



European Economic and Social Committee

INT/181
Creative Industries

Brussels, 28 January 2004

OPINION

of the European Economic and Social Committee

on

Europe's Creative Industries
(exploratory opinion)

On 9 April 2003, in a letter from **Mrs Viviane Reding**, the Commission asked the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, to draw up an exploratory opinion on

Europe's Creative Industries.

On 15 April 2003, the Committee Bureau instructed the Section for the Single Market, Production and Consumption to prepare the Committee's work on the subject. The section adopted its opinion on 16 December 2003. The rapporteur was **Mr Rodríguez García Caro**.

At its 405th plenary session of 28 and 29 January 2004 (meeting of 28 January), the European Economic and Social Committee adopted the following opinion by 72 votes to seven with five abstentions.

1. **Introduction**

1.1 **Reason for the opinion**

1.1.1 On 9 April 2003, Commissioner **Viviane Reding** wrote to the President of the Committee to request that an exploratory opinion be drawn up on Europe's creative industries.

The Commissioner felt that the EESC, with its roots firmly planted in civil society and representing the interests of industry and workers, is particularly well placed amongst other things, to:

- offer expertise on this issue;
- sum up the interests at stake;
- shape ideas that express common ground between the parties concerned.

The Commission intends in principle to propose new Community instruments in the areas of culture and the audio-visual media early in 2004.

1.1.2 According to the Commission, the major challenges facing these industries are:

- external competition;
- pirating associated with the new technologies;
- the balance between major operators and independent entrepreneurs (market access and cultural diversity);
- varying tax treatment;
- and a lack of skills and training in certain of the sector's lines of work.

1.1.3 The Commission feels that this situation calls for a detailed examination of the following aspects:

- the challenges facing the creative industries;
- hurdles they will have to overcome;
- the contribution that the EU can make to help them rise to these challenges, in particular in the context of an enlarged Union.

1.1.4 At its meeting held on 4 September 2003, the European Parliament approved the Resolution on Cultural Industries. The rapporteur was MEP **Myrsini Zorba**.

1.1.4.1 This comprehensive text was drafted using the same rigorous methodology as that adopted by the European Parliament when drawing up a draft resolution containing practical suggestions for methods that could be adopted by the responsible European institutions and the Member States.

1.1.4.2 At the public hearing held on 22 April 2003, the results of a questionnaire sent out to two hundred professional associations, federations of specific sectors, companies and experts in this field were presented. The following were cited as the major problems faced by the European creative industries:

- lack of investment;
- problems related to distribution;
- restricted size of the market;
- linguistic diversity;
- pirating.

1.1.4.3 According to the document presented at the hearing, operators in this sector are dissatisfied with cultural policy at both national and European level.

1.2 **Content of the exploratory opinion**

1.2.1 In its opinion, the European Economic and Social Committee focuses on specific issues which together are considered to be of particular relevance for future Community action.

1.2.2 The Committee will be asked to respond to two basic questions:

- What are the cultural and socio-economic challenges facing Europe's creative industries?
- What contribution could Europe make to respond to these challenges in a lasting way?

2. **Europe and culture**

2.1 **Culture**

2.1.1 The definitions given in different dictionaries for the overall notion of "culture" are generally very similar. Culture could be described as the set of knowledge, customs and levels of artistic and scientific development that defines an era or social group.

2.1.1.1 The peoples of Europe share similar knowledge, customs, levels of development and values, to varying extents, such that, with all due respect to much more local identity markers, we could claim the existence of a European culture or "European Cultural Area".

2.1.1.2 In line with the focus of the opinion presented here, culture can equally be defined as a set of cultural and artistic products and productions from the fields of music, theatre, cinema, television, literature and so on. This description of culture takes much greater account of its economic dimension and recognises the important role played by the creative industries.

2.1.2 However, culture is not an abstract concept; it is born out of the very lives of those who make it possible. Culture cannot exist without artists, performers and other creative minds who take their inspiration and turn it into works to be considered and enjoyed by all citizens and which form the cultural wealth of all humanity.

2.1.3 Indeed, what would be the purpose of a cultural work if it were entirely inaccessible? Access to culture enhances the possibilities of the human mind. But it should not be forgotten that any abuse of culture can turn it into an element of power and control. Strengthening culture and promoting free and open access to culture for all citizens can help counter forms of hegemony that attempt to use culture as a means to becoming established.

2.2 **Cultural Policy and a European Cultural Area**

2.2.1 Prior to the entry into force of the Maastricht Treaty, the European Union had no legal basis on which to create a cultural policy. Now, with a solid legal basis and through the launch of programmes specific to this area of Community policy, the European Union no longer appears solely as a geographical, political, social or economic entity on the world scene, rather the more essential aspects of the shared cultural heritage of the European Community are taking on increasing importance.

