

THE STATE OF CULTURE AND CREATIVE INDUSTRIES DURING THE WAR

*Research results from the Ukrainian Cultural Foundation and
the Ministry of Culture and Information Policy of Ukraine*



UKRAINIAN
CULTURAL
FOUNDATION

ABOUT THE UKRAINIAN CULTURAL FOUNDATION

The Ukrainian Cultural Foundation is a state-owned institution created in 2017 in correspondence with the Law of Ukraine with aim to facilitate development of culture and arts in Ukraine, to provide favourable environment for development of intellectual and spiritual potential of individuals and society, wide access for the citizens to national cultural heritage, to support cultural diversity and integration of the Ukrainian culture into the world cultural space. The Ukrainian Cultural Foundation supports projects through a competitive selection process.



Web-site

ucf.in.ua



Facebook

ucf.ua



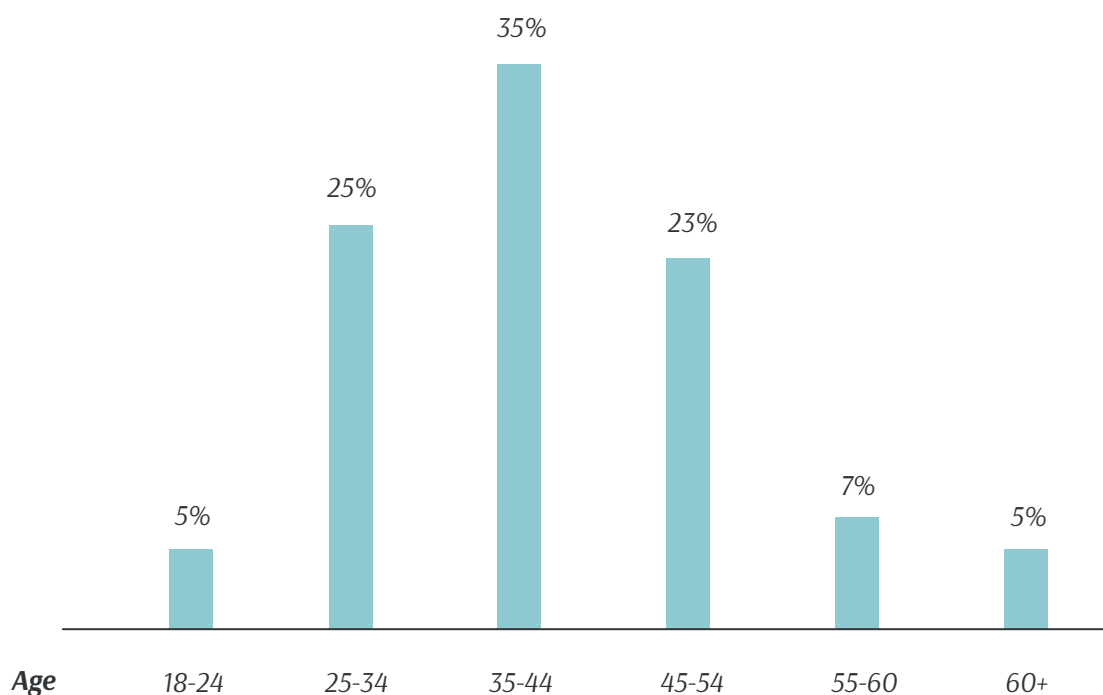
Instagram

ucf.ua

Creative industries suffered a drain of talent, reduced funding, reduced demand for cultural products and services, and negative effects of disrupted supply chains during the war. State funds allocated to culture in peacetime have been redirected to support the Armed Forces of Ukraine under martial law. But at the same time, creative industries received a chance to become the engine of Ukraine's recovery after the war. Some entrepreneurs continue to work exporting creative products and supporting the state's economy. Creative specialists have organized many volunteer initiatives and have been helping the army, forced migrants, and the civilian population in the territories freed from occupation since the beginning of Russian invasion. In order to build an effective interaction with cultural figures in these tough conditions, a deep understanding of their internal state and the peculiarities of responding to challenges is necessary.

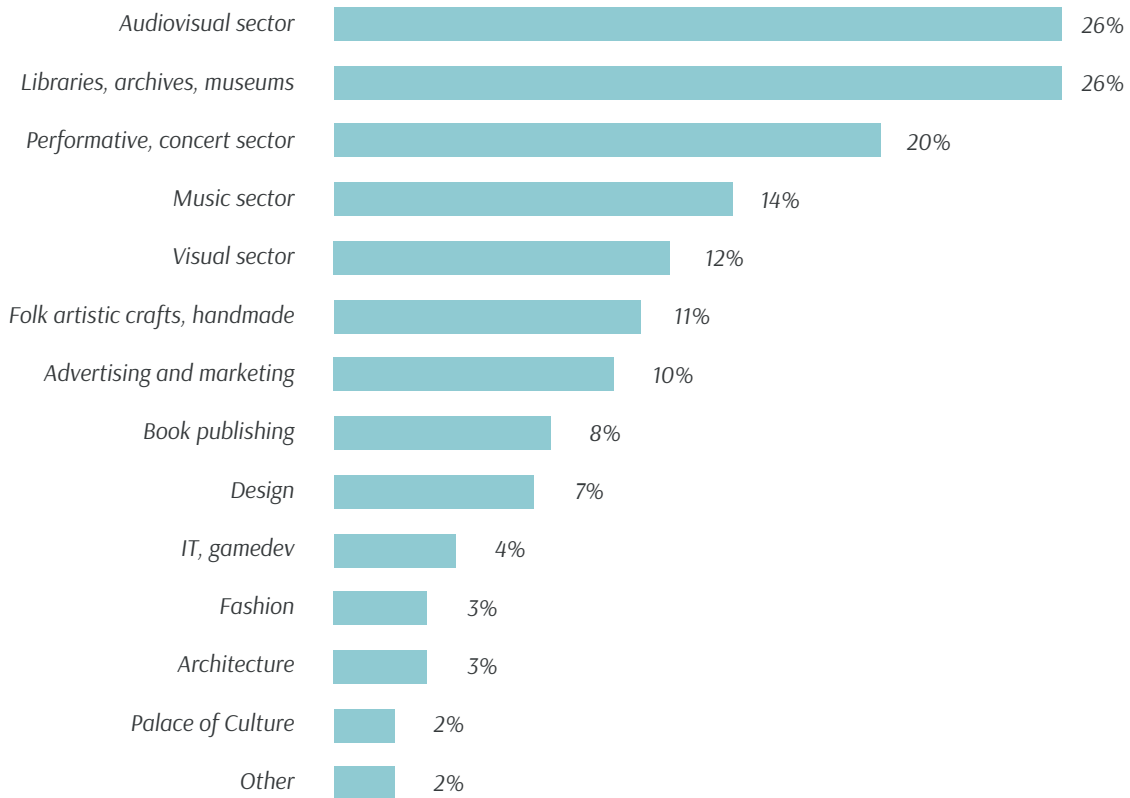
In order to collect and analyze information about the state of creative industries during the war for further development of a plan to restore the cultural industry and encouraging partners and donors to support national creative industries, the Ukrainian Cultural Foundation together with the Ministry of Culture and Information Policy of Ukraine conducted an anonymous online survey of creative entrepreneurs and creative specialists - applicants of the UCF 2020-2022.

Chart 1. Distribution of the respondents by age



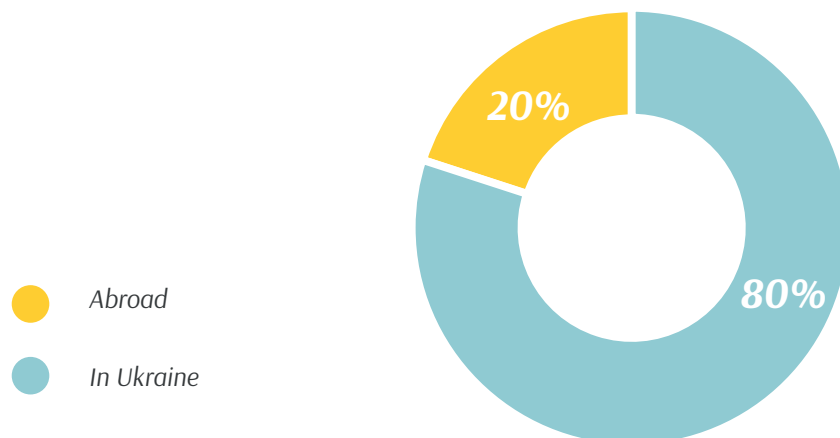
The majority of the interviewees are specialists who continue to work or had been working before the beginning of a full-scale war in sectors of creative industries such as audiovisual art - 26%; libraries, archives, museums - 26%; performative and concert sectors - 20%; music sector - 14%, visual sector - 12 (Chart 2)..

Chart 2. The sector of creative industries in which the respondents continue to work or had been working before the beginning of the full-scale war



At the time of the survey, 80% of the respondents were in Ukraine and about 20% were abroad, which gives grounds for asserting that the absolute majority of the surveyed experts in the field of cultural and creative industries currently have the opportunity to live and engage in professional activities within Ukraine, in particular, these are the people of young and middle age (Chart 3).

