



PRESS RELEASE

JUNE 2020

Among the activities that have been put in place to analyze and understand this enormous change, this report produced by Econcult (University of Valencia) provides an overview of the challenges encountered and the efforts still to be made to maintain sustainable, free and diverse environments for creation, dissemination and access to cultural life. This report is based on a web survey carried out between 15 and 30 April 2020 among some 60 beneficiary organisations in the five countries participating in Chebec, and enriched by an examination of various sources of qualitative information. It reveals flaws in artistic freedom that this crisis will only exacerbate, and progress that may be built upon. Through this report, CHEBEC underlines the role of artists and culture professionals who are the heart of cultural policies and calls for a further support of cultural and creative industries. Now more than ever, we need to recognize, integrate and support cultural issues in our response to the crisis and our planning for recovery. Make international cooperation, including cultural cooperation, central to building more resilient communities.

The cultural ecosystem is one of the most severely affected. The COVID-19 pandemic has created an environment of extreme uncertainty and has provoked huge implications on its economic and financial sustainability. The results of the survey show that Chebec beneficiary organisations have concentrated their efforts on operational activities to enable their short-term survival. The specificities of cultural work had not been fully acknowledged before the crisis, and the current situation is exacerbating the precarious situations in which cultural workers find themselves in. The majority of beneficiaries claim to have suffered losses in expected revenues that amplify over the second quarter, while the costs borne are fixed. They have lost business opportunities with other partners due to travel restrictions, and have faced delays in organizing events and cancellations of orders and sales. Their adaptation strategies were therefore based mainly on the creation of new ideas and innovation in products and services.

Indeed, the current situation faced around the world implies a new understanding of cultural participation, a reinvention for the cultural sector and a greater opening to the digital world. The impossibility to participate in the cultural life in many conventional ways during the lockdowns have multiplied the creation of new possibilities for access to heritage and knowledge. Regardless of the widespread implementation of remote working, a third of the organisations surveyed, mainly small organisations between 1 and 5 employees, have increased their investment in the digitalisation of their activities. From spontaneous creations shared on the Internet to the many initiatives to provide

free access to creations, art and culture offer an endless source of generosity. Artists are thus forced into a vulnerable position of having to balance exposure with retaining ownership of their work. The results indicate that more than a third of those surveyed have carried out free cultural initiatives. These performances reveal the economic health of creative ecosystems that stand out for their entrepreneurial spirit, their ability to project themselves onto external markets and their anchoring in their territories. However, they should not mask uneven economic dynamics from one sector to another. This raises new challenges for fair remuneration and online safety, challenges that must also be met in an effort to protect and promote the diversity of cultural expressions.

Cultural economy is an important area of policy intervention related to the impact of the COVID-19 crisis. As there is a great deal of uncertainty around the timeline for the reactivation of cultural events, precise information and clear guidance from public authorities stand out as major need. Beneficiaries require on the aid available and guidance on how to access it, and knowledge that will allow them to reorganise their processes once economic activity starts to gradually recover. Most of Chebec's beneficiary organizations anticipate an intensification of precariousness, as well as the irregularity and temporary nature of cultural work. The redesign of the production, exhibition and enjoyment of arts and culture is already taking place as economy acquires a less frenetic rhythm. Beneficiaries have expressed a need for liquidity to mitigate the negative impact that confinement has had on their usual sources of income, and a moderate need to adapt to remote working and to the digital environment. In a situation where most of them have seen their income significantly reduced, access to public aid is essential to ensure economic sustainability. Most of the support received has come from national governments, next in importance are local governments, followed by regional governments, and last from the European Union. Added to the slowness of the aid distribution process, which is common to all sectors, most of beneficiaries think that the aid received is only moderately useful and insufficient to cope with the situation.

In a productive and management context where the fixed costs borne by the organisations are substantial, the structural fragility of cultural organisations is notably exacerbated. Beneficiaries see a greater need for supply-side approaches, i.e. business-oriented public policies, and focus on the need to promote public procurement on the demand side. In essence, the sector is demanding to be taken into account and to be included in a strategy that considers its specific characteristics and allows it to remain viable in the long term. Respondents believe that the solution to the crisis is to be found within the sector itself rather than in public bodies. An optimistic note in this respect is the assessment of the increased perception of the economic and social value of culture, which could act as a lever for change. Awareness of this issue is essential to highlight the centrality of culture as an engine for territorial development.

The COVID-19 crisis is proving the need to multiply exponentially the collaboration of all governments, communities, agents and cultural actors as it shows their interdependence; creativity and technological possibilities have contributed to disseminate cultural contents, and joint measures are being implemented to foster a more complete and cohesive action, and avoid fragmentation. As a European cooperation programme, Chebec encourages these initiatives as true processes of innovation in which territories are learning and reviving fraternity between them to give new impulse to their goals.