

2020 Strategy Contribution

INTRODUCTION

In the past year, important and unprecedented steps were taken by the European Commission in recognising the role of cultural and creative industries at European level. For the first time ever, a coordinated approach by the cultural and creative industries to devising specific cultural strategies at EU level were facilitated by the Commission when they established the Open Method of Coordination (OMC) between member states. At the same time the EC facilitated the creation of three stakeholders' platform to foster a structural dialogue in the cultural sector. For the first time, this brought together hundreds of cultural and creative organisations throughout Europe who were then able to propose recommendations to the Commission as a united group as opposed to a fragmented and disjointed voice.

This progress needs to be built upon both by the European Commission and indeed by the culture and creative industries themselves in particular the SMEs which have a huge potential in terms of growth, innovation and employment. This reflection process is a key example of how the EU can improve the delivery of policy through better use of the instruments at their disposal. The better use of EU resources in this way is something that President Barroso places significant emphasis on in the 2020 strategy draft as a more stringent policy for the future.

The potential of Culture to become a significant player in these times of economic difficulty remains one of the "untapped" sources of growth and employment that are mentioned in the strategy. Having employed nearly 6 million people in 2004 with relatively limited funding, the opportunity to significantly increase this figure has never been more pertinent.

THE IMPORTANCE OF SMEs AS RISK-TAKERS

To a large extent, the global economic crash has stalled market activity and unsurprisingly, this has resulted in a lack of risk-taking and business innovation at all levels of all industries in Europe.

With this in mind, the role of SMEs has never before been so elevated. Of all the actors of the cultural sector, 99% are micro, small and medium sized enterprises and recognised by the EU as "drivers of growth, job creation and innovation". Cultural and creative industries, especially SMEs, are risk takers, investing in new talents and new aesthetics, fostering creativity and innovation as well as ensuring cultural diversity and choice for consumers. Connected to larger industries, they often play the role of design laboratories, offering economic opportunities and potential new innovative markets.

Increased support for SMEs would invariably breathe new life into the stale employment and economic situation in Europe at present. The strategy states that "With unemployment about to hit double figures in 2010, Europe is looking for new innovative ways to create employment." The cultural and creative industries have a proven track record in creating employment and can play its part in steering Europe and its citizens towards a more sustainable economic future. In the recommendations

produced by the Platform on Cultural and Creative Industries, many examples of how increased employment could be garnered were cited. For example:

“Take regulatory measures to ensure a level playing field in the cultural sector so as to counter chronic concentration and allow cultural and creative SMEs to compete on their own merits in order to deliver their full contribution to growth, job creation and innovation”

THE DIGITAL ECONOMY

Specific emphasis is placed on the importance of tapping fully, the potential of the Digital Economy. The 2020 strategy correctly states that “The digital economy offers great opportunities for SMEs both in the production and services sectors in their own right and as suppliers to larger companies. New innovative start-ups generate new often high-value jobs right across the EU. They can play an important role in regional development.” However, we cannot expect to successfully exploit the benefits of the digital economy to the maximum until some fundamental issues are dealt with. Problems still remain for authors and artists in relation to intellectual property rights and legal guarantees for their compensation. Market access and in particular the competitiveness of SMEs are fundamental issues to take into account to give a real boost to the digital economy. The Platform on CCIs addressed these issues in their recommendations to the Commission. They suggested to:

“Make sure that all rightholders benefit from the revenues of each exploitation of their works, including online.”

“Encourage fair and equitable agreements engaging ISPs’, telecom operators’ and search engines’ cooperation in resolving illegal digital uses, in order to enable the rolling-out of legal services.”

At the same time, the Platform acknowledges the vital role of the digital economy which provides a lot of opportunities for the future. Cultural and creative industries and especially SMEs are embracing these new challenges with their natural capacity to innovate.

THE EXPERTISE OF CCIs

We accept that the EU needs to find ways of triggering economic dynamism with limited budgetary maneuvers. As an industry that has not traditionally sought heavy funding or support in comparison with other industries, it’s likely that at this time of such monetary limitations, the cultural industries more than any other could have an impact given the potentially low costs involved. Cultural and creative industries have learned to maximise their output and their ability to repeatedly come up with new and innovative production methods with tight budgets. This kind of insight and expertise is singled out in the strategy as a vital tool for safeguarding the economic future of the EU. They place “Enhancing mobility” as a “key factor in unleashing our innovative and creative potential” as a priority in the strategy. Cultural and Creative organisations have been concentrating on the mobility of artists and works for many years. There are numerous examples of such projects including:

The European Tour Support Programme which is an EU funded pilot project giving financial support to musicians. The project incited record labels, tour promoters, festival organisers and other music professionals to invest more in touring at the European level

The Europa Cinema programme increases European programming in film theatres by giving bonuses to venues on the number of screenings of European non-national films.

With more specific focus on the mobility of artists and works, the CCIs would be empowered to improving on these proven programmes as well as developing new schemes.

THE POTENTIAL CONTRIBUTION OF THE CCIs

"We have to shape the next generation of public policies in a very different set of circumstances and will need to adapt our policies to these new circumstances."

The lack of a clear action plan for the culture industries up until now has meant that the industry has not been given to opportunity to fully excel and cement its position as an important source of growth in Europe. Its inclusion in the 2020 strategy as a real source of job creation and as an economic stimulant would put Europe on top of the world in terms of leading the way for cultural investment. The circumstances mentioned in the above text from the strategy are ones that denote a time when the major focus of attention for Europe was rapid growth and development of infrastructure, technology, science etc. In a globalised world that is in danger of burning out through excessive borrowing and monetary activity, there is a need on both a personal and economic level to concentrate realistically on the maintenance and development of the cultural and creative industries and in particular SMEs. The CCIs recommendations outlined ways in which access to finance could be given more readily to the industry. For example:

"To create a fiscal environment to support the development of the cultural and creative industries, in particular SMEs, with tax credits and fiscal exemptions, as well as solutions for the issues of withholding tax and double taxation."

"To provide reduced VAT rates for cultural products and services, both online and offline."

"To develop financial tools adapted to the needs of cultural and creative industries such as public/private loan guarantee schemes, cultural and creative SME- friendly growth loan finance etc."

IMPORTANCE OF EDUCATION AND RESEARCH

The strategy acknowledges that "cutting spending in forward-looking areas like education and research" would make achieving the 2020 vision much more difficult. If greater concentration is to be focused on the cultural and creative industries in the coming years, we must also focus on education and research in these fields.

“Generate better statistics (data and figures) on the importance of growth activities, production and performance of cultural and creative industries in Europe as well as statistics specific to the sector.”

“Increase understanding of and interest in the work and products of cultural and creative SMEs and promote entrepreneurship by fostering artistic and cultural education in general (primary and secondary) education, which will at the same time support the development of creativity as well as ‘cultural expression and awareness’, one of the key competences for lifelong learning.”

The final Recommendations on the Potential of Cultural and Creative Industries (Brussels, June 2008 - September 2009) can be downloaded at:
http://ec.europa.eu/culture/our-policy-development/doc2240_en.htm