. Charitable contributions are no different. For example, already in March 2020, the American Alliance of Museums anticipated that museums would expect a decline in charitable contributions as donors reassess their capacity to give due to the stock market's volatility.<sup>18</sup>

<sup>16</sup> National Endowment for the Arts, US (2013), *How the US Funds the Arts*.

<sup>17</sup> European Foundation Centre (2008), *Foundations Facts*.

<sup>18</sup> American Alliance of Museums (n.d.), *American Alliance of Museums Urges US Congress to Include \$4 Billion for Nonprofit Museums in COVID-19 Economic Relief Legislation*,



Some non-profits, directly supporting CCS workers and companies, may have experienced an increase in giving from the start of the crisis, however it is uncertain whether this trend will continue over the medium term.

## Impacts by CCS sub-sector

**Impacts are uneven across CCS with venue-based sectors being the most affected by social distancing measures.** This sudden halting of activities puts at risk not only their own financial sustainability (as in the case of museums, theatres, cinemas or festivals) but also the ancillary value chain of their suppliers, from creative and non-creative sectors alike. As to other cultural and creative sectors, one could have expected that the sectors offering digital products and services may have benefited from increased demand for digital solutions. However, the reality is more nuanced. While some sectors offering digital products and services have benefited, many micro-businesses in software development or product design still saw the demand for their services shrink, as their clients put already scheduled projects on hold or cut marketing budgets due to liquidity problems. Some other sectors such as online content platforms have also profited from the increased demand for content streaming during lockdown, but the benefits from this extra demand have largely accrued to the main industry players. German labour market data provides interesting insights into this variation by sub-sector (Box 4).

### Box 4. Impact of the crisis on CCS in Germany

Recent estimates in Germany show that CCS companies are increasingly laying off employees due to insolvency issues. The overall CCS unemployment rate of 6.2% in June 2020 is higher than the unemployment rate in the economy as a whole (5.2%), and has been rising continuously, from 63 696 in March to 85 661 unemployed in June 2020. There are notable variations across CCS sub-sectors (Figure 5). While software developers are unemployed at a rate of 3.2%, the unemployment rates for product and visual designers are higher (9.20% and 10.6% respectively), and even more so for performing arts (13.10%), stressing the atypical conditions of cultural employment in these sectors.

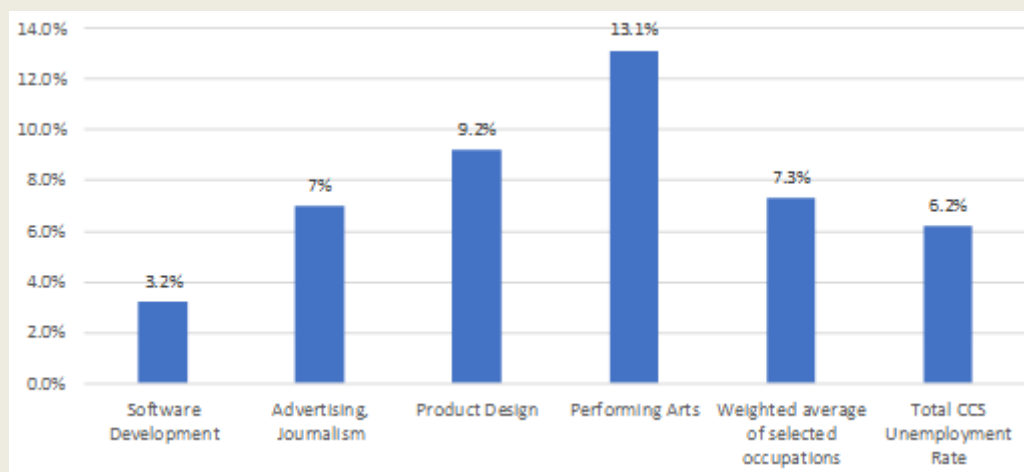
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<https://www.aam-us.org/2020/03/19/american-alliance-of-museums-urges-us-congress-to-include-4-billion-for-nonprofit-museums-in-covid-19-economic-relief-legislation/> (accessed on 30 March 2020).





**Figure 5. Unemployment Rate in the Cultural and Creative Sectors in Germany, Selected Occupations, June 2020**



Note: Selected professions: design, software development, advertising, journalism, performing arts. In addition to the cultural and creative industries, the term culture / creative sector also includes employees in the public / non-profit cultural sector. Calculation of the unemployment rate for cultural and creative professions equals the share of the unemployment rate in June 2020 in relation to the number of employees subject to social security contributions in September 2019. Total unemployment 6.2% (June 2020).

Source: Office for Cultural Economics Research (Büro für Kulturwirtschaftsforschung), Cologne, July 2020; Federal Employment Agency, 1.7.2020. Statista (2020). Annual average unemployment rate in Germany 2004-2020. <https://www.statista.com/statistics/227005/unemployment-rate-in-germany/> (accessed 16 July 2020). Office for Cultural Economics Research (Büro für Kulturwirtschaftsforschung), Zur Arbeitslosigkeit im Kultur-/Kreativsektor, Nr. 03, <https://kulturwirtschaft.de/zur-arbeitslosigkeit-im-kultur-kreativsektor-nr-03/> (accessed 9 July 2020).

### ***Museums and heritage sites***

**Sanitary concerns with the pandemic led to unprecedented closures of museum and heritage sites.** Around 90% of museums globally (more than 85 000 institutions worldwide) have temporarily closed during the crisis, and the remaining 10% might never reopen due to considerable economic hardship.<sup>19</sup> The abrupt reduction in revenues (3 out of 5 museums in the European NEMO survey reported losing an average of 20,300 euros per week due to closure and travel halt),<sup>20</sup> charitable contributions and sponsorships for public and private museums alike put the financial sustainability of museums at risk, especially small museums. It has resulted in reduced wages and lay-offs for a range of workers<sup>21</sup> (temporary staff, external contracts including mediators,<sup>22</sup> seasonal workers, jobs related to exhibitions, publishing of catalogues, exhibition and educational materials, events, and other commercial activities).

<sup>19</sup> UNESCO (May 2020). *UNESCO Report: Museums around the world in the face of COVID-19*. UNESCO, Paris, <https://unesdoc.unesco.org/ark:/48223/pf0000373530>.

<sup>20</sup> Network of European Museum Organizations, Survey on the impact of the COVID-19 situation on museum in Europe. Final Report. [https://www.nemo.org/fileadmin/Dateien/public/NEMO\\_documents/NEMO\\_COVID19\\_Report\\_12.05.2020.pdf](https://www.nemo.org/fileadmin/Dateien/public/NEMO_documents/NEMO_COVID19_Report_12.05.2020.pdf).

<sup>21</sup> <https://nonprofitquarterly.org/museums-layoffs-continue-amid-ongoing-covid-19-shutdowns/>.

<sup>22</sup> The intermediaries between the artists, their works and the general public.



According to a survey undertaken by the International Council of Museums, 6% of museum temporary staff did not have their contract renewed or had it terminated, while 16.1% of freelance museum professionals have been laid off.<sup>23</sup> Over the medium term, and should social distancing measures continue, the earnings through ticketing and programming will be slow to return to pre-crisis levels. Any further drop in revenues will lead to a reduction in museum research and cultural activities. This poses a structural threat to the survival of companies and freelancers operating in the museum ecosystem, which in turn will affect other cultural and creative sectors that also rely on these professionals for creative content. During the COVID-19 lockdown periods, and depending on country contexts, it is important to consider including non-profit institutions (like many museums) in job retention schemes designed to help small businesses preserve jobs. It is also useful to consider specific, tailor-made tax incentives for donations and charitable giving to support investments in the sector (e.g. to specifically support young creative professionals in relatively more fragile sub-sectors such as visual and performing arts).

**In the medium term, museums will have fewer resources and capacities to contribute to the social and economic development of local communities.** Over the past decades, museums have become drivers of local development and anchor institutions for many communities. They increase the attractiveness of their cities, towns or communities as places to visit, live and invest in, and are increasingly regarded as vital community hubs at the heart of urban regeneration efforts (see more on the social and economic role of museums in [OECD-ICOM Guide for Local Governments, Communities and Museums](#)).<sup>24</sup> The lockdown measures led to an abrupt withdrawal of museums from local development projects as well as the cancellation of cultural, social inclusion, well-being and educational programmes, only partially replaced by new digital offers. For example, museum exhibitions and activities often touch on complex themes such as inter-cultural dialogue or the integration of minorities and migrants, which may be more difficult to implement digitally. In the medium term, museums will have less capacity to contribute to local development projects. There is a risk that museums reduce the scope of their mission, above and beyond the decline in the level of activities.

## ***Festivals***

**Festivals have extensive infrastructure requirements, from stages to tents and catering, and the supply chain hits many other firms, generating large economic benefits (Box 5).** The list of festivals that have been cancelled worldwide due to the pandemic crisis is impressive, ranging from world renowned international film, music, religious and design festivals and carnivals to more local events celebrating local traditions.<sup>25</sup> The crisis has resulted in severe loss of employment, a drop in sales of goods and services and purchase of intermediate inputs. For instance, the reported loss of income following the cancellation of the SXSW Festival in Austin, Texas alone amounts to around USD 4.3 million.<sup>26</sup> Festival patrons who usually pay for food and beverages, transport and admission for ticketed events might not have a similar capacity in the future due to the reductions of their own revenues affected by the crisis. Cash

<sup>23</sup> ICOM – International Council of Museums (2020). *Museums, museum professionals, and COVID-19* <https://icom.museum/wp-content/uploads/2020/05/Report-Museums-and-COVID-19.pdf>.

<sup>24</sup> OECD-ICOM (2019), *Culture and Local Development: Maximising the Impact, A Guide for Local Governments, Communities and Museums*, <https://doi.org/10.1787/9a855be5-en>.

<sup>25</sup> An updated list of cancelled music events including music festivals: <https://www.billboard.com/articles/business/touring/9323647/concerts-canceled-coronavirus-list>.

<sup>26</sup> I Lost My Gig (2020) Website. [www.ilostmygig.com](http://www.ilostmygig.com) (accessed 16 June 2020).



sponsorship of festivals will be frozen until events pick up again, and it is unlikely that festivals can meet sponsor targets for future editions in light of likely drops in attendance due to regulations on social distancing or changes in consumer behaviour. Moreover, festival programming has to be defined long in advance, and the current crisis has therefore largely disrupted the programming cycle and cast deep uncertainty on the timing of a future recovery. This will result in an adjustment of programme ambitions, limiting staff hiring intentions in subsequent years and a decline in investment in innovation and development. Relations between donors (who support without expectation of a getting anything material in return), sponsors and festivals will probably be affected in the long term, and the sponsors could meanwhile look for alternative outlets for visibility and marketing, with a threat of permanent investment shifts towards other target areas for sponsorship activities.

## Box 5. Economic impact of festivals in selected cities and regions

- **Quebec (Canada):** In 2016-2017 the 17 major festivals (members of Rémi - *Regroupement des Événements Majeure Internationales*), generated a combined CAD 290.8 million in economic benefits/added value for the Quebec economy; CAD 66.6 million in tax revenue for governments; and generated 4 606 jobs created or supported by the events.
- **Edinburgh (Scotland, UK):** In 2015, the economic impact of Edinburgh's festivals was measured to be GBP 280 million in Edinburgh and GBP 313 million in Scotland. The festivals created 5 660 full-time equivalent jobs in Edinburgh and 6 021 in Scotland, with a steady increase since 2010.
- **Adelaide (Australia):** The 2018 Economic Impact report has highlighted the impact of Adelaide's festival scene, with Adelaide's 11 major arts festivals bringing in more than AUD 109 million of new money into the state economy, up 27.7% on the previous year.
- **Austin (Texas, US):** In 2019, the SXSW Conference and Festivals brought in USD 355.9 million in revenue for the city of Austin, up from USD 350.8 million in 2018 and USD 317.2 million in 2015. This includes the attendance impact (money spent around official events for badge and ticket holders), the operational impact of the festival (ongoing expenses for the SXSW organisation) and the consumer impact (expenditures by guest pass holders and official parties).

Source: KPMG (2018). Consolidated economic benefits of 17 members of the RÉMI. [http://fame-feem.ca/2018/wp-content/uploads/2018/06/Retombées-économiques-consolidées-RÉMI\\_Format-rapport\\_18-mai-2018ENG.pdf](http://fame-feem.ca/2018/wp-content/uploads/2018/06/Retombées-économiques-consolidées-RÉMI_Format-rapport_18-mai-2018ENG.pdf) (accessed 5 July 2020); BOP Consulting (2016); BOP Consulting (2016), Edinburgh Festivals 2015 Impact Study. [www.edinburghfestivalcity.com/assets/000/001/964/Edinburgh\\_Festivals\\_-\\_2015\\_Impact\\_Study\\_Final\\_Report\\_original.pdf?1469537463](http://www.edinburghfestivalcity.com/assets/000/001/964/Edinburgh_Festivals_-_2015_Impact_Study_Final_Report_original.pdf?1469537463) (accessed 5 July 2020); Government of South Australia (2019). Adelaide festivals inject over \$100 million into SA economy. [www.dpc.sa.gov.au/responsibilities/arts-and-culture/news/adelaide-festivals-inject-over-\\$100-million-into-sa-economy](http://www.dpc.sa.gov.au/responsibilities/arts-and-culture/news/adelaide-festivals-inject-over-$100-million-into-sa-economy) (accessed 5 July 2020); Founded in 1987 in Austin, Texas, the South by Southwest (SXSW) is best known for its major conference and festivals that celebrate the convergence of the interactive, film, and music industries; SXSW Economic Impact to the City of Austin, press release, <https://www.sxsw.com/wp-content/uploads/2019/11/Press-Release-SXSW-Economic-Impact-2019.pdf> (accessed 5 July 2020).



According to the Festival City Network,<sup>27</sup> festivals are intensely undertaking measures to identify new digital models they could adopt (Box 6). A key priority is to support artists in generating income from their online content. Many festivals are looking to see how they can leverage festivals as co-ordinated platforms for this purpose. This raises the opportunity for a short-term rise in digital means, but also raises the question about the long-term effects of digital innovation on the sector's business models and on the longevity of the work produced. Festivals are striving to creatively reuse their content archives to develop new forms of programming and audience engagement, as well as to increase their connections to educational programmes, for instance by providing new, high-quality materials that can engage students and widen the circulation of their previous productions, as well as creating opportunities for new forms of production. Although this crisis clearly threatens the survival of many festivals including the largest ones, it is likely that innovations will bring a new wave of the digitally-mediated experience economy.

