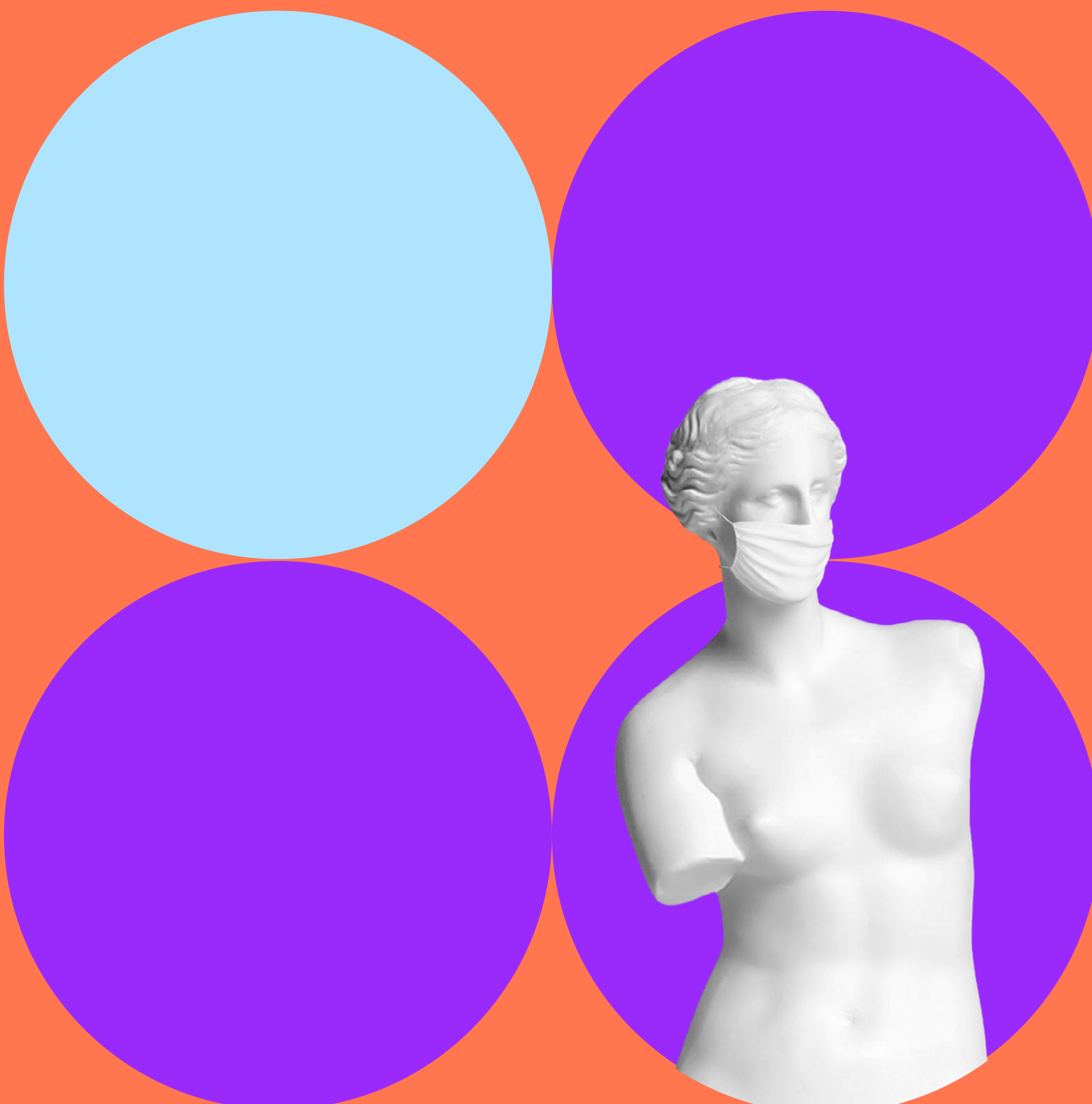
LITHUANIAN COUNCIL FOR CULTURE

KOG RINKODAROS IR KOMUNIKACIJOS MOKSLŲ INSTITUTAS

EKT

THE IMPACT OF THE COVID-19 PANDEMIC AND OTHER CRISES BETWEEN 2020 AND 2022 ON THE CULTURAL AND CREATIVE SECTOR

SUMMARY OF THE STUDY



Parts of the study and their authors

Phase 1: Economic Review of Lithuania's Cultural and Creative Sector 2017–2021

Date of completion: December 2022

Author: Marija Pečiulytė (Lithuanian Council for Culture)

Phase 2, Part 1: Analysis of physical constraints and financial interventions undertaken by the state to mitigate the effects of the COVID-19 pandemic in the cultural and creative sectors

Phase 2, Part 2: Assessing the impact of the 2022 crises on organisations: results of a survey of LCC applicants and non-applicant organisations in the period 2017–2022

Phase 2 implemented by: UAB KOG institutas, UAB Ekonominės konsultacijos ir tyrimai. Surveys conducted by: UAB KOG institutas, UAB Eurotela, UAB Norstat LT.

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Phase 3: The impact of the Covid-19 pandemic and other crises between 2020 and 2022 on cultural and creative organisations: a qualitative study

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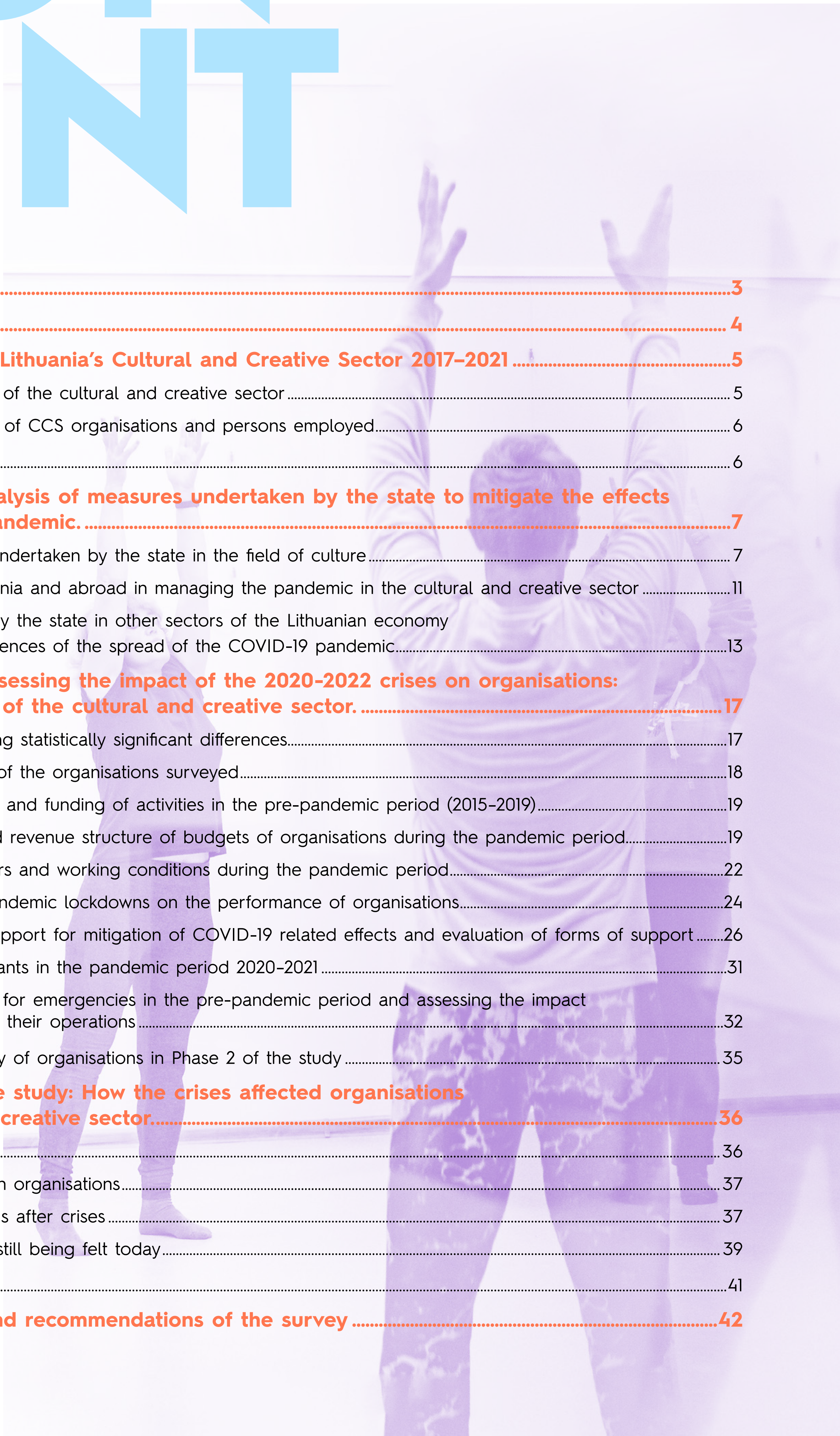
MO Museum exhibitions and events, 2021.
Photograph: MO Museum / MO Museum archive

CON TENT



Project "PROmetėjas" by Prienai Culture and Leisure Centre, 2021. Photograph: Darius Merkšaitis / Fototyla, Prienai Culture and Leisure Centre archive

Introduction

Like the rest of the Lithuanian economy, Lithuania's cultural and creative sector had to suspend or limit its activities during the pandemic. With the closure of some public services at the beginning of 2020, NGOs warned about the long-term damage to the sector and society[1]. The worst-case scenarios did not happen, thanks to the financial support provided by the state to mitigate the effects of the Covid-19 pandemic. However, as the pandemic continued, repression of civil movements in Belarus soon followed, as did Russia's invasion of Ukraine in 2022. This study seeks to investigate how these turbulences affected the cultural and creative sector, how financial assistance measures undertaken by the state helped to mitigate the negative effects felt by the sector, and how the effects of the crises are still felt today.

For the purposes of this study, the sector is defined as the cultural and creative sector (CCS). The 2021 amendment to the Order of Cultural and Creative Industries of the Ministry of Culture of the Republic of Lithuania defines cultural and creative industries as "cross-sectoral economic activities based on creativity, cultural content and/or intellectual capital, which produce tangible products and/or intangible intellectual, cultural or artistic services having creative, cultural and economic value"[2]. The indicators of the State Data Agency's Culture Satellite Accounts were used in the study with some modifications to integrate additional cultural and creative activities defined in the study.

In order to analyse the cultural and artistic processes influencing cultural policy, as set out in the Law on the Council for Culture, and to improve the evidence-based financing of projects in the cultural sector[3], the Lithuanian Council for Culture has acquired part of the research services of the KOG institutas and Ekonominės inovacijos ir tyrimai (EKT). Phase 2 presents the results of the services purchased.

We would like to thank the representatives of the organisations that took part in the survey and focus group discussions. The staff of the State Data Agency, the State Tax Inspectorate, the Employment Service, and the Ministry of Economy and Innovation for their prompt provision of detailed information.

Researchers of the Lithuanian Council for Culture

"Dažniai" ("Frequencies") by Greta Grajauskaitė at Vilnius Academy of Arts Graduation show "O ką, jeigu?" ("What if?"), 2021. Photograph: Arnas Anskaitis / Lithuanian Interdisciplinary Artists' Association archive

1 Čepaitė. I. Kultūra COVID-19 viruso akistatoje – būti ar nebūti? doi: https://www.7md.lt/kronika/2020-03-20/Kultura-COVID-19-viruso-akistatoje--buti-ar-nebuti

2 Ministry of Culture of the Republic of Lithuania 5 July 2021 Order on the amendment of the Order of the Minister of Culture of 31 July 2015 No. ĮV-524 "On the Approval of the Guidelines for the Development of the Policy on Cultural and Creative Industries for 2015–2021" No. ĮV-861. doi: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/46946e10df5c11eb866fe2e083228059?jfwid=-m6ajme0n9

3 Article 3(3) of the Law of the Council for Culture of the Republic of Lithuania: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.433089

PHASE 1. REVIEW OF LITHUANIA'S CULTURAL AND CREATIVE SECTOR 2017–2021

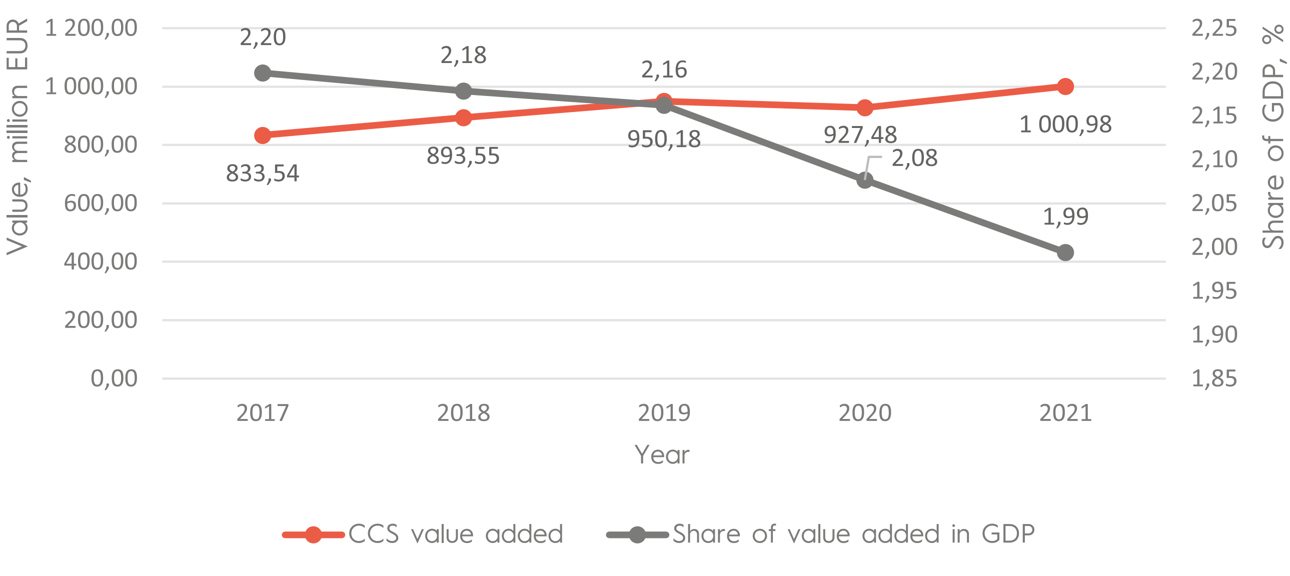
At the beginning of 2020, the Lithuanian economy remained stable with the spread of Covid-19 in Europe, but in the second quarter of the year, the value of Gross Domestic Product (GDP) fell by 3.4% compared to 2019. The cultural and creative sector received a shock as well, with an overall contraction of 2.38% in 2020[4] (Figure 1). However, between 6000 and around 9000 legal entities[5], and around 22,500 self-employed persons[6] in this sector, went through the period divergently due to the diversity of activities. Below, we present the evolution of the cultural and creative sector and the prevailing economic trends between 2017 and 2021.

Economic development of the cultural and creative sector

The 2020 pandemic had a particularly negative impact on travel and events companies. The value added by tour operators, motion picture, video and other production and recording, and creative, arts and entertainment activities[7] fell by between 17.3% and 85.4% (Table 1). On the other hand, other production and publishing (which includes the development of computer games, software and printed publications) and memory institution activities saw an upturn, with an increase of between 11% and 17.3% during the pandemic, which was significantly higher than in the periods preceding the pandemic (Table 1).

Table 1. **VALUE ADDED (VA) AND ITS ANNUAL CHANGE (%)** in the 3 most expanded and contracted activities in the cultural and creative sector in 2020 and for the sector as a whole (million Eur). Source: State Data Agency, Culture Satellite Accounts – Cultural Value Added (S3R0168_M3100404), 2022.

Cultural and creative sector's value added and its share in the country's gross domestic product 2017–2021



4 It is problematic to calculate the value added by legal and natural persons at the four-character level from the NACE codes used in the study. The calculations were carried out using data from the State Data Agency's Cultural Accounts (for more details, see Annex 1 of the General Appendices of the Research Report).

5 6,000 according to the State Data Agency's NACE codes fully classified for Culture; 9,000 according to the Lithuanian Council for Culture's NACE codes for this study. Data: Economic activities of legal persons and institutional sectors (https://get.data.gov.lt/datasets/gov/lsd/cl/ja_asmenys/:ns)

6 According to the survey's NACE codes and only for those persons who have indicated the CCS as their main activity.

7 Correspond to the NACE divisions 79, 59, 90.

Table 1. **VALUE ADDED (VA) AND ITS ANNUAL CHANGE (%)** in the 3 most expanded and contracted activities in the cultural and creative sector in 2020 and for the sector as a whole (million Eur). Source: State Data Agency, Culture Satellite Accounts – Cultural Value Added (S3R0168_M3100404), 2022.

Economic Activities Unit	2017		2018		2019		2020		2021	
	VA	Change, %	VA	Change, %	VA	Change, %	VA	Change, %	VA	Change, %
Other production	0,0018	0,00	0,0019	6,94	0,0019	0,00	0,0022	17,26	0,0025	11,58
Publishing activities	62,3	-3,81	65,96	5,87	70,45	6,80	79,14	12,33	69,88	-11,70
Libraries, archives, museums and other cultural activities	138,94	7,29	149,46	7,57	164,38	9,98	183,36	11,55	185,49	1,16
Motion picture, video and television programme production, sound recording and recorded music publishing activities	37,88	18,49	43,66	15,26	51,30	17,49	38,13	-25,67	44,02	15,45
Travel agency, tour operator and other reservation service and related activities	1,92	45,96	2,13	11,04	1,56	-26,76	0,2274	-85,42	0,4680	105,79
Creative, arts and entertainment activities	102,78	10,29	111,76	8,74	119,39	6,83	98,75	-17,29	109,93	11,32
Whole sector	**834,02**	**5,23**	**893,55**	**7,14**	**950,08**	**6,33**	**927,48**	**-2,38**	**1000,98**	**7,92**

The decline of the sector as a whole in 2020 was temporary, with a 5.4% increase in value added in 2021 compared to 2019 (12.1% higher than the average value added in 2017–2019) (Figure 1). Similarly, almost all activities in the sector, with the exception of publishing (-11.70%), had a higher value added than in 2020. 11 out of 16 activities had a higher value added than in 2019.

