



European Economic and Social Committee

CCMI/137
Creative and cultural
industries

Brussels, 16 September 2015

OPINION

of the

European Economic and Social Committee

on

Creative and cultural industries – a European asset to be used in global competition

(own-initiative opinion)

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On 22 January 2015, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Creative and cultural industries — a European asset to be used in global competition.

The Consultative Commission on Industrial Change (CCMI), which was responsible for preparing the Committee's work on the subject, adopted its opinion on 15 July 2015.

At its 510th plenary session, held on 16 and 17 September 2015 (meeting of 16 September 2015), the European Economic and Social Committee adopted the following opinion by 215 votes to none, with 2 abstentions.

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1. **Conclusions and recommendations**

- 1.1 Given the importance of cultural and creative industries (CCI) in the European Union, the EESC calls on the European Commission to draw up a multi-annual strategy for the development of these industries.
- 1.2 The EESC considers in particular that these industries, which boost the European Union's international influence, must be taken on board in the on-going discussions at the European Commission on a communication expected in autumn 2015 on a new strategy with regard to trade policy.
- 1.3 In view of developments on the labour markets in some Member States, a better way of taking account of atypical workers' needs in terms of working conditions, health and safety is needed. The EESC advocates stepping up collective bargaining in the media and culture sector in particular, in keeping with national traditions.
- 1.4 Several other aspects merit special attention: adjustment to new market needs, greater mobility for the sector's professionals, training and education policies and tools, and development of crowdfunding platforms.
- 1.5 The task of promoting EU values - respect for human dignity, democracy, equality in law, protection of minorities etc. - should in part be entrusted to creative personalities, more likely to persuade a young audience by means of apps, videos, games, comic books and so on.

1.6 For these industries, which are not all able to "capture" value, the question of capitalising on their intangible assets - client portfolios, celebrity and reputation, brands, know-how - which are long-lasting and a source of future profit, is crucial.

2. Introduction

2.1 For over 11 years the European Economic and Social Committee has been supporting the development of creative and cultural industries (CCI). Even before the European Commission drew up its 2012 communication on Promoting the cultural and creative sectors for growth and jobs in the European Union¹, several opinions were adopted between 2004 and 2014².

2.2 Cultural and creative industries occupy a strategic position within European society that allows them to promote smart, sustainable and inclusive growth ("Europe 2020") insofar as it has been shown³ that one of the distinguishing features of CCIs is their ability to innovate, which is stronger than in other economic sectors.

2.3 Special attention should also be drawn to the particular role played by the CCIs within European society in promoting pluralism and cultural diversity, as well as a European identity⁴.

2.4 In January 2015, the EESC Bureau decided to approve the drafting of a new own-initiative opinion on CCIs in the European Union, which are an asset that should be defended and promoted in international competition. Indeed, the United States, Canada and Korea, for example, are developing soft power strategies by promoting their culture and way of life in order to support the economic development of their businesses active in the design, production and distribution of goods and services with cultural content.

2.5 What are the main reasons for which the EESC intends once again to focus on the development of these industries?

2.5.1 Firstly their significance to the European economy is increasing. In the light of the different definitions that exist and the latest available statistics, CCIs represent one of the most dynamic sectors of the European economy. The TERA Consultants report, covering the 2008-2011 period⁵, points out that the contribution from such industries to European GDP amounts

1 COM(2012) 537 and the related working documents on the high-end and fashion industries: SWD(2012) 286 and SWD(2012) 284; [OJ C 198, 10.7.2013, p. 39](#).

2 See cross-cutting and thematic EESC opinions such as: [OJ C 110, 9.5.2006, p. 34](#); [OJ C 108, 30.4.2004, p.68](#); [CCMI/074 OJ C 51, 17.2.2011, p. 43](#); [OJ C 181, 21.6.2012, p. 35](#); [OJ C 44, 11.2.2011](#); [OJ C 198, 10.7.2013, p. 14](#); [OJ C 110, 9.5.2006, p. 1](#); [OJ C 44, 11.2.2011, p. 75](#); [OJ C 451, 16.12.2014 p. 64](#); [JO C 191, 29.6.2012, p. 18](#); [OJ C 230, 14.7.2015, p. 47](#).

3 See the British Council study on *Mapping the creative industries: a toolkit*, http://creativeconomy.britishcouncil.org/media/uploads/resources/mapping_the_creative_industries_a_toolkit_2-2.pdf.

4 [OJ C 51, 17.2.2011, p. 43](#).

