

Employment vulnerabilities in the Arts, Creative, Culture and Heritage Industries as a result of COVID-19



Richard Johnston, Ryan Hogg, Gillian McCausland
& Gillian Callan (DfC)

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1. Executive summary

1.1 COVID-19: Unprecedented shocks, policy responses, and an uncertain future

The global COVID-19 pandemic has resulted in a healthcare crisis in many countries around the world. NI has been impacted significantly, with 21,898¹ cases and 902² deaths recorded to 13th October 2020. The policy response to the pandemic was necessarily, to restrict travel, to limit contact with other people and to implement social distancing requirements of two-metres in order to reduce transmission of the virus, smooth the demands on the healthcare sector and minimise the number of cases and deaths. These restrictions, in combination with the behavioural response of the population have resulted in a significant economic shock in NI with output estimated to have contracted by 12.7%³ over the year and unemployment more than doubling as 35,000 individuals joined the claimant register.

The result is that a range of jobs have become vulnerable through two main transmission channels, firstly through reduced demand and secondly as a result of social distancing requirements. As policy and decision makers seek to appropriately balance the healthcare and economic risks to society, this paper examines the potential impact of social distancing requirements of one metre and demand reductions on job vulnerabilities in NI, which is the minimum social distance required in NI since 29 June, albeit with acceptable mitigations in place⁴.

The policy interventions that are in place to support individuals, enterprises and the economy are also unprecedented. An additional £2.3bn⁴ has been allocated to the Executive as part of the Government's response. At its peak, 249,000 jobs were being supported in NI via the Coronavirus Job Retention Scheme (CJRS) and it is estimated that the share of UK wide supports such as the CJRS, the Self Employment Scheme and Business Interruption Loan Schemes etc have resulted in £1.5bn of additional income to enterprises and individuals in NI so far⁵. At time of writing, there is increasing uncertainty as to the future sustainability of both the labour market and the nascent economic recovery, due to rising transmission rates across the UK and the winding down of the most vital support schemes like CJRS. The recent "circuit breaker" lockdowns, the prolonged test of resilience and accordingly, reductions in consumer confidence means the path of recovery is likely to be uneven.

1.2 Defining Arts, Culture and Heritage occupations

For the purposes of this research and the development of policy suggestions, the definition of Arts, Culture and Heritage jobs employed is;

- Advertising and marketing;
- Architecture;
- Crafts;
- Design: product, graphic & fashion design;
- Film, TV, video, radio and photography;

¹ Department of Health

² NI Statistics & Research Agency, Fraser of Allander Institute at University of Strathclyde

³ UUEPC

⁴ <https://www.nidirect.gov.uk/articles/coronavirus-covid-19-regulations-guidance-and-what-they-mean-you>

⁵ HM Revenue and Customs & UUEPC estimates

- IT, software and computer services;
- Publishing;
- Museums, galleries and libraries;
- Music, performing and visual arts; and
- Heritage.

The definition aligns with that used for the Creative sector by the Department for Digital, Culture, Media and Sport (DCMS) and adds Heritage occupations as these are part of the Department for Communities remit.

1.3 Defining a vulnerable job

Jobs are considered on a spectrum of vulnerability, from 0-100 based on proximity to others in the workplace, level of interaction with the public, and potential of exposure to COVID-19.⁶ Demand impacts are then estimated on a sectoral basis, using published research, emerging evidence from surveys and knowledge of the local economy. A central, or most likely scenario provides the baseline and upper and lower bounds are provided to illustrate the most likely optimistic and pessimistic outcomes. Social distancing and demand impacts are modelled at a 1-metre social distancing requirement in line with current policy.

1.4 More than one-third of Arts, Culture and Heritage jobs are vulnerable

Of the 39,000 Arts, Cultural and Heritage jobs in NI, the research estimates that 12,000 – 16,000 (30% - 40%) are vulnerable as a result of COVID-19 impacts and restrictions. That is a greater proportion of vulnerable workers than the NI average, which estimates that 215,000 - 250,000 or 25 – 29% of jobs in NI are vulnerable. This also makes the Arts, Cultural and Heritage sector one of the more vulnerable groups, a result of both the interactive nature of many of the occupations and the consumer demand driven nature of their employment, which relies heavily on both consumer confidence and expenditure of discretionary income. This results in demand contributing relatively more towards overall vulnerability in the sector at approximately 70%, or six percentage points more than the NI average.

1.5 Some sub-sectors are particularly vulnerable

The range of employment vulnerability in the Arts, Cultural and Heritage sub-sectors varies by occupation. Fewer than one fifth of IT, Software and Computer Service workers are vulnerable, which is much lower than the NI average. In contrast, two-thirds of those working in museums, galleries and libraries workers are in vulnerable occupations. This is reflective of a wider trend of lower vulnerability amongst permanent, higher-paid creative workers like architects, advertisers and publishers and higher levels of vulnerability for those in less secure and lower paid creative occupations such as craft, design and audio-visual workers⁷.

The evidence presented demonstrates that the impact of COVID-19 are uneven across the Arts, Culture and Heritage sector, with IT and architecture impacted much less and those

⁶ <https://www.mckinsey.com/industries/public-sector/our-insights/lives-and-livelihoods-assessing-the-near-term-impact-of-COVID-19-on-us-workers>

⁷ Presented in detail in section 6 of the report.

within generally possessing a range of transferrable skills as well as being located in the East of NI. In contrast, the remaining elements such as Theatres, Crafts and Music are much more at risk and need of support. These are the areas upon which policy intervention should focus most.

Table 1 – Estimates of vulnerable jobs in Arts, Cultural and Heritage Sector by category, October 2020, NI

Category	1m social distancing requirement	
	% of NI total employment	
	Number of vulnerable jobs	% of Arts, Cultural & Heritage employment
Social distancing	4,000 Range = 4,000 - 4,500	11% Range = 10 - 11%
Demand reductions	10,000 Range = 8,000 - 11,000	25% Range = 20 - 29%
Total	14,100 Range = 12,000 - 16,000	36% Range = 30 - 40%

Source: UUEPC

Note: Not all figures may add exactly due to rounding

Table 2: Job vulnerabilities in the creative industries as a result of COVID-19 by occupation, October 2020, NI

Occupation	Vulnerable jobs	Proportion of jobs that are vulnerable
Museums, galleries and libraries	700 (600 - 800)	64% (58% - 69%)
Crafts	1,600 (1,500 - 1,800)	53% (48% - 58%)
Design: product, graphic and fashion design	900 (800 - 1,000)	49% (44% - 54%)
Film, TV, video, radio and photography	1,100 (1,000 - 1,200)	49% (44% - 55%)
Music, performing and visual arts	1,600 (1,400 - 1,800)	47% (42% - 52%)
Advertising and marketing	2,700 (2,500 - 3,000)	43% (38% - 47%)
Heritage	1,400 (1,000 - 1,600)	41% (30% - 45%)
Publishing	700 (600 - 800)	36% (32% - 40%)
Architecture	1,100 (1,000 - 1,200)	30% (27% - 33%)
IT, software and computer services	2,200 (1,500 - 2,700)	18% (12% - 22%)
Total	14,000 (12,000 - 16,000)	36% (30% - 40%)

Source: UUEPC

Note: Figures may not add due to rounding

1.6 Reducing economic risks for the most vulnerable groups in society

This research suggests that those who have lower levels of formal qualification, lower incomes, males and part-time workers were the most heavily impacted by the restrictions. In general, however, the key findings in terms of distributional impacts is that these vulnerable groups are:

- Those reliant on customer interaction;
- Full-time workers in demand-driven sub-sectors;
- Male workers specialising in Craft and Heritage employment and females working in libraries and museums; and
- Those occupations are likely to remain more vulnerable in the recovery stages than prior to the recession.

The 12,000 – 16,000 vulnerable jobs represent about 6.4% of the total number of vulnerable jobs in NI, which is higher than the creative sector's share of total employment in the labour market (4.5% prior to COVID-19), underlining the fact that the sector is more exposed to the challenges arising from COVID-19 than other sectors and occupations.

1.7 Geographical vulnerabilities are in relatively stronger areas

Three quarters of vulnerable creative jobs in NI are located in the East and South of Northern Ireland. Belfast alone accounts for more than a fifth, with a large proportion of professional creative employment. As the East of NI is relatively more economically robust, it provides a broader base to absorb the initial impact and may also facilitate greater potential opportunities for retraining and pivoting into other sectors and occupations as demand patterns change.

1.8 Policy suggestions

There are a range of policy options available to NI to support the Arts, Culture and Heritage sectors through the worst of the COVID-19 pandemic and impending impact of Brexit. The following suggestions are for the Department to consider and reflect upon what might work well in Northern Ireland and could complement other measures already in place. Naturally, these measures are focussed on the policy levers that are devolved to Northern Ireland.

Income retention and survival

- **Venues** – grant or soft loan support for Arts, Culture and Heritage venues at risk of closure on the basis of evidence of financial hardship.
-
- **Venues** – 100% rate relief for the period over which they are required to close and 50% relief from three months after they are able to reopen until the end of March 2021.
- **Funding for cancelled events** –for events that are cancelled at short notice due to new or changing restrictions.
- **Arts, Culture and Heritage visitor vouchers** –to fund 30% - 50% of the cost of visiting venues in order to increase demand to March 2021.

- **Arts, Culture and Heritage skills vouchers** – could be provided to fund 30% - 80% of the cost of training to March 2021.
- **Bursary fund** – up to £1,000 per month for those in the Arts, Culture and Creative employees who have suffered from reduced demand **and** are not able to avail of other employment, or self-employment support schemes until the end of March 2021.
- **Heritage project acceleration** – bringing forward Heritage investment projects to stimulate private sector demand and employment opportunity.
- **Public works** – NI based artists and sculptors could be commissioned to create new and original art for public spaces.

Boosting future potential

The following policy suggestions focus on boosting the future growth and income generation potential of the sector. These are policies that could, in general, be applied to support the sector to grow in the future in light of the range of megatrends that were already underway across society, such as increasing digitisation, environmental awareness and an increasingly aged population.

- **Enhancing digital presence** –to support enterprises and freelancers to enhance their digital presence and commercial ability. Performers could be funded, as in some other countries, to film and put their performances online.
- **Enhancing digital skills** – to support enterprises and freelancers to train their staff on online & digital skills, which are transferable across the sector and perhaps also to other sectors.
- **Creative, cultural and heritage recovery fund** – similar to England and Wales. To support enterprises and freelancers with grants or loans of up to £3m, over a 6-month period based on evidence of need, to ensure that by 31 March 2021 they can reopen, either fully or partially, or operate on a sustainable, cost-efficient basis until they are able to reopen at a later date.
- **Creative, cultural and heritage kickstart fund** – similar to England and Wales. To allow those already in receipt of capital grants to draw down additional funding to complete projects.
- **Creative horizons fund** – focussing on the innovative new film, TV and other creative opportunities that can be developed and either sold outside NI or will attract investment from abroad in that sector.

Each of these options have a range of pros and cons, including deadweight and displacement effects would need to be carefully analysed on a cost-benefit basis. However, it is now evident that it will take a number of years for NI to recover the economic ground lost to COVID-19 – and likely longer for the creative industry.

1.9 Conclusion

The evidence demonstrates that the Arts, Culture and Heritage sectors are more vulnerable and “at risk” than other sectors and occupations across NI. The spectrum of vulnerability within the sector is broad – ranging from very low in IT and architecture to very high in arts, private sector museums and galleries.

As a range of further restrictions are announced during October 2020, resilience will already have been eroded and will be tested further. The paper explores policy supports that are in place in other developed nations and suggests a range of options that policy makers may wish to explore for NI. It will also be important that those who are most vulnerable in the Arts, Culture and Heritage sectors are monitored, as there is the risk that some may fall through the cracks of the support framework.

The policy responses are framed in terms of income retention and survival in the first instance and in the longer-term boosting future potential, as all crises come to an end and sometime, COVID-19 will too.

