

A questionnaire for the online consultation of cultural stakeholders on the future Culture Programme

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SECTION 1: ABOUT YOU	
1.1 Please state your name (surname, first name)	IMPALA (Independent Music Companies Association)
1.2 Please state your email address	info@impalamusic.org
1.3 In which country are you located?	BE Belgium
1.4 Have you heard of the European Union's Culture Programme 2007-13 before?	Yes
1.5 Have you or your organisation benefited from a grant under the Culture Programme 2007-13?	No
1.6 Are you or your organisation already involved in transnational co-operation in the field of culture?	Yes
1.7 In which cultural sector do you (or your organisation) operate?	Performing Arts - Music
1.8 In which capacity are you participating in this consultation?	An organisation
1.9a What is the size of the cultural department of your organisation?	Less than 11 employees
1.9b What type is your organisation?	Non-profit-making cultural association
1.9c Are you replying on behalf of a representative organisation in the cultural field?	Yes
1.9d Does your organisation represent individuals or organisations?	Organisations and individuals
1.9e How many members does your organisation represent?	More than 1000 direct members
SECTION 2: OBJECTIVES OF THE NEW PROGRAMME FOR CULTURE	
2.1 Do you think there is a continuing need for a specific EU programme for culture?	Yes

2.2 To what extent should the new programme pursue the following objective: Protection and promotion of cultural and linguistic diversity	To a great extent
2.3 To what extent should the new programme pursue the following objective: Promotion of the transnational circulation of cultural works and products	To a great extent
2.4 To what extent should the new programme pursue the following objective: Widening access to European heritage and cultural works	To a small extent
2.5 To what extent should the new programme pursue the following objective: Professional development and capacity-building of artists or cultural operators in an international context	To a small extent
2.6a To what extent should the new programme pursue the following objective: Promote cultural cooperation with third country operators	To a moderate extent
2.6b Should cooperation with third countries be limited to certain predefined countries or would a broader approach be preferable?	A broader approach
2.7 To what extent should the new programme pursue the following objective: Promotion of urban and regional development through culture	To a small extent
2.8 To what extent should the new programme pursue the following objective: Widening access to culture and participation in culture for disadvantaged groups	To a small extent

2.9 Would you like to comment on the objectives for a new Culture Programme?	<p>The Culture programme must take into account cultural and creative industries (CCIs) which are now recognised having a huge potential for Europe in economic, cultural and social terms. The programme should provide support to CCIs to unlock their potential and make sure that they can deliver their full contribution both to Europe's culture and its economy along with the objectives of the EU 2020 strategy. The objectives of the culture programme should include the need to strengthen the competitiveness of the European cultural sector in the framework of an open and competitive cultural market. The cultural sector is composed of a myriad of CC SMEs who ensure cultural diversity and diversity of choice that represents the European added value. There is a real European added value for the EC to support CCIs as they do not receive support at national and regional level. CCIs, and in particular SMEs, need what Europe currently does for audiovisual. This means a programme supporting production, promotion, distribution and the adaptation to new technologies. In the current context, it is even more crucial that EU funding also support CCIs and in particular independent SMEs, which can have a multiplier effect in terms of growth and jobs as well as in fostering creativity and innovation for Europe. This would help CCIs to develop long term viable activities. The current crisis makes strategic investment in Europe's cultural industries particularly timely.</p>
SECTION 3: ACTIVITIES WITHIN THE NEW PROGRAMME FOR CULTURE	
3.1a To what extent is it important for the new programme to support the following activities: Development of the professional skills of artists or other cultural professionals in an international context	To a small extent
3.1b Would you like to explain your response?	It is important obviously to support this type of activity. However, our experience is that there is already a considerable focus on these activities with finance available at the national and regional level.
3.2a To what extent is it important for the new programme to support the following activities: International networking for exchanging experience and practice (peer learning/peer coaching)	To a small extent
3.2b Would you like to explain your response?	Same as 3.1b

3.3a To what extent is it important for the new programme to support the following activities: Interdisciplinary partnerships between arts institutions and business to foster the entrepreneurial skills of artists or cultural professionals working in an international context.	To a small extent
3.3b Would you like to explain your response?	Same as 3.1b
3.4a To what extent is it important for the new programme to support the following activities: Creation of new works and performances by operators from different countries working together	To a small extent
3.4b Would you like to explain your response?	This type of activity is important and we know that there is already some funding available at local, regional and national level, which is better adapted to support creation projects in partnership with operators from different countries.
3.5a To what extent is it important for the new programme to support the following activities: Development of a space for experimentation, innovation and risk taking in the cultural sector	To a moderate extent

