"Highly digitalised sectors were able to capitalize better on the changed circumstances than sectors that require physical spaces."
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Cultural and creative industries in times of crisis

The cultural and creative industries (CCI) were affected heavily by the pandemic – this is now a well-known fact backed by research conducted world-wide. The pandemic led to an estimated 10 million job losses and a contraction of USD 750bn gross value added (equal to 1% of the nominal global GDP in 2019).[1]

According to the South African Cultural Observatory (SACO),[2] venue-based industries in particular suffered significant economic losses as public spaces, museums, concert halls were closed. Digitalised services have therefore gained significance in the CCI during the pandemic as creative businesses shifted to digital solutions.[3]

To better understand the impact of the pandemic on the design, new media, fashion, and music industries the GIZ project "Cultural and Creative Industries", which is implemented in cooperation with the Goethe-Institut on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), conducted a study in partnership with the consultancy VibeLab. The study acknowledges the "Voices of Creatives" in Sub-Sahara Africa and the MENA region. According to the study, most business owners had to lay off their staff - full-time employment dropped by two-thirds compared to the previous year.[4] The importance of digital solutions accelerated, while public spaces were closed, and international travel was restricted.

To address these shortcomings on a policy level, national governments should create an enabling environment for the CCI, by

1. providing gender-equal and affordable access to technologies (incl. internet), digital tools and skills development. This includes securing intellectual property rights, offering tax relief schemes, simplifying bureaucratic requirements.

2. supporting alternative forms of networking and collaboration spaces: a) offer visa permits for creatives to foster international exchange, and b) support the exchange between

local authorities, creatives and associations on the (safe) use of such spaces.

3. facilitating the public-private exchange with local officials to discuss overarching topics such as the collection of statistical data, trade issues and diversity.

4. providing short-term funding opportunities alongside long-term financing strategies for creatives and business support organisations of the CCI.[4]

The international community should support these efforts with a more cohesive approach to foster a sustainable development of the sector, e.g., through international partnerships, awareness raising and access to international markets.

Educational and training institutions can address the need of digitalised products and services by adapting their curricula and provide inclusive know-how on digital skills and e-commerce. It is vital for institutions to discuss the respective needs with the private sector and match market requirements.

The GIZ project "Cultural and Creative Industries" addressed the needs identified in the study on an individual and organisational level: For instance, women-led fashion businesses in six countries attended trainings on e-commerce and digital marketing to install or amplify their presence on so-cial media and adapting their marketing strategy. Business support organisations received insights on the most pressing demands in the fashion sector and adapted their services accordingly. Furthermore, musicians diversified their production skills and transferred their distribution channels online (incl. streaming platforms).

The study results and the project examples show that creatives felt confident in their ability to adapt their ideas to changed conditions. Highly digitalised sectors were able to capitalise better than sectors that require physical spaces. Whilst the digitalisation has accelerated, physical spaces for local collaboration, networking, and learning remain important. It seems that the creatives themselves are the resilient capital of the sector, while the ecosystem remains vulnerable to external challenges – it therefore underlines the system's importance in times of multiple crisis.

References

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