EXECUTIVE SUMMARY

Abstract

This note provides analytical, conceptual, and policy commentary on the proposed Culture Strand of the Creative Europe Programme. It takes into account all available commentary on this Programme from both official sources and a wide range of stakeholders, including published results of consultation and follow up discussions with key actors in the field by IMO research team. The focus is on both the plausibility and cogency of the overall policy architecture and on key points of acknowledged concern.
LIST OF ABBREVIATIONS

CCP Cultural Contact Point
CCS Creative and Cultural Sector
DG Directorate-General
EACEA The Education, Audiovisual and Culture Executive Agency
EU European Union
GDP Gross Domestic Product
IMO Institute for International Relations, Zagreb, Croatia
MFF Multi-Annual Financial Framework
MS Member State
OMC Open Method of Coordination
EXECUTIVE SUMMARY

Background

The background to this Note is a request from the European Parliament Culture and Education (CULT) Committee for expert commentary on the nature and implications of the proposed new Creative Europe framework programme, currently under consideration by both Council and Parliament, for both the established and proposed Culture Strands and in the context of the upcoming debates on the European Commission’s proposal for the Multiannual Financial Framework (MFF) 2014-2020 and the Europe 2020 Strategy.

In deliberations, consultations, and research a number of concerns had been identified by the Parliament including, at the forefront, the proposed merger of Culture and Media strands and subsequent policy and funding equilibrium issues for subsidised and commercial cultural operators. Closely connected to this are concerns with the nature of the proposed Financial Facility, the related shift away from a subsidy towards an investment orientation, with lack – or loss - of parity of esteem and treatment for smaller cultural operators, the implications for the Cultural Contact Points (CCPs) and Media Desks of the proposed new Creative Europe Desks and, not least, the implications for Transnational Policy Cooperation within the Open Method of Cooperation (OMC).

In this context the CULT Committee of the Parliament commissioned Institute for International Relations (IMO) to provide commentary and analysis to inform the Parliament on the implications of the proposal for the Culture Strand - its strengths, weaknesses, opportunities, and threats - to inform Parliament’s deliberations through commentary, analysis and recommendations. This document is the result of that brief and takes the form of a critical overview of the proposal in Section 1.0, deeper analysis of the implications of the proposal for various stakeholders in Section 2.0, reflections on the programme in Section 3.0, and a series of Recommendations for consideration and action in Section 4.0. In this executive summary the overview, analytical, and recommendatory components are telescoped and synthesised for ease of reading.

Overview of the proposed Creative Europe Programme

Creative Europe is a proposal for a single framework programme bringing together within both policy and resourcing purviews the hitherto distinct but related ‘culture’ and ‘media’ strands of the Commission’s core activities in the cultural field and creating a cross-sectoral architecture for policy and support including a new Financial Facility for the whole Cultural and Creative Sector (CCS) as now defined within both background and support documentation and in Article 2, Definitions of the Proposed Regulation before Council and Parliament.

The proposal has been received by stakeholders as, on the one hand, a welcome streamlining of actions and the provision of, as referred to by the European Commission, a ‘one stop shop’ for all cultural activities by the Commission and, on the other hand, as a confusing and possibly threatening move lacking in detail on application, management and budget, and therefore generating concerns and fears for its implications, especially among the smaller CCS operators. This is especially the case with the proposed Financial Facility and its orientations towards an investment rather than a subsidy strategy. This has generated concerns about parity of regard, esteem, and treatment in resourcing and policy.
These concerns are covered indicatively in the first section of the Note and taken up in more detail in Section 2.0.

In relation to the proposed budget increase of 37% to €1.8 billion for 2014-2020 which received considerable EU-wide and international attention when it was first announced, this Note advocates caution and modesty and situates this increase in the context of the overall proposed budget for the European Union. In this light, the proposed Creative Europe Programme takes up just 0.002% of the total proposed budget. The contribution is also assessed in relation to published indicators on the extent and nature of the CCS, and its contribution to employment and to GDP, even prior to considerations of its contributions to cohesion, regional, and digital objectives, and to the overall Europe 2020 Strategy objective of ‘smart, sustainable, inclusive growth’.

In our analysis of the programme proposal we draw attention to the following key factors and issues which are crucial to its proper evaluation:

- The wider policy context in which it has to be situated
- The overall policy architecture and operational feasibility of the proposal
- The terms of stakeholder engagement.