Changes in the number of CCS organisations and persons employed

Meanwhile, employment in the sector remained stable during the pandemic: The number of people employed in the sector in 2020 was 0.8% higher than in 2019[8]. Of these, the largest increase was in manufacturing and printing and reproduction of recorded media (around 45%), while decreases were observed in administrative and support service activities (-33.3%) and advertising and market research (-14.3%)[9]. In 2021, the number of staff remained stable overall, with the largest increase in the production of motion pictures and television programmes (118.8%) and a decrease in the publishing activity (-20%).

Conclusions

In general, economic activity was particularly affected by physical constraints. It was lowest in activities that rely heavily on lockdown-restricted mass events or live services, such as motion picture production, tourism, performing arts, and highest in those that produced products and services that were widely used and consumed at home during the lockdown, such as books or computer games. Despite the pandemic constraints, more than half of the activities have recovered to similar or higher

8 State Data Agency 2022. Culture Satellite Accounts: Number of people employed in the cultural sector.

9 Data from the State Data Agency's Culture Satellite Accounts. NB: Advertising and market research are excluded from the economic activities covered by this study.

than pre-pandemic levels in 2021. In contrast to the country as a whole, the number of employees in the sector grew in both the first and second years of the pandemic. However, some activities, such as travel agencies and tour operators, performing arts, or motion picture, video and television programme production, sound recording and publishing of recorded music, remained worse in 2021 than in 2019.

PHASE 2, PART 1. ANALYSIS OF MEASURES UNDERTAKEN BY THE STATE TO MITIGATE THE EFFECTS OF THE COVID-19 PANDEMIC.

During the coronavirus pandemic (2020–2022) in Lithuania and many other countries around the world, already existing and/or new measures of state support for cultural entities were adapted. In Lithuania, an economic stimulus package was approved in March 2020, focusing on boosting the economy affected by the coronavirus by preserving jobs and corporate liquidity. All measures represent 10% of the country's Gross Domestic Product (GDP), or EUR 5 billion, of which more than EUR 1 billion was dedicated to stimulating the economy[10].

The second part of the analysis, "The impact of the COVID-19 pandemic and other crises of 2020–2022 on the cultural sector", will focus on physical constraints and financial interventions undertaken to mitigate the effects of the pandemic in the cultural and creative sectors.

Study Objectives[11]:

- To assess the impact of the state's physical pandemic management measures on the cultural and creative sectors during different phases of the COVID-19 pandemic.

- To assess the overall impact of the financial interventions from the state during the pandemic on the financial and economic situation and activities of cultural operators.

The analysis is based on a quantitative data collection approach and analysis of statistical data information for the period 2020–2022.

10 Source: https://finmin.lrv.lt/lt/naujienos/visuomenes-sveikatos-apsaugai-ir-salies-ekonomikai-5-mlrd-euru

11 The aims and objectives of the study are formulated on the basis of the technical specification commissioned by the Lithuanian Council for Culture.

Financial interventions undertaken by the state in the field of culture

In the wake of the COVID-19 pandemic, the Ministry of Economy and Innovation of the Republic of Lithuania (MEI) provided financial support to Lithuanian legal entities and self-employed individuals, through financial instruments such as compensations, loans, subsidies for the most affected enterprises and other instruments. In total, MEI provided EUR 107.4 million (42,500 unique enterprises) to affected businesses in 2020 and EUR 295.2 million (53,500 unique enterprises and individuals) in 2021, including grants to self-employed individuals, to help them cope with the consequences of the coronavirus pandemic[12]. Meanwhile, the cultural and creative sector received support of over EUR 4 million in 2020 (a total of 1,559 unique enterprises) and over EUR 21 million in 2021 (a total of 3,963 natural persons – EUR 1.49 million (of which 31,700 were reimbursed[13]) and 859 unique enterprises – EUR 19.48 million).

Concert by "Vilniaus energija" at the Menų Spaustuvė courtyard, 2021.
Photograph: Mantas Bartaševičius

12 Source: Lithuanian Open Data Portal | Subsidies for those affected by COVID-19 (data.gov.lt)

13 Data from the State Tax Inspectorate by declared main activities

Table 1. **ECONOMIC STIMULUS MEASURES FOR THE CULTURAL AND CREATIVE SECTOR IN 2020–2021.** Source: Lithuanian Open Data Portal: Subsidies for those affected by COVID-19.

2020 m.	2021 m.
1 559	**4 822**
4.2% of all beneficiaries	9% of all beneficiary enterprises
4 062 125 Eur	**20 974 306 Eur**
3.8% of the total allocated funds	**7.1% of the total allocated funds**

In total, MEI's support to cultural entities in 2020 and 2021 represented 6.2% of the total funds allocated – EUR 25.04 million.[14]

Ministry of Culture

In 2020, the Ministry of Culture of the Republic of Lithuania (hereinafter referred to as "the Ministry of Culture") also provided assistance in the field of culture. In 2020, the Ministry of Culture allocated a total of EUR 58.8 million, of which 94.9% (EUR 55.8 million) was used[15]. These funds were allocated as follows:

Table 2. **FUNDS ALLOCATED BY THE LITHUANIAN MINISTRY OF CULTURE AND USED IN 2020**[16] Source: Lithuanian finance.

Measure	Allocated funds, EUR	Used funds, EUR
Extending the provisions of the Social Security Programme for Artists and allocate additional funds for the implementation of this programme.	800,000 EUR	689,000 EUR
Speeding up investment programmes.	57.9 million EUR	55 million EUR
Ensuring the financing of additional costs for public authorities involved in emergency management, including staff salary supplements.	50,000 EUR	50,000 EUR

In 2020, the largest share of funds was allocated for speeding up investment programmes. This measure also includes the financing of cultural projects of the Ministry of Culture through its subordinate institutions – the Lithuanian Council for Culture and the Lithuanian Film Centre.

14 Data are calculated according to the culture codes at NACE level 4 (as indicated in Annex 1).

15 Source: Lithuanian Finance (lietuvosfinansai.lt)

16 This amount includes all funds from the Ministry of Culture's Covid-19 mitigation measures, irrespective of their purpose: for the development of activities, improvement of infrastructure, well-being of artists, etc.

In 2021, the funding for the cultural sector was 91.9% lower at EUR 4.77 million, but the number of measures implemented was twice as high as in 2020.[17] Total spending is EUR 4.57 million (95.8%). These funds were allocated as follows:

Table 3. **FUNDS ALLOCATED BY THE LITHUANIAN MINISTRY OF CULTURE AND USED IN 2021** Source: Lithuanian finance.

Measure	Allocated funds, EUR	Used funds, EUR
Strengthening the cultural policy-making function by ensuring a sustainable cultural environment.	50,000 EUR	50,000 EUR
Financing projects promoting the development and dissemination of architecture, circus, art, design, photography, literature, music, dance, interdisciplinary art and theatre.	2.5 million EUR	2.4 million EUR
Presenting Lithuanian and foreign contemporary art trends and the diversity of artistic developments to the public and ensuring the operation of the Contemporary Art Centre.	18.000 EUR	18.000 EUR
Presenting to the public the creative programmes of state theatres and concert venues and ensuring the operation of state theatres and concert venues.	868,000 EUR	868,000 EUR
Ensuring the operation, supervision and monitoring of protected area directorates established by the Ministry of Culture, and improving legal regulation.	5,000 EUR	5,000 EUR
Ensuring the operation of museums, supervision and monitoring of museums and archives, and improving the legal framework.	326,000 EUR	326,000 EUR
Implementing the Social Security Programme for Artists.	1 million EUR	879,000 EUR

According to the Ministry of Culture Activity Report 2021, the state budget included additional funds to mitigate the effects of the ongoing pandemic – to ensure the financing of postponed projects supported by the Lithuanian Council for Culture (EUR 2.5 million) and to finance the basic needs of the institutions subordinated to the Ministry of Culture, due to the anticipated lower than usual revenue collection as a consequence of the restriction of cultural services (EUR 5 million in total). In addition, the increase in the 2021 budget for the management area was also due to the additional funding for the salary increase for cultural and artistic staff, for which an additional EUR 5.8 million was planned.[18]

Thus, throughout the pandemic, efforts were made to minimise the impact of the COVID-19 pandemic on the cultural sector and the people working in it. The total support provided by the Ministry of Culture to the cultural sector affected by the COVID-19 pandemic in 2020 and 2021 amounted to EUR 63.55 million. All this ensured the sector's viability and its ability to operate during a particularly difficult pandemic period.

17 Source: Lithuanian Finance (lietuvosfinansai.lt)

18 Source: Ministry of Culture Activity Report 2021

Partial compensation of wages paid to workers during downtime

At the start of the strict lockdown (March 2020), it was announced that employers could declare downtime or partial downtime, and that the state was ready to contribute to the payment of workers' salaries. Data published by the State Data Agency show that a total of 12,500 businesses benefited from state subsidies since the introduction of a strict lockdown in mid-March 2020.

According to detailed data from the Employment Service, 31,600 subsidies for staff downtime were paid to cultural and creative sector organisations in 2020, amounting to EUR 11.16 million or 5.1% of the total amount of subsidies, and 33,600 subsidies for staff downtime were paid out in 2021, amounting to EUR 16.84 million. In total, these subsidies for the cultural and creative sector amount to more than EUR 28 million for 2020-2021.

Table 4. **PARTIAL COMPENSATION OF WAGES PAID TO EMPLOYEES OF CCS ORGANISATIONS DURING DOWNTIME** Source: Employment Service data.

2020 m.	2021 m.
31 610	**33 630**
4.6% of total staff subsidies[19]	5.4% of total staff subsidies
11 164 475 Eur	**16 844 050 Eur**
5.1% of the total allocated funds	**5.6% of the total allocated funds**

Total amount of funding for the cultural sector for the period 2020–2021

Total state funding for the cultural sector during the pandemic amounted to over EUR 123 million. (see Table 5).

Table 5. **TOTAL AMOUNT OF FUNDING FOR THE CULTURAL SECTOR FOR THE PERIOD, EUR**

Measure	2020	2021	TOTAL
Amount of funding for promotion of culture, EUR	58,778,000	11,767,000	70,545,000
Total amount of general funding, EUR	15,226,600	37,818,356	53,044,955
Total funding for the cultural sector	74,004,600	49,585,356	123,589,955

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Experiences from Lithuania and abroad in managing the pandemic in the cultural and creative sector

This section provides an overview of the various measures taken by the governments of Lithuania, the United Kingdom (England), Sweden, Estonia, Poland, Finland, the Czech Republic and Canada during the pandemic. The measures taken in Canada, Finland and the Czech Republic are discussed here only in general terms, while the experiences of all countries are presented in detail in the full study report. **From**

During the period of strict lockdown, Lithuania was among the countries with the strictest measures. However, like Lithuania, Estonia and the Czech Republic also completely banned gatherings and events during the first period of the lockdown (the UK banned gatherings of more than 2 people). These countries, as well as Finland and Poland, also closed cultural institutions at national level – unlike in Canada and Sweden, where closures were only a recommendation or not implemented. With the second tightening of lockdown conditions, many countries allowed cultural establishments to operate with some restrictions on the number of people and the distance to be maintained, with Poland and the Czech Republic completely closing cultural establishments again.

During periods of milder lockdowns, all countries opened previously closed cultural institutions, but maintained restrictions on the number of people and physical distances. During further softening of lockdown conditions, the number of people at gatherings or events was increased. Finland stood out during the second period of milder lockdown by delegating responsibility for opening or closing cultural institutions to the regions – in some regions, cultural institutions operated depending on the COVID-19 situation.

All countries gave extra attention to culture (also, separately, heritage or sport) in the form of grants or subsidies. Many countries had social security support measures for the self-employed (Lithuania, Estonia, Canada, Sweden), as well as tax deferrals or support for rent and property costs for cultural institutions at national level (Lithuania, Canada, the United Kingdom, Sweden, Estonia, the Czech Republic), and Canada, the Czech Republic and Lithuania paid special attention to the film industry. Lithuania and the Czech Republic stood out from other countries by providing benefits to self-employed people who lost income due to lockdown. In general, Lithuania applied the same or similar measures as many of the other foreign governments compared in the analysis.

Final platform "MagiC Carpets" event "Magic Carpets Landed", 2021. Photograph: Gintarė Žaltauskaitė / Kaunas biennial archive

Table 6. **COMPARISON OF COUNTRIES**

Country	Level of restrictions on the cultural sector during periods of a strict lockdown	Level of restrictions on the cultural sector during periods of a milder lockdown	Main support measures applied to the CCI sector
Lithuania	– Gatherings and events banned; – Cultural institutions closed; – International cultural activities and the movement of artists in and out of Lithuania banned; – During the second tightening of the lockdown, artists and their support staff coming to the Republic of Lithuania with the permission of the Minister of Culture were allowed to take part in professional art activities; – During the second tightening of the lockdown, cultural establishments could be visited by a limited number of people with a space restriction per person; events were banned (with exceptions)	– Events of up to 100 people were allowed indoors and 300 outdoors, and later up to 600 indoors and 1000 outdoors, while keeping the distance; – The second softening of the lockdown conditions allowed attendance at cultural institutions with a square metre per person requirement, up to 250 people allowed indoors and unlimited numbers outdoors	– Financial support for culture; – Extension of downtime payments for creative workers; – Compulsory health insurance for self-employed workers paid; – Tax deferral; – Payments for self-employed workers who lost income due to the pandemic; – Companies reimbursed for wage cuts; – Targeted support for the film industry
United Kingdom – England	– Gatherings of more than 2 people banned; – Cultural institutions closed at national level	– Galleries, museums, performing arts, events open with restrictions	– Financial support for culture and heritage; – Tax deferral; – Job retention programme; – Loans to cultural organisations
Sweden	– Gatherings of more than 500 people banned, followed by gatherings of more than 50, then gatherings of more than 8; – Vaccination certificates at meetings and events; – Square metres per person requirement in cultural premises	– The number of people at gatherings and events increased to 300 if seating is available	– Financial support for culture; – Social security support for the self-employed; – Rent reduction
Estonia	– All gatherings banned; – Closure of cultural institutions, except libraries with limited opening hours	– Museums and exhibitions open; – Events for up to 500 people are held, followed by events for up to 6,000 indoors and 12,000 outdoors; – Theatres and cinemas are allowed in the second year	– Financial support for culture and sport; – Companies reimbursed for wage cuts; – Social security support for the self-employed; – Tax deferral
Poland	– Gatherings of more than 50 people banned; – Cultural institutions closed, both first and second time; – With the third stricter lockdown, cultural establishments were operating with restrictions on the number of people and the distance to be maintained	– Cultural institutions opened; – In the second year, when museums and galleries opened, there was a square metres per person requirement; – Operation of theatres and cinemas allowed	– Financial support for culture; – Companies reimbursed for wage cuts

According to the data collected, the amount of funding allocated to the cultural sector in Lithuania in 2020 amounted to EUR 58.8 million: in terms of the amount of measures per one inhabitant of the country, Lithuania is ranked fifth out of the selected countries (EUR 21.04 per capita) and third in terms of the amount of measures allocated to the cultural sector per one cultural sector employee (EUR 1,090.5 per capita)[20]. The United Kingdom is in first place (EUR 3,085.1 per person).

20 Source for the number of cultural workers – Eurostat: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_.E2.80.93_developments_between_2019_and_2021

Table 7. **COMPARISON OF COUNTRIES IN TERMS OF SUPPORT TO THE CULTURAL SECTOR, EUR**

Country	Amount of funding for promotion of culture		
	Total 2020	Per capita in a country	Per one cultural worker
Lithuania	58,778,000	21.04	1,090.5
UK – England	2,159,572,965	31.81	3,085.10
Sweden	227,582,961	22.53	952.23
Estonia	28,300,000	21.33	857.58
Poland	978,723,267	25.86	1,819.19

Financial interventions by the state in other sectors of the Lithuanian economy to mitigate the consequences of the spread of the COVID-19 pandemic

This section discusses and compares with the cultural sector the situation of other sectors of the Lithuanian economy during the COVID-19 pandemic – i.e. the financial interventions by the state used to mitigate the effects of the lockdown.

Taking into account the specificity of the cultural field and the entities and services provided in it, the following sectors of the Lithuanian economy were selected for the review:

Accommodation and food service activities – accommodation activities (NACE Rev. 2, Section I, Division 55) (hereinafter referred to as "accommodation activities");

- Accommodation and food service activities – food and beverage service activities (NACE Rev. 2, Section I, Division 56), (hereinafter referred to as "food and beverage service activities");
- Entertainment and recreation activities – sport, entertainment and recreation activities (NACE Rev. 2, Section R, Division 93), (hereinafter referred to as "sports, entertainment and recreation activities");
- Wholesale and retail trade; repair of motor vehicles and motorcycles, repair of personal and household goods – retail trade, except of motor vehicles and motorcycle; repair of personal and household goods (NACE Rev. 2, Section G, Division 47) (hereinafter referred to as "retail trade activities").

Ministry of Economy and Innovation (MEI)

During the pandemic, the MEI economic stimulus package amounted to 10% of the country's GDP or EUR 5 billion[21]. Of these funds, support to affected operators of **accommodation activities** amounted to around EUR 1.2 million in 2020 and EUR 39.6 million in 2021[22]. Meanwhile, **food and beverage service activities** received EUR 4.8 million in 2020 and EUR 32.6 million in 2021. **Sport, entertainment and recreation activities** received EUR 2.1 million in 2020 and EUR 11.8 million in 2021. The **retail trade sector** received the largest share of support, with EUR 14.5 million in 2020 and EUR 29.3 million in 2021.

