Executive Summary

Culture, the Arts and the COVID-19 Pandemic: Five Cultural Capitals in Search of Solutions

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A study by
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The Challenge. When the COVID-19 pandemic hit in March 2020, it immediately posed severe challenges to arts and culture around the world. As hubs of creative activity and densely populated areas, cities were particularly affected. Lockdown and social distancing measures and the resulting closure of cultural sites and the suspension of events, impacted arts and culture in profound ways. In many places, the pandemic soon threatened the very survival of local cultural infrastructures and the careers of artists and cultural workers. Alongside the tourism and the hospitality industry, the entire cultural ecosystem1 was and remains among the fields most affected by the pandemic.

This study explores how five internationally recognized cultural capitals – Berlin, London, Paris, Toronto and New York City – responded to these challenges. It focuses on the cultural policy

1 We use the term “cultural ecosystem” or “cultural system” for short to refer to the set of people (e.g., artists, producers, etc.), organizations (museums, theatres etc.), events (festivals, performances) and institutions (arts education) that are part of cultural as well as artistic production, distribution, presentation and consumption. It includes other terms like cultural economy, creative industry or the arts and culture scene.
responses between March and late summer 2020, a period now referred to as the first wave of the COVID-19 pandemic.

**Research Questions.** The five cities were not only selected because they are major cultural capitals, but also because they differ significantly in their governance and policy approaches to arts and culture. These were highlighted in a previous study that considers the objectives, resources, activities and programs of each city. Based on an update of this study, we addressed three central questions:

- How did policymakers and representatives of major cultural institutions and networks respond to the COVID-19 challenge? What measures were taken, when, by whom and for what purposes?
- What have been the results so far, and what have been some of the major achievements and weaknesses? What opportunities for reform and innovations present themselves, and what are the main challenges ahead?
- What lessons can be drawn from each case in terms of best practices; and, by way of cross learning, what policy measures appear most effective for future crises?

**Governance Capacities.** The resilience of the cultural ecosystem is closely related to the governance capacities of the public sector in place, the decisions taken by city governments, the policies implemented, and the measures taken. We focus on four governance capacities:

1. **Analytical capacity** is based on the information available to authorities and their understanding of the situation on the ground to assess policy options and reach decisions.
2. **Regulatory capacity** is the capacity to sanction by prohibiting or permitting as well as incentivizing or disincentivizing certain actions, often referring to the government’s power to constrain or enhance economic and social activities.
3. **Delivery capacity** is the de jure and de facto ability to “make things happen”. It consists of the resources that governments must use to perform their primary tasks at the policy frontline to meet needs of many kinds.
4. **Coordination capacity** is the capacity to bring key stakeholders and other relevant actors together to help manage a public problem.

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We collected data from available documents including media reports, policy briefs, public statements and social media accounts from relevant organizations in the cultural system. We also consulted experts about the governance and cultural ecosystems of the respective cities.

How did Cities Respond?

Faced with the COVID-19 pandemic, each of the five cities had to address complex challenges. At the same time, however, their varied responses reflected not only established policy preferences and patterns, but also highlighted existing problems and exacerbated them in some instances. With different governance arrangements for the public responsibility of culture in place and varying amounts of financial means at their disposal, the pandemic hit these cultural capitals with uneven levels of preparedness and governance capacities. Although all five cities are renowned for their cultural wealth, the relative importance placed on arts and culture compared to other urban policy fields varied. This resulted in unequal availability of public emergency relief funds for as well as within the field of arts and culture and created precarious economic situations for artists and cultural workers in particular.

Berlin’s response to the COVID-19 pandemic was characterized by a relatively strong and timely delivery, partially because the city is simultaneously a “city-state”. No other city government mobilized equivalent amounts of funds for the cultural system and dispensed them so quickly and efficiently. What is more, Berlin adapted its emergency programs based on the feedback and needs that became apparent in the early months of the cultural shutdown. With a regular 2020 budget for arts and culture of approx. €600 million, this function and the additional resources from the Federal Government allowed for a significant financial response to the pandemic. Overall, both the amount of funds disbursed and the relative flexibility afforded were well received by the established stakeholders of the city’s cultural ecosystem.