<p>3.5b Would you like to explain your response?</p>	<p>As drivers of creativity and innovation, CC SMEs are the ones who guarantee cultural diversity. They have a leading role in Europe for the development of new talent and new trends. In the music sector, independent SMEs provide 80% of all new releases across Europe. This means that they are risk takers and develop a capacity to discover new artists and produce quality products with high cultural value. Music SMEs usually develop more sustainable business models. They have a reputation for working closely with artists, often offering more flexibility, longer careers and artistic integrity or “synergy”. Taking risks allows SMEs to experiment and innovate in the production of new cultural works. In the music sector, music SMEs are investing and re-investing in the cycle of creation. It is essential for the EC to support them at different stages in financing the production, the promotion and the physical and digital distribution. The EC should also use specific financial tools such as loan guarantees and SME friendly growth finance to increase the investment in new talent and encourage the crucial work carried out by cultural entrepreneurs in terms of innovation and experimentation.</p>
<p>3.6a To what extent is it important for the new programme to support the following activities: Development of innovative digital cultural content, digitisation and new digital distribution and exhibition platforms</p>	<p>To a great extent</p>

3.6b Would you like to explain your response?

The internet is full of opportunities for cultural operators but they need support to make sure that can benefit from it. The new programme should encourage CCI and in particular music SMEs to adapt to the digital shift and support the transition towards the online world. The EC should make sure that European cultural operators grow viable activities with a minimum of diversity of European content in the digital environment. The adaptation to new technologies should include the digitisation of works required for online distribution and promotion, the creation of essential tools such as database, data registration and new forms of promotion. Digital distribution and the availability of content online should also be supported to ensure diversity and in order to give rightholders access to digital services and platforms for the online distribution of works. It is important to reinforce the capacity of SMEs in sharing activities to deal with the digital shift as they lack natural capacity and do not have the resources. In this regard, the EC should finance projects which provide essential intermediary services for SMEs to enforce their own copyright, or to capture the attention of potential users and gain access to licensing opportunities. In the music sector, Merlin is a good example of a collective structure that empowers innovative SMEs, by building capacity through providing an intermediary service to ensure access to otherwise unavailable licensing arrangements, and with an advocacy voice to protect and exploit their copyrights in the online and new media environments, worldwide. This kind of initiative shows the need for innovation support measures to address the challenge of the digital developments. The new programme should also encourage the distribution of works, produced by cultural operators and in particular SMEs, across Europe to reach EU citizens and give access to a diverse range of European works. Support to distribution is also a key objective. There is a real need for support to ensure dedicated space in all distribution channels - radio, broadcast, digital and retail (offline and online). The EC should cover a part of the distribution costs in the physical and digital environment. Automatic support or selective support should be granted to CC SMEs in order to allow the distribution of works in different European territories. The selection of operators benefiting from this support should be done on the basis of elements taking into account the production costs, the number of works distributed, the country of origin, the countries of distribution and the type of work. In the online environment, it is also necessary for the EC to ensure access to a diversity of cultural content for European citizens. Online services and platforms should provide a minimum of diversity for EU citizens with a wide choice of European cultural content. The EC should also support the digitisation of works and the placement of European diverse

	content in online services and platforms.
3.7a To what extent is it important for the new programme to support the following activities: Cultural activities promoting understanding of common European heritage	Don't know
3.7b Would you like to explain your response?	We agree that it is important but we are not in a position to judge how this should fit with the culture programme and we are not experts in the traditional cultural heritage/museum area. Is there no other funding available?
3.8a To what extent is it important for the new programme to support the following activities: Incentives for artists performing or touring outside of their own country	To a great extent

3.8b Would you like to explain your response?	<p>The new programme must encourage the mobility of artists and cultural works outside their own country through a strand focusing on promotion. It is important to take into consideration the European dimension of the action, the impact on the promotion and circulation of works and artists outside their own country as well as the added value for cultural actors. As board member of the stakeholders' platform on CCIs, IMPALA is working on the mobility and circulation. Promotion is particularly important for CC SMEs and concrete support in this area will help them to release cultural works in other countries outside their home territory. Promotion with the possibility of accessing radio, magazine, television and other media as well as digital advertising space would have a strong impact on the capacity of CC SMEs to develop new talent. Touring is also essential to help them to reach a broader audience in Europe and beyond. The EC should support promotion of European works in different territories of the EU through 1) the promotion for a new release before and /or during the production phase of a work (access to radio, magazine, television and other digital advertising space in 3 to 5 countries), 2) artist promotion outside the home territory, 3) touring across Europe. Worldwide promotion is also essential to ensure that cultural operators can 1) promote European works outside Europe, 2) promote a new release and an artist in territories outside Europe 3) tour outside the EU.</p>
3.9a To what extent is it important for the new programme to support the following activities: Transnational exchange of artefacts or other works	Don't know
3.9b Would you like to explain your response?	<p>This is not our area of expertise. We are not in a position to judge how this should fit with the culture programme but we believe other funds at national and regional level are available for this type of activity.</p>
3.10a To what extent is it important for the new programme to support the following activities: Funding for cultural and creative companies/organisations that promote the development of artists and their works in different European countries specifically with a view to fostering cultural diversity	To a great extent