2.2.2 In the light of this, the Committee agrees that culture constitutes an essential and unifying element in the everyday lives and identities of the citizens of Europe.¹

¹ European Parliament Resolution on Cultural Industries, whereas clause A. [P 5 TA-PROV (2003)0382].

2.2.3 Although the EU does not have a common policy to deal with the various cultural sectors and despite the restrictions laid down by Article 151 of the EC Treaty, the Member States and the Union with its institutions must help draw up a joint vision for the future that will enable the Union as a whole to take more decisive action in the field of culture.

2.2.3.1 A cultural policy developed at European level would need to promote access for the citizens of the Union to the cultural identity which unites them as well as awareness of the cultural diversity of the different regions of Europe and of the people who make up in that diversity.

2.2.4 In its resolution of 5 September 2001, the European Parliament indicated that it felt that the cultural dimension of the Union should be strengthened for the future, both in political and budgetary terms, boosting cooperation between the Member States in order to create a "European Cultural Area".

2.2.4.1 The creation of a European Cultural Area would benefit the Union on two counts: firstly it would enhance the cultural wealth of Europe, and secondly it would bring economic advantages through the development of the creative industries. The creative industries are what provide the citizens of the Union with access to culture and it is through these industries that our culture is exported beyond the Community borders.

2.2.5 While the purpose of this opinion is not to provoke a debate concerning European cultural policy, the Committee does feel that this is a crucial issue that has a bearing on the creative industries and should be looked at in depth.

3. Community Programmes that support culture and the creative industries

3.1 Legal basis

3.1.1 Prior to the ratification of the Maastricht Treaty, the European Union had no legal framework within which to develop a cultural policy at Community level. None of the articles or sections of the Rome Treaty made any specific reference to this issue; only the preamble alluded to the role played by culture in unifying peoples and promoting socio-economic development.

3.1.1.1 Article 151 of the EC Treaty sets down a basis on which to promote, support and supplement action undertaken by the Member States, while respecting national and regional diversity, placing particular emphasis on the common cultural heritage of the citizens of the Union. However, harmonisation of any sort is expressly excluded from the sphere of application of this article.

3.1.2 One of the tasks that falls to the European Union is to ensure that the conditions necessary for the competitiveness of the Community's industry exist. Article 157 of the EC Treaty stipulates that Community action shall be aimed, amongst other things, at speeding up the adjustment of industry to structural changes and encouraging an environment favourable to initiative and cooperation between undertakings.

3.1.2.1 The European Union must contribute to the creation of an environment that is favourable to the development of the creative industries, enabling them to benefit from the findings of research, technological progress, better access to funding and the advantages of cooperation within a European Cultural Area.

3.2 Specific programmes in the field of culture

3.2.1 Under the appropriate legal framework provided by Article 151 of the EC Treaty, the European Union launched three programmes in 1996 and 1997 aimed specifically at the field of culture: Kaleidoscope², set up to promote artistic creation and promote awareness and the dissemination of the art of the peoples of Europe; Ariane³, designed to develop cooperation between the Member States in the field of literature and reading and to promote better knowledge of the literary and historical works of the countries of Europe through translation; and Raphael⁴, intended to boost cooperation between the Member States in relation to cultural heritage with a European dimension.

3.2.2 In February 2000, the first European Community framework programme for culture⁵ was approved. This programme simplifies Community action by establishing a single financing and programming instrument for cultural cooperation. The resulting cooperation between the players in the cultural field is contributing to the creation of a European Cultural Area, the development of artistic and literary creation, raising awareness of European history and culture, boosting the dissemination of culture worldwide, and increasing the value of heritage which has a European dimension and promoting intercultural dialogue.

3.2.2.1 Culture 2000 aims to create a common cultural area characterised by cultural diversity and the shared cultural heritage of the peoples of Europe. The countries of the European Economic Area and the candidate countries have also been invited to participate in this programme. It supports artistic and cultural projects which have a European dimension in terms of their conception, organisation and realisation. The majority of the projects involved also have a multimedia element seen through the creation of websites and discussion forums.

3.2.2.2 Culture 2000, which covers the period 2000 – 2004, is set to be extended via a new Proposal for a Decision of the European Parliament and the Council amending Decision

2 Decision 719/96/EC

3 Decision 2085/97/EC

4 Decision 2228/97/EC

5 Decision 508/2000/EC

No. 508/2000/CE⁶, which suggests that the programme should be continued unchanged until the year 2006.

