

The Response of Cultural Policies to the COVID-19 Pandemic: The Case of Slovakia

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Abstract

The economic relevance of culture is expanding beyond its more traditional spheres of community building, social cohesion and individual empowerment, with UNESCO acknowledging the role of culture as an enabler and driver of sustainable development (UNESCO, 2019). While the cultural and creative sector can be a source of structural economic development, it has also been among the hardest hit by the COVID-19 crisis which has affected much of Europe. The paper focuses on the cultural and creative sector in Slovakia during the COVID-19 pandemic. It summarises the policy measures taken for the sector at both the national and local level in the period ending January 2021 and evaluates them critically in terms of the general character of cultural policy. This paper documents the insufficient levels of support for culture, an issue which is connected with the ongoing lack of a long-term systemic approach to the cultural and creative sector. In the first part of the analysis, the support programs introduced for cultural workers and organisations are analysed, while the second part focuses on the case study of a local cultural centre in Košice in order to visualize the impact of the pandemic at the institutional level and its mobilization to help the cultural community during the first wave of the pandemic. The results show that the COVID-19 measures are not an isolated financial instrument, but rather a feature of the long-term tendencies of austerity-based cultural policies within Slovakia and also emphasise the strong need for the introduction of sustainable cultural policies.

Keywords

Cultural and creative sector, COVID-19 pandemic, Cultural policy, Slovakia

JEL Classification

P25, Z18

Introduction

The narrative of the economic importance of the arts and creative activities is based on the growth of the cultural and creative sector in Europe. According to Eurostat, 8.7 million people were employed in cultural activities or a cultural occupation in the states of the European Union, accounting for 3.8% of the total workforce, and 1.1 million cultural enterprises were in operation (Eurostat, 2019). However, the essential value of art and creativity is linked to the development of both individuals and society as a whole. The arts and creativity activities play a crucial role in ensuring the well-being and cohesion of the community through their ability to shape values, and they represent the key to guaranteeing the freedom of expression and innovation (KEA, 2020). For the purposes of this study, the cultural and creative sector (CCS) is defined as: “*all the sectors whose activities are based on cultural values, or artistic, creative expressions, market or non-market oriented. It includes architecture, archives, libraries and museums, artistic crafts, audio-visual tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts*” (KEA 2020). Cultural policy is considered to be governmental activities at all levels which are focused towards the CCS.

Slovak cultural policy in the post-1989 period has never enjoyed the level of spending found in western EU countries. Instead, the economic priority of post-socialist governments has been the management of public debt, an approach which has held culture in a state of permanent austerity. Political support for the cultural sector in

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Slovakia only started to strengthen slightly after 2008 following the country's entry into the EU, allowing cultural institutions to gain access to European funds dedicated to culture. Since that time, the domestic production and consumption of culture has increased dramatically. The designation of Košice as the European Capital of Culture in 2013 is a major example of culture-led urban regeneration in the country. However, the lack of systematic strategies in the sector (IKP 2014) demonstrates the political volatility in decision-making on cultural policies. The measures taken towards the CCS in response to the COVID-19 crisis are a symptomatic example of the stance of Slovak governments towards culture, an approach which is in sharp contrast to UNESCO Sustainable Development strategies which see culture as a pillar for sustainable development, such as UNESCO 2030. Culture in Slovakia is viewed as a burden rather than a priority, and its potential as an economic and, above all, social development tool for the restart after the end of the pandemic situation is being neglected.

The aim of this paper is to analyse the response of cultural policies in Slovakia to the COVID-19 pandemic and to reflect critically on policy discourse and priorities. The study will also address the interplay between national policy and local cases. We pose the following research questions: What was the response of Slovak cultural policy to the COVID-19 pandemic at the national level? How did the general nature of earlier policy influence this response? What supportive measures were taken at the local level? How did the pandemic impact the sustainability of cultural organisations? How did cultural organisations respond to the pandemic in terms of the wider community?

The paper is structured into three parts. The first section presents an overview of the background and theoretical framework under three concepts: austerity, the instrumentalization of cultural policy and the precarity of cultural work, all three of which are interconnected and of particular relevance in the Slovak context. In the second section the policy measures taken for the CCS in Slovakia for the period ending January 2021 are summarized. The third section analyses the sustainability of municipal cultural centres which have been hit by the effects of the pandemic in order to gain a deeper understanding of the impact of the pandemic on the financing, cultural production and working conditions in the cultural and creative sector. The paper concludes with a discussion about the nature and limitations of the measures and the need for a reshaping of Slovak cultural policy in general.

Literature Review

Studies of cultural policy distinguish between two definitions of austerity within the cultural sector. The first is defined by systematic budgetary cuts in public expenditure on culture that are driven by wider reductions in public finance in general, usually introduced in connection with financial crises or the reduced demand for cultural services (Pratt 2012). Despite the crucial role which culture can play in fostering sustainability (UNESCO 2030), cultural policies have typically been viewed as burdensome (Throsby 2010). For example, in the wake of the 2008 financial crisis in Europe, many countries chose to cut public spending on culture (Kouri 2012), and European cultural policies adopted the British model, underlining the profitable facets of culture by promoting the creative industries (Newsinger 2015; Belfiore 2015).