2. Introduction

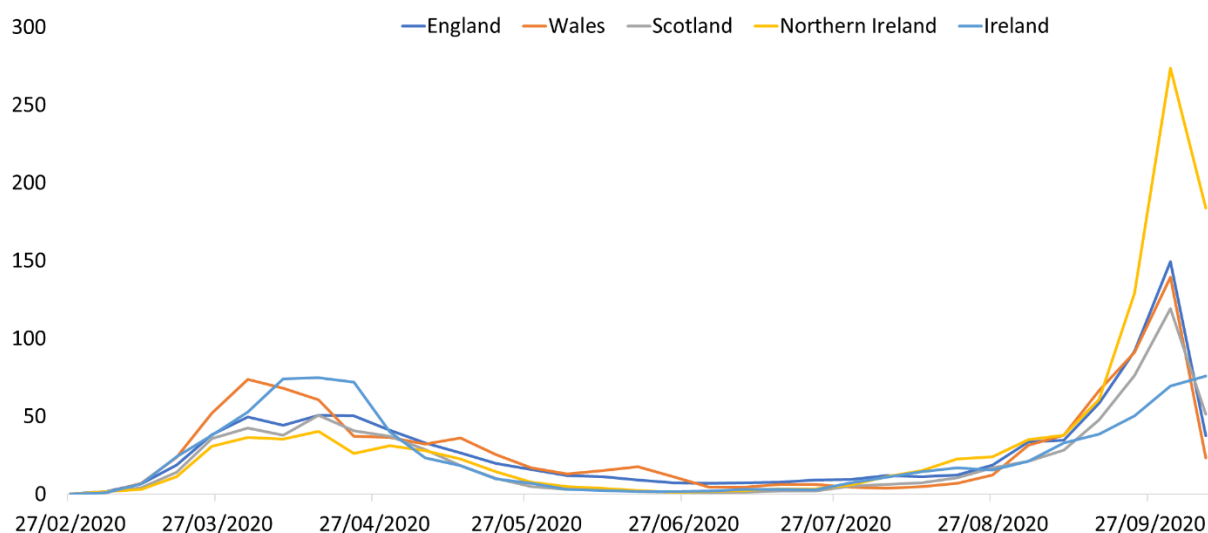
This paper provides a point in time estimate of vulnerable jobs in Arts, Culture and Heritage sectors in Northern Ireland (NI) as a result of the health impacts and associated economic restrictions arising from the COVID-19 pandemic. It;

- Estimates the proportion of jobs in the arts, culture, creative and heritage sectors that are vulnerable on the basis of demand reductions and social distancing requirements;
- Details those groups and geographies within that are likely to be impacted most by the restrictions;
- Provides an estimate of those occupations and groups in society that remain vulnerable and will require further support; and
- Considers a range of policy supports that could be considered.

3. The economic context – NI and COVID-19

The NI economy has suffered a rapid and severe contraction – estimated at 12.7%⁸ during 2020 - as a result of restrictions imposed to slow the transmission of COVID-19. While the rate of the virus's transmission – and accordingly, number of attributable deaths - was substantially lower in NI compared with the other UK countries, the nationwide lockdown mandated across the UK has not spared the NI economy. Since lockdown measures have been eased, NI is experiencing higher transmission rates than were recorded in March and April, which has resulted in the “circuit breaker” restrictions being announced on the 14th of October. NI's recent confirmed case rate of 183 per 100,000 population a week is now much higher than the other UK countries and Ireland.

Figure 3.1 – Weekly confirmed COVID-19 cases in UK and Ireland. Per 100,000 population – February-October 2020



Source: NISRA, ONS, NRS

Note: Jump in first week of October is due to a reporting error

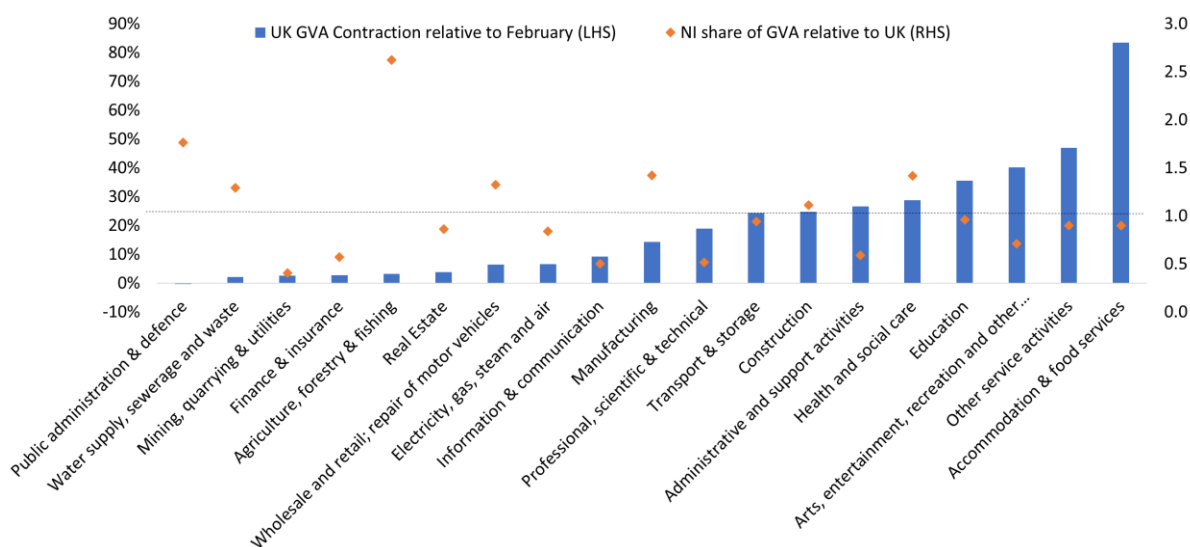
⁸ Source: UUEPC

3.1 Severe economic contraction

The latest figures for the UK indicate that the economy shrank by 20.4% in the second quarter of 2020, which followed a 2.2% fall in Q1⁹ putting the UK into recession, the first since 2009. It also represents the largest fall in GDP on record, and more than most other European economies. Early economic indicators suggest this initial downturn impacted on NI to a greater extent than other regions of the UK. The Northern Ireland Composite Economic Index indicates that the NI economy contracted by 2.8% in Q1 2020, which coupled with a Q4 2019 contraction meant the NI economy was in recession prior to the worst of the economic impacts of Q2 2020. Recent analysis by the Fraser of Allander Institute for NI’s Department for the economy (DfE) reinforces this, estimating that GDP contraction for NI was 21.5% in April, compared to a reduction of 20.4% for the UK.

Whilst NI is expected to have been hit harder than the UK average due to the economy having already slowed markedly late in 2019, its potential for recovery may be greater given its relatively more limited exposure in the worst affected sectors: particularly accommodation & food and Arts, Entertainment and Recreation. Public services also represent a larger proportion of the economy in NI, offsetting some of the risk.

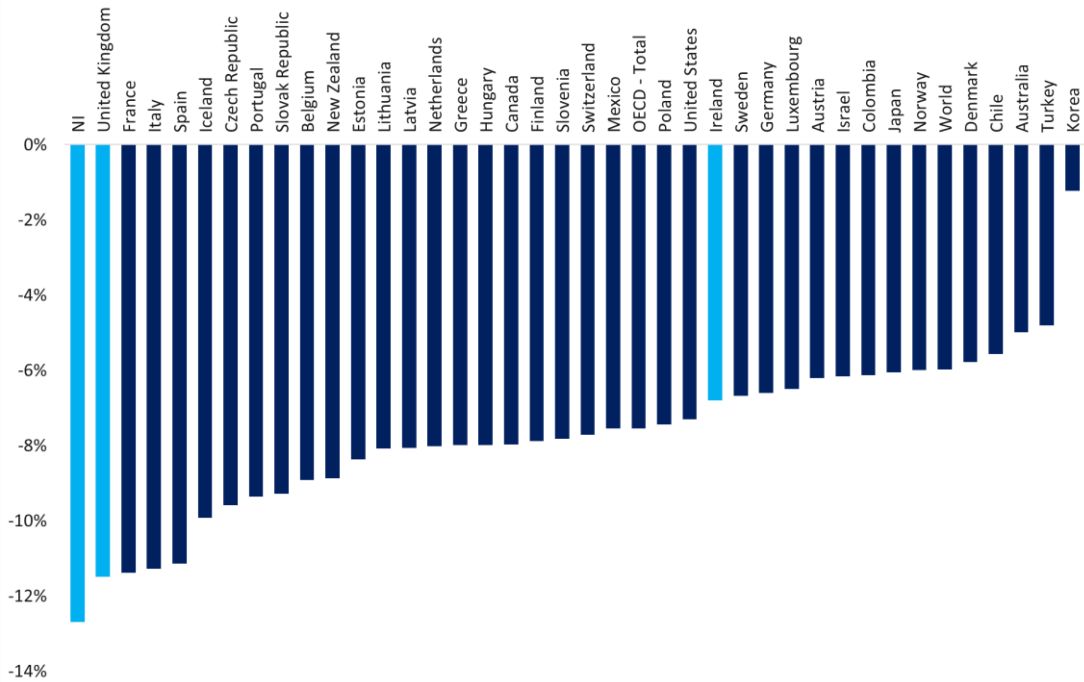
Figure 3.2 – Sectoral GVA relative to February and relative share in NI, June 2020



Source: ONS

⁹ ONS monthly GDP estimates, June 2020

Figure 3.3 - GDP & GVA forecasts for OECD members and NI, 2020

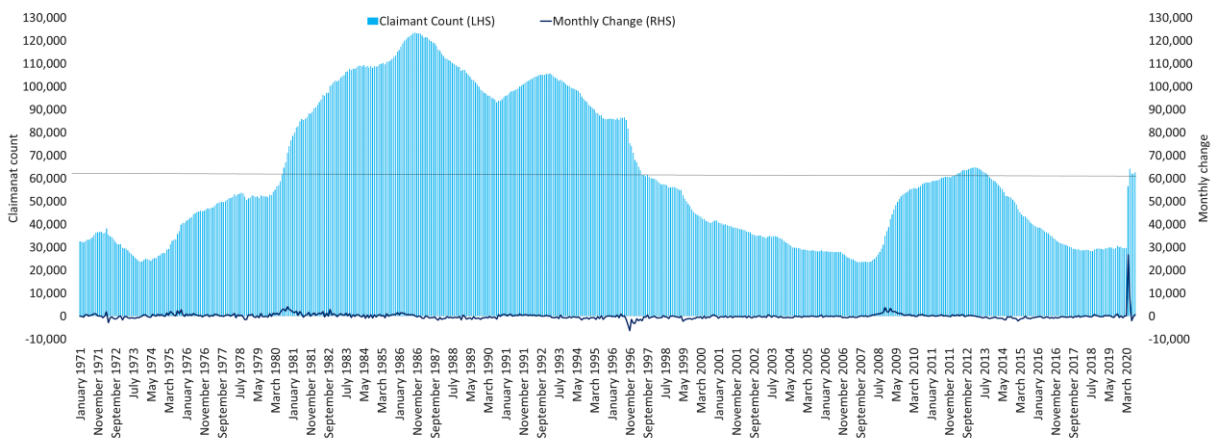


Sources: OECD, UUEPC
 Note: Based on OECD 'Single-Hit' scenario

3.2 Labour demand reduces

COVID-19 has had an immediate and significant impact on the UK and NI labour force. Claimant count unemployment has risen from 30,000 (3.2%) to 63,000 (6.7%) of the working age population between March and October 2020, returning unemployment levels last seen in the late 1990's.

Figure 3.4 - NI Claimant Count, January 1971 – September 2020



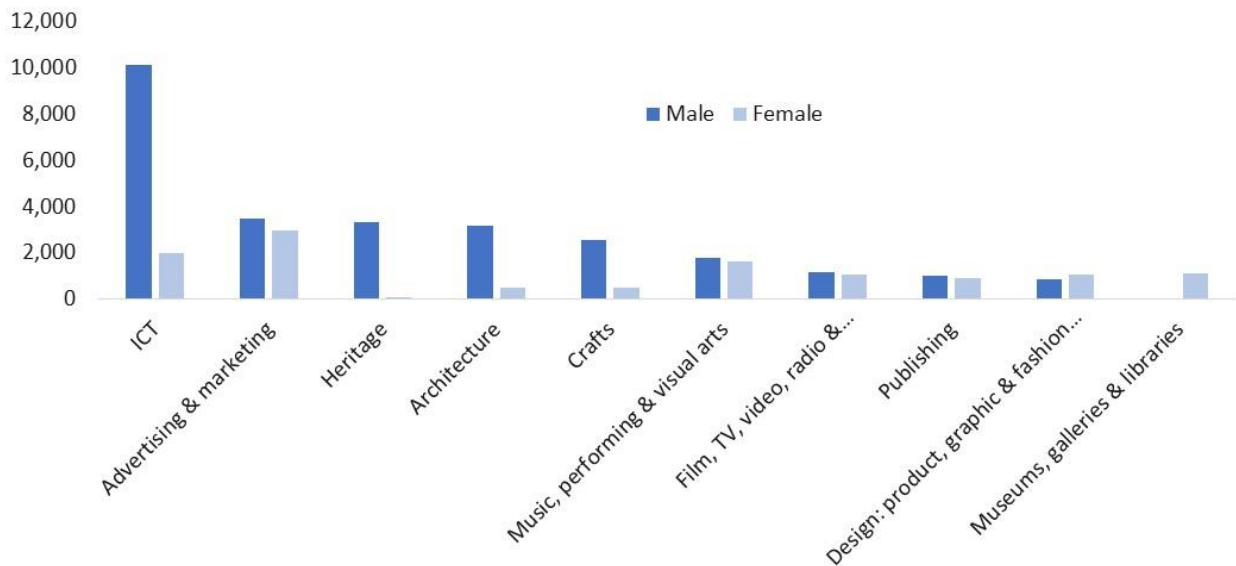
Source: NISRA

In addition to high levels of unemployment, a significant minority of the NI labour force is now supported through the CJRS or are “on furlough” in more common parlance. At 32% at its peak, NI was among the highest of the UK regions.¹⁰

3.3 Arts, Culture & Heritage overview

There were 39,100 people employed in Arts, Culture and Heritage occupations¹¹ in 2019 in NI, 4.5% of total employment in NI. In these occupations, nine out of ten employees were full time, 70% were male and 30% female. Almost half of those working in Arts, Culture and Heritage occupations were employed in the two largest sectors - 12,100 (31%) in ICT and 6,400 (16%) in Advertising with the remainder of the occupations making up less than 10% each of the overall total.