3.3 Community programmes relevant to the field of culture

3.3.1 The aim of MEDIA, (the French acronym for "Measures to Encourage the Development of the Audiovisual Industry"), is to minimise the weaknesses of the European audiovisual and multimedia content industries, characterised above all by insufficient dissemination of European productions and a chronic deficit in investment in the development of new projects, ongoing training and the promotion and distribution of productions. The significance of these shortfalls becomes all the more apparent when compared with productions of North American origin.

3.3.1.1 The MEDIA programmes, therefore, support culture via projects involving the audiovisual industries that provide this type of cultural production. More precisely, the aims of the MEDIA Training⁷ and MEDIA Plus⁸ programmes, previously MEDIA I and MEDIA II, are, respectively, to train professionals in the European audiovisual production industry and to boost the development, distribution and promotion of audiovisual programmes.

3.3.1.2 The Commission has conducted a public consultation exercise with a view to proposing a new generation of programmes for the European audiovisual industry, based also on the outcome of the evaluation of the current programmes.

3.3.2 Furthermore, the EU runs various programmes and actions, which are not directly linked to support for culture itself, but which comprise approaches and back individual projects that touch on a host of aspects related to culture in general and cultural heritage in particular.

3.3.2.1 The following can be listed as some of the most significant of these programmes, complete with a description of the cultural activities to which they relate:

- a) The Fifth Framework Programme for Research and Technological Development, including some programmes that aim to preserve cultural heritage, in particular the European research programme on a "User-friendly information society".
- b) Many projects financed by the European Union education and training programmes SOCRATES and LEONARDO aim to raise awareness and enhance knowledge of the arts and to create links between cultural and educational institutions with a view to teaching European citizens about works of art such that they might appreciate these better and be encouraged to train for professions related to culture in its many guises.

⁶ COM(2003) 187

⁷ Decision 163/2001/EC

⁸ Decision 821/2000/EC

- c) The European Social Fund, which supports training schemes that specialise in subjects related to the arts, such as the restoration and conservation of the photographic heritage in Italy. The Community initiative EQUAL should also be mentioned in this connection.
- d) The Youth programme, which finances annual gatherings of young people aged between 15 and 25, some of which focus on artistic activities.
- e) The eContent Programme, which is part of the eEurope Action Plan, and specialises in developing automatic translation technologies that will help preserve the linguistic diversity of literary works written in Europe as well as supporting the production of European digital content.
- f) The European Union's regional policy also contributes financially to setting up areas of artistic creation and distribution, such as music schools, concert halls, recording studios, etc.
- g) The regional "EUROMED HERITAGE" programme, which is part of the MEDA programme set up to foster cooperation with the Mediterranean countries and supports the development of the Euro-mediterranean cultural legacy. EUMEDIS, an initiative aimed at developing digital services in the Mediterranean countries and in particular multimedia access to that region's cultural heritage and tourism, is part of this programme.
- h) The URB-AL programme, which supports cooperation between towns and cities of the European Union and Latin America for issues related to the problems of urban areas, including the preservation of urban heritage. An equivalent programme is run in Asia under the title ASIA-URB and cooperation projects involving the countries of Africa, the Caribbean and the Pacific under the Cotonou Agreement seek to conserve and boost that region's cultural heritage.
- i) The European Regional Development Fund, which finances heritage restoration projects as part of general regional development programmes. The Community initiative URBAN, set up to assist urban areas in crisis, and INTERREG, which promotes cooperation between the regions of the European Union in different areas such as urban development, also lend their support to projects of this type.
- j) The European Agricultural Guidance and Guarantee Fund, which supports development projects in rural areas and comprising the LEADER project, which contributes to the cultural renovation and upgrading of rural buildings, sites, furnishings and other materials.
- k) The LIFE III programme, which is part of the Sixth Community Environment Action Programme and which contributes to the Union's environment policy by promoting the enhancement of sites of natural and cultural interest and the sound management of any related tourism.

3.3.3 In the Committee's view, this list of programmes reflects the growing interest of the Community institutions in the promotion of culture. However, it also indicates the spread of initiatives

and projects which are individually achieving considerable progress, but which could create synergies, achieve even better results and show greater effectiveness in reaching the culture targets set were they coordinated.

3.3.3.1 Several of the programmes listed fall under the aegis of the same Directorate General, in particular those most directly linked to culture, the creative industries and the audiovisual sector. However, other initiatives and programmes do not fall into this category. It would perhaps be advisable to consider whether there should be more coordination between these programmes.

4. **The creative industries**

4.1 **What is meant by the creative industries?**

4.1.1 The Committee does not wish to provide a narrow and restricted definition of what it means by the term "the creative industries", as the definition should aim to establish which sectors fall within the cultural and creative industries.