As Clarke and Newman (2012) noted, the result of "*ideological and political work is that austerity has become the dominant global wisdom for addressing the problem of public debt (including the public debt that resulted from rescuing private funds)*". *Financial cuts are intended to drive the changes which have been caused by crises or to serve as "a guiding principle of public management reforms"* (Pollitt & Bouckaert 2017). Silva and Buček (2014) have described how the consequences of those managerial reforms involve both fiscal interventions and also the transformation of institutional arrangements and the roles of governmental bodies, an approach which has been seen in a number of European countries.

The second approach is more discursive in nature, defining austerity as a general transformation of values marked by a reluctance to support culture as a generator of cultural value, the prevalent perception of the utilitarian function of culture which typically focuses on creative industries that are considered a source of economic growth, and the application of the concepts of managerial logic and efficiency to the cultural sector (Newsinger 2015).

Through these approaches, the neoliberal economic approach has maintained and prolonged the precarious nature of much creative and cultural work. This sense of precarity is accentuated by several factors affecting working conditions in the cultural sector (Rodgers & Rodgers, 1989). The highly individualized nature of work in the cultural sphere means that the sector is highly fragmented and diverse, and it is therefore difficult to foster a collective advocacy such as that ensured through trade unions in other sectors. Employment in the sector is also typically based on short-term or project-based contracts, and it is common for many additional activities to left uncovered by project funding, resulting in a considerable amount of unpaid work, especially in the case of socially engaged artists. The regulatory framework also fails to provide adequate guarantees of social stability for cultural workers, with the share of self-employment contracts in the cultural sector being three times greater than in other areas of the economy (Lhermitte et al. 2021; Belfiore 2021; Comunian & England, 2020; Hope 2015).

The instrumentalization of cultural policy has coincided with the rise of the narrative of the creative industries, with public support for culture shifting from the mere support for the provision of cultural activities to more

instrumental motives such as the promotion of economic development or employment (Hermondhalgh & Pratt 2005). Cultural policies at the European level inspired by Florida (2004) consider creativity as a potential force for urban regeneration and these approaches leverage investment in culture as a tool for fostering regional development (Power, European Commission & Directorate-General for Enterprise and Industry 2011). On the other hand, however, public investment in cultural heritage has decreased in recent years (Bagwell, Corry & Rotheroe 2015), and the prioritisation of policy solutions often fails to take “unprofitable” social assets into consideration (Bramall 2013). The creative industries were chosen to help sustain the economy in troubled times in the belief that they could offer the capacity to support economic resilience (Felton et al. 2010), but this has alienated creativity from the traditional understanding of culture and has prioritised profitable cultural and creative sectors at the expense of others, instrumentalizing culture for the generation of immediate value profit (Belfiore 2015).

Austerity policies have affected the public financing of culture but this has not had a substantial impact on the overall financial volume generated in culture. The quantity of cultural production (dependent on demand) remained stable or even grew in this period because, as Pratt (2012) has claimed, cultural participation is a social necessity. Pratt (Ibid) emphasises the danger posed by the insecurity of work relations in the sector, with the project-based nature of the creative work environment often forcing individuals into precarious conditions. The role of austerity as a political structure and ideology has sustained this precarity far beyond the fiscal crisis. The financial insecurity of creative work under the harshest austerity conditions, such as those enacted in Greece in the aftermath of the financial crisis, have led to the opposite effect to that described by Florida (2010). Rather than attracting talent, cities become too expensive for creative workers, and a subsequent phenomenon of counter-urbanization develops (Gkartzios & Scott 2015).

The limited public finance options available to the cultural sphere in the times of austerity has led to a need to seek new value processes and introduce sustainable management, with new models of support, such as crowdfunding, sponsorship schemes and other operational models emerged, also emerging (Bawell et al. 2015). Even institutions focused on the conservation of cultural heritage have been forced to reconsider their business models (Lagerqvist 2016; Morse & Munro 2018). The austerity measures imposed a highly reductive vision for the form of cultural policies and solutions which governments proposed during the crisis (Lagerqvist 2016), with the instrumentalization of culture (Belfiore 2015) considered the only conceivable path, thereby paving the way to the “uncaring times” of the current period (Morse & Munro 2018).

While it is still too soon to evaluate the full effect of the COVID-19 pandemic on the cultural sphere, early findings have indicated that the crisis has had an impact on the concept of work in the sector (Banks 2020). This is primarily reflected in the intensification of the precarity (Comunian & England 2020; Banks & O'Connor 2020) which the systematic programs of austerity had gradually built up over the course of the last decade. Considering all of the facts known to date, the Covid-19 pandemic may be perceived as comparable to the plague described by Albert Camus in his book of the same name; an undoubtedly tragic period, but one which could inspire new solutions and social regeneration (Banks & O'Connor 2020). The prioritisation of support and sustainability is a conscious decision on the part of governments which can indicate the social construction of economic realities (Banks 2020). The ways in which culture is conceptualized in public discourse (Banks & O'Connor 2020) and the constant need to justify the defence of the rights of cultural workers show that the instrumentalisation and austerity narrative is deeply rooted in modern societies.

Countries such as New Zealand, France and Germany, which value social cohesion and community and incline towards global, post-material values, espoused these tendencies in their “bailout” policies for their cultural sectors (Banks & O'Connor 2020). Although the precarity of the CCS is widely recognized in academic literature, this only seems to become apparent to policy makers in times of crisis (Comunian & England, 2020). The fragility of the creative and cultural sector led to the introduction of rapid initiatives in western European countries aimed at mapping and understanding the impacts of COVID-19 in an effort to protect and regenerate the cultural ecosystems.

