



*European Economic and Social Committee*

**CCMI/107**  
**Cultural and creative**  
**sectors: growth and jobs**

Brussels, 17 April 2013

**OPINION**

of the

European Economic and Social Committee

on the

**Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:  
Promoting cultural and creative sectors for growth and jobs in the EU**

COM(2012) 537 final

---

Rapporteur: **Mr Pezzini**

Co-rapporteur: **Mr Konstantinou**

---

On 19 December 2012, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union (TFEU), on the

*Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:  
Promoting cultural and creative sectors for growth and jobs in the EU  
COM(2012) 537 final.*

The Consultative Commission on Industrial Change (CCMI), which was responsible for preparing the Committee's work on the subject, adopted its opinion on 12 March 2013.

At its 489th plenary session, held on 17 and 18 April 2013 (meeting of 17 April 2013), the European Economic and Social Committee adopted the following opinion by 175 votes to 2 with 3 abstentions.

\*

\*      \*

## 1. **Conclusions and recommendations**

1.1 The Committee believes that for Europe **culture** and **creativity** are:

- the **cornerstone of the values underpinning EU identity** and its social market economy model;
- a **winning combination in terms of high-quality** local, regional, national and EU **economic, social and production-related development**;
- **key elements of comparative advantage in terms of European added value** in the design, development, production and consumption of tangible and intangible assets;
- a **key contributor to competitiveness across** all economic and social sectors;
- a **source of rich potential** in terms of more, better jobs;
- an **international calling card advertising the EU's prestige and originality** throughout the world.

1.2 **The EESC believes** that, given the increasingly important role of the cultural and creative sectors (CCS) in the development of the European economy and its international activities, **a medium-to-long-term strategy is needed** to provide:

- the CCS with a sound and well-integrated **social dimension** allowing the redefinition of existing professional skills and reskilling, securing fair working conditions and developing hidden potential, and that can:
  - unlock all the potential for job creation in the cultural and creative sector and ensure high-quality jobs in an environment where fundamental rights are upheld,
  - redefine existing professional skills and reskilling,
  - cuts red tape for SMEs, microenterprises and the self-employed,
  - support reorganisation and restructuring processes with reskilling training initiatives, within a transparent framework of worker information and consultation, with all due regard for the rights and dignity of individuals,
  - promote structured social dialogue for the cultural and creative sectors as a whole, coordinated between the European, national and business levels,
  - define a proper European regulatory framework that can ensure cultural diversity and breadth of choice, cut red tape and facilitate mobility within the EU and internationally;
  
- **a technological dimension with creative added value** that: protects intellectual property rights on the internal market but also, most importantly, internationally; promotes research into new technologies and innovative product and process applications; gives strong support to new digital opportunities and processes by means of a European quality label; and ensures the development of value chains through common distribution networks and systems;
  
- **a dimension relating to territorial dialogue with civil society** that: gives CCS structured European, national and subnational dialogue models; and promotes the development of the cultural and creative sectors, which are necessary for the revitalisation and skilling of local communities and enhancement of their expressive and creative talents, the intellectual professions and jobs;
  
- **an international dimension to a creative and cultural Europe**, in line with international undertakings under the Unesco Convention on cultural diversity, that can: enable it to develop new business models where design is built into the value chain and all players can add value to products and processes so that they are identifiable as products and processes of European excellence on the international markets; protect works against piracy and counterfeiting with flexible, accessible, effective instruments;
  
- **a financial and credit access dimension** to support the sector's initiatives on the internal and international markets (including by means of tax incentives, tax credits and eliminating dual taxation) and to provide instruments geared to the sector's characteristics

in terms of access to credit, particularly guarantee systems geared to microenterprises and projects of an intangible nature.

- 1.3 **The EESC calls on the Commission to carry out a detailed review** of the application of the **Community acquis** to the CCS, particularly as regards the relevant rules of competition policy, intellectual property rights and labour laws, and the protection of clauses of international agreements signed between the EU and third countries.
- 1.4 **The Committee proposes that the Commission look into possibilities and arrangements for holding a broad creative and cultural stakeholders forum in order to better identify all those operating in the field (also by means of a participatory foresight exercise) and set out the key points of a medium-to-long-term strategic action plan** for revitalising growth and creating high-quality jobs; this action plan must be based on a cross-cutting local, regional and European strategy, actively involving the Member States, regional and local authorities, the social partners and civil society.
- 1.5 **The Committee calls for specific initiatives to be launched forthwith** to combat precarious forms of work in the CCS, to ensure fair working conditions for all workers in the sector, particularly those carrying out freelance or atypical subcontracted activities, especially intermittent work, and to secure safe and equal access to digital networks for all.
- 1.6 The EESC draws the Commission's attention to the need to adapt the regulatory framework to the specific needs of the CCS, particularly in the area of intellectual property, cutting red tape in the fields of administration and taxation, and equal VAT treatment of print and digital communications, especially for the sector's small businesses.
- 1.7 The EESC calls for reflection on the need to put in place citizen-centred structures for dialogue with civil society, taking advantage of the European Year of Citizens.