Berlin’s cultural administration tackled the adverse effects of the pandemic from different angles. In addition to financial emergency measures, the city government changed regulations of approved arts fundings and also supported the creation of an online platform called “Berlin (a)live” to showcase digital cultural content and live performances, something attempted elsewhere as well but rarely arranged and championed by city governments themselves. Strategic documents on how to respond to the pandemic and the collection of audience data for its cultural institutions demonstrated a strong analytical approach. Although its analytical capacity is still not at par with London’s historically strong emphasis on evidence-based policymaking, Berlin’s COVID-19 response in terms of strategy and communication was a signal of political will to cultural institutions and artists in the city.

Germany’s Federal government added to the city’s emergency response through welfare payments and a nationwide 1 billion Euro bailout fund entitled “Restart Culture”, which was disseminated through a variety of genre-specific organizations. However, the Federal government’s response notably neglected the high levels of atypical work among artists and cultural workers and the needs of cultural businesses with no employees and little overhead costs. This meant that many were not eligible for financial support under traditional social security or business compensation
schemes. Although Berlin created a scholarship program for artists and cultural workers to address this issue, the program was not comprehensive enough to compensate fully what targeted social security systems such as France’s program for temporary employed cultural workers offer.

The case of London has highlighted the Greater London Authority’s analytical and regulatory capacity. Previous investments to create a cultural policy strategy allowed for a targeted local policy approach within an otherwise highly centralized system. In line with this strategy, emergency assistance to smaller venues demonstrated London’s ecological approach to its cultural infrastructure. However, financial resources available to the Greater London Authority were much lower than Berlin’s, even though they could be more flexibly spent. Actual resource flows to arts and culture remained inadequate to the challenge at hand, indicating a substantial loss of active artists and cultural workers as well as organizations and venues. What is more, the national Department for Digital, Culture, Media and Sport, which acted in combination with the Arts Council England, was slow in the dissemination of funds.

New York, with its dense landscape of artists, cultural workers, organizations and internationally renowned art institutes, has demonstrated a well-developed analytical capacity in response to the crisis. In line with the city’s long-standing reliance on public-private partnerships, its approach to the pandemic, too, was largely dependent on mobilizing private philanthropic resources. To a much larger scale than feasible in Berlin, private donors, corporations and foundations banded together to contribute more than $100 million (approx. 87.7€ million) to New York’s COVID-19 response. Yet the lack of emergency assistance delivered by the city’s cultural department demonstrates the limits of New York’s delivery capacity. In light of the devastating impact the pandemic has had on the city, New York’s lack of a public response has resulted in widening socio-economic inequalities, as poorer populations were disproportionately affected both by the virus and by its economic consequences. With projected budget cuts to New York’s cultural department and shortfalls of tourism, the city more than the others will likely grapple with substantial uncertainty for the next years.

Paris’ response to the pandemic was greatly enhanced through burden-sharing with the national government. The Ministry for Culture demonstrated high levels of engagement and provided a well-endowed cultural recovery plan for France, which benefitted the cultural ecosystem of Paris in significant ways. Alongside this plan, the French government also provided the continuation of social security payments to the “intermittents du spectacle” – a financial relief for cultural workers. This social security system stands in a marked contrast to the patchwork efforts in the other cities, including Berlin. However, many Parisian cultural institutions were already weakened following budget uncertainties and extended periods of partial closure due to “Yellow Vests” protests during the prior years, leaving fewer financial reserves. Nonetheless, second only to Berlin, the government contributed significant funds to its community of artists and cultural workers.
Toronto integrated the broadest spectrum of governmental tools into its response to the COVID-19 pandemic, including innovative measures offering tax relief to cultural organizations. It also made sure to avoid any diversity mismatch between applicants and recipients of financial aid. In addition, the city demonstrated a high level of coordination capacity, as the provision of emergency aid and cultural consultation was assisted through its arts council, philanthropic foundations, and the analytical assistance provided by a university continually monitoring the impact of the COVID-19 pandemic on the arts. However, especially compared to Berlin’s response, only small amounts of direct funding were actually provided to artists and smaller organizations on the ground. Even before the pandemic, some 80 percent of Toronto’s artists and cultural workers faced precarious economic conditions. Their future, and that of Toronto’s cultural ecosystem generally, have now become even more uncertain.

Learning from Others

The analysis of the five selected cultural capitals yields useful insights for the future of Berlin’s cultural governance. Although the cities are vastly different, they share three challenges:

1. The uncertainty of the pandemic’s progression and the best way forward, which frequently meant ad-hoc policy decisions and changing restrictions of public life.