Figure 3.5 – Employment by Arts, Culture & Heritage occupation, NI, 2017-2019 average



Source; Labour Force Survey & UUEPC analysis
Note: 3 Year average

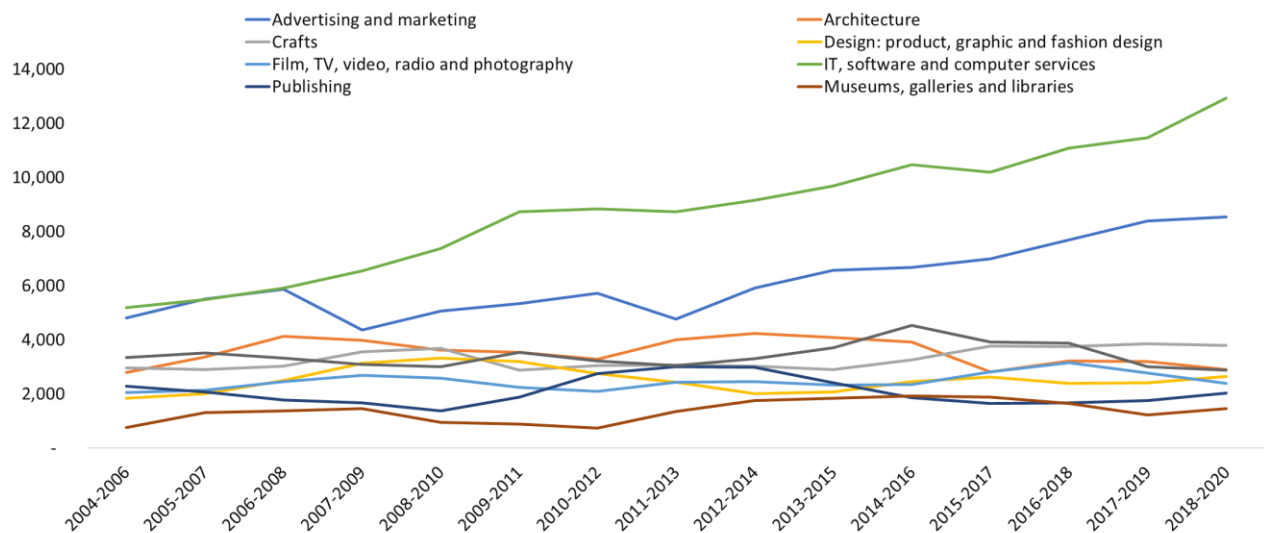
Employment growth in the Arts, Culture and Heritage sectors has largely been driven by the dominant sub-sectors of IT, software and computer services and Advertising and marketing. This matches broader trends of industrial change which has seen administrative and ICT employment grow over the last 15 years. These two sub-sectors have grown at an annual rate of 6.3% and 3.9% respectively, seeing their collective share of the Arts, Culture and Heritage sector increase by 16 percentage points over a 15-year period, delivering 85% of the total growth in the sector in that time.

¹⁰ It should be noted that some of those on CJRS or on low incomes can be included in the claimant count and therefore comparisons over time should be used with caution. In making this point however, those who are claiming represent a resource need for the DfC.

¹¹ Arts, Cultural and Heritage sector identified using DCMS Occupational definitions for ‘cultural’ and ‘creative’ jobs, with additional ‘heritage’ occupations identified and agreed with the Department for Communities.

There has been some growth in other industries, with crafts and design both contributing 6% to total growth in the sector, while publishing and music have both seen modest declines in employment since 2004.

Figure 3.6 – Employment by Arts, Culture & Heritage occupation, NI, 2004-2020



Source; Labour Force Survey & UUEPC analysis
Note: 3 Year average

These estimates of employment are larger than previously published Department for Digital, Culture, Media and Sport (DCMS) estimates of employment (25,000) in the creative sectors in NI. There are four main reasons that explain the differential. They are:

1. The Department for Communities has policy responsibility for Built Heritage and Crafts and these occupations have been added to the DCMS definition for this research paper. This addition explains roughly one-third of the difference;
2. This paper focuses on “main occupations” in creative occupations, i.e. second jobs or supplementary incomes are included once, rather than focussing on “all jobs” where individuals can hold two jobs, rather than their main occupation;
3. The analysis uses the most recent published data. It is based on a three-year average of 2017, 18 and 19 data, whereas DCMS estimates are based on 2017 data. This change therefore includes recent employment growth in Arts, Culture and Heritage occupations; and
4. Sampling variability is a feature of all surveys, but is a particular issue with the Labour Force Survey (LFS) for NI when carrying out small group analysis. This research uses a three year average to boost the sample size and reduce the amount of variability, providing a perspective that is as accurate as possible, given the constraints of sample size.

Whilst these baseline estimates are greater than previous estimates, the differential can be explained by these four factors. 2019 are the most up-to-date official estimates of employment in the creative industries in NI. As such the assessment of vulnerability starts from the baseline of 39,100 jobs.

It is clear that COVID-19 restrictions will impact on the ability of these occupations in different ways as some are more able to work at home, others are dependent on leisure-based expenditure, social gathering and performances. Therefore, it is expected that the impacts and associated policy responses will differ markedly across the different Arts, Culture and Heritage occupations.

3.4 Arts, Culture & Heritage vulnerabilities

This literature review helps to convey how exposed the Arts, Culture and Heritage sector is to any economic and health shock as well as outlining how the industry remains important to NI's recovery.

Society has relied on creative industries to escape the normal, Pablo Picasso said "the purpose of art is to wash the dust of daily life off our souls"¹². The pandemic has caused the immediate closure of non-essential business including the Arts, Culture and Heritage industries resulting in cancelled work and events such as large music events like Belfast Vital¹³ and Belsonic which attracted thousands of people to Belfast annually. These necessary closures and cancellations caused an immediate shock with long-term impacts for the sector, with some reports going as far as to suggest that the NI arts sector is facing 'obliteration'¹⁴. Oxford Economics estimate that a loss of £77bn in turnover from creative industries across the UK will be experienced in 2020, resulting in GVA for the industry reducing to around £70bn from £110bn in 2019, £0.3bn GVA is anticipated to be at risk in NI for 2020¹⁵.

In 2017 the UK was the third largest exporter of cultural goods and services behind China and the USA¹⁶, NI had a part to play in this achievement. The overall importance of this sector should not be dismissed as it helps to sell 'brand' NI internally and externally which has a knock-on effect for the whole economy¹⁷. The Greater London Authority (GLA) estimate there are over 3m jobs in the creative economy in the UK, with 2m of these jobs directly in creative industries, this is a 28% increase since 2011 and employment in this industry is growing at 4 times the rate of others¹⁸. GLA note that creative economies employ 1 in 11 people in the UK as the sub-industries linked to the creative supply chain are noted. GLA estimated that for every £1 of GVA generated by the Arts and Culture industry, a further £1.30 of GVA is generated in the wider economy¹⁹. In the US the Brookings Institution estimate 2.7m job losses and a loss of more than \$150bn in sales of goods and services for creative industries²⁰.

¹² Davis, H, 2020, How Art is Helping Cities and Towns Recover From COVID-19. Available at: <https://www.creativereview.co.uk/how-art-is-helping-cities-and-towns-recover-from-covid-19/>

¹³ Formerly Tennents Vital

¹⁴ Dr Ali Fitzgibbon in BBC News NI, 2020, <https://www.bbc.co.uk/news/uk-northern-ireland-53601097>

¹⁵ Oxford Economics, 2020, The Projected Economic Impact of COVID-19 on the UK Creative Industries. Available at: <https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>

¹⁶ Hancock, M. and Clark, G., 2018, Britain's Creative Industries Are A Crucial Part Of Our Future Economy, Available at: <https://www.huffingtonpost.co.uk>

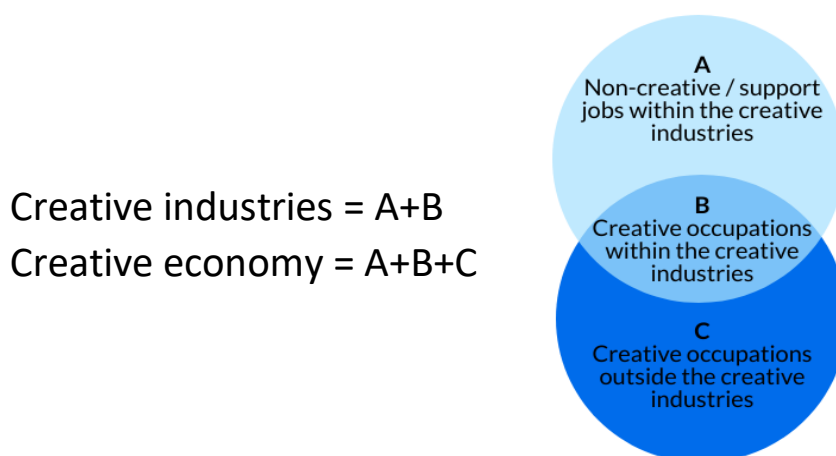
¹⁷ Hancock, M. and Clark, G., 2018, Britain's Creative Industries Are A Crucial Part Of Our Future Economy, Available at: <https://www.huffingtonpost.co.uk>

¹⁸ PRD, 2020, Creative Industries Supply Chain COVID-19. Available at: <https://www.london.gov.uk/what-we-do/arts-and-culture/cultural-infrastructure-toolbox/creative-industries-supply-chain-covid-19-impact>

¹⁹ PRD, 2020, Creative Industries Supply Chain COVID-19. Available at: <https://www.london.gov.uk/what-we-do/arts-and-culture/cultural-infrastructure-toolbox/creative-industries-supply-chain-covid-19-impact>

²⁰ Florida, R. and Seman, M. 2020, Lost Art: Measuring COVID-19's devastating impact on America's creative economy. Available at: https://www.brookings.edu/wp-content/uploads/2020/08/20200810_Brookingsmetro_Covid19-and-creative-economy_Final.pdf

Figure 3.7: The creative economy



Source: Greater London Authority, 2020

Additionally, the contribution by non-creative sectors is key to creative production - the two would be unable to function without the other as some work solely for the creative industries - for instance, specialist paint wholesalers for theatre or security services for music events. The GLA notes that 70% of spending by the creative industries supply chain is outside the creative sector which serves to illustrate the wider impact of the creative industries.

Across the world the industry is made up of many entrepreneurs and freelance workers whose employment is relatively vulnerable. In a survey conducted by Oxford Economics one third of freelance workers in the UK's creative industries had all contracts terminated due to the pandemic²¹. For freelancers their work is often project based requiring specialist skills and knowledge bringing with it a reliance and dependency on the industry for work as well as demand by consumers for events.

