

A RECOVERY BUDGET FOR THE FUTURE OF EUROPE NEEDS SUSTAINABLE AND SUBSTANTIAL FINANCIAL SUPPORT FOR CULTURE

CAE position on the post-coronavirus 2021-2027 MFF

The unprecedented Covid-19 outbreak, unfolding global interdependence, requires forward-looking and bold actions on all fronts. The European Union Multiannual Financial Framework (MFF) 2021-2027 will be an integral tool in revitalising the European societies. It is vital that the future MFF contributes to transforming the current crisis into a doorway to a sustainable future, granting space for democracy, fair social and economical models that guarantee citizens well-being. Culture must be part of this transformation.

Following the meeting of the European Council on 23 April 2020, the European Commission has been tasked to come up with a revised MFF proposal, which integrates a recovery fund for Europe in the already existing MFF proposal, while increasing its financial envelope. The EU institutions and the Member States need to make such emergency packages also available to cultural and creative sectors, while keeping the specificities of already existing programmes.

Culture is the foundation of the European common project; it binds us together when pursuing shared objectives and underpins Europeans' sense of belonging. According to European citizens, culture is the main driver of the sense of belonging to the European community¹.

Hence, culture has an European added value², playing a crucial role in upholding and nourishing mutual understanding among the peoples of Europe and fostering diverse and inclusive societies, at a time when the danger of resorting to closed border, nationalistic rhetoric and self-interests is more alive than ever. Now is the time to nurture a culture of solidarity within and beyond Europe that leaves no one behind.

Why is supporting European cultural sector more important than ever before?

Cultural and creative sectors include at least 8.4 million workers³ in the EU, but mobilise millions more in the whole cultural ecosystem. Thus, it should have a prominent place within the revised MFF 2021-2027. EU support for culture is especially crucial today, as it reinforces the cooperation and solidarity of the European cultural sector as a whole. Any step back in this direction can hinder the European common project.

Participation and access to culture is a source of well-being and increases our sense of community in these challenging times of social distancing. This crisis proves once again the fundamental role culture plays in forging resilient, healthy and fair societies.

¹ Special Eurobarometer 466 on cultural heritage, 2017

² The growing awareness by Member States of the substantial contribution of culture to the progress of the European Union has been reflected in the 2017 Rome Declaration and by the inclusion of culture in the European Pillar of Social Rights. The New European Agenda for Culture adopted by the European Commission on 22 May 2018 has singled out strategic objectives of intervention with social, economic and external dimensions, to which the European Parliament has added the intrinsic value of culture and cultural expression.

³ Employment in the cultural and creative sectors, European Parliament Briefing, 2019

At the same time, the world of arts, culture, heritage and creativity is among the most affected by the socio-economic impact of the measures taken to contain the health crisis. This adds on top of an already precarious situation for the underfinanced cultural and creative sectors (CCS) in Europe, which by 95% consists of freelancers and micro-organisations⁴, and their fragile ecosystems.

Culture brings societal gains through crossovers with other areas of EU action, such as cohesion policy, social inclusion, external relations, environment, education, research and innovation. Culture plays a key role in changing the current practices of society, promoting the objectives of the Green Deal. However, sufficient funding shall be provided to this end. An integrated approach to funding for culture in the EU's long-term budget is utterly needed.

The cultural and creative sectors are facing old and new challenges. A revised post-pandemic Multiannual Financial Framework (MFF) with increased financial resources must offer a more integrated approach to the post-pandemic recovery plan for Europe⁵. The role of culture and the arts must be acknowledged and translated into significant and sustainable sectors-wide support in a reformed seven-year budget.

Culture Action Europe calls on the European institutions and Member States to:

- 1. Place culture at the centre of the revised MFF proposal by:
- **Doubling the budget for Creative Europe**⁶. New resources for culture should be provided, as invoked in the <u>position of the European Parliament</u>, thus acknowledging the role of European cultural cooperation to tackle the socio-economic impacts of the current crisis, and its potential to revive the very meaning of a sustainable EU project.
- Ensuring that at least 1% of the whole long-term budget across policy fields and the MFF programmes is earmarked for culture⁷, thus acknowledging the impact of the crossovers of culture with other programmes.
- **Ensuring the integrity of Creative Europe**. In the case that other programmes under the heading Cohesion and Values have their budgets increased, this should not happen at the expense of Creative Europe. Furthermore, the alignment of Creative Europe to the objectives of the Green Deal should be financed from sources outside the programme itself, in order to avoid further erosion of the extremely small budget of the Culture strand.
- 2. Recognise culture as an integral part of the economic, social and environmental recovery plan for Europe within the new MFF and thus support the highly-affected CCSs with at least 7% of the Recovery Fund which is set to front-load money over the first programming years.

⁴ Boosting the competitiveness of cultural and creative industries for growth and jobs, 2016, European Commission.

⁵ <u>CAE's last position on the post-2020 MFF</u> dates back to 2018, when the Commission put forward the 2021-2027 proposal, accounting for 1.11% of EU27 GNI. Much has happened since then. In its position on the MFF, the European Parliament called for increasing it to 1.3% of EU27 GNI, in an inter-institutional back-and-forth with national governments which still lasts.

⁶ Creative Europe, the main EU programme dedicated to culture, represents 0.14% of the EU total budget for 2014-2020, out of which only one third (31%) is earmarked for culture. Furthermore, these very limited resources have been re-allocated towards a new and even wider range of initiatives. As acknowledged by the European Parliament, Creative Europe suffers because of its own success and merits a reinforced budget. Despite its high implementation rates, the programme is hindered by low and decreasing application success rates, due to its significant popularity and insufficient finances. Thus, a great number of high quality projects have been left without the deserved support.

⁷ <u>Robust evidence</u> exists on the impact of culture across a range of EU policies, from health and well-being, to innovation, growth and jobs, external relations, cohesion and migration, education, and the promotion of democratic principles.

- 3. Ensure that the new Creative Europe programme maintains a balance among funding mechanisms and adopt an equal and tailored approach to all cultural and creative sectors, considering that financial instruments such as guarantees, loans and equity, are only appropriate for profit-generating projects, while grants are vital to support the social function of culture, innovative artistic and cultural practices, including by micro and small organisations and freelancers and independent professionals, transnational cultural cooperation and people-based investments.
- In case that an agreement on the 2021-2027 MFF is not reached by the end of the year, **Creative Europe should be fully included in the budget extension to 2021**.

We call on the European Institutions and the Member States to take substantial action, to #ActForCulture and "protect [Europe's] most precious asset: their faith in solidarity and the power of culture".

ABOUT CULTURE ACTION EUROPE:

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

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

www.cultureactioneurope.org