2. The coordination of a multilevel governance response between municipal, regional and national levels in the cultural policy field. Although the interplay of different levels might contribute to burden-sharing, the threat of divergent policy priorities easily complicates the coherence of the cities’ emergency plans and longer-term strategies.

3. Lastly, the economic impact of the crisis, and the vulnerability of many in their cultural ecosystems. To varying degrees, they all face further threats of losing artists, independent producers and smaller cultural organizations—in other words, a depletion of their cultural creativity and vitality.

Faced with these common challenges, the importance of mutual learning across policy fields has grown in the context of the pandemic, especially a need for better and broader integration of cultural policy in the overall urban governance. A variety of good practices, including some developed in other cities, stand out and have special relevance for Berlin’s ongoing strategy in responding to the COVID-19 pandemic and its aftermath.

Coordination. Although not a single city excelled in all governance capacities, two examples of strong coordination are worth highlighting. The case of Toronto demonstrates a robust institutional landscape, which forms an integral part of a city that considers its cultural system imperative to its identity. The local Toronto Arts Council is an arms-length funder for the arts with a volunteer Board of Directors, which reflects Toronto’s diverse cultural community with artists, cultural managers and academics. This permanent advisory body protects the representation of Toronto’s diverse cultural ecosystem in a systemized manner that does not exist in Berlin. A similar steering instrument can be found in London, where the Mayor appoints an advisory body, the
Cultural Leadership Board, to shape the city’s cultural strategy and to keep him and the Deputy Mayor for Culture & Creative Industries informed on issues in the sector.

Further, concerning the coordination of multilevel governance arrangements, Paris demonstrates a case in which the city, metropolitan and national government took a complementary three-pronged approach. With artists and cultural workers protected by the national social security system, Greater Paris could concentrate on the importance of culture for neighborhood cohesion, while the city of Paris was able to focus on local projects and institutions – a targeted approach that Berlin could not implement due to gaps in the social security systems.

Policy instruments. Similarly, the cities examined applied a variety of policy instruments with the intention to relieve the pressure for direct provision of funding. For instance, Toronto sought to limit the loss of cultural venues with the creation of a tax subclass for cultural establishments, which was expanded in the context of the crisis. The regulation addresses problems of affordability through a 50 percent reduction in property taxes. In the UK, the Arts Council England addressed cash flow issues by dedicating £270 million (approx. €303.8 million) to specific loans targeted at cultural infrastructure, including museums, independent cinemas, and night clubs. These examples demonstrate ways in which other cities have navigated tightening cultural budgets. Berlin’s ability to harness the full range of governmental tools for its cause may therefore become vital to the cultural system in the coming years.

Mobilizing funds. Several courses of action to tackle tight cultural budgets stand out. Although Berlin’s 2021 allocation for culture was increased, the strained future public budgets will likely take their toll eventually. The role of private philanthropy, for instance, was effectively utilized in cities with comparatively lower cultural budgets at their disposal. New York and Toronto can routinely rely on the contribution of private and corporate funds in financing arts and culture. Policy instruments not only emphasize tax incentives intended to draw in private funding but also create a “culture of giving” to arts and culture. While Berlin profits greatly from the additional endowment of the Berlin Lottery Foundation, its local philanthropic base could certainly be expanded, including new models of public-private partnerships for foundations and local government entities to work together on specific projects, especially at district and neighborhood levels. Foundations could be crucial to support emerging artists and start-ups or, for example, help existing institutions to diversify their portfolio and business models.

A Strategy. In contrast to the other four cities, Berlin does not communicate its long-term cultural policy strategy as effectively as required in managing the many uncertainties a crisis generates. Before the COVID-19 pandemic, New York invested in the large-scale creation of a cultural plan, resulting from months of public consultations. The formulation and legitimation of this strategy allowed the city to make institutional funding to its “Cultural Institutions Group” conditional on their creation of distinctive and specific diversity, equity and inclusion strategies. In doing so, the cultural administration leveraged financial support to advance its strategic goals. London, too, has engaged with its cultural ecosystem in depth. Based on frequent and thorough research, the city communicates its cultural policy goals and the threats to cultural infrastructure clearly and puts
each new cultural strategy towards public consultation. With the help of a long-term strategy, responses to the COVID-19 pandemic could be grounded in a strong evidence base.