## 2. **The cultural and creative sectors in Europe**

- 2.1 The cultural and creative sectors are a key strategic resource in Europe: Europe's excellence and competitiveness in the cultural and creative sectors are the fruit of the labours of artists, authors, designers, other professionals in the sector and entrepreneurs – people with talents, both traditional and innovative, and skills, both formal and informal, that should be preserved, fostered and developed.
- 2.2 The Committee has already pointed out that "As recognised by the EU 2020 strategy, the cultural and creative industries play a central role in growth, competitiveness and the future of the EU and its citizens. ... In addition, they are generators of comparative advantage that

cannot be reproduced elsewhere, factors for local development and drivers of industrial change"<sup>1</sup>.

- 2.3 According to the definitions set out in the 2010 Green Paper<sup>2</sup>, "'Cultural industries' are those industries producing and distributing goods or services which at the 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" - in line with the 2005 UNESCO Convention<sup>3</sup> – and "'Creative industries' are those industries which use culture as an input and have a cultural dimension, although their outputs are mainly functional", including "architecture and design, which integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design or advertising".
- 2.4 However, the line between the areas covered by the cultural and creative sectors has yet to be clearly defined<sup>4</sup>, which makes it difficult to establish how much each actually contributes to GDP and employment.
- 2.5 The proposal for a Creative Europe framework programme<sup>5</sup>, on which the Committee has commented<sup>6</sup>, defines the cultural and creative sectors (Article 2) as "all sectors whose activities are based on cultural values and/or artistic and creative expressions, whether these activities are market or non-market oriented and whatever the type of structure that carries them out". Explicit reference should be made to the publishing, printing and digital industries.
- 2.6 In 2008, these sectors accounted for 4.5% of total European GDP and employed 3.8% of the labour force, that is over 8.5 million people<sup>7</sup>.
- 2.7 The European Parliament<sup>8</sup> has endorsed the above definition, adding an explicit reference to **museums and fashion**.
- 2.8 Although the contribution of the cultural and creative sectors to the European economy is considerable and growing, with a substantial impact on employment<sup>9</sup>, the multiple definitions

---

1 Opinion CESE 1364/2010.

2 COM(2010) 183.

3 See [http://portal.unesco.org/culture/en/ev.php-URL\\_ID=33232&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/culture/en/ev.php-URL_ID=33232&URL_DO=DO_TOPIC&URL_SECTION=201.html).

4 European Statistical System Network on Culture, ESSnet-Culture - Final Report 10/2012.

5 COM(2011) 785 final.

6 Opinion CESE 828/2012.

7 See also the TERA Consultants 2010 report and the European Competitiveness Report 2010, COM(2010) 614.

8 Draft legislative resolution of the European Parliament on the proposal for a regulation of the European Parliament and of the Council on establishing the Creative Europe Programme – rapporteur Silvia Costa.

9 According to *Eurostat*, "Between 2008 and 2011, employment in the cultural and creative sectors proved more resilient than in the EU economy as a whole".

of the sectors that exist – including those of WIPO, the OECD, UNCTAD, UNESCO and the Council of Europe – mean there are no clear bases or internationally comparable statistics on which to work: in the EU, opinion on the contribution of these sectors to GDP varies depending on the source: 2.6% (Green Paper), 3.3% (Creative Europe programme), 4.5%<sup>10</sup>, and 6.5% (Council of Europe); with the estimated number of people employed by the sectors also varying: over 5 million, 8.5 million<sup>11</sup> and even almost 18 million<sup>12</sup>.

