



Committee of the Regions

EDUC-V-009

**88th plenary session
27 and 28 January 2011**

**OPINION
of the
Committee of the Regions
on
EUROPEAN CINEMA IN THE DIGITAL ERA**

THE COMMITTEE OF THE REGIONS

- recognises that the cultural industries strongly contribute to local and regional development by making European regions more attractive, developing sustainable tourism and creating new employment opportunities;
- considers that a number of small cinemas are at risk of disappearing as they face tough financial burdens and calls for collaboration to ensure the preservation of European cultural heritage and the protection the cinema industry;
- emphasises the need to consider both the economic and the cultural role of cinema. The cinema sector is an industry that is of major importance for development, competitiveness and employment. It also plays a crucial role in safeguarding and promoting local and regional cultural identity and diversity. The nature of the sector also makes it a key factor in the development of Europe social values and the functioning of democratic societies, since audiovisual works can play an important role in forming a European identity;
- stresses that the transition to digital offers new opportunities to connect different regions in Europe as they exchange audiovisual works and explore new ways of creating links and exchanging content. This transition may provide an opportunity to attract new audiences, take advantage of alternative content, provide new services and give more visibility to content from various regions.

Rapporteur

Malcolm Mifsud (MT/EPP), Mayor of Pietá

Reference document

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Opportunities and Challenges for European Cinema in the Digital Era
COM(2010) 487 final

THE COMMITTEE OF THE REGIONS

1. welcomes the European Commission's emphasis on the **important role of the local and regional authorities** in the process of digitisation of the European cinema. Firstly cinemas play an important social and cultural role in municipalities and rural areas since they are often the only venues providing access to culture for the community. And secondly, there are a substantial amount of European cinemas (in particular single-screen cinemas) owned by municipalities;
2. recognises that local and regional authorities play a key role in promoting and emphasising culture, especially within the framework of the protection of **cultural heritage** and promotion of artistic innovation;
3. recognises that the **cultural industries** strongly contribute to local and regional development by making European regions more attractive, developing sustainable tourism and creating new employment opportunities;
4. considers that a number of small cinemas are at risk of disappearing as they face tough financial burdens and calls for collaboration to ensure the **preservation of European cultural heritage and the protection the cinema industry**;
5. stresses that without **public intervention** at EU, national and LRA level, the competitiveness and circulation of European works would be jeopardised and the pluralism and linguistic and cultural diversity of the peoples of Europe could be reduced;
6. encourages the idea of the European Commission to design a **new MEDIA programme** scheme to support the digital transition of European cinemas, which screen a majority of European films;

I. POLICY RECOMMENDATIONS

General remarks

7. recognises that the actions proposed in the Communication, as they stand, do not appear to raise any issue regarding their compliance with both the principles of subsidiarity and proportionality. However, regional and local authorities must become leading players in the conception, implementation and governance of the measures designed to help small local cinemas benefit from the digital revolution;

8. considers that there is an important EU dimension in the digital transition of cinemas and would therefore like to see a coherent policy approach, the areas identified as listed in the Communication:
- Standardisation
 - Collection and preservation of film in digital format
 - Regional support to digitisation
 - Compatibility with Treaty rules
 - Support to exhibitors of European films designed to encourage a close relationship with regional and local authorities in promoting culture and the arts
 - Access to finance;
9. recalls that the cultural dimension has been reinforced in the treaties through the introduction of the respect of "rich cultural and linguistic diversity" as well as the guarantee "that Europe's cultural heritage is safeguarded and enhanced" among the EU objectives¹;
10. emphasises that implementing the Digital Agenda for Europe² requires a major Europe-wide change in mentality and the need to create direct channels of communications for the dissemination and implementation of project results at local level;

European Cinema as Cultural Heritage

11. highlights cinema's important cultural role in that it captures the cultural heritage of a country and presents it as a form of entertainment³. It is vital in showcasing the history, art, culture, and lifestyles of many generations and nations. European cinemas basically represent the culture and civilisation unique to its people, varying from country to country and generation to generation;
12. stresses that every person has the right to participate in the cultural life of the community and to enjoy the arts. Moreover, cinema as a medium of art can build bridges between the artist and his/her viewers. Cinema art helps people to acknowledge one another, sharing the same human experience, building upon the European identity;
13. underlines cinema's role in building the European identity and integrating regions. By its artistic and cultural nature, cinema is an integrating force. It reaches out to people all over Europe and brings them closer by enabling them to share common experiences. Cinemas in remote and/or small villages/cities/regions are sometimes the only venues providing access to

1 See article 3 TEU.

2 Communication COM(2010) 245, 19.5.2010, at http://ec.europa.eu/information_society/digital-agenda/index_en.htm, in particular p. 31-32.