As Berlin is institutionalizing its research on cultural participation, the development of a coherent and broad cultural policy strategy based on a more comprehensive and systematic evidence base seems pivotal. Moreover, next to the current work on cultural participation and audience research, more capacities should be built to develop data-based strategies for the support of cultural production and the cultural sector generally. The current crisis highlights again the specific needs of different arts and cultural organisations (from smaller to larger ones and from publicly funded to privately supported) and of cultural workers (from salaried workers to the self-employed who rely on royalties, project-based earnings or income from live performances). As the impact of the financial crisis of 2007-2008 made clear, it is highly likely that the crisis will aggravate existing inequalities in cultural labor markets that have only been poorly addressed so far, especially the striking underrepresentation and underpayment of women and ethnic minorities. Therefore, a coherent strategy is needed to tackle the loss of artists, workers, organizations and venues for cultural production and consumption in the short-term but also to develop a more equal, fair and sustainable cultural sector in the long-term.

**Future-oriented approaches.** As the full effects of the pandemic on worldwide cultural ecosystems have yet to be understood in their entirety, it is nonetheless important to plan for the future. Unfortunately, such planning has not always been the top priority of cultural policies. Yet the COVID-19 pandemic has resulted in unprecedented heights of digital literacy among cultural audiences and workers alike, while at the same time deepening existing inequalities in access to information and communication technologies and their use. Simultaneously, out of economic necessity, it encouraged new modes of cultural production, collaboration and integration into digital marketing strategies, as well as enhancing dissemination and reach. Although the cities have not yet issued in-depth recovery strategies, it is in particular the development and integration of new business models for culture that will become an important undertaking in order to capture new and emerging innovations. Such strategies should also offer support to those genres that cannot or only in limited ways be transferred online. Moreover, should further crises occur, the pandemic has also demonstrated that culture needs to be a part of any urban contingency and crisis response plans. It now falls on these city governments’ shoulders to draw strategic conclusions from the COVID-19 pandemic and introduce precautionary measures into their plans for the future.

**Policy Recommendations for Berlin:**

4. **Create a more comprehensive evidence base:** Berlin must expand its **analytical** capacities to cover the full range of organizations, artists and cultural workers. To this end, a joint effort from the city’s newly-established administrative unit “Berlin Cultural Space”, the city’s Institute for Research on Cultural Participation and representatives from the independent arts must track ongoing changes such as the loss of cultural spaces, and assess ways to respond proactively.
5. **Develop a cultural plan for Berlin:** While Berlin has a cultural policy framework, it has no long-term strategy that brings together the city’s general urban plan with cultural policy objectives and needs. To heighten Berlin’s regulatory clout, the city must now create such a strategy to navigate acute and emergent issues, such as the precarious economic situation of many artists or changes in real estate markets affecting its cultural ecosystem. Although an ambitious endeavor, the other cities have shown that this plan must involve a broad-based consultation process to cover all facets of the city’s rich cultural landscape. Critically, such a plan should involve Berlin’s boroughs in its development as well as implementation.

6. **Use broader spectrum of governance tools:** While Berlin provides scholarship to artists and project funding too many cultural organizations, examples from the other cities demonstrate that a wider portfolio of measures may contribute to a degree of continuity amid fluctuating public budgets. Berlin, too, must explore additional instruments such as loans specific to culture or tax incentives for the owners of cultural venues to enhance its *delivery capacity*.

7. **Respond to inequalities between institutions:** To enhance the *delivery capacity*, Berlin must create more shorter term funding streams for small-scale and independent artistic and cultural production, which severely suffered from cash flow problems as a consequence of the lockdown. In particular, short-term funding for the performing arts is necessary, as those were forced to suspend their activities almost completely. For instance, a city-wide post-pandemic performing arts festival that invites people back in the streets of their neighborhoods and into the arts and cultural organisations could provide a much-needed stimulus. Here, the ideas for the program “Draussenstadt” provide useful impetus to explore other options.

8. **Restart cultural activity:** The longer the pandemic lingers, and the cultural ecosystem is affected by closures and social distancing measures, the more difficult it will be to restart the public cultural life in the city. Therefore, to enhance *delivery*, Berlin’s cultural administration and key stakeholders must address audience concerns by communicating clearly existing safety measures while encouraging renewed participation in the arts and culture. Devising programs and measures specific to pandemic situations is important to make sure that as much of the city’s cultural ecosystem survives extended periods of partial or full closure. New membership schemes, marketing campaigns, online activities and smaller targeted events are just some of many examples.

