

# COVID-19 SUPPORT SWEDEN

13<sup>th</sup> May 2020

## EXECUTIVE SUMMARY

By maintaining a focus on the target group and their needs, some regional offices have managed to flip the script on how to deliver support, without creating an extra burden for the target group. Both *Västra Götalands Region* and *Region Skåne* have succeeded in doing this by deciding to shift their focus towards increased funding and away from “lost revenue”.

The difference being that if we focus on increased funding we let the recipients strive forward and all applicants are eligible. “Lost revenue” on the other hand requires the target group to prove their income loss. This set-up simply creates so much extra work for the recipient that they more likely will just not utilize this option. Both *Västra Götalands Region* and *Region Skåne* have identified other budget posts previously allocated for traveling, conferences and other cancelled collaborations, these budget posts have been re-allocated to create these new project opportunities.

While it is very positive that the many government bodies, the local municipalities as well as the regional offices have been able to react quickly to the crisis and establish different programs for economic support. It is also all very clear that most of the help programs in Sweden are optimized for and developed by the bureaucrats in charge of processing the applications.

Several problems arise when the corona-support programs usually state that you cannot accept support from programs that might act overlapping to another support program. At the same time, while that might sound clear, there are no guarantees that you will receive funding from any one of these programs. The economic incentive structure therefore might push the applicants to decide to apply anyway. It goes without saying that these support programs all introduce their own terms and conditions covering very specific situations. Obviously these applications take a lot of time to complete, but even longer to review and check-up on.

All in all, most of the support programs are just not easily decoded by the target audience nor adapted to their current needs. The review and check-up process for the support programs will take even more resources in place, without being able to guarantee that the funds go to the right person anyway. Immediately below we list the two good examples mentioned above:



## **The Cultural Development Administration in Västra Götaland - Residency at Home**

In order to be able to quickly support free cultural practitioners at a time when many people were hard hit, the Administration for Cultural Development in Västra Götaland has decided to announce 25 scholarships for individual residency work, under the heading Residency at Home.

Here, professional free practitioners in Västra Götaland, from all areas of art and culture, get the opportunity for temporary financial support to deepen and develop their artistic practice.

Ten residency scholarships are dedicated to practitioners in the field of literature as part of the AIR Litteratur Västra Götaland residency program. Other scholarships are distributed based on the number of applicants with fulfilled criteria from the respective art field.

The residence is four weeks long, where the residency artists can place their work when they want to May-September

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# Information för kulturaktörer med anledning av covid-19



## Region Skåne

Region Skåne has decided to set-up extra funding for people in the arts, culture and creative entrepreneurial sectors. The fund is called “Expresstöd” (translates into Express Support) and it will grant the recipient up to ~5 000€ (50 000SEK).

The express support is aimed at artists, cultural creators, organizers and other actors in the free cultural life in Skåne and the purpose is to contribute to change and development in a difficult situation. The support can, for example, be used for skills development or knowledge sharing efforts in the digital field, to do research or a feasibility study for a new production or project or to test and develop new formats, ideas, methods and models for events or upcoming productions.

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## **WHAT INFORMATION HAS BEEN INCLUDED IN THE LIST OF COVID-19 SUPPORT PROGRAMS**

1. List the current support programs and who is behind it
2. A short description about who can access the support program

## **TRANSPARENCY**

The information is collected mainly from [regeringen.se](https://www.regeringen.se), the swedish government's website. But some programs are also regional.

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## LIST OF SUPPORT PROJECTS

### **GOVERNMENTAL SUPPORT TO CULTURAL SECTOR - 500 milj sek**

The package is distributed by 4 national organisations as follows:

#### **Swedish Arts Council -370 milj sek**

The Swedish Arts Council will allocate support to organisers of cancelled and postponed cultural events. Those involved in the arts who worked on or would have collaborated on such events may also apply for support. The support covers events targeted at the public which have been cancelled or postponed due to the spread of coronavirus. Support covers events which would have been staged by 31 May 2020.

Support may be awarded up to 75% of lost revenue or costs up to SEK 1 million and a maximum of 50% of amounts over SEK 1 million. Any one organiser or involved party may receive SEK 10 million at the most. It is not possible to apply for support for lost profits.