## Box 6. Festival cities addressing the vulnerabilities of the sector

Festival host cities around the globe are addressing the vulnerabilities of the festival sector. According to the Festival City Network, there are 6 priorities for moving forward:

- Identifying R&D initiatives
- Boosting professional development opportunities among staff
- Amplifying investment in entrepreneurial skills and capacity, especially in areas of funding diversification, sponsorship and fundraising
- Incentivising innovations especially ones that require collaborations with other priority growth areas like agribusiness, international education, health and well-being, and tourism
- Increasing accessibility to tech and digital solutions to address the large discrepancy in this area, especially between cities and remote regions, exploring how these digital solutions will be extensions and enhancements of the festival experience
- Leveraging festival international networks to create more platforms for artists to get their work to new audiences and make an income from it, building on the fact that the festival sector is a global circuit that relies on mobility partnerships.

Source: OECD webinar Coronavirus (COVID-19) and Cultural and Creative Sectors: Impact, Policy Responses and Opportunities to Rebound after the Crisis, held on 17 April, 2020, <https://youtu.be/nlmafdlZ7Tc>.

### *Music*

**The coronavirus pandemic has disrupted the global music industry despite an increased demand for music streaming services (e.g. Spotify, Apple Music, Deezer, etc.) during lockdown periods.** With estimated sales of over USD 50 billion globally, the music industry's annual revenue stream is divided between the live music and the recorded music sectors, each

<sup>27</sup> The Festival City Network brings together Edinburgh, Krakow, Montreal, Adelaide, and Singapore.



making up about 50% of the total income.<sup>28</sup> Estimates show that in 2020, the music and cultural sector has already lost GBP 50 million in the United Kingdom<sup>29</sup> (during February-March 2020) and USD 10.2 billion in the United States (from the beginning of the year to August 2020).<sup>30</sup>

**As lockdown measures ban large public gatherings, the income from the live music sector is almost zero and may not return to pre-crisis levels for quite a while.** The cancellation of music events such as festivals, tours, and concerts implies a loss of revenue from ticket and merchandise sales, as well as a decrease in sponsorships. The decrease in sponsorships to the industry as a whole is predicted to amount to USD 10 billion globally in 2020.<sup>31</sup> The shutdown does not only affect music artists, but also ancillary workers that build, manage, and operate live music venues. Such jobs range from those in charge of lighting, sound engineering, maintenance, and security to promoters, managers, and agents co-ordinating concerts, tours, and ticket sales. Importantly, the cancellation of music festivals means reduced investment in future production as they often are platforms for musicians not only to present their work but to conclude deals for the next year. The cancellation of live performances represents a loss for cities too, as they significantly benefit from all indirect economic activity induced from the live music sector and often use major live music events for overall promotion and city marketing.

**To mitigate the effects of the COVID-19 lockdowns, the live music industry has embraced livestreaming.** One World: Together At Home - a global televised and streamed music event, curated in collaboration with Lady Gaga, was organised on 18 April to celebrate the efforts of healthcare workers around the world and raise funds for the WHO COVID-19 Solidarity Response Fund. The event raised USD 127 million in donations from philanthropists and corporations. The online video game platform Fortnite hosted a 10-minute virtual concert by US rapper Travis Scott, which successfully gathered 12 million viewers from across the globe. It is estimated that many more viewed the concert through platforms such as Twitter and YouTube, underlining the potential of innovative partnerships between cultural and creative industries, such as the gaming and music industries.<sup>32</sup> Similarly, The Live From Out There virtual festival offered four weekends of music accessible by subscription and pay-per-view. The festivals ran from 15 May to 7 June 2020 and raised more than USD 400 000 for the music community through their Sweet Relief COVID-19 Fund.<sup>33</sup>

<sup>28</sup> World Economic Forum (2020), *This is how COVID-19 is affecting the music industry*, <http://www.weforum.org/agenda/2020/05/this-is-how-covid-19-is-affecting-the-music-industry/> (accessed 16 June 2020).

<sup>29</sup> Music Business Worldwide (2020), *UK Artists and Managers Have Already Lost Over \$60M Due to Coronavirus Lockdown*, webpage, [www.musicbusinessworldwide.com/artists-and-managers-have-lost-over-60m-due-to-coronavirus-lockdown-in-the-uk-so-far/](http://www.musicbusinessworldwide.com/artists-and-managers-have-lost-over-60m-due-to-coronavirus-lockdown-in-the-uk-so-far/) (accessed 16 June 2020).

<sup>30</sup> Americans for the Arts (2020), *The Economic Impact of Coronavirus (COVID-19) on the Arts and Cultural Sector*, [www.americansforthearts.org/by-topic/disaster-preparedness/the-economic-impact-of-coronavirus-on-the-arts-and-culture-sector](http://www.americansforthearts.org/by-topic/disaster-preparedness/the-economic-impact-of-coronavirus-on-the-arts-and-culture-sector) (accessed 18 June 2020).

<sup>31</sup> World Economic Forum (2020).

<sup>32</sup> BBC (2020). *Fortnite's Travis Scott virtual concert watched by millions*. [www.bbc.com/news/technology-52410647](http://www.bbc.com/news/technology-52410647) (accessed 15 July 2020).

<sup>33</sup> NYS Music (2020). *Live From Out There Announces Virtual Festival*. <https://nysmusic.com/2020/05/14/live-from-out-there-announces-virtual-festival/> (accessed 15 July 2020).





**Recorded music has been increasing as a share of the total music industry revenue over the last decade, as it includes revenue from physical sales as well as streaming, digital downloads, and music licensing.**<sup>34</sup> With the advent of digital files as the main form of access, and its use in the archiving of music content, it has become increasingly difficult for artists to rely on direct sales of their music as their main source of revenue. The rise of music streaming platforms has only partially solved the issue due to the very small margins left to the artists for the streaming of their music while at the same time further discouraging the direct purchase of music by customers. The lockdowns have led to the closure of record stores, thus causing a further decrease in physical music sales as compared to digital. Distribution channels have also changed, as several artists have decided to postpone the release of their albums. The number of subscriptions to streaming services has been increasing, with Spotify, for example, gaining 6 million paid subscriptions in the first quarter of 2020.<sup>35</sup> However, some customers may opt for free, ad-funded models, further aggravating the income loss for music professionals. These trends may also result in greater market concentration with small music labels unable to remain on the market, being bought by large, more financially solid players with much better cash-flow flexibility. If this occurs, it would reduce cultural diversity and the opportunities for new emerging talents. Even when new artists bypass music labels and go directly online, financial viability often requires the marketing support of a music label.

### **Art market**

**The art market relies heavily on a dense global calendar of events, in particular art fairs, “biennial” events (e.g., Venice) and major gallery exhibitions.** The current crisis has led to the cancellation of most such activities, and the foreseen major downsizing of global mobility in the short and medium term. Such trends make it unlikely that the global art agenda may quickly recover. In April 2020, the auction house Sotheby’s furloughed 200 employees, around 12% of its staff, due to COVID-19.<sup>36</sup> A survey issued by the *Comité professionnel des galeries d’art* reveals the economic damage done to the French art market, with its members estimating a total loss of EUR 184 million for second quarter 2020. One third of French art galleries could be forced to shut down before the end of 2020.<sup>37</sup>

**Many galleries and museums are currently experimenting with digital exhibition and exclusive invitation-only online events.** Such efforts include a massive deployment of sophisticated technologies that strongly improve the quality of e-access to art. It is an open debate as to whether and to what extent collectors will adapt to the new condition and will develop new purchase strategies that heavily rely on digital access. For major galleries, the strategy in recent years has been opening new branches in the most dynamic and promising

<sup>34</sup> World Economic Forum (2020), *This is how COVID-19 is affecting the music industry*, <http://www.weforum.org/agenda/2020/05/this-is-how-covid-19-is-affecting-the-music-industry/> (accessed 21 August 2020).

<sup>35</sup> BBC (2020). *Spotify hits 130 million subscribers amid Covid-19*. <https://bbc.com/news/technology-52478708> (accessed 20 August 2020).

<sup>36</sup> The Wall Street Journal (2020). *Action House Sotheby’s Furloughs Workers*. [www.wsj.com/livecoverage/coronavirus-2020-04-01/card/4T92Z0FHJaKYDv03SRD9](http://www.wsj.com/livecoverage/coronavirus-2020-04-01/card/4T92Z0FHJaKYDv03SRD9) (accessed 5 July 2020).

<sup>37</sup> Comité professionnel des galeries d’art (2020). *Résultat De L’étude D’impact De La Crise Sanitaire COVID-19 Sur L’économie Des Galeries D’art*. [www.comitedesgaleriesdart.com/actualites/resultat-de-letude-dimpact-de-la-crise-sanitaire-covid-19-sur-leconomie-des-galeries-dart](http://www.comitedesgaleriesdart.com/actualites/resultat-de-letude-dimpact-de-la-crise-sanitaire-covid-19-sur-leconomie-des-galeries-dart) (accessed 5 July 2020).





cities across the world. A massive shift toward the digital could suddenly make this strategy less viable and could force major reorientations of their business models, reducing the benefits to these emerging global art market hotspots (e.g. the emerging art market cities like Hong Kong, Singapore, Dubai etc.).

### **Grassroots culture**

**The crisis has put at great risk many grassroots cultural venues in cities.** Grassroots culture is non-institutionalised popular culture and often accessed in small music venues, LGBT+ venues, night clubs, artist workspaces, independent art spaces and studios. For example, London predicts 90% of grassroots venues are facing permanent closure because of social distancing measures.<sup>38</sup> The crisis has amplified a pre-existing trend in many cities, as for years these venues have been in decline and operating on the margin of sustainability. Without these grassroots cultural venues nurturing innovation, experimentation and freshness of creative content, other sectors of the culture industry can be at risk of locking themselves into already established formats and ideas.

### **Film industry**

**The film industry is heavily conditioned by box office returns, and more generally on the returns of movie productions across the whole distribution cycle.** In mid-March 2020, the global loss in box office revenue stood at around USD 5 billion, according to the Hollywood Reporter,<sup>39</sup> in part due to the 70 000 cinemas that were closed in China. As the virus spread, that estimate grew and by the end of May, reached as high as USD 17 billion.<sup>40</sup> In August 2020, box office data in the United States reveals a 75.9% decrease in revenue compared to 2019.<sup>41</sup> The crisis has affected both the production and distribution sides of the industry. Movie shooting and production relies on tight programming which is generally scheduled months or even years in advance, and the current crisis has disrupted most of it, with substantial fixed (and now sunk) costs. Movie distribution has also been paralysed by the lockdowns and even after the partial reopening of economic activities, the precautions of social distancing substantially limit audience capacity. Other forms of distribution such as online and TV broadcasting are much less affected (or even favoured) by the pandemic, but without the first distribution in movie theatres, a substantial component of the whole business model falls off and cannot be easily replaced in the short or medium term.

### **Book publishing**

**The crisis is also hitting the publishing sector and putting at great risk a set of smaller enterprises and creative professionals (Box 7).** The book publishing sector includes three

<sup>38</sup> OECD webinar [Coronavirus \(COVID-19\) and Cultural and Creative Sectors: Impact, Policy Responses and Opportunities to Rebound after the Crisis](#), held 17 April, 2020.

<sup>39</sup> Hollywood Reporter (2020). Global Film Industry Facing \$5 Billion Loss Amid Coronavirus Outbreak. [www.hollywoodreporter.com/news/film-industry-facing-5-billion-loss-coronavirus-outbreak-1282038](http://www.hollywoodreporter.com/news/film-industry-facing-5-billion-loss-coronavirus-outbreak-1282038) (accessed 5 July 2020).

<sup>40</sup> World Economic Forum, 4 May 2020, *This is how coronavirus has changed the film and TV industry*, <https://www.weforum.org/agenda/2020/05/covid-19-coronavirus-tv-film-industry/> (accessed 22 July).

<sup>41</sup> Box Office Mojo (2020). *Domestic yearly box office*. <https://boxofficemojo.com/year/ytd/> (accessed 20 August 2020) <https://boxofficemojo.com/year/ytd/> (accessed 20 August 2020).



main partners: publishers, authors and booksellers (including independent bookshops), who work in close co-operation with libraries, educational institutions and communities (including for book fairs). With bookshops having been closed or with restricted access, the global book publishers market is expected to decline from USD 92.8 billion in 2019 to USD 85.9 billion in 2020.<sup>42</sup> The increase in online sales, notably of educational literature needed for home-schooling, has compensated only partially for the revenue losses. The cancellation or postponement of book fairs has affected new book releases with an impact on authors' and publishers' revenues.

*"The diversity of books allows a pluralism of ideas and gives greater freedom of choices for the consumer. This capability does not depend solely on technology but on the ability of professionals to innovate through "learning by doing". An example of this are children's books which have developed in Italy over the last years thanks to the creativity of small publishing houses, bookshops and librarians. This has helped grow a new generation of writers and illustrators, amongst the liveliest in Europe".<sup>43</sup> Giuseppe Laterza, Publisher*

## Box 7. Impact estimates for the book publishing sector in selected countries

- **Denmark:** The Danish Publishers Association conducted a survey on how the coronavirus pandemic has impacted publishers. It found that 85% experienced a decrease in printed book sales, while 52.5% experienced an increase in book sales online. However, this increase cannot compensate for the decrease in physical sales (–80%). Those surveyed stated that the increase in digital sales only compensates for between 0-20% of losses in physical sales.
- **Canada:** The share of online book sales has increased but not enough to compensate the losses namely of independent book stores, according to the *Association Nationale des Editeurs de Livres*. In April 2020, the total book sales– including those online – fell by 65.3%, according to Gaspard, *Banque de titres de langue française*.

Source: International Publishers Associations (2020). COVID-19 Reaction. [www.internationalpublishers.org/covid-reaction/168-covid-19/966-publishers-act-amid-covid-19-pandemic](http://www.internationalpublishers.org/covid-reaction/168-covid-19/966-publishers-act-amid-covid-19-pandemic) (accessed 5 July 2020).

**One positive result of the crisis has been strengthened co-operation with the educational sector.** In many countries, educational publishers in co-operation with schools have designed learning materials and also provided free access to digital learning materials for teachers, children and parents during school closures. They have also provided free access to scientific journal contents that might pertain to the research on COVID-19 treatment and prevention.

<sup>42</sup> The Business Research Company. Book Publishers Global Market Report 2020-30: COVID-19 Impact and Recovery, <http://www.thebusinessresearchcompany.com/report/book-publishers-global-market-report-2020-30-covid-19-impact-and-recovery> (accessed 5 July 2020).

<sup>43</sup> OECD webinar Coronavirus (COVID-19) and Cultural and Creative Sectors: Impact, Policy Responses and Opportunities to Rebound after the Crisis, held on 17 April, 2020, <https://youtu.be/nlmafdlZ7Tc>.