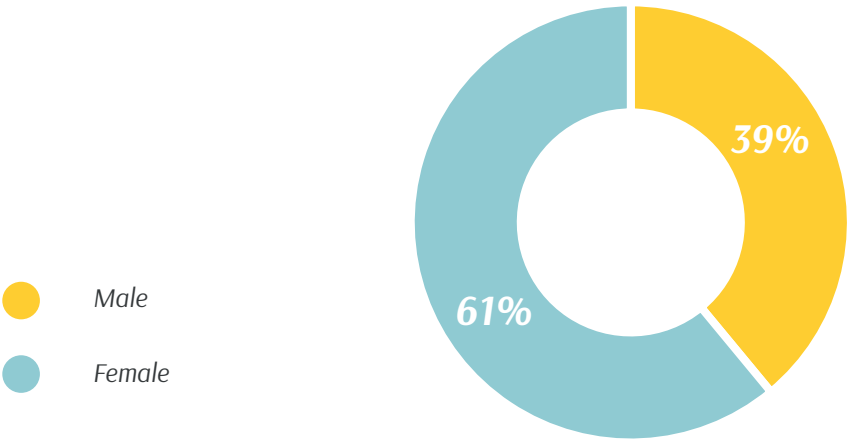
Chart 3. Location of respondents



The results of the survey of creative professionals who were in Ukraine during the survey period

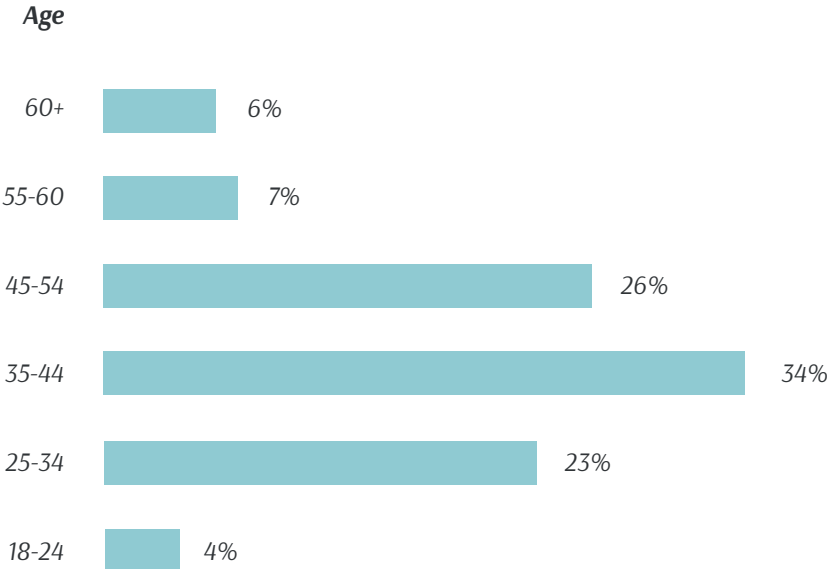
The majority of survey participants did not evacuate abroad during the full-scale offensive of the Russian Federation on February 24 and were in Ukraine at the time of the survey. Their share was 80% of the total number of respondents, namely 593 persons, of which 61% were female and 39% were male (Chart 4).

Chart 4. Gender of respondents



Representatives of such age groups as 35-44 years old (34%), 45-54 years old (26%), 25-34 years old (23%) predominate among the respondents (Chart 5).

Chart 5. Age of respondents



Before the war, most of the respondents worked in Kyiv (39%), Odesa region(14%), Lviv region(8%), Kharkiv region(6%), Dnipropetrovsk region(5%) and Kyiv region(5%). Nowadays, as the respondents noted, 31% of the them work in Kyiv, 14% - in Odesa region, 9% - in Lviv region, 5% - in Dnipropetrovsk region, 5% - in Ivano-Frankivsk region and 5% - in Kyiv region.

The survey showed that despite the large percentage of specialists who remained in Ukraine, working conditions today do not favor the development of the industry and the employment of the population. So, to the question "Has your work situation changed since the start of the full-scale war?" 15% of the respondents noted that they were left without work during the full-scale armed aggression of the russian federation on the territory of Ukraine from February 24, 2022. For the other 5% of the respondents, the main type of work activity in the last three months has changed to the protection of Ukraine in the ranks of the Armed Forces or volunteering. Instead, the majority of respondents (47%) gave a negative answer. This means that for almost half of the respondents it was possible to preserve working conditions and the place of work directly without significant changes, despite the state of war and hostilities in a large part of the territory of Ukraine. At the same time, 22% of respondents indicated that they kept their jobs only formally, but in fact, they do not work. In general, 99% of respondents answered this question (Chart 6).

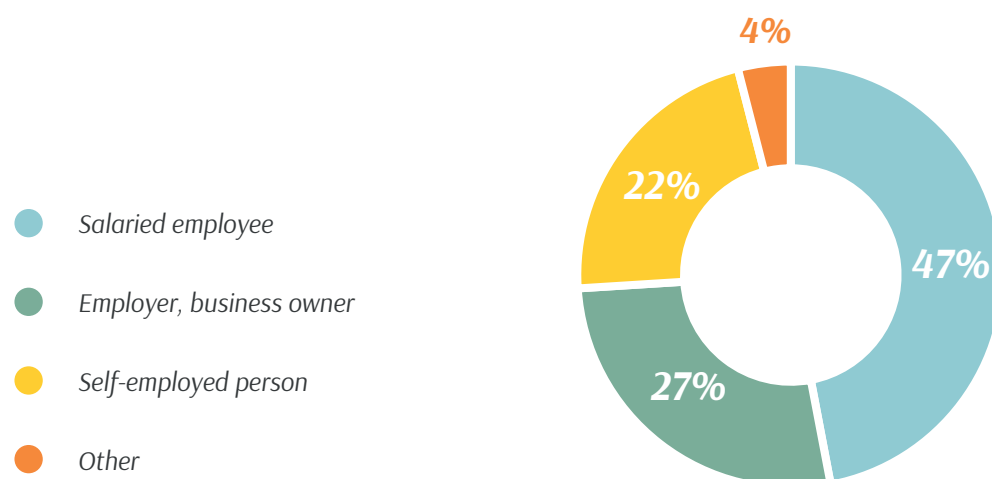
Chart 6. Employment status of the respondents since the beginning of the full-scale war



According to the form of working activity, 47% of the respondents were employed at the time of the survey or had been employed before the war, 27% were employers and business owners, and 22% were self-employed (Chart 7). Military personnel and volunteers (1%), civil servants (1%), and heads of public organizations and unions (1%)

were also recorded among the respondents. So, in general, half of the respondents are specialists dependent on trends in the labor market in the field of culture, and a quarter of them are forced to develop their own business in the conditions of unstable economic and security situation in Ukraine. In general, 95% of respondents answered this question.

Chart 7. Form of activity of the respondents



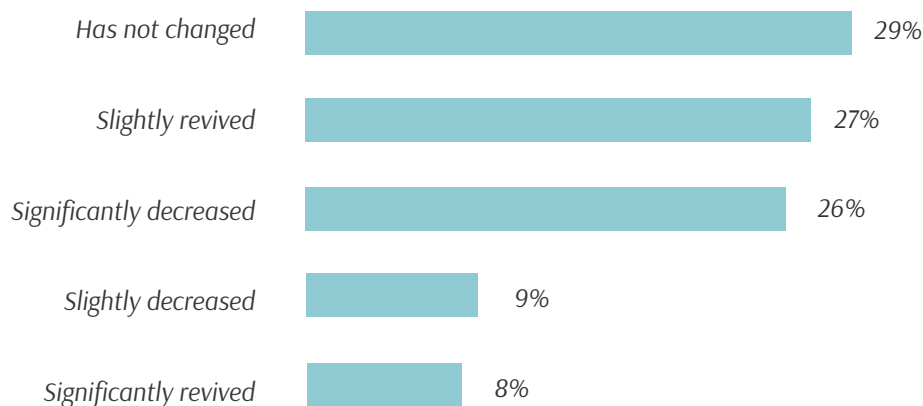
According to the organizational and legal form of their workplace, the survey participants were divided into private entrepreneurs (25%), employees of state organizations/state enterprises (23%), employees of communal institutions/communal enterprises (21%), representatives of limited liability companies (13%) and representatives of public associations, unions (9%). The absolute majority of respondents are representatives of small and micro businesses (27% and 32%, respectively). On the other hand, 19% of respondents noted that they work only for themselves. The smallest percentage (7%) among the respondents was made up of representatives of large businesses. The threats faced by small businesses are much more influential and significant for the industry than the problems of large businesses.

Answering the question "What is the intensity of your work now?", 17% of the respondents stated that they hardly work, and 8% of them completely stopped their activities. At the same time, a quarter of the respondents noted that they work partially, and for another quarter, the intensity has not changed, so they work as usual.

The impact of the full-scale armed aggression of the Russian Federation on the activities of organizations in the sphere of culture and creative industries

Answering the question "Has the business activity or activity of the enterprise/institution where you work changed compared to April 2022 (after the liberation of the northern part of Ukraine by the Armed Forces of Ukraine)?", a total of 35% of respondents indicate that activity has picked up. Such results are natural, which is confirmed by the analysis of the correlation between the answers to this question and the answers to the question "In which region do you work now?". With the liberation of the northern regions by the Armed Forces of Ukraine, in particular parts of the Kyiv region, many business organizations, enterprises and institutions were able to resume their activities in the de-occupied territories, as a result of which both the workload and the intensity of work could undergo changes (Chart 8).