3 European Commission, DG Research, "Preserving our heritage, Improving our Environment", Vol 1, available at: http://ec.europa.eu/culture/key-documents/doc/20years_cultural_heritage_vol1_en.pdf.

culture for the community. Therefore the CoR believes that preserving European cinema can significantly contribute towards the European integration in the remote areas of Europe;

14. recognises that cinemas play an important role in cities as well as in remote regions as they provide the opportunity for audiences to view European audiovisual content;

European Cinema as Cultural Industry

15. notes that cultural industries are very dynamic in terms of economic activity and job creation within the EU and as such can play an important role to meet economic and social objectives at local and regional level in Europe;
16. recalls that cinema falls into the definition⁴ of cultural industry as defined in the Green Paper on "Unlocking the potential of cultural and creative industries" - "industries producing and distributing goods or services which at the same time they are developed are considered to have a specific attribute, use or purpose which embodies or conveys cultural expressions, irrespective of the commercial value they may have. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage – including the public sector), they include film, DVD and video, television and radio, video games, new media, music, books and press. This concept is defined in relation to cultural expressions in the context of the 2005 UNESCO Convention on the protection and promotion of the diversity of cultural expressions";
17. emphasises that a healthy cultural industry can develop creative partnerships between the cultural sector and other sectors (ICTs, research, tourism, social partners, etc) to reinforce the social and economic impact of investments in culture and creativity, in particular with regards to the promotion of growth and jobs and the development and attractiveness of regions and cities;
18. asks for ongoing collaboration between stakeholders in view of the challenges brought by the digital revolution and the ongoing financial crisis in order to get support in cases when the market fails;

Preserving the European Cultural Heritage through the Cinema Industry

19. draws attention to the fact that, the impact of the digital revolution and the financial crisis on European cinema could result in permanent changes for the industry on local and regional levels. It could even lead to the disappearance of single-screen cinema theatres from the market⁵. The CoR calls for resources to be pooled beyond national and regional boundaries to combat cultural threats;

⁴ European Commission, Green Paper, "Unlocking the potential of cultural and creative industries", available at: http://ec.europa.eu/culture/our-policy-development/doc/GreenPaper_creative_industries_en.pdf.

⁵ See Communication COM(2010) 245, 19.5.2010.

20. encourages a collective effort by local, regional, national and EU authorities and calls for an urgent collaboration among cultural heritage managers, regional planners and policy makers;

Protecting the Cinema Industry

21. emphasises the need to consider both the economic and the cultural role of cinema. The cinema sector is an industry that is of major importance for development, competitiveness and employment. It also plays a crucial role in safeguarding and promoting local and regional cultural identity and diversity. The nature of the sector also makes it a key factor in the development of Europe social values and the functioning of democratic societies, since audiovisual works can play an important role in forming a European identity⁶;
22. cautions against the disappearance of small, independent, art house or rurally located cinemas in remote regions. These cinemas face tougher challenges in this transition and their existence is threatened by digital cinema;
23. thereof encourages, a solution involving both urban and rural areas to protect cultural diversity in Europe;
24. stresses the need for effective public intervention which acknowledges that the cultural and creative industries provide the content for ICTs and in this way contribute to their further development⁷;

Financing and Implementing the Digital Cinema Transition

25. calls for a dynamic, integrated and accessible communication strategy to communicate information about available public support, active partnerships and possible distribution, and stresses the need to keep local and regional authorities regularly updated about EU developments, given the vital role that they play in promotion and dissemination in their individual areas;
26. highlights the fact that it is essential to develop the active and creative use, especially through project-based practical implementation, of the necessary technical and manual skills, actions and knowledge. The focus should be on audiovisual communication and on creating, presenting and broadcasting audiovisual content by means of digital technology⁸;
27. recognises that the currently, the virtual print fee (VPF), is generally inappropriate for smaller, independent and art house cinemas – many of these being in rural or remote areas or

⁶ CdR 27/2009.