4.1.1.1 Furthermore, depending on which source is consulted, some quite different sectors of activity are labelled creative industries. These include the performing arts, such as theatre, music, dance and others, the plastic arts, covering both painting and sculpture etc., cultural craftsmanship, book publishing, music publishing, the audiovisual media and the cinema, the communication media, cultural and above all architectural heritage, the conservation and restoration of our cultural heritage and cultural works and even tourism where this aims at raising awareness of a specific cultural asset, whether urban or rural, not to forget museums, libraries and other centres of culture.

4.1.2 According to UNESCO, creativity, an important part of people's cultural identity, is expressed in different ways. These means of expression are copied and boosted by industrial processes and worldwide distribution. Cultural industries consist of books, magazines, music records, film and videos, multimedia products and other new industries that are being created.⁹

4.1.2.1 This definition does indeed cover the concept of the creative industries very accurately. Some further sectors containing cultural works that cannot be reproduced on a large scale, but which attract interest, invite direct or indirect study or which are visited by citizens should be added to this list. These are industries that, through tourism, bring millions of citizens closer to cultural heritage that cannot be reproduced.

4.1.2.2 In view of the above and in order to guarantee the effectiveness of a European cultural policy in supporting the creative industries, the Committee seconds the request for a clear definition submitted by the European Parliament in its Resolution of 4 September 2003, and contributes towards this definition by listing a series of criteria in points 4.1.2 and 4.1.2.1 of this document.

⁹ <http://www.unesco.org/culture/industries>

4.2 **Into what categories could the different creative industries be placed?**

4.2.1 For merely didactic purposes, and without excluding other forms of classification, the creative industries can be placed into the following categories:

- Cultural displays. This category comprises artistic displays such as theatre, concerts, dance and other live exhibitions
- Cultural works and works of art such as the artistic and architectural heritage and all the very important tasks of conservation and restoration which ensure we are able to enjoy this art long into the future.
- Cultural institutions such as museums, galleries and libraries.
- Publishing. This sector covers both the publication of books, music and photographs as well as cinema and its reproduction on video and DVD.
- The daily media. This category covers radio and television broadcasting and the media in general.
- The multimedia sector. This sector includes the new culturally-oriented digital media and on-line information provided via broad-band Internet access.

4.2.2 The significance of cultural products and the creative industries from an economic point of view is clear. The growing economic importance of the creative industries has turned them into an important source of economic activity and ongoing job creation. As such, the Committee feels that the creative industries of the European Union have a significant role to play in enabling the Lisbon objectives concerning employment to be met.

4.2.2.1 In a society that sets increasing store by leisure time and activities, the creative industries help promote knowledge, entertainment and employment. It would seem only logical then that both the Member State and Community authorities should support the development and expansion of these industries, especially with regard to technological change.

4.2.2.2 Special measures are required for the specific culture practised and used by indigenous and minority populations.

5. **The European Economic and Social Committee, culture and the creative industries**

5.1 The essential role of the European Economic and Social Committee is to represent organised civil society and the socio-economic partners within the European Union. As such, it is ideally placed to offer an opinion that will reflect not only the concerns and wishes of these partners,

but will also provide a vision of culture from the viewpoint of the users of the creative industries, adding a further perspective to the debate.

5.2 Over the years, the Committee has voiced its views on culture in general and the creative industries in particular on several occasions. In terms of the latter, the Committee has expressed its view on the industries of the audiovisual sector through the different opinions concerning the adoption of the different phases of the MEDIA programme.

5.3 In its opinions the Committee clearly stated its position both on the pin-pointing of the problems and challenges faced by the audiovisual industries as well as on possible solutions that could be adopted in order to support and boost the creative industries with the aim of promoting the accessibility and dissemination of the culture of Europe in general and of the individual states and regions in particular.

5.4 These opinions, which are still fully valid today, are reiterated below.

5.4.1 Opinion on the Proposal for a Council Decision concerning Community participation in the European Audiovisual Observatory¹⁰

5.4.2 Opinion on the proposal for a Council Decision amending Council Decision 90/685/EEC concerning the implementation of an action programme to promote the development of the European audiovisual industry (Media) (1991-1995)¹¹

5.4.3 Opinion on the proposal for a Council Decision on a training programme for professionals from the European audiovisual programme industry and on the proposal for a Council Decision on a programme to promote the development and distribution of European audiovisual works¹²

5.4.3.1 Under point 3 of the general comments listed in this opinion, the Committee conducted an in-depth analysis into the shortfalls of the sector, indicated by the Commission in its Draft Decision, and offered a series of observations which remain valid today. As such, the Section reiterates its support for them.