The COVID-19 Pandemic and Cultural Policy Measures in Europe

In November 2020 the updated report for the Council of Europe on the scale of the impact on the cultural and creative sector since the lockdowns in March 2020 was published (KEA 2020). It summarized the estimates of damage incurred in the sector and the measures taken at the international, national and local level in European states. The report suggests that the most comprehensive approach was introduced in Germany, which started to map the impact on the sector in the early stages of the crisis and implemented a wide range of instruments for the support of the CCS. Five months after the initial outbreak of COVID-19, the effects of the pandemic on the German cultural sector were described in more detail by Dümcke (2021). The analysis emphasised the crucial role of leadership in the very early phases of the crisis, when many strong statements about the importance of art and culture were made by leading politicians. As early as March 11th, the German Council of Culture had stressed the need for a joint emergency aid fund for artists, and from April emergency measures were introduced at all cultural policy levels, including those of medium sized cities, to safeguard their local cultural ecosystems

(Dümcke 2021). Similarly, other European countries with well-developed cultural policies, advocacy institutions and networks, such as Great Britain and France, were quick to create some form of safety net for people working in culture. Their response demonstrates the role of culture in their societies since cultural policies had been a significant part of the development of the welfare state in many western countries (Bonet & Donato 2011).

The comparative reports on the impact of COVID-19 on the CCS (for example, KEA 2020; OECD 2020) demonstrate the differences between the responses of regions in the EU depending on the differences in the framework of national cultural policies, data provision, legal framework and social protection in their respective cultural sectors. The report from KEA (2020) expects that *“the impact of COVID-19 on CCS will be more severe in the Balkans, Central and Eastern Europe as often these countries overlook the importance of CCS in the economy and in territorial attractiveness. The local creative ecosystems, aside from major national cultural institutions, are clearly at risk in the absence of accompanying support measures”*.

The response of public policy in Central and Eastern Europe was discussed by e.g. Nemeč, Drechsler & Hajnal (2020). Betzler et al. (2020) reviewed the CCS-related measures taken by five medium-sized European countries (Czech Republic, Netherlands, Portugal, Slovenia and Switzerland) during the COVID-19 pandemic. The authors investigated the factors which had influenced the scale and scope of the measures and confirmed that the policy responses were aligned with the orientation of the cultural policies and their political status as they had existed prior to the outbreak of the pandemic. Post-communist countries, such as the Czech Republic, primarily supported larger state public cultural organisations through subsidies, while western countries implemented more flexible and diverse series of measures in support of a wider range of stakeholders in the CCS, including credit facilities, loans and default compensation (Betzler 2020).

Methods

Our study employs a variety of qualitative methods to examine the research questions posed in the introductory part of our paper.

Firstly, we analyse the cultural policies taken at both the national and local level in response to the COVID-19 pandemic. The policy data under analysis consists of strategic documents, government statements, reports and press articles. The measures taken following the outbreak of the COVID-19 crisis were published on governmental websites or on the sites of the responsible ministries. Lockdown regulations were published on the website of the Chief Public Health Officer of the Slovak Republic. We identified, summarized and described all of the COVID-19 policy measures which related to the CCS. Textual analysis was applied in order to categorise all information and draw up a timeline of developments. As the COVID-19 pandemic remains ongoing at time of the writing, the article offers a snapshot of the measures taken to the period ending January 2021 and opens up the potential for future research once the full extent of the impact becomes clear.

Secondly, we present the case study of the local cultural policy response in Košice. According to Yin (2009), case study research is best applied when the research addresses descriptive or explanatory questions. Our case study is descriptive – it is used to describe a particular phenomenon within its context (Yin 2009).

Košice was chosen as the location of the case study because of its specific local cultural context. Since Košice's success as the European Capital of Culture in 2013, the city has enjoyed the best developed local cultural ecosystem in Slovakia. The objective of the case study was to analyse the response of local cultural policy to the COVID-19 pandemic in a city which has openly declared the cultural and creative industries as a priority.

The data on local cultural policy were identified and summarised in the same manner as in the examination of the national response. The policy data under analysis consists of the municipal budget, municipality reports, information available on the official webpage of the city and press articles. The case study of the K13 cultural organisation in Košice is based mainly upon three interviews conducted with the director of K13 and two individual managers; the production manager and the manager of the Výmenníky community centres. The interviews were conducted in November and December 2020 over a total of 4 hours, with the discussions focusing on different aspects of the sustainability of the organization during the COVID-19 pandemic. All interviews were recorded and transcribed. The data on the budget of K13 was obtained through the internal documents of K13.

The combination of the qualitative methods of text analysis and case study enables us to study the issue at both the macro and the micro level and to examine the aims, instruments and effects of the policies in combination.

The response of Slovak cultural policy to the COVID-19 pandemic

The context of Slovak cultural policy

In order to understand the policy responses taken by the Slovak authorities in response to the pandemic, it would be useful to offer a brief outline of the context of Slovak cultural policy in the period leading up to the crisis. In general, Slovak cultural policy remains a victim of its post-communist heritage. Culture and sport had been

supported as a part of “prestige policy” during the communist period (Bonet & Donato, 2011), but in the years following 1990 there was a need to transform the cultural system and revise the cultural policy. Since this time, Slovak cultural policy has been characterized by an ongoing program of austerity from both of the perspectives mentioned in part 2. The level of financing never reached the average funding levels of western countries (OECD) and remained reliant to an overwhelming degree on sources from structural funds. The public expenditures into culture were 0,54% GDP in 2020 (MF SR, 2020).