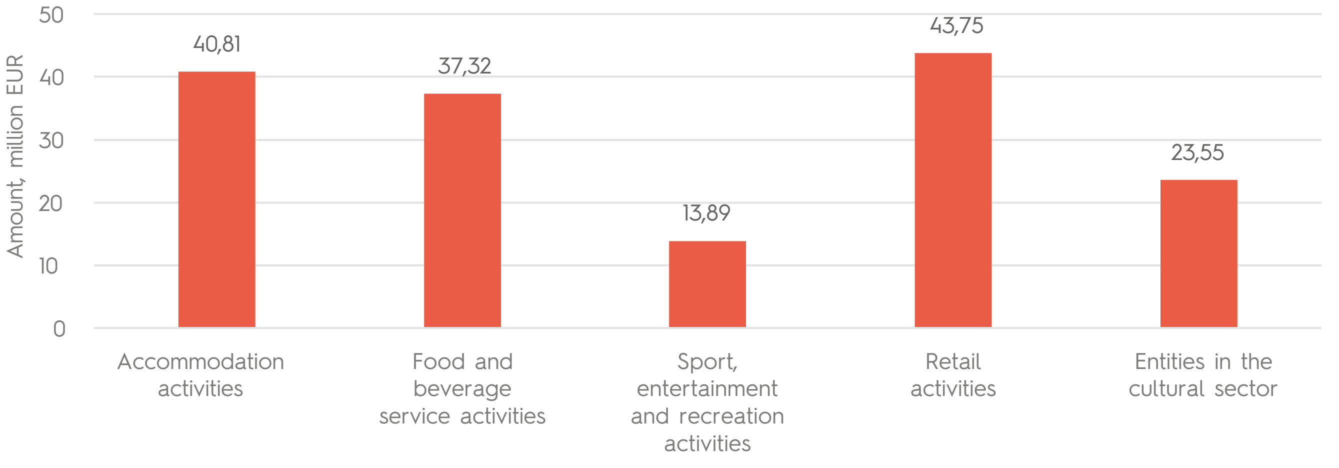
21 Source: https://finmin.lrv.lt/lt/naujienos/visuomenes-sveikatos-apsaugai-ir-salies-ekonomikai-5-mlrd-euru

22 Source: https://ls-osp-sdg.maps.arcgis.com/apps/dashboards/9e3c2468417b-422ca13cafb76794c5d7

	2020	2021
Accommodation activities	**510** number of unique enterprises 0.5% of all beneficiaries	**501** number of unique enterprises 0.5% of all beneficiaries
	1 209 803 Eur 0.1% of the total allocated funds	**39 603 023 Eur** 5.6% of the total allocated funds
Food and beverage service activities	**2 274** number of unique enterprises 2.2% of all beneficiaries	**2 821** number of unique enterprises 2.7% of all beneficiaries
	4 775 578 Eur 0.4% of the total allocated funds	**32 545 512 Eur** 4.6% of the total allocated funds
Sport, entertainment and recreation activities	**1 006** number of unique enterprises 1.0% of all beneficiaries	**869** number of unique enterprises 0.8% of all beneficiaries
	2 098 634 Eur 0.2% of the total allocated funds	**11 789 557 Eur** 1.7% of the total allocated funds
Retail activities	**7 185** number of unique enterprises 6.8% of all beneficiaries	**3 518** number of unique enterprises 3.3% of all beneficiaries
	14 460 921 Eur 1.3% of the total allocated funds	**29 285 497 Eur** 4.1% of the total allocated funds

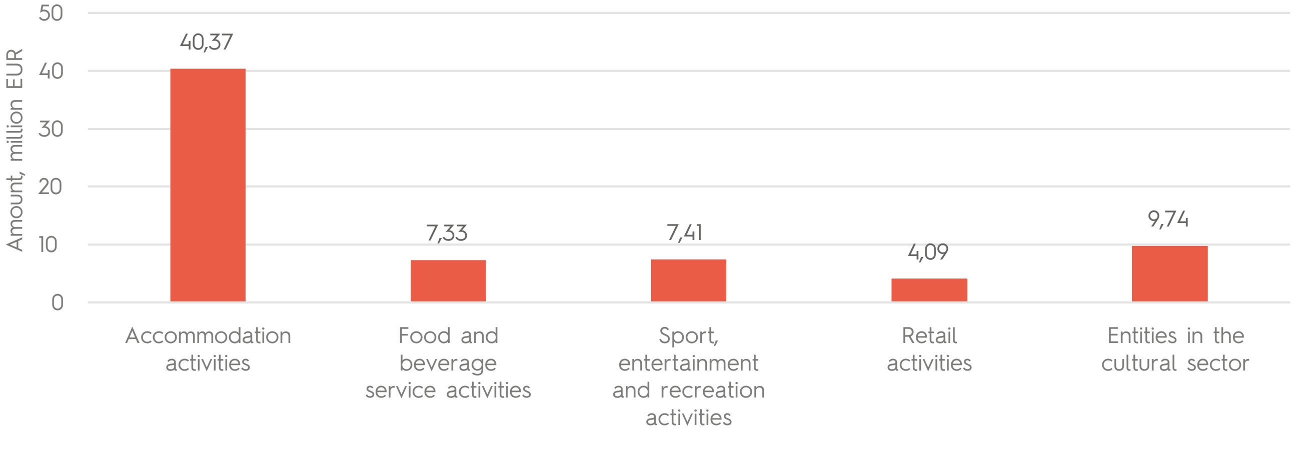
Comparing the financial interventions of this economic stimulus package between these and the cultural sectors, the distribution of MEI support in 2020 and 2021 between the sectors is as follows:

Figure 1. **ECONOMIC STIMULUS PACKAGE, MEI SUPPORT 2020–2021, EUR MILLION.** Note: Only support to legal persons was calculated. Source: MEI, subsidies to enterprises affected by Covid-19[23]



The total amount allocated to cultural operators was EUR 22.18 million, the second lowest compared to the support for accommodation, food service and retail trade activities (EUR 37.3 – 43.8 million). The lowest amount of support was granted to sport, entertainment and recreation activities (EUR 13.89 million). However, on an average per beneficiary basis, the cultural and creative sector had the second highest amount of support per beneficiary (EUR 9,740). The largest average amount of support was EUR 40,400 per accommodation operator. The latter is four times the size of that of the cultural beneficiary.

Figure 2. **AVERAGE MEI SUPPORT PER BENEFICIARY FOR THE PERIOD 2020–2021, IN THOUSANDS OF EUROS.** Note: Only support to legal persons was calculated. Source: https://data.gov.lt/dataset/subsidijos-nuo-covid-19-nukentejusioms-imonems.



It is also important to emphasise that the cultural sector has been covered not only by the general economic stimulus measures, but also by the specific measures described in section **"Financial interventions undertaken by the state in the field of culture".**

23 Link: https://data.gov.lt/dataset/subsidijos-nuo-covid-19-nukentejusioms-imonems.

Main results of the study

- In the wake of the COVID-19 pandemic, MEI provided compensations, loans, subsidies and other support to CCS entities. These measures amounted to over EUR 4 million in 2020 and over EUR 21 million in 2021. In total, MEI's support to cultural entities in 2020 and 2021 represented 6.2% of the total funds allocated to the economy – EUR 25 million).

- The Ministry of Culture allocated EUR 58.8 million to mitigate the effects of the pandemic in 2020, of which the largest amount was allocated to the promotion of investment programmes (EUR 57.9 million). In 2021, the amount of money allocated to the cultural sector was a fifth of the amount in 2020, but the number of measures implemented was twice as high. In 2021, the largest amount was allocated to projects promoting the development and dissemination of culture and the arts. The total support from the Ministry of Culture amounted to EUR 70.6 million. The Ministry of Culture's main support measures were also distributed through its subordinate institutions – the Lithuanian Council for Culture and the Lithuanian Film Centre.

- 31,600 downtime subsidies provided by the Employment Service (EUR 11.2 million) were paid in 2020 and 33,600 such subsidies (EUR 16.8 million) were paid in 2021. The total amount allocated for downtime for cultural and creative sector organisations amounted to EUR 28 million and was one of the most heavily funded CCS measures.

- The total amount of financial measures granted to the cultural sector, including general measures, was EUR 74 million in 2020 and EUR 49.6 million in 2021. Total support for culture amounted to over EUR 123.6 million.

- Compared to the sectors of the Lithuanian economy selected for the analysis – accommodation, food and beverage services, sport, entertainment and recreation activities and retail trade – retail trade received the largest share of MEI support measures (EUR 43.8 million), while sport, entertainment and recreation activities received the smallest share of the MEI funds (EUR 13.9 million). Culture is the fourth of the five economic sectors and received EUR 23.6 million during the period. However, in terms of the average amount per entity, CCS is second only to accommodation activities (EUR 9,700 and EUR 40,400 / entity respectively). The smallest beneficiary was a medium-sized retailer (EUR 4,100).

- Lithuania was among the countries with the strictest physical measures during the lockdown period, compared to Canada, England, Sweden, Finland, Estonia, Poland and the Czech Republic. During the pandemic, Lithuania's package of financial measures was similar to those in Estonia, Poland and the Czech Republic. Half of the countries included in the analysis provided support for the self-employed through social insurance schemes (Lithuania, Estonia, Canada, Sweden), as well as tax deferrals or rent and property cost support for cultural institutions (Lithuania, Canada, UK, Sweden, Estonia, Czech Republic). Lithuania, Canada and the Czech Republic paid special attention to the film industry. Lithuania and the Czech Republic stood out from other countries by providing benefits to self-employed people who lost income due to lockdown.

- According to the data collected, the amount of measures allocated to the cultural sector in Lithuania in 2020 amounted to EUR 58.8 million: in terms of the amount of funding per capita, Lithuania ranks fifth among the selected countries (EUR 21.04 per capita). The United Kingdom is in first place (EUR 3,085.1 per person).

Theatre performance "Spektaklis, kuris nejvyko" ("The play which didn't happen") at the Old Theatre of Vilnius (directed by Andrius Darela), 2022. Photograph: Liliya Kozub personal archive

PHASE 2, PART 2. ASSESSING THE IMPACT OF THE 2020-2022 CRISES ON ORGANISATIONS: RESULTS OF A SURVEY OF THE CULTURAL AND CREATIVE SECTOR.

This part of the report presents the results of a survey of organisations in the CCS sector, which participated in LCC funding calls between 2017 and 2022, and of organisations in the CCS sector, which did not participate in LCC funding calls during this period. These two groups, referred to as **LCC applicants** and **non-applicant organisations** respectively, are studied and compared below.

The results of the survey present the responses of a total of 1,109 representatives of the organisations surveyed: 603 LCC applicants and 506 non-applicant organisations. The number of such organisations in Lithuania between 2019 and 2021 was around 6,800-7,500 every year[24], so the database of available contacts included almost all organisations covered by the CCS. It is therefore one of the largest surveys of the CCS sector ever conducted, representing the experiences, assessments and opinions of Lithuanian cultural and creative sector organisations in relation to the COVID-19 pandemic and other crises of 2020-2022.

The survey results aim to achieve the following objectives:

1. to assess the impact of the COVID-19 pandemic on the performance of the CCI sector and the organisations participating in the Council's funding calls;
2. to compare the results of the two samples (LCC applicants and non-applicant organisations);
3. to reasonably indicate which of the listed cultural and creative industries were most affected by the COVID-19 pandemic in terms of their economic situation and performance, and the effectiveness of the state's financial interventions in these areas.

Important Notes: Marking statistically significant differences

The tables and charts in the report highlight statistically significant differences by different cross-sections of organisations. In all cases, the differences are calculated in relation to the overall average of the organisations, i.e. the overall percentage or average value calculated for all respondents.

Marking

▲ – value is statistically significantly higher than for all respondents (overall %)

▼ – value is statistically significantly lower than for all respondents (overall %)

If there is no marking in the table or chart, the value is not statistically significantly different from the average (overall %) for all organisations.

Dance performance "Vėliavos" ("Flags") by Paula Rosolen / Haptic Hide at the International Art Festival "PLArTFORMA", 2020. Photograph: Donatas Bielkauskas

24 State Data Agency Number of active enterprises (non-financial enterprises). doi: https://osp.stat.gov.lt/lt/statistiniu-rodikliu-analize?hash=79ee8f08-2475-4137-8d41-676d6dbf97f9 Figures by study's NACE codes. **Note:** the figure is the number minus the number of self-employed natural persons (reported in Annex 2 of Phase 1).

Example

Applicants for additional state or municipal project funding for cultural activities in 2015-2019, according to the characteristics of the organisations

			1–4	5–9	10 or more	No employees working on the basis of the employment contract
All organisations (N I Rows %)		*1109*	55%	11%	19%	15%
Sample	LCC applicants 2017-2022	*603*	51%	8% ▼	26% ▲	15%
	Non-applicant organisations 2017-2022	*506*	59% ▲	15% ▲	11% ▼	14%

8% of the organisations applying for LCC 2017-2022 had between 5 and 9 employees who work on a contract basis. Among the organisations that did not apply to the LCC during the period, 15% of organisations have the same number of employees, which is statistically significantly higher.

Note. When analysing differences, it is advisable to look at the whole and consider which differences are not only *statistically significant* but also *meaningful*: a difference of a few percentage points in one or other of the cross-sections may be considered statistically significant, but if it is isolated and uncorrelated with other organisational characteristics, it may be of little relevance to trends in the organisations.

General characteristics of the organisations surveyed

Almost half of the organisations surveyed are based in Vilnius, one in ten are based in Kaunas, and the rest are based in various other parts of Lithuania. There are no significant geographical differences between LCC applicants and non-applicant organisations. It is important to note that in terms of annual budget change (2020 compared to 2019) and use of state support to mitigate the effects of COVID-19, the two samples were not particularly different: non-applicant organisations slightly more often reported that their annual budget decreased in 2020, and a slightly bigger number of them used the support in question, but the difference with LCC applicants on these cross-sections is within the margin of error.

Sample profile of LCC applicants for 2017–2022

Nearly 70% of the sample is made up of public bodies and budget institutions[25]. Over half of the organisations in this sample had an annual budget of up to EUR 50,000 in 2019, but the proportion of organisations with a large budget is significantly higher among them compared to non-applicant organisations: 17% of LCC applicants had a budget of more than EUR 300,000 in 2019, compared to only 8% of non-applicant organisations. While half of the LCC applicant organisations have up to 4 employees working on an employment contract basis, a significantly higher proportion of them have 10 or more employees compared to the non-applicants, accounting for 26% of the LCC applicants and 11% of the non-applicant organisations.

LCC applicants are more often organisations with culture and the arts as their main activity: they more often have at least 4-5 creative workers (i.e. those who have been involved in creative activities, such as actors, ceramicists, etc.), and often considerably more than that, with more than 20% of LCC applicants having more than 10 staff members, compared to only 6% of the organisations that did not apply. LCC applicants include more organisations involved in creative, arts and entertainment activities, libraries, archives, museums and other cultural activities.

25 Public bodies refer to non-profit organisations established privately but also by the state, while budget institutions are those maintained by the state or municipalities

Profile of the sample of LCC non-applicant organisations for 2017–2022

LCC non-applicant organisations are mostly private enterprises[26] (55%). Public bodies account for a further 29%. As mentioned above, these are organisations with smaller budgets than LCC applicants: almost 60% of these organisations had an annual budget of up to EUR 50,000 in 2019, and the number of organisations with a budget of more than EUR 300,000 is significantly lower. Three quarters of the organisations in this sample have up to 10 employees. Only 4% have 30 or more.

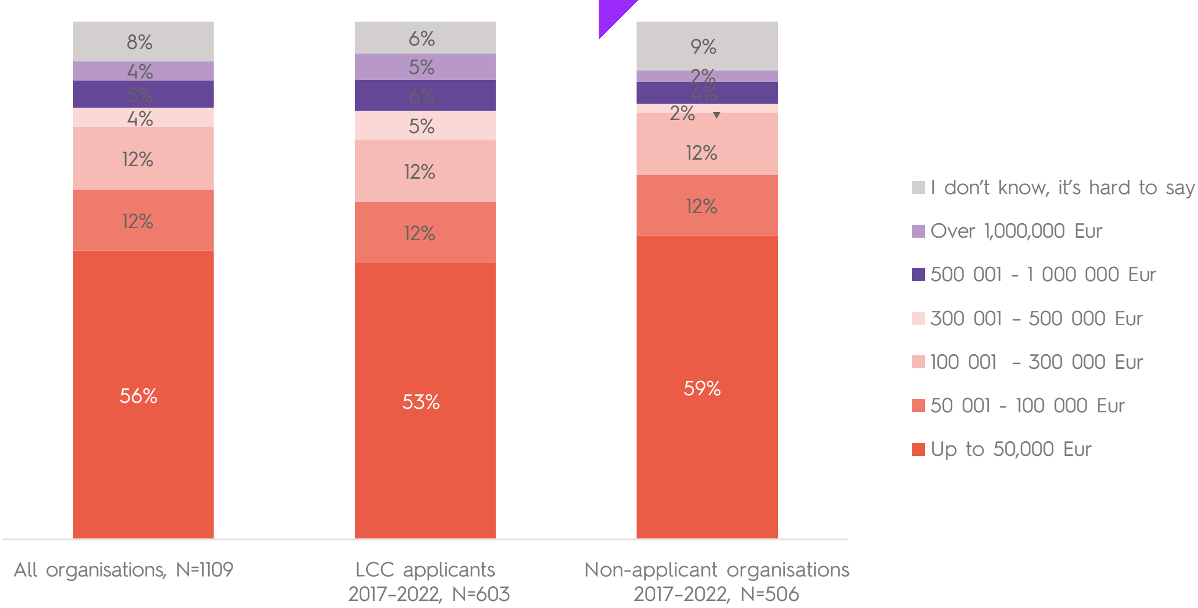
Non-applicant organisations more often engaged in culture and/or arts as related activities. The majority of these organisations reported having no creative workers in 2019 (32%) or having 1–3 such staff (42%). While 35% of these organisations were engaged in entertainment, arts and recreation activities according to the section of NACE, they were more often than the LCC applicants involved in professional, scientific and technical activities (24% compared to 4%), and relatively more often were active in manufacturing (9% compared to 2%). In terms of the NACE class, non-applicant organisations were much more often found in the fields of architecture and cultural education (14% and 15% respectively).

Budget of organisations and funding of activities in the pre-pandemic period (2015–2019)

The vast majority – more than half of all organisations surveyed reported an annual budget of up to EUR 50,000 in 2019. Among non-applicant organisations, there were fewer organisations with a large budget of more than EUR 300 000 in 2019 – 8% compared to 17% of applicants (Figure 3).

Figure 3. **ANNUAL BUDGET OF ORGANISATIONS IN 2019**

What was the annual budget of your organisation in 2019?