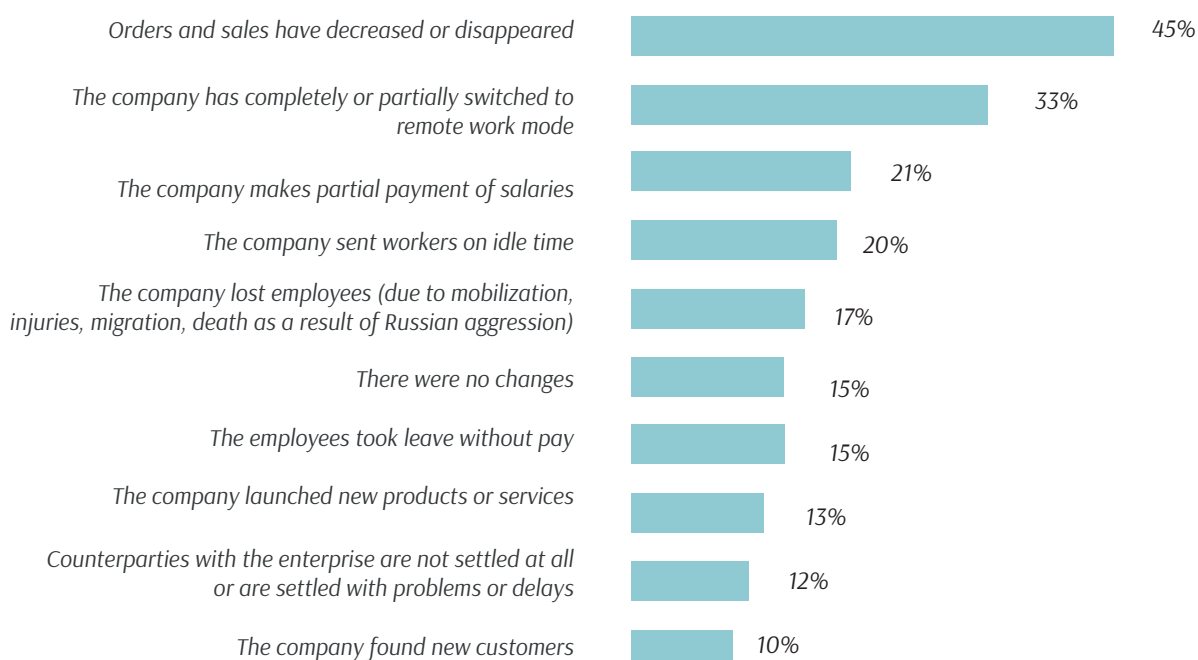
Chart 8. Dynamics of business activity or the activity of the enterprise/institution, where the respondents are employed



Answering the question "How did the full-scale war affect the activities of the company/institution where you work?" the majority of the respondents primarily note the decrease/disappearance of orders, sales (45%) and the transition of enterprises completely or partially to remote work mode (33%). In addition, one in five respondents indicated the loss of workers (due to migration, mobilization, death, etc.), partial payment of salaries and idle time for employees of enterprises as a result of these changes. (Chart 9).

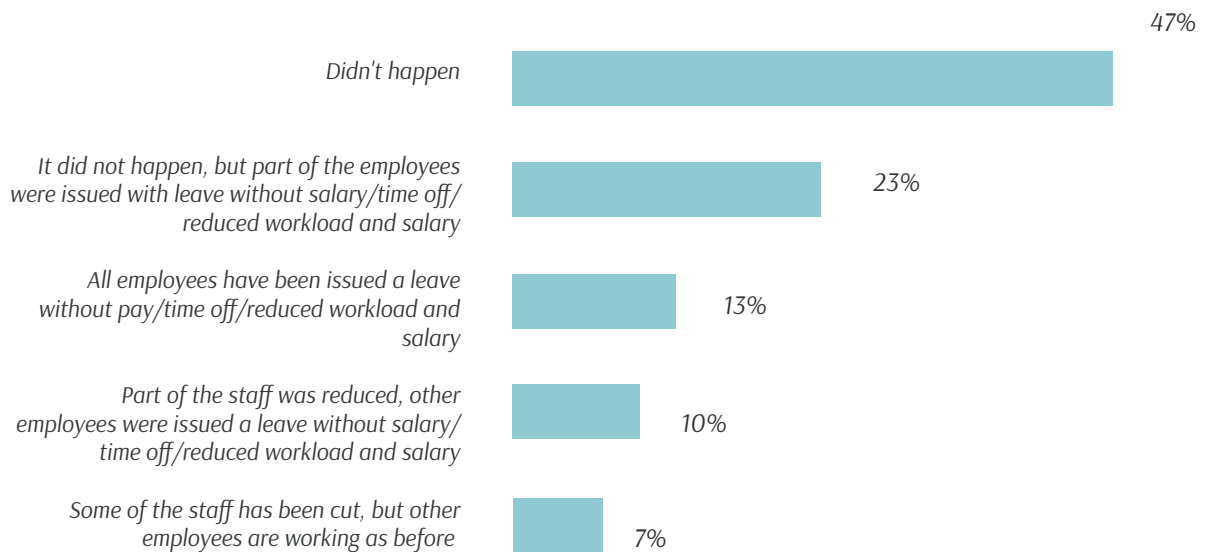
Were also recorded among the respondents. So, in general, half of the respondents are specialists dependent on trends in the labor market in the field of culture, and a quarter of them are forced to develop their own business in the conditions of unstable economic and security situation in Ukraine. In general, 95% of respondents answered this question.

Chart 9. The impact of a full-scale war on the activities of the enterprise/institution where the respondents work



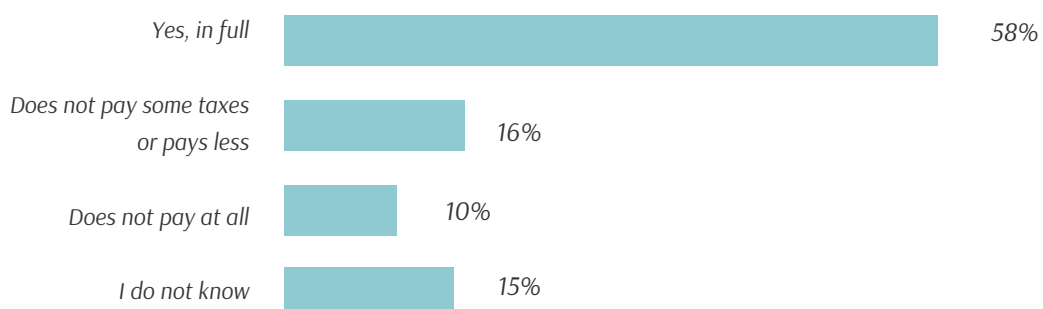
To the question "Has there been a reduction in employees at the company where you work since the beginning of the full-scale war?" the absolute majority of the respondents (47%) noted that there were no reductions. On the other hand, 13% of respondents indicated that in the enterprise where they work, all employees were issued a leave without salary/idle time/reduced workload and salary, and 10% indicated that part of the staff was reduced, other employees were issued a leave without salary/idle time/reduced workload and salary. (Chart 10).

Chart 10. The effect of a full-scale war on reduction of respondents and employees from enterprises



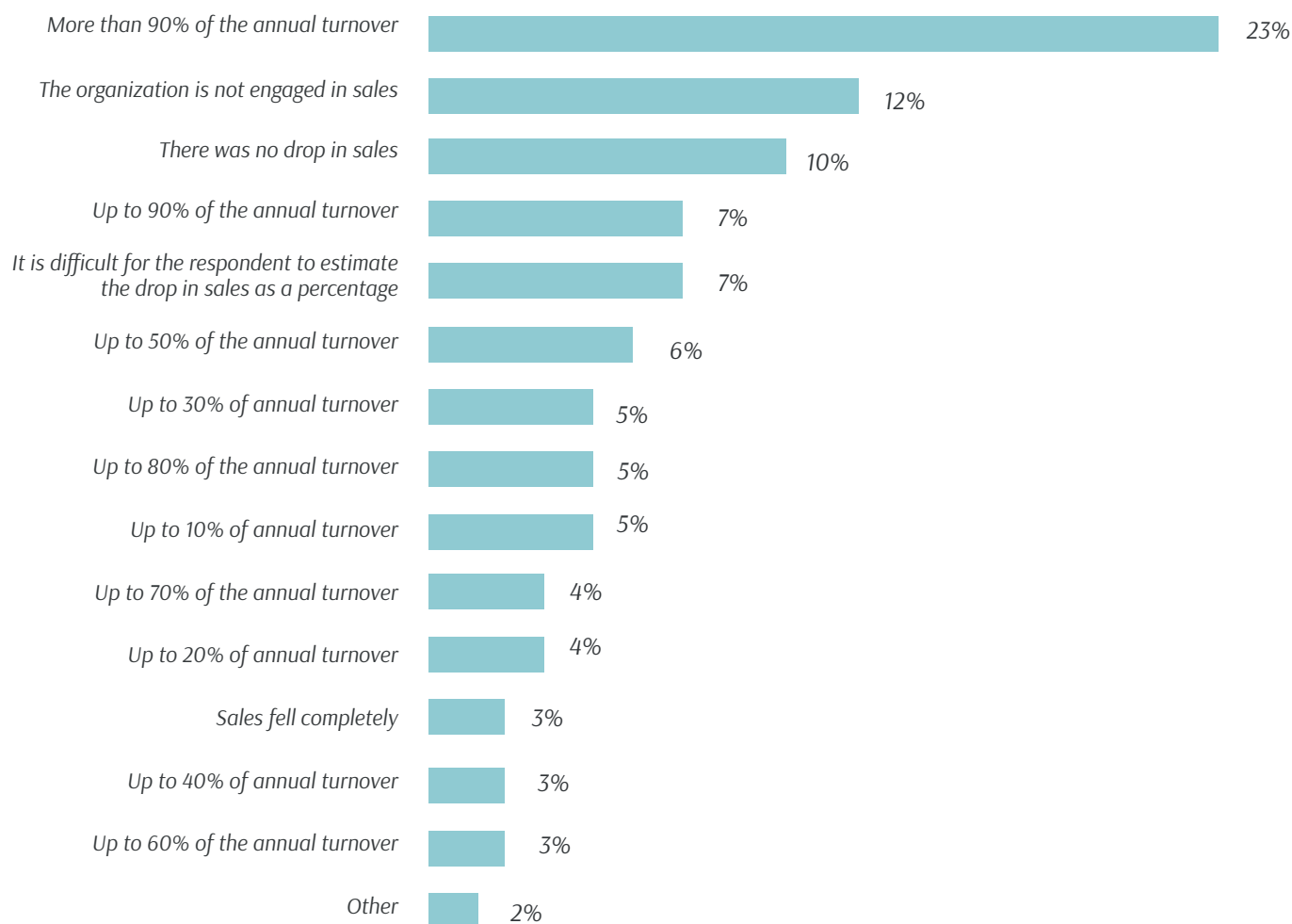
Answering the question "Does the company/institution where you work continue to pay taxes, fees, uniform social contribution and other mandatory payments during the war?" the absolute majority - 58% indicated that they pay in full, while 10% indicated that they do not pay at all. (Chart 11).

