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K. Lopukh

*PhD in Economics, Associate Professor of the Department of Economic Theory,
Kyiv National Economic University named after Vadym Hetman
ORCID ID: 0000-0003-4143-0309*

K. Makukha

*Student of the Department of Marketing,
Kyiv National Economic University named after Vadym Hetman
ORCID ID: 0000-0001-5169-299X*

UKRAINE'S CREATIVE INDUSTRIES DURING THE COVID-19 CRISIS

K. B. Lopukh,

*к. е. н., доцент кафедри економічної теорії,
Київський національний економічний університет імені Вадима Гетьмана
К. С. Макуха,*

*студентка 4 курсу факультету маркетингу,
Київський національний економічний університет імені Вадима Гетьмана*

КРЕАТИВНІ ІНДУСТРІЇ УКРАЇНИ В УМОВАХ КРИЗИ COVID-19

The essence of creative industries is analyzed in the scientific work. Emphasis is placed on their complex and transsectoral nature. The main interpretations of the concept of "creative industries" by UNCTAD, UNESCO, domestic and foreign researchers, Ukrainian legislation are given. It is determined that the creative industries are the basis for the development of the creative economy as an integral part of the national economy in the future. The key impact of creative industries on other sectors of the economy is that they create all kinds of innovations through creative ideas for new goods, services, production and work processes, human capital, creativity, etc. It allows other industries to develop, increasing their competitiveness and innovation. Therefore, cultural and creative industries directly affect the economic development of the country. At the same time, CCIs are a unique field of activity, as they create additional jobs in related sectors of the economy. Already in 2018, the value created by the creative industries was higher than in the engineering industry, construction, financial and insurance activities, and the pharmaceutical industry. The main attention is paid to the study of the state and development of creative industries in Ukraine. The factors of their dynamic development after 2014 are analyzed. There is analysis of the structure of the creative industries in Ukraine. Much of the work is devoted to the impact of the COVID-19 pandemic on the functioning of creative industries in Ukraine in 2020. It is proved that this industry became one of the most vulnerable areas of the Ukrainian economy during quarantine. For the creative and cultural industries, 2020 was a real test of viability and sustainability. The economic crisis caused by the pandemic and quarantine especially hurt creative sector, as most areas of CCI are related to social contacts and cooperation.

However, the article reflects some positive changes in the development of creative industries due to the introduction of restrictive measures. However, the paper reflects some positive changes in the development of creative industries due to the introduction of restrictive measures. The paper also analyzes the measures of state support for creative industries in the conditions of quarantine in 2020.

У статті проаналізовано сутність креативних індустрій. Наголошено на їх комплексному і транссекторальному характері. Наведено основні тлумачення поняття «креативні індустрії» ЮНКТАД, ЮНЕСКО, вітчизняними та зарубіжними дослідниками, українськими законодавчими актами. Визначено, що креативні індустрії є основою розвитку креативної економіки як невід'ємної частини національної економіки у майбутньому. Ключовий вплив креативних індустрій на інші галузі економіки проявляється у тому, що вони створюють різного роду інновації через креативні ідеї для нових товарів, послуг, виробничих та робочих процесів, людського капіталу, творчості тощо. У свою чергу це дозволяє іншим галузям розвиватися, підвищуючи свою конкурентоспроможність та інноваційність. Таким чином, культурні та креативні індустрії прямо впливають на економічний розвиток країни. При цьому ККІ є унікальною сферою діяльності, оскільки вони створюють додаткові робочі місця у суміжних секторах економіки. Вже у 2018 році додана вартість, створена креативними індустріями, була більша за аналогічний показник у машинобудуванні, будівництві, фінансовій та страховій діяльності, фармацевтичній індустрії.

У статті основна увага приділена дослідженню стану та розвитку креативних індустрій в Україні. Проаналізовано фактори їх динамічного розвитку після 2014 року. Проведено аналіз структури галузі креативних індустрій в Україні. Значна частина роботи присвячена впливу пандемії COVID-19 на функціонування креативних індустрій в Україні у 2020 році. Показано, що ця галузь стала однією з найбільш уразливих сфер української економіки під час карантину. Для креативних і культурних індустрій 2020 рік виявився справжнім випробуванням на життєздатність і стійкість. Економічна криза, викликана пандемією і карантинном, завдала жорсткого удару саме по цьому сектору економіки, оскільки більшість напрямків ККІ пов'язані із соціальними контактами і взаємодією.