5 TERA Consultants, *The Economic Contribution of the Creative Industries to EU GDP and Employment*, 2014.

to between 4.4% (for the purely creative, core industries alone) and 6.8% (when those strongly dependent on the former, or non-core industries, are added). Their contributions to employment stand respectively at 8.3 million jobs, or 3.8% of the total active population of the EU for the purely creative core industries, and 14 million when the strongly dependent, non-core industries are added, or 6.5% of the EU's total active population. This makes them the EU's third largest employer following construction and the beverages sector.

2.5.2 The scale of public debt has led governments and local and regional authorities to reduce the amount of subsidies granted to cultural and music associations, theatres, art-house cinemas and orchestras. Publicly-funded radio and television face difficulties in several Member States, as does the written press which is experiencing a crisis in its economic model as a result of the digital revolution.

2.5.3 Negotiations on a transatlantic partnership opened in June 2013 and there have already been nine rounds of negotiations. The cultural exception has been recognised from the outset and the EESC supports the position of the European Parliament which, in its resolution of 23 May 2013 on EU trade and investment negotiations with the United States of America⁶, calls for "the exclusion of cultural and audiovisual services, including those provided on line, to be clearly stated in the negotiating mandate".

2.5.4 The Creative Europe programme, on which the Committee has already issued an opinion⁷, has just come into effect and has been allocated a budget of EUR 1.46 billion for 2014-2020.

3. General comments

3.1 Questions on the economic development of the sector

3.1.1 Many iconic sectors for European culture and creativity have been undermined by the crisis:

- classical and traditional music concerts and orchestras,
- opera and theatre festivals,
- the European comic book sector suffers from pirating,
- audiovisual production for public television channels sometimes has faced significant budget cuts.

3.1.2 The Eurostat data for 2009-2013 confirm a decrease in jobs in sectors such as publishing in France, with 146 000 employees in 2009 and 112 000 in 2013, or programming and filming in Poland with the workforce falling from 25 000 employees in 2009 to 19 600 in 2013.

⁶ P7_TA(2013)0227, point 11.

⁷ [OJ C 198, 10.7.2013, p. 39.](#)

3.1.3 In contrast, according to a report by the European Foundation for the Improvement of Living and Working Conditions in Dublin (on Arts, entertainment and recreation: Working conditions and job quality)⁸, employment in the arts, entertainment and recreation sectors increased slightly in the EU between 2010 and 2012 by 2%. In certain Member States the share of workers in these sectors is well above the European average (1.6% of the labour force): the United Kingdom and Estonia at 2.6%, Sweden at 2.5% (14% of businesses and 8% of GDP) and Latvia at 2.3%.

3.2 **The architecture of the Creative Europe programme for 2014-2020, which raises some questions on financing and local representation**

3.2.1 The reason for which businesses in the creative industry need to seek financing can be explained by the difficulty they have in designing income models that would enable them to capture value. Guiding SMEs in designing business and income models, enabling them simultaneously to create and capture value, would make them less dependent on public subsidies.

3.2.2 In the past the EESC has expressed doubts as to the new financial mechanism designed to give SMEs and other operators easier access to financing. The lack of expertise in the cultural field of the European Investment Fund (EIF)⁹ was highlighted. Yet this is the authority responsible for providing the sectoral guarantee of EUR 121 million.

3.2.3 Under the Creative Europe programme, this guarantee must have a leverage effect of 5.7 %, which would lead to around EUR 700 million being made available for a tender procedure and would make it possible to select the bodies responsible for strengthening administrative capacity for the guarantee mechanism.

3.2.4 It would also be worthwhile using a more diverse range of financing arrangements. Crowdfunding, including its cross-border dimension, would offer projects easier access to financing, and would reduce the risk for investors (*La Tribune*, 11 February 2014).

3.2.5 More broadly, this raises the entire question of assessing intangible assets in financial terms. The European Commission acknowledges the importance of these intangible assets but does not suggest any common method for assigning financial value to them.

3.2.6 Lack of local representation: there are between one and four Creative Europe offices per Member State, either in the capital or another large city. This network is probably not sufficient to ensure promotion of programmes in all regions that are strongly geared to the CCI.

⁸ http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1384en14.pdf

⁹ [OJ C 181, 21.6.2012, p. 35.](#)

3.3 **Adapting intellectual property law to the digital revolution**

3.3.1 Reform of Directive 2001/29/EC on copyright¹⁰ is currently being discussed, largely on the basis of the communication of 19 May 2010 (COM(2010) 245 final) A Digital Agenda for Europe, with difficult questions to tackle:

- should a single European copyright title be introduced?
- how should copyright, which exists in highly diverse and complicated forms at national level, be adapted to new forms of cultural expression?
- is it desirable to harmonise the duration of copyright protection in the EU?
- has the legislator anticipated the 3D-printer revolution?

