

Unlocking the potential of cultural and creative industries

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The Committee on Culture and Education adopted the own-initiative report by Marie-Thérèse Sanchez-Schmid (EPP, FR) on unlocking the potential of cultural and creative industries (CCI) in response to the Green Paper on the subject. It notes that the CCI, which account for 5 million jobs and 2.6% of EU GDP, are one of the main drivers for growth in the EU, creating new jobs, playing key roles in global value chains, spurring innovation, providing added value as a factor for social cohesion and serving as an efficient tool in the fight against the current recession. These industries are a driving force for economies in the digital age, making a significant contribution to innovation and the development of new ICT.

Cultural and creative industries as a driving force in the EU: the committee calls on the Commission to pursue its efforts to produce a better definition of CCI with a view to analysing in depth their impact on long-term growth and international competitiveness. It calls on Member States to be strongly committed to protecting and supporting their own cultural heritage, recognising that for CCI to develop requires a dual economy where public and private investment coexists.

The Commission is asked to:

- foster a more elaborate system of cooperation among Member States and EU institutions, based on sharing experience of good practice, and also include local and regional authorities in the follow-up process to the Green Paper;
- draw up a White Paper, in view of the ever increasing importance of CCI as well as the objective of strengthening this sector, which is of strategic importance for the achievement of the Europe 2020 goals.

Education, training and awareness-raising: the report encourages the promotion of artistic and cultural education (with particular emphasis on creativity) among all age groups, and the development of creators' entrepreneurial skills. It reminds the Commission and Member States of the urgent need to recognise vocational qualifications in the CCI, to promote student and lecturer mobility and further develop training-work experience internships for artists and creators. It further calls on them to create new pilot projects under the Erasmus and Erasmus for Young Entrepreneurs programmes to allow for greater collaboration between universities and enterprises in the cultural and creative sector.

Improving the distribution of works in the digital age: the committee encourages Member States to promote the distribution and circulation of works across the EU. It asks the Commission to consider the possibility of establishing specific actions and suitable tools to support European CCI, in particular SMEs. It also wants the Commission to ensure the strict implementation of Article 13 of the Audiovisual Media Services Directive, which provides for the Member States to ensure that on-demand audiovisual media services promote the production of and access to European works and to report to it on the implementation of this provision no later than 2012.

Towards an internal market for cultural and creative content: the report calls on Member States and the Commission to take the necessary steps to establish a European internal market for on-line cultural and creative content and guarantee access to this content to European citizens whilst ensuring that those entitled are protected and properly compensated and that all funding channels for the creative sector are

consolidated. It also calls on the Commission to support **new and innovative economic models in the creative and cultural sector** which are adapted to the impact of globalisation and the challenges of the digital age, particularly with regard to content industries.

Intellectual property rights: Members note that, in order to flourish, Europe's CCI require a modern, accessible and legally certain system for the protection of intellectual property rights (IPR). They emphasise that IPR are a fundamental asset for creative companies and an incentive for individual creativity and investment in creation. They call, therefore, for schemes to help CCI adapt to the digital shift via new online services based on new forms of rights management promoting authors' rights, and for a balanced regulatory framework governing the protection and enforcement of IPR. The committee calls on the Commission to:

- adapt copyright to the digital era allowing CCI to reap the benefits created by digital technology and media convergence and to consider specific ways of facilitating the use of creative content and archived material, **putting in place extended collective licensing systems** and easy, one-stop-shop systems for the clearance of rights;
- enable the **viability of a pan-European licensing system** that builds on the existing multi-territory individual and collective rights licensing models and facilitates the launch of services with a wide choice of content, hereby increasing legal access to online cultural content;
- organise a campaign to raise awareness especially among young European consumers, of the need to respect IPR;
- tackle abusive commercial practices and violations of IPR, of which CCI can be victims in both the real and digital economy;

Members welcome the Commission's revision of the **EU trademark system** and encourage the Commission to see to it that the relevant steps are taken to ensure that trademarks can benefit from the same level of protection in both the online and offline environments.

Funding cultural and creative industries: Members note that there must be a guarantee of strategic investments in CCI in order to enable them to play a full part in boosting the European economy. They call on all actors concerned to consider introducing **new, innovative financial instruments**, both at a European level and at national level, such as bank guarantee measures, repayable advances, risk-capital funds and incentives for the establishment of local partnerships, which take account of the needs of these industries and especially of the fact that creators' only form of capital is, in many cases, non-material. The Commission is asked to grant the CCI SME status in their own right in regard to all arrangements for access to credit, start-up support and employment protection, which should be suitably adapted to the specificities of the sector.

Members make a series of proposals with regard to financing for the CCI, including the following:

- mobilisation of, and simplified application for, existing EU funds and programmes (such as the Microfinance Facility) for the development of small and micro-enterprises in the cultural and creative sector, with a view to optimising support for enterprises by facilitating access to information on funding options;
- the introduction of short-term microfinancing to encourage experimentation and the development of innovative cultural and creative projects;
- the Commission to assess the **relevance of the structural funds**, as well as current and future programmes in the fields of culture, audiovisual media, youth provision and education, in terms of their potential to further the creative sector, and that it formulate conclusions and act on them with a view to an improved support policy;
- **better access to credit** for the CCI and for alternative formulas such as tax relief or tax incentives to be examined in order to encourage patronage by enterprises;

- developing finance and business management consultation and advisory services to allow people working in the CCI to understand the tools required for good business management in order to improve the creation, production, promotion and distribution of cultural goods and services.

Local and regional cooperation: the report emphasises that the CCI contribute, in many cases, to the transformation of declining local economies by encouraging the emergence of new types of economic activity, creating new jobs and making European regions and cities more attractive, thus serving the interests of social and territorial cohesion. Members believe therefore that the establishment of CCI and the development of those which already exist must be supported by means of national, regional and local development strategies, in a partnership between public authorities representing different policy areas, SMEs and relevant civil society representatives. Member States and regions are asked to create opportunities for such cooperation, and to explore innovation voucher schemes to help cultural and creative SMEs and individuals acquire professional skills.

International relations and trade: the report stresses the great potential of CCI in international trade and assumes that its significance is being underestimated owing to the difficulty of gathering data. It calls on the Commission, in view of the proliferation of bilateral trade agreements, to submit to Parliament a clear, overall strategy on the cultural cooperation protocols (CCP) annexed to those agreements, with a view to adapting the offer of European cooperation to the needs and specific characteristics of CCI in the partner countries.