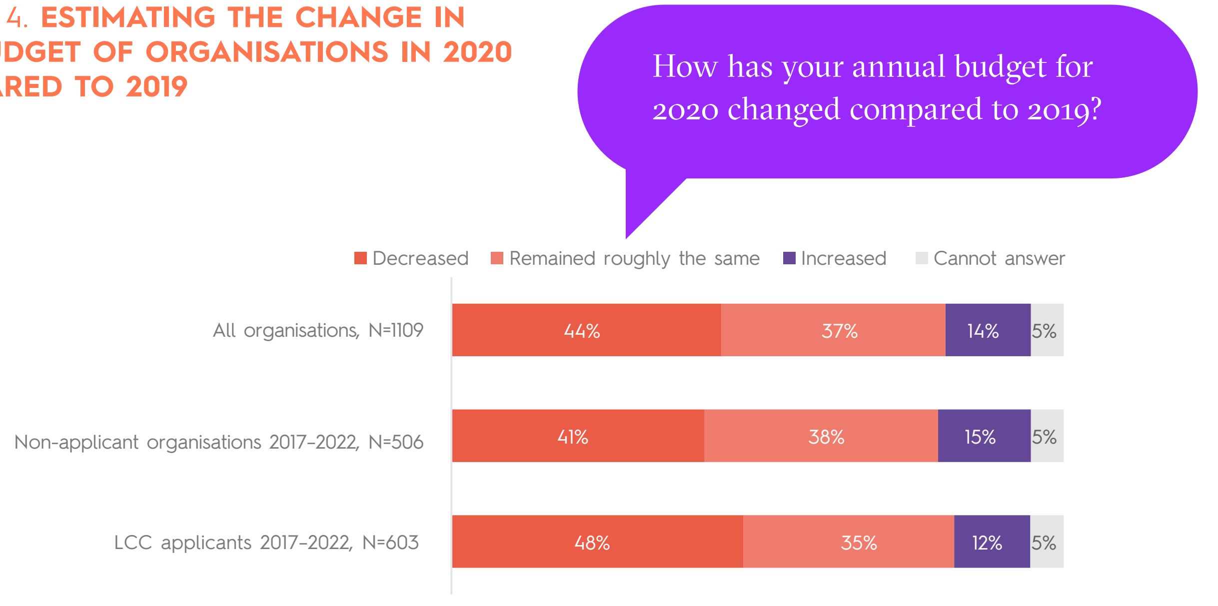


Changes in the size and revenue structure of budgets of organisations during the pandemic period

When comparing the budgets of their organisations in 2019 and 2020, 44% of respondents said their budgets decreased in 2020. A slightly smaller proportion (37%) reported that budgets remained the same, while only 14% of organisations reported an increase. The decrease was slightly more frequently mentioned by non-applicant organisations (48% compared to 41% of LCC applicants), but this difference is not statistically significant (Figure 4).

26 For the purposes of the survey, all organisations were categorised according to their legal form into the following categories: private organisations, public bodies (PBs), budget institutions (BIs) and associations. Here and below: private enterprises/organisations – forms of organisation other than public bodies, budget institutions and associations, i. e. UAB (closed joint stock companies, the vast majority), as well as small partnerships (MB), sole proprietor enterprises (IĮ), limited liability companies (AB), branches of UAB/AB, general partnerships (TŪB).

FIGURE 4. **ESTIMATING THE CHANGE IN THE BUDGET OF ORGANISATIONS IN 2020 COMPARED TO 2019**

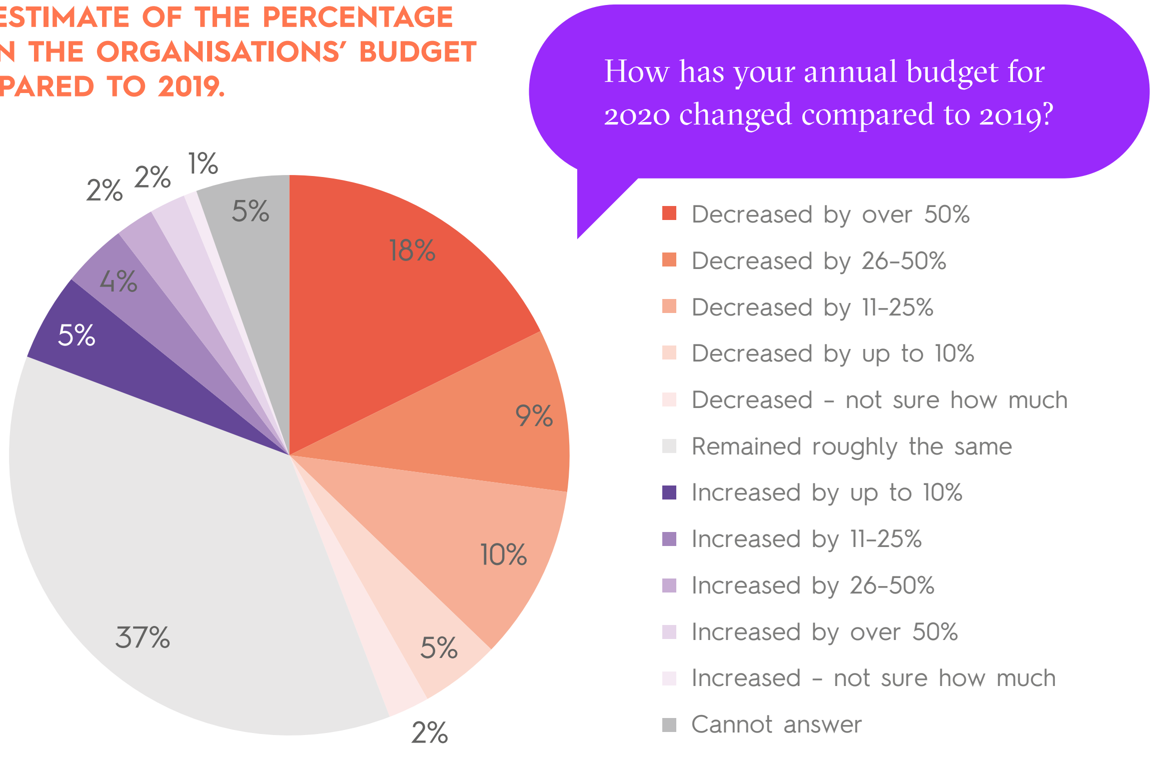


LIn a more detailed comparison, the decrease in budget was more frequently mentioned by representatives of Vilnius (49%), while representatives of organisations based in Šiauliai, Panevėžys and Tauragė more often mentioned that the budget remained similar. Marijampolė county stood out the most in terms of budget increases, with 30% of organisations reporting that their budgets increased. By legal form, public bodies statistically significantly more often experienced a decrease in their budget – 52% – while only 16% of budget institutions experienced a decrease. A relatively higher proportion of associations reported that their budgets remained similar (47%), but 41% of them also reported a decrease, so it seems that associations were in quite different situations during the pandemic period. By NACE divisions, the decrease was slightly more frequently reported by organisations engaged in creative, arts and entertainment activities (50% of them) and sport, entertainment and recreation activities (57%). These NACE divisions cover performing arts and artistic creation and representation, and event organisation activities.

As many as 18% of all organisations surveyed reported a reduction in their budget of more than 50% (Figure 5). Those organisations whose budgets increased in 2020 most often reported a small increase of up to 10% or 25% (5% and 4% of all organisations respectively).

The highest percentage of organisations with a budget reduction of more than 50% was found in Klaipėda (30% compared to 18% of all organisations), among public bodies (24%), as well as performing arts and representation and events organisations (23% each), and among the smallest organisations in terms of the number of employees (up to 4 employees) (23%).

FIGURE 5. **ESTIMATE OF THE PERCENTAGE CHANGE IN THE ORGANISATIONS' BUDGET 2020 COMPARED TO 2019.**



The results of the survey are in line with the revenue statistics of the CCS (Table 8). The derivative average change[27] in the budget for 2020 as reported by the respondents is -16%, while the average change in the budget for the period 2019–2021 is around 14% according to the statistics provided for companies classified in the CCS[28]. By the way, although the change in 2021 was not assessed in the survey, according to the statistics, looking at the period 2019–2021, the balance of sales revenue for all companies at the end of 2021 showed a growth of 23%[29], while for the CCS it was 3%. Therefore, it can be argued that cultural sector organisations have experienced quite significant difficulties in 2020 and did not experience the same revenue growth in 2021 as Lithuanian companies in general did.

TABLE 8. **STATISTICS ON COMPANIES' SALES REVENUE 2019–2021, EUR THOUSAND30**

	2019	2020	2021	Annual change (2020–2019)	Annual change (2021–2020)	Balance for 2019–2021
Total by economic activity	**97,494,840**	**96,377,374**	**119,414,152**	**-1%**	**24%**	**23%**
Total by selected divisions of the CCS NACE	**911,417**	**782,379**	**917,236**	**-14%**	**17%**	**3%**
Printing and reproduction of recorded media	267,901	248,516	288,308	-7%	16%	9%
Publishing of books, periodicals and other publishing activities	111,635	110,835	119,633	-1%	8%	7%
Motion picture, video and television programme production, sound recording and recorded music publishing activities	120,805	86,148	106,078	-29%	23%	-6%
Programme production and broadcasting	74,912	70,143	85,555	-6%	22%	16%
Other professional, scientific and technical activities	158,908	148,930	164,802	-6%	11%	4%
Creative, arts and entertainment activities	66,193	41,884	56,799	-37%	36%	-1%
Libraries, archives, museums and other cultural activities	11,238	9,119	9,191	-19%	1%	-18%
Entertainment and recreation activities	99,825	66,804	86,870	-33%	30%	-3%

27 The method of calculating the mean: for each response, a median value is assigned, e.g. a reduction of more than 50% assumes that the average reduction in this group was -75%, a reduction of 26–50% assumes a median value of -38%, etc.. These values are then weighted by the number of respondents who chose it and divided by the total sample (the calculation excludes the 5% who said "Can't answer" and assigns a 0% change to those who were unable to indicate how much the budget increased/decreased).

28 The statistics on sales revenue on the portal of the State Data Agency are provided at the 2-digit level of the NACE codes, so that only those sectors that largely cover cultural organisations are included in the comparison.

29 Annual inflation in 2021 was 10.6% (source: https://osp.stat.gov.lt/documents/10180/7431405/PSR_2021.xls/96738c97-a2d6-497f-bcc7-70f10d8024e5).

30 Source: https://osp.stat.gov.lt/lt/statistiniu-rodikliu-analize?hash=23a0fffd-12bb-4900-aba9-a1d102dfe28d#/

Changes in staff numbers and working conditions during the pandemic period

This section compares the dynamics of staff numbers between 2019 and 2021 and the changes in the working conditions following the introduction of the lockdown due to the spread of COVID-19 virus.

Participants in the survey reported that their organisation had an average of 10 creative workers in 2019 (Table 9). During the COVID-19 period, approximately one creative worker was out of work for at least one month and the same number found an additional job outside the organisation. Redundancies and/or non-renewal of contracts were rare. Human resources of creative workers were much more often diverted to other activities within organisations. This is particularly the case for the target group of LCC applicants, with an average of 4 staff members compared to 1 staff member among non-applicant organisations (Table 9 and Table 10).

Downtime of creative workers was more common in performing arts organisations (1.8 employees on average, and 2.4 employees according to the NACE class of stage production activities). Employees of memory institutions and performing arts organisations more often engaged in new creative activities within the organisation (7.2 and 5.4 employees respectively). In both the sample of LCC applicants and non-applicant organisations, engagement in new creative activities during the COVID-19 period was particularly characteristic of budget institutions, organisations involved in activities such as libraries, archives and museums, as well as organisations large in terms of number of staff and budget. Creative workers in film and TV production and music publishing most often had to find additional work or to be made redundant (on average 3 and 2 respectively). In fact, in the sample of LCC applicants, creative workers were much more often made redundant or did not have their contracts renewed by the organisations with the largest annual budgets (over EUR 1 million in 2019) with an average of 5 compared to 1 among all LCC applicants. However, the sample of such respondents is small and should be seen as a general trend. Meanwhile, there is no such trend among non-applicant organisations.

Table 9. **AVERAGE NUMBER OF CREATIVE WORKERS (CWS) IN 2019 AND HUMAN RESOURCE MANAGEMENT OF THESE WORKERS DURING THE COVID-19 PERIOD (2020–2021):** between LCC applicants and non-applicant organisations

		2019		2020–2021			
		Average number of CWs1	Average number of CWs employed on other than employment contracts2	CWs busy with new creative activities within the organisation	CWs finding an additional job outside the organisation	CWs with downtime of 1 month or more	CWs who were made redundant or did not have their employment or other cooperation contracts renewed
LCC applicants 2017-2022 (N I Averages)	*603*	13.5	8.5	4.2	1.5	1.3	0.8
Non-applicant organisations 2017–2022 (N I Averages)	*506*	5.9	5.8	1.0	0.9	1.0	0.2

[1] e.g. designers, sound engineers, actors, ceramicists, architects
[2] Project work, authorship, individual activities
* Small sample (30 ≤ N < 50) ** Very small sample (10 ≤ N < 30) *** Too small sample (N < 10)
Sample: all respondents, except those who could not specify the number of employees

As far as administrative personnel are concerned, during the COVID-19 period, approximately one member of administrative staff had at least 1 month of downtime, but unlike the creative workers, very few of them were given new or different job functions. Redundancies and/or non-renewal of contracts were also extremely rare for such staff.

A much more frequent phenomenon during the period in question was the additional training of administrative personnel, which was much more frequently reported by LCC applicants: according to the representatives of these organisations, an average of four staff members on employment contracts received training during the pandemic period, and an average of only less than one staff member received such training in non-applicant organisations 2017-2022 (Table 10). These differences are partly due to the significantly higher proportion of budget institutions among the LCC applicants: it was budget organisations in the sample of LCC applicants that stood out for the high average number of administrative personnel who had undergone further training during the COVID-19 period (10 staff). In this sample, by field of activity, the most frequent staff training was provided by organisations that indicated that they were involved in activities of memory institutions (libraries, archives, museums) and in the applied arts (architecture and design) (average of 17-18 employees). One budget institution in Kaunas county mentioned that its staff had received training in "layout, editing and online publishing". However, the most notable among the sample of LCC applicants were the organisations with the largest number of permanent staff (50 or more) and the largest budgets in 2019 (over EUR 1 million), with an average of 32 to 35 of their administrative personnel having received training during the pandemic period. By comparison, the average for organisations with 30-49 employees is 10 employees. In other words, the trend is not homogeneous in terms of the number of employees per organisation, but rather "breaks" at very large organisations. No similar level of staff development for administrative personnel is evident in any of the sections among non-applicant organisations: again, the highest average is reported for budget institutions (9 staff), but the number of staff in this sample is very small (N=29).

In the sample of non-applicant organisations, it can additionally be noted that administrative personnel downtime was most prevalent in organisations with 5-9 employees and in organisations with the highest turnover in this sample (EUR 300,000 or more in 2019), with an average of 3 and 6 employees respectively. Among LCC applicants, the highest average downtime can be seen among organisations with 30-49 employees - just under 3 employees (i.e. 2.6 employees).

TABLE 10. **HUMAN RESOURCES MANAGEMENT OF ADMINISTRATIVE PERSONNEL (AP) DURING THE COVID-2020 PERIOD (2021–2021):** among LCC applicants and non-applicant organisations

		2020–2021			
		AP who received additional professional training	AP with downtime of 1 month or more	AP who received other/new job functions	AP who were made redundant or did not have their employment contracts renewed
LCC applicants 2017-2022 (N I Averages)	*603*	3.8	0.9	0.5	0.2
Non-applicant organisations 2017-2022 (N I Averages)	*506*	0,8	1,2	0,2	0,2

* Small sample (30 ≤ N < 50) ** Very small sample (10 ≤ N < 30) *** Too small sample (N < 10)
Sample: all respondents, except those who could not specify the number of employees

Impact of COVID-19 pandemic lockdowns on the performance of organisations

A higher proportion of organisations reported that they had encountered various difficulties and changes during lockdowns, not only during the stricter phases but during all phases of the lockdown (Figure 6). Lockdowns had the biggest impact on the events sector. During all lockdown phases, 3 out of 4 surveyed Lithuanian cultural organisations cancelled part of their planned events or other activities for at least one month. Organisations were also affected financially, with 6 out of 10 reporting a reduction in income from private sources, and 4 out of 10 reporting a complete suspension of activities for at least one month. In total, one in three organisations were unable to provide part of their services or implement projects for socially vulnerable people (seniors, families at risk, etc.) during the lockdown. A relatively small minority of cultural organisations faced challenges in adapting services or products for people with physical or mental disabilities – 15% of them. One in three organisations reported an increase in activity during the lockdown period, i.e. an increase in workload compared to 2019. One in four organisations reported a decline in the quality of work done by their staff. The decline in the quality of work could certainly be attributed to both the increased workload and the emotional state of the staff. As an illustration, here is a comment from an organisation involved in arts, entertainment and recreation activities in Telšiai county: "The pandemic situation has put a lot of stress on staff. As the services were previously live, adapting to the new situation posed many challenges (computer literacy, virtual space, remote rehearsals <...>)."