<https://www.kulturradet.se/en/news2/support-package-for-the-arts--time-to-apply-for-grants/>

#### **Swedish Film Institute - 50 milj sek**

The same objective as above mentioned support but directed toward organizers of showings of films, like movie theatres and film festivals. Aims at supporting organisations with loss of income due to cancelled or postponed showings.

#### **Swedish Authors Fund - 10 milj sek**

Extra scholarships to compensate for loss of income due to effects of corona virus. Directed towards active and professional literary originators. The call for application is open 24 april – 8 maj 2020.

#### **Swedish Arts Grants Commitee - 70 milj sek**

The purpose of the grant is to compensate for professional artists' loss of income as a result of non-payment of remuneration in connection with cancelled artistic commissions that were

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planned to take place between 12 March and 31 August 2020. The contract for such a commission must have been signed before 29 March 2020.

Crisis grants can also be applied for artistic commissions that would have occurred during the above-mentioned period but have been postponed until after 31 December 2020, if remuneration for the commission has not been paid or will not be paid during 2020.

Artists whose loss of income amounts to a minimum of 15,000 SEK exclusive VAT (alternatively 15,000 SEK gross in the case of non-payment of salary) are eligible to apply for the grant.

The grant can be applied for at one of three levels: 15,000, 30,000 or 50,000 SEK, based on documented loss of income. Applicants choose their desired level and document loss of income up to the sum applied for. The grant is tax free and does not have to be declared in your tax return.

<https://www.konstnarsnamnden.se/default.aspx?id=24210>

## **OTHER SUPPORT TO CULTURAL SECTOR**

Following supports comes from support giving organisations renegotiating of internal budgets.

### **Swedish Film Institute**

Redirecting 40 milj sek.

- Increased support to movie theatres for “open showings” 20 sek/sold ticket
- Increased support for longterm launching of swedish film - 5 milj sek
- Increased support for development of film - 5 milj sek
- Increased support for already supported productions that are affected by the corona virus.
- More flexible terms for getting support.

### **Swedish Musicians' Union**

Extra scholarships from crisis fund to compensate for loss of income due to effects of corona virus. Directed towards active and professional musicians/ the unions field of work.

### **The association of Swedish illustrators and graphic designers**

- Offers advice given by senior accountant that cooperates with the association
- Regular scholarships are distributed earlier than normal. 80 scholarships a 25 000 sek will be distributed in june.

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## **Manegen - National member organisation for circus, variety and street performance.**

Manegen starts a special "Fund" with the purpose to make it possible for everyone who wants to support our members who are hit hard by the consequences of the corona crisis - while waiting for more support from the government and others. The Fund will initially exist March-May 2020.

The size of the support will depend on how much money that will be given to the Fund, how many who apply as well as how big needs you have.

<https://manegen.org/en/manegen-is-starting-a-support-fund-in-connection-to-the-corona-crisis/>

## **REGIONAL SUPPORT TO CULTURAL SECTOR**

### **Region Stockholm - 6,4 milj sek**

- Can be applied for by cultural agents that has been given support from the region 2018-2020.
- Aims at covering loss of income or additional cost due to coronavirus.
- Call for applications is closed and answers will be given at the end of may.

## **MUNICIPAL SUPPORT TO CULTURAL SECTOR**

### **Stockholm - 20 milj sek**

- Can be applied for by cultural agents that has been given support 2019-2020.
- Aims at covering loss of income due to coronavirus.
- Advicing plan for organisations that are affected by the coronavirus

## **GOVERNMENTAL SUPPORT TO BUSINESSES**

<https://www.government.se/articles/2020/03/economic-measures-in-response-to-covid-19/>

### **Temporary reduction of employers' social security contributions**

A temporary reduction of employers' social security contributions for the period 1 March to 30 June 2020 so that only the old age pension contribution is paid. The reduction applies to up to

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30 employees and on that portion of the employee's wage that does not exceed SEK 25 000 per month. This entails tax relief of up to SEK 5 300 per employee and month.

## **Temporary discount for rental costs in vulnerable sectors**

To reduce costs for companies with considerable difficulties as a result of the COVID-19 virus – in sectors such as durable consumer goods, hotels, restaurants and certain other activities – the Government proposes providing support that aims to facilitate and speed up renegotiation of rents. The approach is that central government will cover 50 per cent of the rental reduction up to 50 per cent of the fixed rent.