- 2.9 The diversification of Europe's cultural and creative industries is reflected in the characteristics of the sector's structures, with a high proportion of small, medium-sized and micro-enterprises, which make up around 80% of overall output. Large businesses account for less than 1%, but they employ over 40% of the sector's employees<sup>13</sup>.
- 2.10 This configuration of the cultural and creative sectors in Europe raises issues on a number of counts: skills development, access to finance, promotion of new business models, protection of intellectual property rights, the difficulty of gaining access to international markets, improving links with other sectors – not to mention the difficulties related to mutual recognition of both formal and informal qualifications<sup>14</sup>.
- 2.11 While in Europe the sectors making up the non-industrial core of these activities – the visual and performing arts and historical and artistic heritage – are often of great strategic importance, in the **United States** this strategic importance is concentrated first and foremost in the industrial sectors, with a strong market bias.
- 2.12 **The US model** is the natural reference for countries whose key concern is to build a cultural production system that is fairly independent of public funding and strongly profit-oriented.
- 2.13 **Japan** could be seen as a reference beyond the Asian context as well, as over time it has developed centuries-old, very specific kinds of production, with new and original forms of cultural industry aimed at the general public and geared to the market's preferences.
- 2.14 In **China** huge-scale investment in cultural infrastructure is taking place with a clear strategy, limiting the influx of American culture, and with a marked interest in European organisational models and the role of public policy in shaping and supporting local cultural systems.
- 2.15 In **India** the cultural industry that has developed most dramatically is the cinema industry, which has seen remarkably high turnover growth, although this concerns productions that are

---

10 TERA Consultants, 2010.

11 TERA Consultants, 2010.

12 See the 2006 Report – The Cultural Economy of Europe (CEOE).

13 See the study on the entrepreneurial dimension of cultural and creative industries.

14 See opinion CESE 1923/2008.

firmly anchored in traditional Indian culture and, therefore, of little interest to an audience from outside this culture.

- 2.16 **Latin America** is now experiencing impressive growth in its cultural industries, due in part to the influence of Spanish culture in the United States and fast economic and demographic growth in Mexico, while **Brazil** is seeing its cultural sector flourish beyond the field of music. Africa, meanwhile, is developing its own original cultural soul, inspired, not least, by its many forms of contact with the pan-European cultural world: the interaction between the two continents and their art education have much to teach us about the daily life and global culture of a region, breaking down the barriers hindering cooperation.
- 2.17 The EESC has consistently upheld the importance of launching a strategy aimed at fully exploiting the potential of the EU's culture and creative professions sectors, in order to stimulate growth and jobs: as early as 2004, in an opinion drawn up at the request of Commissioner Viviane Reding, it highlighted the problems of Europe's cultural and creative sectors<sup>15</sup>. These views have been reiterated and further developed in numerous subsequent opinions<sup>16</sup>.
- 2.18 Europe is the world leader by a long way in exporting creative industry products. To stay in this position we need to invest in these sectors' capacity to operate beyond national borders. This was the message conveyed by the Council Conclusions of 12 May 2009 and the European Parliament resolution of 12 May 2011.

### 3. **General comments**

- 3.1 The Committee is aware that Europe's excellence and competitiveness in the cultural and creative sectors are the fruit of the labours of artists, designers, authors and other professionals in the sector – businesses and individuals with talents, both traditional and innovative, and skills, both formal and informal, that should be preserved, fostered and developed.
- 3.2 The EESC firmly believes that culture and creativity provide the key to the EU's identity and its legitimacy in terms of diversity of expression: unity in creative and cultural diversity, which must permeate the development of a European knowledge-based economy.
- 3.3 In order to respect and promote Europe's cultural identity and ensure that the CCS are fully sustainable, EU measures fostering these sectors must uphold the European social model, democratic principles and environmental standards.

---

<sup>15</sup> Opinion 102/2004.

<sup>16</sup> Opinions: CESE 828/2012; 613/2009; 524/2011; 143/2012; 1165/2010; 1213/2008; 1364/2010; 517/2004; 406/2006; 590/2006, 1005/2011; 1313/2012; 380/2005; 665/2004; 624/2009; 1515/2008.