**The wider policy context**

The wider policy context, in which the Creative Europe proposal is situated, is characterised by a new and more strategic and mainstream positioning of culture in the use of terms and concepts such as ‘creative economy’, ‘creative ecosystem’, etc., in the context of an increasingly knowledge and content-based global and digital economy. In the EU context, this also positions culture and creativity much closer, in policy and operational terms, to contiguous – and much larger – agendas in areas such as cohesion and inclusion, innovation, digital, and regional agendas.

In this context and under this heading the main recommendations for action include:

- Acceptance but careful monitoring of the proposed merger of three existing programmes;
- Ensuring parity of esteem, regard, and treatment for non-profit/not-for-profit and commercial operators in the CCS;
- Ongoing research into the nature, extent and impacts of the CCS in the context of the post 2007/08 financial crisis;
- Supporting the proposed budget increase and putting it in its proper overall budgetary and economic context, with additional information requested from the Commission on precise allocations for the proposed three strands and their functions, especially for the Creative Europe Desks and Transnational Cultural Cooperation initiatives.

**The policy architecture and feasibility of the proposal**

The Parliament should acknowledge the broad support, from all stakeholder communities, for the proposal of a framework programme for such a strategic and connective area as culture in the contexts of the goals and objective of the Europe 2020 Strategy and its key theme of smart, sustainable, inclusive growth, in particular.
In this context, and welcoming the stated objective of ‘new refocused objectives and priorities that better fit the reality of the culture sector, as well as simplifying existing instruments’, and acknowledging improvements made to the Proposal for a Regulation during the Danish Presidency, the main recommendations for consideration and action are:

- Ensuring an appropriate equilibrium of purview in consideration of the economic and intrinsic values of culture and acknowledging new conceptual, analytical and policy frameworks that are available to enable this;
- Ensuring continuity and stability in funding and support for applicants including through matched-funding and the role of Member States (MS) in the OMC;
- Immediately addressing concerns about the proposed merger of culture and media strands and of CCPs and Media Desks though the provision of more detailed information on plans and budget allocations;
- More operational and financial detail and plans for the proposed Financial Facility and especially its relationship to both the European Investment Fund and to banks; and
- Further detailed elaboration of plans for the transnational component of the Cross-sectoral Strand including goals, programme management, and budget.

**The terms of stakeholder engagement**

That ‘we are all stakeholders in culture’ is often asserted and nowhere is this clearer than in the current EU economic and policy climate. In this context, the Creative Europe proposal and its lead agency within the Commission, The Education, Audiovisual and Culture Executive Agency (EACEA), needs to be especially attentive to the terms of ongoing stakeholder engagement with the proposal - and the programme - by:

- Providing clearer explanations, definitions, and rationales for the key elements of the proposals highlighted in this Note as of immediate and pressing stakeholder concern;
- Setting up wide stakeholder consultative processes (not just for cultural operators) for ongoing monitoring and evaluation as well as agreed milestone and performance indicators;
- Establishing or consolidating mechanisms and processes for ‘joining up’ policy and programmes related to the CCS across the EU and within the framework of the OMC;
- Initiating ongoing quantitative and qualitative mapping of the CCS with research-competent entities and agencies at EU and MS levels;
- Continuing work on the refinement of both quantitative and qualitative indicators – of performance, contribution, impact, etc. – in collaboration with relevant national and international agencies including the Council of Europe.
Concluding comments

The Creative Europe proposal’s overall goals and ambitions are in line with the goals and objectives of the Europe 2020 Strategy and respond, broadly speaking, to the realities of a globalised and increasingly digitised creative economy. We note here, however, that Creative Europe mentions the Europe 2020 Strategy only once in its narrative. The Europe 2020 Strategy uses the word ‘cultural’ just once and the word ‘creative’ not at all. This is not the way that smart and sustainable synergies are created or policy settings connected and harmonised in these top-level framework documents and there is a deal of work yet to be done towards this end. More information and elaboration will be necessary, especially in the two key areas of (i) the ‘philosophy of approach’ to key areas such as parity of regard, esteem, and treatment for the different stakeholders, and (ii) rationales, operational details and budget allocations for key proposed actions.

The European Parliament may wish to use the presented recommendations to address the proposal’s weak points, and indicate ways of strengthening them. It may also wish to take the opportunity to open a more fundamental debate about the nature of the creative economy/creative ecosystem and its implications for future smart, sustainable, inclusive growth in the Union and the Member States as well as a distinctive and competitive position for the EU in a globalised and digitised world which poses many threats both to European identities and to European markets but also many new opportunities for them.