5.4.3.2 Today, the same difficulties as those encountered years previously, and on which the Committee had given its views, have once again been identified. It would appear that the measures taken, action undertaken and projects backed, above all in the audiovisual sector, have failed to resolve the structural problems which emerged years ago. The Committee feels that this itself is a

¹⁰ OJ C 329, 17.11.1999

¹¹ OJ C 148, 30.5.1994

¹² OJ C 256, 2.10.1995

problem. It is clear that despite everything, the institutions of the European Union have acted ineffectually.

5.4.4 Opinion on the Proposal for a Decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA - Training) and on the Proposal for a Council Decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus)¹³

5.4.4.1 As mentioned in reference to the previous opinion, the same unresolved problems as in the past continue to affect the audiovisual sector: points 1.3 and 1.4 of this opinion express this once again in very similar terms, and refer to some additional challenges.

5.4.4.2 Under point 3.1 of the general comments listed in this opinion, the Committee indicates its support for the proposed decision containing complementary measures to promote the dissemination of the common cultural heritage specifying that, "*this fact should be highlighted in the proposal, given that the promotion of our cultural identity is involved.*"

5.4.4.3 Finally, it is worth making reference to point 3.3 of the opinion. Indeed, the Section feels the comments made under this point to be of such relevance that it considers it impossible to discuss the problems and solutions surrounding the creative industries without first making reference to these remarks. As such, they are reinforced in the exploratory opinion.

5.4.4.4 The Committee stated the following: "the Committee regrets that the proposal has not taken account of the fact that the importance of the European audiovisual industry does not derive exclusively from its entrepreneurial dimension, but also from its role as a vehicle for the promotion of our culture and democratic values". In short, the Committee recognises the cultural dimension of the audiovisual industry.

5.4.5 On 24 September 2003, the Committee plenary session adopted a new opinion on the Proposal for a Decision of the European Parliament and of the Council modifying Decision No. 163/2001/EC of the European Parliament and of the Council of 19 January 2001 on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA-Training) (2001-2005) and the Proposal for a Decision of the European Parliament and of the Council modifying Council Decision 2000/821/EC of 20 December 2000 on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus – Development, Distribution and Promotion).¹⁴

¹³ OJ C 168, 16.6.2000

¹⁴ OJ C 10, 14.1.2004.

5.4.5.1 According to points 2.1 and 2.2 of this opinion, the Committee thinks that it would have been better if the Commission had taken earlier action to create the conditions and adopt the measures needed ahead of the discussion and submission of the new multiannual programme, rather than simply prolonging existing programmes. Once again the Committee reiterates its hope that account will be taken of the suggestions and proposals contained both in this opinion and those mentioned above.

5.5 **The European Economic and Social Committee and the Culture 2000 Programme**

5.5.1 The Committee regrets that it was unable to submit remarks on this programme in view of the restriction placed by paragraph 5 of Article 151 of the EC Treaty. This Article does not provide for consultation of the Committee when introducing measures to promote culture, although thanks to the provisions of Article 157 it must be consulted for all measures supporting industry in general and the creative industries in particular.

5.5.2 Given that the Committee represents organised civil society, it would make sense for its opinion to be asked on all issues under discussion related to the cultural policy of the Union, in particular as the Committee considers culture to be part of the European model of society.

5.5.3 In April of 2003, the Commission published a public consultation document entitled, "Designing the future programme of cultural cooperation for the European Union after 2006"¹⁵. The aim of this document was to launch a debate on future projects in the wake of Culture 2000.

5.5.4 In order to make known the opinion of the Committee on this programme, which will directly or indirectly affect players in the cultural sector, from the creators through to the producers and editors of cultural products, and as such will affect the creative industries themselves, the Committee should draw up an own-initiative opinion outlining its views.

6. **Cultural and socio-economic challenges faced by the creative industries in Europe**

6.1 **The need to define what is meant by the "creative industries" and identify the sectors of activity that fall within this category**

6.1.1 Throughout this document a series of problems and challenges faced by the creative industries of Europe, and identified through a variety of studies and analyses conducted over a period of several years, has been listed.

6.1.2 As stated above, the concept of "creative industries" encompasses very different types of culture-related production. Moreover, each sector of activity presents its own specific issues and interests, making it difficult to simplify the problems facing the creative industries as a whole and the solutions to them.

¹⁵ http://europa.eu.int/comm/culture/eac/archive/consult_pub_en/html

6.1.3 It is therefore necessary to establish which activities fall within the scope of the creative industries in order to identify the specific problems affecting each sector of activity and solutions that can be applied in practical terms to each one.