3.3.2 Another sensitive issue concerns remuneration for authors and artists/performers in relation to the revenue generated by the online use of their works and performances.

3.3.3 The EESC stresses the need for a balanced system providing fair and equitable payment for all entitled parties, particularly content creators, artists/performers and producers.

3.3.4 It is also important to help SMEs/VSEs/and micro-enterprises in the creative and cultural industries protect their intellectual property rights¹¹, especially in the fashion and design sectors.

3.3.5 In addition, the EESC calls on the European Commission to be consistent by also revising Directive 2000/31/EC on electronic commerce¹² to make all those involved (actors/entitled parties, hosts, search engines, suppliers of payment solutions, etc.) aware of their responsibilities in the fight against piracy.

4. **Specific comments**

4.1 **The urgent need for territorial incentives**

4.1.1 The EESC stresses that it is at local level that forms of cooperation will - or will not - be established. In this respect it is necessary to stress the vital role of cultural clusters, creative districts and easily-accessible meeting places provided free of charge by towns and regions, as indicated in several statements (Wallonia, Rhône-Alpes) at the hearing held on 15 June 2015. In their report on the resilience of creative and cultural industries during the crisis,

¹⁰ [OJ L 167, 22.6.2001, pp. 10-19.](#)

¹¹ See EESC opinion *Towards a renewed consensus on the enforcement of Intellectual Property Rights: An EU Action Plan*, [OJ C 230, 14.7.2015, p. 72.](#)

¹² [OJ L 178, 17.7.2000, pp. 1-16.](#)

experts from the European network¹³ state that: “Public policies geared to foster culture and creativity appear to have a stronger impact at infra-state level”.

4.1.2 The annual programme for implementing Creative Europe provides for allocating EUR 4.9 million to the Creative Europe offices. There are too few of these offices and they are located in capitals or large cities, which does not necessarily best match where actors are located.

4.2 **A necessary response to the sometimes insecure employment situation of atypical workers in the CCI (excluding the luxury industry)**

4.2.1 According to a report by the International Labour Organization (ILO) in May 2014 on industrial relations in the media sector and cultural industries¹⁴, there are:

- 2.3 million people employed in publishing, video and television production,
- 1.2 million people in printing and media reproduction,
- 1 million artists, half of whom have self-employed status.

4.2.2 In most of these professions, and in particular in the media and culture sector, what is known as atypical employment has grown over recent years, with part-time and fixed-duration contracts, temporary work and economically dependent self-employment spreading rapidly.

4.2.3 The EESC supports the points of consensus adopted by the ILO in May 2014¹⁵, confirming that “*fundamental principles and rights at work apply to all workers in the media and culture sector, regardless of the nature of their employment relationship*”. It notes that some workers in the media and culture sector do not have sufficient social protection (unemployment, retirement, social security, etc.) and that sometimes the use of subcontracting and the existence of a wide spectrum of employment relationships among atypical CCI workers can increase health and safety risks.

4.2.4 The EESC advocates stronger collective bargaining in these different fields to improve working conditions.

4.2.5 The EESC calls on the European Commission to put forward an ambitious legislative package on mobility providing an appropriate solution to the problems of mobility within the EU for CCI workers and easing visa procedures for exchanges with third countries.

13 <http://www.eenc.info/reports/the-resilience-of-employment-in-the-culture-and-creative-sectors-ccss-during-the-crisis/>.

14 Employment relationships in the media and culture industries (May 2014) http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_240701.pdf.

15 International Labour Organization (ILO) GDFMCS/2014/7, Global Dialogue Forum on Employment Relationships in the Media and Culture Sector, Geneva, 14-15 May 2014, Points of consensus.