- 3.4 The numerous European and national analyses carried out show clearly that the CCS have common challenges to face, namely:
- a highly-fragmented European market,
  - a business environment made up of 80% SMEs and micro-enterprises,
  - the growing impact on production and distribution processes of the digital shift and the spread of new technologies,
  - faster globalisation, with new operators and new competitors,
  - a short shelf-life for skills, owing to constantly-emerging new needs,
  - limitations in protection of intellectual property rights, particularly at international level,
  - difficulty in gaining access to finance and investment in innovative technology,
  - inadequate data collection,
  - the absence of an unambiguous, internationally-accepted definition of the sectors in question, including details of subsectors,
  - the need for greater synergies between the creative and cultural world and technological innovation,
  - the need to develop partnerships between the education and training sectors, the business world and creative and cultural activities,
  - improving quality and career prospects, recognising the "creative value" in the value chain,
  - combating social dumping in the creative and cultural sectors.
- 3.5 The EESC believes that the importance and complexity of the cultural and creative sector calls for a coherent strategic EU plan to cover a much longer time period, with detailed national and regional work programmes and quantifiable, verifiable goals set out in a roadmap, monitored by the Commission and Parliament, and establishing contributions and responsibilities for the various levels of action: local, regional, national and EU.
- 3.6 The Committee therefore calls on the Commission to draw up a new, coordinated, medium- to long-term strategy based on a participatory, consensual vision extending to 2020 which takes into full account the specific needs of the CCI and establishes a framework of certainties, which is essential for innovative investment in these sectors and for the development of skilled human resources.
- 3.7 Moreover, this strategy must necessarily bear in mind that the CCS feature a disproportionate amount of atypical work, in particular intermittent work, with many occupations being temporary and freelance, a very high number of independent workers and microenterprises often consisting only of one person, and a large group of SMEs with fewer than 10

employees<sup>17</sup>. The pay earned by the sector's workers is therefore often irregular and sometimes close to or below the poverty line.

- 3.8 Many workers face difficult working conditions with no basic social protection rights. Women, in particular, who make up a large proportion of the sector's workforce, are discriminated against more seriously, especially when it comes to employment and working conditions, suffering considerable wage and pay inequalities.
- 3.9 The sector has a relatively high number of self-employed workers. This category is often divided between two extremes: at the one extreme there are highly-skilled, highly-experienced professionals with a strong market position, and at the other there are self-employed workers whose status serves merely to enable them to provide low-cost work in order to reduce the administrative and financial burdens on the client. The ILO has been raising the alarm regarding potential abuse in this area for some time<sup>18</sup>.
- 3.9.1 It is also true that the economic crisis is affecting the CCS as a whole, thanks to austerity measures and unprecedented cuts in government support for culture across Europe.
- 3.10 The EESC believes that the measures it has recommended in its opinions on how to anticipate restructuring processes should also be applied to the CCS<sup>19</sup>. Technology and business models in the CCS are changing rapidly and many large businesses are reorganising their production following the digitalisation of the written press, cuts in government support, takeovers and mergers.
- 3.11 These changes have a direct impact on CCS workers, often in the form of redundancies, wage pressure, early retirement schemes, greater use of temporary work, deterioration in working conditions and an increase in stress, shorter contracts and a lack of worker information and consultation.
- 3.12 In order to preserve the rich cultural diversity of the EU, the Committee believes that excessive concentrations should be avoided, in both production and distribution sectors; it suggests promoting digital networks and metadistricts, which make it possible to achieve a critical mass of investment and boost research and penetration of international markets so as to preserve jobs.
- 3.13 Similarly, the EESC believes that joint EU and national efforts are needed to support training and skilling programmes creating new, updated professional profiles with lifelong learning

---

<sup>17</sup> At EU 27 level, 25% of cultural workers have temporary jobs compared with 19% in total employment; the share of people working at home is twice as high in cultural sectors (26%) than in total employment. Holding multiple jobs is also more frequent in the cultural sectors (6%), than in total employment (4%), see Cultural statistics, Eurostat pocketbooks, 2011 edition.

<sup>18</sup> See Opinion CESE 2063/2012.

<sup>19</sup> See Opinion CESE 1591/2012 of 17.7.2012.

initiatives, in order to enable skills and expertise development to keep pace with the changes taking place in the sector. Investment in modernising education and training systems for the artists, designers and workers of the CCS must be stepped up to enable the EU to maintain its current prominent position and achieve the Europe 2020 goals.