The support can be applied for after the fact and will apply for the period 1 April until 30 June 2020. SEK 5 billion is being allocated for this.

## **Loan Guarantee**

A central government loan guarantee has been proposed to make it easier for companies to access financing. The proposal means that the central government will guarantee 70 per cent of new loans banks provide to companies that are experiencing financial difficulty due to the COVID-19 virus but that are otherwise robust. The guarantee will be issued to banks, which in turn will provide guaranteed loans to companies.

The loan guarantee primarily targets small and medium-sized enterprises.

## **Tax allocation reserves**

The rules for tax allocation reserves will be temporarily changed so that sole proprietors severely affected by the COVID-19 outbreak will receive tax cuts. The new rules mean that 100 per cent of the taxable profits for 2019, up to SEK 1 million, can be set aside in the tax allocation reserve, which can then be set off against possible future losses. This means that many people can get back the preliminary tax they paid in 2019. This proposal concerns sole traders and natural persons who are partners in Swedish partnerships.

## **Loss of turnover**

The aim of the support is to make it possible for businesses to weather the acute crisis while making it easier for them to reorient and adapt their activities. This could apply to restaurants that need to sell more food via takeaway orders or taxi companies that can start making deliveries. It could also involve major manufacturing companies that reorient their production to products such as health care materials.

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The size of the support will depend on how large a loss of turnover a business has had and may vary between 22.5 and 75 per cent of the business's fixed costs excluding wage costs for March and April 2020.

To be eligible for the support, the business must have had a turnover of at least SEK 250 000 during the past financial year and a loss of turnover of at least 30 per cent. The loss of turnover is calculated on the basis of March and April 2020 compared with the same months last year.

### **Short-term layoffs**

Short-term work involves employees temporarily reducing their working hours. The cost is divided between the employer, employee and central government. The new system means that individual employers affected by temporary and serious financial difficulties that could not reasonably have been foreseen or avoided will be able to receive support for a limited period of time.

During 2020, a temporary strengthening of this support – short-term layoffs – has been proposed, which means that central government will cover three quarters of the cost of staff reducing their working hours, while employers and employees share the remaining quarter, rather than central government covering a third of the cost.

### **Sick pay responsibility taken by government**

The central government assume the entire cost of all sick pay during April and May. Self-employed persons will also be compensated in that they can receive standardised sick pay for days 1–14.

### **Liquidity reinforcement via tax accounts**

Companies can defer payment of employers' social security contributions, preliminary tax on salaries and value added tax that are reported monthly or quarterly. Company payment respite covers tax payments for three months and is granted for up to 12 months..

### **Increased loan facilities and credit guarantees**

- Almi Företagspartner AB will receive a capital contribution of SEK 3 billion to increase its lending to small- and medium-sized businesses throughout the country. This reinforcement of the loan fund will increase Almi's preparedness to meet the needs of businesses whose activities have been adversely affected by the coronavirus outbreak.
- The Swedish Export Credit Corporation's credit framework will be increased from SEK 125 billion to SEK 200 billion and can be used to provide both state-supported and

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commercial credit to Swedish export companies. These measures, along with the cancelled dividend payouts announced on 19 March, give the Swedish Export Credit Corporation enhanced opportunities to meet the export industry's increased demand for credit.

- The Swedish Export Credit Agency promotes Swedish exports and the competitiveness of Swedish industry by providing guarantees that facilitate the financing of purchases of Swedish goods and services. Increased credit guarantees totalling SEK 500 billion and lower risk for banks will provide new and improved credit opportunities for companies. A new guarantee for faster and more secure payment to Swedish export companies will also be introduced. This will apply to small- and medium-sized export companies, major export companies and their suppliers.

## **GOVERNMENTAL SUPPORT EMPLOYEES**

<https://www.government.se/press-releases/2020/03/crisis-package-for-jobs-and-transition/>

### **Temporary reinforcement of unemployment insurance**

The requirements concerning who can receive money from an unemployment insurance fund will be temporarily relaxed in terms of how much people need to have worked and how long people need to have been a member of a fund. At the same time, it is proposed that both the highest and the lowest amounts paid out by an unemployment insurance fund be raised temporarily to alleviate the economic impact on people who become unemployed. It is also proposed that the six initial qualifying days be removed and that the unemployment insurance funds receive funding for administration.