Разом з тим, у роботі відображено певні позитивні зміни у розвитку креативних індустрій у зв'язку із запровадженням обмежувальних заходів. Також у роботі проаналізовано заходи державної підтримки креативних індустрій в умовах карантину у 2020 році.

Keywords: *creative industry; COVID-19; small and microbusiness; work online; intangible product; copyright; investments.*

Ключові слова: *креативні індустрії; COVID-19; малий та мікро бізнес; робота онлайн; нематеріальний продукт; право інтелектуальної власності; інвестиції.*

Introduction

The cultural sector is vital to the economy in terms of its impact on its development and the number of employed people worldwide. It also stimulates innovation and promotes many other channels of positive social impact (welfare and health, education, urban regeneration, etc.). In recent years, this sector has acquired a new, special significance for Ukraine, because since 2014 the state pays much more attention to its development, and domestic artists have finally been free to work without the influence of Russian «colleagues». In 2020, not only in Ukraine but also in the world, the creative economy became one of the most affected by the COVID-19 pandemic. In recent years, this sector has acquired a new, special significance for Ukraine, because since 2014 the state pays much more attention to its development, and domestic artists have finally been free to work without the influence of Russian “colleagues”. In 2020, not only in Ukraine but also in the world, the creative economy became one of the most affected by the COVID-19 pandemic. In our country, this problem is unique: the young sector, which has just begun to develop, was forced to stop abruptly. The government's ignoring of the creative industry's problems at the beginning of the pandemic added fuel to the fire. Ukrainian artists, like no one else in the world, were forced to take control of the restoration of the industry into their own hands. On May 12, 2020 at 10 pm representatives of creative professions turned on the rays of light directed at the sky at the iconic locations of 25 Ukrainian cities. They have protested against the government's

disregard for the problem of the creative industry. What did they demand and what is wrong with the relevant (in-line) government policy? Before we will answer this question, let's find out what the creative industries are.

Literature review

Analysis of the problem of the pandemic's impact on the development of creative industries in Ukraine was impossible without a thorough understanding of the essence of the creative economy. A fundamental contribution to the study of creative economics was made by the American scientist John Hawkins. He first used the concept of "creativity" in the scientific literature. In his work, Hawkins interprets it as "the ability to create something new. It means the creation by one person or group of people of inventions or ideas that are individual, original and meaningful" [c.12,24]. In addition, it is in this work that Hawkins found a direct link between creativity and economic development. Thus, the researcher argues that new combinations of «creativity» and «economy» create exceptional economic value and profitability. Another American researcher, Richard Florida, describes the emergence of a new social class - the «creative class». The creative class has caused and will continue to cause profound and radical changes in the ways we work, in our values and desires, in almost every aspect of our daily lives [25]. In addition to an in-depth analysis of the prerequisites, principles and innovations of the creative economy in society, the author analyzes and substantiates the key characteristics and features of the new creative class. He argues that «the rise of human creativity will be a determining factor in our economy and society» [25]. The author emphasizes that more and more traditional occupations for the economy will be transformed into creative professions.

UNESCO [7] defines cultural and creative industries as activities "whose principal purpose is production or reproduction, promotion, distribution or commercialization of goods, services and activities of a cultural, artistic or heritage-related nature." There are seven types of activities in creative industries based on UNCTAD classification of creative goods and services [5]:

1. Audiovisuals: (films, TV, radio, new media, music)
2. Publishing (books, newspaper, other printed matter)
3. Performing Arts (theatre, opera, festivals, creative spaces and others)
4. Visual Arts (painting, photography, sculpture, antiques)
5. Design (architecture, fashion, interior, jewelry, toys)
6. Art Crafts (carpets, wickerware, paperware, yarn and other art crafts)
7. Creative Services:
 - advertising, market research and public opinion polling
 - research and development
 - architectural, engineering and other technical services
 - audiovisual and related services
 - computer services
 - information services
 - franchises and similar rights
 - other royalties and license fees

CI revenues worldwide exceed those of telecom services (US\$1,570b globally), and surpass India's GDP (US\$1,900b). Within the total, the top three earners are television (US\$477b), visual arts (US\$391b), and newspapers and magazines (US\$354b). With 29.5 million jobs, CI employ 1% of the world's active population. The top three employers are visual arts (6.73m), books (3.67m) and music (3.98m). [7]

