Promoting the European cultural and creative sectors as sources of economic growth and jobs

2012/2302(INI) - 26/09/2012 - Non-legislative basic document

PURPOSE: Communication on the launch of a strategy to boost growth and jobs in cultural and creative sectors.

CONTENT: the economic performance of the cultural and creative sectors is recognised: in the EU they account for 3.3% of GDP and employ 6.7 million people (3 % of total employment). These sectors cover in particular architecture, archives and libraries, artistic crafts, audio-visual (including film, television, video games and multimedia), cultural heritage, design (including fashion design), festivals, music, performing and visual arts, publishing and radio. Cultural and creative sectors also:

- have an impact on innovation in other industries. As highlighted in Innovation Union, innovation is increasingly driven by non-technological factors such as creativity, design and new organisational processes or business models. Firms spending twice the average amount on creative inputs are 25% more likely to introduce product innovations;

- are a key element in global competition and soft power: while European fashion and high-end industries contribute increasingly to EU exports, **the potential of other sectors, such as cinema or music, is still not strategically exploited abroad**.

Challenges: the cultural and creative sectors are faced with a rapidly changing environment driven by the digital shift and globalisation, leading to the emergence of new players, the coexistence of very big structures with micro-entities, a progressive transformation of value chains and evolving consumer behaviour and expectations. While these changes offer great opportunities in terms of lower production costs or new distribution channels, they call for action at different levels. Other challenges include:

- **access to finance**: the banking sector does not have the necessary expertise to analyse business models in these sectors;

- **high fragmentation along national and linguistic lines**: while the resulting cultural diversity is a clear European asset, this leads to limited and sub-optimal transnational circulation of cultural and creative works;

- powerful dynamics take place at the borderlines between various sectors (for instance,

- through increased linkages between gaming, film and music) but the **sectors and policies are still often organised in sectoral silos, limiting the scope for synergies.**

This Communication proposes a **strategy to exploit further the potential of these sectors in the EU to contribute to growth and jobs**. The Commission proposes a multi-layered strategy, focusing in the short and longer terms in particular on the five key policy drivers: (i) developing skills; (ii) improving access to finance, notably through the proposed EUR 1.8 billion'Creative Europe' programme for 2014-2020; (iii) promoting new business models and enlarging audiences; (iv) facilitating cooperation with other sectors and policies; (v) and expanding international reach.

Addressing changing skills needs:

- Knowledge Alliances are being tested between higher education and businesses to promote innovation. A Cinema and Industry Alliance for Knowledge and Learning will report on its work in 2013;

- the EU is funding the first phase of a European Sectoral Skills Council in the audiovisual and live performance sectors, and it is also funding a European Sectoral Skills Council in the textile, clothing and leather sectors to analyse skills needs;

- by end 2013, a Member States Expert Group set up in the framework of the European Agenda or Culture will produce a report on the promotion of Creative Partnerships between schools and cultural and creative businesses and organisations.

Improving access to finance:

- in the framework of the European Creative Industries Alliance, the EU is funding two partnerships on better access to finance (FAME and C-I Factor) until 2014.

- the MEDIA Production Guarantee Fund is facilitating film producers' access to private sources of financing. The Commission will assess the possibility of setting up a similar Guarantee Fund for fashion businesses;

- under the IPR Strategy, the Commission will formulate policy proposals aiming to improve the economic exploitation of IPR.

Enlarging the marketplace: in 2012, the Commission will:

- fund a preparatory action on the circulation of European films in the digital era;

- fund a pilot project on innovative uses of ICT in CCS;

- fund a Thematic Network on new business models for publishing in the digital age;

- organise a European exchange of practice conference on audience development

- adopt a recommendation on European film in the digital era

In 2013, the Commission will:

- support the production of more powerful and interactive tools for creative industries and anticipate future trends in research and innovation through interaction in and between different segments of these industries;

- launch a WORTH Pilot Project to stimulate market oriented support and advice to SMEs in fashion or design-based personal goods sector, in order to develop new creative products and services through cooperation with designers. The European Heritage Label and the European Capitals of Culture initiatives will also be further used as laboratories for audience development and citizen participation.

Expanding international reach: in 2012-2013 the Commission will organise in third countries specific matchmaking events to support SME internationalisation through clusters, including for CCS. Cooperation on CCS under the EU-China Trade Project as a testing phase for reinforced cooperation in

this area will continue. Policy dialogues on culture with emerging partners will focus on the environment for cooperation and exchanges in CCS.

The Commission will also:

- test the feasibility of sharing the risk of existing export credit insurance schemes for SMEs;

- explore in close consultation with EEAS ways and means to strengthen culture in external relations.

In 2013, a Member States Expert Group set up in the framework of the European Agenda for Culture will produce a handbook on internationalisation support strategies for CCS.

Reinforcing cross-sectoral fertilisation: in 2012-2013, the Commission will:

- establish a European Service Innovation Centre to provide advisory support to regional organisations on service innovation and creativity for promoting industrial change;

- publish a Smart Guide on how to better use Cohesion Policy Funds for capitalising on service innovation, particularly relevant for CCS;

- start funding a pilot project supporting two traditional industrial regions in their transition towards "European Creative Districts";

- develop and test under the European Cluster Excellence Initiative training modules to promote the role of creativity, creative skills and creative sectors for the change of traditional industrial activities;

- launch a stakeholder consultation on the relevance of setting up a European Experience Economy Alliance, to foster cross-sectoral interaction between CCS, leisure, sport and tourism and support the development of new industrial value chains.

To monitor progress in the implementation of the strategy, the Commission proposes to use the existing framework for cooperation, that is, the Culture Open Method of Coordination.