Overall in the UK 90% of creative businesses have fewer than five employees, 80% no more than two, 60% just one²² therefore the micro-business nature of the sector creates vulnerability. Sir Peter Bazalgetten²³ suggests the level of entrepreneurial independence that these workers face 'acts as a natural barrier to undertaking activities...to improve productivity, such as enhancing management skills, investing in R&D or seeking out business advice' and may lack access to services compared to larger firms (e.g. legal IP advice, HR support, marketing)²⁴ enhancing their vulnerability. Arts, culture and heritage employers in NI did benefit from the a range of policy supports, including CJRS and Self Employment Income Support Scheme but, like many other sectors, fear it may not be enough to make up for lost revenue and therefore large redundancies within the sector are anticipated²⁵. Oxford

²¹ Oxford Economics, 2020, The Projected Economic Impact of COVID-19 on the UK Creative Industries. Available at: <https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>

²² Bazalgette, P., 2017, Independent Review of the Creative Industries. Available at: https://www.theculturemediary.com/sites/default/files/creative_industries_review_sept_2017.pdf

²³ President of the Royal Television Society.

²⁴ Bazalgette, P., 2017, Independent Review of the Creative Industries. Available at: https://www.theculturemediary.com/sites/default/files/creative_industries_review_sept_2017.pdf

²⁵ Oxford Economics, 2020, The Projected Economic Impact of COVID-19 on the UK Creative Industries. Available at: <https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>

Economics estimate that 409,000 jobs in the UK creative industries are at risk of which 6,000 are based in NI²⁶.

Employees within this sector have long been exposed to economic shocks, Resetar and Marrone²⁷ note that since the Great Recession performing artists in the US have experienced higher unemployment rates than any other sector, whilst broader arts and cultural workers are less likely to have a 'financial cushion' to fall back on. To stress the vulnerability within the industry we can also learn how consumers spending behaviour changed due to the economic uncertainty caused by the previous recession. Mintel reported that in the recovery from the 2008 recession, 53% of UK consumers stayed in more and 59% spent less when they went out²⁸. This behavioural change will have impacted leisure activities including arts, culture and heritage businesses. What is different during this recession is that the arts, cultural and heritage venues closed, and therefore the choice was not even available for consumers causing immediate losses. These venues may also be the first to close again in the case of a second lockdown. Therefore, longer term resilience is a challenge and recovery may take longer than in other sectors.

The new normal of social distancing will impact the creative industries in a material way as large aspects of their goods and services are crowd or audience focussed which is currently not feasible for many in the industry. As an example, the Lyric Theatre has said that it may only be able to operate at 10% capacity post-lockdown²⁹, it has 400 seats so filling 40 seats will be a significant loss for the organisation.

On a more positive note, many in the creative industry pivoted to move events online at a low or no cost to consumers³⁰, for example libraries hosting online quizzes or Ulster Orchestra streaming music³¹. In the instance that this continues over the longer term this may impact consumer behaviour in a post-pandemic world and how they value the creative industry.

Therefore, part of the future policy support framework will require stronger communication about how this industry contributes positively to our overall wellbeing. It may also require building up consumer confidence enough to encourage the public to attend exhibitions, concerts and theatres shows.

In terms of helping NI's recovery GLA mention that the creative industries are an innovative sector helping to achieve the UK's Industrial Strategy and Sector Deals therefore their resurgence is important for the UK's future³². Resetar and Marrone³³ note the importance of creative industries to a country's recovery providing the example of Puerto Rico after Hurricane Maria. Arts, culture and heritage businesses were vital to give citizens a sense of

²⁶ Ibid.

²⁷ Resetar, S.A, and Marrone, J.V., 2020, Arts and Cultural Sectoral Workers Are Especially Vulnerable to the Pandemic. Available at: <https://www.rand.org/blog/2020/07/arts-and-cultural-workers-are-especially-vulnerable.html>

²⁸ Mintel, 2010, Impact of the Recession On Consumers' Leisure Habits. Available at: <https://store.mintel.com/impact-of-the-recession-on-consumers-leisure-habits-uk-may-2010>

²⁹ McCormack, J., BBC News NI, 2020, <https://www.bbc.co.uk/news/uk-northern-ireland-52823815>

³⁰ For example please see: [Lockdown activities during Covid-19, Ards and North Down](#)

³¹ VisitBelfast, 2020, Ulster Orchestra delighted to be playing live together again! Available at: <https://visitbelfastpartners.com/article/ulster-orchestra-delighted-to-be-playing-live-together-again/>

³² PDR, 2020, Creative Industries Supply Chain COVID-19. Available at: <https://www.london.gov.uk/what-we-do/arts-and-culture/cultural-infrastructure-toolbox/creative-industries-supply-chain-covid-19-impact>

³³ Resetar, S.A, and Marrone, J.V., 2020, Arts and Cultural Sectoral Workers Are Especially Vulnerable to the Pandemic. Available at: <https://www.rand.org/blog/2020/07/arts-and-cultural-workers-are-especially-vulnerable.html>

normality and a short-term boost to well-being. Once more, the sector's vulnerability is noted as individuals often have difficulty securing support as they may not meet criteria for government funding or are difficult to connect with other limited or decentralised funding sources.

Overall the pandemic has resulted in the creative industry being one of the worst impacted along with the tourism industry³⁴. To combat this many cultural and creative outlets made their content accessible online helping to maintain our wellbeing at home as well as to help sustain interest in their services. It is important that the Arts, Culture & Heritage industries are part of NI's recovery plans. The UN previously stated³⁵,

“...when the creative sector becomes part of an overall development and growth strategy, it can contribute to the revitalisation of the national economy where hybrid and dynamic economic and cultural exchanges occur and innovation is nurtured...Investing in culture and the creative sector as a driver of social development can also lead to results that contribute to the overall wellbeing of communities, individual self-esteem and quality of life, dialogue and cohesion.”

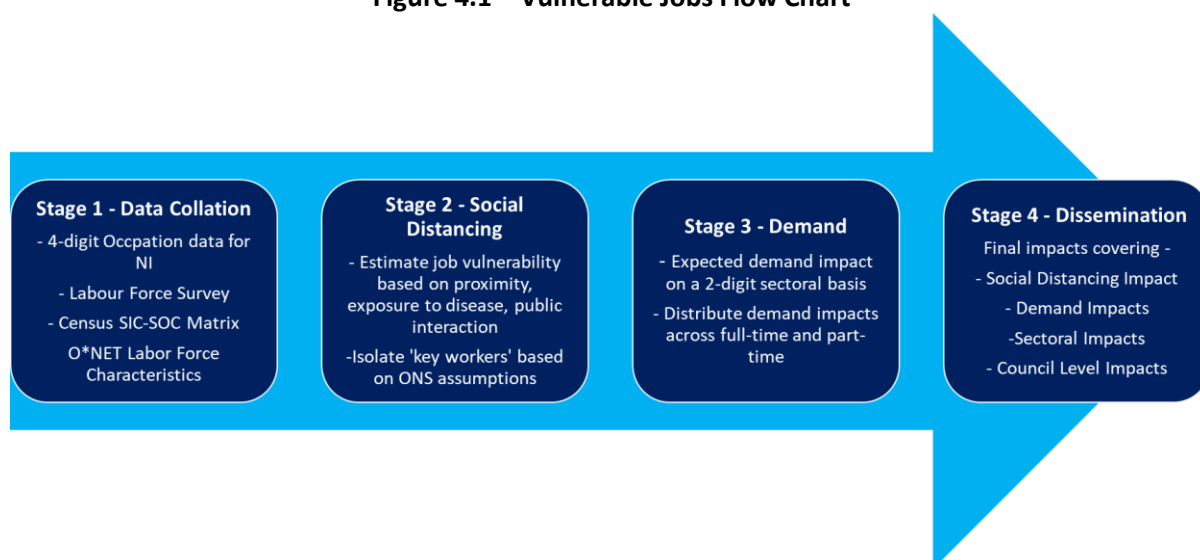
³⁴ Oxford Economics, 2020, The Projected Economic Impact of COVID-19 on the UK Creative Industries. Available at: <https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>

³⁵ In Bazalgette, P., 2017, Independent Review of the Creative Industries. Available at: https://www.theculturediary.com/sites/default/files/creative_industries_review_sept_2017.pdf

4. Methodology

The estimation and modelling of vulnerable Arts, Culture and Heritage jobs is built upon an occupation and residence-based approach to estimating which are the most vulnerable jobs in society. The occupational data are very granular (369 occupations), allowing for detailed “bottom-up” modelling. The key worker categories are excluded as their jobs are not vulnerable as a result of restrictions although they are more likely to be at a greater healthcare risk.

Figure 4.1 – Vulnerable Jobs Flow Chart



Source: UUEPC

The modelling of occupational impacts for the remainder of the workforce is, in part, based on research published by McKinsey on COVID impacts in the United States, using US Department of Labor O*NET occupational characteristics data³⁶ to estimate the vulnerability 967 occupations to the impacts of social distancing measures. The key characteristics included for analysis – on a scale from 0 to 100 – are proximity to others in the workplace, level of interaction with the public, and potential of exposure to the virus.³⁷ This study applies the US occupations to the UK’s Standard Occupational Classification framework on a best fit basis to utilise the 369 4-digit occupations available for NI. Estimates of proximity, interaction and probability of exposure are based on both the US focused research and knowledge of the local economy.

Demand impacts are then estimated on a sectoral basis, using emerging evidence from surveys and knowledge of the local economy. A central, or most likely scenario provides the baseline and upper and lower bounds are provided to illustrate the most likely optimistic and pessimistic outcomes. Social distancing and demand impacts are modelled at a 2-metre social distancing requirement and then at a 1-metre requirement in line with current policy. Estimates of demand for the Arts, Culture and Creative sectors are from Oxford Economics research on the projected economic impact of COVID-19 on the UK creative Industries³⁸.

³⁶ <https://www.onetonline.org/search/>

³⁷ <https://www.mckinsey.com/industries/public-sector/our-insights/lives-and-livelihoods-assessing-the-near-term-impact-of-COVID-19-on-us-workers>

³⁸ <https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>

Table 3 - 2020 Overall UK Turnover loss compared to 2019

Sub-sector	Reduction in turnover, 2019 - 2020
Film, TV, Video, Radio and Photography	-43%
Music, Performing and Visual Arts	-41%
Crafts	-40%
Design: product, graphic and fashion design	-44%
Advertising and Marketing	-33%
Publishing	-30%
Museums, Galleries and Libraries	-34%
Architecture	-18%

Source: Oxford Economics

The model outputs are reported on an occupational, sectoral, part-time and full time, geographical and gender basis using LFS baseline evidence and an Office of Budget Responsibility analysis of CJRS claimants to model how demand side shocks have impacted part-time and full-time employees, both positively and negatively, in different sectors.³⁹

³⁹ OBR CJRS Analysis

5. Employment vulnerability in NI

5.1 Almost one-third of all jobs are vulnerable

The COVID-19 crisis has resulted in a steep rise in the number of people not employed in their previously “normal” roles. This took the form of claimant unemployment (now at 63,000⁴⁰) or registering on the CJRS – which supported 80% of the salaries of 249,600 employees in NI⁴¹ and 78,000 self-employed individuals⁴² at their peak.

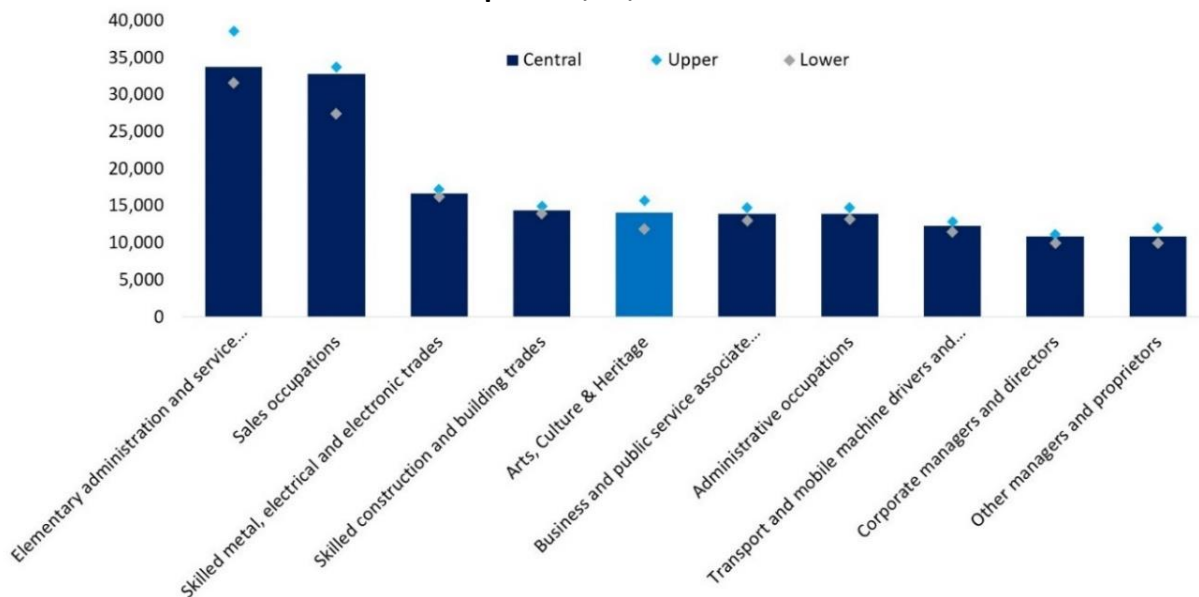
Identifying the driving factors of job vulnerabilities in specific occupations is necessary to understand the likelihood of persistence, probability of recovery, exposure to a potential second wave of infection and what form the appropriate policy response might take.