Among Ukrainian researchers of the creative economy and creative industries, the scientific work of the team of authors Davymuka and Fedulova [26] should be singled out. In their monograph, they analyzed a wide range of problems of the creative sector of the economy, its components, the impact of culture on the emergence of creative industries. Scientists have paid considerable attention to the formation of the foundations and development of the creative economy in Ukraine. They consider the problems of creating the necessary ecosystem, creative clusters, building "soft infrastructure" that would allow the development of creative industries at the regional and national levels. In addition, the world experience of creative space formation, in particular in the USA, EU countries and South Asia, is thoroughly analyzed. Examples of creative transformation of EU regions are considered in the work "Regional Policy of the European Union" [21].

The purpose of the article

Development of creative industries in Ukraine in the conditions of spread of the pandemic and quarantine restrictions in 2020.

Results

Creative industries are a locomotive of the online economy. Cultural and creative content also powers sales of digital devices. Creative activities contribute significantly to youth employment and careers in CCI are relatively open to people of all ages and backgrounds. In Europe, CCI sectors typically employed more people aged 15–29 years than any other sector. Creative industries also tend to favor the participation of women compared with more traditional industries. Moreover, creation is driven by small businesses or individuals, giving rise to agile and innovative employers. World-class cultural infrastructure is a catalyst for urban development. CI make cities more livable,

providing the hubs and many of the activities around which citizens develop friendships, build a local identity and find fulfillment. A significant part of the creative industries sector belongs to the underground economy. So, it is a vast reservoir of jobs. Performing arts are the biggest employers in the informal economy, providing unofficial music and theater performances (street performances, festivals and concerts that do not pay authors' rights, private performances at marriages and funerals, etc.), which are often free for audiences [7].

Creative industries are complex and cross-sectoral. But this potential is still insufficiently recognized in most countries at all levels, from politicians to society at large, including the sector. This (proto) sector is almost never seen as an integral part of the economy, in part because of the small existing evidence base that explains its contribution to overall growth and quality of life. For many, culture and economics are two different areas that do not interact. As before, culture is considered a luxury by many - an approach that is a remnant of Soviet times. It is seen as a low-productivity industry that requires almost no resources.

So, these industries are among the hardest hit by the pandemic. Along with the creative sector (CS) is among the most affected by the current crisis, with jobs at risk ranging from 0.8 to 5.5% of employment. The venue-based sectors are the hardest hit by social distancing measures. Though some cultural and creative sectors, such as online content platforms, have profited from the increased demand for cultural content streaming during lockdown. The effects of the crisis on distribution channels and the drop-in investment by the sector will affect the production of cultural goods and services and their diversity in the months, if not years, to come. In the absence of responsive public support and recovery strategies, the downsizing of cultural and creative sectors will have a negative impact on cities and regions in terms of jobs and revenues, levels of innovation, citizen well-being and the vibrancy and diversity of communities. [8]

Development of Creative Industries in Ukraine. Until 2014, the creative industries in Ukraine were in stagnation due to the dominance of the Russian product in the market. From the end of 2014, the active dynamic development of the Ukrainian industry itself began. This was due to several factors:

1. *Establishment by the Ministry of Culture* in 2016 of the Department for the Development of Cultural and Creative Industries, which in 2017 was transformed into the Sector of Development of Creative Industries, and in 2018 into the Directorate of Creative Industries.

2. *Creation of the Ukrainian Cultural Foundation* (2017), the Book Institute (2016), the Ukrainian Institute (2017). Thanks to these newly created organizations, the professional level of Ukrainian specialists working in the cultural sector has increased, and Ukraine as an independent state has become more involved in international cultural life.

3. *Inclusion of the development of CI* in the priority areas of the «Long-term national strategy for the development of culture until 2025».

4. *Dynamic development of startups* and the availability of a highly skilled workforce in the field of IT because CI is one of the most innovative economic sector and it cannot function properly without the IT industry.