6.1.4 In point 4 of this opinion, the Committee states what it means by the term "the creative industries" and the sectors falling within it. Given the huge diversity of sectors, each affected by widely varying issues, the Committee must adopt a broad and cross-cutting approach to the major challenges affecting either the creative industries as a whole or more than one of the sectors of activity identified in the opinion.

6.2 Challenges arising from linguistic diversity

6.2.1 In all of the analyses carried out, the linguistic diversity of Europe stands out as both a strength and a weakness at the same time. It is a strength in that it represents a host of different forms of expression, each of which conveys the most positive aspects of the culture from which it originates. And yet it is a weakness, not from a cultural point of view but rather in terms of the industry itself, in that it renders production more costly and is an obstacle to distribution. While it is only logical that this situation should arise within a multilingual Europe, the Committee believes that the authorities of the Union and of the states and regions of Europe must succeed in strengthening this diversity whilst at the same time supporting all measures and studies required to overcome this weakness.

6.3 Specific problems affecting businesses in the cultural sector

6.3.1 Since this is a sector that covers many different spheres of activity, the problems faced by businesses concerned with cultural production are very diverse. A single standard should be drawn up so that uniform statistics can be compiled on the creative industries throughout Europe. On the basis of such data, a joint action plan can be devised which refers to both the individual sectors and the regions and in which goals, strategies and measures are defined.

6.3.2 While large-scale mergers are under way in the publishing sector, the audiovisual sector remains excessively fragmented and is therefore in no position to take on its major competitor, the North-American audiovisual industry. Throughout this document as well as during the debates held by the study group responsible for drawing up this opinion, and in the Resolution of the European Parliament drafted by MEP **Myrsini Zorba**, some common elements come to the fore as the essential challenges still faced by the creative, and above all the audiovisual, industries. These challenges are essentially as follows:

- a) A chronic investment deficit coupled with an evident inability to attract financial resources, jeopardising commercial viability of businesses.

- b) Poor economic investment in the planning and implementation of audiovisual projects undermining the profitability of productions and reducing capacity for future investment.
- c) Insufficient capitalisation of businesses which in turn weakens their international industrial development strategy.
- d) Lack of regulations covering such areas as taxation, particularly where value added tax is concerned, which is applied in many different ways depending on the cultural product and Member State concerned.
- e) The absence of any real regulatory framework within which to dismantle obstacles to labour mobility for artists and other creative performers. More obstacles remain to the free movement of citizens than to that of goods, if cultural products may be considered as such.
- f) Problems linked to poor distribution compared to the US and scarce transnational dissemination of cultural products combined with the difficulties of drawing up catalogues of those works or lists of those productions available for distribution. These problems affect businesses linked to the audiovisual sector and book and music publishing.
- g) The insufficient size of the market, essentially owing to the fragmented and compartmentalised nature of both national and regional markets, and the variety of languages viewed in purely industrial terms, since it entails higher production costs and distribution difficulties, which in turn hampers the transnational dissemination of cultural products across Europe.
- h) Low investment in promotion and publicity at European and international level.
- i) An increase in pirating and illegal use of brand names in the audiovisual and music sector. This situation could become intolerable for businesses. Copyright must take precedence over the right to reproduction for private use. The European Economic and Social Committee's Section for the Single Market, Production and Consumption has drawn up an Opinion¹⁶ on the Proposal for a Directive of the European Parliament and of the Council on measures and procedures to ensure the enforcement of intellectual property rights.¹⁷

6.4 Challenges related to globalisation

6.4.1 The Committee feels that one of the major problems faced by the creative industries and, in particular, the audiovisual and music industries of the European Union is the continuing globalisation of the market for the trade in cultural products. The strength of the North American

¹⁶ CESE 1385/2003

¹⁷ COM(2003) 46 final

industry is evident. The commercial surplus of US audiovisual products is tremendous in comparison to the European Union.

6.4.2 In order to be able to compete with the United States, Europe's audiovisual industry must be imaginative and not restrictive. Cooperation inside Europe must be strengthened and a climate created that is favourable to the further development of the European sector, promoting its expansion within Europe itself as well as supporting export beyond the European borders.

6.5 **Problems facing the European Union**

6.5.1 In the Committee's view, the European Union cannot be said to have any global strategy for its creative industries. In order to support them, a cultural policy must be drawn up at European level, but which upholds in full the principle of subsidiarity, coordinating existing national policies so as to determine a common cultural objective, enabling the emergence of a competitive European cultural industry.

6.5.1.1 The Committee considers it to be necessary to draw up such a policy at the level of the European Union complete with clear strategies that will strengthen the European Cultural Area and promote European culture outside the European Union.