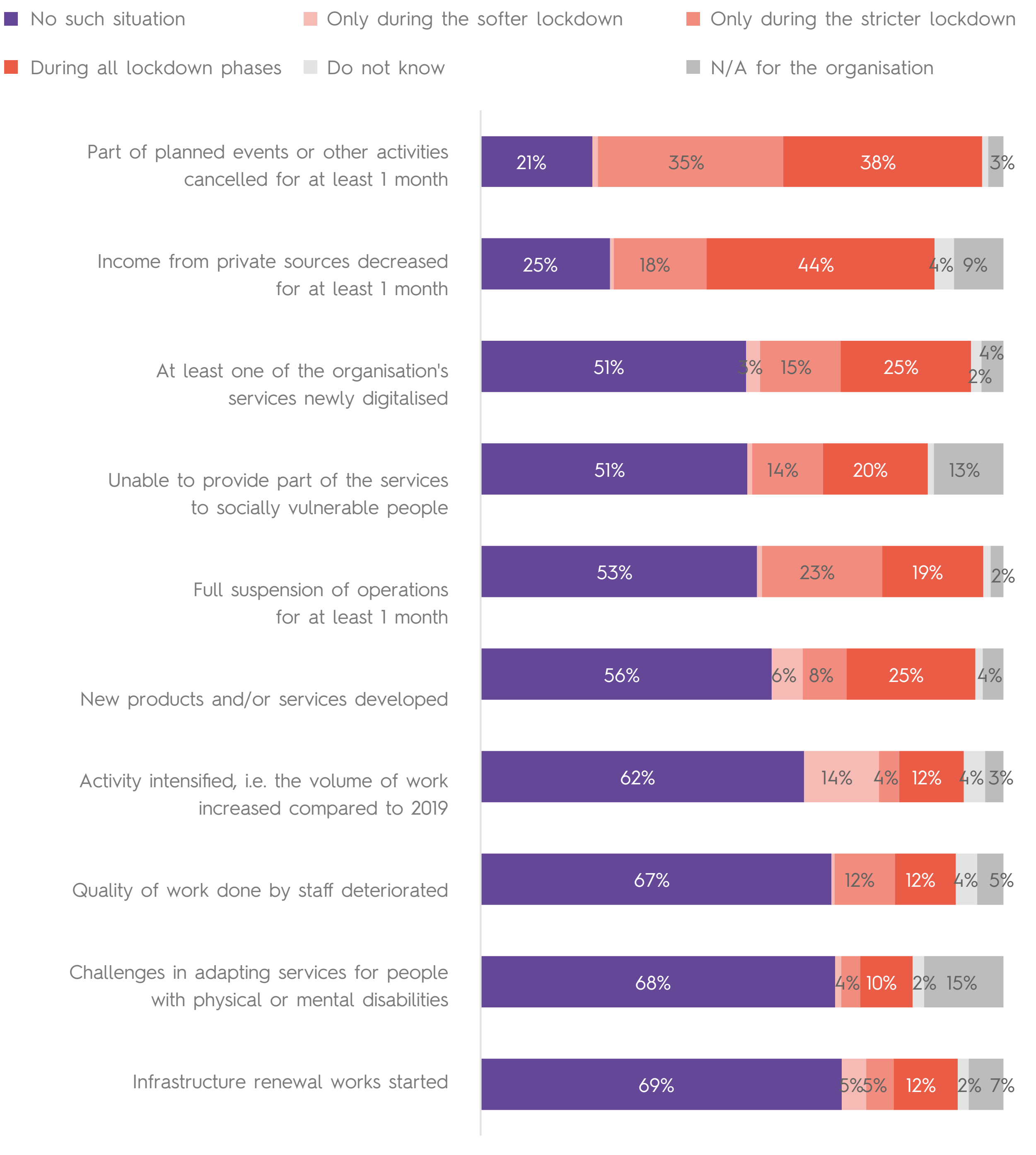
On the other hand, there were also some positive developments: 4 out of 10 organisations newly digitalised at least one of the organisation's services (for the first time in the virtual environment), or started developing new products and/or services. A budget institution based in Kaunas county commented on its activities in this area: "The pandemic situation prompted the development of products using modern technologies – products to help you relax, reduce anxiety and stress, and get to know yourself better. We believe that this is important both during the pandemic situation and after it has passed."

The comments of the organisations' representatives on the COVID-19 period provide further insights that the ability to adapt flexibly to existing constraints and to refocus their activities helped the organisations to survive this period: "We reduced the number of working hours and looked for other activities, which are currently being developed and expanded" (a private organisation in Klaipėda county); "That period, although stressful, mobilised us and taught us how to work in a different way" (a budget institution in Vilnius county); "We adapted and provided services remotely" (a private organisation in Vilnius city).

Project "PROmetėjas" by Prienai Culture and Leisure Centre, 2021. Photograph: Gintarė Žaltauskaitė / Prienai Culture and Leisure Centre archive

Figure 6. **IMPACT OF DIFFERENT PHASES OF LOCKDOWN STRICTNESS ON THE PERFORMANCE OF ORGANISATIONS IN 2020–2021 (ALL RESPONDENTS)**

Activities of organisations in different phases of lockdown strictness 2020–2021



Sample: all respondents
Note: scale responses of under 1% shown as numbers in the diagram

When comparing changes in activities during the pandemic period among LCC applicants and non-applicant organisations, LCC applicants more often cancelled events or other activities (81% of LCC applicants compared to 67% of non-applicant organisations), to have encountered difficulties in delivering services to the vulnerable (45% compared to 23%) and to have reported an increase in activities during the lockdown (34% compared to 26%). At the same time, LCC applicants more often had newly digitalised at least one service, or started developing new products and/or services: half of LCC applicants and a third of non-applicants had done so.

Use of financial state support for mitigation of COVID-19 related effects and evaluation of forms of support

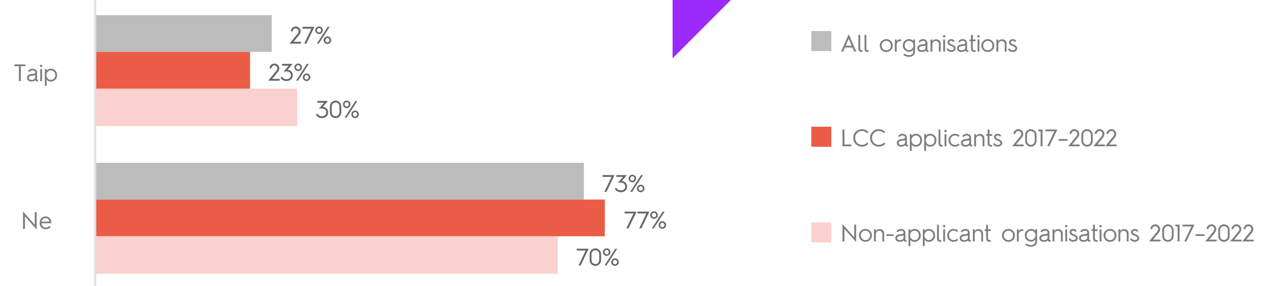
Slightly more than one in four of all Lithuanian cultural organisations surveyed reported having used the financial state support to mitigate the effects of COVID-19 (Figure 7)[31] Organisations based in Vilnius (34%) and Klaipėda (43%) significantly more often used this support, as were a third of public bodies and private organisations (Table 11). Budget institutions and associations and memory institutions less often used the support: around 1 in 10 of these organisations. 23% of the sample of LCC applicants claim to have used this support, which is slightly lower than among the non-applicant organisations (30%).

When analysing the sample of LCC applicants, the share of those who used state support for COVID-19 was higher amongst organisations based in Vilnius city and public bodies (in both cases around one third) as well as amongst the smallest organisations in terms of the number of employees (29% of those with between 1 and 4 and 43% of those with between 5 and 9 employees). They were also more often the organisations with a budget of between EUR 50,000 and EUR 300,000 in 2019, and had 11 or more employees on contracts other than fixed-term or open-ended contracts in the same year (around 4 out of 10 organisations in each cross-section). Among the LCC applicants, organisations based in Panevėžys county, as well as in Kaunas city or Kaunas county[32], associations and especially budget institutions, libraries and museums (the latter two are clearly linked) less often used the LCC support.

Among non-applicant organisations in 2017-2022, Klaipėda city organisations were the most frequent beneficiaries (52%), followed by organisations engaged in other professional, scientific and technical activities (photography, translation, design; 47%) under the NACE division. Organisations in Kaunas, Šiauliai and Telšiai counties used the COVID-19 support less (the samples for these sections are small, so only the trend can be assessed), as well as associations and organisations with no employees on an employment contract (in all of the aforementioned cross-sections, ranging from 5% to 13%). Notably, there is no such marked difference in the size of the organisation as in the sample of LCC applicants: organisations of different sizes claimed to have used state support in a similar way, but those with no staff working on employment contracts used it less often (12%).

FIGURE 7. **USE OF ADDITIONAL FINANCIAL STATE SUPPORT TO MITIGATE THE EFFECTS OF THE COVID-19 PANDEMIC.**

Has your organisation used additional financial state support to mitigate the effects of the COVID-19 pandemic?



Sample: all respondents

31 According to the survey questionnaire, respondents were considered to have used such support if they indicated more than 0% of such support in the breakdown of the organisation's revenue by type for the years 2020-2021, or, if they were unable to do so, they were asked a separate question specifically about using the additional financial state support (see Q20 page 110 and Q21A page 111 of the questionnaire). It should be noted that these questions were not intended to identify the exact number of beneficiaries, as not all organisations were necessarily aware of exactly which 2020-2021 state support measures were specifically aimed at mitigating the effects of COVID-19 (e.g. organisations did not have to apply for the VAT rebate separately). These questions were used to assess overall trends and to select respondents for the evaluation of the effectiveness of state support.

32 In Kaunas city and Kaunas county, there is insufficient sample size for a statistically significant difference with the total sample in the different cross-sections, but the general trend can be seen in both areas.

TABLE 11. USE OF ADDITIONAL FINANCIAL STATE SUPPORT TO MITIGATE THE EFFECTS OF THE COVID-19 PANDEMIC

			Used	Didn't use
	Visos organizacijos (N I Eilutės %)	1109	27%	73%
Sample	LCC applicants 2017-2022	603	23%	77%
	Non-applicant organisations 2017-2022	506	30%	70%
Location (where the organisation is based)	Vilnius city	450	34% ▲	66% ▼
	Kaunas city	118	24%	76%
	Klaipėda city	62	43% ▲	57% ▼
	Vilnius county (Vilnius city excluded)	67	14% ▼	86% ▲
	Kaunas county (Kaunas city excluded)	64	11% ▼	89% ▲
	Klaipėda county (Klaipėda city excluded)	44	21%	79%
	Šiauliai county	66	17%	83%
	Panevėžys county	65	17%	83%
	Utena county	49	26%	74%
	Alytus, Marijampolė, Tauragė and Telšiai Counties	124	18% ▼	82% ▲
Legal form	Public body	394	34% ▲	66% ▼
	Private organization	348	33% ▲	67% ▼
	Budget institution	187	9% ▼	91% ▲
	Association	180	12% ▼	88% ▲
NACE section	Arts, entertainment and recreation	498	26%	74%
	Information and communication	171	32%	68%
	Education	162	24%	76%
	Professional, scientific and technical activities	137	29%	71%
	Administrative and support service activities	75	24%	76%
	Other (Other (production, trade, other activities)	66	25%	75%
NACE division	Creative, arts and entertainment activities	281	30%	70%
	Sport, entertainment and recreation activities	136	25%	75%
	Libraries, archives, museums	80	10% ▼	90% ▲
	Production of films, TV programmes, publishing of recorded music	79	34%	66%
	Publishing activities	69	35%	65%
	Other professional, scientific and technical activities	53	44% ▲	56% ▼
	Other	411	23%	77%
Cultural and/or arts field	Performing arts	351	26%	74%
	Cultural heritage	171	20%	80%
	Visual arts	168	26%	74%
	Literature	135	28%	72%
	Applied arts	131	21%	79%
	Cinema and audiovisual arts	126	26%	74%
	Memory institutions	94	9% ▼	91% ▲
	Other culture-related activities	371	28%	72%

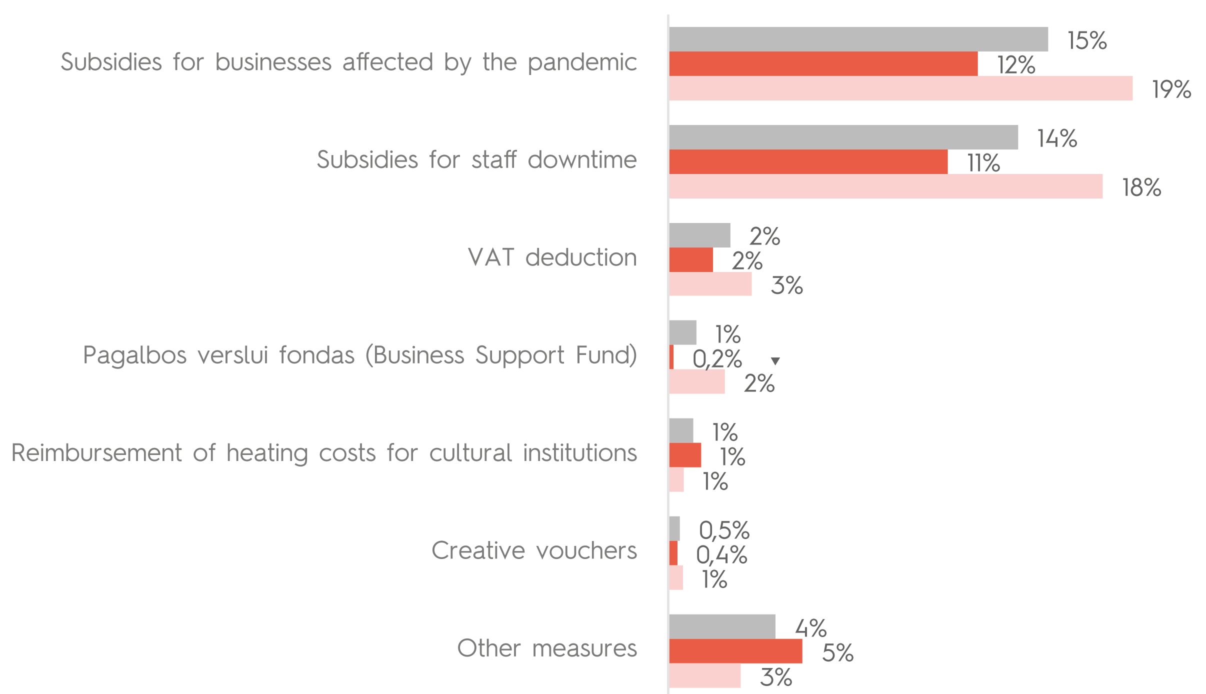
* Small sample (30 ≤ N < 50) ** Very small sample (10 ≤ N < 30) *** Too small sample (N < 10)

In terms of the specific form of support, the most frequent forms of support reported by the cultural organisations surveyed for the period 2020–2021 were subsidies for pandemic-affected businesses (15%) and subsidies for staff downtime (14%) (Figure 8). Only a small proportion of organisations said they had used other means: 2% benefited from VAT rebates, 1% from the Business Assistance Fund (more often from non-applicant organisations), heating cost reimbursement and 0.5% from creative vouchers. A further 4% benefited from various other measures (compensation for COVID-19 protective measures, Invega measures, measures by cultural policy institutions, etc.).

Due to the small sample sizes of beneficiaries of the different forms of state aid, only a few general trends can be identified according to the characteristics of the organisations: associations and organisations with 10 or more employees used the subsidies for businesses affected by the pandemic **less often**. Subsidies for staff downtime were also **less often** used by information and communication organisations under the section of the NACE, by organisations in the field of film and audio publishing and by those without employees on employment contracts. Organisations with 5 to 9 employees used them **more often**.

FIGURE 8. **FORMS OF STATE SUPPORT USED, 2020–2021**

Which form of state support have you used in the period 2020–2021?



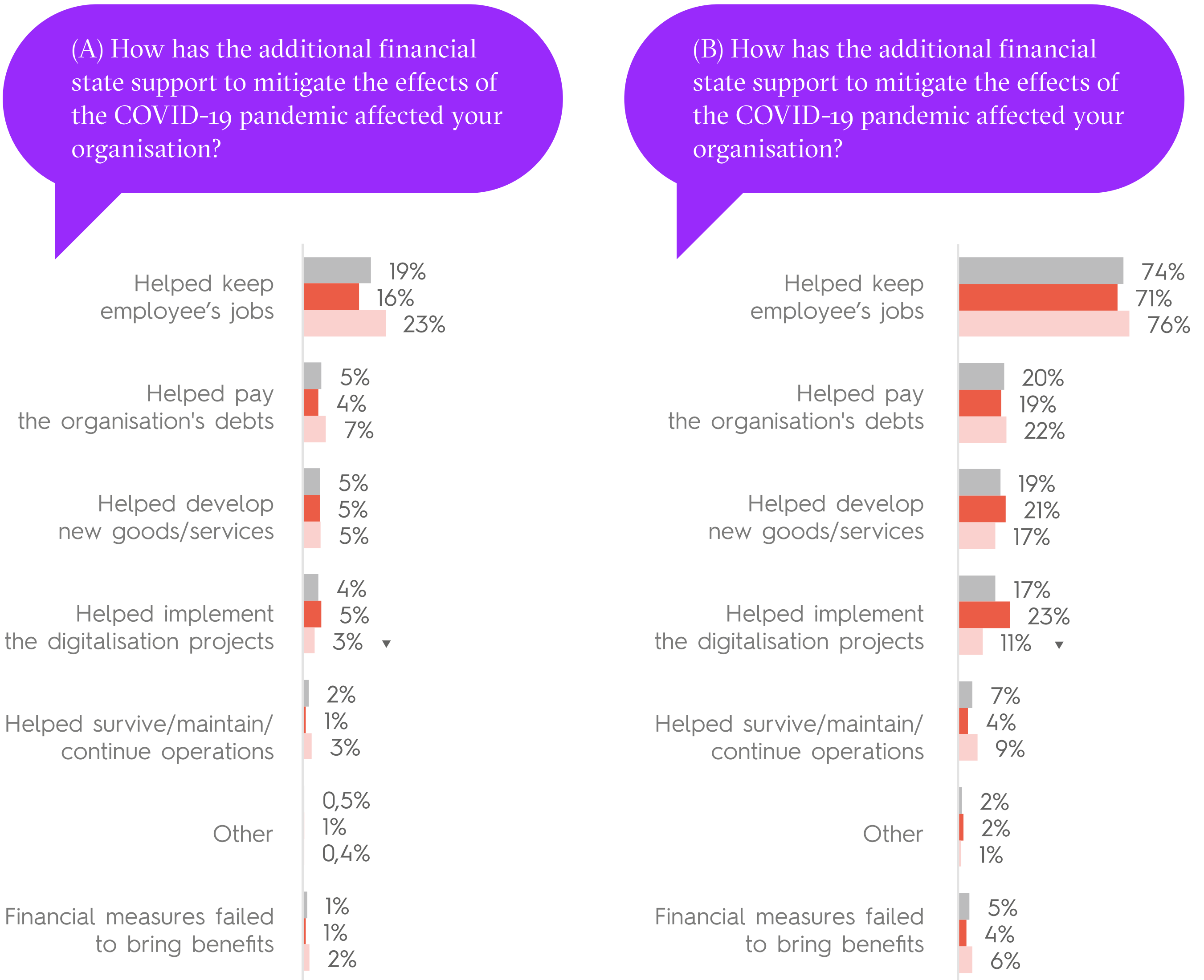
Other measures: Invega measure; measure of bodies implementing cultural policy; another measure of the state plan; compensation for protective measures against COVID-19; support where the source of support is not clear

- All organisations, N=1109
- LCC applicants 2017–2022, N=603
- Non-applicant organisations 2017–2022, N=506

Sample: all respondents

The additional financial state support to mitigate the effects of COVID-19 was the most important in saving jobs. Overall, 1 out of 5 organisations surveyed (or 74% of those that used state support in relation to COVID-19) report that the support helped them to keep their employees' jobs (Figure 9). This effect is more common for private organisations (28%). 4–5% of Lithuanian cultural organisations surveyed (and one in five that used support) say that the support helped them to pay off their debts, develop new goods and/or services, and implement digitalisation projects. For 2% of cultural organisations, this financial support helped them to survive/maintain/continue their activities (7% of those who used it). Overall, 1% of the organisations surveyed consider that the financial measures were not beneficial (5% of those that used them).[33]

FIGURE 9. **IMPACT OF THE SUPPORT ON THE PERFORMANCE OF THE ORGANISATION,** (A) as a percentage of all organisations surveyed; (B) as a percentage of organisations that have used a specific measure.