5. *Providing Ukraine with a visa-free regime with the EU*, which allows free movement and exchange of information and experience, which, in turn, contributes to the development and integration of Ukrainian product into the EU market and vice versa. This enabled Ukraine to join the Creative Europe Program (2014-2020) in 2016, which provides funding for the financial insurance mechanism of financial intermediaries (for example, banks) that provide loans for CI initiatives. In Ukraine, the total amount was 5.5 million euros for 38 projects. [10]

6. *The current process of decentralization*, which provides opportunities for the development of a new socio-cultural structure at the local level. Previously, CI was considered a purely urban industry. Today their development is one of the priority tasks for the full development of united territorial communities (OTC). [9]

7. *The growing role of civil society* in revitalizing communities and promoting the involvement of the population in the cultural sector through the creation of cultural hubs, workshops, business incubators and more.

8. *The growing popularity of the «Made in Ukraine» movement* and the government's focus on supporting the «national cultural product» and promoting the Ukrainian language as the official language.

As for the economic structure of the industry, 90% of it consists of small and micro businesses and provides 4% of GDP (117 billion UAH). According to official statistics, the CI sector has 464 thousand jobs (2.8% of the total share of employees). The share of the sector in tax revenues is UAH 1.3 billion (0.4%). [9]

Considering the impact on related sectors, the CI sector provides 10% of GDP and 1 million jobs (of which 60% are in the arts and entertainment sector, and 40% - to ensure the functioning of cultural institutions). [13]

CI is a 20% increase in annual exports, as well as a 3-fold increase over the last 10 years. In fact, every 10th business entity is a creative entrepreneur. [11] In 2019, there was even a legally confirmed list of professions (both new and existing) related to CI. [12]

According to the State Statistics Service, the average salary in the sector ranges from 11 to 15 thousand UAH. In this case, the correct information is available only to individuals working in government agencies. In fact, the level of wages in the sector depends on the quantity and quality of work performed, not related to time and measured in USD. [9]

Creative industries in the conditions of the pandemia COVID-19. From late May to early June, most business sectors began to return to normal life. However, the easing of restrictions affected the creative industry only 5 months after the start of strict quarantine (late July – early August). But on October 13, 2020, the government imposed new restrictions, which in fact do not allow to return to normal work (decree of 13.10.2020). The situation is aggravated by a hard lockdown (from 8 to 24 January). It prohibits all mass events and the reception of visitors by cultural institutions.

The previous date for lifting the restrictions is unknown. The government's economic recovery program does not contain a plan for the industry. Therefore, this area remains in complete uncertainty.

Creative industries are one of the most vulnerable areas of the Ukrainian economy during quarantine. This is due to several reasons: [9]

1) 90% of the industry from all business entities are sole proprietors. This organizational and legal form makes it difficult to attract large amounts of investment. Currently, the main sources of funding for the creative industries are personal funds, state and international grants and subsidies (Ukrainian Cultural Foundation, Ukrainian Book Institute, State Agency of Ukraine for Cinema, donors, crowdfunding). In a pandemic, small and micro businesses find it very difficult to stay afloat without additional cash flow. But getting funds has become much more difficult because almost all representatives of the creative industries need help. Therefore, in the current competition in the Ukrainian market, only those who will not only be able to transform into new realities, but also impress potential investors with their product will survive.

2) In Ukraine, there are still low incentives for legal registration of creative businesses. The reasons are:

- high barriers to funding for creative industries (lack of legislation on sponsorship and patronage, which would provide favorable conditions for businesses that support cultural projects);
- high barriers to international cooperation (insufficiently effective regulation of joint international projects in the film industry and music, non-unified legislation, unattractive conditions and mechanisms to encourage international cooperation)
- imperfect mechanism for monitoring the implementation of laws on the protection of intellectual property and intangible assets, no mechanism for protecting the product from plagiarism and illegal distribution, lack of legislation on certified national products

Therefore, the sector is characterized by a high percentage of the shadow market, about 60%. Because of this, representatives of this industry cannot apply for assistance under government programs.

3) The activities of many creative businesses are associated with holding mass events that need to be planned and organized in advance. Added to the low availability of infrastructure is the problem of quarantine restrictions, the constant change of which does not allow organizers to plan events. This leads to additional losses, because the cancellation or postponement of the event costs the organizers an average of 30% of its value.