Previous research by Johnston. R & Hogg. R, July 2020⁴³ estimated that there are 215,000 - 250,000 vulnerable jobs (24% - 29% of employment) in NI with the one-metre social distancing rule in place. Almost two-thirds of these jobs are vulnerable as a result of demand reductions and more than one third are as a result of social distancing requirements.

5.2 More than a third of Arts, Culture & Heritage jobs are vulnerable

Of 39,100 jobs in Arts, Culture and Heritage occupations in NI, it is estimated that 12,000 – 16,000 (30% - 40%) are vulnerable as a result of COVID-19 impacts and restrictions.

Figure 5.1 – Vulnerable jobs by occupation, 1 metre social distancing requirements, top ten occupations, NI, October 2020



Source: UUEPC

Note: Arts, Culture and Heritage occupations are grouped for the purposes of this research in order to illustrate relative occupational vulnerability

⁴⁰ NISRA, October 2020 Labour Market report

⁴¹ HMRC, Coronavirus Job Retention statistics, October 2020

⁴² HMRC, Self-Employment Income Support Scheme statistics, October 2020

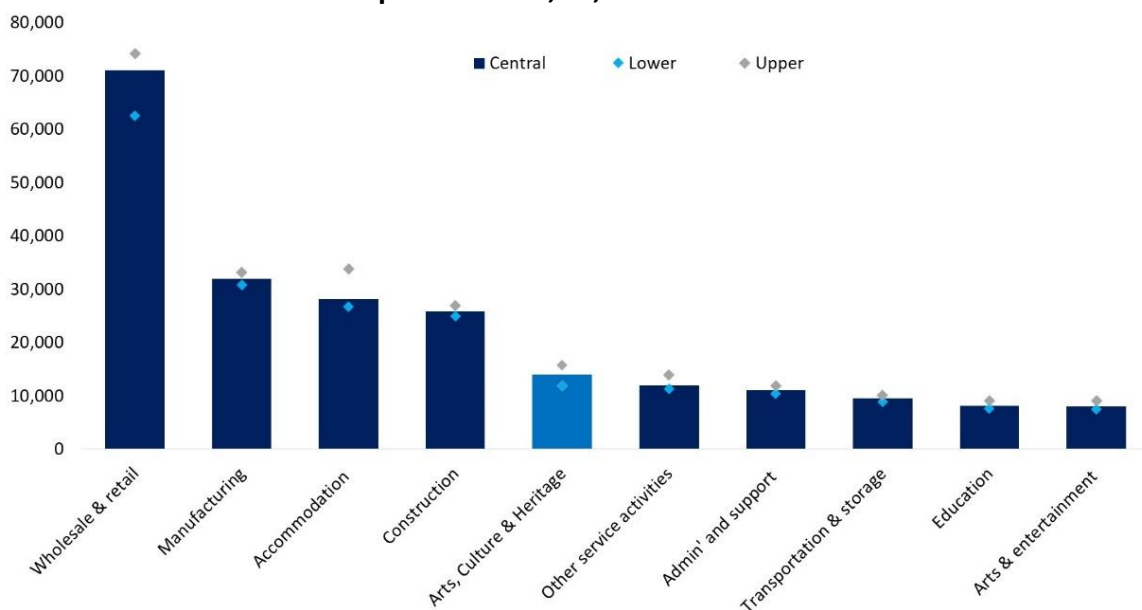
⁴³ https://www.ulster.ac.uk/data/assets/pdf_file/0020/603074/COVID-19-and-the-NI-Economy_Report.pdf

Figure 5.1 illustrates that whilst these are not the most vulnerable occupations, Arts, Culture and Heritage occupations are considered to be highly vulnerable, ranked 5th of the 26 occupational groups. When considered as a proportion of employment in those occupations, the rank reduces to 8th of 26. It is clear from this analysis that those working in Arts, Culture and Heritage occupations are relatively vulnerable to the negative impacts of COVID-19.

5.3 Sectoral perspective

Estimates of vulnerability by sector are created by transposing the occupations presented above to sectors using an occupation by industry matrix. The Arts, Culture and Heritage grouping is ranked 5th of the 21 sectors in NI in terms of job vulnerability (6th when considered as a proportion of jobs in that sector). Whilst the sector is much less exposed than Wholesale and Retail, Manufacturing and Accommodation, it is nevertheless at the higher end of the sectoral spectrum (it should be noted here that the remaining 11 sectors are excluded from the chart).

Figure 5.2 Number of vulnerable jobs by sector, 1 metre social distancing requirements, top ten sectors, NI, October 2020



Source: UUEPC
 Note: Arts, Culture and Heritage occupations are grouped for the purposes of this research in order to illustrate relative sectoral vulnerability

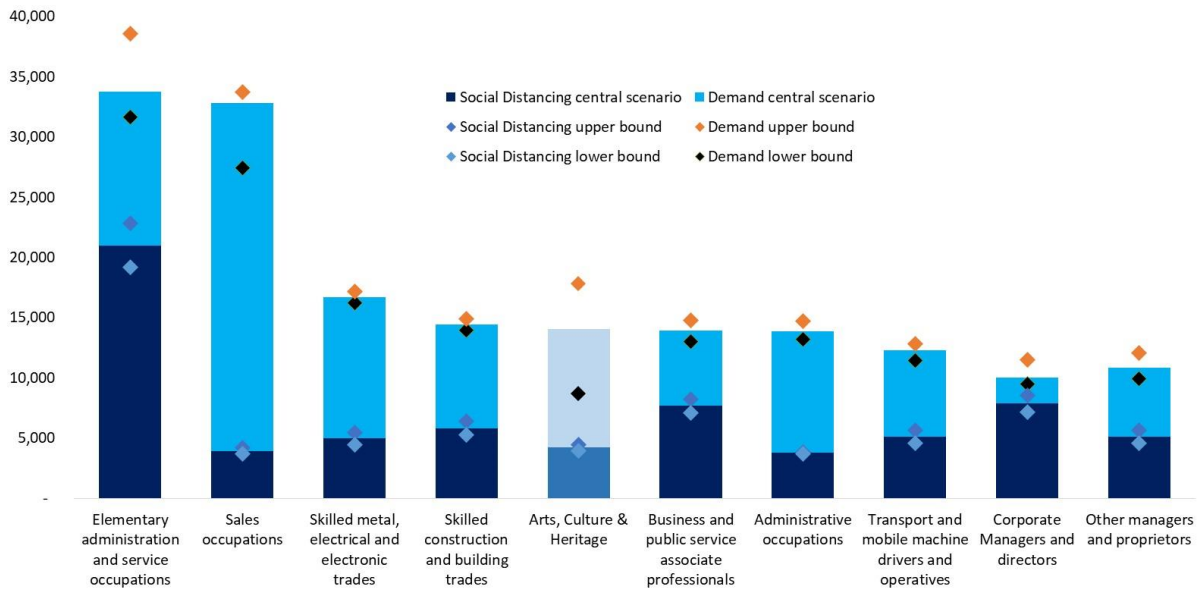
5.4 Demand reductions and social distancing

Demand reductions are, on average, the most significant driving factor of vulnerability. The overall pattern is close to a two thirds : one third ratio of demand to social distancing. In the case of Culture, Arts and Heritage, demand is slightly more important than the economy wide average as 70% of jobs are vulnerable as a result of demand reductions with the remaining 30% vulnerable as a result of social distancing requirements.

Patterns differ markedly by occupation and sector, illustrated by the 90:10 relationship in sales occupations and Retail and Wholesale and the 20:80 relationship in leisure and travel.

This illustrates that whilst social distancing relaxations will be welcomed by many working in Arts, Culture and Heritage, the return of demand is much more important and is therefore, the key risk.

Figure 5.3 Top 10 vulnerable occupations, one-metre social distancing requirement, October 2020, NI



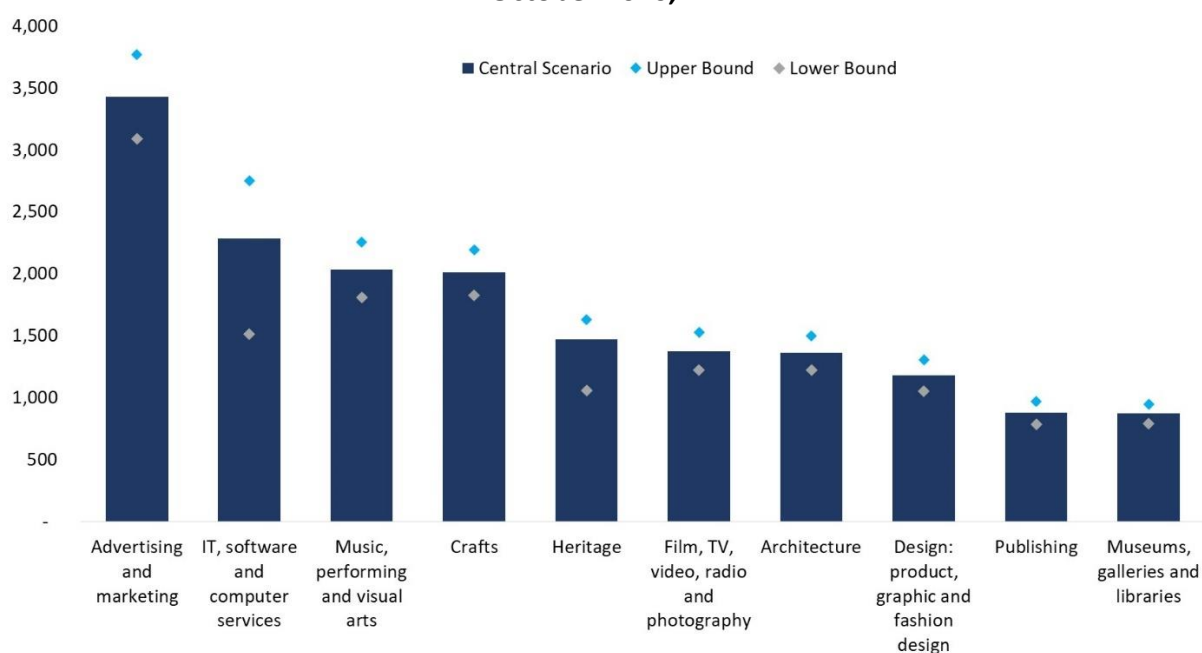
Source: UUEPC

6. Creative industry employment vulnerabilities

6.1 Vulnerabilities differ across the creative occupations

Within the creative industries, the greatest numbers of vulnerable jobs are in the advertising and marketing occupations (2,500 – 3,000), followed by those in IT, software and computer services (1,500 – 2,700). This is perhaps unsurprising as these are the two creative occupations that employ the most workers in the creative industries. As the sector faces into the recession, it is worth noting that those in IT and advertising possess a range of skills that are transferable to other sectors and therefore may be able to avail of other opportunities unlike those in other creative occupations.