<p>3.10b Would you like to explain your response?</p>	<p>The new programme must include production support for CCIs and in particular SMEs to continue playing their major role for innovation, especially the fact that they take risks in developing new works and new talent in Europe, which ensure cultural diversity and diversity of choice for EU citizens. This could take the form of support for CCIs through 1) slate funding aiming to support SMEs with previous international experience to take on several projects or 2) single project grants for smaller operators seeking to develop only one project. Both measures should be based on the development of new works and the promotion of new talent, including digital releases. The new programme should also support commercial organisations and networks that strengthen the capacity of SMEs. This means that organisations/networks should have a European experience/expertise as well as a set of contacts in different European countries. The EU funding must also facilitate access to finance from banks and other financial institutions. This means that the EC should facilitate loan guarantees and/or part of the financing through different financial products (micro credits, working capital, growth finance etc...). This type of support would help to develop sustainable cultural activities for several cultural operators with revolving funds. The Culture programme should also include a production guarantee fund such as the one recently created in the Media programme. This type of public/private initiative should be delegated to a European financial organisation under centralised management. The fund will receive annual contribution used to guarantee banks credits granted to CC SMEs. It allows a leverage effect with the banks and share the financial risk of loans granted by banks, guaranteeing to cover certain percentage of loss. This is a sustainable tool to encourage banks to loan to cultural actors in a context where the financial crisis has resulted in banks developing stricter standards when providing credit.</p>
<p>3.11a To what extent is it important for the new programme to support the following activities: Support to enable artists and cultural operators to overcome barriers to transnational mobility (e.g. legal and administrative barriers)</p>	<p>To a great extent</p>

<p>3.11b Would you like to explain your response?</p>	<p>The new programme should help to remove the numerous obstacles to mobility and circulation of artists and cultural operators. The main problem remains the administrative burden. The Small Business Act for SMEs already highlighted the issue and the objective of cutting red tape for SMEs is now one of the main priorities of the EU. In the culture sector, withholding tax and double taxation problems are examples of fiscal and administrative barriers, which need to be abolished within the internal market. We are not clear whether this particular priority is something for the new culture programme itself but it needs to be resolved. Take touring for example, the current situation means that some territories are avoided when a tour is scheduled. It also means that new markets are not developed and potential revenues from cultural works are lost because this situation puts cultural and creative SMEs at a disadvantage compared to companies in other countries. In some member states tax exemption procedures or foreign tax credit have been created. Such efforts are welcome, however often the administration burden required to take advantage of these facilitation acts as a deterrent. The administrative work involved in completing applications is too time consuming for CC SMEs. Tax exemption procedures should be simplified and a system such as the one introduced in the Netherlands which has relinquished its taxing right altogether for non-resident artists to avoid double taxation. Touring becomes more and more expensive. Stopping the discrimination between resident and non-resident performers (or their representatives) would clearly have an impact and considerably increase the mobility and circulation of artists and works in Europe. Communication with national tax authorities should also be improved to allow a better understanding of the requirements needed for touring activities. The EC should support artists and cultural operators to overcome these problems 1) in covering a part of the expenses linked to touring activities 2) in covering promotion and marketing costs to facilitate access to new market opportunities for European artists.</p>
<p>3.12a To what extent is it important for the new programme to support the following activities: Translation of fiction into different languages</p>	<p>To a small extent</p>
<p>3.12b Would you like to explain your response?</p>	<p>Translation is important of course but we believe other funds should be applied for this and the culture programme should emphasise on the need to support diverse production as priority objective.</p>

3.13a To what extent should the grants for literary translation also allow other costs to be included, such as purchasing of rights, publication costs, translation of book summaries and other promotional activities	Don't know
3.13b Would you like to explain your response?	Sama as 3.7b
3.14a To what extent is it important for the new programme to support the following activities: Festivals with a strong European dimension and visibility and featuring works and artists of European significance	To a moderate extent
3.14b Would you like to explain your response?	Concerning festivals, this is a crucial activity that we support fully. We simply point out that care needs to be taken to focus on value added priorities as we understand that national funding opportunities already exist to support this type of activity.
3.15a The EU already supports European prizes in the fields of contemporary architecture, cultural heritage, literature and pop music. To what extent is it important for the new programme to support the following activities: New European prizes in the field of culture	Not at all
3.15b In which cultural sector(s) should new European prizes be supported?	---
3.15c Would you like to explain your response?	We believe that it is important but it should be a separate initiative.
3.16a To what extent is it important for the Programme to support: media initiatives giving visibility to European cultural themes and projects	To a small extent
3.16b Would you like to explain your response?	We don't believe that this type of activities should be part of the culture programme. This should be part of the EC's communication budget. We are concerned about such a priority benefiting only media projects rather than the real innovators and actors in cultural innovation. The idea should be to reinforce CCIs and in particular SMEs in order to have more space and visibility in the media.

