

<p>Single Market Emergency Instrument</p> <p>Input to the consultation</p>
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Introduction

Pearle*-Live Performance Europe, the European employers federation regrouping organisations and companies in the music, performing arts and live event sector, welcomes the consultation of the Commission on a Single Market Emergency Instrument. The sector employs over 1,6 million people and has more than 800,000 companies active across Europe.

As a services sector, the live performance was heavily impacted by the Corona pandemic, with less than 75 to 90% turnover in 2020¹ due to the measures taken by public authorities.

A key lesson learnt is that despite any emergency situation, public authorities should make sure that sectors can continue to work, as quickly as possible, provided of course that measures to assure the safety of those involved are taken into account. Although it is still early to conclude, from reports of members across Europe, it is learned that those governments that allowed for the sector to continue to rehearse and perform, even with very limited audiences, have contributed best to the resilience of the sector.

Pearle* very much welcomes the wish expressed by Heads of State at the Council meeting on 10-11 March to guarantee a smooth functioning in times of crisis by providing:

- (1) adequate coordination and communication mechanisms between EU institutions, Member States and stakeholders ;
- (2) the means to ensure the resilience of the Single Market including availability of products and services relevant for a certain type of crisis, and guaranteeing as much as possible the free circulation of goods, services and persons in times of crisis.

As the Commission also outlined during the stakeholder meeting on May 6th, in which Pearle* took part, the EU has faced already several moments of crisis and a coordinated response through an instrument like SMEI could enhance the single market's preparedness and smooth functioning of the single market.

¹ EY study 'Rebuilding Europe : the cultural and creative economy before and after the Covid-crisis' – January 2021 <https://www.rebuilding-europe.eu/>

General comment to the consultation

The consultation seeks input from a wide range of stakeholders and addresses a broad range of questions. Some questions are difficult to respond from the perspective of a sectoral business association.

This paper aims to complement and underline a necessary focus on guaranteeing free movement of services, including the free movement of workers. It follows the main three parts of the online consultation.

As a general approach the SMEI should make a distinction between the measures to be taken to respond to the crisis situation such as the supply of certain goods (e.g facemasks) and the measures to be taken to guarantee the further operation of the single market and its economy.

Obstacles to free movement of persons, goods and services

The Commission issued in October a **Council Recommendation on a coordinated approach to the restriction of free movement in response to the Covid pandemic** and updated it regularly to adapt to the evolving situation.

Whilst it was welcomed to take a general approach, allowing essential services and posted workers (thus covering all sectors) to continue to travel, in practice it was regularly reported in the sector that travelling workers (such as artists and technicians) were confronted with obstacles.

An important instrument, i.e. the **Digital Covid Certificate**, which was intended for citizens to be able to travel for tourism purposes, provided in fact what workers would have helped from the outset. The Certificate was proposed in March 2021, a year after the outbreak of the pandemic and became operational by the summer of 2021. This means that businesses for more than a year could only rely on the Council Recommendation on a coordinated approach of October 2020.

From this observation, in view of a future crisis, it should be possible to develop a much faster mechanism for a coordinated approach to ensure the free movement of all workers as much as possible or in case of a necessary period of travel restrictions to resume as quickly as possible again.

In the recent crisis on Ukraine, the very fast activation of the **Temporary Protection Directive**, allowed employers in the EU to provide artists options to be employed, to continue their training and to rehearse, which shows that EU coordinated approach can happen fast.

In this regard, a similar legal instrument that can be activated to ensure mobility of workers is crucial for the single market to continue to operate.

Availability of goods and services

Although during the Covid crisis, as the live and event sector was by and large closed or only semi-operational for nearly two years, a shortage of goods was not reported. However, since the sector re-opened and in combination with the Ukraine crisis, suppliers report a lack of access to certain primary materials such as aluminium, certain types of wood, but also chips or electronic components and the (related) delivery times.

An important and crucial effect of the Covid-crisis and the harsh measures taken by governments, resulting in a two-year disruption of the economic activities in the live and event sector, means that there is a current shortage of workers, especially technicians, who left to work in other sectors like the construction, a sector that could continue to operate without a minimum of interruption.

As a result, skilled people left, and new people have to be trained to enter the sector, which leads to a gap of supply of workers.

The two-year stand still has also impacted the willingness to tour and travel, in combination with the goal to be more sustainable and green. Thus the business model of live performance is under discussion, also because worldwide travel is still rather limited.

It is absolutely crucial that a repetition of such two-year closure of the sector is avoided, despite the EU support package and measures. Those measures could in no way compensate the economic and human impact the Covid crisis had on the sector. Most operators estimate that it will take at least another two years to recover and quite large part of the sector fears not to make it through the crisis. A Belgian study² reveals that 44% of event professionals, including suppliers and organisers of live events, fear not to have sufficient financial resources to make it through the Covid-19 crisis.

It is for this reason also that Pearle strongly calls and urges the Commission and Member States to prolong the **Temporary State Aid mechanism** for sectors, like the live and event sector, that suffered the most.

Possible policy options, optional modules and their impacts

Pearle very much welcomes for the Commission to draft policy options in relation to crisis preparedness and crisis response.

² (Study "Impact of the Corona crisis on the Belgian event sector", by the centre of expertise 'Public Impact' of KdG university of Applied Sciences and Arts, Antwerp. The study is based on a survey conducted last December)

In terms of crisis preparedness, the live performance sector has large experience to manage risks and deal with crisis situations. For that reason, it is welcomed to consult as many sectors as possible as it also allows to demonstrate the know-how on risk mitigation.

However, we believe that this should happen in an ongoing exchange by member state representatives, representatives of the Commission (of relevant DGs) and industry representatives (business associations or others). A good example is the Operator's Forum that was established by DG HOME after the terrorist attacks and that allows for an ongoing exchange between the relevant private and public actors.

As regards monitoring instruments, it should be carefully balanced between the burden on companies to provide data or information and the need for certain information, as pointed in the consultation question between the implementation costs and the benefits.

In relation to crisis response, it is crucial that

- (a) legislative instrument(s) can be activated to ensure free movement of persons, and in particular of all workers in the context of provision of services.
- (b) Member States coordinate in time measures and make those available publicly so that businesses can prepare in a timely manner. For example health experts and scientists predict for some weeks already a new Covid-19 wave in autumn. Public authorities should now already communicate which steps they intend to take so that companies can respond to it.

As argued above, it must be avoided at all costs for a situation to happen again that it takes more than a year to develop a Certificate allowing people to travel.

At the stakeholder meeting a suggestion was also brought forward to set up a new forum, such as an Expert Group or a High Level Board of Commission and member state representatives. It is unclear what the function of such forum could be, in addition to the regular meetings held of the Council. It might be more effective to set up dedicated expert groups on topical and targeted issues which can provide input and policy advice.