During the first two weeks of quarantine (March 2020), sales in the creative industry fell by 50% [14] The government said that in the first month and a half of quarantine, the budget did not receive UAH 2.9-4.4 billion in tax revenues from the cultural sector and the creative industries. Their shutdown led to a reduction of 50,000 jobs, which will cost the budget 0.4-1.2 billion hryvnias in unemployment benefits. [13] Minister of Culture Oleksandr Tkachenko at the International Forum «Creative Ukraine», which took place on November 19-20 in Kyiv, said that as of early November 2020, Ukraine's creative industries lost 3 billion dollars (2% of GDP) and 300 thousand jobs % of all employees in the CI). He also warned the Ukrainian authorities that if the situation does not change, the country will lose 10% of GDP and 1/3 of the entire labor market within the next 5 years. [11]

As for the real level of unemployment in the industry, given the large size of the shadow market, its level in the industry is much higher than what Tkachenko called. For example, during the introduction of weekend quarantine, some industry representatives considered reducing staff. The practice of sending staff on unpaid leave has also become widespread. For many members of the creative sector, a radical change of profession for the sake of survival is possible.

According to a survey conducted by PPV Knowledge Networks «On the impact of COVID-19 on the cultural and creative industries of Ukraine» [14] (conducted from 23.03.2020 to 30.03.2020), almost 40% of entrepreneurs lost more than 75% of income. As of March 2020, 38% of respondents have already lost most of their annual turnover. Another 32% expect to lose it due to the spread of coronavirus. 67.5% noted a decrease in sales. And only about 8% said that the introduction of quarantine did not affect their work. 72% consider CI to be the most vulnerable to the effects of COVID-19. According to the representatives of the sector, the losses of the industry for the year can be up to 50% of annual turnover. And 57% need incentives for their products and services.

Before quarantine, 20% of respondents worked online. After the quarantine was announced, 48% were or will be able to go to work online. 54% noted that changes in the organization will be relevant in the future.

27% will not be able to go online at all. This is a special risk group that requires immediate support. Most of them are representatives of the music industry, film industry, ticket operators, theaters, cinemas, museums, as well as organizers of annual festivals. They mostly do not have any «financial security pillows». The lack of spectators and the impossibility of holding events immediately had a negative impact on profits. Therefore, concerts on game servers, online festivals, clips in self-isolation, VR-shows, vertical concerts - not a complete list of innovations in response to the ban on mass events. And if from July to November it was still possible to operate in certain regions (depending on the epidemiological situation), then in December (when all mass events and crowds were banned), as well as in January 2021, during the lockdown, these subsectors of CI are completely stopped. The worst thing is that the music industry, as well as cinemas, are completely sharpened for the Ukrainian market and function only at the expense of listeners / spectators or private investment. For example, cinemas that did not operate from mid-March to early July were most affected by quarantine. According to the State Statistics Service, in March-September 2020, tax revenues from the film business to the state and local budgets, compared to the same period in 2019, fell more than twice: from 104.7 million UAH to 47.6 million UAH. [19] Instead, the film industry (film production), museums, theaters can not do without public funds. And while the film industry opened in late May, museums were allowed to open earlier (mid-May), but

most remain closed due to a lack of funds for mandatory disinfection and protection. Worse situation in theaters - it is still unknown when they will be able to resume their activities.

Therefore, in conditions of quarantine there were several sharp problems. The first is that Ukrainian listeners and viewers do not have the habit of paying for an intangible product. According to research, only 0.88% of family spending is on culture. The same figure in countries with similar GDP to Ukraine is 2% or higher [16]. The main reason is ignoring copyright (illegal use of content, non-payment of royalties to authors). But in the conditions of the epidemic, projects that have already had a strong and well-formed warm audience are still trying to seek support from it remotely. This should change the tone of voice in communication between creators and their audiences develop responsible «consumption» and the habit of paying for an intangible product. Changing the general discourse in this area should give impetus to existing services for legal online viewing of movies and the purchase of e-books and music.

But on the other hand, quarantine helps to find those ways to bring the product to the audience, which work well in any environment. For example, in the context of the corona crisis in Ukraine, the platform for crowdfunding Patreon is becoming more and more popular (it is possible to support your favorite artist or get paid access to exclusive content). It enables performers to function fully at the expense of donors. Therefore, its development in our country is only a matter of time. [15] Even online concerts have become profitable, and although this type has the ability to lose audiences quickly, it has become useful for CIs as it is a huge support for the industry under any circumstances. An interesting story came out with vertical concerts. It was first conducted and patented by the Green Gray band. Very quickly, this format gained worldwide notoriety and today hundreds of performers from around the world are seeking the rights to hold such a concert.