## Video game industry

The video game industry has benefited from the pandemic crisis, as lockdown and social distancing has increased demand for home entertainment (Box 8). The appeal of video games has therefore increased both for expert and new players. It is still uncertain whether this trend will persist after the slow return to social life, but the crisis has clearly further boosted a sector that even before the crisis was on a long-term growth trajectory.

### Box 8. Selected estimates of impacts on the gaming industry

- The NPD Group reported that video game sales in North America in March 2020 were up 34% from those in March 2019, video game hardware up by 63% (e.g. more than twice the number of units of the Nintendo Switch console was sold). Net spending across the first quarter of 2020 in the United States reached USD 10.9 billion, up 9% in 2020 compared to 2019. Such an increase at this point, near the planned end of the eighth generation of video game consoles, is unusual and attributed to actions of the pandemic.
- Steam, the main digital storefront for personal computer video games, experienced over 23 million concurrent players during March 2020, surpassing all previous records.
- The streaming service Twitch saw over three billion hours of content watched over the first quarter of 2020, a 20% increase from 2019.
- Microsoft reported a substantial increase in users of its Xbox Game Pass service in the months of March and April 2020 bringing it to over 10 million subscribers.

Source: Bloomberg (2020). Video games set a record of quarterly sales. [www.bloomberg.com/news/articles/2020-05-15/video-games-hit-quarterly-sales-record-amid-virus-driven-surge](http://www.bloomberg.com/news/articles/2020-05-15/video-games-hit-quarterly-sales-record-amid-virus-driven-surge) (accessed 5 July 2020); Video Games Chronicle (2020). Steam has broken its active player record. [www.videogameschronicle.com/news/steam-has-now-broken-its-active-player-record/](http://www.videogameschronicle.com/news/steam-has-now-broken-its-active-player-record/) (accessed 5 July 2020); GameSpot (2020). Twitch has record-setting quarter amid Coronavirus lockdown. [www.gamespot.com/articles/twitch-has-record-setting-quarter-amid-coronavirus/1100-6475610/](http://www.gamespot.com/articles/twitch-has-record-setting-quarter-amid-coronavirus/1100-6475610/) (accessed 5 July 2020); The Guardian (2020). Xbox Game Pass subscription hit 10 million. [www.theguardian.com/games/2020/apr/30/xbox-game-pass-subscriptions-hit-10-million](http://www.theguardian.com/games/2020/apr/30/xbox-game-pass-subscriptions-hit-10-million) (accessed 5 July 2020).

## Radio and television

Similar to the video game industry, radio and television viewing has benefited as well from the lockdown, with a sudden increase of audience pools, even during daytime hours. This is due to the fact that not only people sought the latest information via news programmes, but to a large extent entertainment programming (e.g. talk shows) has turned into platforms for real-time information on the evolution of the pandemic as well as a presentation of expert medical opinions and advice, with obvious benefits in terms of advertising value. There is now uncertainty as to how audiences will react in terms of viewing behaviours with the return to social life. However, similar to the film industry, the pandemic has delayed up to 60% of scripted (i.e. screenwriting completed) television programming worldwide that was set to air later this year, with up to 10% of planned dramas and comedies likely to be cancelled.<sup>44</sup>

<sup>44</sup> Deadline. Coronavirus Shutdown Will Delay 60% Of U.S. & Global Drama As Scripted Hangover Set To Extend Well In 2021, Data Shows. <https://deadline.com/2020/05/covid-19-shutdown-delay-international-drama-1202938005/> (accessed 5 July 2020).



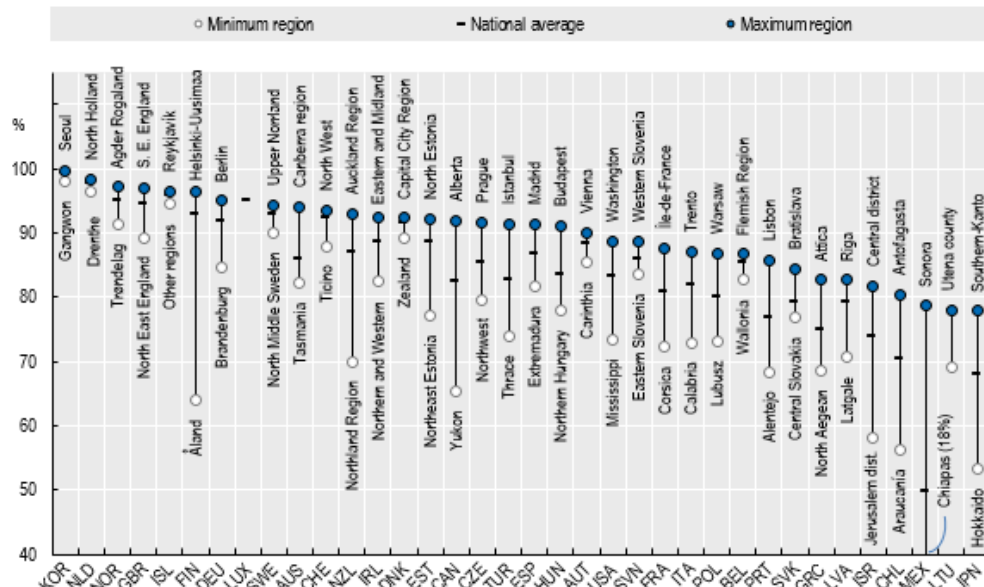
## Emerging opportunities involving CCS

### *Innovation push through digitalisation*

The massive digitalisation in recent months in the culture and creative sectors is clearly not temporary and could create new forms of experience and business models with market potential. There is an opportunity for a major innovation breakthrough in terms of the deployment of state-of-the-art technologies that allow “presence at a distance” (artificial intelligence, virtual and enriched reality, Internet of Things, etc.) to build a new “experience economy”. New forms of digitally mediated, decentralised creative production allow for engagement with larger and wider communities, not only at the receiving end but also in terms of content production. This trend could lead to more inclusive and innovative forms of collective production of creative content.

There are opportunities for public sector initiatives to support these processes and create new platforms for dissemination of creative content, but this requires digital infrastructure. Public support can be targeted at those initiatives that are beyond the scope of commercial activities of CCS, for instance in the areas of education, minority representation, cultural experimentation, digital archiving of arts and culture, and so on. The result of these changes could help redesign the CCS ecosystem globally. To achieve this, there is a need to close gaps in digital connectivity for both the supply and the demand sides of the cultural and creative sector, with special emphasis on lagging regions and geographically marginalised areas. Indeed, the COVID-19 crisis has shed light on large territorial inequalities in access to the Internet and ICTs. OECD data shows that regional differences in household access to broadband are significant, with variations between capital regions and other regions reaching over 30 percentage points in some countries (see Figure 6).

**Figure 6. Share of households with broadband access, TL2 regions, 2019 or last available year**



Note: TL2 regions, except EST, LVA, LTU: TL3 regions. 2019, or last available year, 2018: EST, ISL, ISR, JPN, KOR, LVA, MEX, NZL, USA; 2017: AUS, CAN, CHL.

Source: OECD (2020), OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-en>.



### ***Stronger integration within CCS and complementarities with other policy areas***

**Another emerging opportunity is a stronger collaboration between private CCS industries and public or quasi-public cultural institutions.** Building more links between commercial activities and entities such as museums, theatres, libraries can also enhance the sustainability of the non-commercial parts of the sector which rely on public funding.

**There are new opportunities for building on strategic complementarities (cross-feeds) between culture and education.** The impact of COVID-19 on both the education and cultural sectors includes accelerated digitalisation but also risks of exacerbating inequalities. With advances in both sectors, there are further opportunities for local and national development in terms of innovative digital cross-fertilisation between the two sectors. There is a clear strategic complementarity in terms of technologies, formats and skills between the development of methodologies and technological solutions for distance and distributed learning and digitally mediated access to cultural resources and experiences. A co-ordinated effort by public and private players of the global content platform economy could lead to the building of an inclusive cultural-educational ecosystem that accelerates both advanced digital literacy and the development of a new generation of creative entrepreneurs. Here again there is a clear need to close gaps in digital connectivity for the supply and the demand of cultural and educational sectors.

**Additional new strategic complementarities can be pursued between culture and policies to promote health and well-being.** The lockdown has made evident the importance of culture for people's well-being and mental health. What is more, the emerging link between arts and culture production and participation with health and well-being could provide opportunities for prevention of illness and treatment of diseases for health systems. As identified in the recent WHO report analysing results from over 3 000 studies, arts play a major role in the prevention of ill health, promotion of health, and the management and treatment of illness across the lifespan.<sup>45</sup> The documented effectiveness of arts and culture participation in improving the health and well-being of the elderly could become a pillar for a new active ageing approach that could contribute to decreasing hospitalisation and medicalisation rates, as well as preventing or delaying the emergence of age-related health problems. The resulting economies both reduce health costs and free up capacity and resources for the treatment of other conditions. In addition, arts and culture participation helps to improve the neuro-cognitive and affective development in children.<sup>46</sup> These complementarities could lead to the emergence of new professions and profiles in the cultural sector.

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<sup>45</sup> Fancourt, D. and S. Finn (2019), *What is the evidence on the role of the arts in improving health and well-being? A scoping review*.

<sup>46</sup> See, for example, White, E.J.; Hutka, S.A.; Williams, L.J.; Moreno, S., *Learning, neural plasticity and sensitive periods: implications for language acquisition, music training and transfer across the lifespan*, *Frontiers in System Neuroscienc*, 20 November 2013; and *Inclusion, Play and Empathy: Neuroaffective Development in Children's Groups*, Susan Hart, S.; Jessica Kingsley Publishers, 2017.





## National and sub-national policy responses as well as measures by private, non-profit and philanthropic organisations to support CCS<sup>47</sup>

**National and local authorities, as well as philanthropic organisations and other private actors, have adopted a wide array of measures to support creative and cultural sectors through the COVID-19 crisis.** Specifically, several countries have put in place public funding initiatives to provide short-term liquidity to relaunch businesses and support workers. CCS businesses and workers are eligible for general policies with the aim of relieving some of the financial pressure caused by the COVID-19 pandemic.<sup>48</sup> For example, in many countries, businesses and employees benefit from strengthened loan provision and guarantee schemes, income support, and flexible mechanisms relieving them from economic and administrative obligations. While these policies can contribute to protecting cultural and creative workers and business from the economic crisis induced by the shutdown of cultural venues, most of them are part of more comprehensive schemes for economic recovery aimed at businesses and self-employed workers.

**Only a few of these general support policies are adapted to the specificities of the sector, let alone the many sub-sectors that comprise it.** Structural policies laying the foundations for long-term growth and innovation in CCS have been used moderately, with a focus on digitalisation, training of creative workers and awareness raising. National policies to support these sectors may appear uniform, but will have different impacts based on the scale of creative and cultural sectors across different local contexts. Many cities are also taking active measures to support cultural and creative sector workers (Box 9). See Annex 1.B. for a wider range of policy measures and examples of countries and local authorities proposing them.

### Box 9. Cities at the forefront of supporting cultural and creative sectors

- **Suspension of contractual performance target obligations.** As venue-based sectors (theatres, operas etc.) had to cancel their performances due to social distancing measures, to guarantee their survival, cities in the United Kingdom along with other cities such as Amsterdam and Helsinki have suspended delivery targets for cultural institutions but maintained grants.
- **Employ and train creative workers.** San Paolo in Brazil is looking into direct employment of creative workers through a programme of hiring the freelancers and the self-employed to generate online content led by the city. In Singapore, there is a funding programme Payment to Train for the self-employed to attend training programmes to build capacity in the sector and generate an income.

<sup>47</sup> This section provides a first comparative overview of policy measures aimed at the support and recovery of the cultural and creative sector. As the situation is constantly evolving, this overview is not exhaustive. Policy responses are specific to the national economic context, to the importance of the cultural and creative sector, and to the stage of the outbreak in specific countries. There is no assessment or judgement made at this stage on the effectiveness of such measures.

<sup>48</sup> For more information on the COVID-19 impacts on SMEs and related policy responses, see OECD (2020), [Coronavirus \(COVID-19\): SME Policy Responses](#).





- **Better evidence to drive policy change.** For example, Amsterdam, London, San Francisco, and New York have commissioned large scale CCS economic impact analysis which will help build the evidence base to support the recovery and create policy change. The surveys have emphasised the economic damage to the cities' cultural sector, which is estimated to be EUR 173 million for Amsterdam and USD 73 million for the Bay Area, and showed that self-employed CCS professions are the most at-risk during the crisis.

Source: City of Amsterdam (2020). Measures to Support the City. [www.amsterdam.nl/en/coronavirus/overview/arts-culture/](http://www.amsterdam.nl/en/coronavirus/overview/arts-culture/) (accessed 20 August 2020); CAST Community Arts Stabilisation Trust (2020). Artists and Art Groups COVID-19 Impact Survey. [https://cast-sf.org/wp-content/uploads/2020/07/CAST\\_Survey\\_Results\\_7.31-1.pdf](https://cast-sf.org/wp-content/uploads/2020/07/CAST_Survey_Results_7.31-1.pdf); World Culture Cities Forum, OECD webinar Coronavirus (COVID-19) and Cultural and Creative Sectors: Impact, Policy Responses and Opportunities to Rebound after the Crisis, held on 17 April, 2020, <https://youtu.be/nlmafdLZ7Tc>.

## Policy responses

### *Public funding measures*

**Public funding measures are typically aimed at providing short-term liquidity to CCS firms.** These policies include grants and subsidies for cultural businesses or individual artists, forms of reimbursement to compensate for lost revenue due to the coronavirus lockdown, provision of loan guarantees and direct lending, and the introduction of incentives to promote investments in cultural production and businesses (see examples in Box 10). These measures usually target businesses and workers across economic sectors to avoid disruptive market fluctuations. While they help keep CCS workers in employment and they support many of the self-employed in the short term, they do not suggest medium- and long-term approaches for the recovery of cultural and creative sectors. Moreover, as cultural and creative employment can take non-traditional and diverse forms, such CCS workers are often excluded from receiving benefits unless adaptations for such non-traditional forms are part of the general package.

### **Grants and subsidies for cultural and creative sectors**

**Several countries, regions, and cities have provided direct financial support to cultural and creative firms as part of SME support measures, and sometimes made them accessible to non-profits as well.**<sup>49</sup> Policies have been implemented, for example, by Australia, Luxembourg, the Canadian province of Quebec, and the Wallonia region in Belgium.<sup>50</sup> These payments provide liquidity to allow business to keep operating and retain staff.