- 3.13.1 Such measures are all the more urgent given the far-reaching changes arising from growth in global competition, which are evident even in the intellectual professions and have made it necessary to devise ever more novel concepts and ways of carrying out knowledge-intensive work, such as European knowledge cooperatives.
- 3.14 While, as the Commission itself states, "financial institutions need to increase their awareness of the economic potential of these sectors and develop their capacity to assess businesses relying on intangible assets", this must apply **first and foremost** to the **2014-2020 Community budget framework**, removing the current areas of uncertainty – those concerning **Erasmus** are typical – reshaping the programmes and instruments for EU action (Structural Funds, EIB, EIF, etc.) to include and promote "non-technological" innovation and competitive international expansion of CCS.
- 3.15 **When the next cohesion policy is put together, to take effect as of 2014**, lessons must be learned from the projects and studies on the implementation of instruments that unlock all the potential of the creative industries; in the EESC's view, the cultural and creative sectors must be incorporated into integrated regional and local development strategies, in cooperation with public authorities and relevant bodies representing organised civil society.
- 3.16 A **Community framework is needed to facilitate the mobility of artists and designers**, their work, services and distribution systems, with mutual recognition of qualifications and with cutting-edge education and training tools, both within and outside the **European cultural and creative area**, implementing the recommendations of the Commission's group of experts on the mobility of artists<sup>20</sup>.
- 3.17 The EESC stresses that the cultural and creative industries help to stimulate the regeneration of local economies, facilitating the emergence of new economic activities, creating new, sustainable jobs<sup>21</sup> and enhancing the appeal of European regions and cities, as described in the study *The rise of the creative class*<sup>22</sup>.
- 3.18 The EESC believes that a central part of a genuine new strategy for the CCI must be a Community action plan – "Creative Europe Open to the World - CEOW" – establishing artists and the cultural and creative industries, particularly SMEs, on **key international markets** by

---

<sup>20</sup> See [http://ec.europa.eu/culture/documents/moc\\_final\\_report\\_en.pdf](http://ec.europa.eu/culture/documents/moc_final_report_en.pdf).

<sup>21</sup> See the youth employment initiative, European Summit on 8/2/2013.

<sup>22</sup> Richard Florida, American expert on urban development.

setting up specific schemes facilitating dealings with third countries and through an agreement on specific, binding clauses in EU bilateral and multilateral agreements.

#### 4. **Specific comments**

##### 4.1 **Promoting an appropriate regulatory framework**

4.1.1 With the full support and active involvement of the social partners, the Member States and the Commission should adopt specific regulatory measures geared to the particular needs of the CCS, including appropriate competition rules to avoid excessive market concentrations and preserve cultural diversity, a variety of choice for the consumer and multiple forms of enterprise.

4.1.2 The Member States should cut the red tape hampering, in particular, creative and cultural SMEs and the self-employed, streamlining the procedures for providing services and facilitating the mobility of services, artists and cultural operators.

##### 4.2 **Access to finance, EU financial support and public-private partnerships**

4.2.1 Even where the CCS are more market-oriented, they are still the fruit of individual designers, authors, artists, actors and other performers, who need uncomplicated access to finance and credit: it is vital to link financial support for the CCS to the establishment and preservation of good working conditions for all categories of worker, not least from a financial perspective.

4.2.2 It is thus important to create a fiscal environment that supports the development of SMEs and independent workers, with exemptions from dual taxation in the case of cross-border and transnational mobility and appropriate social security schemes.

4.2.3 The EU and the Member States must encourage cooperation between the public and private sectors in order to ensure the sustainability of the CCS and foster the cultural diversity of goods and services.

4.2.4 The EU and the Member States must support benchmarking mechanisms as regards arrangements for guarantees, loans, investments and export incentives, so as to make the conditions for accessing private financing mechanisms easier for creative and cultural projects and to encourage links between non-commercial sectors that often receive public funds and more business-oriented sectors such as design, fashion and advertising.

4.2.4.1 The EESC recommends:

- mapping the main European initiatives for the CCS over the past three years;
- drawing up an account of specific financing provided for the CCS over the past three years;

- drawing up a table summarising the results obtained by applying the open coordination method to the CCS.

#### 4.3 **Creative and cultural enterprise and business models**

- 4.3.1 The development of new business models calls for acceptance of new digitisation, remixing, mashing and sampling combinations, in other words the ability to take a multimedia digital file containing any or all of text, graphics, audio, video and animation drawn from pre-existing sources to create a new derivative work or sampling process.
- 4.3.2 Indeed, the "creativity for social quality" model includes culture, the local area and society, in creative districts, integrating measures for harnessing knowledge and promoting the use of designers as intermediaries or facilitators of interface processes between development, technology and production.
- 4.3.3 For the EESC it is essential to develop new business models where design is integrated into the value chain and all players can add value to products and processes so that they are identifiable as products and processes of European excellence on the international markets.
- 4.3.4 The EESC believes it is also important to foster cross-border and transnational mobility and the ability to attract skilled, talented professionals, along with knowledge transfer, the exchange of entrepreneurial skills and expertise, and the creation of networks and clusters of different EU players and different sectors of the economy within the EU.

Brussels, 17 April 2013.

The President  
of the  
European Economic and Social Committee

Henri Malosse

---