The socio-political changes which Slovakia underwent between 1990 and 2010 had a substantial impact on the form and content of cultural policies. Since the country’s entry to the European Union and its resultant stronger cooperation with European countries, cultural policies began to become aligned with mainstream European discourses, mainly in terms of the promotion of the creative industries approach.

Table 1 summarizes the main milestones in development of cultural policy in Slovakia since 1990. As cultural policies in Slovakia are not systematized, government program declarations served as a proxy for government attitudes towards cultural policies at different periods.

Table 1. Historic overview of Slovak cultural policy.

Period	Milestones	Nature of policy
1990-1994	Privatisation	The state monopoly over almost all large-scale creative industries was considered undesirable and privatization was introduced, primarily in film production, in order to align with western standards. The chaotic nature of this process led to the unsustainable business model of the film industry and the gradual decline in film production, with no films being produced in 2008 (Šmatlák 2016).
1994-1998	Instrumentalization of cultural policy for populist purposes	The popular-nationalist Mečiar government used cultural policy in an instrumental way, supporting nationalist institutions such as Matica Slovenská. The Pro Slovakia cultural fund established in this period was dependent on political power (Šmatlák 2016).
1998-2002	Introduction of multi-source financing	The new Dzurinda government considered the use of multi-source financing. However, the Koliba film studio collapsed in this period (Denel 2002; Fajnerová 2013) and the Pro Slovakia fund was dissolved.
2002-2006	Democratisation and introduction of a strategic approach	Media became more democratized. Public funding for culture in this period was considered poor (Denel 2002), with spending on culture as a proportion of GDP only half the average level of other EU countries. The first consistent cultural policy document was agreed in 2004, although it was never fully implemented. Policy ensuring the preservation of cultural heritage sites in private ownership was introduced.
2006-2010	Creation of Audiovisual Fund and recovery of film industry	Slovakia’s integration into the Eurozone helped foster co-productions and the film industry saw some successful recovery. The Audiovisual Fund was created in 2008. (AVF 2008)
2010-2012	Post-crisis financial cuts	The period was characterized by austerity cuts. The Košice ECoC 2013 candidacy was supported at the local level with substantial financial support from EU structural funds.
2012-2016	Creation of Slovak Arts Council	The Slovak Arts Council was established. A government statement declared the intention to create a participatory cultural policy, but this was not implemented (Government, 2012)
2016 – 2020	Rise of creative industries and analytical approach	Government declaration expressed the benefits of culture in economic and social development. Increasingly visible attention was paid to the creative industries. An analytical unit was established at the Ministry of Culture based on the “value for money” approach. Development of support for cultural productions of minority ethnic communities. (Kult Minor 2017)
2020 – 2021	COVID 19 crisis	The first initiative to support the cultural and creative sector was introduced by the Slovak Art Council. Many stakeholders were not eligible for support from the measures designed by Ministry of Social Affairs and the Ministry of the Economy. The Ministry of Culture started to map the CCS in order to ensure appropriate help.

Source: authors’ compilations, government program declarations.

The historical overview outlines the instrumentalization of culture that has been prevalent for much of the post-communist period and also shows that the direct application of cultural policy through more decentralized funding bodies was only introduced with the establishment of the Audiovisual Fund in 2008, followed by the Slovak Arts Council in 2014 and the Minority Culture Fund in 2017. These bodies have done much to support the

development of cultural production, but still there is a long way to go to ensure the establishment of adequate and progressive cultural policy at the national level. Nonetheless, the Funds were able to react to the COVID-19 crisis with a considerable degree of flexibility. These bodies had already collated data about their beneficiaries and they were therefore in an excellent position to design direct help for them. However, the cultural sector is marked by a wide variety of actors working under different types of contracts, and the lack of statistics and information about these conditions led to many stakeholders being left out of the support package because, as we shall see in the next section, they were not covered by any equivalent policy.

The COVID-19 Pandemic and Cultural Policy Measures in Slovakia

According to Eurostat, 72 000 people, or 2.8% of the total workforce, were employed in cultural activities or a cultural occupation in Slovakia in 2018, a considerable increase from the 52 000 people employed in the sector in 2013 (Eurostat 2019). Almost 30% of cultural workers were self-employed in 2018, compared with 14% in the economy as a whole. The most recent figures from Eurostat dating from 2016 report that cultural enterprises counted for 2.9% of the non-financial business economy in Slovakia. While this proportion was the lowest in the EU, the enterprise birth rate of 20% was among the highest, indicating the vitality of the Slovak cultural sector on the eve of the pandemic (Eurostat 2019).

As the COVID-19 pandemic started to take effect, the Slovak government ordered the closure of all cultural facilities on 10th March 2020. The facilities were totally closed for 125 days but were permitted to reopen in October with certain restrictions such as limited numbers of permitted visitors. Table 2 presents the timeline of the closures in the cultural sector and the policy measures taken in this period.

Table 2. The development of policy measures to support the CCS during the COVID-19 pandemic.