**Funding directed specifically to cultural and creative sectors is often included in country emergency aid packages.** While some governments allocate a budget for the whole cultural sector, others specify specific amounts to be assigned to sub-sectors, such as the music, cinema, museums, and publishing industries. Regions and cities have also allocated specific budgets to their cultural sectors, such as the Brussels-Capital Region and Flanders region, as

<sup>49</sup> For more information on the COVID-19 impacts on SMEs and related policy responses, see OECD (2020), [Coronavirus \(COVID-19\): SME Policy Responses](#).

<sup>50</sup> KEA European Affairs (2020) *Worldwide Policy Response to COVID-19 in support of the CCS*. <https://keanet.eu/worldwide-policy-response-to-covid-19-in-support-for-the-ccs/> (accessed 11 June 2020).



well as the cities of Bruges and Ghent in Belgium, Wales and Scotland in the United Kingdom, Montreal in Canada, Paris in France, Seoul in Korea, Amsterdam in the Netherlands, London in the United Kingdom, and Boston in the United States. For instance, the Department of Culture of Catalonia (Spain) advanced almost EUR 4 million for book purchases by libraries to also help minimise the impact of COVID-19 on the book sector.<sup>51</sup>

### Grants and subsidies for individual artists

**Instead of allocating resources to businesses, some governments prefer to directly provide workers with subsidies and grants.** The goal is to support the livelihoods of workers in the arts to continue their practice and operations during the virus outbreak. As the cultural and creative sector is characterised by its fragmentation and high-share of precarious jobs, these measures can be beneficial to freelancers which administer creative content, goods, and services.

**Most policies aim at sustaining self-employed professionals and micro enterprises across different sectors, including CCS, through a monthly or one-time grant.** Nonetheless, other countries have established forms of compensation with the objective of providing incentives for artistic creation. The Lithuanian government has instituted three-month long scholarships for artists and cultural creators (EUR 1 800 each).<sup>52</sup> New Zealand, through the Arts Continuity Grant, supports creative and professional development, and the creation, promotion, and distribution of new work up to NZD 50 000.<sup>53</sup>

### Compensation of losses

**Several countries have put in place a range of measures to compensate the actual or potential losses that CCS firms incur due to COVID-19 lockdowns.** There are reimbursement schemes that specifically target cultural and creative sectors and individuals who have lost income due to cancelled activity. Other measures include governments waiving refunds for cancelled government-sponsored projects and/or honouring subsidies for cancelled and postponed events. In some other cases, governments simultaneously benefitted consumers and CCS businesses by providing vouchers for reimbursements or replacement of cinema, museum, theatre, and concert tickets already sold. In such a way, they have relieved cultural venues from the expenses that the reimbursement for cancelled shows would have entailed.

### Loan provision and guarantees

**Many governments have introduced, extended, or simplified the supply of loan guarantees and taken up direct lending to increase liquidity for businesses.** Even if most of these policies are applicable to individuals and businesses in CCS, very few specifically target

<sup>51</sup> Department of Culture of the Catalan Government (2020) *Financial Planning of the Rescue Plan*. [http://www.catalanarts.cat/web/sites/default/files/cultural\\_sector\\_rescue\\_plan.pdf](http://www.catalanarts.cat/web/sites/default/files/cultural_sector_rescue_plan.pdf) (accessed 21 July 2020).

<sup>52</sup> KEA European Affairs (2020) *Worldwide Policy Response to COVID-19 in support of the CCS*. <https://keanet.eu/worldwide-policy-response-to-covid-19-in-support-for-the-ccs/> (accessed 11 June 2020).

<sup>53</sup> Creative New Zealand (2020) *Creative New Zealand response to COVID-19*. <https://www.creativenz.govt.nz/news/covid-19-cnz-response> (accessed 12 June 2020).



artists and cultural workers. In this matter, Spain<sup>54</sup> and Korea<sup>55</sup> have announced, respectively, USD 11 million and USD 2.5 million in low-interest credit with preferential access to artists.

### Investment incentives

**Some countries have put in place schemes to incentivise private and public investments into companies struggling due to the COVID-19 pandemic.** While most initiatives are transversal to many economic sectors, as in the case of the EU's Fund for Strategic Investment, some are directed towards the cultural industries, such as Belgium's Tax Shelter Agreement.

## Box 10: Public funding measures impacting CCS

### Grants and subsidies for cultural and creative sectors

- The **European Commission** introduced a REACT-EU initiative under its Multiannual Financial Framework (MFF) to provide support to Member States across economic sectors, including the struggling tourism and culture sectors.
- In **Korea**, the government's sector-specific relief programme includes subsidies to sustain the marketing costs of 20 selected movies which had to cancel their releases due to the coronavirus lockdown. It also included direct funding for 20 movie productions that halted their filming because of the outbreak.

### Grants and subsidies for individual artists

- On a subnational level, the **Brussels-Capital Region** has instituted an emergency fund of EUR 8.4 million targeting specifically the cultural sector. It also allocated a fund of EUR 5 million to provide EUR 1 500 to individual cultural workers who cannot benefit from other forms of support.
- The city of **Seoul (Korea)** has directed support specifically towards artists and workers in the CCS through the creation of three different Emergency Support for the Arts funds. They target artists, arts companies, planners, art educators and freelancers. In such a way, the city focussed economic relief on CCS workers overcoming the diverse and non-traditional nature of employment in such sectors.

### Compensation of losses

- In **Austria**, the federal government has provided EUR 25 million for audio-visual productions that have been suspended due to the virus outbreak. Film producers will be provided with a non-repayable grant covering up to 75% of default costs incurred since 16 March 2020.
- In the **United Kingdom**, to ensure that the **funding goes to those most in need**, the UK Arts Council has suspended delivery targets to arts organisations and confirmed grants on the condition that those arts organisations continue to honour their agreements with artists.

<sup>54</sup> The Compendium of Cultural Policies and Trends (2020), COVID-19 – Country Reports. [www.culturalpolicies.net/covid-19/country-reports/](http://www.culturalpolicies.net/covid-19/country-reports/) (accessed 12 June 2020).

<sup>55</sup> Government of Korea (2020)



- The **Brussels-Capital Region** has maintained subsidies allocated to all cultural events postponed in 2020 and has allowed the use of subsidies for events that were cancelled as payment of expenses already incurred.
- **Korea** has given box offices 3 million coupons, providing customers with a KRW 6 000 discount per movie ticket as an incentive for visiting cultural venues.

#### Loan provision and guarantees

- The **Italian region of Liguria** has established a revolving fund for subsidised loans to firms and other entities operating in the cultural sector.

#### Investment incentives

- **Belgium’s Tax Shelter Agreement** aims at promoting private investment in the performing arts and audio-visual sectors. Conditions of Tax Shelter agreements have been eased to help producers bridge gaps in expenditures in order to promote private investment in the performing arts and audio-visual sectors. Under the modified agreement, the work that was not produced in the performing arts and audio-visual sectors can be replaced by another work in the investor-producer agreement, without adverse tax consequences.
- **“Portugal entra em Cena”** (Portugal enters the scene) promoted by the Portuguese Ministry of Culture, aims at connecting private companies with projects by artists and cultural agents in order to promote direct investment in CCS.

Source and notes: European Commission (2020) Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU) COM(2020) 451 final, [https://ec.europa.eu/info/sites/info/files/com\\_2020\\_451\\_act\\_v8.pdf](https://ec.europa.eu/info/sites/info/files/com_2020_451_act_v8.pdf); Government of Korea (2020) Korea’s policy responses to COVID-19: Building resilience for culture, sports, and tourism. <http://m.korea.net/english/Government/Current-Affairs/National-Affairs/list?affairId=2034&subId=6> (accessed 14 June 2020); The Compendium of Cultural Policies and Trends (2020) COVID-19 – Country Reports. [www.culturalpolicies.net/covid-19/country-reports/](http://www.culturalpolicies.net/covid-19/country-reports/) (accessed 12 June 2020); Seoul Foundation for Arts and Culture (2020) Arts Support. [http://www.sfac.or.kr/site/SFAC\\_ENG/06/1060100000002019111801.jsp](http://www.sfac.or.kr/site/SFAC_ENG/06/1060100000002019111801.jsp) (accessed 25 June 2020); The Compendium of Cultural Policies and Trends (2020) COVID-19 – Country Reports. [www.culturalpolicies.net/covid-19/country-reports/](http://www.culturalpolicies.net/covid-19/country-reports/) (accessed 12 June 2020); Seoul Foundation for Arts and Culture (2020) Arts Support. [http://www.sfac.or.kr/site/SFAC\\_ENG/06/1060100000002019111801.jsp](http://www.sfac.or.kr/site/SFAC_ENG/06/1060100000002019111801.jsp) (accessed 25 June 2020); Regione Liguria. Fondo Strategico: Circolante Cultura e Spettacolo Emergenza COVID-19. <https://www.filse.it/servizi/agevolazioni/publiccompetition/186-cultura-e-spettacolo.html?view=publiccompetition&id=186:cultura-e-spettacolo> (accessed 17 June 2020); The Compendium of Cultural Policies and Trends (2020) COVID-19 – Country Reports. [www.culturalpolicies.net/covid-19/country-reports/](http://www.culturalpolicies.net/covid-19/country-reports/) (accessed 12 June 2020); Portugal #entraemcena (2020) Website [www.portugalentraemcena.pt](http://www.portugalentraemcena.pt) (accessed 15 June 2020).

**Following the immediate rescue packages, countries have started to introduce measures to help restart the cultural and creative sectors as they rebuild from the impacts of COVID-19.** Australia is one of the countries having introduced a comprehensive set of measures to support cultural production, stimulate job creation, support significant arts and culture organisations, and put in place a dedicated task force to drive the implementation of these measures (Box 11).



## Box 11: Measures to “restart” the cultural and creative sectors in the recovery

- An AUD 250 million **JobMaker plan to restart Australia's creative economy** was announced in June 2020 including:
  - **Seed Investment to Reactivate Productions and Tours** – AUD 75 million in competitive grant funding in 2020-21 through the Restart Investment to Sustain and Expand (RISE) Fund. This programme will provide capital to help production and event businesses to put on new festivals, concerts, tours and events as social distancing restrictions ease, including through innovative operating and digital delivery models. Grants of varying sizes will be available, from AUD 75 000 up to AUD 2 million.
  - **Show Starter Loans** – AUD 90 million in concessional loans to assist creative economy businesses to fund new productions and events that stimulate job creation and economic activity. The loan programme will complement the RISE Fund and will be delivered through commercial banks, backed by a 100% Commonwealth guarantee.
  - **Kick-starting Local Screen Production** – AUD 50 million for a Temporary Interruption Fund, to be administered by Screen Australia, that will support local film and television producers to secure finance and start filming again, supporting thousands of jobs in the sector. Filming of new productions has largely been halted as insurers are not providing coverage for COVID-19.
  - **Supporting Sustainability of Sector-Significant Organisations** – AUD 35 million to provide direct financial assistance to support significant Commonwealth-funded arts and culture organisations facing threats to their viability due to COVID-19, which may include organisations in fields including theatre, dance, circus, music and other fields. The Government will partner with the Australia Council to deliver this funding.
  - **Creative Economy Taskforce** – establishment of a ministerial taskforce to partner with the Government and the Australia Council to implement the JobMaker plan for the creative economy.
- The **German government** provided EUR 1 billion to the cultural sector through the Neu Start initiative. The programme comprises four main parts: pandemic-related investments in cultural institutions to make them fit for reopening (EUR 250 million), maintenance and strengthening of cultural infrastructure and emergency aid (EUR 450 million), promotion of alternative (i.e. digital) offers (EUR 150 million), and pandemic-related compensation for income losses and additional expenditure (EUR 100 million).

Source: Media release, 25 Jun 2020, Prime Minister, Minister for Communications, Cyber Safety, and the Arts, <https://www.pm.gov.au/media/250-million-jobmaker-plan-restart-australias-creative-economy> (accessed 29 July 2020); Neu Start (2020), <https://neustartkultur.de> (accessed 15 July 2020).





### *Employment and individual support measures*

**Governments across the globe have allocated significant funding towards employment and income support measures.**<sup>56</sup> Such policies aim at assisting workers and the enterprises employing them, freelancers, as well as people who have lost their jobs because of the virus outbreak. The introduction of these measures is significant as the cultural and creative sectors have been among the most affected by the lockdown measures put in place to contain the spread of COVID-19.

#### **Job retention and income support measures**

**Different forms of job retention schemes are being offered to companies to safeguard employment.** Policies are usually related to bridge funding, forms of social insurance, and additional direct funding to employers or to employees through expanded unemployment benefits, such as income support, while retaining their employment. Indeed, CCS firms are facing important challenges in paying wages and, when needed, sick leave. Direct government funding can enable them to keep paying wages and avoid lay-offs. Short-term work and the reduction of working hours are also common solutions, with some countries introducing measures that also top up the earnings of workers on reduced hours.

**Most policies in this category are applicable to workers across economic sectors and few are specifically directed at CCS.** However, CCS firms and the self-employed often have specific needs related to their unconventional forms of work that government measures could better respond to. In this context, Austria's COVID-19 Fund for Artists and Cultural Educators is an example. This policy increased the already-existing Artists' Social Insurance Fund by EUR 5 million to reimburse income losses of CCS workers due to cancellations. The grant can be up to EUR 2 000 for a maximum period of 3 months. Freelance and self-employed artists can access a bridging fund of EUR 90 million, providing 15 000 artists with EUR 1 000/month for up to 6 months.<sup>57</sup>

#### **Unemployment benefits**

**Several countries have put in place temporary unemployment schemes to support jobseekers and those who lost their jobs due to the virus outbreak, and a few of these initiatives directly target CCS workers.** These are important as they recognise short-term contracts, which are often used by artists, to obtain unemployment benefits. For instance, under Belgium's temporary unemployment scheme, artists and temporary employees of cultural events can receive, under certain conditions, benefits by presenting proof of a deal with an employer instead of a signed contract.

### *Deferral of payments and easing administrative procedures*

These measures that modify the due dates of payments and ease the administrative conditions to receive funding from government institutions are introduced to help allay CCS liquidity constraints.

<sup>56</sup> OECD (2020), *OECD Employment Outlook 2020: Worker Security and the COVID-19 Crisis*, OECD Publishing, Paris, <https://doi.org/10.1787/19991266>; OECD (2020), *OECD Economic Outlook*, Volume 2020, Issue 1, OECD Publishing, Paris <https://doi.org/10.1787/16097408>.

<sup>57</sup> International Federation of Arts Councils and Culture Agencies. *Austrian Government Establishes 90 Million Euro Fund for Freelance Artists*. <https://ifacca.org/en/news/2020/06/02/austrian-government-establishes-90-million-euro-fu/> (accessed 17 June 2020).