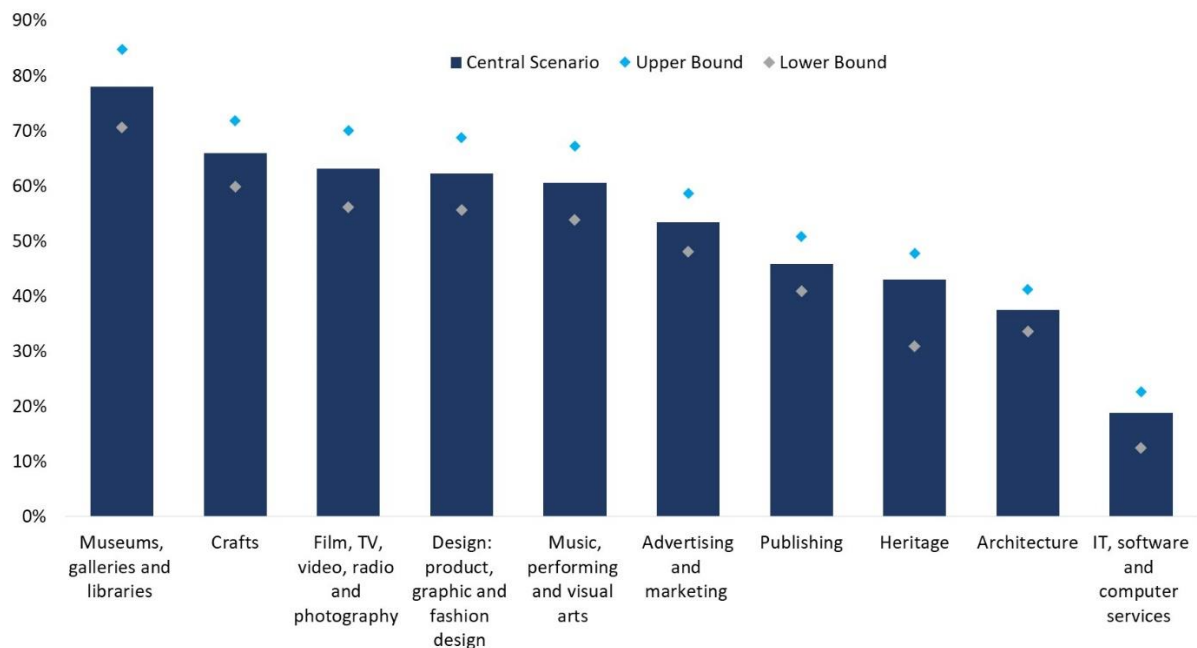
Figure 6.1 Number of vulnerable creative occupations, one-metre social distancing, October 2020, NI



Source: UUEPC

The overall proportion of jobs in the largest occupational groups are relatively much smaller. Indeed, only 18% of I.T jobs are considered to be vulnerable. Proportionately, the occupations in which the largest proportions of workers are at risk are smaller occupational groups such as museums & galleries (71% - 85%), crafts (60% - 72%) and film and TV production (56% - 70%).

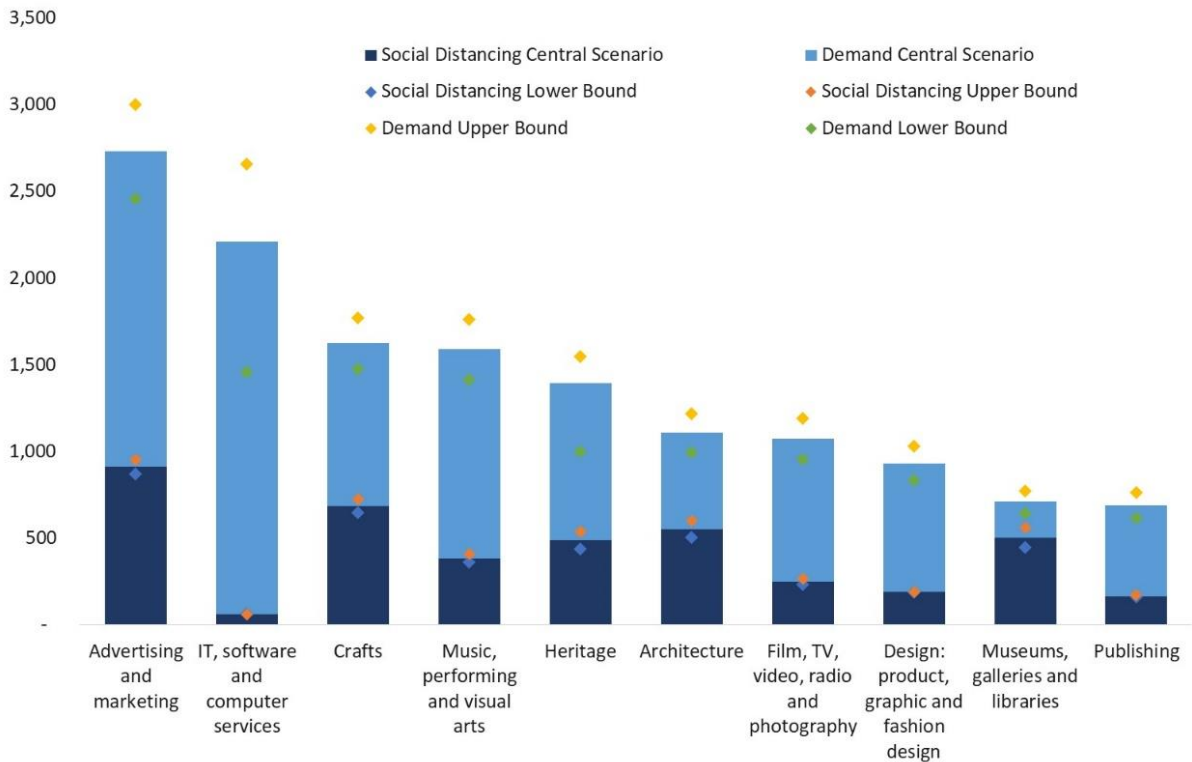
Figure 6.2: Proportion of vulnerable creative occupations, one-metre social distancing, October 2020, NI



Source: UUEPC

As discussed earlier in the paper, 70% of the vulnerable jobs are at risk in the creative industries due to reductions in demand and 30% are at risk due to social distancing requirements. However, the findings vary by occupation throughout the industry. As would be expected, social distancing has a limited impact on those in IT and software as most are able to work at home. Therefore, demand reductions have the largest impact in this occupation. Social distancing requirements have a much more significant impact in sectors that require personal interaction, such as museums, libraries & galleries, architecture and crafts.

Figure 6.3: Vulnerable creative occupations, as a result of social distancing and demand reductions, October 2020, NI

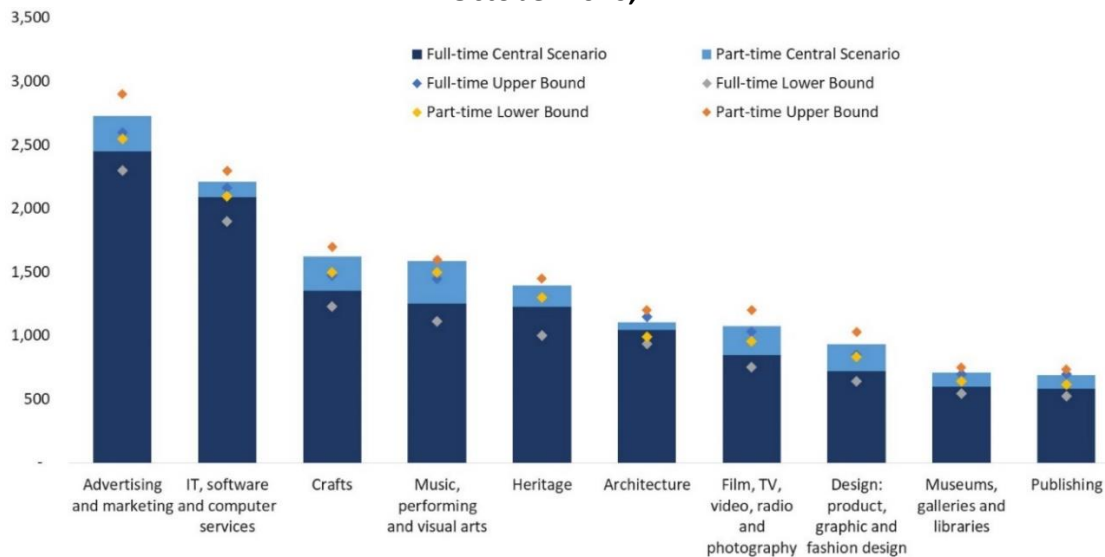


Source: UUEPC

6.2 Full-time employees are most at risk

The majority of jobs that are vulnerable in the creative industries are full-time roles, which might be expected as almost four out of every five roles in the industry are full-time. The analysis has revealed that 87% of the roles that are considered to be vulnerable are full-time.

Figure 6.4: Full time and part time job vulnerabilities as a result of COVID-19, October 2020, NI

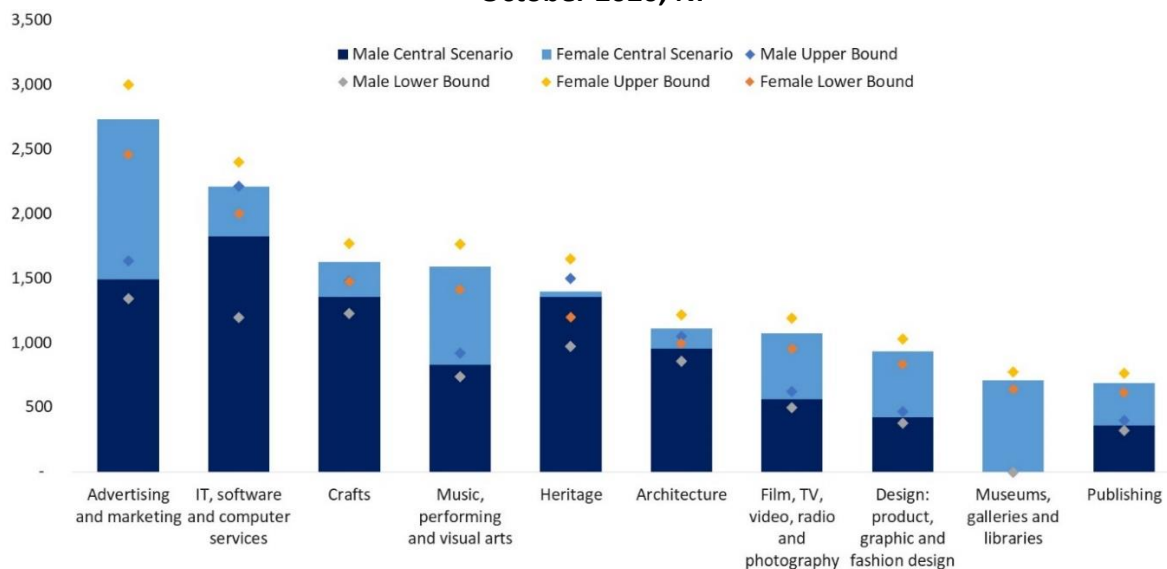


Source: UUEPC

6.3 Males are more vulnerable in the creative industries

The analysis has revealed that 65% of the roles that are considered to be vulnerable are held by males and 35% by females. This may be expected as the majority of roles in the industry are filled by males. IT and Heritage in particular are very much male dominated. Males are more vulnerable across most of the creative occupations, although females working in museums, galleries and libraries, music and performing Arts and Advertising and Marketing are at significant risk too.

Figure 6.5: Job vulnerabilities by gender as a result of COVID-19, October 2020, NI

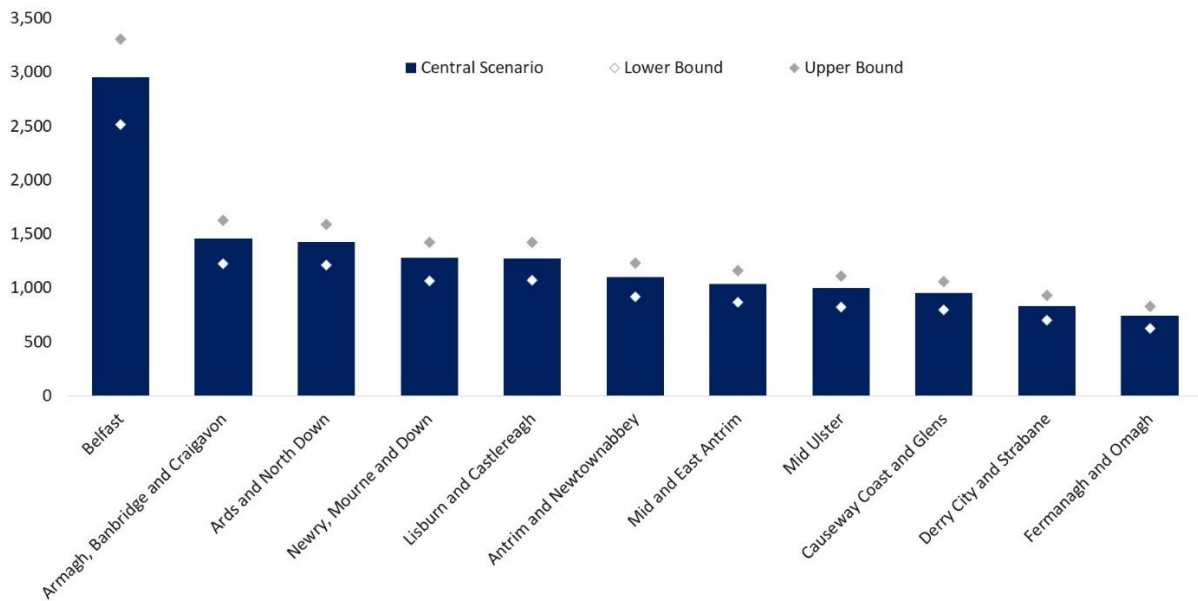


Source: UUEPC

6.4 East of NI is more vulnerable

Three quarters of the vulnerable creative jobs are in the East of NI, in line with the geographical composition of employment in the sector. Belfast alone accounts for more than a fifth of vulnerable Arts, Culture and Heritage jobs. In some ways, this is an encouraging finding as the east of NI is generally more robust in economic terms, meaning that firstly there is broader base to absorb the initial impact and secondly there are potentially more opportunities for those who might unfortunately be made redundant or become unemployed.