6.5.2 Cultural policy affects a great many areas and must connect other Community policies to each other in order to create synergies that will support all efforts made in a clear and precise manner. Currently, the projects and initiatives undertaken in this area are spread across the various programmes listed in this document, each of which is making unquestionable progress on an individual basis. However, by coordinating these projects, synergies could be created that would in turn enable an even better result. Decentralisation resulting from the wide reach of cultural policy must in no case lessen the efficiency with which the objectives set are reached.

6.5.3 The creative industries of the European Union could make an important contribution to achieving the Lisbon objectives regarding employment creation.

6.5.3.1 The budget appropriation for measures to support culture and the creative industries is a problem that must be dealt with by the European Union. The budget for the various programmes directly linked to culture and the audiovisual industries as well as for projects that fall within the scope of other programmes that touch on the area of culture is insufficient to provide a fresh boost to the audiovisual sector in particular and the creative industries in general. It falls to the European institutions to determine which of the production sectors has the greatest influence and are expected to create the greatest number of jobs, then to offer clear support to the sector of the creative industries which, through its many facets, is offering increasingly attractive possibilities for growth.

7. The potential contribution to be made by Europe to finding long-term solutions to these challenges

Without reiterating the opinions already stated by the Committee throughout this document and, more precisely, under points 5 and 6, the following observations may be made regarding how to address some of the problems faced by the creative industries.

7.1 A cultural policy for the European Union

7.1.1 The Committee feels that a cultural policy drawn up at European level should be based on promoting access for citizens of the Union to greater awareness of the cultural identity that unites them, on restoring Europe's defining values, and on familiarity with the cultural diversity of the different regions of Europe in order to learn to live in diversity.

7.1.2 The Committee therefore shares the opinion expressed in the European Parliament's Resolution of 4 September 2003, according to which culture is an essential and unifying element in the everyday lives and identities of the citizens of Europe.

7.1.3 A common cultural policy for the European Union must not, however, interfere with existing responsibilities for culture at the regional and/or Member State levels, but rather boost culture and promote it as a unifying force.

7.2 A European Cultural Area

7.2.1 The Committee fully agrees with the resolution of 5 September 2001, in which the European Parliament argued that the cultural dimension of the Union should be strengthened for the future, both in political and budgetary terms, boosting cooperation between the Member States in order to create a "European Cultural Area".

7.2.2 The creation of a European Cultural Area would benefit the Union on two counts: firstly it would enhance the cultural wealth of Europe, and secondly it would bring economic and social advantages through the development of the creative industries.

7.2.3 Cooperation between the various players in the cultural field is helping to create such a European Cultural Area, as well as to develop artistic and literary creation, raise awareness of European history and culture, boost the dissemination of culture across Europe and worldwide, increase the value of heritage with a European dimension and promote intercultural dialogue.

7.2.4 For these reasons, the Committee proposes that consideration be given to the following initiatives:

- the introduction of incentives to promote artistic creation and provide artists with the tools they need to ensure their works can reach the public;

- backing for exchanges of live performances and extending tours across national boundaries;
- a support system so that audiovisual productions can be broadcast over the Internet, satellite television and specialist TV channels; and
- closer links between the creative industries and research and technological development, so as to be able to offer innovative products and services with higher added value.

7.3 Definition of the creative industries

7.3.1 The Committee feels there can be no discussion of the creative industries without first determining their scope, however wide this may be: restrictive criteria are unnecessary, and the list may remain open-ended.

7.3.2 The huge diversity of sectors that fall within the concept of "the creative industries" presents a range of issues that are as varied as the sectors themselves. In order to be able to identify the problems affecting the creative industries as a whole, and each specific sector, and possible solutions to them, the Committee believes it is necessary to define what is meant by "the creative industries" and which sectors of creative and productive activity fall within this category.

7.3.2.1 The Committee has contributed towards this by listing a series of criteria in point 4 of this opinion.

7.3.3 With this in mind and despite the wide-reaching nature of cultural policy, the measures taken to support the cultural sector should be based on an inclusive, global strategy.

7.4 Support for the creative industries

7.4.1 In accordance with Article 157, it falls to the European Union to create an environment that is favourable to the development of the creative industries, as with all other sectors of industry, enabling the latter to benefit from the findings of research, technological progress, better access to funding and the advantages of cooperation within a European Cultural Area.

7.4.1.1 The creative industries generally lack a model for access to funding which suits the sector's requirements. Banks and the financial services sector generally look upon the creative industries as high risk enterprises.

7.4.1.2 A loan guarantee system would cover all or part of the risk assumed by a financial body in granting finance to a creative industry which might prove unable to repay the loan.

7.4.1.3 The introduction of Community support might be considered in this connection under the aegis of the European Investment Bank, with European Commission involvement, and channelled through selected financial intermediaries in the Member States.