Chart 11. Does the company/institution of the respondents continue to pay taxes, fees, uniform social contribution and other mandatory payments during the war?



Speaking of the volume of sales of goods and services, 23% of respondents talk about the loss of more than 90% of annual turnover, and according to 11% of respondents, there was no drop in sales. More than 50% of respondents indicate a total drop in sales in the amount of 10% to 90% of the annual turnover (Chart 12).

Chart 12. How much the sales of the enterprises where the respondents work have decreased since the beginning of the fullscale war

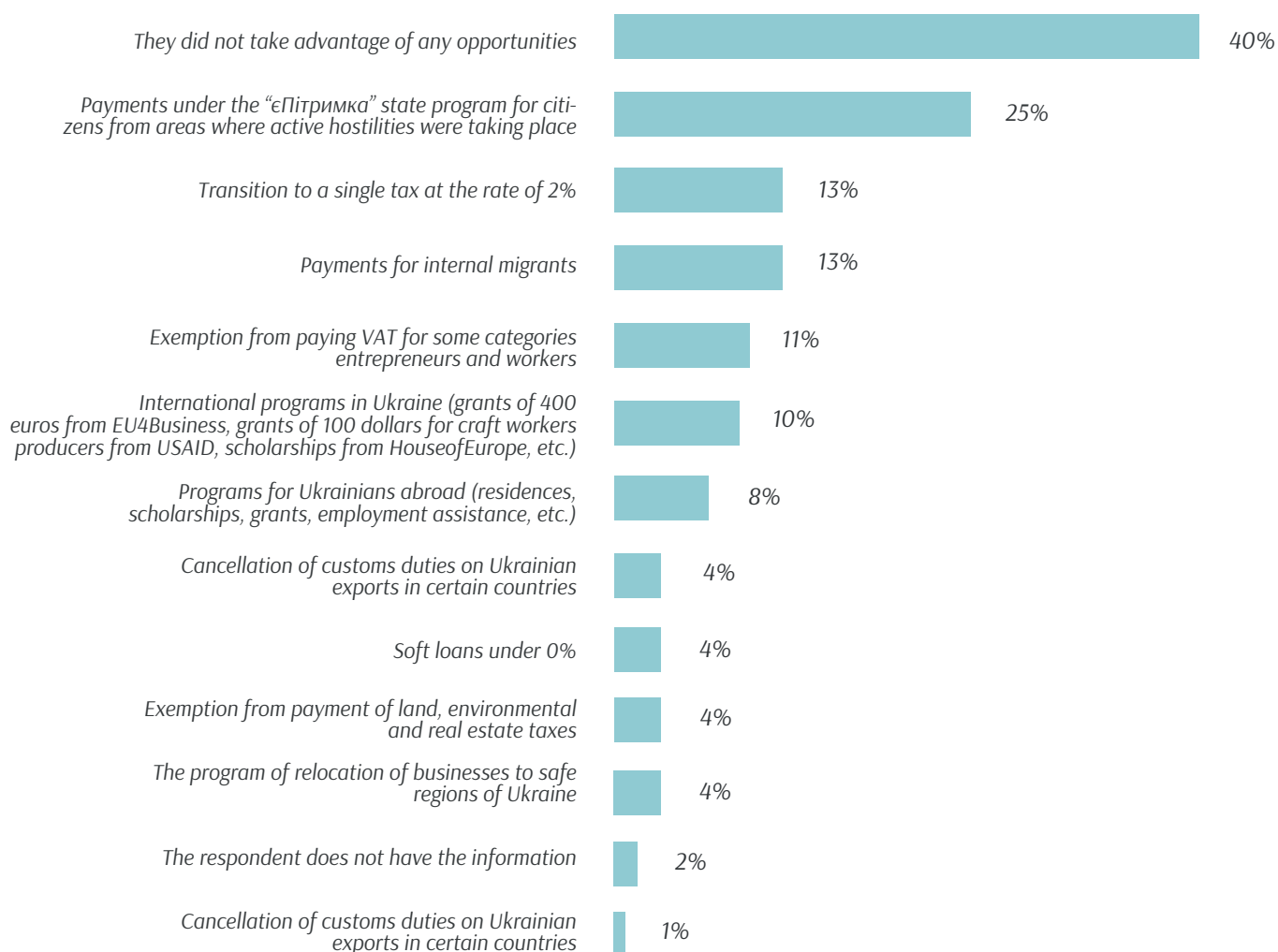


State and non-state support of culture in wartime conditions

Answering the question "What opportunities for business support from the state and international organizations have been used by the company/institution where you work and you personally since the beginning of the full-scale war?" 40% of respondents indicated that they did not use any of the available opportunities. 25% of respondents took advantage of the opportunity and received payments under the "ePidtrymka" (Ukrainian: "єПітримка") state program (financial aid from the government of Ukraine) in the amount of UAH 6,500, which was intended for citizens from regions where active hostilities were taking place. Another 13% of respondents noted that they received payments for internally displaced persons in the amount of UAH 2,000.

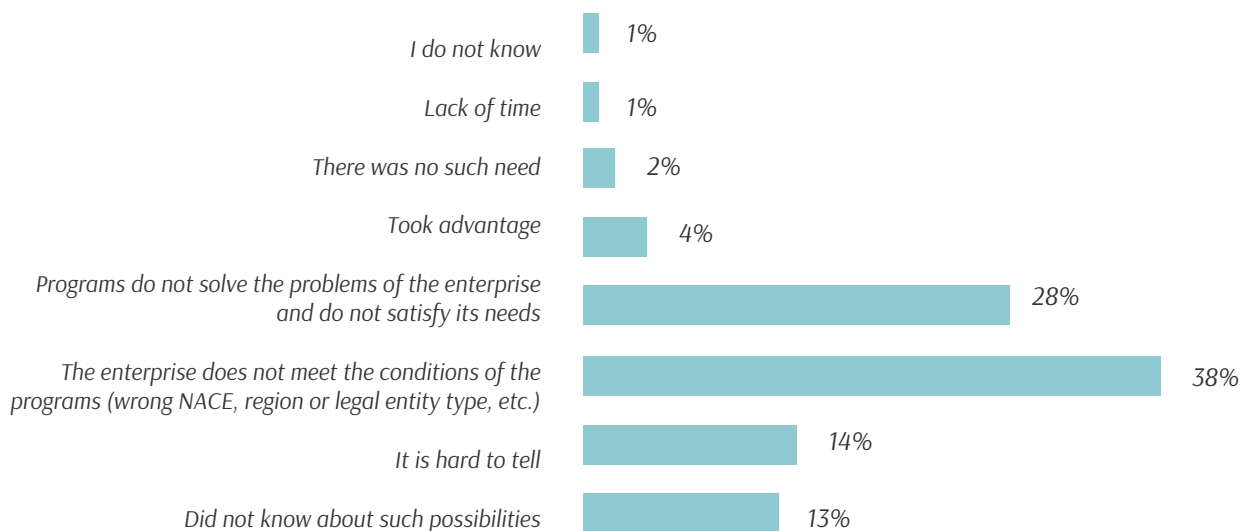
In addition, 13% of the respondents took advantage of the opportunity to switch to a single tax at the rate of 2%, and 11% - took advantage of the exemption from the payment of VAT, which is valid for some categories of entrepreneurs and employees (Chart 13).

Chart 13. Opportunities used by respondents and enterprises in which they work



Among the reasons why the company where the respondent works or the respondents personally did not take advantage of business support opportunities, the following answers prevail: "The company does not meet the conditions of the programs (wrong NACE, region or legal entity type, etc.)" - 38%; "The programs do not solve the problems of the enterprise and do not satisfy its needs" - 28%; "Did not know about such opportunities" - 13%; "Hard to tell" - 12% (Chart 14).