Figure 6.6: Job vulnerabilities in the creative industries as a result of COVID-19 by geography, October 2020, NI



Source: UUEPC

6.5 Calibration of risk

It is clear from the research that two occupations within the creative industries are at particularly high risk as a result of the COVID-19 pandemic with more than half of all jobs classed as vulnerable. These are Museums, galleries & libraries and Craft occupations. Both comprise of mainly full-time workers although Museums, galleries and libraries is a female dominated occupation and crafts has a male majority. 83% of Museums, galleries & libraries and 77% of Crafts jobs are in the east of NI and therefore the East of NI is more highly exposed to these vulnerabilities and consequently, any support will provide more funding in this geography. In the context of NI and the broader economy, these are relatively small numbers (at 2,300, these are 1% of the vulnerable jobs in NI and 16% of the vulnerable jobs in the creative industries), however at an individual level it is likely that large proportions of these individuals will struggle in the current economic climate and require support.

With the exception of I.T. and architecture, all of the remaining creative occupations are more vulnerable than the NI average (Design, film & TV, Music, advertising, heritage and publishing). Four in every five jobs in these occupations are in the East of NI, three in five are held by males and almost nine out of ten are full-time.

Table 4: Job vulnerabilities in the creative industries as a result of COVID-19 by occupation, October 2020, NI

Occupation	Vulnerable jobs	Proportion of jobs that are vulnerable
Museums, galleries and libraries	700 (600 - 800)	64% (58% - 69%)
Crafts	1,600 (1,500 - 1,800)	53% (48% - 58%)
Design: product, graphic and fashion design	900 (800 - 1,000)	49% (44% - 54%)
Film, TV, video, radio and photography	1,100 (1,000 - 1,200)	49% (44% - 55%)
Music, performing and visual arts	1,600 (1,400 - 1,800)	47% (42% - 52%)
Advertising and marketing	2,700 (2,500 - 3,000)	43% (38% - 47%)
Heritage	1,400 (1,000 - 1,600)	41% (30% - 45%)
Publishing	700 (600 - 800)	36% (32% - 40%)
Architecture	1,100 (1,000 - 1,200)	30% (27% - 33%)
IT, software and computer services	2,200 (1,500 - 2,700)	18% (12% - 22%)
Total	14,100 (11,900 - 15,700)	36% (30% - 40%)

Source: UUEPC

Note: Figures may not add due to rounding

6.6 Summary of distributional impacts

The initial economic impact of COVID-19 has varied widely across the different occupations within the creative industry.

Those in I.T., software and computer services, which is a Belfast centric and male dominated occupation were most able to pivot quickly and adjust to homeworking, given the digitised and often geographically distanced nature of these roles. Some of these roles will also have enjoyed an increase in demand as commerce was disrupted and moved online very rapidly. Conversely, those who work in museums, art galleries and libraries are directly customer facing and as a result, least able to work from home. These are again, Belfast centric but most roles are held by females.

This analysis is based on the LFS and unfortunately it has not been possible to report on the impact by age, qualification and earnings across the creative industries due to the constraints of small sample sizes. Economy wide analysis on the same basis however found that those who were younger, had lower levels of formal qualifications and associated with that, lower earnings were particularly vulnerable. Whilst the same conclusion cannot be proven for the creative industries, it is reasonably likely that similar patterns will hold.

It is interesting that the East of NI, males and full-time workers are most vulnerable, although is perhaps unsurprising given the characteristics of the creative industries. As support policies

are implemented, they are likely to be focussed on the east of NI to recover, rather than the West and the question of sub-regional balance must also be considered as part of the policy framework.

Therefore, additional policy focus and support will be required in order to help individuals in the most significantly impacted occupations to get back to work safely if possible and if not, support them to find other forms of employment and retrain or upskill in order to be in a position to take up new opportunities.

Table 5: Distributional employment vulnerabilities in the creative industries as a result of COVID-19 by group, October 2020

Category	Most Vulnerable group / area	Number	% of group
Gender	Males	9,000 (7,500 – 10,500)	33% (28% – 38%)
Council Area	Belfast	2,900 (2,500 – 3,500)	34% (29% – 38%)
Part-Time / Full-Time	Part-Time	1,900 (1,600 – 2,000)	43% (37% – 45%)
Total		14,000 (12,000 – 16,000)	36% (30% – 40%)

Source: UUEPC

Note: individual rows do not sum to the total, as there are significant overlaps between categories.

7. Policy review

7.1 Policy support measures around the world

This section outlines policy supports for the creative industry that have been implemented by various nations⁴⁴.

Ireland⁴⁵

- **Professional Artists on Jobseeker's Allowance** - Self-employed professional artists⁴⁶ can apply for Jobseekers' Allowance, enabling them to focus on their work for one year without taking part in the activation programme.
- **Arts Council COVID-19 Crisis Response Award** - funding of €1m to enable artists to make new and original art and support its distribution online for the public during the pandemic.
- **Culture Ireland – Ireland Performs** - €100,000 short-term relief fund to pay professional Irish artists to present their work online, featured artists are paid €1,000 for their performance.
- **Funding Commitments** - honouring all existing funding commitments, whilst previous financial penalties for organisations/individuals that are unable to deliver activities are waived.
- **Strategic Slate Development Fund**- €3m funding to support strategic slate project development to support production companies, working closely with screenwriters and directors to develop their own IP.
- **Enhanced Development Support**- an additional €1m of funding will be available to Irish production companies working with writers on a project by project basis⁴⁷.
- **Creative Concept Development Scheme for Directors**- new funding available directly to Irish directors aimed at investing in their early vision to develop high value projects for feature film and television, this will help to generate screen work with the early creative leadership of a director and refined development before bringing it to a producer or financier.
- **Enhanced Investment in Screenplay & Spotlight Schemes** - an additional €100,000 investment available for new writers to develop a feature film screenplay, with guidance and mentorship from leading industry figures.

The Department of Culture, Heritage and the Gaeltacht have also outlined screen skills development measures including:

- **Skills Development Events Funding Scheme** (previously The Festivals and Events Funding Scheme)- to assist organisations and film festivals to provide online industry events including masterclasses, workshops, panel discussions, and seminars.

⁴⁴ Germany, Austria and Belgium information (additional country information available) from The European Commission, 2020, Available at: <https://ec.europa.eu/culture/news/how-eu-responds-coronavirus-outbreak-support-cultural-and-creative-sectors>

Scotland information from Scottish Government, 2020, Available at: <https://www.gov.scot/publications/coronavirus-covid-19-culture-and-creative-sector-support/>

⁴⁵ Department of Culture, Heritage and the Gaeltacht, 2020, COVID-19 Support & Information for the Arts Sector. Available at:

<https://www.chg.gov.ie/app/uploads/2020/05/covid-19-support-and-information-for-the-arts-sector.pdf>

The list included above is not extensive and more information is available here: <https://www.chg.gov.ie/app/uploads/2020/05/covid-19-support-and-information-for-the-arts-sector.pdf>

⁴⁶ Artists must be a member of one of the listed certifying professional organisations and provide a certificate or declaration from a professional body as to your status as a professional artist

⁴⁷ Where the Strategic Slate Funding Scheme does not apply.

- **Bursary Award Scheme** to support industry professionals to undertake high level online skills development courses.
- **The Stakeholders & Guilds Funding Scheme** -supports screen stakeholders and guilds to deliver skills related activity over the course of a year.
- **Screen Mentoring Funding Scheme** will provide professionals with remote business, creative and technical mentoring support at key stages in their career development.

Wales⁴⁸

- **Arts Resilience Fund**- reallocation of funding to create **an urgent response fund of £7m**.
- **Cultural Recovery Fund**- total funding of £53m available to support arts organisations with a non-repayable grant of up to £3m to support activities until March 2021.

England⁴⁹

- **Culture Recovery Fund: Grants- £500m available for organisations to apply for a grant between £50,000 to £3m to support** cultural organisations over a 6-month period to ensure that by 31 March 2021 they can reopen, either fully or partially, or operating on a sustainable, cost-efficient basis until they are able to reopen at a later date.
- **Culture Recovery Fund: Repayable Finance**- up to £270m support for organisations that were financially stable prior to COVID-19, a grant of no less than £3m is available.
- **Culture Recovery Fund: Capital Kickstart fund** - £55m of capital expenditure available to existing Arts Council capital grant holders who can show a capital funding shortfall due to COVID-19.
- **Emergency Grassroots Music Venues Fund** - £3.36m funding for 135 venues at risk of closure to due COVID-19. Venues could apply for emergency grants of up to £80,000 to cover on-going running costs incurred during closure, including rent and utilities.
- **National Lottery Project Grants**- support for arts, museums and library projects that engage the public in creative and cultural activities, budget of £75m available.
- **Developing Your Creative Practice – (being introduced in Autumn 2020) the budget has increased from £3.6m to £18m to support creative workers to take their work to ‘the next level’.**

England & Wales⁵⁰

- Ongoing tax relief for culture and art organisations:
 - Theatre Tax Relief;
 - Orchestra Tax Relief; and
 - Museum and Galleries Exhibition Tax Relief.

Scotland

- **The Creative Scotland Bridging Bursary Fund**. One-off bursary payments between £500-£2,500 to freelance artists and creative practitioners that have lost earnings.
- **Creative Scotland Open Fund**. Individuals and organisations can apply for funding up to £50,000, to help support themselves during the pandemic. Open Project is an existing fund supported by £7.5m National Lottery funding. It has been repurposed to help

⁴⁸ Arts Council of Wales, 2020, Coronavirus Support, Available at: <https://arts.wales/funding/coronavirus>

⁴⁹ Arts Council England, 2020, Our Open Funds, Available at: <https://www.artscouncil.org.uk/funding>

⁵⁰ Gov.uk, 2020, Museum and Galleries Exhibition Tax Relief, Available at: <https://www.gov.uk/hmrc-internal-manuals/museums-and-galleries-exhibition-tax-relief/updates>

applicants explore ways of working that will help them to adapt and respond to the current changing circumstances.

- **Museums Galleries Scotland (MGS) Urgent Response Fund.** £400,000 will support accredited, independent museums who care for Recognised Collections, £300,000 will support non-Recognised Collections.

Austria

- **Bridge funding for artists.** Freelance artists are able to apply for funding of €1,000/month for up to 6 months.
- **COVID-19 fund for artists and cultural educators.** The existing Artists' Social Insurance Fund was increased by €5m to compensate income losses of artists and cultural educators.
- **Voucher redemption for cancelled events.** Vouchers can be issued for tickets for events cancelled due to COVID-19, vouchers are valid until the end of 2022.
- **Default costs for film productions.** €25m will be provided for film productions that have been discontinued due to the pandemic. Film producers can receive a non-repayable grant of up to 75% of the default costs occurred since March.

Grants by the Ministry for Arts, Culture, the Civil Service and Sport - Subsidies have been increased by €3.1 million and have been split amongst cinemas, publishing sector, music and art.