### Advanced aid

**Some governments have provided cultural organisations with advance payments of grants and subsidies as well as reimbursements of tax returns and royalties.** For example, the Italian region of Emilia Romagna has advanced the payment of annual regional aids to the cultural sector provided for by the regional law on culture.<sup>58</sup> Such a measure will grant cultural organisations and venues an increase in liquidity to compensate for cancellations due to COVID-19.

### Deferral of payments

**Most OECD countries have put in place measures that allow CCS firms and organisations to defer the payment of taxes in order to keep their liquidity.** This includes postponements in corporate and income tax payments, social security payments, pension contributions, and value added tax. Some of these government measures have a focus on creative and cultural organisations and workers. As an example, Italy has suspended social security payments, welfare contributions, VAT, and other dues for museums, theatres, concert venues, and other cultural organisations.<sup>59</sup>

### Tax relief

**In some countries, relief of corporate, income, and value added taxes is also granted.** Often, these policies entail a reduction in the amount of dues specifically for freelance operators and for organisations, including those in the field of culture. France targeted CCS firms and workers directly by exempting artists and authors from social security contributions for four months.<sup>60</sup>

### Procedural flexibility

**This policy category encompasses all policies that eased administrative procedures and suspended or modified contractual obligations.** These measures are often directed towards CCS firms (e.g. in subsidised venue-based sectors which cannot respect contractual obligations due to social distancing measures), as they usually have to fulfil obligations or go through elaborate bureaucratic procedures to access to funding or loans.

### *Structural change policies*

**Structural change policies focus on long-term solutions for the cultural and creative sectors, often providing incentives for innovation.** These measures are specific to the cultural sectors, but are less numerous than the measures providing short-term solutions across economic sectors. These policies aim at strengthening the resilience of CCS to future crises and support their further growth, for example by incentivising the digitalisation of artwork and cultural infrastructure. They are of particular importance as they allow creative industries to

<sup>58</sup> Regione Emilia Romagna (2020). *Coronavirus: le misure in Emilia Romagna*. <https://www.regione.emilia-romagna.it/coronavirus> (accessed 16 June 2020).

<sup>59</sup> Governo Italiano (2020) #CuraItalia, *misure a sostegno di famiglie, lavoratori e imprese*. <http://www.governo.it/it/curaitalia-misure-economiche> (accessed 17 June 2020).

<sup>60</sup> Gouvernement - Le portail de l'Économie, des Finances, de l'Actions et des Comptes publics (2020) *Mesures de soutien en faveur des secteurs de la restauration, du tourisme, de l'événementiel, du sport et de la culture*. [www.economie.gouv.fr/covid19-soutien-entreprises/mesures-soutien-secteurs-restauration-tourisme-culture-sport](http://www.economie.gouv.fr/covid19-soutien-entreprises/mesures-soutien-secteurs-restauration-tourisme-culture-sport) (accessed 15 June 2020).



challenge other pre-existing trends undermining the strength, resilience, and importance of the creative and cultural sectors.

### **Training and employment of creative workers**

**There are initiatives aimed at employing creative workers and offering incentives for creative production during and after the COVID-19 pandemic.** For example, Andalusia (Spain), Denmark, France, Greece, and New Zealand have created funds to commission and purchase works of national artists with the objective of employing workers in CCS who have suffered from the cancellation of events. Notably, New Zealand will support the redeployment of people into the creative sector and sustainable work through a NZD 7.9 million fund.<sup>61</sup> Prior to the crisis, some countries had been promoting programmes to train and develop skills of workers in CCS, which constitutes an important investment by governments in the field of culture.

### **Awareness raising**

**Some national and regional governments have adopted initiatives to raise awareness about the importance of arts and culture in civil society.** For instance, the Greek Ministry of Culture has implemented the *Development Measures and New Initiatives Plan* to support digital culture initiatives that can stimulate and strengthen the cultural sector and its professions as well as finance the creation of new digital content.<sup>62</sup> Other initiatives seek to measure the economic importance of culture and the subsequent impact of the COVID-19 pandemic on CCS. Indeed, the cities of Amsterdam, London, New York, and San Francisco have all initiated large-scale economic impact analyses.

### **Digitalisation**

**Some initiatives provide incentives for the creation of digital artwork, digital infrastructure, or the adoption of online platforms to promote culture and reach a broader public.** Examples include support by Greece and New Zealand for cross-sector partnerships to promote the activities of the cultural sector with a focus on the export of digital artwork and cultural and creative services.

### **Innovation**

**Measures under this category aim to support the innovation capacity of cultural and creative sectors.** Japan's JPY 1.4 billion "Project to strengthen the earning capacity of cultural facilities"<sup>63</sup> aims to promote new business models for cultural sectors whereby new technologies can enhance access to culture while also increasing the financial sustainability of cultural institutions (e.g. streaming of high-resolution theatrical art content or high-resolution video for museum exhibitions).

<sup>61</sup> New Zealand Manatū Taonga, Ministry for Culture and Heritage (2020) *Regenerating Arts, Culture, and Heritage*. <https://mch.govt.nz/regenerating-arts-culture-and-heritage-sector> (accessed 12 June 2020).

<sup>62</sup> The Compendium of Cultural Policies and Trends (2020) COVID-19 – Country Reports. [www.culturalpolicies.net/covid-19/country-reports/](http://www.culturalpolicies.net/covid-19/country-reports/) (accessed 12 June 2020).

<sup>63</sup> Prime Minister of Japan and His Cabinet (2020) *Government Responses on the Coronavirus Disease 2019*. [http://japan.kantei.go.jp/ongoingtopics/\\_00013.html](http://japan.kantei.go.jp/ongoingtopics/_00013.html) (accessed 17 June 2020).



## Copyright licensing

**Revenues from copyright licenses are an important economic contribution by CCS to a country's economic activity.** Therefore, some countries have decided to dedicate earnings from copyright levies towards artist development and aid to CCS firms. For example, Italy has set aside 10% of income from private copy levies to support artists and performers.<sup>64</sup>

### ***Private sector, non-profit, and philanthropic responses***

**Private, non-profit, and philanthropic actors are also involved in the CCS recovery process.** These actors often provide liquidity by funding businesses and providing grants for artists and cultural workers. Unlike broad government actions, these measures are usually directed specifically to CCS. It is therefore important to provide an overview of such measures to understand the full landscape of support to the sector and assess the gaps where future action could be channelled. Support from these actors is crucial to the CCS as they are often flexible and know the sectoral needs well, and can benefit workers that would otherwise be excluded from government measures. The range of actors in addition to the public sector includes collective management organisations, firms within CCS and beyond, and non-profit and philanthropic organisations.

#### *Collective management organisations*

**Organisations managing the licencing and the enforcement of copyrights are at the forefront of the CCS response to the COVID-19 pandemic.** Collective management organisations (CMOs) include organisations representing rights owners from all cultural and creative fields, such as musicians, composers, photographers, visual artists, performers, writers, and publishers. The degree of governmental supervision and regulation varies across countries, thus CMOs should be analysed as a category of their own (Box 12). As one of their tasks is to collect and distribute remuneration to copyright owners, their measures have mainly included a redistribution of profits into funds providing direct financial support to their customers. Providing flexibility in regards to the distribution and collection of dues is also a common measure. Of course these responses can benefit only a segment of the creative community, as they affect only creators whose work is protected by copyright. Therefore, workers who are not directly involved in artistic creation, but are ancillary to the cultural and creative sectors, are excluded from these measures.

### **Funding measures**

**The most common measure adopted by collective management organisations is the establishment of emergency funds to provide short-term liquidity to artists.** Such responses usually benefit customers and members of CMOs. The size of individual grants can vary. Private copy revenues are usually the main means of financing these actions. While some funds are not sector specific, others target creative workers in particular cultural fields.

**Other funding measures take the shape of reimbursements and compensations for the lost revenues due to the cancellation of events during the pandemic-induced lockdown.** For examples, CMOs in Austria (AKM and Austro<sup>65</sup>), the United Kingdom (Phonographic

<sup>64</sup> Governo Italiano (2020) *#CuraItalia, misure a sostegno di famiglie, lavoratori e imprese*.

<sup>65</sup> AKM (Autoren, Komponisten und Musikverleger), and austro mechna are Collective Management Organisations. AKM administers performing, broadcasting, and provision rights, while austro mechna



Performance Limited<sup>66</sup>), and the Netherlands (SENA<sup>67</sup>) have provided refunds and reimbursements for their customers.

### Addressing short-term liquidity issues

**Several CMOs have introduced changes in administrative practices and procedures to increase their members' short-term liquidity.** A common practice is for such organisations to advance payments on collected royalties. Others are also providing resources based on future royalties. Indeed, in Australia the Phonographic Performance Company (PPCA)<sup>68</sup> calculated advance payments for Australian Registered Artists based on the average of their previous PPCA earnings. In addition, the Australia Performing Right Association/Australian Mechanical Copyright Owners Society (APRA AMCOS) also brought forward royalty payments from November to May 2020.<sup>69</sup>

**Gramex and TEOSTO<sup>70</sup> in Finland and SENA in the Netherlands have delayed payments and debt collections.** Gramex and TEOSTO have also provided other kinds of relief and flexibility. For instance, the former is suspending contracts for struggling companies to avoid the termination of contracts, while the latter has stated that it does not require new licenses for online streaming as they are covered by already existing ones. These measures reflect the efforts of CMOs to adapt to the hardships that the cultural and creative industry is facing as well as the new means through which artistic performance is conveyed and consumed.

### Supporting cultural production

**Some CMOs provide measures to support cultural production during lockdown, although these measures are not frequent.** These measures usefully complement income support measures to promote a quick recovery after the crisis as well as build the capacities within the sector.

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administers reproduction and distribution rights in musical works from composers, authors, and music publishers in Austria.

<sup>66</sup> PPL (Phonographic Performance Limited) is a British company licensing recorded music when it is played in public or broadcast in TV or radio in the United Kingdom. It also collects royalties for performers.

<sup>67</sup> Sena is a Dutch non-profit CMO managing the rights of performers and producers.

<sup>68</sup> PPCA is a national, non-governmental and non-profit organisation that represents the interests of record companies and Australian recording artists.

<sup>69</sup> APRA AMCOS, News 2020, March, Live Performance Report Royalties to be Paid Early. <https://apraamcos.com.au/news/2020/march/live-performance-report-royalties-to-be-paid-early/> (accessed 29 July).

<sup>70</sup> Gramex is a Finnish copyright society for performing artists and phonogram producers. Teosto (Composers' Copyright Society) is a non-profit organisation that administers and protects the rights of composers and music publishers in Finland.



## Box 12: CCS support measures by collective management organisations (CMOs)

### Funding measures

- In **France**, several measures have been put in place:
  - Adami, a performer services organisation dealing with rights management, project funding, advocacy, and career counselling has established a EUR 11.3 million fund for artists and cultural organisations.
  - SACD, the French society for playwrights and composers, has established a EUR 500 000 fund targeting authors without a fixed income who have been affected by cancellations during the lockdown. In co-operation with the French Film Institute, they have also launched a fund specifically for authors in the audio-visual, web, animation, and performing arts sectors.
  - SACEM, the French Society of Authors, Composers, and Music Publishers, will provide its focus group grants up to EUR 1 500, EUR 3 000, or EUR 5 000 by drawing upon a EUR 6 million fund.
- In **Germany**, GEMA, the German performing rights organisation put in place emergency funds of EUR 40 million for songwriters and composers.
- In **Italy**, SIAE put in place emergency funds of EUR 60 million for songwriters and composers.
- In **Poland**, ZaiKS has established a loan fund of PLN 9 500 (about EUR 2 100) per person.

### Addressing short-term liquidity issues

- In the **Netherlands**, the collecting society Buma/Stemra has advanced payments of copyright revenue for TV and radio products. Thanks to this measure, about EUR 38 million were to be paid in June 2020 instead of September 2020, three months earlier.
- LaIPA in **Latvia** has provided its members a 30% advance on royalties collected in 2019. Moreover, they have increased flexibility by negotiating with the Latvian government a change in the criteria for granting lockdown benefits to also include those receiving royalty payments.
- In **Canada**, SOCAN has created a CAD 2 million emergency fund to allocate on the basis of its members' income history and need.

### Supporting cultural production

- **Switzerland's** Arts Council Pro Helvetia has launched a call for innovative project formats to allow for art production and reception during the period of gathering restrictions. Their objective is to stimulate with grants up to CHF 50 000 the creation or intensification of collaborations and connections between CCS workers and institutions with audiences.

Notes: **GEMA** - Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte (Society for musical performing and mechanical reproduction rights) is a government-mandated CMO which represents and administers authors' usage rights for musical works. **SIAE** - Società Italiana degli Autori ed Editori (Italian Authors and Publishers Society) is the





Italian copyright collecting agency; **ZaiKS** - Związek Autorów i Kompozytorów Sceniczných (Polish Society of Authors and Composers) is a Polish organisation representing artists, composers, and writers and defending their creative interests and copyright rights; **LaIPA** - Latvian Performers' and Producers Association is a collecting society for performers and phonographic producers; **SOCAN** - The Society of Composers, Authors and Music Publishers of Canada represents and administers the performing rights of songwriters, composers, and music publishers in Canada.

Sources: Adami (2020) Covid-19: Mesures exceptionnelles de l'Adami: 11.3 millions d'euros supplémentaires consacrés aux artistes. [www.adami.fr/wp-content/uploads/2020/04/CP-Adami-15-Avril-20-Covid-19-Mesures-exceptionnelles-11-3-millions-euros-supplementaires-consacres-aux-artistes.pdf](http://www.adami.fr/wp-content/uploads/2020/04/CP-Adami-15-Avril-20-Covid-19-Mesures-exceptionnelles-11-3-millions-euros-supplementaires-consacres-aux-artistes.pdf) (accessed 23 June 2020); KEA European Affairs (2020) Support Measures Map <https://keanet.eu/research/c19m/> (accessed 24 June 2020); IFPI (2020) Global Music Industry COVID-19 Response Tracker <https://musicresponsecovid-19.ifpi.org> (accessed 23 June 2020).

### *Responses by CCS and other private sectors responses*

**Private companies in the cultural and creative sectors have been directly supporting workers and organisations in the field.** Generally, private measures focus on providing short-term liquidity and funding to artists and cultural workers through grants and subsidies, loan provision, and income support. Measures granting bureaucratic and economic flexibility and funds for long-term structural investment can also be found. The main difference with governmental measures is the focus only on CCS workers with the aim to address the non-traditional and diverse nature of employment and business models in the sector. Some of these initiatives are from firms in the sector itself (such as Netflix and Spotify), along with other firms (such as a bank) interested in supporting the sector (Box 13).