However, quarantine has not become a big problem for all industries. For some, it brought big profits, for others it gave them the opportunity to capture more audiences or enter new markets. Primarily for those who have worked online before quarantine, and can also easily switch to remote work. These are the areas of the commercial corporate segment, namely - design, communications, PR. There were several reasons for this [21]:

1) quarantine has caused rapid digitalization. The business, which immediately began to respond to new realities, did everything to reach potential customers. Those companies that did not adapt were defeated;

2) in quarantine, people tried to find a way to find themselves in four walls, where their favorite entertainment is to browse the Facebook or Instagram feed, what are the new challenges in TikTok or what is interesting to watch on YouTube. PR managers knew that all of these were ideal platforms for advertising in the context of the coronavirus;

3) reputation and proper positioning in the context of the coronary crisis now and then will play an even greater role, so to create your own brand should be given more time. Corporate social responsibility will be more important than ever.

4) many offline events were planned for 2020. All these measures had to be transferred to digital format. Quarantine has opened up new innovative opportunities: online meetings, live broadcasts, large-scale PR campaigns on the Internet. Some companies have even made virtual launches of new products;

In these conditions, designers and PR people, sitting at home, had enough work, because customers, caring about their business, were forced to direct their efforts into the digital space.

The second, no less important problem was the government's decision to ignore the creative industries in the context of the corona crisis or to block their activities in one way or another. Representatives of the creative industries quickly realized this, so they did everything possible to mention their industry as soon as possible.

For example, on August 26, 2020, a government decree decided to ban concerts until October 31, 2020 from entities that did not identify concert activities as the main one during the registration of the classifier of economic activities (NACE). Therefore, in early September, a rally of representatives of the music industry was held under the Cabinet building under the slogan «We are not heard!» and «We are against discrimination!» [15]. As a result, on September 14, Andriy Yermak, head of the president's office, held an open meeting with CI representatives to address vital issues for the industry: reducing the tax burden, setting clear and transparent requirements for mass events, and Ukraine's lack of large concert venues. [20]

In addition, to overcome the effects of the epidemic, the government in early April withdrew from the budget allocated for CI 7 billion UAH. In particular, UAH 750 million for the State Cinema, over UAH 500 million for the construction of the Holodomor and Revolution of Dignity museums, UAH 250 million for creative unions, UAH 500 million for the Ukrainian Cultural Foundation, UAH 150 million for the Book Institute and UAH 500 million for information policy programs. Despite the fact that Minister of Culture Tkachenko and the Committee on Humanitarian and Information Policy applied to the Ministry of Finance to refrain from the decision, on March 26 the decision of the Ministry of Finance was supported by 56 members of the Public Council of the Committee on Humanitarian and Information Policy.

This could be avoided by holding swift and in-depth consultations with heads of institutions who understand the seriousness of the crisis, are ready for dialogue and know what expenditures can be avoided without seriously harming the whole sphere, which is still very vulnerable. Everyone was ready to compromise and would definitely find it. The Ministry of Culture, the Ministry of Foreign Affairs, and the State Administration of Affairs themselves could promptly submit objective and balanced proposals to the Ministry of Finance. Instead, the budget was made by those who obviously do not understand the specifics of the sector and the far-reaching consequences of their decisions. [18] But on July 8, 2020, the government was forced to allocate UAH 1 billion to support the cultural sector. Regarding the budget for CI for 2021, the forecasts are more optimistic.

Thanks to protests by the creative industries, the state began to develop a plan of action to alleviate the effects of quarantine on the industry. This issue is currently regulated by two pieces of legislation. On May 13, 2020, the Verkhovna Rada supported the draft law №3377 «On Amendments to Certain Legislative Acts Concerning State Support to the Sector of Culture, Creative Industries, Tourism, Small and Medium Business in Connection with Restrictive Measures Related to the Spread of Coronavirus Disease (COVID-19)». [22] The changes concern the Budget and Tax Codes of Ukraine, as well as some legislative acts on state support in the field of culture, creative industries, tourism, small and medium business.