7.4.1.4 The Commission's initiative for a Community action programme to promote bodies active at European level in the field of culture should also be mentioned here.

7.4.2 The challenges linked to the problems faced by businesses in the cultural sector must be analysed in depth and solutions must be found to bring an end to anomalies. This has not yet been achieved in the audiovisual sector, where the same problems are identified over and over again but no lasting solution has been found.

7.4.3 The Commission and the Member States must take the necessary measures to ensure that people working in the creative industries can enjoy the same freedom of movement as their products as well as freedom of establishment, in accordance with the provisions of the Treaty.

7.4.4 Given that some of the problems facing operators in these sectors stem from their lack of management skills and knowledge, or from the fact that these are difficult to access, the Commission and the Member States should provide the necessary resources to ensure that the creative industries receive assistance, information and training. The latter should be similar to that which is offered to SMEs but specifically adapted to the creative industries. This would involve extending initiatives of the Media Desk type to other areas.

7.5 **Cultural education and awareness-raising**

7.5.1 The creative industries need above all an audience, spectators, listeners and consumers. The general public, in particular young people, need to be made more aware of and take a greater enjoyment in cultural products. It is therefore necessary to promote and step up actions in the area of education for culture particularly in schools. An open-minded attitude to culture and the diversity of the European cultural heritage can be particularly well communicated in the home and at school.

7.5.2 Public authorities and schools play an important role in this. Television and radio, publicly and privately owned media that are present in every home, must increase culture's attractiveness by broadcasting programmes that promote cultural education and make the most of the cultural heritage.

7.5.3 A platform should be established at European level to put joint measures in place to raise awareness and to link up national initiatives.

7.6 Support for artists and other creative performers

7.6.1 Both the Commission and the Member States must work together to break down all barriers and other difficulties that prevent the free movement of artists and other creative performers. Both cultural goods and the people who create, write and interpret them must be able to move freely.

7.6.2 As such, and with a view to finding a solution to the many problems affecting artists and other creative performers, the Section shares the opinion outlined in the European Parliament's Resolution of 4 September 2003 concerning the creation of a "statute of the artist" for artists which would offer them social protection, facilitate their mobility, and make specific reference to the applicable legislation governing intellectual property rights.

7.6.3 Small and micro enterprises in the creative industries should also receive support for developing their business activities, through cooperation platforms being set up and appropriate further training being offered. It can help these firms to receive assistance at exhibitions, trade fairs, presentations and business missions so that they can operate on international markets.

7.7 Cultural industry, freedom and pluralism

7.7.1 Anyone living in a country with strong democratic institutions will understand the true meaning of the statement: "culture sets us free".

7.7.2 Strengthening culture and promoting free access to culture for all citizens is therefore essential to ensuring full respect for the right to freedom of expression and information enshrined in Article 11 of the EU's Charter of Fundamental Rights.

7.7.3 Beyond the economic and social dimension, the importance of the cultural industry thus lies also in its potential to promote European democratic values. Not least through updating the legal framework, it is therefore essential to ensure the competitiveness and pluralism of the cultural industry in the face of the gradual globalisation of markets, the growing convergence of the media encouraged by digital technology, and the gradual concentration of the groups which own the industry.

7.7.4 It is for this reason that the section wishes once again to express its support for all European initiatives and proposals intended to defend the pluralism of information and culture and ensure that there are checks on any concentration.

Brussels, 28 January 2004.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Roger Briesch

Patrick Venturini

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N.B.: Appendix overleaf.

APPENDIX

to the

OPINION

of the European Economic and Social Committee

The following amendments, which received at least one quarter of the votes cast, were rejected in the course of the discussion:

New point 2.1.1.3

"What constitutes culture is in the eye of the beholder, so it is difficult to give a clear-cut definition. Culture also includes all types of sporting events, and all those activities pursued by people across Europe in various types of association, such as folk music, folk dance, and arts and crafts."

Result of the vote:

For:	16
Against:	37
Abstentions:	7

New point 2.1.1.4

"We in Europe also have a duty to protect and advance the specific culture of the Sami people and of other indigenous and minority populations. In this context, language is particularly important."

Result of the vote:

For:	21
Against:	44
Abstentions:	9

New point 2.1.2.1.

"Culture is not just a matter of performers but of users, too. There is a huge imbalance in access to culture, and this is a key issue for cultural policy. Every citizen must have the right and opportunity to be both performer and user of culture."

Result of the vote:

For:	30
Against:	36
Abstentions:	4

New point 4.2.2.2

"In an increasingly multicultural Europe, it is particularly important to safeguard the specific cultures of the new Member States".

Result of the vote:

For:	26
Against:	31
Abstentions:	8
