

The work of art  
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### **Catherine Baumann, President of Pearle, proclaims that it is time to nurture Europe's cultural values and encourage the performing arts sector**

When the financial crisis exploded in 2008, affecting economies and public finances everywhere, the true impact for the performing arts sector was still to come. In most EU member states, budgets for the sector had already been committed for three or four year periods, so the effects were dispersed and spread over time. If we take a snapshot of Europe today, we would see that, whilst the situation varies greatly from one country to another, the performing arts seem to have suffered from cutbacks almost everywhere. In some situations, drastic reforms are being faced, with the closing of cultural institutions; in others, public investment has declined so steeply that professionals need to be financial wizards to keep their organisations up and running, all the while doing their very best not to impact employment.

In this context, it seems hard to believe that those same member states whose public authorities are reducing support for the arts and culture in their own countries would agree to increase support for these sectors at the European level. Yet with the sometimes shocking developments happening in Europe (riots, politically oriented killings and large demonstrations) and with the slowing down of economies and the euro's state of crisis, these are times when European citizens seek even more confirmation of the values that connect us across borders.

Art is a value in its own right, as it is a reflection of our civilisations and of what we make of our society today. It is also a way in which our generations will be remembered in the future. Art educates us every day, through as many creative forms as we can imagine, and is an invaluable tool for developing empathy with other people. A play, for example, might force you to put yourself in a total stranger's shoes, teaching you to open your mind and change your perspective. In this way, art has the capacity of being a great civilising and humanising force. When our children learn to act, write stories, dance, discover sounds and music, or when they read, see, and hear the works of the greatest artists of our past and meet with living artists, it does not mean that they will all become actors or writers, but rather that they will have an increased capacity for understanding other people and respecting each other's expression. They will also learn the value of creativity and innovation, which no matter what path they choose in life, will be a precious asset.

Many policymakers seem to expect the arts to also solve a wide range of societal woes (homelessness, unemployment, alcohol and drug abuse, etc), but they cannot achieve this alone. The arts are, however, an invaluable vector for reaching out to isolated populations and for encouraging forward-looking and inspirational thinking. When combined with policies that create social protection frameworks, improve healthcare, provide proper housing, etc, the arts can indeed make a change.

Employers in the performing arts sector are seeking a sustainable environment in which they can execute the mission and goals of their organisations. To do so, they need to be able to rely on budgets that allow them to cover predictable production and personnel costs, and that give room for risk taking by stimulating creation and supporting new artists and performances. Production costs are expensive, primarily because of the number of people involved, but also because of the long preparation process and the relatively short turnover of performances.

Managers of cultural institutions and other performing arts organisations are currently fighting endless battles against misconceptions to defend the business they are in. Performing arts are made by people for people. According to Eurostat, in 2009 over 3.6 million people worked in the cultural sector in Europe, reaching over 500 million European citizens through their work every day. This, of course, generates work and business for ancillary services, such as instrument makers, graphic designers, architects and mobile construction designers, record companies and telecom operators, not to mention the impacts on tourism, for example for hotels, restaurants,

public transport and other related areas. A strong performing arts sector means business for many others; consequently, other industries inevitably feel the effects when arts organisations suffer from budget cuts and financial difficulties.

It is surprising to observe that Europe still struggles with its identity and how to communicate about the European project. The concept of individual nations still prevails, and this is true for the arts as well. While the historic art expressions of the European nations' past are generally admired, Europe's contemporary cultural output and its influence on the rest of the world often seems to be underestimated. The performing arts are a perfect illustration of this, and are highly acclaimed throughout the world. Our orchestras, dance companies and theatre productions – to name just a few – are among the world's finest and deserve to be recognised for it. Their work contributes to creating a strong cultural identity that reflects the diversity of European society.

The performing arts sector is clearly currently in a period of transition, and one important question is how it will strike a balance between the public role of art and its economic significance, and what role Europe will play in answering this. Beyond specific cultural policy, European legislation is certainly affecting the daily operations of employers in the sector. Indeed, the single market and the principles of free movement of people, services and goods have not yet brought many concrete improvements. In fact, the integration of the single market seems to have resulted in increasing costs, more administrative burdens despite efforts towards simplification, complicating hiring processes, and in some cases, obstacles hindering the success of cross-border activities.

Performing arts organisations stumble over complex regulations or are confronted with major difficulties in implementing them, simply because these regulations have been drafted with traditional industries and business operations in mind. For example, the implementation of the 2008 directive on the place of supply of services and VAT has become a nightmare for performing arts organisations when conducting co-productions or touring. Similarly, the 2005 package on legal migration that was developed to respond to specific forms of employment has not provided any response to the employment of third country nationals staying less than three months, a situation very common in the performing arts. A particular concern for the years to come is the higher retirement age and the ageing of the workforce, for which tailor-made responses have to be sought in collaboration with trade unions and public authorities. The development and proposals of the EU intellectual property strategy – an issue that is at the very heart of performing arts' daily work and that is evolving at lightning speed as technology changes – also needs to be closely followed.

It remains to be seen how cultural policy can take shape through an effective 'transversal' approach that includes specific measures that will make an important difference for arts organisations. There appears to be a consensus on promoting certain shared values within Europe – creativity and innovation, social cohesion, mobility and cultural exchange – but the correct policy tools and public support must follow to actively allow these aspirations to flourish.

Imagine for a moment that Europe had a truly significant cultural budget (above and beyond the €400m currently available in the Culture 2007 programme): could this ever be enough to recognise the essential public role that the arts have in society? For the past 20 years, the treaty has acknowledged that 'the Union shall contribute to the flowering of the cultures of the Member States' (art 167 TFEU). For all these reasons, Europe should make the responsible and ambitious choice of giving the arts the place in its society they deserve.

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