All organisations, N=1109
LCC applicants 2017–2022, N=603
Non-applicant organisations 2017–2022, N=506

Sample: all respondents

All organisations, N=1109
LCC applicants 2017–2022, N=603
Non-applicant organisations 2017–2022, N=506

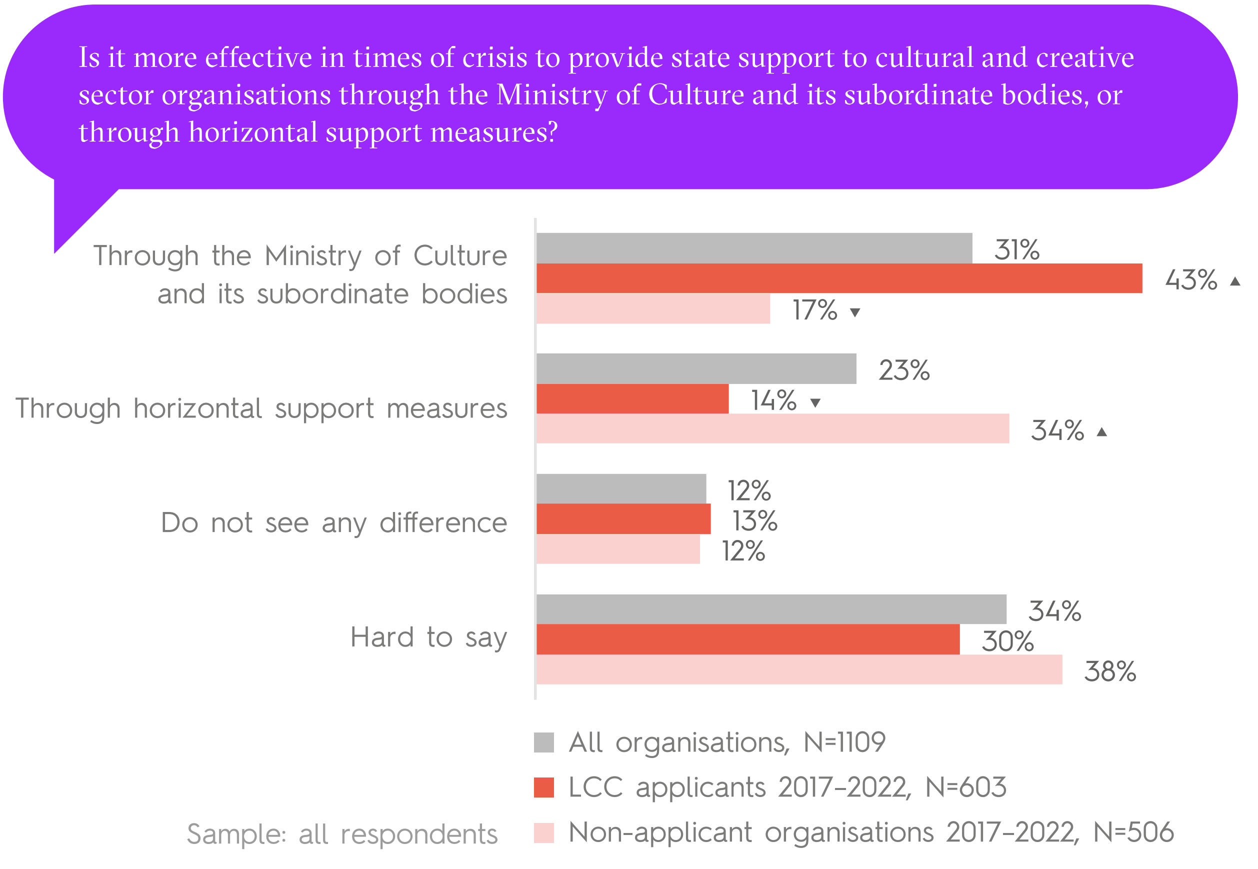
Sample: all respondents

33 Tables of cross-sections are not provided because only 290 organisations used financial state support to mitigate COVID-19-related effects, and therefore the samples for most of the cross-sections are too small for analysis (N < 50).

Almost one in three representatives of all surveyed organisations believe that in times of crisis it is more effective to provide state support to CCS through the Ministry of Culture (MC) and its subordinate organisations (Figure 10). LCC applicants significantly more often prioritised their support through the MC. Among them, 43% are in favour of providing support through the MC and three times fewer – 14% – are in favour of providing support through horizontal instruments. The opposite is true for non-applicant organisations: only 17% consider support through the MC to be more effective, while twice as many (34%) consider it to be more effective through horizontal support measures. In both groups, around one in ten respondents did not see a difference between the two types of support, while around one in three had no opinion on the matter.

A couple of comments from respondents can illustrate the different views. Two different organisations based in Vilnius gave positive feedback on both support channels: one public body said: "We were very pleased with the support given by the Ministry of Economy and Innovation to small arts organisations. They helped us to survive in difficult times." Meanwhile, a representative of another organisation in Vilnius city involved in cultural education commented on the support received from the LCC: "The pandemic period was a disaster for my small organisation in many ways. Even though the funding I received from the Lithuanian Council for Culture was small, it helped a lot. It also helped me plan for the future."

FIGURE 10. **PRIORITISING THE SUPPORT CHANNEL IN TIMES OF A CRISIS**



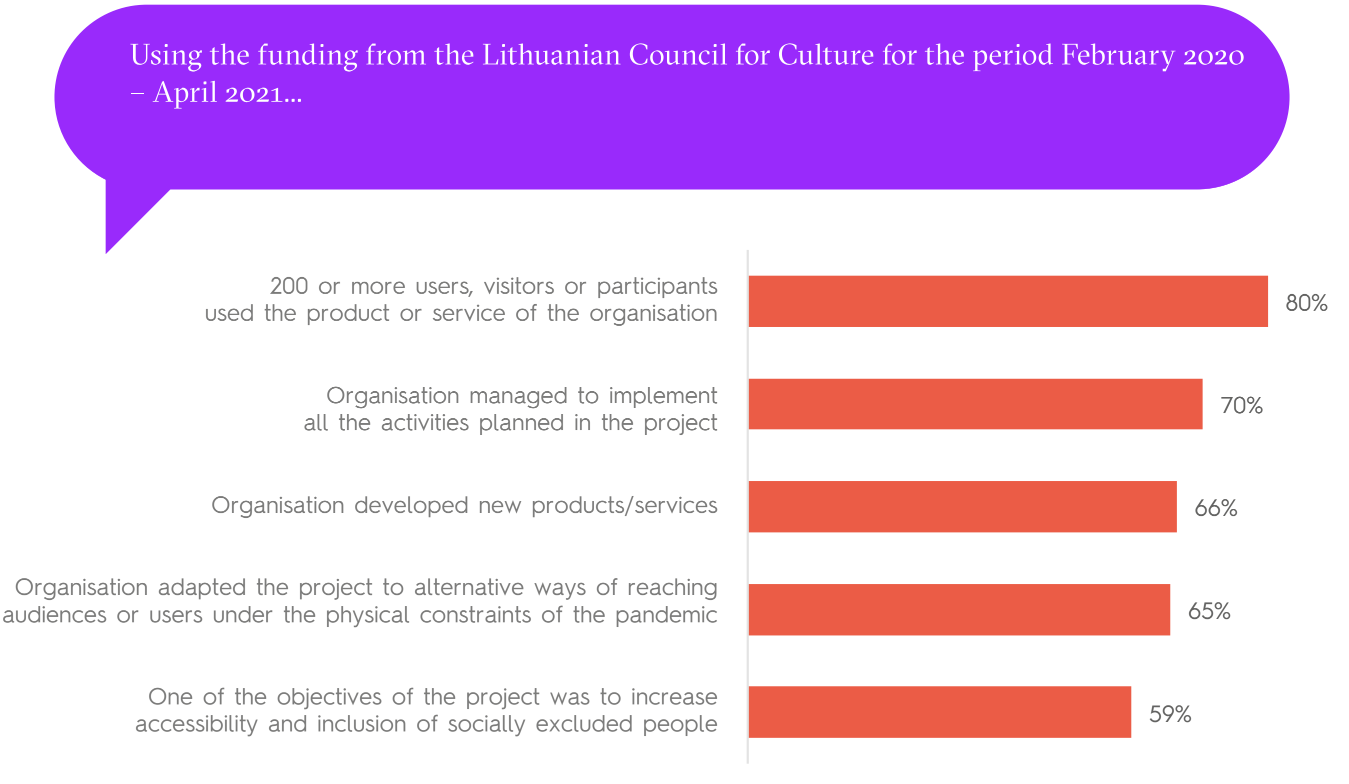
Providing support through the MC and its subordinate bodies is more often perceived as more efficient by public bodies (36%) and budget institutions (41%), and, according to the NACE classification, by organisations active in the performing arts (47%), visual arts (43%), administrative and service activities (42%), and information and communication activities (40%). Private organisations (19%) and organisations involved in architecture (17%), sports, entertainment and recreation (21%) and other activities (trade, manufacturing, other) (18%) less often support providing services through the LCC.

Activities of LCC applicants in the pandemic period 2020–2021

This section provides a brief overview of the activities of LCC 2017–2022 applicants using LCC funding for the COVID-19 period (2020–2021).

It can be concluded that the LCC funding provided for the period February 2020 – April 2021 has been used efficiently by the organisations that received it. 8 out of 10 cultural organisations surveyed report that 200 or more users, visitors or participants used their product or service (Figure 11). Around 7 out of 10 organisations reported that they were able to implement all the activities outlined in the project, as well as developing new products or services, or adapting the project in alternative ways to reach audiences or consumers in the face of the pandemic's physical limitations. 6 out of 10 said that one of the objectives of the project was to increase accessibility and inclusion of socially excluded people.

FIGURE 11: **OBJECTIVES IMPLEMENTED WITH LCC FUNDING FEBRUARY 2020 – APRIL 2021**



Sample: LCC applicants in 2017–2022 with at least part of their 2020–2021 budget funded by LCC, N=374

Increasing accessibility for the socially excluded was more often included in the project objectives by organisations based in Utena county (87%), budget institutions (73%), memory institutions (73%), cultural heritage and ethnic culture organisations (73%), and less often by public bodies (51%), private organisations (39%), and organisations whose field of activity is information and communication according to the section of NACE (46%). Organisations involved in applied arts, visual arts and publishing activities more often adapted the project to alternative ways of reaching audiences (86%, 86% and 78% respectively). Libraries, archives and museums more often said they had developed new products or services (80%).

Preparing organisations for emergencies in the pre-pandemic period and assessing the impact of subsequent crises on their operations

The majority of Lithuanian cultural organisations surveyed were not prepared for potential crises in 2019: 8 out of 10 organisations (81%) indicated that they did not have a potential emergency preparedness plan. Budget institutions more often had a crisis preparedness plan (39%) and public bodies had it less often (10%). In comparison, only 9% of organisations with up to 5 employees and 52% of organisations with more than 50 employees had such a plan. By NACE division, libraries, archives and museums had a plan more often (38%).

More than a half (56%) of Lithuanian cultural organisations surveyed have already implemented or are going to implement some kind of crisis preparedness measures in 2022 (Figure 12). One in five organisations has implemented or is going to implement mental health workshops for staff in 2022, to strengthen protection against cyber-attacks, to allocate additional budget for potential emergencies, and to develop an emergency management plan. 15% of organisations have implemented or will implement emergency training and/or emergency preparedness training for staff in 2022. It can be seen that almost all of the measures are less common for low-budget organisations (those with an annual budget of up to EUR 50,000 in 2019), while organisations with an annual budget of EUR 100,000 or more in 2019 generally planned for many of the measures. The exception is an additional budget for possible future emergencies. Although there is a tendency for a slightly higher proportion of them to provide an additional budget, this difference is not statistically significant. As the survey did not ask how much attention had been paid to this before the pandemic, it could not be argued that this is a cavalier attitude of large organisations towards crises. In other words, they may have paid more attention to it in the past and this has not changed in 2022.

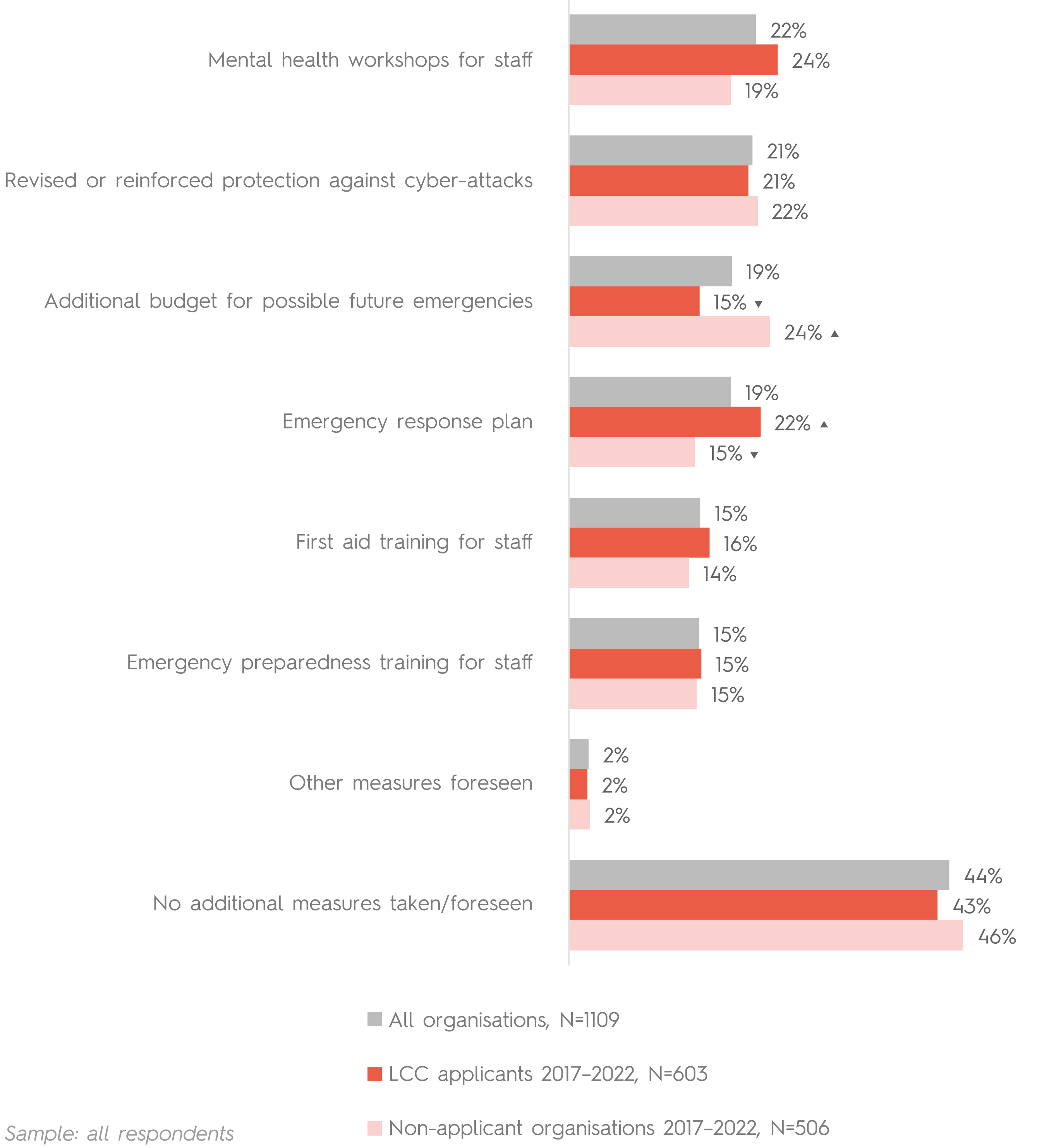
The importance of employees' mental health and preparedness for the next crisis is supported by organisations' comments on the impact of crisis periods on their employees: "The biggest challenge [in the COVID-19 period] was the mental health of the staff, the psychological support of the staff and the artists" (Panevėžys county budget institution). On the other hand, mutual support and communication among staff was an important factor during the COVID-19 pandemic: "We addressed the challenges through conversations and discussions on action plans" (Vilnius city private organisation).

44% of organisations have not taken / do not intend to take any crisis preparedness measures in 2022. More often these are organisations based in Kaunas (55%), public bodies (55%), associations (60%) and organisations engaged in administrative and service activities in accordance with the NACE section (56%).

Contemporary dance performance "I" by Šeiko Dance Company at the International Art Festival "PLArTFORMA", 2020.
Photograph: Donatas Bielkauskas

FIGURE 12. **IMPLEMENTATION OF CRISIS PREPAREDNESS MEASURES IN 2022**

Which of the following crisis preparedness measures has your organisation implemented or plans to implement in 2022?