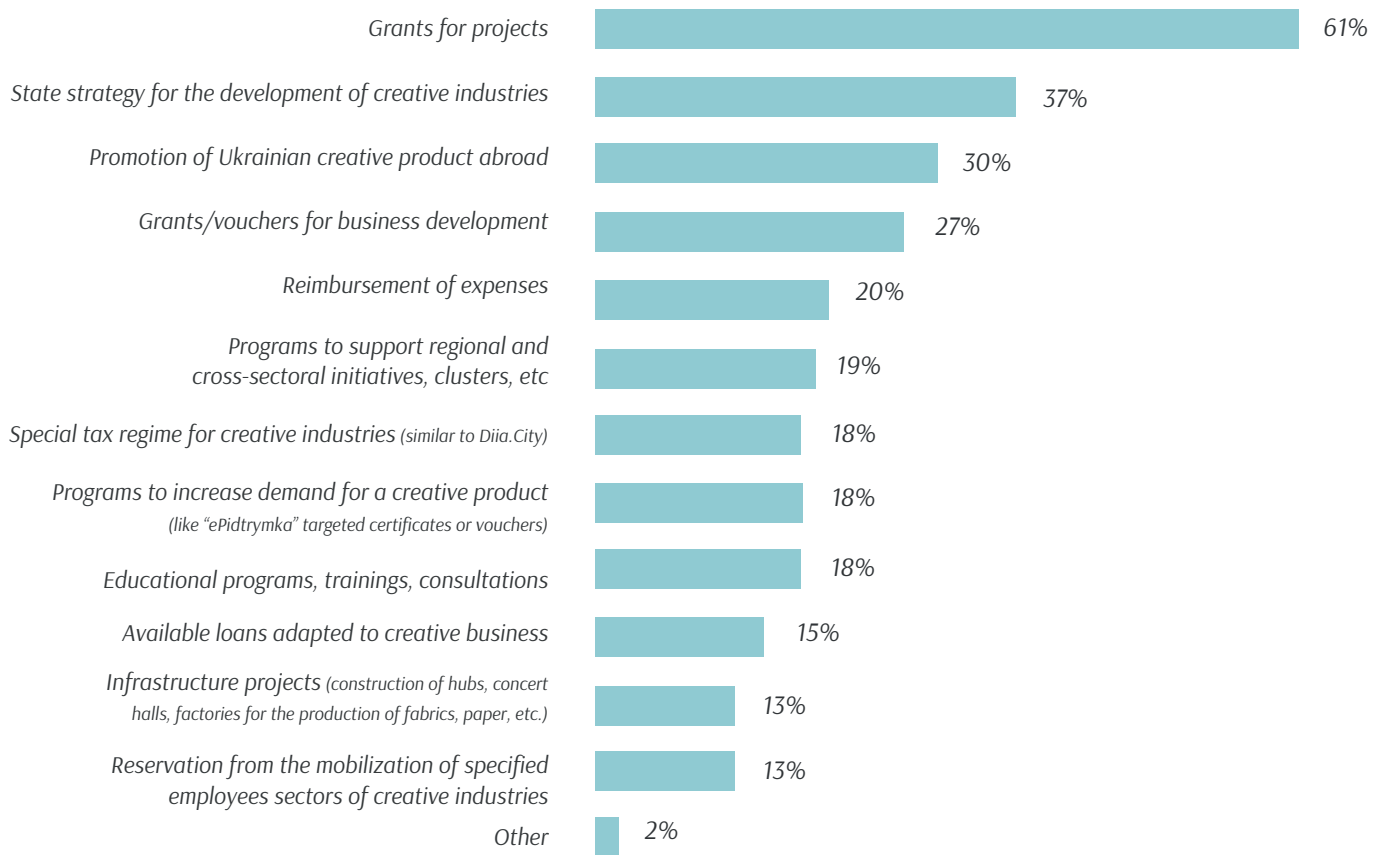
Chart 14. Why the company where the respondent works or the respondents personally did not take advantage of business support opportunities



A large percentage of citizens, who were not informed about existing financial and other support from the state, indicates the ineffectiveness of the information campaign on the national level. At the same time, if support programs do not solve the problems of the enterprise and do not satisfy its needs for almost a third of interviewees, there is a need for a deeper study of the problems and needs of the target group and adjusting the conditions for receiving aid.

Answering the question "In your opinion, what measures from the state or donors can help creative industries survive and recover from war?" 61% of respondents noted that these measures are grant programs for their projects. 37% of respondents included the "State Strategy for the Development of Creative Industries" in these measures. In third place among the interviewees is the promotion of Ukrainian creative products abroad (30%). No less important according to the survey participants are: grants/vouchers for business development; salary compensation for employees; programs to support regional and cross-sectoral initiatives, clusters, etc.; programs to increase demand for a creative product (like "ePidtrymka", targeted certificates or vouchers); educational programs, consultations; special tax regime for creative industries (Chart 15).

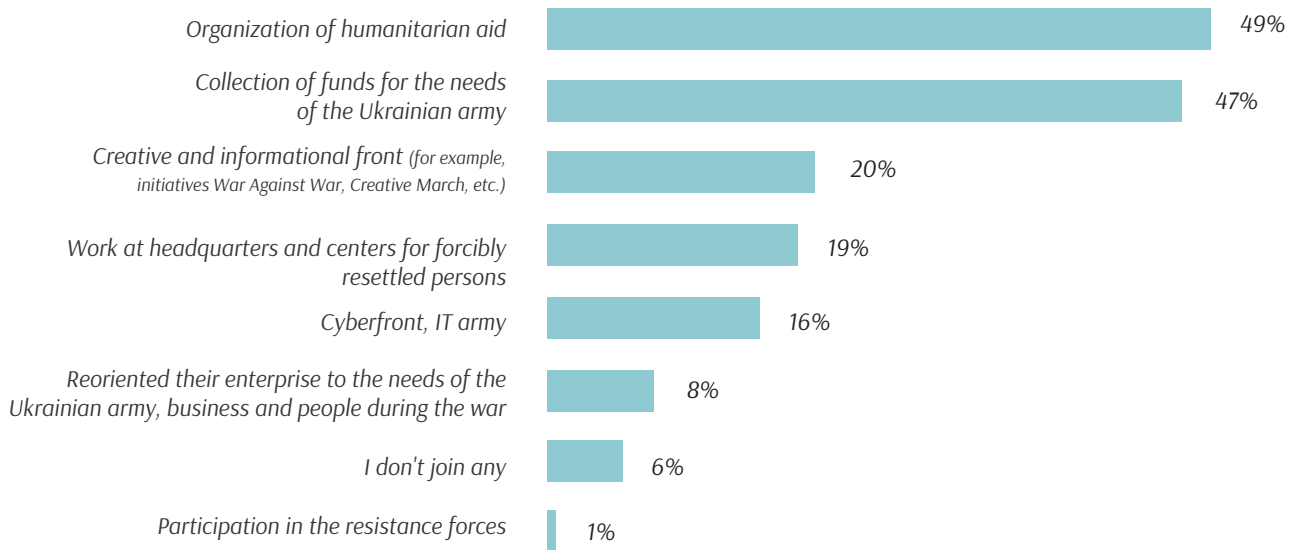
Chart 15. What priority measures from the state and donors can help creative industries survive during the war and recover from it



Respondents indicated their own options for answering this question, in particular, they emphasized possible institutional support, reinvestment from project activities, rent reduction, transparent taxation, provision of additional education opportunities, organization of a system of creative competitions, state control over the quality of work and labor discipline of heads of organizations.

To the question "Which volunteer initiatives do you join?" 47% of respondents answered that they participate in collecting funds for the needs of the Ukrainian army, 49% of respondents participate in the organization of humanitarian aid. In addition, in fact, every fifth respondent joined the activities of the cyber front, the creative information front, the IT army, and the work of headquarters and centers for forcibly displaced persons (Chart 16).

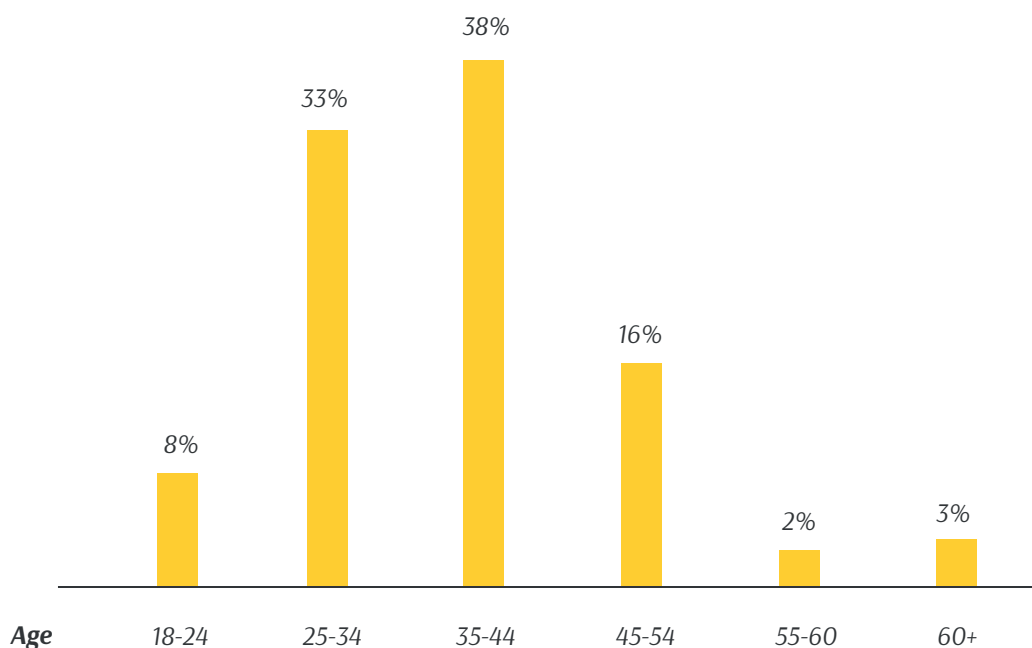
Chart 16. Which volunteer initiatives did the respondents join