Belgium

- **Financial support for actors and operators.** A loan guarantee for those encountering difficulties in accessing credit due to the crisis and facilitate access to borrowing through crowdfunding.
- **Emergency fund of €50m.** Providing assistance to at risk sectors, those benefiting from the emergency fund will have to ensure the remuneration of the final service providers.
- **Emergency measures for audio-visual and media actors.** Measures aim to increase the cash reserves of those involved in the creative chain, such as Removal of the obligation to pay advances on receipts received; and production assistance through the extension of approval times and the validity of contracts

Germany

- **Waiver on recovery orders:** In the event of a Corona-induced cancellation of funded cultural projects or events, the recovery of subsidies already spent can be renounced.
- **Aid for organisers of cultural events:** Organisers to offer ticket holders a voucher to attend an "equivalent" event until the end of 2021.
- **Artists' Social Security Fund:** Insured citizens can report income changes and their contributions will be adjusted. For company's subject to the levy, monthly advance payments can be reduced or individual payment facilities may be granted.
- **Reallocation of funds and flexibility of programmes:** Current funding programmes will be adjusted to benefit both cultural institutions as well as artists and freelancers in need.
- **Film funding:** Agreement on increased safeguarding of current funding, by waiving reclaims for postponements or terminations or by taking over additional costs due to postponements of funded projects.

8. Key findings

COVID-19 induced restrictions have had a significant economic impact in NI so far, adding 35,000 individuals to the unemployment register and at its peak, 250,000 to the CJRS support register and 78,000 supported through the SEISS. Estimates of GVA contraction range from 6 – 13% over 2020.

It is the largest shock that the NI economy has experienced in its history. In the longer term, the unwinding of support policies later in 2020 represent a significant economic risk and could potentially increase the numbers of vulnerable jobs. As such, the economic environment is dynamic as is the healthcare situation. Policy and decision makers are actively trying to balance the healthcare and economic risks at present and as both will continue to evolve over time and with any further outbreaks of COVID-19 the balance could shift either way.

The Arts, Cultural and Heritage sector, which provides 39,100 jobs, is particularly vulnerable to the long-term economic impacts of a COVID-19 induced downturn, due to the interactive, face-to-face nature of activity and the cyclical nature of demand which primarily relies on discretionary consumer spending.

8.1 Creative jobs are relatively more vulnerable

This research suggests that 12,000 - 16,000 creative jobs are currently considered to be vulnerable in NI. The sector is relatively more vulnerable at 36% of all jobs in the sector, compared to an average of 26% for NI. There is a broad spectrum of vulnerability across the subsectors, ranging from 18% of jobs to 64% as a result of the different activities carried out by Arts, Culture and Heritage workers.

8.2 Vulnerabilities vary by sub-sector

There is a wide disparity in vulnerability across the sub-sectors of the creative and heritage industries. Two thirds of museum, galleries and librarian jobs are considered to be vulnerable, around half of crafts, design, film and music workers are also more vulnerable than prior to the onset of the crisis. These sub-sectors are more vulnerable to the demand impacts of COVID-19, rather than the social distancing impacts. This means vulnerability is likely to be more 'sticky' in those occupations, and one targeted policy at a point in time is likely to be less effective than structured support for individuals, cognisant of the fluid economic context in which the NI economy will operate over the next 12 – 18 months.

At the other end of the spectrum, creative, office-based occupations like IT and advertising, are much less vulnerable. The growth of the former in the last 15 years reduces the impact of COVID-19 restrictions on the sector as a whole. Indeed, the demand for IT and cybersecurity staff has increased as consumption, work and leisure activities moved online. As such, these elements of the creative industries are at less risk and employees are more likely to have other options available to them.

8.3 Demand will remain the key issue for some time

This research illustrates that demand will remain the primary obstacle to fully reducing vulnerability in the creative sector. Approximately 70% of the jobs considered vulnerable in the creative sector are as a result of demand reductions. While some of this will be linked to tangential social distancing issues – for example, theatres will be unable to achieve similar levels of capacity compared with pre-COVID – a majority will be as a result of lower levels of discretionary spending in the economy, combined with low levels of confidence in consumers, from both an economic and health & safety perspective.

The Summer Budget saw unprecedented UK wide policies being implemented to boost demand; including the Kickstarter programme, CJRS returners bonus, VAT reductions for the most impacted sectors, a Stamp Duty holiday for house buyers and the “Eat Out to Help Out” voucher scheme. The Arts in NI received £33 million to help support individuals and organisations working in the sector as a result. In early October the Chancellor announced a more focussed Job Support Scheme, which will last for six months, although the construction of the scheme has been criticised by many business representative organisations as it may encourage enterprises to retain smaller numbers of full-time employees.

8.4 Learning from elsewhere

A review of policies in place to support the Arts, Culture and Heritage sectors across developed countries provides ideas for a number of potential policy responses that could be replicated by NI. These responses support both individuals and organisations and have been geared toward both retaining the income of those within the sector through a demand gap and building longer term resilience which will support the sector in returning to growth in the longer term. Figure 8.1 provides an overview of examples from other Governments, which provide a framework for NI’s policy response in this arena.

Figure 8.1 Response Quadrangle for Arts, Cultural and Heritage Sector Support

	Individual	Organisation
Income retention policies	<ul style="list-style-type: none"> • One-off bursaries for artists • Monthly payments to artists • Jobseekers allowance for self-employed creative workers 	<ul style="list-style-type: none"> • Refund support scheme for event cancellations • Support for organisations financially stable prior to COVID-19 • Default costs for cancelled productions
Resilience & growth policies	<ul style="list-style-type: none"> • Funding for artists to create new content for online distribution • Bursary award schemes for artists to undertake skills development courses 	<ul style="list-style-type: none"> • Tax relief going forward • Funding for COVID-proofing of venues • Funding for adjustment to operating practices

8.5 Policy suggestions

There are a range of policy options available to NI to support the Arts, Culture and Heritage sectors through the worst of the COVID-19 pandemic and impending impact of Brexit. The following suggestions are for the Department to consider and reflect upon what might work well in Northern Ireland and could complement other measures already in place. Naturally, these measures are focussed on the policy levers that are devolved to NI.

Income retention and survival

These policy suggestions focus on supporting individuals and enterprises in the sector to continue to work and trade through the most challenging phases of the recession. The evidence presented throughout the research suggests that the impact of COVID-19 are uneven, with IT and architecture impacted much less and those within the sector generally possessing a range of transferrable skills and being located in the East of NI. In contrast, the Arts, Culture and Heritage elements are much more at risk and need of support and these are the areas upon which policy intervention should focus.

Venues – grant or soft loan support for Arts, Culture and Heritage venues at risk of closure on the basis of evidence of financial hardship. Costs such as rent and utilities could be included up to a maximum support level similar to that in England, where the maximum support rate is £80k.

Venues – 100% rate relief for the period over which they are required to close and 50% relief from three months after they are able to reopen until the end of March 2021.

Funding for cancelled events – could be provided for events that are cancelled at short notice due to new or changing restrictions in order to reduce the risk to the Arts, Culture and Heritage sector.

Arts, Culture and Heritage visitor vouchers – could be provided to fund 30% - 50% of the cost of visiting venues in order to increase demand to March 2021.

Arts, Culture and Heritage skills vouchers – could be provided to fund 30% - 80% of the cost of training to March 2021. As an example, traditional stonemasonry could offer both a route to new employment in the heritage sector (or construction) for a number of individuals as well as providing income to those in the sector who are able to train others.

Bursary fund – up to £1,000 per month for those employed in the Arts, Culture and Heritage sector who have suffered from reduced demand **and** are not able to avail of other employment, or self-employment support schemes until the end of March 2021.

Heritage project acceleration – bringing forward Heritage investment projects to stimulate private sector demand and employment opportunity. This strand could also include a call for interest from the sector to generate ideas, which could be ranked on the basis of economic and social impacts.

Public works – NI based artists and sculptors could be commissioned to create new and original art for public spaces.

Boosting future potential

The following policy suggestions focus on boosting the future growth and income generation potential of the sector. These are policies that could, in general, be applied to support the sector to grow in the future in light of the range of megatrends that were already underway across society, such as increasing digitisation, environmental awareness and an increasingly aged population.

Enhancing digital presence – funding could be made available to support enterprises and freelancers to enhance their digital presence and commercial ability. Performers could be funded, as in some other countries, to film and put their performances online.

Enhancing digital skills – funding could be made available to support enterprises and freelancers to train their staff on online & digital skills, which are transferable across the sector and perhaps also to other sectors. Those who have successfully pivoted online during the recession could receive support in order to train others facing similar challenges.

Creative, cultural and heritage recovery fund – similar to England and Wales. To support enterprises and freelancers with grants or loans of up to £3m, over a 6-month period based on evidence of need, to ensure that by 31 March 2021 they can reopen, either fully or partially, or operate on a sustainable, cost-efficient basis until they are able to reopen at a later date.

Creative, cultural and heritage kickstart fund – similar to England and Wales. To allow those already in receipt of capital grants to draw down additional funding to complete projects.

Creative horizons fund – focussing on the innovative new film, TV and other creative opportunities that can be developed and either sold outside NI or will attract investment from abroad in that sector. The Fund could also be tasked with connecting the creative sector and the broader enterprise base, app design and delivery and promotional clips to showcase the best of NI.

8.6 Vulnerable groups will require monitoring and perhaps further support

Even with a range of these policy suggestions in place, there is an obvious risk that some enterprises or individuals may not qualify or avail of support. It is clear from the research that job vulnerability varies significantly across the 10 sub-sectors of the creative industry and those in the most vulnerable groups should be monitored on an ongoing basis and an open

perspective should be taken in terms of designing and providing further support. In general, those most vulnerable were:

- Those reliant on customer interaction;
- Full-time workers in demand-driven sub-sectors;
- Male workers specialising in Craft and Heritage employment and females working in libraries and museums; and
- Those in these groups are more likely to remain vulnerable in the recovery stages than prior to the recession.

The 12,000 – 16,000 vulnerable jobs represent about 6% of total vulnerable jobs in NI, which exceeds the creative sector’s share of total employment in the labour market underlining the need for an effective and targeted policy response. However, balancing the impacts of income retention and future focussed growth policies will be key.

These include redistribution supports, skills and training (especially in digital technologies) and labour market access supports to help individuals get back into work in an economy that has experienced a rapid structural change as the recession accelerated existing trends associated with the fourth industrial revolution.

8.7 Conclusion

This paper has illustrated that 12,000 - 16,000 creative jobs (30 - 40%) are vulnerable in NI as a result of the COVID-19 crisis and associated restrictions, which exceeds the average for NI (25 – 29%), making this an “at risk” sector. Those most impacted are males, full-time workers and those working in the culture-focussed sub-sectors of the creative industry. The majority of the vulnerable jobs are focussed in the East of NI, which may mean that there are other potential opportunities in other sectors and occupations.

The healthcare situation in NI will be more important in this sector than in the average NI occupation, given the interactive nature of work and a dependence on discretionary consumer spending. Both have been reduced since the onset of the pandemic, and could remain lower than was the case for some time, potentially until a vaccine is available or until an effective treatment to lessen the severity of the virus is obtained. Either way, an effective solution could be some time away. Mitigating economic and financial risks where possible will be vital to the long-term survival and recovery of the sector, especially as initial policy supports unwind.

The policy focus has started to move towards recovery policies prior to the restrictions announced on the 14th of October. It is likely that the resilience of the most vulnerable will already have been significantly eroded and further restrictions will be particularly challenging. Nevertheless, all crises end at some point and it will be important to support those with sustainable enterprises and freelance operations throughout the recession, whilst focussing on a return to growth in the longer term. In this context, policies focussed on growth coupled with fairness across society will be supported from many perspectives.

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Annex – Definition of Arts, Culture, Creative and Heritage occupations

Creative Occupations Group	SOC (2010)	Description
Advertising and marketing	1132 1134 2472 2473 3543	Marketing and sales directors Advertising and public relations directors Public relations professionals Advertising accounts managers and creative directors Marketing associate professionals
Architecture	2431 2432 2435 3121	Architects Town planning officers Chartered architectural technologists Architectural and town planning technicians
Crafts	5211 5411 5441 5442 5449	Smiths and forge workers Weavers and knitters Glass and ceramics makers, decorators and finishers Furniture makers and other craft woodworkers Other skilled trades not elsewhere classified
Design: product, graphic & fashion design	3421 3422	Graphic designers Product, clothing and related designers
Film, TV, video, radio and photography	3416 3417	Arts officers, producers and directors Photographers, audio-visual and broadcasting equipment operators
IT, software and computer services	1136 2135 2136 2137	Information technology and telecommunications directors IT business analysts, architects and systems designers Programmers and software development professionals Web design and development professionals
Publishing	2471 3412	Journalists, newspaper and periodical editors Authors, writers and translators
Museums, galleries and libraries	2451 2452	Librarians Archivists and curators
Music, performing and visual arts	3411 3413 3414 3415	Artists Actors, entertainers and presenters Dancers and choreographers Musicians
Heritage	5312 5313	Bricklayers and masons Roofers, roof tilers and slaters