Sample: all respondents

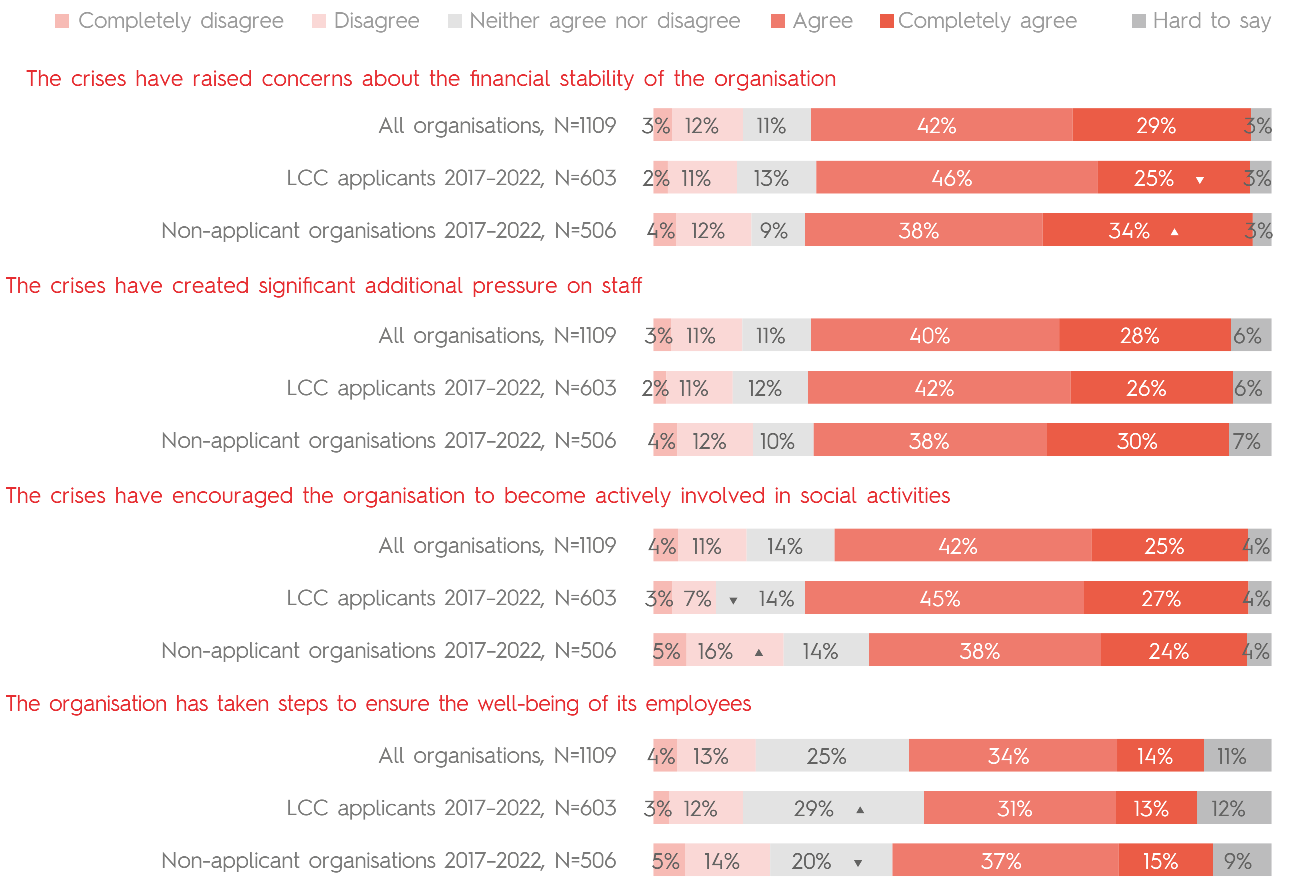
The 2020–2022 crises – the COVID-19 pandemic, the Belarusian crackdown on civil movements and the migrant crisis caused by the regime, and Russia's war in Ukraine – affected a large part of Lithuanian cultural organisations. For 7 out of 10, this led to concerns about the financial stability of the organisation, and created significant additional strain on staff (proportion agreeing or strongly agreeing with the statement; Figure 13). This point is echoed by one of the respondents: "The organisation saw the pandemic as a time of opportunity. The war in Ukraine led to a decline in the volume of activities and often to a loss of the sense of meaning in creative work." (Vilnius public body). Half of the organisations said they had taken measures to ensure the well-being of employees.

Two thirds of the organisations were encouraged by these crises to become actively involved in public activities (more often it was LCC applicants: 72% compared to 62% among non-applicant organisations).

Concerns about financial insecurity were felt more strongly by non-applicant organisations: 34% of these organisations strongly agreed with this statement, compared to 25% of LCC applicants.

FIGURE 13. **IMPACT OF THE PANDEMIC, THE MIGRANT CRISIS AND THE WAR IN UKRAINE ON ORGANISATIONS**

Regarding the pandemic, the suppression of civilian movements in Belarus, the migrant crisis caused by the regime and the period of Russia›s war in Ukraine, to what extent do you agree with these statements about your organisation?

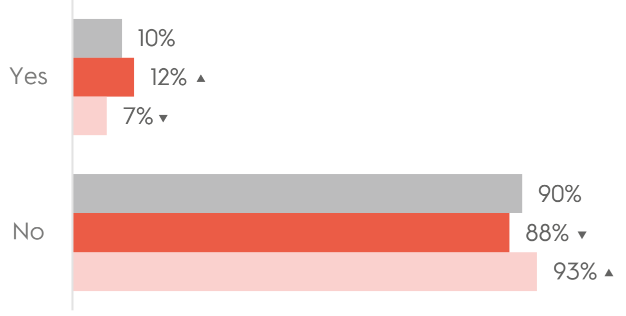


Sample: all respondents

One in ten Lithuanian cultural organisations surveyed employed crisis-affected people from Belarus or Ukraine. (Figure 23) This was more often the case for LCC applicants (12% compared to 7% of non-applicant organisations). One in four organisations based in Klaipėda and one in five budget institutions employed the affected persons. Performing arts organisations (14%) and memory institutions (17%) are also among the slightly more frequent employers of residents from these countries. They were less often employed by private organisations (7%). The organisations also mentioned other ways in which they actively contributed to supporting citizens and creators from these countries: in the context of the war in Ukraine and the Belarusian migrant crisis, the list of authors and exhibition network was expanded to include authors from these countries, music schools welcomed pupils from Belarus and the Ukraine, and others produced and sent recordings in Ukrainian to Ukraine, published translations of Ukrainian literature, interviews on their situation, etc.

FIGURE 14. **EMPLOYMENT OF CRISIS-AFFECTED PEOPLE FROM BELARUS AND UKRAINE**

Has your organization employed crisis-affected residents from Belarus or Ukraine?



All organisations, N=1109

LCC applicants 2017–2022, N=603

Non-applicant organisations 2017–2022, N=506

Sample: all respondents

I Findings from the survey of organisations in Phase 2 of the study

- **Almost half** of the respondents said that **their budget had decreased during the COVID-19 pandemic, and almost a fifth had seen their budget cut by half or more.**
- 27% of the CCS organisations surveyed reported having used financial state support to mitigate the effects of COVID-19. The most common types of subsidies used by organisations in 2020–2021 were grants for pandemic-affected businesses (15%) and subsidies for staff downtime (14%).
- Nearly a third of CCS organisations consider it more efficient to channel support through the Ministry of Culture and its subordinate organisations, while 23% prefer horizontal support measures. However, there is a clear difference between the views of LCC applicants and non-applicant organisations: the latter much more often opt for horizontal support measures, and thus seem to prefer the form that was used. As the two samples differ in terms of their scope, size and legal form of organisation, no single clear priority can be identified.
- In their comments, the organisations mentioned that **flexibility and the ability to adapt quickly to the current situation**, support and cooperation between teams, refocusing activities and making savings had **helped them survive.** This may be the reason why redundancies and/or non-renewal of cooperation contracts, downtime or finding a job outside the organisation were rare among creative workers. As reported by the participants, resources of creative workers were much more often diverted to other activities within the organisations, while resources of administrative personnel were more often diverted to professional development.
- Obviously, the **lockdowns had the biggest impact on the events sector.** During lockdowns, 3 out of 4 surveyed Lithuanian cultural organisations cancelled part of their planned events or other activities for at least one month. Among the organisations involved in stage productions, as many as 9 out of 10 had to cancel part of their events or other activities, and 6 out of 10 had to suspend their activities completely for at least one month or longer. One in three employees in these organisations was out of work for a month or more during the lockdown and found additional work outside the organisation.

- In addition to performing arts and events organisations, the survey found that **associations, public bodies and the smallest organisations with up to 5 employees were the most financially affected by the pandemic.** A higher proportion of them mentioned that they had stopped their activities and/or had less access to state support due to the effects of COVID-19 because they did not meet the criteria. For example, 31% of organisations with 1-4 employees used this support and 42% of those with 5-9 employees. It is worth adding that **almost all of the smallest organisations** (both in terms of number of staff and size of budget for 2019) **did not have a crisis preparedness plan**, and more than half of them did not take or foresee any additional measures in 2022 to prepare for possible crises (although it is important to highlight that at least a similar proportion of the total number as the total number of all organisations set aside an additional budget to deal with possible future emergencies - 22%). So it seems that these organisations were the most vulnerable when the pandemic struck, and suffered heavily as a result, and are likely to remain more vulnerable in the future.
- **Budget institutions** weathered the recent crisis periods **much more easily than other organisations.** Such organisations more often have income from municipal allocations, the state budget, etc., which has allowed them to have more stability and to focus their resources on other activities, such as the digitalisation of services, the development of new products, and the renewal of infrastructure. It is worth highlighting that budgetary bodies mentioned having a crisis preparedness plan in 2019 significantly more often (39% compared to 15% of all organisations). This is also likely to be linked to the existing national emergency preparedness plan that they can follow.
- **Preparation for possible future crises.** The majority of Lithuanian cultural organisations surveyed were not prepared for potential crises in 2019: 8 out of 10 organisations did not have a potential emergency preparedness plan. More than a half indicated that they planned and/or implemented some kind of crisis preparedness measures in 2022. It can be noted that budget institutions (mostly educational organisations, libraries, museums, etc.) indicated more often that they intend to prepare for crises by planning possible responses, while private institutions indicated that they intend to prepare by allocating additional budget.

PHASE 3. QUALITATIVE STUDY: HOW THE CRISES AFFECTED ORGANISATIONS IN THE CULTURAL AND CREATIVE SECTOR.

Introduction

The survey of organisations and the review of financial interventions show that the situation of organisations varied not only according to the physical constraints imposed. This part presents focused discussions with representatives of organisations in the cultural sector, explaining the possible reasons and context for the results of Phase 1 and Phase 2: what the organisations experienced during the crises, what they did in times of reduced budgets, their attitude towards state-supported digitalisation initiatives in times of physical constraints, what consequences of the crises continue to affect the performance of organisations, and more.

The research was carried out through focus group discussions with managers or other representatives of organisations that took part in the LCC tenders in 2017-2022. The study highlighted three questions that emerged from the main research question: *how have cultural and creative organisations been affected by the crises?*

- How have the crises manifested themselves in cultural and creative organisations?
- What measures have organisations taken to adapt to or cope with crises in 2020-2022?
- What are the ongoing consequences of their strategies ?

The study defined the concept of crisis. For the purposes of this study, a crisis is defined as an event in cultural and creative sector organisations that is characterised by intense danger or great difficulty to overcome, as a result of the events that shook the Lithuanian society in the years 2020-2022.

A total of 10 focus group discussions were held with 48 participants. The majority of the participating organisations are located in Lithuania as a whole or in Vilnius county (more than 70%) and are public bodies (43.75%). Of the nominated representatives, the largest number of participants were heads of organisations (45 out of 48).

The results of the studies are presented under the three main questions already mentioned.

Manifestation of crises in organisations

Crises disrupted the way organisations used to function and are often described by representatives as a *breakdown of the organisational structure*. However, there are four main aspects of how organisations were affected:

- Disruption: during the lockdown period, the public sector found it most difficult to fulfil its mission, and NGOs had to reschedule or cancel some of their activities for the coming year. Planning was hampered by rapid changes in lockdown restrictions by the government and an increasing infection rates. The lack of protection measures and the poor development of infrastructure, often information technology, challenged the implementation of the activities, which in the short term created problems with remote work. Meanwhile, Russia's war in Ukraine led to a halt in international activities with organisations and artists from Ukraine and other countries – foreign artists, creators and other participants of cultural activities were afraid to come to Lithuania due to the threat of war in Lithuania.

> <...> The question immediately arose: well, we are the administration, that's OK, but how about the artistic ensembles – their possibilities to rehearse or perform in concerts were gone in no time – the question of their qualification came up straight away. So that was one of the main considerations – how do we carry on, what do we do? (MZ1, par. 34)

- Financial shock: NGOs experienced a drop in sales and private donations due to stagnating business support and lost financial, time and labour investments in planned events. In addition, financial commitments to partners and fixed costs made it difficult to maintain operations.

> "<...> In a pandemic situation, there were very, very different reactions from supporters at different stages and levels of the shock. Well, it's so different: either "Good bye [laughs ironically] forever, I don't know when we'll meet again", or... or: "Call me in six months, call me in a year" and so on. Simply, sponsorship stopped – that's it. And, in that case, the organisations, well, the culture, went on a starvation diet. At least ours." (TM1, par. 35)

- Psychological situation: fear of the potential health risks of contracting the Covid-19 virus and the sudden change in working conditions and isolation at home were the main factors that worsened the psychological situation of the staff in the organisations. People working in the field of performing arts were affected severely by the disconnection with both audiences and colleagues. The onset of Russia's large-scale invasion of Ukraine was much harder to bear than the pandemic, with participants saying that the organisation's activities were psychologically paralysed and raising dilemmas about the meaning or ethics of creating cultural content in the face of war.

> <...> I don't think that ... presenting projects [by Ukrainian architects] will help them there in some way [during the war] <...> (TM1, par. 107)

- On the other hand, some organisations were more positively affected by the pandemic – they had the infrastructure to work from home and the consumption of their products or services, in contrast to other organisations, increased during the pandemic. Meanwhile, a significant number of representatives said that the crises had spurred them to act and find solutions: during the pandemic, this took the form of experimentation to find alternative ways of delivering services to the public, of performing, of creating. The Russian invasion of Ukraine prompted organisations to change their mission and priorities, and to mobilise with other organisations in the international arena to defend Ukraine's interests.

> As for the sector itself, as macabre as it may sound, the games won from the pandemic. As you said, people don't go to cultural events because they don't have the possibility, but people still need psychological comfort, which is what culture provides <...> It's the games that are a form they can get very easily, very easily, and very quickly to get that... well, to escape from the current situation. (AV1, par. 33)

Changes in organisations after crises

In the event of crises, organisations adapted creative activities and their content to crises; ensured emergency preparedness; renewed the organisation's structure and administration, the latter mainly due to the Covid-19 pandemic.

Changes in the internal structure of the organisation

During the pandemic, business as usual did not work, so organisations constructed a variety of processes to adapt to life in the pandemic and the Russian invasion of Ukraine.

- Scope and funding of activities: Organisations were looking for new sources of funding and were changing their funding strategy (reducing costs, developing products for sale). The participants of the discussions stressed that funding for NGOs was insufficient even before the pandemic, so financial state support became the main and often the only income during the crisis. One of the instruments – funding for cultural projects – was used for the much more necessary adaptation of infrastructure or the work of staff to changed circumstances, and not necessarily for the implementation of new cultural ideas. Organisations with only a few employees found it most difficult to access general funding measures due to a lack of knowledge and staff to complete the applications.

> I would just extend <...> what happened. Because there was a huge range of financial measures on offer, which at that moment, when everything was shut down, seemed like salvation. And then we all got mobilised to apply and so on. (VZ1, par. 101)

- Business planning: During the pandemic, organisations developed plans for a short period of time, or created several scenarios to prepare for unexpected changes. Others looked for solutions "here and now". While alternative plans helped to reduce stress, the constant re-planning of events or updating of working arrangements, which was the case in public bodies, significantly increased workload. At the time of the Russian invasion of Ukraine, organisations are still facing uncertainty about the future and therefore uncertainty about planning, which is why the planning strategies above were applied.

> <...> Well, practically every week, as soon as there was a change in the decision of the operations managers or a change in some small point, we had to amend all the documentation. (AI1, par. 72)

- Organisational infrastructure and emergency preparedness: improving the organisation's infrastructure and staff competences aims to ensure the organisation's crisis preparedness, both in the event of the pandemic and in the event of the Russia's war in Ukraine. Shelters, security systems for artwork, evacuation plans and training in civil protection, emergency response and psychological resilience are being prepared. Particular attention is paid to improving cybersecurity systems and staff skills.

> <...> When the war broke out in Ukraine, we even found a hiding place and went there, just in case. We almost set up a place where we could move. (VZ1, par. 133)

Implementation of activities

The implementation of activities in the context of the pandemic and other crises differed: during the pandemic, non-contact forms of activities or changes in the forms of activities, prevailed, while in the course of the Russian war in Ukraine there were changes in content. Crisis periods also involve social activities.

- Contactless activities: contactless and digital activities (e.g. webcasting of events, providing services of virtual memory institutions and creating 3D exhibitions or displays) were the dominant activities during the pandemic. Audiences in Lithuania and abroad increased. However, most representatives stressed that creating digital content is more complex and cannot provide the same cultural experience as live activities, describing the phenomenon as "eating ice cream through glass" (AV1, par. 117). Organisations also apply remote work. On the one hand, it facilitated communication and cooperation with partners in Lithuania and abroad; in other organisations, on the other hand, it prolonged decision making and impaired the motivation of staff or the accessibility of services to people at social risk.

> <...> Well, really, like, there were a few of those online screenings, it was really... m... the audience is very international. (MZ1, par. 89)

- Face-to-face activities: organisations that had implemented face-to-face initiatives identified frustration with the results of digitalisation and a desire to experiment with alternative forms of activities as the main reasons for this choice. In their view, these activities required particularly careful planning before the lockdown was lifted: the work was carried out in small teams, sometimes away from external contacts; and the presentation of the activities was planned when outbreaks and strict lockdowns were least likely, in summer and early autumn. Indoor activities often had to be postponed due to illness or sudden changes in restrictions. Meanwhile, the open space projects went more smoothly: the representatives were happy that it enriched their activities, attracted a larger audience and became part of their regular activities after the lockdown. Although indoor activities are often loss-making, representatives of the organisations argued that they helped to maintain the organisation's visibility and the creators' necessary contact with the audience.