The results of the survey of creative specialists who are abroad

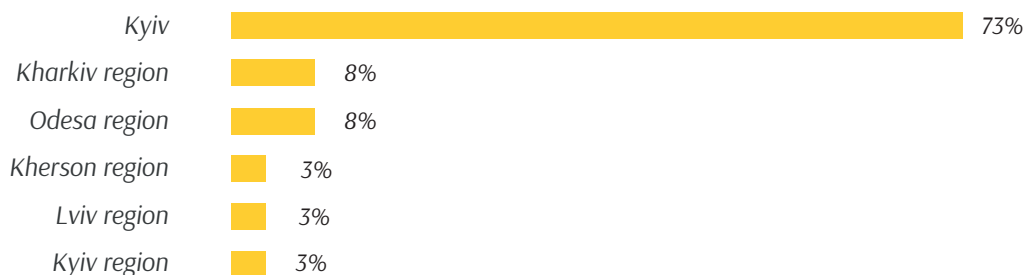
A total of 147 respondents (20% of the total number of respondents) responded to the block of questions for evacuees abroad. Among them, 84% are female, and 16% are male. Among the respondents who were evacuated during the war abroad, the most common age groups are 25-34 years (33%), 35-44 years old (38%), and 45-54 (16%) (Chart 17).

Chart 17. Age of respondents



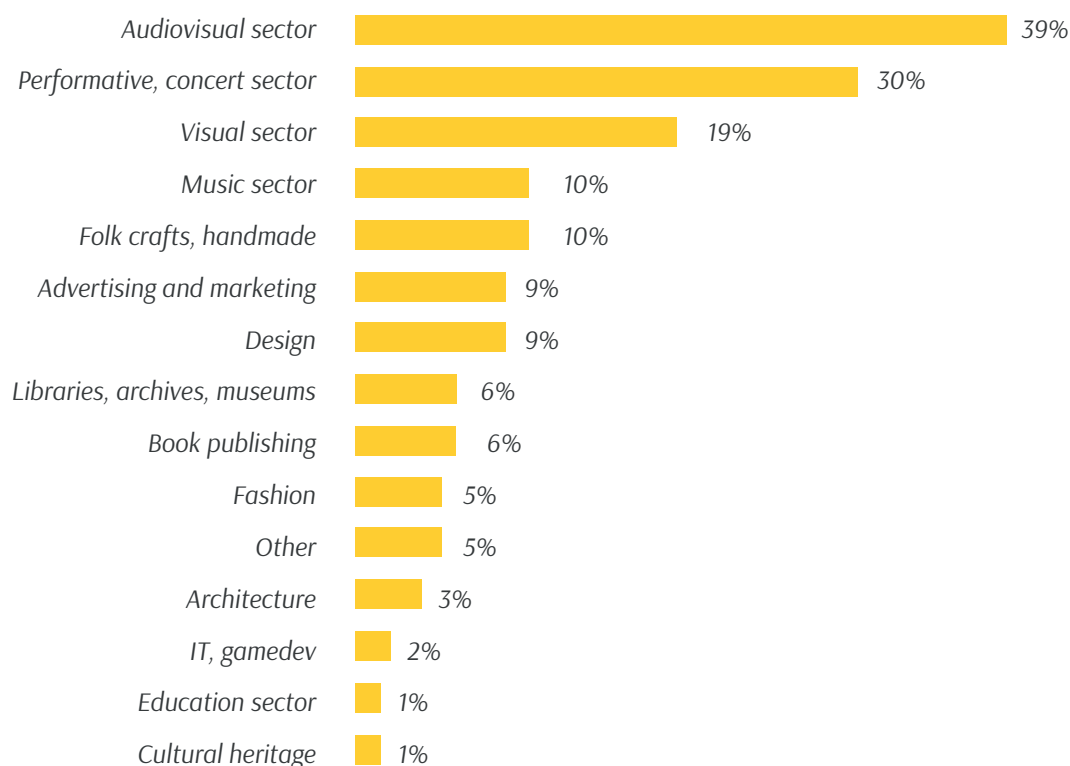
Answering the question "In which region did you work before the beginning of the full-scale war?" the most common answers were Kyiv (73%), as well as Kharkiv region (8%), Odesa region (8%), Kherson region (3%), as well as Lviv region(3%) and Kyiv region(3%). (Chart 18)

Chart 18. Region of employment of respondents before the start of a full-scale war



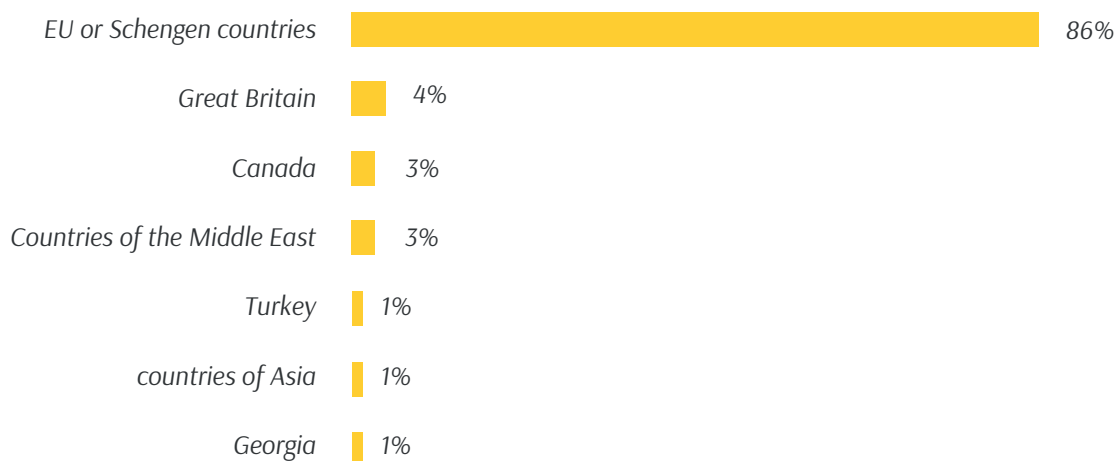
In general, among the respondents who have evacuated abroad, most of them work or worked before the start of the full-scale war in different sectors of creative industries such as audiovisual (39%), performative, concert (30%), visual (19%), folk crafts, handmade (10%) and others (Chart 19).

Chart 19. The sector of creative industries in which the respondents work or worked before the start of the full-scale war



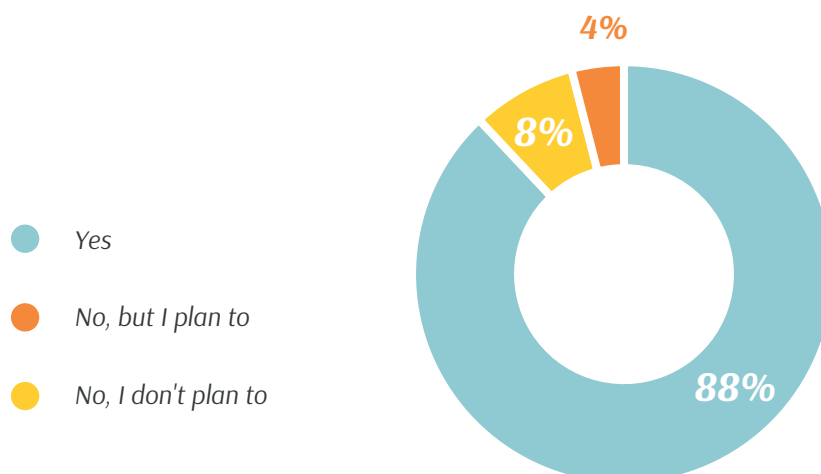
The absolute majority of respondents who went abroad during the war evacuated on their own (64%) or used the help of relatives(24%), friends and acquaintances. Assistance in evacuation was provided by international organizations, foreign initiatives, and partners for 8% of respondents. 86% of respondents who have evacuated are in EU countries/ Schengen countries, about 4% are in Great Britain, another 4% are in Middle East countries and 3% are in Canada (Chart 20).

Chart 20. Regions where respondents are located



To the question "Have you issued a refugee status abroad that gives you the right to work, access to medical and educational services, social guarantees (for example, temporary protection status, passports and residence permits, etc.)?" 88% of respondents who evacuated gave an affirmative answer, on the other hand, 8% did not issue similar permits and do not plan to (Diagram 21).

Chart 21. Did respondents apply for refugee status?