3.17 Would you like to comment on the activities within the new Culture Programme?	As described through different activities above, there is a clear need for concrete support measures for CCIs and in particular SMEs on distribution, production, promotion and adaptation to new technologies. This could take the form of specific strands similar to those existing in the Media programme, including a loan guarantee scheme, allowing cultural operators to develop viable activities and grow. It is essential to help cultural operators to improve access to finance and increase their capacity building to foster cultural creativity and innovation. Existing EIB/EIF instruments are not in practice accessed by the cultural sector, in particular SMEs. The new programme should seek to address that by making cultural industry sector a priority in the same way as they did for other sectors, e.g. environment or green projects. We would also like to underline that the EC should use structural funds to concretely support activities of CCIs. According to the recent EC study on the contribution of culture to local and regional economic development, only €6 billion, representing 1.7% of the total budget of structural funds, are intended for culture for the 2007-2013 period. The CCIs potential is undervalued in terms of growth and jobs as well as in terms of social and economic re-generation. Given the specific contribution of CC SMEs to local and regional development, they must be integrated into the strategic approach of local and regional authorities to become one of the priority areas of action for the use of the structural funds. This is clearly in line with the objectives of the culture programme.
SECTION 4: TYPES OF SUPPORT WITHIN THE NEW PROGRAMME FOR CULTURE	
4.1 The Culture Programme currently supports co-operation partnerships between cultural operators (at a rate of 50%): Is 50% the most appropriate rate for EU co-financing of co-operation projects?	No - the EU should fund more projects at a lower rate
4.2 EU operating grants currently meet 80% of the running costs of selected European-level organisations (Ambassadors, Advocacy Networks, Structured dialogue platforms). Is 80% the most appropriate level for EU co-financing of European-level organisations?	No - the EU should fund more organisations at a lower level
4.3 EU operating grants currently provided to organisations in support of their running costs are subject to the principle of “degressivity”, i.e. they are reduced each year. To what extent does degressivity present a problem for cultural operators?	Don't know
4.4 What problems does your organisation face as a result of degressivity?	---

<p>4.5 Could you suggest any further specific ways to simplify the application process and the management of the new programme?</p>	<p>More flexibility is needed. Regulations governing the selection of projects are too restrictive and experts do not take the needs of CCI into account, in particular SMEs. Most of the time, applications and submissions made by CC SMEs for EU funding are rejected because they do not correspond to traditional criteria. National banks are slow to realise the potential and are reluctant to take on the administration when dealing with EIB/EIF funds. There is a clear gap between the EU policy initiatives proposed and the functioning of the cultural sector as there is no systemic approach based on the structure of the cultural markets. There is a lack of knowledge of the characteristics of CCIs, which create difficulties when trying to analyse the projects during the selection process. The EC must make sure that the new culture programme and the executive agency integrate the necessary expertise of the CCIs to answer the real needs of all cultural operators. IFCIC in France is the good example of a private/public initiative, which plays a role of mediation to bridge the gap of communication existing between financiers and cultural professionals. It helps CCIs to improve their access to finance, providing support through an advance fund and a loan guarantee scheme adapted to the needs of CCIs. This type of finance should play a key role of multiplier to facilitate the investment in the culture sector.</p>
<p>4.6 How could the dissemination of the results of activities funded under the new programme be supported?</p>	<p>As mentioned above, the support to CCIs would foster the development of new European talent across Europe. This would mean more diversity and choice for consumers in Europe. In this regard, the EC should create a cultural diversity scoreboard to measure Europe's cultural diversity in terms of production, distribution, consumption and the mobility of cultural works.</p>

4.7 Would you like to add anything else on the types of support within the new Culture Programme?

We believe that the creation of a CCIs programme similar to Media and/or the inclusion of a particular strand of funding for activities supporting CCIs (especially SMEs) in the new culture programme is the key to adding value. It is new and crucial for giving a boost to the culture sector as a whole. Unlocking the potential of CCIs, via SMEs in particular, also means that cultural cooperation would hugely benefit from the maximisation of the conditions for the development of all cultural operators. As underlined in the consultation paper, it is more important than ever that the culture programme catch up with the economic, cultural and social potential of CCIs. EU funding should help to structure the sector and maintain the European added value and the availability of our culture. This is now a fundamental choice to make for the EC in order to overcome challenges faced by the cultural sector in Europe and help CCIs to deliver their contribution to the EU 2020 strategy.