> <...> there were some postponements [of events], the schedule got messed up, it was really difficult <...> we tried to do it, and, thank God, we did. We are happy about that. (TM2, par. 33)

- Hybrid working mode was the most common when lockdown restriction were lifted, although sometimes organisations abandoned remote work altogether. Organising live work under strict labour regulations was difficult: controlling the number of workers, drawing up lists of those working on site, etc. Despite the difficulties, the majority of representatives particularly value face-to-face or hybrid working modes for their advantages in creative work or work that requires intensive internal communication. It is also useful for workers who could not work from home due to psychological difficulties or the unsuitability of their home space (e.g. the presence of family members at the workplace).

> I remember it as such a relief, of course, and apparently for the people too: work, work... relief. It doesn't matter that it was already divided into eight shifts instead of three, but... but still the work was going on and it was much smoother and easier. (NAC1, par. 140)

- Content responds to crises: the organisations taking part in the discussions tried to respond to the pandemic, the unrest in Belarus and Russia's large-scale war in Ukraine. This transformed not only the cultural or creative work, but also activities outside the direct functions: humanitarian campaigns (fundraising for Ukrainians, making protective face panels for doctors in libraries, etc.). Cultural and creative content reflects to misinformation about vaccines, the war in Ukraine, and active promotion of Ukrainian culture is carried out. Cultural and creative content reflects misinformation about vaccines and the war in Ukraine and active promotion of Ukrainian culture is carried out. Organisations are heavily involved in initiatives to condemn the war launched by Russia and its membership in international organisations.

> <...> And after spreading the opinion that Ukrainians don't have the foundations of their culture, we deliberately translated a text by a Harvard University professor on the origins of Ukrainian culture, its foundations [in our publication]. <...> (EC1, par. 135)

- However, some of the participants carried out their activities in a routine manner, precisely because of the belief that efforts to help Ukrainians could use the tragedy of the war for self-promotion or for personal emotional satisfaction.

> I mean, well, we did all these fundraising campaigns there, selling tickets, but I kept thinking, is it all really so generous: because if we don't sell tickets and we don't donate all the money to the Ukrainians, then maybe they won't come to our events – because we think of ourselves as well, that we have to motivate the artists in some way. It is... such doubt – it has always been there. <...> (MZ1, par. 144)

The consequences are still being felt today

Among the most striking ongoing consequences following the lifting of the emergency period after the pandemic and during the ongoing war are the changes in the population's habits of participation in cultural and creative activities, and the remaining changes in the way organisations operate and organise their work. Also, a change in the meaning and values of the organisation.

- A changed environment for cultural consumption: The lifting of the pandemic emergency has led to an unpredictable behaviour of culture's users, which is linked to the increased number of cultural activities available at home and to the overloaded information field, where it is difficult to communicate one's activities due to socio-economic and geo-political problems, and to the increased number of cultural and creative activities. In other words, too many cultural activities have emerged as a result of pandemic support, so that pre-pandemic communication strategies are no longer effective. The difficulty of attracting audiences was mentioned by organisations not only in major cities but also in other areas. In the view of the participants, there is also still a sense of insecurity in the conduct of business, mainly linked to the possible deterioration of the economic situation.

> Well, I can only say, the number of visitors is obviously down and we think, well, it's just content, something. But then you find out how many people came to the Abramović exhibition and, well, it's like everything is clear. (VZ1, par. 123)

- Changes in the organisation's activities: Most of the organisations' activities were transformed by the pandemic – some of the new activities caught on. However, representatives often stated that the implementation of digital products and services in organisations stopped – the quality is not sufficient to attract viewers or compete with international alternatives. Those who are disappointed with virtual activities are adamant about not doing them in the future. For others, digital activities remained as a fallback. Representatives of major cities believe that the virtual space has extended access to the residents of the Lithuanian regions, to whom the activities of these organisations were inaccessible, and that this is one of the most positive aspects of digitalisation. Remote-work-only mode is no longer used in any organisation and is replaced by a hybrid or face-to-face-only mode of work.

> <..> Of course, the priority is always to have a fully face-to-face theatre, but if something were to happen again, it would be a priority to which we would move if it was no longer possible to work in another way. (SM1, par. 142)

- While cooperation with foreign and various Lithuanian partners has been strengthened by the ease of remote communication, it has been hampered or halted by travel restrictions during the pandemic, Russia's ongoing war in Ukraine and the repressions by the Belarusian regime. Partners or creators from foreign countries also avoid participating in projects in Lithuania because of the potential threat of war, i.e., initially it was thought that military action was also taking place in this country, now it is feared that it will move to Lithuania in the future.

> <...> I've encountered that designers from abroad, from Western countries, are afraid to come here, because they don't know, there's a warning in their countries that says don't go to this region, because it's dangerous here. (TM2, par. 56)

- Interestingly, all the organisations felt that the crises had led to a refinement of their activities and the acquisition of new skills, which helped to create security, stability and preparedness for the unexpected. Participants stressed that repeated crises have made organisations more resilient: they do not feel lost, they react faster and implement solutions. This was particularly emphasised by representatives of public bodies.

> <..> We still have plenty of challenges. But we are now sorting things out, we are somehow trying to transfer the pandemic experiences to the current situation, and I just see that it has helped us to orientate ourselves and to deal with certain challenges. (AI1, par. 100)

- Funding: almost all the organisations surveyed also frequently referred to the problem of financial instability caused by the Russian-led war in Ukraine and the resulting energy crisis. The majority assessed the financial situation as similar to 2019, but stability has not yet been fully restored. Neither has it been possible to build up a financial cushion against potential future shocks. Participants often expressed negative sentiments about funding in the future, often attributing this to a general state's lack of focus on cultural policy, which has led to a lack of sufficient regular funding to deliver regular high quality activities. This view was popular in areas regardless of the sector (private or public).

> I would say that if we talked about the pandemic as a challenge, how to change formats, how to work with the team – financially it was not a challenge. It seems to me that now there is a financial challenge coming up that will have to be addressed. (TM2, par. 93)

- Psychological condition: first seen as a lifeline, additional project funding for culture later became a burden – project activities postponed due to the lockdown had to be implemented later with the original funds available to the organisations and the uncertainty of taking on more projects than the resources to implement them led to a particularly heavy workload. However, other factors have also contributed: the long period of insecurity, the tense emotional environment, the increased competitiveness of the cultural and creative sector due to the large supply of cultural content and the reduced participation of the population, as well as the need for public bodies to amend their working procedures, which were often changed during the pandemic. All of this created a stressful working environment, which is still felt to this day, with severe physical and psychological fatigue.

> <...> The team spirit was very low, and after two years we practically had to gather the team again this year, because somehow people couldn't take it anymore when the date of the event changed three times. (TM2, par. 35)

- The change in the meaning and values of the organisation: most organisations say that the crises have clarified the meaning and deeper purpose of their work, or have changed the way they see the meaning of culture. During the pandemic, this change was mainly reflected in organisations' attempts to bring stability to employees' work, to find new activities, and to take care of employees' health or psychological well-being. The events in Belarus and Ukraine have largely discouraged the involvement of Russian culture in the activities and encouraged more cooperation with cultural and creative workers and organisations in the surrounding Eastern and Northern European countries. Cultural or creative activities are also more likely to be seen by organisations as spiritually and psychologically supportive.

> <...> because we – we make sort of new – new programmes all the time – it actually changes the plans and the need to get to know our neighbours in a strong cultural sense and, maybe even more so, to develop projects that emphasise this cultural knowledge of our neighbours <...> [Turning to your own culture] would be even more meaningful than constantly trying to, I don't know, just admire only Western Europe or America there – what they do. <...> (MZ1, par. 137)

Conclusions

- Organisations in the cultural and creative sector have been severely affected by the crises, with the collapse of their previous structure of work and activities, and losses due to cancellations and relocations. NGO representatives pointed to a decrease in support from business and private individuals as the most common reason for budget cuts. All organisations argued that the crises had a strong psychological impact on staff, with the Russian invasion of Ukraine paralysing staff and culture participants.

- The development of virtual activities and digital forms during a pandemic is considered controversial. On the one hand, virtual presence made cultural activities more accessible to the population and created new forms of activities, but it also created a barrier between participants in cultural activities and a fulfilling cultural experience. As a result, some organisations will continue to develop their existing digital activities, while others decided to abandon them. Fully remote work is also seen by various representatives as making communication more difficult and worsening the psychological state of employees, and is therefore no longer used in almost all organisations. On the other hand, remote work has made the work more efficient and offered wider international opportunities, which is why it continues to be used by some.

- During the pandemic, according to most of the participants, state funding was often the only means for organisations to survive and reorganise their activities. As a result, private organisations that sought project funding often did not seek funding to carry out cultural or creative activities, but to ensure the overall functioning of their activities. The planning and implementation of the project activities undertaken in times of constraints imposed a much heavier administrative burden than usual, and the main purpose of the projects themselves was to be accountable to the institutions (such as the LCC) which had provided the funding. In order to ensure the sustainability of the organisations and the creation of quality content, it is proposed to reduce the amount of funding provided in the event of future crises, through activities where beneficiaries have to commit themselves to cultural projects. Also to address the long-term sustainability of cultural organisations: they are largely dependent on unstable external sources of funding, such as project activity funds or private support from businesses and citizens.

- Russia's large-scale invasion of Ukraine shocked cultural organisations mainly psychologically, but the pandemic that preceded it helped them to refocus their activities faster. Local and international initiatives in support of Ukraine have been strengthened, the content of activities has been changed to combat disinformation, and Ukrainian cultural content is being promoted. However, there is also a dilemma: no matter how much we want to help Ukrainian creators or initiatives to promote Ukrainian culture, the fear of exploiting the situation of the war in Ukraine for self-promotion or emotional satisfaction is also emphasised. Ways are also being sought to avoid this in their own activities, for example by refusing to publicise humanitarian activities or to change the content of cultural activities.

- Representatives said that the crises they experienced during the pandemic had given them resilience and the skills to react more quickly or deal with problems in other crises. Cultural institutions in the public sector also said it made them more flexible in the face of strict working procedures.

Artist Tomas Daukša presents his works at the art fair "Art Dubai 2021", 2021. Photograph: The Rooster Gallery, The Rooster Gallery archive

GENERAL FINDINGS AND RECOMMENDATIONS OF THE SURVEY

- Periods of the pandemic and other crises had a negative financial impact on Lithuania's cultural and creative sector, mainly in 2020. The sector's value added declined by around 2.4% (around EUR 23 million) over that period, but was already 5.4% higher in 2021 than in 2019. In 2022, the energy price crisis in the second half of the year may have had the biggest impact on the organisations' financial situation. However, during the pandemic, there were marked differences between activities in the sector, that is why the sector's situation is best assessed and improved after the pandemic on an activity-by-activity basis.

- Organisations with a predominance of individual work and/or those that already had information systems in place for remote work were not significantly affected by the pandemic. The financial situation of budget institutions was slightly better due to the budget security during the pandemic. The situation, both financially and in terms of activities, in literature and computer publishing, and in the activities of memory institutions, was much better than in the pre-pandemic period. At the same time, budgets have fallen the most in public bodies, in event organisations and in organisations with up to 4 employees.

- Between 2020 and 2021, the state has provided more than EUR 123 million in support to the cultural and creative sector to mitigate the negative effects of the pandemic. In terms of general measures, the sector ranks second compared to other sectors in the country in terms of per capita support (EUR 9,740), and in terms of measures for culture, it ranks fifth compared to foreign countries in terms of the highest per capita support (EUR 21,04). Thus, the volume of support to Lithuania's cultural and creative sector was one of the highest compared to other sectors, and average compared to other countries and to measures exclusively for this sector.

- The organisations' loss of sales revenue was roughly covered by financial state support, but 27% of organisations saw their annual budgets fall by more than 25% during the pandemic. As a result, financial measures had, on average, a small contribution for an individual company.

- A third of the organisations reported having used financial state support. The support for the most affected businesses and for staff downtime was the most appreciated. However, providing support through the Ministry of Culture or to the economy as a whole was assessed depending on which measures had already been tried before.

- Representatives of small organisations highlighted the difficulties of applying for general state support measures due to a lack of knowledge, staff and time during the crises. In addition, most organisations do not plan to implement any emergency preparedness plans after the crises, including securing a contingency budget, implementing emergency preparedness training, etc. Given the extremely small annual budgets of most organisations and the fact that, among LCC applicants, only a third of income is generated from internal activities, it is recommended that strategies be developed to strengthen the long-term sustainability of these organisations, including emergency preparedness.

- State investment in projects to improve infrastructure, and specifically digital infrastructure, has improved the ability of organisations to adapt more easily in the face of physical constraints, and increased the accessibility of activities to regional and international audiences. The hybrid (face-to-face / remote) mode of work in organisations continues beyond the lockdown restrictions of the pandemic, and digital services or products continue to be developed, especially in memory institutions. However, event organisers point out that virtual cultural or creative content activities do not provide a complete experience or require significant investment that most do not have. In these organisations, digital culture and creativity initiatives took hold only to a minimum after the pandemic. The further development of digital products and services in the current context would be the best way to increase the accessibility of cultural activities in the regions and abroad.

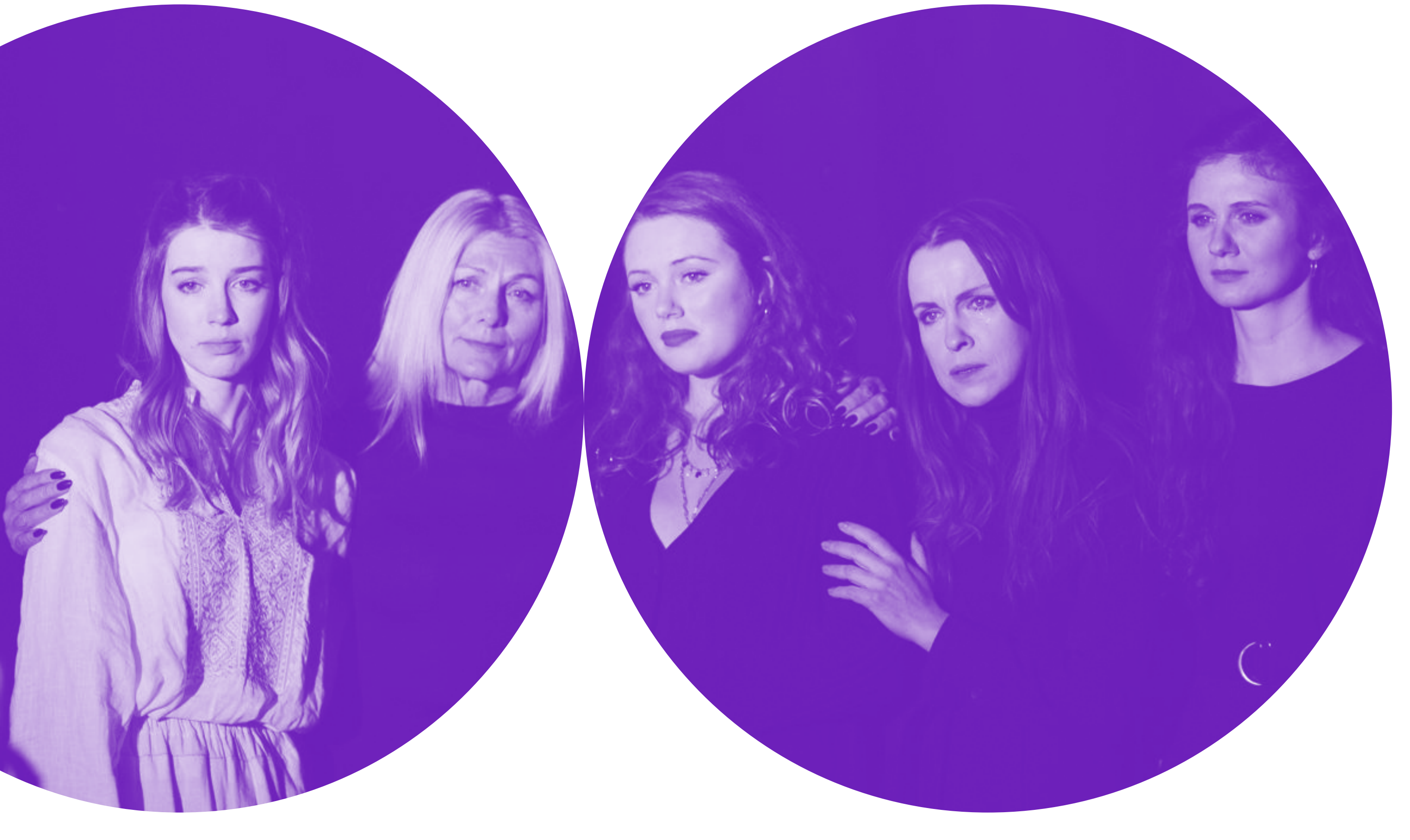
- During the pandemic, funding from the Lithuanian Council for Culture to finance the implementation of cultural initiatives was seen as one of the main, if not the only, means to finance an organisation in the event of constraints on its economic activities. In addition, the implementation of these activities in the context of the constraints imposes a significant administrative burden on project developers. In times of crisis, it is suggested that funding should not be provided on condition that applicants are obliged to complete cultural or creative projects, especially if there are restrictions on economic activity at national level.

- The Russian invasion of Ukraine or the unrest in Belarus affected the activities and/or financial situation of half of the organisations interviewed. In the qualitative study, Russia's invasion of Ukraine was more often mentioned as having had a greater impact. It has affected the staff of almost all organisations – the recurrence of instability after the pandemic, the threat to life and the atrocities of war have worsened the psychological state of the staff, and influenced the participation of the population in cultural and creative activities. It is recommended developing measures to improve the psychological well-being and resilience of the population.

- The crisis period is characterised by uncertainty, which has led to stress and often exhaustion among staff. But on the other hand, the pandemic has made many organisations more resilient to other crises, quicker to react and solve problems. Cultural institutions in the public sector also said it made them more flexible in the face of strict working procedures.

- The crises have changed the direction of some organisations and the way they operate. Often, changes in values also changed the content of cultural or creative activities: there are initiatives to support Ukraine and its creators and cultural workers, to disseminate information about the pandemic, and to refuse to cooperate with Russian and Belarusian creators. However, it has also highlighted value dilemmas: it is questioned whether the initiatives are helping the Ukrainian partners or maybe the topic is being exploited to increase the visibility of the organisation. Similarly, during the pandemic, differences in values purified relationships between employees and partners.

Theatre performance "Spektaklis, kuris neįvyko" ("The play which didn't happen") at the Old Theatre of Vilnius, 2022. Photograph: Liliya Kozub personal archive



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