9. **Invest in development of new business models:** The COVID-19 pandemic has demonstrated that many artists and cultural workers could shift their performances online, yet for only few this meant actual income generation. To enhance Berlin’s *delivery capacity*, the city must therefore integrate the development of new business models into its strategic plan and begin supporting their application. This also means that the city engages in market-making to connect artists, cultural producers, organizations and audiences in finding sustainable revenues.
10. **Enable more shared governance:** Berlin must expand its *coordination capacity* by creating a permanent and representative cultural advisory board, as demonstrated in London. This body allows the city not only to make use of its expertise of the cultural ecosystem but also to take leadership and develop ideas for the future of cultural policy in Berlin. The board could convene a summit on the future of cultural policy in Berlin after the COVID-19 pandemic, review available research, develop joint proposals and help assess policy options.

11. **Foster ecological thinking of culture:** In order to enhance Berlin’s resilience to future crises, the *coordination capacity* within the cultural ecosystem must be intensified across genres and fields. Both, the various sector associations and members of the ecosystem themselves, must encourage more solidarity and collaboration between the institutions, artists and cultural workers. This approach also strengthens a more ecological thinking in cultural policy where interrelations and interdependencies are emphasized.

12. **Engage philanthropy and civil society:** Berlin must enhance its *coordination capacity* and *delivery capacity* to form new partnerships with philanthropy and civil society, which offer diverse social, economic and cultural resources and considerable expertise. Yet much of this rich resource and expertise remains untapped, even unrecognized. For example, next to a smaller number of larger philanthropic foundations, Berlin hosts a much larger number of smaller ones with a focus on arts and culture. They could be approached and encouraged to contribute to a collective effort to see Berlin’s cultural ecosystem through the pandemic. There are also many nonprofit associations supporting culture that could be enlisted and encouraged to mobilize funds and resources in kind. Currently, there some 864 such support associations in Berlin that could be called upon\(^3\), leaving aside many more informal groups, clubs and circles.

**Towards Greater Resilience**

The COVID-19 pandemic has demonstrated that cultural ecosystems in Berlin and elsewhere are facing fundamental issues that must be addressed to enhance their overall resilience. The measures above offer specific advice targeted at assisting Berlin’s policymakers. Yet in all five cities, core tasks for future-proving remain.

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Safeguarding and fostering cultural production will be one of the core challenges in the post-pandemic world. The precarious work conditions in the cultural sector have worsened in the course of the pandemic. At the same time, real estate prices remained high or even increased. The future of active cultural activity will depend on the solutions the cities can find to address this worsening affordability. Whether they facilitate the temporary cultural use of vacant spaces in different neighborhoods, as Paris has tried, provide mixed-use art spaces, as in Toronto, or expand creative activity beyond the city limits, as London is endeavoring to do: a variety of approaches exist, though none have yet begun to match the scale of the problem at hand. In Berlin, specifically, the success of this task will depend on the newly created administrative unit “Cultural Space Berlin” and its political backing in the city. Therefore, public cultural policy should finally address artists’ living and working conditions as a crucial policy issue.

It further stands out that the pandemic has intensified inequalities between cultural workers, institutions, and audiences. Without specific policy intervention from city governments to ensure the resilience of the entire cultural ecosystems, and not only of a selected few representative icons, their diversity is threatened to regress. While younger and not-yet recognized artists and small organizations have become more organized in recent years, most notably in Berlin, all five cities reveal significant inequalities. For the sustainable future of diverse cultural capitals, strategic and systematic policy interventions must ensure that cultural policy decisions are inclusive and represent a broad range of stakeholders and audiences.

Considering the scale of the COVID-19 pandemic’s impact, it is also apparent that urban cultural policy cannot be tackled in a silo. Rather, its success depends on its effective use of a range of governmental tools and its integration into urban plans and policies, which sustainably anchor the cultural ecosystem in wider urban development strategies. In all cities, this task will require the creation of new inter-departmental and inter-agency connections or the intensification of existing partnerships within government and civil society.

At the time of writing, renewed and new restrictions of public life have been introduced in all five cities during the second wave of the COVID-19 pandemic, and in anticipation of a third. Every day of closures imposes an additional strain on Berlin’s cultural ecosystem, which has already undergone months of restrictions, uncertainty and economic hardship. Especially clubs, music venues and the performing arts more generally are at risk of permanent closure, and already the loss of smaller establishments and venues for artists is tearing holes in the city’s cultural ecosystem. At this vital juncture, informed and strategic policy interventions along the lines suggested here are critical determinants of the role the arts and culture can play in the urban fabric of the future.