**Funding responses aim at providing liquidity to artists and cultural workers through funds and grants.** The establishment of, or donations to, funds providing emergency support for artists by private companies is the most common kind of measure. Furthermore, some companies mobilised their clients and audiences by adopting innovative fundraising strategies to support CCS workers. Some companies launched sales of merchandise and artistic products, such as theatre plays and song recordings, to generate these supports. Digital events and services were also used to collect support. Many of these initiatives, such as income support for CCS companies' own employees, not only address funding to artists, but also to ancillary workers in the industry.

**Furthermore, some companies are providing flexibility in terms of financial obligations (e.g. advanced payment of grants, waving revenue shares), and investing in capacity building.** They are doing so through training sessions for artists and creative workers as well as investment in research and development for cultural and creative businesses.



## Box 13: CCS support measures by private companies

### Funding measures

- **Netflix** created a USD 100 million COVID-19 relief fund for workers in the film and TV industry. The company dedicated the fund especially to those who are paid on a project or hourly basis. Moreover, it committed to provide the cast and crews of its productions with two weeks of pay during the lockdown.
- **Live Nation Entertainment** directed funding towards workers who, like touring and venue crews, do not earn a regular wage, but depend on cultural events. Live Nation distributed grants worth USD 10 million through the Crew Nation fund, by initially allocating USD 5 million and then matching every dollar from donations to gather another USD 5 million.
- **Spotify** raised donations with matching gifts until its pledge of USD 10 million is reached.
- **Sony/ATV** donated USD 500 000 to the Nashville Songwriters Association International (NSAI) and Songwriters of North America (SONA) to support songwriters.
- **Bandcamp** waived their revenue share for merchandise in favour of artists and labels on 20 March 2020 and subsequently on the first Friday of the month in May, June, and July 2020. On 20 March, USD 4.3 million worth of merchandise was purchased – 1.5 times the normal amount.
- The **Universal Music Group's** merchandise and brand management company, Bravado, sold face masks featuring UMG artists through the “We've Got You Covered” initiative. The gains from the mask sales will be donated to music charities.
- Amazon Music, Facebook, Pandora, Sirius XM, Sony, Spotify, Tidal, TikTok, the Universal Music Group, and YouTube are some of the big CCS corporations who donated to the **Recording Academy's MusiCares Foundation** COVID-19 Relief Fund.
- London's **Soho Theatre** together with **Amazon Prime Video** raised funds for several UK based charities combatting the COVID-19 pandemic and to support freelancers working in the UK theatre industry, through the revenues coming from the rental of filmed theatre production of *Fleabag*.
- **Beatstream** launched a livestream music app that allows the sale of a one-time listen livestream of any live music event through normal ticketing platform.
- It is not only cultural and creative companies that are participating in the funding efforts for CCS workers. The French **Société Générale** bank group established a EUR 2 million Emergency Aid Fund to support musicians and musical ensembles. The fund covers three actions: advance payment of grants to 25 ensembles and musical projects being supported by the bank group, support to resume activity of independent ensembles, and emergency scholarships for students of the National Conservatories of Paris and Lyon. In addition, in Romania, the group donated EUR 70 000 and called for the creation of a solidarity network with other private sponsors and foundations to support the independent cultural sector.



### Supporting distribution

- **SoundCloud** gave a 50% discount on subscription to SoundCloud Pro Unlimited to enable artists to distribute their music more effectively.

### Capacity building and supporting cultural production

- The **Abbey Road Studio** music technology incubator, Abbey Road Red, has launched online mentoring sessions offering guidance to music tech start-ups.
- Similarly, **SoundCloud** publishes online a “Keep the Music Going Guide” presenting career-support resources.
- The **Universal Music Group** has established a platform connecting artists with fans to compensate for lost tours and appearances.
- **Rbhu**, an engineering firm specialising in monumental artwork and engineering structures, offers up to USD 30 000 worth of engineering services to artists through their COVID-19 Artists Relief Programme. This unique policy allows CCS businesses to develop their long-term capacity.

Source: KEA European Affairs (2020) Worldwide Policy Response to COVID-19 in support of the CCS. <https://keanet.eu/worldwide-policy-response-to-covid-19-in-support-for-the-ccs/> (accessed 11 June 2020); Live Nation Entertainment (2020) Crew Nation: Global Relief Fund for Live Venues Crews. [www.livenationentertainment.com/crewnation/](http://www.livenationentertainment.com/crewnation/) (accessed 23 June 2020); KEA European Affairs (2020) Worldwide Policy Response to COVID-19 in support of the CCS. <https://keanet.eu/worldwide-policy-response-to-covid-19-in-support-for-the-ccs/> (accessed 11 June 2020); IFPI (2020) Global Music Industry COVID-19 Response Tracker <https://musicresponsecovid-19.ifpi.org> (accessed 23 June 2020); Bandcamp (2020) This Friday, Support Artists Impacted by the COVID-19 Pandemic. <https://daily.bandcamp.com/features/bandcamp-covid-19-fundraiser> (accessed 29 June 2020); Recording Academy MusiCares (2020), [www.grammy.com/musicares](http://www.grammy.com/musicares) (accessed 22 June 2020); Soho Theatre on Demand (2020) If You're here for Fleabag, you're in the right place <https://ondemand.sohotheatre.com> (accessed 23 June 2020); Société Générale soutient la musique classique face au COVID-19, <https://www.carenews.com/fr/news/societe-generale-soutient-la-musique-classique-face-au-covid-19> (accessed 15 July 2020); Californians for the Arts, Covid-19 Artist Relief Program — RBHU, <https://www.californiansforthearts.org/covid19/2020/5/27/covid-19-artist-relief-program-rbhu> (accessed 20 July 2020).

### *Philanthropic associations, other non-profits and individual giving*

**The majority of measures by foundations and other non-profit associations focus on emergency support funds to workers in the cultural and creative sectors.** They have also been supporting investments in cultural production. As foundations and non-profit organisations from all over the world have and continue to provide support to workers across all cultural sectors and industries, Box 14 presents a small sample of the wide range of interventions that these organisations are providing.



## Box 14: CCS support measures by philanthropic foundations and non-profits

### Philanthropy taking a more strategic approach

- **Bloomberg Philanthropies** convened a wider group of philanthropy organisations to put together a pool of USD 95 million and is working with New York City to address the most strategic investment needs and fill in the gaps.

### Funding measures

- The **Adolph and Esther Gottlieb Emergency Grant Programme** assists painters, printmakers, and sculptors worldwide with grants up to USD 15 000.
- The **Craft Futures Fund** supports craftsmanship across the United States with grants of USD 5 000.
- The **J. Paul Getty Trust** created a USD 10 million fund to assist non-profit museums and visual arts organisations in Los Angeles County.
- **SuisseCulture Social** has established a CHF 280 million fund for arts and culture to pay for artist living costs during the virus outbreak.
- The **Kone Foundation** in Finland will organise, during the fall of 2020, an additional funding round for projects and artists who had already received aid by the foundation, but whose work has been impaired by the COVID-19 pandemic. The application must explain how the work and finances of the person or project have been affected by COVID-19.
- Some funding initiatives were started by **different for-profit and non-profit companies** and organisations and aggregate donations from others. **Artist Relief** is organised by the Academy of American Poets, Artadia, Creative Capital, the Foundation for Contemporary Arts, the MAP Fund, the National Young Arts Foundation, and United States Artists. Donors include the Andrew W. Mellon Foundation, the Ford Foundation, the Andy Warhol Foundation for the Visual Arts, and many more. The initiative seeks to distribute USD 5 000 grants to artists struggling due to COVID-19.
- **Donors are also individuals:** the NYC COVID-19 Response & Impact Fund was created by the NY Community Trust to give grants and loans to non-profits in New York. Individual citizens' contributions were crucial to distribute about USD 70 million in aid.

### Supporting cultural production

- **I Lost My Gig** is an online platform to collect data on revenue lost by artists or to provide them with financial support. By quantifying the losses occurred in cultural and creative industries, it can help provide a clear image of the state of the industry in cities to better target support. By quantifying losses and their causes, it shows the diversity and non-traditional nature of employment in CCS. It also enables donations to be more targeted specifically to those in need. It was initially designed for the citizens of Austin, Texas who lost income due to the SXSW festival cancellation, but the initiative has now spread to several cities worldwide.
- The **Amplifier Foundation** sought to employ creative workers through a Global Open Call for Art that grants USD 1 000 for a piece to 60 artists. The works will then be distributed online and physically to allow artists to widen their platform and audiences.



Source: OECD webinar Coronavirus (COVID-19) and Cultural and Creative Sectors: impact, policy responses and opportunities to rebound after the crisis held on 17 April, 2020, <https://youtu.be/nlmafdLZ7Tc>; Adolph and Esther Gottlieb Foundation (2020). The Adolph and Esther Gottlieb Emergency Grant [www.gottliebfoundation.org/emergency-grant](http://www.gottliebfoundation.org/emergency-grant) (accessed 23 June 2020); Center for Craft (2020). Craft Futures Fund. [www.centerforcraft.org/grants-and-fellowships/craft-futures-fund](http://www.centerforcraft.org/grants-and-fellowships/craft-futures-fund) (accessed 23 June 2020); The Getty Foundation (2020) LA Artists COVID-19 Relief Fund [www.getty.edu/foundation/initiatives/current/la\\_covid\\_fund.html](http://www.getty.edu/foundation/initiatives/current/la_covid_fund.html) (accessed 23 June 2020); International Federation of Arts Councils and Culture Agencies (2020b). ACORNS 398: Arts and culture sectors worldwide respond in times of crisis. <https://ifacca.org/en/news/2020/04/17/acorns-398-arts-and-culture-sectors-worldwide-resp/> (accessed 22 June 2020); Kone Foundation (2020). For Residency Applicants. <https://koneensaatio.fi/en/saari-residence/residency-applicants/> (accessed 24 June 2020); Artist Relief (2020). Website. [www.artistrelief.org](http://www.artistrelief.org) (accessed 22 June 2020); The New York Community Trust (2020). About the NYC COVID-19 Response & Impact Fund. [www.nycommunitytrust.org/covid19/](http://www.nycommunitytrust.org/covid19/) (accessed 29 June 2020); I Lost My Gig (2020) Website. [www.ilostmygig.com](http://www.ilostmygig.com) (accessed 16 June 2020); Amplifier (2020). Global Open Call for Art. <https://community.amplifier.org/campaign/global-open-call-for-art/> (accessed 24 June 2020).

## Building on the potential of culture in the recovery: addressing the challenges and maximising opportunities

**Going forward, cities and regions could consider cultural and creative sectors as well as cultural participation as a driver of both economic and social impact in its own right and throughout the economy.** COVID-19 is providing many communities, whether metropolitan areas or rural regions, to reconsider their growth models to be more inclusive and sustainable,<sup>71</sup> and culture can play an even greater role in these new local visions. For this potential to be realised, it is important to address several challenges, including the viability of many CCS firms and workers to survive the crisis and its impacts, and build on the opportunities that have emerged. Expanding the quantitative evidence base as well as documented learnings from experimentation and innovation will help to achieve these additional benefits.

### ***Address the pitfalls in policy supports for the self-employed to improve access for CCS workers***

**Many countries have applied measures to support self-employment during the COVID-related crisis.** Most of these measures are not sector specific but are open to creative professionals. These schemes, however, are often complex with eligibility criteria that exclude some CCS workers. The schemes often do not cover the newly self-employed (i.e. one needs to be already in the system to qualify and be eligible for the scheme). Moreover, self-employment schemes are not well adapted to new employment practices, portfolio working, and the hybrid forms of holding several jobs with different employment status qualifications, which is more common for CCS professionals but also increasingly present in other sectors. The schemes often do not provide full income replacement to those who are employees of their own incorporated companies, which is the case of many creative professionals. In some cases, these professionals also do not report earnings through income tax but rather from dividends.

**The OECD has highlighted that, more generally, this crisis has shown the need to let self-employed workers build up rights to the types of out-of-work support available to dependent employees.** In the past, several countries have been successful in establishing

<sup>71</sup> OECD (2020) [Coronavirus \(COVID-19\) From Pandemic to Recovery: Local Economic and Employment Responses.](#)





well-designed policies that work for their circumstances.<sup>72</sup>

**Going forward, the following could be considered to better adapt self-employment support schemes to the needs of CCS:**

- Consult with the self-employed and their sectoral employer organisations to raise the efficacy of measures.
- Ensure self-employment schemes can address various types of self-employed workers, including freelance and hybrid forms of employment.
- Introduce measures for the recovery to help the self-employed adapt to structural changes (e.g. shifts in consumer habits) and seize new opportunities. This will likely involve a combination of financial and non-financial support to encourage new business models and new competencies amongst the self-employed.

***Adapt innovation support measures to the needs of CCS***

**CCS can play an important role in innovation throughout the economy.** The sector produces new products and services and is also an important supplier of ideas and new approaches for other companies to innovate. In particular, some of this innovation potential is associated with sectors that are less exposed to market pressures and that for this reason can engage in more radical forms of experimentation, such as visual and performing arts. Another justification for public support to these sectors is therefore its potential to contribute to innovation, both for other parts of the CCS (such as cinema, video games, fashion, advertising or design) and for other sectors.

**However, CCS typically have difficulties in being recognised as an innovative sector and in accessing public innovation, and notably R&D, support measures.** This is because public programmes are often designed for more technological forms of innovation. While many innovations in CCS do include technology—particularly in light of increased digitalisation trends—there are other forms of innovation based on the creative content that are perhaps under-recognised in public programmes. Much can also be done at the city and regional level through wider regional innovation policies which could further recognise the value and the characteristics of the cultural and creative sectors.

**Intellectual property is another important area to support CCS actors in the crisis recovery and beyond.** Attempts to relax copyright restrictions through legal mechanisms may undermine business models for many businesses just at the moment when they need support. Rights holders themselves can also help. For example, during the lockdown period, Skribble made its library of reading materials free for a month. Microsoft has increased access to Minecraft education. More radical options can include governments licensing cultural content from the creators on behalf of the public both as a support mechanism for creative businesses but also as a support for households.

***Support cultural ecosystems***

**Public and private support to CCS is more effective when taking into account the strategic inter-relationships across sub-sectors that come together in an “ecosystem.”** In the CCS ecosystem, of special importance are the sectors that provide skills and contents

<sup>72</sup> OECD (2020), *OECD Employment Outlook 2020: Worker Security and the COVID-19 Crisis*, OECD Publishing, Paris, <https://doi.org/10.1787/19991266>; OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9ee00155-en>.



for other sectors. For instance, music and multimedia design are content providers for practically all other CCS sub-sectors. Sub-sectors which are drivers of radical innovation such as visual and performing arts play a key role in the ecosystem and are particularly fragile due to their non-industrial organisational forms that heavily rely on micro-companies and freelancers. It is also important to consider those parts of the CCS that are easily overlooked but come with a significant untapped potential, such as craft-making activities which can benefit from a substantial hybridisation with digital technologies and artificial intelligence, also as a source of experimentation and new ideas.