Month	Opening/closures	Measures
March 2020	Lockdown	
April 2020	Lockdown	Ministry of Labour, Social Affairs and Family launches a supportive scheme for businesses (offering to cover 80 % of salaries if businesses retain employees) and freelancers.
May 2020	Culture re-opens but not large-scale cultural events (for example, festivals were cancelled for 2020)	
September 2020		The Ministry of Culture announces an additional support package for cultural funds of €11 million. The Slovak Audiovisual Fund announces extra support of €700,000 to support cinemas and film distribution (individual subsidies of €2650 for each cinema hall). The Slovak Arts Council announces extra support of €9.5 million to support artists and cultural workers through scholarships.
October 2020	From 15 October galleries are permitted to open, and restaurants can serve food and drink on outdoor terraces. Cinemas and performing arts venues remain closed	An open letter from representatives of the CCS to the Prime Minister is published drawing attention to the situation in the cultural sector. The Ministry of Culture starts to map the industry through an online survey. Legislative changes to cultural subsidies are introduced to make the support more flexible.
November 2020	Performing arts venues and cinemas can open with up to 50% of capacity	The Ministry of Culture announces an open call to support individuals working in technical and service positions in the cultural sector.
December 2020	Lockdown	Support is announced for businesses working in cultural and creative industries to cover part of the losses in revenue from March to December
January 2021	Lockdown	The Ministry of Culture announces support for non-profit cultural organizations with compensation of 80 % of the income of their cultural work (to a maximum of €50,000) (DennikE, 2021)

Source: authors' own compilation, official governmental and ministerial documents

The Ministry of Culture organised an online survey to map the CCS and their situation over the first six months of pandemic. The results (IKP 2020) reported huge losses in revenue. 79% of cultural enterprises claimed that their revenues in 2020 were 50% lower than in 2019. Only 25% of cultural enterprises had received any form of support, with these subsidies covering only 2% of the revenues they had lost in the first six months of the

pandemic. 71% of self-employed cultural workers declared that they had lost more than 50% of their revenues, with 43% stating that they had seen a reduction in excess of 80%. 50% of these respondents had no other source of income, yet only 30% of them had received any kind of support. 74% of NGOs in the cultural sector had lost more than 50% their revenues, but only 8% of them were eligible for any support six months into the pandemic (IKP 2020).

The analysis shows that the impact of the pandemic on the CSS was shocking and that the policy response was wholly inadequate. The first targeted measures for the CCS were announced by the Ministry of Culture in September 2020, but actual transfers of money to cultural workers and organisations only started in November 2020. The most recent measure for support of non-governmental organisations (NGO) in culture was announced in January 2021, but no funds will be transferred until March 2021 – twelve months after the initial outbreak of the pandemic. The Slovak measures show a significant delay in comparison to other European countries, with Switzerland announcing support systems in March 2020, Germany in April, and France and the Netherlands in May (Banks & O'Connor 2020; Betzler et al. 2020).

The first measures designated for the CCS were employment-related, aimed primarily at individuals. These programs lacked stimulus measures such as loans, compensation for revenue loss, guarantee schemes and rent relief, while the tax measures only proposed the postponement of taxes and social security contributions and offered no reductions. This weak policy response mirrored the weak political status of cultural policy and of the Ministry of Culture, and there was a distinct lack of political advocacy for the sector. The advocacy that was provided was largely the result of pressure from the cultural organisations and their networks such as the informal "Stojíme pri kultúre (We stand by the culture)" group (Stojíme pri kultúre, 2020). The mobilisation of stakeholders resulted in an open letter to the Prime Minister in October 2020 in which they strongly criticized the indifference shown to the cultural and creative sector and the governmental failure to appreciate the seriousness of the situation (Stratégie, 2020).

The COVID-19 Pandemic and Local Cultural Policy Measures in Košice

A brief introduction of the site-specific context of local cultural policy in Košice would offer some useful context to the case study. Košice is the second largest city in Slovakia with a population of 239,000 and is equipped with an extensive cultural infrastructure, including museums, galleries, music clubs, educational centres, cinemas, theatres, independent cultural hubs, and, since 1998, a renowned Faculty of Arts at the Technical University of Košice (Fakulta Umení 2020). The turning point in the cultural development of the city was its designation as European Capital of Culture (ECoC) in 2013. This award transformed the cultural milieu of the city, and almost €100 million was invested into the renovation of existing cultural infrastructure, the construction of new cultural centres and the expansion of the city's cultural program. The opportunity to network with international artists and cultural professionals brought a wave of expertise and potential into the city. After 2013, two new organizations were created to operate the legacy of the ECoC project. The newly built cultural centres were transformed into a municipally-owned organization called K13, while the non-profit organization Creative Industry Košice focused on the systematic development of local creative and cultural industries based on strategic planning and internationalization. Creative Industry was the driving force behind the successful project to name Košice as an UNESCO City of Media Arts in 2018.

In order to strengthen the sustainability of the cultural organizations after ECoC, Košice introduced a local grant scheme for the culture and creative sector in 2014 as the flagship program of its local cultural policy. The financial allocation for the grant scheme is shown in Chart 1. The budget of the scheme was set at €200,000 and has remained largely stable. The election of a new city administration in 2018 saw a continuation of the general consensus about the priority of maintaining the development of local cultural ecosystems, and the city committed to investing around 3% of the municipal budget into culture (Pravda, 2018). In 2019 the process of formulating a local cultural strategy was initiated based on a participatory approach led by Creative Industry Košice. The objective was to map the cultural and creative ecosystem and design a progressive and innovative strategy to manage its long-term sustainability.