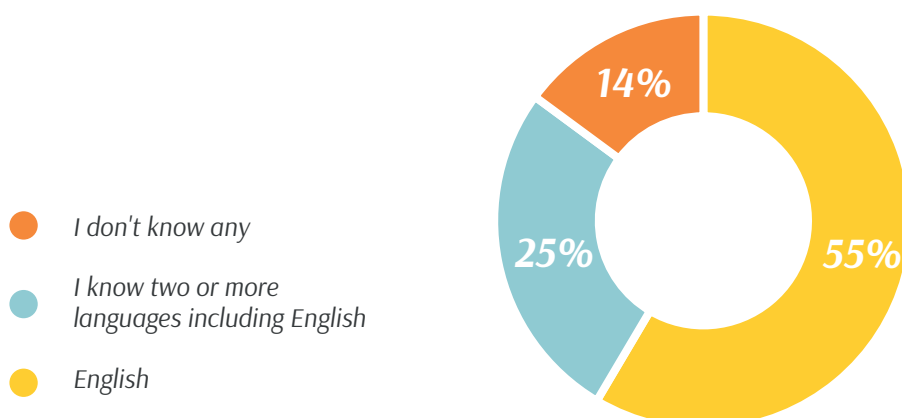
Answering the question "Are you currently working abroad?" the majority (33%) of evacuees answer that they do not work, but are looking for work. 22% of them continue to work in a Ukrainian enterprise/institution remotely, other (20%) work for themselves as self-employed persons, and 10% of respondents noted that they found another job in the field of creative industries (Chart 22).

Chart 22. Employment of respondents abroad



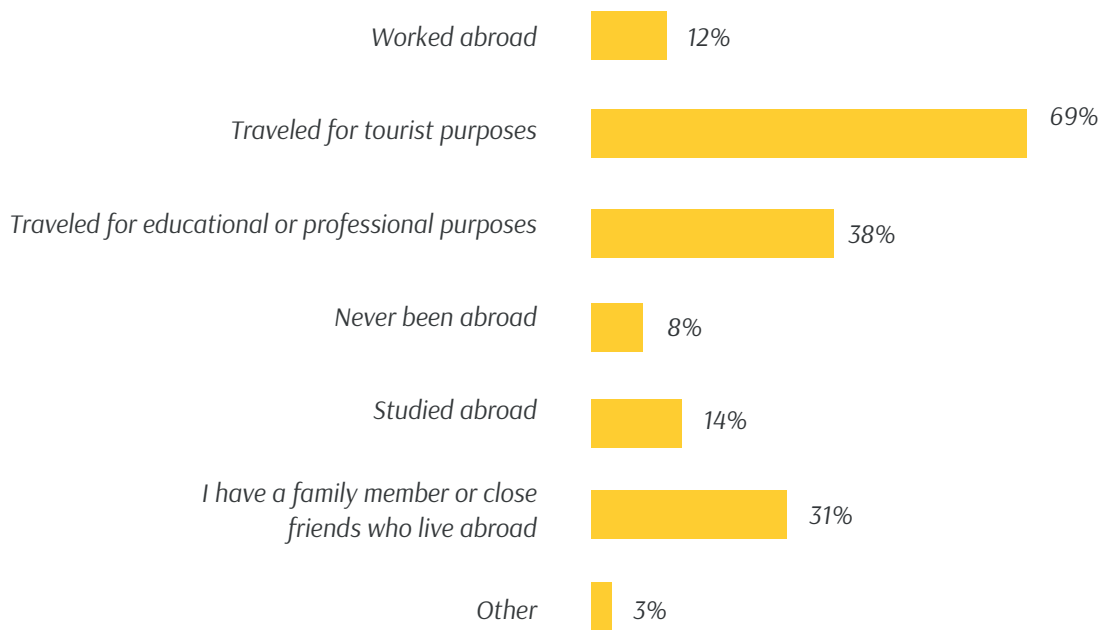
Among the interviewed respondents who evacuated, 55% stated that they know English at a level sufficient for work (B1- B2). 25% of respondents in the form of an open answer noted that they know two or more foreign languages, including English. On the other hand, 14% of respondents living abroad do not know any language (Chart 23).

Chart 23. Foreign languages that respondents (don't) know



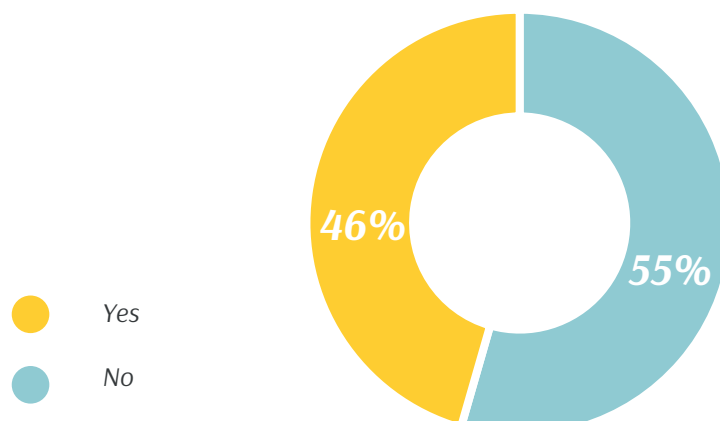
Answering the question "What was your experience of living abroad before the start of the full-scale war?" respondents had the opportunity to choose several answer options. Thus, 8% stated that they had never been abroad. Instead, the absolute majority traveled before the war for tourist purposes (69%) or for educational/professional purposes (38%). 31% of respondents also indicated that they have a family member or close friend living abroad. At the same time, only 14% and 12% of respondents have the experience of studying and working abroad before the war (Chart 24).

Chart 24. What was your experience of living abroad before the start of a full-scale war



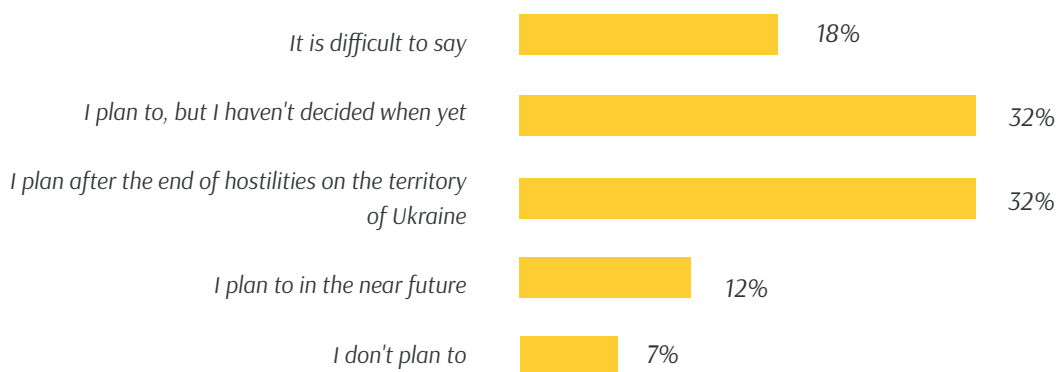
Among the respondents who have evacuated, 46% have children of preschool and school age who are with them abroad (Chart 25).

Chart 25. Are children of preschool and school age together with the respondents abroad



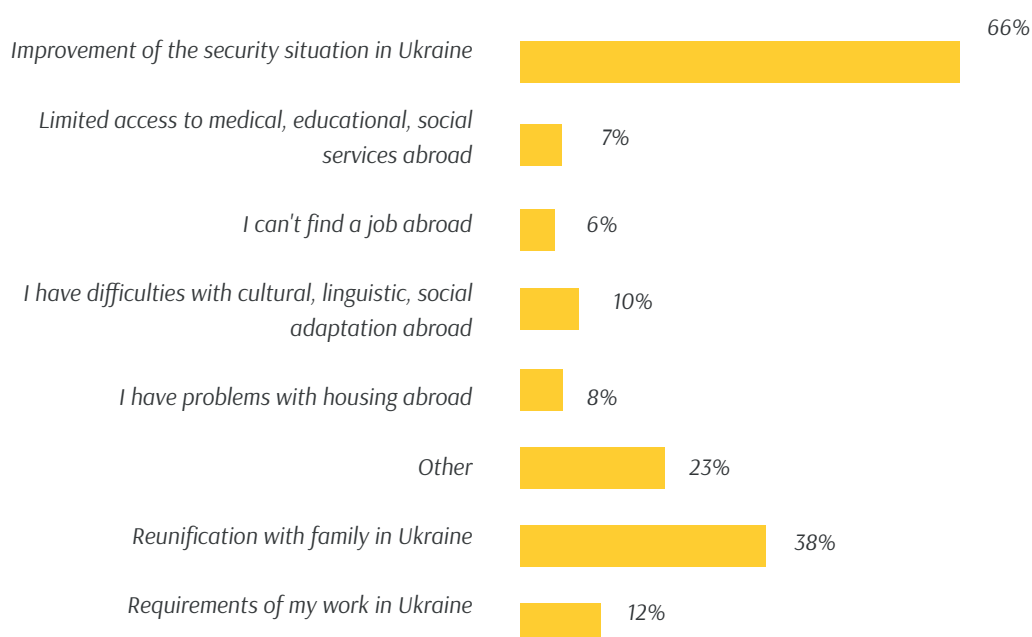
To the question "Do you plan to return to Ukraine for a long period of time?" 7% indicated that they do not plan to return, but the absolute majority plan to return: 12% - in the near future, 32% - after the full end of hostilities on the territory of Ukraine, and 32% of respondents have not yet decided when exactly they plan to return (Chart 26).