### ***Build on new opportunities between CCS and other sectors***

**The relationship between CCS and the educational system is likely to be further reinforced by the acceleration of digitalisation processes in both spheres.** This strengthened relationship will likely generate important knowledge and technology transfers across the two spheres and may be particularly rewarding for targeted investments in technology, skills building, and new products and services where the cultural and educational component mutually reinforce each other (for instance, in the field of lifelong learning). The lockdown has boosted the development of new, digitally-based educational platforms and an acceleration of Ed-Tech innovation, and this is likely going to be a permanent change that could revolutionise the educational sector in a relatively short time. The strategic complementarities between CCS and the educational sector will not only be essential for the development of new forms of digital “edutainment” (for instance in the field of serious educational games), but also to develop new platform concepts and formats that integrate various elements of (possibly gamified) interactive learning, group exchange and co-creation of content, advanced digital curation of educational and cultural content, and so on. The “serious gaming” industry might consequently become a partner for government, schools and tech companies, among others (it already is on a small scale).

**Other dimensions of knowledge exchange are those between CCS and universities.** Such exchanges with higher education institutions concern not only education in creative skills and entrepreneurship skills, but also research. There are several promising new research areas such as arts/culture and health, or arts/culture and social cohesion. Art-based techniques and methodologies (such as experimental models of human-AI interaction in sectors such as self-driving automotive,<sup>73</sup> <https://ars.electronica.art/futurelab/en/project/kommunikation-mit-roboterautos/> or explorations of the role of drones in redefining notions of public/private space, surveillance and security<sup>74</sup>) may open up new research programmes with important economic and social impacts.

**The relationship between arts and culture with health is also opening up new perspectives in the emerging “cultural welfare” sector.** This sector has been recognised by the World Health Organisation in a recent scoping review on this emerging field of research and policy experimentation. It brings an opportunity to design innovative policies in public health fields such as active ageing, improved health (as outlined in the EU New European Agenda for Culture), combatting social isolation, health prevention through healthy habits, and other ongoing experimentations in a number of clinical fields. Such a new field will also call for new professional training to combine cultural skills with those of nursing, medical or social service skills.

<sup>73</sup> <https://ars.electronica.art/futurelab/en/project/kommunikation-mit-roboterautos/>.

<sup>74</sup> <https://ars.electronica.art/futurelab/en/project/drone-lab/>.



**Advances in digitalisation infrastructure and tools will also spur new innovations that facilitate a greater role for culture in firms, and social interactions more generally.** As highlighted by the OECD, over the past years, the emergence of new digital technologies has enabled massive production of content and its instant diffusion through open platforms (e.g. Wikipedia), new media distributors (e.g. Netflix), social networks and content communities (e.g. YouTube).<sup>75</sup> This has transformed the ways in which cultural goods and services are produced and consumed as well as forms of cultural participation. The separation between producers and audience is gradually being replaced by a blurred continuum of active/passive participation. In this context, cultural institutions (e.g. museums) evolve from catering to a passive audience towards becoming participative platforms allowing for various forms of direct engagement and co-creation. This trend may enormously benefit from bandwidth upgrading.

**These new technologies and trends can lead to greater use of cultural and creative content in a wider range of aspects in daily life.** This includes work and educational environments as well as recreational and fitness activities, among others. A likely scenario in a 5G+ world is the “culturalisation” of the economy and society with widespread use of content by “prosumers” that produce and consume cultural and creative content. Firms, public administrations and non-profit organisations can all take advantage of these trends for new ways of interacting with citizens, consumers and audiences.<sup>76</sup>

**Moreover, CCS are a prime field of development and experimentation of emerging technologies such as augmented and enriched reality, the Internet of Things and artificial intelligence.** These technologies will dramatically increase the possibility of “presence at a distance” in immersive environments and will build hybrid experience spaces where human and artificial agents interact and co-create new content. The likely consequence will be a substantial broadening of the scope of CCS with the development of new sub-sectors and industries relying on new forms of media. The market potential of these developments is likely to be relevant and there will be clear advantages to firms in innovation leadership in the field. However, fully exploiting such opportunities calls not only for massive investments in digital infrastructure, but also for addressing the digital skills shortages in the sector, both at firm and individual levels, and for a strategy of support to the advanced digitisation of SME and micro-companies.

### ***Sustainable cultural and creative tourism***

**Many locations particularly hard hit by the crisis include those with large-scale and culture-based tourism.** There is an opportunity for new models of more sustainable cultural tourism. Different cities and regions can take action by shifting toward business models that focus on longer and repeat stays rather than on very high volumes of short visits, including through creative tourism. They can also limit further expansion of large-scale tourism in places

<sup>75</sup> OECD-ICOM (2019), *Culture and Local Development: Maximising the Impact, A Guide for Local Governments, Communities and Museums*, <https://doi.org/10.1787/9a855be5-en>.

<sup>76</sup> See, for example, Alves, H.; Fernandes, C.; Raposo, M.; “Value co-creation: Concept and contexts of application and study”, *Journal of Business Research*, Volume 69, Issue 5, May 2016, Elsevier Inc. This research shows co-creation’s logic as a driver of business innovation, the development of new products and services, and the experience of brand consumers are particularly prominent alongside co-creation as the foundation for market relationships.



where cultural assets are under pressure (e.g. through the limitation of commercial licences in critical urban areas to retail that mostly serves tourists in favour of retail that serves residents).<sup>77</sup>

**Creative tourism differs from traditional models of cultural tourism, primarily by promoting higher value added activities and experiences.** Creative sectors such as design, fashion, gaming, fine handicrafts, film and animation, and the industry of taste can considerably increase the attractiveness of destinations and the interaction with visitors. There is a shift towards value networks and a focus on co-creation of tourism experiences with consumers. There is evidence that these new models of creative tourism can deliver considerable added value, increase tourism demand and diversify tourism supply.<sup>78</sup>

**The pandemic crisis will also change the tourism sector, with an expected drop of 60-80% in international tourists in 2020.** Domestic tourism is expected to drive the recovery, although in many destinations it will not compensate for the drop in international tourism, and here too digital technologies can play a role in driving the transformation.<sup>79</sup> For example, the full deployment of augmented reality techniques with high bandwidth could allow users to experience highly immersive, realistic and detailed renditions of cultural and heritage sites. The experience value of the tourist visit could be less linked to visiting a few overcrowded and renowned sites, but will be increasingly linked to the discovery of the lesser known sites better spread out across a local area. This can be supported by home, pre-travel experiences that will allow visitors to arrive at a place with already some familiarity. Such approaches will favour a more sustainable form of tourism, also thanks to the possibility of decentralising at least part of the visits as virtual visits to show to the e-visitor not only the local attractions, but aspects of the place's daily cultural and social life.

**This new trend will require additional investments in tourist destinations.** Such investments include further efforts to expand the nature of cultural experiences, the digital training of local guides and service providers, and the creation of digital narratives that complement traditional physical experiences. Heritage cities will therefore become, in a sense, multimedia producers in order to attract physical visitors. This is a huge market, especially for continents like Europe where the identification of destinations with heritage and culture is often particularly strong. At the same time, culture is a key driver of tourism in OECD countries and an important element of tourism expenditure. Before the crisis, culture represented 2%, on average, of the total tourism expenditure.<sup>80</sup> Investments in connectivity enhancement to reach cultural and historical destinations can support destination competitiveness in the long run.

### ***Supporting the green transition***

**Culture and heritage may favour the diffusion of more responsible environmental behaviours.** The importance of cultural participation in favouring better waste recycling has

<sup>77</sup> See, for example, reflections on rethinking Venice "tourism monoculture", [Venice Tourism May Never Be the Same. It Could Be Better.](#) The New York Times (accessed 16 July 2020).

<sup>78</sup> OECD (2014), *Tourism and the Creative Economy*, OECD Publishing, <https://doi.org/10.1787/9789264207875-en>.

<sup>79</sup> For more information on the COVID-19 impacts in the tourism sector, see OECD (2020) [Tourism Policy Responses to the coronavirus \(COVID-19\)](#).

<sup>80</sup> OECD Tourism Database, Tourism consumption dataset, [https://stats.oecd.org/Index.aspx?ThemeTreeId=10&DatasetCode=tourism\\_rec\\_exp](https://stats.oecd.org/Index.aspx?ThemeTreeId=10&DatasetCode=tourism_rec_exp)



been empirically documented.<sup>81</sup> Moreover, arts and culture may encourage the creative reuse of already existing objects and goods, and may induce consumers to shift the focus of their consumption habits from material to experience goods, thus favouring the emergence of a circular economy.

**Cultural and artistic expression can do much to convince audiences about the necessity of more responsible, pro-social, pro-environmental behaviours.** It does so by offering emotionally impacting narratives and by improving audience understanding of the consequences of major environmental threats.<sup>82</sup> Moreover, cultural and artistic expression may favour a more responsible and empathic approach to nature, favouring the emergence of integrated nature-culture approaches.<sup>83</sup> The potential contribution of CCS to environmental challenges is almost completely overlooked, and this perspective opens a field that is entirely to be developed.

### ***Better evidence for a stronger impact***

**To shape better policies, national and subnational governments need more and better evidence on the economic and social impact of cultural and creative sectors.** Despite the increased awareness of the role of culture and creativity for (local) development, much can still be done to improve and mainstream across policy areas. A better understanding of how exactly culture and regional innovation, job creation, entrepreneurship and well-being interact and reinforce each other is needed. Too often, culture is regarded not as an asset but rather a liability, a “last to invest, first to cut” budget line. National post-COVID-19 recovery task forces, even in countries with a large endowment in cultural heritage or international prominence in specific creative sub-sectors, have not fully recognised the power of culture for the recovery. Robust data and evidence can raise awareness of the value of culture and creative sectors among policymakers, citizens, education and training providers, other firms in the value chain, and public and private investors.

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<sup>81</sup> See, for example, Crociata, A.; Agovino, M.; Sacco, P., "[Recycling waste: Does culture matter?](#)" This research explores the relationship between culture and waste recycling, and indicates that cultural participation is a determinant of households' recycling behaviour within the meta-issue of sustainability. The findings can be useful for pro-environmental behaviours preventive policies.

<sup>82</sup> See, for example, [Can Hollywood Movies About Climate Change Make a Difference?](#), The New York Times, Oct. 2, 2017 (accessed on 16 July 2020).

<sup>83</sup> See, for example, [Can Virtual Nature Be Good Substitute for the Great Outdoors? The Science Says Yes.](#) The Washington Post, April 28, 2020 (accessed 16 July 2020).





## Annex 1.A. Data sources for cultural and creative sectors

There is no one definition of cultural and creative sectors. For the purpose of this analysis, the main data source is Structural Business Statistics, where sectoral data are generally available at two-digit (division) level. For European countries, Eurostat tables do not include section R, therefore data collection through national statistical offices and additional estimates have been made to complement the principal source. For further information, see description of selected International Standard Industrial Classification (ISIC) industries to measure CCS below. In addition, when employment in the total economy is not provided, the total employment coming from the branch accounts has been used as a common denominator to calculate the shares.

Specific divisions from manufacturing (section C), services of information and communication (section J), and art, entertainment and recreation (section R) are considered to be part of the cultural and creative sectors:

- Division C18: Printing and reproduction of recorded media
- Division J58: Publishing activities
- Division J59: Motion picture, video and television programme production, sound recording and music publishing activities
- Division J60: Programming and broadcasting activities
- Division R90: Creative, arts and entertainment activities
- Division R91: Libraries, archives, museums and other cultural activities

**Annex Table 1.A.1. Data sources and reference years**

Country	Reference year	Source	Note/Link
EU countries, NACE rev2 divisions C118,J58,J59,J60	2017	Eurostat - Regional Structural Business Statistics (table sbs_r_nuts06_r2)	
Australia	2019	OECD estimates based on ABS, Employment by industry: 6291.0.55.003 - Labour Force, Australia.	Industries have been converted into two-digit ISIC rev.4 using the correspondance table published by the ABS: <a href="https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1292.0.55.0052008?OpenDocument">https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1292.0.55.0052008?OpenDocument</a> . The correspondance table provide one-to-one conversion from ANZSIC 2006 four-digit into wo-digit ISIC rev.4.
Austria	2017	Statistics Austria Business Census	<a href="https://statcube.at/statistik.at/ext/statcube/openinfopage?id=dereqz_rzaz_astbesch">https://statcube.at/statistik.at/ext/statcube/openinfopage?id=dereqz_rzaz_astbesch</a>
Canada	2018	Statistics Canada. CANSIM database. Table 14-10-0202-01	<a href="https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410020201">https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410020201</a>
Colombia	..	...	..
Czech Republic	2017	CZSO	Divisions R90 and R91 estimated based on national employment in R90 and R91 and share of establishments by region. <a href="https://www.czso.cz/csu/czso/statistical-yearbook-of-the-czech-republic-2018">https://www.czso.cz/csu/czso/statistical-yearbook-of-the-czech-republic-2018</a>