During the COVID-19 pandemic the shock from the mandated closure of cultural facilities resulted in a two month delay to the regular call for project proposals, with applications accepted in May rather than April. Although the city promoted the local grant scheme as a support program for independent cultural organizations during the pandemic, in reality the budget for the grant scheme had been decreased by 35% (K13 2020). As can be seen in Chart 1, only 32 organisations were supported by the scheme in 2020 in comparison to the 41 organisations which benefited in 2019.

The response of the city to the pandemic and the resultant increased costs forced the municipal authorities to make substantial changes to the planned municipal budget for 2020. The budget for the "Culture and Sport" program was cut by €714,450, a 6% reduction from the original planned budget (Košice, 2020).

As the support measures announced by the state government was not sufficient to cover the independent cultural centres, the cultural communities in leading cultural centres were left in an uncertain position and lacked access

to credit.

In November 2020 the city of Košice announced a €40,000 support program for cultural actors and announced a call for “residency scholarships” for local artists which would offer €1000 per person for two months. The call served as a form of emergency support for local cultural and creative workers (CIKE 2020). In addition to these schemes, measures to offer rent and fee rebates were also announced for local creative businesses and cultural institutions, with the administrative authorities of Košice Region reducing rents for cultural workers by 50% (Korzár 2020).

While city representatives loudly proclaimed the unique position of the cultural and creative ecosystem in the development of the city, their rhetoric was not backed up by adequate support for the sector. As the following case study shows, instead of increasing support for the cultural and creative sector, financial cuts to the grant scheme were introduced and the limited budgets were provided to municipal cultural organisations.

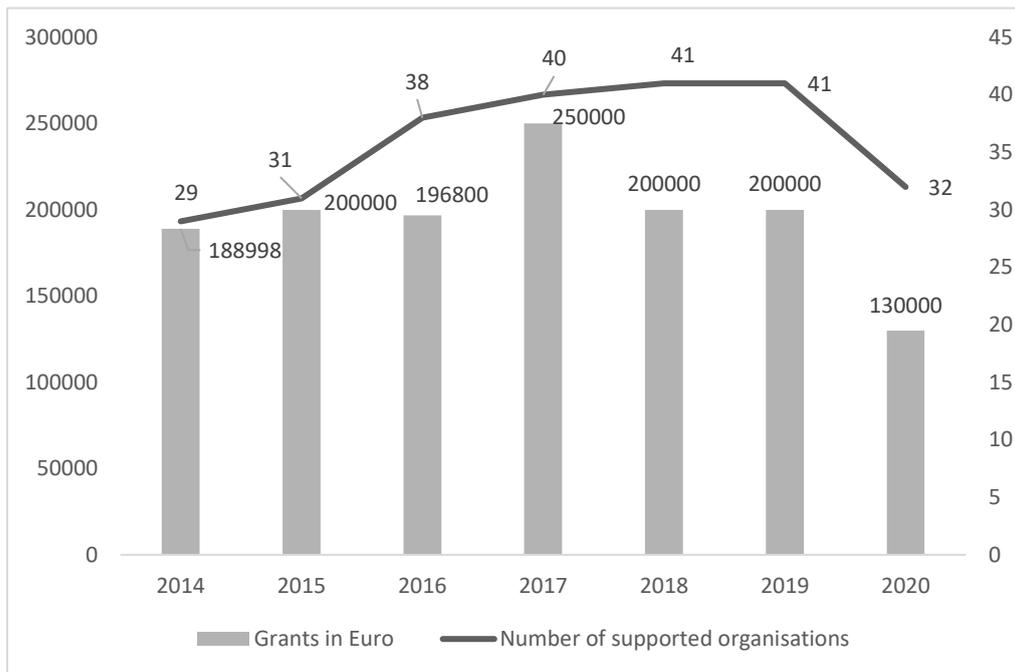


Fig.1. Budget allocations for the cultural grant scheme in Košice (2014-2020)

Source: based on annual reports of the grant scheme (2014-2020)

The impact of the COVID-19 pandemic on cultural organisations: the case study of K13 in Košice

The K13 organization is responsible for the cultural facilities which had been newly built or renovated as part of the ECoC project. The flagship location is Kasárne Kulturpark, a complex of disused army barracks which were rebuilt into a modern cultural quarter for contemporary art and a new urban space (20,000 m²) in a city centre location. The facility offers several multifunctional halls, a gallery, and a visual and sound studio, and also houses a library, spaces dedicated to artists-in-residence and a science park for children. K13 manages also Kunsthalle, Amphitheater and Výmenníky, the latter a series of seven small community cultural centres dotted in neighbourhoods around Košice. The vision of K13 is to create an inclusive cultural space for every citizen. The organization holds several high-profile art events (for example, exhibitions in Kunsthalle) but mainly focuses on providing services for local cultural organizations and communities, with 80% of its cultural programme being organised by external partners.

The operational model of K13 is a municipality-owned organization which is co-financing by the city. The financial sources of K13 stem from public subsidies and its own resources, primarily the revenues from the sale of services, entrance fees and the rent of its premises. In 2019, the turnover from the organization’s own resources accounted for almost 18% of its total income.