Chart 26. Do the respondents plan to return to Ukraine



Answering the question "If you plan to return to Ukraine, what are the main reasons for this decision?" respondents had the opportunity to choose several answer options. For the absolute majority, the main reasons are improvement of the security situation in Ukraine (66%) and reunification with family in Ukraine (38%). For 12% of respondents, one of the reasons for returning to Ukraine is the requirements from the place of work in Ukraine. On the other hand, for 10% of evacuated respondents one of the reasons for returning to Ukraine was difficulties with cultural, linguistic, and social adaptation abroad (Chart 27). In the answer option "Other", patriotic motives prevail (returning home, love for the native country, desire to restore the country).

Chart 27. The main reasons for respondents to return to Ukraine



The main sources of income abroad, as the respondents indicated, choosing several answer options, were their own savings (48%), work (47%), and payments from the state in which they are located (46%). 20% also noted that they receive help from relatives, friends, and acquaintances who are abroad (Chart 28).

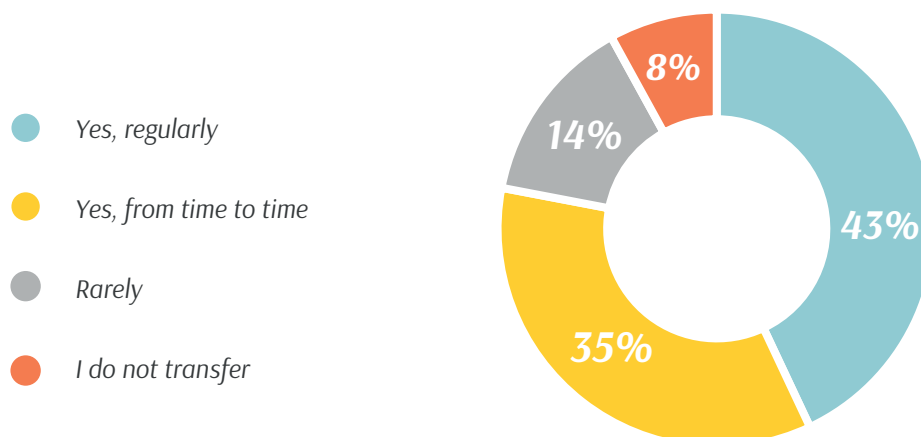
Chart 28. The main sources of income of respondents abroad



The absolute majority of respondents who are abroad said that they transfer funds to Ukraine while abroad, including help to relatives, the Armed Forces of Ukraine, volunteer initiatives, paying taxes, utilities, etc. (Chart 29).

Chart 29. Do respondents transfer funds to Ukraine while abroad?

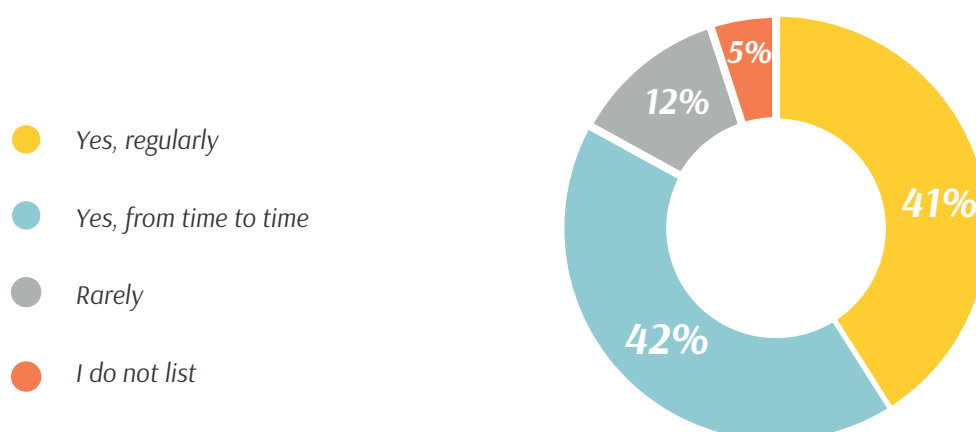
(help to relatives, military personnel, volunteer initiatives, payment of taxes, utilities, etc.)



At the same time, the majority of respondents evacuated abroad participate in the volunteer movement to support Ukraine abroad (mass meetings, support campaigns, information campaigns and educational activities, fundraising for Ukraine's needs, assistance to forcibly displaced persons, etc.) (Chart 30)

Chart 30. Do you participate in the volunteer movement to support Ukraine abroad?

(mass meetings, support campaigns, information campaigns and educational activities, fundraising for the needs of Ukraine, assistance to forcibly displaced persons, etc.)



CONCLUSIONS

Based on the results of the survey, a number of important conclusions can be drawn, which will allow to optimize the further interaction between the Ukrainian Cultural Foundation and the Ministry of Culture and Information Policy of Ukraine and the cultural community, in particular specialists in the field of cultural and creative industries. Thus, during the survey of creative specialists who were in Ukraine at the moment of conducting this research, it was found that despite the large percentage of specialists who remained in Ukraine, the working conditions today do not contribute to the development of the industry and the employment of the population. Since the absolute majority of the respondents are employees, their employment and income are directly dependent on the demand for cultural services and products produced by them. A third of the survey participants noted that the volume of product sales and services during the war decreased by more than 90% compared to last year. At the same time, the absolute majority of enterprises and institutions continue to support the economy of Ukraine and pay taxes in full, while reducing the workload and sending employees on unpaid leave. In the conditions of war and stagnation of the economic system of Ukraine, the decrease in the volume of products and services of the cultural and creative industries can gain negative trends. Without an

effective state policy to support the business cluster, namely medium, small and micro businesses, the restoration of the pace of sustainable development of the industry in the post-war period may take years and be complicated due to the lack of workers, narrow-profile and experienced specialists who left their own activities and the country during the war.

It is worth noting that about half of the respondents have not yet had the opportunity to take advantage of state support programs, which is due, according to the answers of the respondents, to the insufficient awareness of specialists and workers in the industry, the difficulty in understanding the conditions for receiving state support, and the inconsistency of the conditions of state support to the problems and needs of enterprises/institutions/industry organizations. Therefore, a detailed analysis of individual target groups in the field of cultural and creative industries becomes expedient in order to effectively use state support and ensure the functioning of the industry in the conditions of martial law.

According to 61% of respondents, the main measures of support from the state and donors that would contribute to the development and restoration of creative industries in the post-war period are project grants. Therefore, it can be concluded that employees, specialists and entrepreneurs of the creative industries have high hopes for the grant opportunities of the Ukrainian Cultural Foundation. No less significant solution for industry representatives is the implementation of the State Strategy for the Development of Creative Industries. It is expected that the state cultural policy will not be relegated to the periphery in wartime conditions and will be implemented in a planned manner.

Taking into account the answers of the surveyed specialists of the industry currently abroad, it is worth noting that the majority of employees and specialists of the creative industries evacuated to the countries of the European Union, and 88% of the forcibly displaced persons during their stay abroad took the opportunity to issue a special status abroad, which gives them the right to work, access to medical and educational services, social guarantees. At the same time, the survey revealed that among the main reasons that motivated the respondents to return to Ukraine, in addition to the improvement of the security situation in the country and reunification with family, were the difficulties of adaptation and finding housing and work. About a third of respondents that were forced to seek protection abroad have children of school and preschool age, and 17% of respondents were forced to leave Ukraine without knowing any foreign language at a level sufficient for employment. At the same time, for the absolute majority, the main source of income abroad was and continues to be their own savings and social payments from the governments of the countries that sheltered them. Given these data, we can predict that in the future a certain proportion of Ukrainian specialists evacuated abroad, both in the creative industries and other fields of work will return to Ukraine and will need greater opportunities for employment and self-realization. Therefore, the need for state support of various types will continue to grow, particularly in the cultural and creative industries fields. Please note that 92% of respondents continue to send funds to support the Armed Forces of Ukraine and take an active part in various events and information campaigns in support of Ukraine while being abroad, not letting the world community forget about Russian aggression on the territory of our Motherland.

In addition, the survey provided a collection of open answers (comments, recommendations, ideas and suggestions) from respondents regarding the full recovery of culture and creative industries. Among the expressed opinions by the survey participants, the following desires and recommendations prevail:

- 1 "The priority of the cultural sector should be along with the post-war reconstruction of cities and infrastructure". Despite the change in state funding priorities, respondents emphasize the importance of supporting and promoting Ukrainian culture both at the national and international levels.
- 2 "Transparent competition for management positions, restructuring of the management vertical of the industry". The difficult conditions of wartime should not weaken the legality and regulations of making strategic decisions that will have an impact on the industry and its further development.
- 3 "Promotion of professional development for industry specialists". For example, international educational training and exchange programs for artists and managers of the creative sector.
- 4 "Co-production and collaboration in international projects" are tools for the promotion of Ukrainian culture in Europe and the world.
- 5 "Emphasis on culture in state international policy" as a tool for attracting international financial support for the promotion of Ukrainian art and artists abroad.
- 6 "Financial, information and organizational support from the state". Expansion of the variety of national grant opportunities, minimization of paperwork, and information campaigns regarding international grant opportunities.
- 7 "Restoration of the full activity of the Ukrainian Cultural Foundation with new priorities". An emphasis on the promotion of Ukraine abroad, increasing the number of educational programs and programs of international cooperation to support Ukrainian artists abroad together with the Ministries of Culture of European countries.