Estonia	2017	Statistics Estonia, Labour Force Survey. Employed persons by economic activity (EMTAK 2008), table TT0200	Divisions R90 and R91: <a href="http://andmebaas.stat.ee/Index.aspx?DataSetCode=TT0200">http://andmebaas.stat.ee/Index.aspx?DataSetCode=TT0200</a>
Finland	2018	Finland - Statistics Finland, Regional statistics on entrepreneurial activity. Table 11db, Establishments of enterprises by industry and region.	Divisions R90 and R91: <a href="http://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin_yri_alyr/statfin_alyr_pxt_11db.px/">http://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin_yri_alyr/statfin_alyr_pxt_11db.px/</a>
France	2017	INSEE, Statistiques structurelles d'entreprises. Emplois et rémunérations (données d'établissements)	Divisions R90 and R91: <a href="https://www.insee.fr/fr/statistiques/series/105404315?DPT_ALISSE=105301045%2B105301046%2B105301047&amp;NAF2_ALISSE=105300923&amp;qserie=cr%C3%A9ative">https://www.insee.fr/fr/statistiques/series/105404315?DPT_ALISSE=105301045%2B105301046%2B105301047&amp;NAF2_ALISSE=105300923&amp;qserie=cr%C3%A9ative</a>
Germany	2017	German Federal Office of Statistics, Business register (Statistisches Unternehmensregister)	Divisions R90 and R91 estimated at regional level based on country value for R90 and R91, and regional distribution of employment in other CCI sectors
Greece	2017	Greece - Hellenic Statistical Authority. Statistical Business register.	Divisions R90 and R91: <a href="https://www.statistics.gr/en/statistics/-/publication/SBR01/">https://www.statistics.gr/en/statistics/-/publication/SBR01/</a>
Hungary	2017	Hungary - HCSO, Hungarian Central Statistical Office. SBS regional data. Table YE3031_W - Enterprises classified in national economic sections A to J, L to N, P to S.	Divisions R90 and R91: <a href="http://stainfo.ksh.hu/Stainfo/haViewer.jsp">http://stainfo.ksh.hu/Stainfo/haViewer.jsp</a>
Iceland	..	..	No data for divisions R90,R91; <a href="https://px.hagstofa.is/pxen/pxweb/en/Atvinnuvegir/Atvinnuvegir_fyrirtaeki_fjoldi_launagreidendur/FYR01203.px/table/tableViewLayout1/?rxid=ce329007-2dd2-48e7-bee9-89037db0b5b0">https://px.hagstofa.is/pxen/pxweb/en/Atvinnuvegir/Atvinnuvegir_fyrirtaeki_fjoldi_launagreidendur/FYR01203.px/table/tableViewLayout1/?rxid=ce329007-2dd2-48e7-bee9-89037db0b5b0</a>
Ireland	2017	CSO. Business Demography by Activity, County, statistical indicator and Year	Employment in divisions J58 and J59 estimated based on the share of employment by region in J and national employment in J59 and J60. <a href="http://www.cso.ie/en/methods/multisectoral/businessdemography">http://www.cso.ie/en/methods/multisectoral/businessdemography</a>
Israel	2018	CBS, 2018 Labour force survey	Ad-hoc data collection
Italy	2017	Italy - Istat, Enterprises and persons employed, dataset DICA_ASIAUE1P	Divisions R90 and R91: <a href="http://dati.istat.it/Index.aspx?DataSetCode=DICA_ASIAUE1P">http://dati.istat.it/Index.aspx?DataSetCode=DICA_ASIAUE1P</a>
Japan	2016	Japan - Statistics Bureau, 2016 Economic Census for Business Activity.	<a href="https://www.e-stat.go.jp/en/stat-search/files?page=1&amp;toukei=00200553&amp;tstat=000001095895">https://www.e-stat.go.jp/en/stat-search/files?page=1&amp;toukei=00200553&amp;tstat=000001095895</a>
Korea	2018	Statistics Korea, Korean Statistical Information Service. Number of establishments, workers by province, industry.	Data in KSIC converted in ISIC based on the conversion table: <a href="http://kssc.kostat.go.kr/ksscNew_web/ekssc/main/main.do">http://kssc.kostat.go.kr/ksscNew_web/ekssc/main/main.do</a>
Latvia	..	Total R: NPV020. Number of employees, value added and production value generated by local kind of activity units in cities under state jurisdiction, counties, towns and parishes	<a href="https://data1.csb.gov.lv/pxweb/en/uzn/uzn_terrad/NPV020.px">https://data1.csb.gov.lv/pxweb/en/uzn/uzn_terrad/NPV020.px</a>
Lithuania	2017	Statistics Lithuania, Business Statistics. Number of local units by place of activity in non-financial enterprises.	Divisions R90 and R91 estimated at regional level based on country value for R90 and R91, and regional distribution of employment in sectors S to R. <a href="https://osp.stat.gov.lt/statistiniu-rodikliu-analize/">https://osp.stat.gov.lt/statistiniu-rodikliu-analize/</a>
Luxembourg	2017	Emploi salarié par secteur d'activité détaillé (2 positions) et type de contrat (non-intérimaires, intérimaires), 2017	<a href="https://adem.public.lu/dam-assets/fr/marche-emploi-luxembourg/faits-et-chiffres/statistiques/igss/Tableaux-interactifs-stock-emploi/Salaries-sectAct2Pos.xlsx">https://adem.public.lu/dam-assets/fr/marche-emploi-luxembourg/faits-et-chiffres/statistiques/igss/Tableaux-interactifs-stock-emploi/Salaries-sectAct2Pos.xlsx</a>
Mexico	2013	INEGI. Censos Económicos 2014	In division R91, have been added the employment from 'Public management on heritage' which includes among other public historical sites, museum, libraries, etc. These data are only available at national level, and therefore have been allocated at regional level following the regional breakdown of private activities in R91. <a href="https://www.inegi.org.mx/programas/ce/2014/">https://www.inegi.org.mx/programas/ce/2014/</a>
Mexico	2013	INEGI. Economic Census 2014.	<a href="https://www.inegi.org.mx/programas/ce/2014/default.html#Tabulados">https://www.inegi.org.mx/programas/ce/2014/default.html#Tabulados</a>



Netherlands	2017	CBS, Branches of companies; industry, region	Divisions R90 and R91: <a href="https://opendata.cbs.nl/statline/#/CBS/nl/dataset/81578NED/table?ts=1590181484118">https://opendata.cbs.nl/statline/#/CBS/nl/dataset/81578NED/table?ts=1590181484118</a>
Norway	2017	Statistics Norway. Statbank - employment register based	<a href="https://www.ssb.no/en/statbank/table/08536/tableViewLayout2/?loadedQueryId=10036445&amp;timeType=from&amp;timeValue=2008">https://www.ssb.no/en/statbank/table/08536/tableViewLayout2/?loadedQueryId=10036445&amp;timeType=from&amp;timeValue=2008</a>
Poland	2017	Statistics Poland	Divisions R90 and R91: <a href="https://bdl.stat.gov.pl/BDL/dane/podgrup/teryt">https://bdl.stat.gov.pl/BDL/dane/podgrup/teryt</a>
Portugal	2018	Portugal - Statistics Portugal, Persons employed (No.) in Enterprises by Geographic localization.	Divisions R90 and R91: <a href="https://www.ine.pt/xportal/xmain?xpid=INE&amp;xpgid=ine_indicadores&amp;contecto=pi&amp;indOcorrCod=0008467&amp;selTab=tab0">https://www.ine.pt/xportal/xmain?xpid=INE&amp;xpgid=ine_indicadores&amp;contecto=pi&amp;indOcorrCod=0008467&amp;selTab=tab0</a>
Slovenia	2017	Slovenia - SURS Enterprises by activities (NACE Rev. 2) and size class by number of persons employed, Slovenia, annually.	Divisions R90 and R91: <a href="https://pxweb.stat.si/SiStatDb/pxweb/en/20_Ekonomsko/20_Ekonomsko_14_poslovni_subjekti_01_14188_podjetja/1418801S.px/table/tableViewLayout2/">https://pxweb.stat.si/SiStatDb/pxweb/en/20_Ekonomsko/20_Ekonomsko_14_poslovni_subjekti_01_14188_podjetja/1418801S.px/table/tableViewLayout2/</a>
Spain	2017	National Statistics Institute, Main figures according to main activity (CNAE-2009 to 1, 2, 3 and 4 digits), tabla-28366 and 28375.	Divisions R90 and R91 estimated at regional level based on country value for R90 and R91, and regional distribution of employment in other CCI sectors
Sweden	2017	SCB, Statistical database. Structural business statistics	Divisions R90 and R91: <a href="http://www.statistikdatabasen.scb.se/pxweb/en/ssd/START_NV_NV0109_NV0109L/RegionalBasf07/table/tableViewLayout1/">http://www.statistikdatabasen.scb.se/pxweb/en/ssd/START_NV_NV0109_NV0109L/RegionalBasf07/table/tableViewLayout1/</a>
Switzerland	2017	Switzerland - Federal Statistical Office of Switzerland (FSO). Structural business statistics (STATENT)	<a href="https://www.bfs.admin.ch/bfs/fr/home/actualites/quoi-de-neuf.assetdetail.9366291.html">https://www.bfs.admin.ch/bfs/fr/home/actualites/quoi-de-neuf.assetdetail.9366291.html</a>
United Kingdom	2017	United Kingdom - Office for National Statistics, ONS. Nomis - Business Register and Employment Survey.	Divisions R90 and R91: <a href="https://www.nomisweb.co.uk/query/construct/submit.asp?forward=yes&amp;menuopt=201&amp;subcomp=">https://www.nomisweb.co.uk/query/construct/submit.asp?forward=yes&amp;menuopt=201&amp;subcomp=</a>
United States	2017	US Census Bureau. SUSB Annual Data Tables by Establishment Industry and Non-employer Statistics (NES).	<a href="https://www.census.gov/data/datasets/2016/econ/susb/2016-susb.html">https://www.census.gov/data/datasets/2016/econ/susb/2016-susb.html</a> , <a href="https://www.census.gov/data/datasets/2017/econ/nonemployer-statistics/2017-ns.html">https://www.census.gov/data/datasets/2017/econ/nonemployer-statistics/2017-ns.html</a> .



## Annex 1.B. Overview of policy responses

Annex Table 1.B.1. Overview of policy responses

	Public funding					Employment support		Deferral of payments and easing administrative procedures				Structural policies				
	Grants and subsidies for cultural sectors	Grants and subsidies for individual artists	Compensation of losses	Loan provision and guarantee	Investment incentives	Job retention / income support	Unemployment benefits	Advanced aid	Postponement of dues	Relief of dues	Procedural flexibility	Training and employment of creative workers	Knowledge mobilisation and impact analysis	Digitalisation	Innovation	Copyright licensing
<b>Australia</b>	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓				
Melbourne		✓														
Sydney	✓	✓														
<b>Austria</b>	✓	✓	✓			✓			✓	✓						
Vienna		✓														
<b>Belgium</b>					✓	✓	✓			✓						
Bruges	✓															
Brussels-Capital Region	✓	✓	✓						✓							
Flanders	✓	✓		✓		✓			✓		✓					
Ghent	✓															
Wallonia	✓			✓					✓							
<b>Canada</b>	✓			✓		✓	✓	✓	✓	✓			✓			
Quebec	✓	✓		✓			✓	✓	✓				✓			
Montreal	✓								✓							
<b>Chile</b>	✓			✓			✓	✓			✓					
<b>Colombia</b>	✓	✓			✓	✓			✓		✓	✓				



	Public funding					Employment support		Deferral of payments and easing administrative procedures				Structural policies				
	Grants and subsidies for cultural sectors	Grants and subsidies for individual artists	Compensation of losses	Loan provision and guarantee	Investment incentives	Job retention / income support	Unemployment benefits	Advanced aid	Postponement of dues	Relief of dues	Procedural flexibility	Training and employment of creative workers	Knowledge mobilisation and impact analysis	Digitalisation	Innovation	Copyright licensing
<b>Czech Republic</b>	✓	✓	✓			✓										
Prague	✓															
<b>Denmark</b>	✓	✓	✓			✓			✓		✓					
<b>Estonia</b>	✓	✓	✓			✓	✓			✓						
<b>European Union</b>	✓			✓	✓		✓					✓				
<b>Finland</b>	✓	✓	✓			✓				✓						
Helsinki										✓	✓					
<b>France</b>	✓	✓	✓		✓	✓	✓		✓	✓	✓					
Grand Est	✓						✓		✓							
Pays de la Loire	✓	✓	✓	✓					✓							
Paris	✓	✓		✓												
<b>Germany</b>		✓	✓	✓		✓	✓	✓	✓	✓			✓	✓		
Baden-Württemberg	✓	✓														
Bavaria				✓		✓										
Berlin		✓		✓												
Bremen		✓														
Cologne	✓															
Hamburg	✓	✓							✓							
North Rhine-Westphalia	✓	✓	✓													
<b>Greece</b>	✓					✓				✓	✓	✓	✓	✓		
<b>Hungary</b>		✓							✓							
<b>Iceland</b>																





	Public funding					Employment support		Deferral of payments and easing administrative procedures				Structural policies				
	Grants and subsidies for cultural sectors	Grants and subsidies for individual artists	Compensation of losses	Loan provision and guarantee	Investment incentives	Job retention / income support	Unemployment benefits	Advanced aid	Postponement of dues	Relief of dues	Procedural flexibility	Training and employment of creative workers	Knowledge mobilisation and impact analysis	Digitalisation	Innovation	Copyright licensing
<b>Ireland</b>	✓	✓	✓			✓	✓					✓		✓		
Dublin		✓														
<b>Israel</b>																
<b>Italy</b>	✓	✓	✓	✓		✓	✓	✓	✓							✓
Emilia Romagna								✓								
Liguria				✓												
Puglia										✓	✓					
<b>Japan</b>	✓	✓		✓								✓	✓	✓	✓	
<b>Korea</b>	✓	✓	✓	✓			✓			✓		✓				
Seoul	✓	✓														
<b>Latvia</b>	✓		✓	✓			✓	✓								
<b>Lithuania</b>	✓	✓				✓	✓						✓			✓
<b>Luxembourg</b>	✓	✓	✓				✓	✓			✓					
<b>Mexico</b>		✓													✓	
Mexico City												✓				
<b>Netherlands</b>	✓	✓	✓	✓		✓				✓			✓			
Amsterdam	✓										✓	✓				
<b>New Zealand</b>	✓	✓		✓	✓							✓		✓		
<b>Norway</b>	✓	✓	✓													
<b>Poland</b>		✓												✓		
Krakow		✓														
Warsaw		✓														
<b>Portugal</b>	✓		✓		✓				✓							
<b>Slovak Republic</b>		✓														



	Public funding					Employment support		Deferral of payments and easing administrative procedures				Structural policies				
	Grants and subsidies for cultural sectors	Grants and subsidies for individual artists	Compensation of losses	Loan provision and guarantee	Investment incentives	Job retention / income support	Unemployment benefits	Advanced aid	Postponement of dues	Relief of dues	Procedural flexibility	Training and employment of creative workers	Knowledge mobilisation and impact analysis	Digitalisation	Innovation	Copyright licensing
<b>Slovenia</b>						✓			✓							
<b>Spain</b>	✓			✓		✓	✓		✓							
Andalusia											✓					
Canary Islands		✓	✓													
Catalonia	✓															
<b>Sweden</b>	✓			✓					✓							
<b>Switzerland</b>	✓	✓	✓	✓		✓			✓	✓			✓			
Zurich	✓										✓					
<b>Turkey</b>									✓							
<b>United Kingdom</b>	✓	✓		✓		✓	✓	✓		✓	✓					
Liverpool	✓															
London	✓									✓		✓				
Scotland	✓	✓				✓	✓									
Wales	✓	✓	✓					✓	✓		✓		✓			
<b>United States</b>	✓	✓		✓		✓	✓									
Boston	✓															
Columbus		✓														
Connecticut	✓															
Los Angeles	✓															
New York City				✓								✓				
San Francisco									✓			✓				

Note: This table has been prepared based on official sources and media reporting. Given the rapid developments of events and measures (including their start and end dates), the information in the table may not be comprehensive or fully up to date.



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