IMPALA’S SECOND WAVE COVID RECOMMENDATIONS

TAKING STOCK AND LOOKING AHEAD

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Nine months after the start of the Covid-19 crisis, with most of Europe at varying stages of second wave lockdown and gradual deconfinement expected, IMPALA’s Covid-19 Task Force has issued a new call for action.

Targeted support and coordination take on renewed importance as restrictions gradually lift and we can hopefully find some optimism about tackling the spread of Covid-19 over the next year. Sectors such as music will be last to come out of the crisis and will feel the direct impact on revenues for years, even without a potential third wave.

With European markets bracing for serious decline, IMPALA calls for an immediate extension of crisis relief, including graduated support for 5 years and 6% for culture in all national and EU recovery and other budgets.

On top, IMPALA is seeking clear reporting to assess whether support ends up where it should, as well as a more co-ordinated response across Europe on health measures and mobility.

Bolstering rights is a key focus of IMPALA’s recommendations. Implementing the EU copyright directive quickly and sticking to the text of Article 17 is a top priority, to prevent more gaps appearing. Addressing the recent EU court decision on EU performance monies and third countries is also important, to stop value being transferred away from European performers and producers. Another decision chipping away at broadcast rights needs assessing too.

Finally, IMPALA looks to offline and online media to boost music and diversity and asks decision makers to remove barriers to innovation and support regeneration. VAT on concerts, livestreams and record store sales are specific issues here.

With European music accounting for 2 million jobs and €81.9bn GVA, IMPALA’s recommendations are an investment in Europe’s recovery.

The aim of IMPALA’s call is to take stock and look ahead. This is essential to inspire the next generation of artists and music professionals to pursue their passion, and contribute to Europe’s diversity and growth.

Cultural and creative industries have been recognised as a priority ecosystem and culture received a boost with over half a billion euros in additional funding proposed in the EU’s budget. Here are IMPALA’s recommendations to build on that.
1. EXTENDING CRISIS MEASURES AND BUILDING AN AMBITIOUS 5-YEAR STRATEGY AROUND A BASELINE OF 6% FOR CULTURE

The music sector is one of the hardest hit by the crisis and will be among the last out. Even traditionally strong European markets are predicting massive overall declines. Despite restrictions starting to lift and possible longer term medical solutions being presented, the crisis accumulates and the impact on the music economy will be felt for years. With a certain level of support fatigue setting in, IMPALA urges decision makers to dig deep. Recovery is also about having strong and coherent rights. Accelerating the implementation of the copyright directive and avoiding pressure to rewrite Article 17 is key. At the same time, the anomaly in the 2006 rental directive revealed recently by the European court must be fixed as it exposes European producers, performers and member states. Decisions like the RAAP case on US repertoire, and also Atresmedia on broadcasting rights, chip away at basic copyright principles. This is not how to make Europe the best place to be a creator!

LOOKING AHEAD

- All key crisis measures need to be extended, not just until the pandemic is behind us but until the economy has properly recovered. That also means setting five-year plans, without which many in the sector will not survive.
- Maximum relaxation of state aid rules must be extended till the end of 2025 to allow proper recovery planning and longer-term tools such as tax credit schemes for small and medium sized businesses who invest in creation.
- All countries should earmark 6% of their recovery plans and other budgets for culture - the benchmark should be sector GDP in the EU (more than 4% for cultural and creative industries), with priority sectors securing a 50% uplift.
- Transferring value should be avoided. There should be no rewriting of Article 17 of the copyright directive in European Commission's guidance and national laws, or chopping away of Europe's copyright base. That means no sudden changes to broadcast or other copyright rules and no transfer of European performance monies to non-EU countries without domestic rights after decades of reciprocity.
Support measures are more essential than ever, yet too often music professionals and small businesses fall through the cracks. Accountability and transparency are urgently needed. No one should get left behind. Retraining is not an ambitious recovery strategy. We look to the EU to coordinate to help reduce the gap between countries supporting their cultural industries appropriately, while others trail behind. The current lack of coordination cross-border and even within countries is also hindering the sector’s ability to plan ahead. Coordination is almost more important as restrictions start to lift and different countries adopt their own strategies. Even if we all hope we will gradually move towards health solutions that might mean getting pan-European touring back on track, this will take a while and require co-ordinated planning. Structure and leadership are needed to demonstrate to Europe’s cultural sectors that there is a clear strategy in place.

2. MORE COORDINATION AND TRANSPARENCY TO MAKE SURE SUPPORT GOES TO THOSE WHO NEED IT MOST

- Governments and the EU should measure and report publicly on who is benefiting from their support to ensure the assistance reaches those who need it and quickly.
- Eligibility conditions for relief schemes must be revised urgently so that they benefit all - self-employed, freelance, micro-businesses, etc.
- A coordinated approach around clear health measures and mobility is needed for artists, live venues and record shops, as well as studios. This is vital for visibility and to ensure safe and appropriate working spaces and travel for artists and cultural workers, as well as a safe experience for music fans.
- Record stores should be recognised as essential retail facilities and allowed to stay open during lockdowns, subject to necessary sanitary restrictions.
All offline and online media should have a specific plan to support local music and promote diversity across their channels. Diversity should be measurable, with scoreboards and other tools put in place to encourage and promote local initiatives longer term, not just during the crisis. Removing barriers to the sector’s potential to innovate and regenerate is essential. For example, VAT rates on live streams should be same as physical concerts and VAT should be suspended altogether for concerts and live streams during the crisis, with the same approach for music shops. Projects to innovate and regenerate such as diversity and inclusion, green recovery, cultural recovery should be prioritised in EU and national grants.