⁷ CdR 104/2010.

⁸ CdR 133/2009.

in smaller territories. Therefore the CoR calls for appropriate measures that specifically address the more vulnerable cinemas;

28. encourages the EU Commission to encourage opportunities offered by standardisation to reach a number of goals including 1. a faster digital transition faster, 2. lower production and distribution costs; 3. preserve and enhance the diversity of European programming in digitised cinemas; 4. invest in research, equipment and professional training to better preserve Europe's film heritage;
29. stresses that the transition to digital offers new opportunities to connect different regions in Europe as they exchange audiovisual works and explore new ways of creating links and exchanging content. This transition may provide an opportunity to attract new audiences, take advantage of alternative content, provide new services and give more visibility to content from various regions;
30. notes that the investment in new cinema technology and the transition to digital should improve accessibility to disabled people by introducing audio description and captioning technology;

European Union Structural Funds

31. welcomes the possibility to mobilise the European Union Structural Funds for co-financing digitisation projects and training initiatives while recognising that this may not be an option in all countries since priority areas for funding have been identified and committed;
32. considers that that modernising the European cinema industry will strongly contribute to local and regional development by making European regions, especially in remote areas, more attractive, developing sustainable tourism and creating new employment opportunities;
33. welcomes the initiative of the European Commission to design a new MEDIA scheme. In particular it encourages a scheme with more flexibility which encourages cinemas to modernise and to reduce the digital divide between Member States;
34. notes that there have been success stories and with effective support interventions, regions are gearing up to exploit the new digital challenge. Examples of art-house cinemas that have already received ERDF support to go digital include the German Land of Niedersachsen, the Polish region of Malopolska, and the North, Centre and Alentejo regions of Portugal;
35. encourages exchange of best practises, collaboration and networking between regions as well as stakeholders. These include the European Commission, national and local governments, film commissions and agencies, exhibitors groups, distributors, producers and sales agents;

36. pledges its support to furthering the recommendations set out in this Opinion in partnership with the European Parliament and the European Commission, where relevant.

Brussels, 27 January 2011.

The President
of the Committee of the Regions

Mercedes Bresso

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

II. PROCEDURE

Title	Opportunities and Challenges for European Cinema in the Digital Era
Reference	COM(2010) 487 final
Legal basis	art. 307, 1er al. TFEU
Procedural basis	-
Date of Commission letter	24 September 2010
Date of President's decision	16 September 2010
Commission responsible	Commission for Education, Youth, Culture and Research
Rapporteur	Malcolm MIFSUD (MT/EPP), Mayor of Pietá
Analysis	8 October 2010
Discussed in commission	18 November 2010
Date adopted by commission	18 November 2010
Result of the vote in commission	Adopted with majority
Date adopted in plenary	27 January 2011
Previous Committee opinions	<p>Opinion on Proposal for a Council Regulation on the Community legal framework for a European Research Infrastructure (ERI) - COM(2008) 467 final - 2008/0148 (CNS) and Communication Towards joint programming in research: working together to tackle common challenges more effectively - COM(2008) 468 final, Rapporteur: Mr Aguirre Arizmendi, CdR 283/2008 fin</p> <p>Opinion on European agenda for culture in a globalising world - COM(2007) 242 final, Rapporteur: Gerd Harms (DE/PES), CdR 172/2007 fin</p> <p>Opinion on the Digital Agenda for Europe - COM(2010) 245 final, Rapporteur: Markku Markkula (FI/EPP), CdR 104/2010</p> <p>Opinion on Decision on the establishment of an audiovisual cooperation programme, MEDIA MUNDUS, COM(2008) 892 final, Rapporteur: Ioannis Sgouros (EL/PES), CdR 27/2009</p> <p>Own-initiative opinion on Regional perspectives in developing media literacy and media education in EU educational policy, Rapporteur: Andras Szalay (HU/ALDE), CdR 133/2009</p> <p>Draft opinion on Unlocking the potential of cultural and creative industries, COM(2010) 183 final, Rapporteur: Sylva Kováčiková (CZ/EPP), CdR 181/2010</p>