Chart 2 shows the revenues of K13 between the years of 2014 and 2020. Even before the onset of the pandemic, the municipality had announced that its 2020 subsidy would be the lowest contribution it had made to K13 since its establishment – a total sum of €2,150,000, with €2.1 million allocated for operating costs and €50,000 for capital expenditures. This decision was associated with K13’s request for permission to increase the limit on the income from its own resources, a figure which had previously been restricted due to the strict rules about using premises financed by EU sources for commercial purposes. These restrictions expired in 2020, and K13 had prepared a new long-term strategy based on reducing its dependence on municipal subsidies.

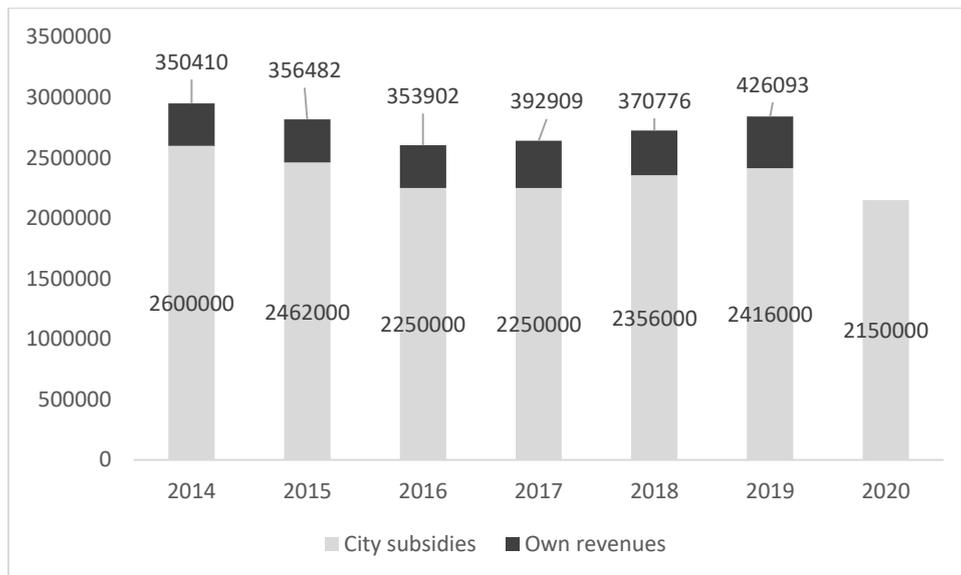


Fig.1. The structure and volume of K13 revenues in 2014-2020

Source: Internal documents K13

In our analysis we focus on the impact of the COVID-19 pandemic on K13 in terms of its finances, its cultural production and its employees.

The most immediate financial effect of the pandemic was an unforeseen €200,000 reduction in the 2020 municipal subsidy to K13, from the planned €2,150,000 to €1.9 million. The organization also suffered from a decrease in its own revenues due to the mandated cancelation of many cultural events; at time of writing, the final figures for K13's own revenues had not yet been published. Despite the substantial financial difficulties, the organization was able to retain its full time employees, although it was forced to lay off all of its part-time staff. Retaining the full-time staff was possible due to several decisions which were related to the pandemic but also the result of unanticipated consequences of steps taken earlier.

Prior to the pandemic, K13 had been in the process of preparing a new strategy, and therefore it had already actively assessed the efficiency of its organizational structure. Some improvements in efficiency had been achieved before the pandemic, and this had helped them to retain their staff once the pandemic hit. For example, Vymenníky had reduced their staff from twelve employees to nine over the course of the last four years. The highest operational costs for the organization are related to energy consumption in its various locations. This consumption was, of course, significantly lower during the lockdown periods, and these energy savings benefited the budgetary situation.

In the interviews we conducted with the management of K13, we inquired about the level of strategic planning and asked if the organization had any kind of crisis plan. *"It's hard to make any plan... during the first wave, we tried to respond, and we organized about 10 online concerts.... we had a pretty strong and full program in the summer (after the easing of the lockdown measures) ...We do not have any explicit crisis plan. We always try to adapt to current measures so that we can provide everything that we are allowed to do."*

The manager was also asked about the financial sustainability of the organization, specifically in terms of its financial reserves and whether it could withstand reductions in its finances. The manager stated that the organization was now in a fairly stable condition, but that if the subsidy from the city was lowered further, they could expect financial problems which could lead to layoffs and investment debt. *"With this reduction, we have reached this imaginary limit..."*

The effect of the pandemic on cultural production was catastrophic since all cultural events were stopped during the lockdowns. Nonetheless, the diversity of K13's activities enabled them to react relatively flexibly to the situation. The organization focused mainly on its audiovisual unit. *"The audiovisual centre and television studio helped a lot during COVID-19 because we didn't need to create some new space... we moved into the space which was already built."* The pandemic offered the opportunity to develop the telKE local television station which focuses mainly on local cultural and sports news. With the cooperation with other cultural organizations, the station was able to provide online cultural content during the pandemic, for example livestreams of concerts by the Košice State Philharmonic orchestra. As the sport sector was also severely affected by the pandemic, the station also offered regular sports broadcasts.