In particular, the website of the parliament refers to the following measures provided by the bills [23]:

1. Introduction of tax benefits for the payment of rent and tax on land plots of state and communal property.
2. Exemption of some transactions from the payment of value added tax, income tax, personal income tax, single social contribution, tax on non-residential real estate and more.
3. A VAT rate of 10% is set for the supply of utilities and electricity.
4. The following shall be attached to the list of protected budget items:
 - remuneration of cultural institutions that receive financial support from the state budget;
 - measures for the protection of cultural heritage: accounting, prevention of destruction or damage, protection, preservation, maintenance, proper use, conservation, restoration, repair, rehabilitation, adaptation and museification of cultural heritage sites.
5. The procedure for receiving state aid by economic entities that have suffered losses due to restrictions or prohibitions on quarantine activities is simplified.
6. State support of cinematography by the end of the year is supplemented by a new form – the provision of state subsidies for the development of a film project in the amount of up to 100% of the total estimated cost of development of the film project.
7. Television and radio organizations and software service providers that use the radio frequency resource shall be exempted from paying 50% of the cost of the services of the Concern of Radio Broadcasting, Radio Communications and Television.

8. The concept of a grant provided by the Ukrainian Cultural Foundation is introduced in the tax and budget legislation, the grounds and procedure for its provision and taxation are supplemented.

In addition, the Cabinet of Ministers of Ukraine recommended:

1. Clarify and detail the list of entities whose activities are affected by restrictions and/or prohibitions during quarantine.
2. Redistribute development expenditures to consumer expenditures for cultural institutions, given the impossibility of holding public events, in particular wages.
3. Allow cultural institutions not to transfer the amount of rent to the state budget, but to keep it to compensate for losses related to loss of income.
4. Reduce the contributions of cultural institutions to the state budget of net profit and set it at 30%.
5. Provide a one-time financial support of up to UAH 100,000 for self-employed persons and business entities with up to 15 full-time employees and a turnover of up to UAH 5 million per year to partially cover expenses related, in particular, to rent payments, payment wages, taxes and fees.
6. Provide interest-free lending under the obligation not to reduce employees in the amount of three-month turnover of such an entity.
7. Provide compensation for part of the interest on bank loans for businesses that employ at least 50 people and who have not made redundancies during quarantine or will create at least 50 jobs after the end of quarantine.
8. Provide compensation for partial unemployment of both public and private sector workers.
9. Provide an opportunity for the Ukrainian Cultural Foundation to finance the grant project in installments.

And on November 4, 2020, the law №3851 was introduced, introduced by President Zelensky. According to him, from January 1, 2021 the tax problems of the industry will be regulated, and 7% cultural and creative VAT will be introduced. The program 5-7-9 is also being modernized (especially for creative industries) [24].

But according to Culture Minister Tkachenko, only one item has been fulfilled so far: grants have been launched for institutional support, including through financial compensation [11]

But despite all attempts to get out of the difficult situation, both the Minister of Culture and the representatives of the creative sector agree that the creative industries in the near future will be helped not only by the full resumption of work, but also by a huge amount of investment. They are needed not only for a huge number of startups in the CI sector, but also to return to normal life for everyone else. After all, the level of development of creative industries is directly related to the economic development of the country.

Conclusions

The pandemic requires a systematic approach, taking into account possible risks, a critical attitude to the turbulent information space, flexibility and creativity to find non-standard solutions that can save the world. Therefore, the creative economy has never been so timely as it is now. Nevertheless, in Ukraine, the creative industries have not only suffered the most from restrictive measures, but have become one of the last sectors of the economy to be addressed by the government in the context of the COVID-19 pandemic. Although the country has already lost 2% of GDP provided by CI, as well as 45% of all employment in the industry. At the same time, it is impossible not to mention 2014-2015. At the time, the problems were no less, but several forced steps to ban Russia's cultural product

eventually led to a new phase in the development of Ukraine's creative industries. Today Ukraine already has the energy and experience of professionals in these fields. But the understanding and pragmatism of the leaders of these industries is still far from ideal. After all, they do not yet fully understand that the policy of state support for creative industries' firms and workers during a pandemic may be poorly adapted to non-traditional business models and forms of employment in this sector. Therefore, in a pandemic, the activity of creative industries is 80% on the shoulders of the creative industries sector.

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