4.3 **A forward-looking approach to changes in education and training tools in the CCI sector**

- 4.3.1 The EESC has already highlighted the need to foster greater knowledge of the creative industries in school curricula and vocational training, in accordance with the International Charter of Artistic Craftsmanship¹⁶.
- 4.3.2 The important role of public radio and television services as the primary vehicle for cultural education and for broadcasting programmes of significant literary, historical and artistic content should be emphasised.
- 4.3.3 The EESC also believes that in a period when economic models associated with changes in, among other things, the habits of consumers are rapidly evolving, it is necessary to teach economics, management and strategy in training programmes for professions in the creative and cultural industries. Managers and entrepreneurs in CCIs should also have access to such training courses as continuing vocational training.
- 4.3.4 The EESC has stressed in many opinions that training is important for transferring rare know-how from crafts people. But what is increasingly striking in several Member States is the growing gap between the content of teaching and market needs, which has led some civil society players to get involved in training by setting up private institutions, or to introduce short (four-week), highly practical training courses under public-private partnerships focusing on an occupation where young people, whether qualified or not, can rapidly become operational.
- 4.3.5 A European Sector Skills Council for the audiovisual and live performance sectors started operating in November 2014. The EESC is interested in its work, which should lead to better anticipation of initial and continuing training needs.
- 4.3.6 Against this backdrop, the EESC sees it as important that the social partners and the European Skills Council should be closely involved with the work carried out by ESCO¹⁷ (multilingual European Skills, Competences, Qualifications and Occupations).
- 4.3.7 The EESC would like to see greater synergy between the "Knowledge alliances" sector of the Erasmus+ programme and the "Creative Europe" programme.

4.4 **Vigilance towards our global competitors' strategies**

- 4.4.1 The EESC calls for all the sector's dimensions — employment, skills, training, intellectual property, etc. — to be taken into account, given their economic weight. The external

¹⁶ See footnote no 4.

¹⁷ The ESCO classification was launched by the European Commission in 2010. ESCO is part of the Europe 2020 strategy.

dimension should be integrated into all ongoing bilateral and multilateral negotiations. Indeed, goods and services with significant creative and cultural content represent an increasing share in EU exports. According to ECCIA, luxury products accounted for some 17% of total European exports for 2013.

4.4.2 Taking the specific features of these industries into account in terms of content involves paying greater attention to intellectual property rights and regulation of e-commerce.

4.5 **Setting out the European Union's values in an appealing way**

4.5.1 The EU's values deserve to be promoted and disseminated on the social networks using attractive formats.

4.5.2 A call for projects addressed to video makers, graphic designers and artists, musicians etc. could lead to imagine-driven, lively content being produced, that might gain viral status among young audiences.

4.6 **Cross-pollination should be encouraged**

4.6.1 This objective, which aims to put in place and develop synergies between different creative and cultural industries, is part of the European Commission's conceptual framework within the Creative Europe programme¹⁸.

4.6.2 There have been very encouraging one-off experiences, for example between gastronomy, the digital industry and tourism, between art and luxury, culture and tourism.

4.6.3 These experiences of cross-fertilisation between CCIs and between CCIs and other industries are not often applicable on an industrial scale since they are based on an understanding of the specific characteristics of each sector.

4.6.4 The cross-fertilisation techniques being developed in the CCI sector are, thanks to technological advances (3D printing, digital printing), stimulating the growth of new types of occupation geared to creation and innovation, which are vectors for future jobs.

4.7 **Harnessing the economic potential of architectural heritage**

4.7.1 The EU has the highest cultural density in the world, with 363 of the 981 UNESCO cultural and natural heritage sites. Indeed, it has been shown that the influx of Indian, Chinese, Japanese and American tourists is mainly due to the wealth of this heritage¹⁹. Any

¹⁸ Regulation (EU) 1295/2013 of 11.12.2013 establishing the Creative Europe Programme, [OJ L 347, p. 221](#).

¹⁹ [OJ C 44, 20.6.11 2.2011, p. 75](#).

improvement in the area of visa policy is to be encouraged, subject to security constraints as determined by the Member States and third countries involved.

4.7.2 However, given the high level of debt of several Member States that are particularly rich in architectural monuments — Greece (17), France (39), Italy (47) or Spain (44) — there are difficulties surrounding conservation and maintenance of this heritage. Since this European cultural and architectural wealth is a great asset that allows cultural tourism to continue to develop, we would ask the European Commission to take stock of the current state of maintenance of UNESCO sites located in the European Union.

4.8 **Setting up a multi-stakeholder European forum**

4.8.1 The EESC has already requested this²⁰. The Committee of the Regions supports this request and calls for a European forum on creativity to be set up²¹. This forum "would bring together public, private and voluntary groups to analyse ways in which Europe could apply creative solutions to pressing local and European problems".

Brussels, 16 September 2015.

The President
of the
European Economic and Social Committee

Henri Malosse

²⁰ [OJ C 198, 10.7.2013, p. 39.](#)

²¹ [OJ C 218, 30.7.2013, p. 7.](#)