K13's small community centres, Vymenníky, were able to adjust their cultural programs quickly in line with the changes to the pandemic restrictions. Because the Vymenníky were able to host small-scale cultural events with up to six people on site, they were the first cultural facility to open when restrictions were lifted and the last to close when they were reintroduced *"Vymenníky have an excellent justification at the moment.... it's okay when*

there is a smaller group of people. This is a problem for Kulturpark where we cannot fill the large capacity halls.” As the manager noted, K13 always tried to adjust their cultural production flexibly, but it was difficult to do this given the fact that measures taken at the national level often changed unpredictably and without warning.

The social effects of the pandemic deeply affected the employees of K13. The municipal cultural organization is unable to offer salaries which can compete with those found in the private sector, but the respondents declared that they found the real benefits of their job in the opportunity to work in an environment which is open, progressive and welcoming for young people. The manager of the Vymenníky mentioned that working with communities requires special skills, and they had some difficulty in finding the right people for their positions in community centres.

The severity of the impact of the pandemic on employees differed depending on the positions in which they worked. The staff members who were more closely associated with cultural events, such as exhibition supervisors or information centre staff, were furloughed at home on 80% of their salaries. The natural outflow of staff also continued in this period; for example, two employees left on maternity leave. Some employees with small children were forced to stay at home (paid by health insurance) when the kindergarten and primary schools were closed.

The other social effects of the pandemic can be seen in the response of K13 to the local community. The Vymenníky took on the role of mediator between the city authorities and local inhabitants. They sewed facemasks, distributed hygiene kits and prepared care packages for the elderly. Using their social networks, they communicated essential information about the pandemic. As the manager of the Vymenníky said: *“I think we were a means of helping people. We distributed 180,000 masks.”*

K13 served both the cultural community and also the wider community of city residents. Kulturpark has been used as a COVID-19 testing station, and K13 employees regularly volunteer for participation in local anti-epidemic measures. K13 also supported the cultural community by making their audiovisual facilities open for use. *“We tried to support the cultural community. We told ourselves that we were not as badly affected as other [local cultural organisations], so we tried to support them by providing space. As one of our units hosts the telKE local television station, we did eight or maybe even ten livestreams. We were sewing facemasks at Vymenníky. I like to think that these were big deeds at that moment.”*

As a municipal institution, K13 was not eligible for the support schemes introduced for the cultural sector at the national level, and the interviews imply that the layoffs made from the first wave of the pandemic until the end of December 2020 could have been avoided. Nonetheless, the experience of the pandemic has demonstrated the capacity of K13 to create true value and support for the local community.

Conclusion

The absence of a strategic approach and the failure to conceive the potential role of culture in Slovak society did much to shape the nature of the political response to the COVID-19 pandemic. The response of the authorities was weak and emerged much later than in other European countries such as Germany, the Czech Republic or Slovenia. Although full data on the cost of the pandemic have not yet been published, the early estimates provided by the Ministry of Culture indicate the seriousness of the damage which has been inflicted on the cultural and creative sector. The summary of the support measures taken during the COVID-19 pandemic presented in this study highlights the insufficient nature of the policies in terms of credit access and employment support, an issue exacerbated by the fact that the more general support programs announced by Ministry of the Economy did not cover the majority of the stakeholders in the CCS. The heterogeneous nature of the cultural sector requires special attention and care which many western countries were able to solve through the types of “bailout” support (Banks and O’Connor 2020) which are entirely absent from Slovak cultural policies. Instead, Slovak authorities introduced ad-hoc restrictive measures which made it difficult for many stakeholders to predict and prepare for. The weak political advocacy broadened the distrust of the cultural community towards Slovak cultural policy. The uncertainty of the lockdowns and the chaotic approach to reopening and then closing facilities deepened the stressful situation for cultural workers who were already struggling with precarity. The long-term shortcomings of Slovak cultural policy were laid bare during the COVID-19 crisis. The fragile status of culture in Slovak society and the limited understanding of the societal values of culture determined the policy response. The effect of the pandemic in Slovakia strongly mirrors the point made by Comunian & England (2020) that “the COVID-19 crisis merely exposes the unsustainable nature of cultural policy”.

The case study shows that even a city with a successful cultural policy such as Košice can be hamstrung by instrumentalization at a time of crisis and supposedly progressive structures are no more able to react than those afflicted with the austerity approach. The local measures to support culture in Košice did not stand up to the promises which had been made about the cultural city. Budgetary cuts and the limited nature of the targeted support to the cultural and creative sector suggest that, ultimately, the city did not care enough to protect and regenerate its local cultural ecosystem. In this sense, as the case study showed clearly, the sustainability of local cultural organisations is under considerable threat.

However, the COVID-19 pandemic could be also an opportunity for innovation and for increased community support. The pandemic forced many cultural spaces to find creative means of survival, which, as emerged in the aftermath of the financial crisis in 2010 (Bagwell et al. 2015), meant innovation in their operational models. The local example shows that the model of the K13 investment project can react effectively to the crisis with solidarity and offer a public service in the broadest sense, a role which was – originally – its own incentive. The experience with such an approach can inspire a wider understanding of culture as a public service and force us to reconsider the trend towards self-sufficient business models.

Since this paper presents only a single case study of a single cultural centre, the results of the analysis may be limited to this case and the study is not intended to draw conclusions about a more complex picture. Nonetheless, the results presented here provide avenues for further research. It would be useful to investigate a greater number of cultural organisations in order to define the impacts of the pandemic in more detail and to clarify further the need for appropriate measures at the organisational level.

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